

Meeting real needs with concrete solutions.





Every day, life presents new challenges and opportunities. Every day, we each have a new story to tell that involves tangible needs and requires clear answers.

In this year's Sustainability Report, we illustrate our way of banking with stories of the people, businesses and institutions who use our customized solutions. You will read stories about how we worked together to promote sports in schools and how we gave a boost to long-established industrial firms by enabling them to update their machinery. You will also learn about how we have supported the development of new computer systems and have provided broad support to the green economy.

These stories were built on entrepreneurship, courageous innovation, respect for tradition, and our strong bonds with local communities.

We strongly believe that being a bank today means making a concrete difference, day in and day out, for those who have chosen to do business with us. It means facing challenges together and creating a world of new opportunities.

These are true stories - snapshots of ordinary life that shape the mosaic of our daily work. At UniCredit, we are creating a world of relationships, where our stakeholders can best meet the changing needs of the times.



Report structure

This is the 11th edition of the UniCredit Sustainability Report (the report), an annual publication summarizing connections among the business strategies, the management of stakeholder relationships, and the principal activities engaged in by our Group during the reporting period ending on December 31, 2011.

The 2011 Sustainability Report is comprised of two parts: a main section that principally contains qualitative descriptions, and a supplement that includes technical appendixes pertaining to the chapters of the main section.

The report was written in conformity with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 and the updated version of the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by the GRI-Global Reporting Initiative.

We declare our reporting status to be Application Level A+.

In accordance with the above-mentioned guidelines, the GRI and Global Compact Index can be found on page 86.

As in previous years, the process of defining content and determining materiality was based on GRI principles (materiality, stakeholder inclusiveness, sustainability context and completeness). Furthermore, in developing the 2011 materiality

matrix, we improved on the process used in 2010, as described in the Our Approach chapter.

In 2011, we also implemented the London Benchmarking Group (LBG) model for the first time to enhance our communications about our local initiatives and the level of support we provide them, as described in the Communities chapter.

The LBG model allows for a broader representation of our community investments as compared to the 2010 report, in which we mainly detailed the cash value of donations and sponsorships. Beginning with our first LBG pilot in Italy, our objective is to gradually extend this methodology to other countries within our sphere of operations.

Unless otherwise noted, the organizational scope of the report corresponds to that of the 2011 Consolidated Reports and Accounts, from which the economic and financial data contained within the report are derived.

For information not centrally available at the Group level, the data-gathering process was conducted through the systematic use of GRI-compliant CSR cards. This process involved the main legal entities of our Banking Group, as of December 31, 2011, based in Italy, Germany, Austria, Poland, Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Russia. In addition to

these countries, environmental data also encompasses entities based in Bosnia and Herzegovina, Serbia, Slovakia and Slovenia.

Any limitations to the above-described scope are clearly disclosed throughout the report. An important future priority is to more fully align the scope of this report through further standardization of data-gathering procedures.

In order to guarantee the reliability of reported information, we included directly measurable data while limiting the use of estimates wherever possible. The data is based on the strongest information available or on sample analyses. Estimated figures, as well as restatements of data previously published, are clearly disclosed as such. The exchange rates used were those on December 31, 2011.

This report was subject to the limited review of KPMG S.p.A., in accordance with the criteria established by the International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

A KPMG S.p.A. report describing their completed activities and pertinent conclusions related to this document may be found on page 90.

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Letter from the CEO



“Sustainability is the bedrock of our plan. We continue to build a culture of sustainability to allow us to have a positive, real-life impact on all our stakeholders.”

Dear Stakeholders,

We began 2011 on a strong note. However the escalation of the sovereign debt crisis, coupled with new capital requirements, turned the year into a decisive time in our Group's history.

The challenging economic reality in which we now work makes it more important than ever to maintain rigorous capital discipline, remain focused on our customers and strengthen relationships with all of our stakeholders.

We have developed a new strategic plan, which we will guide us in this effort to create sustainable value for our stakeholders and our bank.

Sustainability is the bedrock of our plan. We began by reinforcing our position with a successful €7.5 billion capital increase and a goodwill write-down, which helped us to align our balance sheet with the real economy. The plan calls for greater operational efficiency, strict cost management and a reduced risk profile to assure we maintain our strong position.

Importantly, our strategic plan allows for a more focused business structure that puts commercial banking at the core of our activities, while leveraging simplification and lean, transparent operations.

Our path towards sustainability is guided by our employees for they are our most valuable asset. In 2011, we continue to build a culture of sustainability from the inside out, to better address our social, economic and environmental responsibilities and to allow us to have a positive, real-life impact on all our stakeholders.

Our Group has worked to instill a strong corporate culture that respects the role of sustainability in all areas of our business. For us, this means supporting the principles of the UN Global Compact to reaffirm our commitment to human rights, fair working conditions, the environment and the fight against corruption. It also means continuing to build a corporate culture that leverages our strict code of conduct to ensure responsible business practices throughout our Group. We view this as one of the best ways to enhance our culture of customer service.

Because we are one of the largest banking networks in Europe, doing business with more than 35 million customers at our 10,000 branches, we have every incentive to build stronger customer relationships. To do this, we have invested in listening to our customers and engaging them to understand

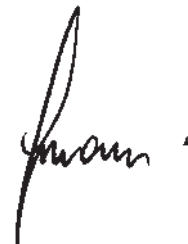
their needs and develop concrete solutions.

We align our customers' needs with the broad economic trends. One example is our Group's commitment to promote the internationalization of small and medium-sized enterprises and to connect our entrepreneurial customers to potential new business partners. This approach transforms today's challenges into opportunities for our customers and for our bank.

We apply a similar approach to generating value for the communities in which we operate. After analyzing the benefits of our initiatives, we focus on those that will deliver the highest return for our communities. Through our financial education programs, for example, we aim to equip people in our communities with the products and skills they need to make sound financial decisions.

We believe that robust economic development demands the participation of all citizens in the modern financial system.

As we look ahead, we expect 2012 to be another challenging year. Yet we are confident in the steps we have taken and in the strength of our network. As a rock-solid European commercial bank, we are equipped to realize profitable and sustainable growth, and to ensure the value of our long-term partnerships with our stakeholders.



Federico Ghizzoni
Chief Executive Officer,
UniCredit

Highlights

UniCredit operates in 22 Countries with more than 160,000 employees and nearly 9,500 branches.

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

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

(currency amounts are shown in € million)

| | |
|--------------------------|---------|
| OPERATING INCOME | 25,200 |
| OPERATING PROFIT | 9,740 |
| NET PROFIT (LOSS) | (9,206) |

| | |
|-----------------------------|--------|
| SHAREHOLDERS' EQUITY | 51,479 |
| CORE TIER 1 RATIO | 8.40% |
| TIER 1 RATIO | 9.32% |

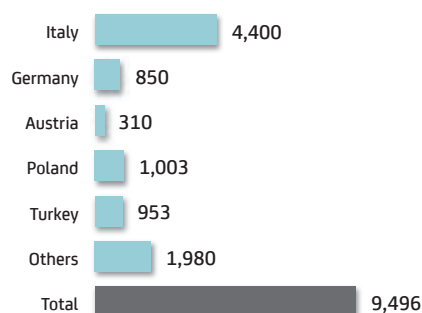
| | |
|------------------------------|--------------|
| EMPLOYEES¹ | over 160,000 |
| BRANCHES² | nearly 9,500 |
| TOTAL ASSETS | 926,769 |

1. Data as at December 31, 2011. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Services Group employees.

2. Figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.



BRANCHES BY COUNTRY²

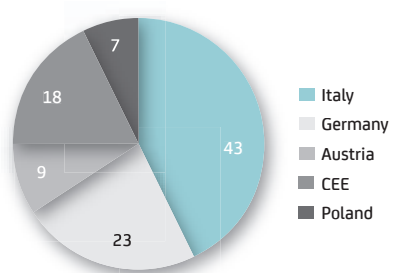




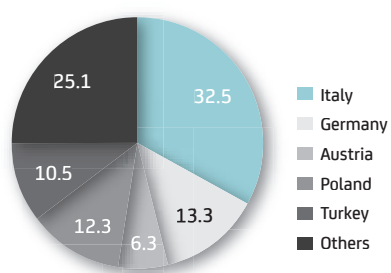
WHERE WE OPERATE

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

REVENUES BY REGION (%)



EMPLOYEES BY COUNTRY¹ (%)



Focus

AUSTRIA, GERMANY AND ITALY

UniCredit is strategically positioned in Italy, Germany and Austria. These three countries account for more than one-third of the combined GDP of the European Union and collectively represent one of the continent's wealthiest transnational regions.

GDP per capita in each of these countries is higher than the average for the EU as a whole. Moreover, Germany ranks first in terms of GDP per capita among the four largest EU economies, surpassing France, the United Kingdom and Italy.

UniCredit has one of the largest banking networks in all three of these core Western European countries and provides access to 310 branches in Austria, 850 in Germany and 4,400 in Italy. Each country is closely linked to the growing economies of Central and Eastern Europe.

In terms of economic performance, 2011 was another year of moderate expansion for these core countries. The first half of the year saw a growth in momentum that was sustained by healthy global demand. During the second half of the year, there was a marked slowdown in economic activity following the sovereign debt crisis, which took place during the summer. In particular, market repricing of risk premiums on Italy's sovereign debt took its toll, fueled by investor concerns about the sustainability of the country's public debt in the context of structurally low GDP growth. The response of the Italian government in terms of fiscal consolidation was impressive, although this likely contributed to dampen the country's growth prospects, at least in the short-term. As for Germany, market sentiment remained extremely positive with regard to the country's perceived health.

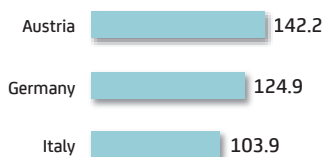
For the next two years, our three core markets will face challenges. These will be particularly acute in Italy.

Nevertheless, these three countries will continue to demonstrate their relative strength in comparison to the nations of southern Europe given their balanced growth model, relatively low level of private sector debt and continued prudent management of public finances.

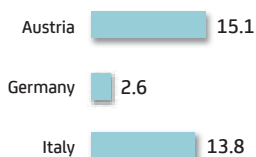
Italy and Germany possess the eurozone's largest manufacturing base, together generating more than 50 percent of the euro area's total nominal added value.

From 2011 to 2015, real economic growth is expected to continue at an average annual rate of roughly 2 percent in Austria and Germany, and nearly 0.5 percent in Italy. This is higher than the average rate achieved over the previous five-year period for the three countries. Moreover, while exports will certainly be an important factor behind the ongoing economic recovery, another favorable development will be seen in domestic demand, which will become an increasingly important engine of economic development. Particularly in Germany, this will result in a more sustainable pattern of growth that is not exclusively export-driven.

GDP PER CAPITA¹



MARKET SHARE² (%)



1. Nominal GDP per capita as at December 31, 2011 (EU27=100). Estimate of Nominal GDP per capita within the EU27 as at December 31, 2011 (last update April 13, 2012).

2. Market Share in terms of Total Customer Loans as at December 31, 2011.

Source: Eurostat, UniCredit Research.



CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe, where it has a broad network of roughly 3,900 branches.

Its regional footprint is diverse, and includes a direct presence in 19 countries. It is ranked in the top five in 11 of these countries*. In fact, the CEE now accounts for 18 percent of the Group's revenues.

UniCredit has a long history in this dynamic region, from which nearly half of all its employees come. The Group is well positioned to benefit from the process of economic convergence that has been generating higher living standards and a better business environment in these countries.

UniCredit's market position in this region gives its local banks a substantial competitive advantage. This includes the sharing of best practices, significant economies of scale, access to international markets and strong brand recognition. Moreover, the bank's diversified portfolio in this region enables modular growth and increased market penetration for UniCredit's global product lines.

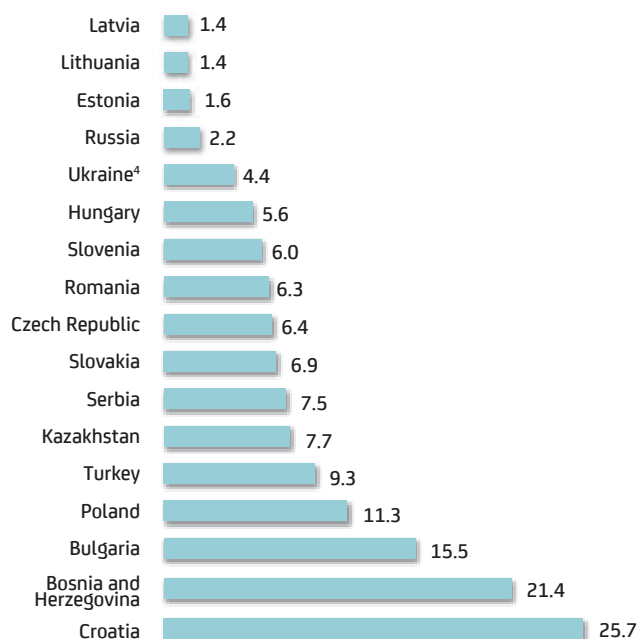
In the first three quarters of 2011, most countries in the region posted strong gains in economic activity, supported by robust external demand, favorable agricultural conditions and, in some cases, resilient domestic demand growth. To date, available data indicates some slowdown in economic activity in the fourth quarter, in part as a result of weaker external and industrial demand. Nevertheless, the region as a whole proved relatively resilient to the challenges of the EMU. The risks, if any, to UniCredit prediction of 4.7 percent GDP growth for the CEE in 2011** are to the upside.

In 2012, GDP growth for the region is forecast at 3.3 percent, assuming a broadly flat first half-year followed by an improved second half-year. Among the largest economies in the region, Russia is expected to lead, posting growth of almost 4 percent, while in Turkey and Poland GDP should post gains of approximately



3 percent. These economies will benefit from lower debt levels as well as a head start in fiscal consolidation relative to the EMU. Other economies in the region, including Croatia, Slovenia and Hungary, will struggle to post positive gains in GDP.

MARKET SHARE³ (%)



* as at September, 2011.

** GDP figures at December, 31 2011 are not yet final.

3. Market Share in terms of Total Assets as at December 31, 2011. Market Share in Azerbaijan and Kyrgyzstan not available.

4. Pro-forma (Ukrasotsbank + UniCredit Bank Ukraine).

Source: UniCredit Research, UniCredit CEE Strategic Analysis.

Engaging stakeholders to set our course.



To deepen our relationships with UniCredit's stakeholders, we conducted more than one million interviews that focused on their expectations. Based on their responses, we developed a materiality matrix, which prioritizes their needs and helps identify how best to address them. This engagement is one of the keys to sustainability.

"Destinazione Cina 2011" project - October 26, 2011, Magnani Palace, Bologna

Our Approach

PRIORITIES 2012

Continue our investment in a culture of sustainability by:

- cultivating a culture of stakeholder service among our employees and providing broader support to the planning of activities leveraging our listening programs
- implementing our Global Compliance Framework, which will ensure that all relevant Group entities adopt compliance measures similar to those of our Italian entities, even in countries where regulations do not require us to meet the same standards

Strengthen UniCredit's inclusive approach to risk management through risk training and communications

Priorities 2011

Build a culture of sustainability

Strengthen our compliance with the mission statement using robust policies and regulations, and develop a corporate culture that is respectful of new compliance measures enhancing our second-level control system

Complete the implementation of the UniCredit Code of Conduct through our relevant training program

Activate our Sustainability Performance Measurement (SPM) system – i.e., list our sustainability KPIs aligned with our Sustainability Framework – which was described in 2010 as our Sustainability Performance Management system, and produce our first report

Engage our stakeholders

Strengthen dialogue with our stakeholders through specific initiatives such as forums and focus groups in select countries in order to increase our proximity to our territories

Key achievements 2011

Achieved: UniCredit's Global Compliance Framework went into effect in June 2011. In addition, the Compliance department issued or reviewed 19 global compliance rules that addressed a broad range of compliance topics. The department oversaw four global compliance training sessions, in addition to local compliance courses. We also made progress in our initiative to refine and enhance our approach to a second-level compliance control system

Achieved: the Code of Conduct, which includes anti-corruption measures, was approved by nearly all of our main legal entities and became effective in January 2011. To date, over 70,000 employees have confirmed their understanding and acceptance of the policy


Partially achieved: we defined our sustainability KPIs and conducted internal testing to prepare for the launch of our monitoring system

Achieved: a dedicated unit was created in 2011 to engage in stakeholder listening, improve the quality of information collected and develop meaningful analyses. Based on feedback gathered from all of our listening programs, we constructed a materiality matrix that prioritized our stakeholders, identified their major issues and assessed how to address their requests

Our Approach

The current financial crisis has radically changed the global economic environment.

At UniCredit, we regard this crisis as an opportunity to build a stronger bank that will support a stronger Europe and a stronger euro.

More than ever, sustainable practices are fundamental to our success. We have reevaluated our strategy in light of the new economic reality, which is why, in 2011, we refocused on the following areas previously identified in our sustainability framework (more information is available  on our web site):

- setting a clear direction for sustainability to ensure our standing as a rock-solid European commercial bank as described in our strategic plan
- leveraging our people, our most important asset, by enhancing their awareness of sustainability as a tool for building a strong corporate culture
- enhancing our inclusive approach to risk management by investing groupwide in a deeper understanding of risk and in governance solutions that

better manage reputational risk-generating activities

- deepening our relationships with our stakeholders and identifying the topics most important to them and how to serve them better

Approach sustainability strategically

The UniCredit Strategic Plan, which was introduced in November 2011, builds on what we have already accomplished in terms of sustainability while linking our long-term business objectives to our responsibilities to our stakeholders.

Our plan defines a clear approach that is fully aligned with the sustainability concept embedded in our mission: building long-lasting relationships to create sustainable value for our stakeholders.

The pillars of our strategic plan underpin our actions as we work to meet our objectives by 2015.

Exercising capital discipline

Rigorous capital discipline ensures our strong capital position.



Maintaining an appropriate level of capitalization is a fundamental prerequisite to carrying out our business operations, as defined by our sustainability framework.

Our identification as a Global Systemically Important Financial Institution (G-SIFI) means that we rank among the world's 29 most important banks, which are subject to additional layers of prudential regulation because of their role in the global economy.¹ We believe that the higher level of regulation that comes with being a designated G-SIFI will assure our customers and stakeholders that we are a safer and more transparent bank with which to do business.

¹ G-SIFIs are financial institutions deemed systemically important to the economy. Their relative importance has been assessed by regulators according to five criteria:

- complexity
- cross-jurisdictional activity
- size
- interconnectedness
- substitutability

UniCredit sustainability framework

Prerequisites

- compliance
- profitability and capital adequacy
- values in action
- mission
- brand
- reputation

Pillars

- customer excellence
- investing in people
- sound governance
- pervasive risk culture
- value-added processes and operations
- community development

Stakeholder engagement

- listening activities
- materiality analysis
- engagement initiatives

Our recent capital increase was fundamental to our capital discipline. Successfully completed in early 2012, it enabled us to reach a Core Tier 1 ratio of 9.97 percent, under criteria currently in place. Once Basel III is fully implemented, our Common Equity Tier 1 ratio will be higher than 10 percent in 2015. Our capital increase ensured that we will continue to operate in line with our strategic plan and with a sharp focus on our core business: serving as a rock-solid European commercial bank, focused on deposits and lending that supports the real economy.

Managing and simplifying costs

Speaking with certainty about revenues is challenging given the current economic environment. As a result, we are focused on measures within our control: the cost management and simplification of



our value-added processes and operations to support our business activities. Ensuring sustainable returns is fundamental to maintaining a strong market presence, while being easy to deal with is vital to generating value for our customers.

Our strategic plan specifies that our costs must remain flat. As a result, we have thoroughly reviewed groupwide spending and taken decisive measures to realize savings and leverage our economies of scale. Our workforce and support functions will be streamlined, and we will optimize office space requirements at our headquarters, saving on time and travel costs.

These cost-cutting measures do not mean that we will stop investing in our operations. On the contrary, we

expect to invest approximately €1.2 billion in improved banking technology to provide better services to UniCredit customers.

Refocusing our business

Being a sustainable bank means putting



customer excellence and community development at the heart of what we do.

Our strategic plan therefore focuses on our core business: providing financial services to private banking and retail customers, small and medium-sized enterprises (SMEs), and large corporations. This is our strength and we are committed to fostering it.

By refocusing our business, we will reduce our exposure to non-strategic assets, limit our investment banking services to our corporate clients and free up capital that better positions us to support customers. Over the next four years, we expect to provide new medium and long-term loans totaling €40 billion to SMEs in Italy, Germany, Austria and Poland.

Moreover, to spur sustainable business growth, we make sure to think of lending not as a goal but as a tool to support our corporate clients. We will thus leverage our position in Central and Eastern Europe (CEE), where strong GDP growth is anticipated, particularly in the Czech Republic, Poland, Russia and Turkey.

Increasing our business sustainability in Italy is critically important.

By adjusting our lending portfolio and reducing the cost of risk, we can improve our capacity to support our customers. More than €39 billion in

new loans will be extended to families, while new medium to long-term credit lines totaling €33 billion, including leasing, will be extended to SMEs by 2015. More information on the UniCredit Strategic Plan is available on our web site.



Build a culture of sustainability

Our strategic plan translates our business objectives into action, while our sustainability framework helps to define who we are as a bank and to cultivate the corporate culture necessary for generating long-term value for our stakeholders.

Today, we are creating a strong corporate culture based on shared values that underpin our internal and external relationships. Our Group raises awareness of sustainability issues by engaging all of our stakeholders, particularly our employees. Sustainable practices are an



investment in our enterprise, where our employees are our most important asset.

Instilling a culture of compliance



Compliance is integral to our business activities, and top management and the governing bodies within each of UniCredit's legal entities are responsible for overseeing compliance risk. It is a management imperative that we adhere to applicable laws, ethics, compliance standards and global compliance rules. Our employees bear the responsibility for carrying out and ensuring compliance.

Our Approach

Our commitment to instilling a culture of compliance, as reported in our 2010 Sustainability Report, translated into the issuing or renewal of 19 global compliance rules, on topics ranging from privacy to anti-money laundering, conflicts of interest, antitrust, management of inside information, provision of investment services, the UniCredit Code of Conduct and whistleblowing. More information is available in the Supplement to this report.

In addition, the Compliance department conducted a number of global courses on anti-money laundering, market abuse (for CIB² staff), the Code of Conduct and CIB supervisory duties. These global courses supplement local-level compliance courses required by local laws. Finally, our commitment translated into the approval of our Global Compliance Framework in 2011, which replaced the 2007 version. This new framework harmonizes the compliance function's role and responsibilities across our Group, and defines:

- our compliance mission – i.e., to help advance our business interests in compliance with applicable laws, regulations, internal policies and best practices; to safeguard UniCredit's franchise and reputation; and to uphold our values
- key activities carried out by compliance – i.e., to provide guidance and assessments; to monitor compliance risk; and to liaise with regulators
- the prerequisites to managing risk compliance effectively – i.e., independence of the compliance function; adequate technical and human resources; communication

with governing bodies; access to corporate information; and governance and coordination mechanisms

This new framework will gradually be implemented groupwide³.

We also made progress on an initiative launched in 2010, to refine and enhance a consistent approach to a compliance second-level control system. In 2011, we developed and shared our approach with main legal entities, which began a phased, risk-based rollout focused on priority countries and regulations. Our compliance function identifies the second-level controls under its remit and advises our management and other teams on how to identify and address the first-level controls that fall within their responsibility. By monitoring our compliance procedures, we are able to assess and regulate their adequacy, effectiveness and impact on our products and services.

The UniCredit Code of Conduct is a key component of instilling a compliance culture. As a new internal tool that supplements our Integrity Charter, the UniCredit Code of Conduct outlines

the principles our employees must adhere to in order to maintain a responsible professional culture that properly manages reputational risk.

Our Code of Conduct became effective at the beginning of 2011 and was then approved by nearly all of our main legal entities, while it has been published on the UniCredit intranet and emailed to our employees. To date, over 70,000 employees have confirmed that they read and understood our new policy.

**70,000 employees
have read and
understood our Code
of Conduct**

As of March 2012, more than 1,200 employees in select countries have received training on the Code of Conduct.

In Germany, nearly 14,000 employees have received anti-corruption training. Our Code of Conduct will be reviewed at least every two years, and our employees will be alerted to any material changes.

Focus

Main issues addressed by the UniCredit Code of Conduct

Our Code of Conduct, which includes measures to combat corruption, defines our core principles as a bank and outlines our commitment to:

- obey laws and regulations
- reject the giving or receiving of bribes
- restrict the giving or receiving of gifts and facilitation payments
- address conflicts of interest
- adhere to competition and corruption laws
- prevent money laundering
- counter market abuses
- ensure banking secrecy
- ensure data protection
- treat others with dignity and respect
- value health and safety

² Corporate and Investment Banking

³ The implementation of our framework ensures that our legal entities adopt compliance measures similar to those of our Italian entities, even in countries where regulations do not require us to meet the same standards.

In Germany nearly 14,000 employees have received anti-corruption training

Our employees will be required to enroll in our multilingual Code of Conduct e-learning course beginning in January 2012, and additional courses will be offered on related topics, including conflicts of interest and market abuse.

To further uphold our culture of sustainability, we approved our Whistleblowing Policy in July 2011, with an eye to fostering an environment in which our employees feel safe to report improper conduct that may be harmful to our mission, our reputation or our employees. Such conduct may be:

- illegal, unfair or unethical
- in breach of applicable legal or regulatory obligations that apply to our employees in their work
- non-compliant with our Group's rules and regulations

Our policy ensures that the anonymity of whistleblowing employees will be protected unless they consent to disclosure, local laws require disclosure or disclosure is needed to prevent or mitigate serious threats to a person's health or safety.

Aligning behavior, values and business objectives

In order to build and sustain a strong corporate culture, we must align our behavior with our Group's core values,



i.e., put our **values in action**.

To this end, we moved first to invest

Whistleblowing procedures

If there is reasonable suspicion that improper conduct has occurred or is likely to occur, our employees are urged to speak with the head of Legal and Compliance or the head of Internal Audit of their respective legal entity. If an employee's suspicion is related to either of these individuals, top management of that legal entity or our Group's General Counsel and Chief Compliance Officer should be contacted instead.

If there is any doubt about improper conduct, our employees are encouraged to speak informally with their managers or the head of Legal and Compliance.

If there is sufficient evidence of improper conduct, that will compile a basis for an investigation, the head of Human Resources and the head of Internal Audit have been informed – unless already involved – in order to start the relevant investigation, by appointing a person in charge of such investigation. If it is determined that there is insufficient evidence of improper conduct, the employee will be informed of the decision.

in tools and strategies to help our colleagues build lasting relationships with our customers. This included developing the UniCredit Competency Model in 2011. As a driver of our strategic plan, the model demands that we develop and deliver concrete solutions with real benefits to our customers, and that we manage our customer relations to ensure that UniCredit is easy to deal with even in challenging scenarios. More information is available in Our People chapter.

To align our values with our business objectives, an incentive system that measures and rewards sustainable results is fundamental. UniCredit's Compensation Policy is aligned with business needs and fosters sustainable growth, putting the Remuneration Committee and the Board at the center of the decision-making process, while assuring compliance with emerging regulatory requirements. Our Group Incentive Systems outline the framework for variable compensation

for UniCredit's Chief Executive Officer, key management personnel, Group executives and other select personnel. They foster sound compensation practices that go beyond mere compliance with regulatory requirements.

We adhere to three key principles in designing executive compensation plans that promote sustainable performance:

- executive compensation is linked to the underlying drivers of positive business performance, not just the outcomes themselves. In other words, it is based on a multi-dimensional performance evaluation. This evaluation makes systematic use of indicators selected with the aim of strengthening the sustainability of our business (e.g., the satisfaction of internal and external customers, risk and financial sustainability indicators, and profitability measures benchmarked against our peers)

Our Approach

- pay plans encourage a balanced approach to risk by incorporating threshold conditions linked to measures of risk mitigation and risk-taking. Taking a medium-to long-term perspective, we use metrics that have been defined ex ante, reflecting different categories of risk, to align remuneration with sustainable performance and with value creation for shareholders
- our total variable compensation scheme includes short-and long-term compensation that incorporates deferrals and legally enforceable malus and clawback conditions in a way that requires executives to adopt a long-term perspective. Deferred incentives account for a significant part of this scheme, with payout conditional on the achievement of further performance thresholds in subsequent years

Non-executive members of the Board of Directors do not receive variable compensation, in line with regulator recommendations. Their compensation is fixed and is determined on the basis of the importance of their position and the time their work requires. More information on the Group Compensation Policy is available on our web site.



To uphold our values, we have continued to invest in our Restorative Justice System (RJS), which promotes individual responsibility and voluntary resolution as a means of repairing relationships among our employees. In the course of 2011, the RJS continued to contribute to our Group's culture of accountability. We have enhanced training programs for and communications with our employees to help them better understand the RJS and its objectives, areas of application and importance.

We also decided to simplify the organization and functions of the RJS. Related measures will be undertaken in 2012.

The RJS processed numerous cases. As of December 2011, 1,007 of 1,034 cases were closed and 27 remained pending, with the majority being related to our core values of transparency, fairness and respect. More information is available in the Supplement to this report.

In order to strengthen our corporate culture, we must also expand our capacity to monitor our performance management. The object of doing so is to help us understand and report on our long-term sustainability and business performance.

To build this capacity, we designed our Sustainability Performance Measurement (SPM) system, which was reported in 2010 as the Sustainability Performance Management system. Its aims are to promote our sustainability framework, to develop a shared understanding of the sustainability concept and to track our progress on achieving a key mission: to build lasting relationships with our stakeholders. In 2011, we defined a list of our sustainability key performance indicators and conducted internal testing to prepare for the launch of the SPM.

Spreading a culture of sustainability

Being a sustainable bank means promoting a culture that actively contributes to a strong social and economic environment, as well as a stable financial system.

In line with our sustainability framework, we engaged in a series of activities in 2011 to advocate the development of a new regulatory framework that

balances the need for financial stability with the need for sustainable, long-term economic growth.


As part of our contribution to defining the Basel III framework, we proposed a more appropriate approach to SMEs, which are the mainstay of economic growth in Europe. We also suggested specific changes to the proposed liquidity requirements, which would facilitate the flow of liquidity within a cross-border group – a crucial issue for the CEE region due to its dependence on foreign banks for financing.

In addition, UniCredit took a leadership role in the Prime Collateralised Securities (PCS) initiative to revitalize the securitization market and promote lower finance costs for the real economy. Standards were defined to support transparency, standardization, simplicity and quality in the securitization market for products that rely on loans to households and SMEs as their underlying assets. It was determined that those transactions that respect these market standards will be PCS-compliant and recognized by market participants. This program is expected to be launched in September 2012 and we believe that, over time, it will positively impact bank funding and, ultimately, the financing of the real economy.

Develop an inclusive approach to risk management

The modern global financial system is characterized by greater interconnectedness and varied regulatory regimes, paired with swift dissemination of time-sensitive financial information and exceedingly mobile pools of cross-border capital.

Membership

Pursuing sustainability also means sharing and learning about best practices through our relationships with relevant organizations  (more information is available on our web site). These relationships help UniCredit engage with and meet the needs of stakeholders.

We maintain particularly close contact with the organizations listed here:



UniCredit joined the United Nations Global Compact in 2004 and we reaffirm our support of its principles



UNEP Finance Initiative
Innovative financing for sustainability

UniCredit became a UNEP FI member in 1998. The initiative provides us with opportunities to address the most important current issues in sustainable finance



Pioneer Investments, our Group's asset manager, signed on to the UNPRI principles in 2009 to strengthen our commitment to sustainable investment



UniCredit has long been a signatory of the CDP, which promotes understanding of the potential impacts of climate change on shareholder value



UniCredit joined the London Benchmarking Group in 2010 to assess the real value and impact of its community investments



UniCredit is a shareholder of the Desertec Industrial Initiative, which aims to create a framework for generating sustainable, climate-friendly power from the sun and wind in the deserts of the Middle East and North Africa

When combined, these create attractive business opportunities. They also create significant risk. In fact, risks related to sudden financial dislocations, high volatility, widespread financial contagion, large defaults and significant losses seem to be more prevalent today than ever before.

Enhancing our culture of risk management

In our evolving economic environment, the success of risk-taking institutions like ours often hinges on our ability to manage risk intelligently and proactively.

Successful risk management demands a deep understanding of risk and its

effects on profits, losses and the balance sheet. It also requires building a base level of technical risk knowledge, reinforcing communications at all levels and creating a mindset that anticipates changes in the macro environment.

A strong risk management culture helps meet these demands.

Our UniCredit Risk Academy was launched in 2010 to train our employees on all risk-related topics and to help




build a strong culture of risk management throughout our Group.

In 2011, 5,452 of our employees received a total of 96,525 hours of training in areas related to credit, market, liquidity and operational risk, capital allocation and our risk management culture. More information is available in Our People chapter.

5,452 of our employees received 96,525 hours of training on risk management

Our Approach

Managing reputational risk

We also continued to build an inclusive risk management culture by improving our governance framework. More information is available  on our web site.

Our Group Operational and Reputational Risk Committee's (GORRIC) function is to ensure that reputational risk policies and practices are consistent Groupwide, as well as to




control and monitor our Group's reputational risk portfolio. GORRIC convened 10 times in 2011, during which it approved 18 measures on rules, policies and guidelines that determined reputational and operational risk methods and established limits. Some of the resulting policies cover economic sectors and activities deemed critical from a reputational risk standpoint.

GORRIC convened 10 times in 2011

A dedicated department in reputational risk methodologies performed a top management survey in order to generate an annual report on our Group's reputational risk exposures and to highlight areas where it would be advisable to take action. This activity helps us to anticipate and understand reputational risk exposure trends and any changes in our main stakeholders' perceptions of reputational risk. The survey highlighted a series of triggers that could lead to severe reputational risks for our Group. We will integrate this list into our ledger of primary reputational risks and will aggressively monitor our exposure to them.

Upholding the UniCredit Human Rights Commitment

At UniCredit, we are conscious of the potential direct and indirect impacts of our operations on matters relating to human rights – rights which we firmly support.

In December 2011, our Group approved our Human Rights Commitment  (more information is available on our web site), which applies to our employees, customers and suppliers and defines a multi-stakeholder

approach to uphold human rights that is integral to our corporate responsibility.

This commitment represents an important step for UniCredit. Its content reflects the Universal Declaration on Human Rights and the International Labour Organization's Fundamental Human Rights Conventions. It builds on relevant legislation from the sovereign states in which we operate, as well as on the existing principles, policies and processes related to human rights that are already in place groupwide.

We are also working to raise awareness of human rights issues both internally and externally. Our Human Rights Commitment is available on the UniCredit intranet in English, German and Italian, and it will be translated into the languages of the countries in which we operate. Moreover, a training program will be implemented to educate our employees on human rights issues and on our commitment.

As part of our regular efforts to strengthen our approach to human rights, in 2011 we consulted with multiple local and international stakeholders in the field.

Monitoring the Holding Company reputational risk NBOs

Our reporting system for our Reputational Risk Policies is based on the monitoring of the Holding Company Reputational Risk Non-Binding Opinions (NBOs).

The NBOs are released by our Group Transactional Credit Committee and the Italian Transactional Credit Committee – each according to their competence – upon request by relevant functions and bodies. Upon release, the NBOs are transmitted to our Reputational Risk Methodologies & Control function. On a quarterly basis, Reputational Risk Methodologies & Control presents our Group Operational & Reputational Risks Committee with the Holding Company Reputational Risk Non-Binding Opinions report, which includes an overview of all opinions issued.

The reporting system for our Group Mining Reputational Risk Special Policy and Water Infrastructure Policy will be activated in 2012. This reporting system will follow the same approach used for our Nuclear and Defense/ Weapons Industry Policies.

These included the International Finance Corporation, the Business and Human Rights Resource Centre, several non-governmental organizations (NGOs) and others.

An important public event, the 8th Annual Forum on Business Ethics and Corporate Social Responsibility, was held in Milan in December 2011 on the topic “Business and Human Rights: in Search of Accountability.” UniCredit participated in the panel discussion. The event was attended by executives from domestic and international companies, representatives from NGOs, and experts in business ethics and corporate social responsibility from prominent research centers.

UniCredit is a member of the Thun Group of banks, a working group that develops practical ways for banks to apply the “Guiding Principles on Business and Human Rights,” which were developed by Professor John Ruggie in collaboration with the United Nations.

Engage our stakeholders



Stakeholder engagement is a key element of our sustainability framework and of our effort to build long-lasting relationships. Well-designed listening activities enable us to understand our stakeholders better. This understanding allows us to manage our commitments and initiatives more effectively, respond to stakeholders’ concerns and meet their expectations.

⁴ Our internal customers are employees who benefit from services performed by other colleagues.

⁵ Italy, Germany, Austria, Poland, Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

Safeguarding stakeholder listening

UniCredit places the utmost importance on



listening to its stakeholders.

Thus, a unit was created in 2011 to listen to our stakeholders and improve the quality of information collected, thereby enabling meaningful analysis. The key results of our listening activities are shared with different competence lines in an effort to further improve our products and services.

This unit, which reports directly to the General Manager, is dedicated to listening to customers, communities, employees and internal customers,⁴ as well as to analyzing the macro environment and developing comprehensive assessments of stakeholder perceptions of our activities. By collecting and prioritizing this information, it supports the development of country-specific action plans and supports our robust stakeholder engagement activities. These activities are designed to help us improve the management of our commitments and initiatives.

The unit manages different listening programs in all of our Group’s countries, which collect and analyze an extensive amount of stakeholder feedback, including more than 1.1 million interviews in 2011. This substantial investment in listening demonstrates UniCredit’s commitment to understanding and meeting the expectations of our stakeholders.

We conducted more than 1.1 million interviews through our listening programs

Among our different listening programs, the Reputation Assessment Program is a unique cross-stakeholder survey that helps us better understand how all of our stakeholders feel about our Group. In 2011, we strengthened the Reputation Assessment Program by extending it from seven to ten countries.⁵ We conducted more than 30,000 interviews to assess the drivers that impact our reputation, with a focus on how a strong reputation can support growth.



Number of interviews

| Our stakeholders | Interviews |
|-------------------|------------------|
| Clients/Prospects | 917,053 |
| Employees | 249,897 |
| Opinion leaders | 1,930 |
| Total | 1,168,880 |

Our Approach

The results from this assessment demonstrated that our reputation is solid among our customers, who are highly likely to continue to do business with and recommend our banks to their friends and families. In nearly all of our CEE countries, UniCredit's reputation ranks significantly above those of its peers.

Moreover, the assessment program highlighted the key dimensions of UniCredit's reputation: solidity; high-quality products and service; outstanding competence; good organization; and an international presence.

Additionally, we conducted a *Brand Equity research* in 2011 to track the positioning and perception of our brand. Through nearly 13,000 interviews in 16 countries, we measured the value of the UniCredit brand, not just in terms of visibility but also in terms of its meaning and overall appeal to clients and prospects. Such surveys help us to better understand the priorities and expectations of these stakeholders with respect to our Group.

The results of our *Brand Equity research* showed that UniCredit's brands remain resilient, even in the current complex environment, which has posed a significant challenge for banking brands, particularly in Western Europe.

These results also suggested the need to step up our efforts with regard to prospective clients. We must work to avoid the steadily growing perception that banks today are "all the same" and "do not care about customers' interests." We strive to communicate UniCredit's commitment to putting customers first.



Developing multi-stakeholder materiality matrix

Strong relationships with stakeholders are fundamental to the execution of our strategy and to the long-term viability of our business.

To help us build these positive relationships, we have developed a multi-stakeholder materiality matrix.



A **materiality analysis** helps us to determine the aspects of sustainability that our stakeholders deem significant. It also helps to identify issues that require strategic and operational attention, as they may entail opportunities and risks related to sustainability.

To compile the materiality matrix, we adopted a four-step approach:

- map and prioritize our stakeholders
- identify material issues by leveraging different sources, including the results of our sustainability reporting process, stakeholder listening programs, sector benchmarking and dialogues with the sustainability raters
- prioritize issues according to stakeholder feedback, collected through relevant listening programs (see the previous section, Safeguarding stakeholder listening)

- define our Group's position on relevant issues in line with our strategic planning and business priorities

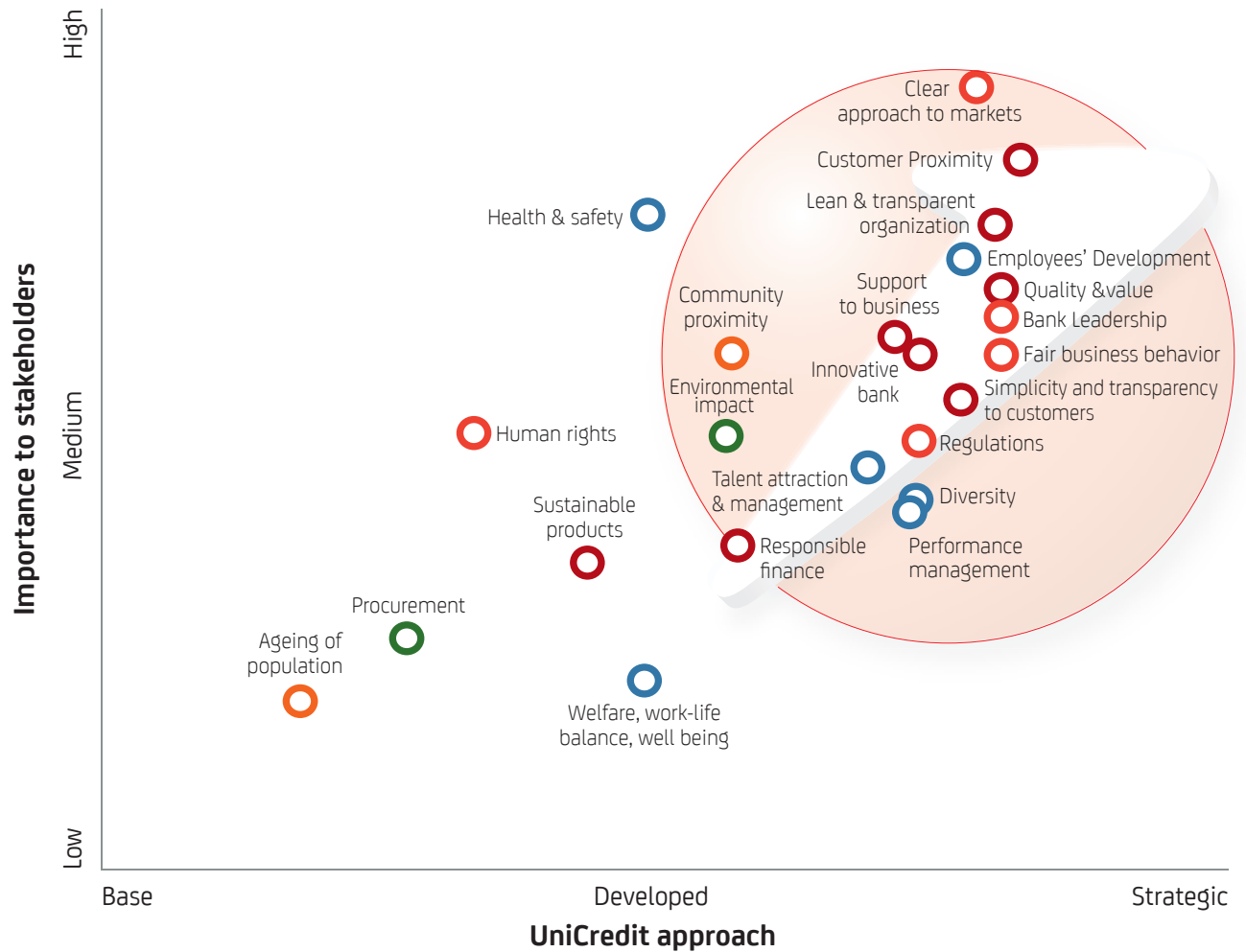
The results of these evaluations may be seen in the materiality matrix itself. More information on material issues definition is available in the Supplement to this report.

This materiality assessment clearly indicates that our customers are our top priority. We aim to promptly respond to the needs of our customers, starting with the attention we pay to the quality of our products and services, and supported by efficient procedures, transparent decision-making processes and a focus on the professional development of our people.

Maintaining a transparent relationship with investors and financial markets, while understanding the needs of the territories in which we operate are also strategic imperatives for our business.

In this chapter and those that follow, we have reported on the issues included in the Multi-stakeholder materiality matrix by describing the activities in which we have engaged and the priorities that we have identified to better meet our stakeholders' expectations.

Multi-stakeholder materiality matrix



2011 Sustainability Report chapters

○ Our Approach
 ○ Our People
 ○ Our Customers
 ○ Communities
 ○ Environment & Suppliers

Training to be “banking smart”.



At UniCredit we understand that strong professional skills are the key to sustainable results. We invest in our people to reinforce our customer service, risk management and leadership capacity through training, coaching and mentoring. To date, we have issued more than 47,000 professional certifications to our colleagues in Italy. In 2011 roughly 100,000 hours of training were dedicated to invigorating our Group's culture of risk management.

Personal bankers in Stari Grad, Sarajevo, during their workshop on the real estate market in Sarajevo

Our People

PRIORITIES 2012

Maintain a high level of engagement and commitment in our workforce while improving organizational efficiency. Provide clear and regular communications to our colleagues on our progress in achieving the strategic plan's goals, highlighting issues and actions related to our business and customer targets

Make further improvements to our leadership pipeline by

- refining our leadership development processes and promoting gender diversity in executive positions
- investing in training programs that reflect the contents of our Global Job Model catalogue and improving their quality by implementing innovative and efficient learning methods

Priorities 2011

Engage employees

Strengthen our employees' engagement by raising their awareness of sustainability through an integrated communications and training plan

Enhance leadership and development

Increase transparency and simplicity through the enhancement of our HR processes and tools

Increase the professional competence of our employees through continued investments in technical and risk management training programs, leveraging the opportunities developed by the UniCredit Risk Academy

Key achievements 2011

Achieved: We increased our employees' understanding of organizational changes through transparent communication. To raise their awareness of sustainability, we dedicated UniCredit Day 2011 to discussing sustainability groupwide, and we provided training to roughly 2,800 employees

Achieved: We worked to align our HR processes within the Global Job Model framework, creating consistency in the management and development of our employees groupwide. We mapped nearly all positions in our Global Job Catalogue and approximately 90 percent of our employees were informed of job titles and bands within the Global Job Model. In addition, we implemented a standardized recruitment process

Achieved: The Risk Academy expanded its offerings, and more than 5,400 employees participated in its program

Our People

Our commitment to long-term value creation and to achieving the targets of the UniCredit Strategic Plan demands responsibility, discipline and execution. It requires that our leaders are accountable, while our workforce is empowered, driven and motivated. With this in mind, our additional efforts in 2011 aimed to:

- **engage employees:** through listening, high-quality social dialogue and continuous communications
- **enhance leadership and development:** through a sustainable leadership pipeline by investing in the quality and accountability of our leaders, and by supporting our employees' professional growth with strong development programs that balance efficiency and quality
- **foster inclusion and diversity:** investing in an inclusive work environment where diversity is valued for yielding innovation and new perspectives

Our Engagement Index maintained its 2010 level of 73 percent, indicating stability in our employees' feeling that they are a part of UniCredit. Moreover, the comparison with our 2010 results demonstrates that our efforts to address issues considered critical by our employees had a positive impact. Our commitment to communicate our bank's strategy clearly and transparently is reflected in the improvement of our score on Clarity of Goals and Objectives. Our colleagues are fully aware of what is expected of them and have a clear understanding of our bank's goals. And although they continue to request additional information on our Group's strategy, their perceptions of this topic have improved. We will continue to address this need by keeping them informed with clear and regular communications on achievements related to the strategic plan.

Responses also demonstrated an improved focus on external customers, which is in line with the strategic plan's objectives and our investment in achieving positive customer impact.

With regard to Integrity/Corporate Sustainability, there was an increase in our employees' perceptions of our bank's ability to play an active role in supporting local communities and to act responsibly with respect to the environment. This increase was attributable to the investment we made in raising employee awareness of sustainability issues. For further information, see the related section in this chapter and the Environment chapter.

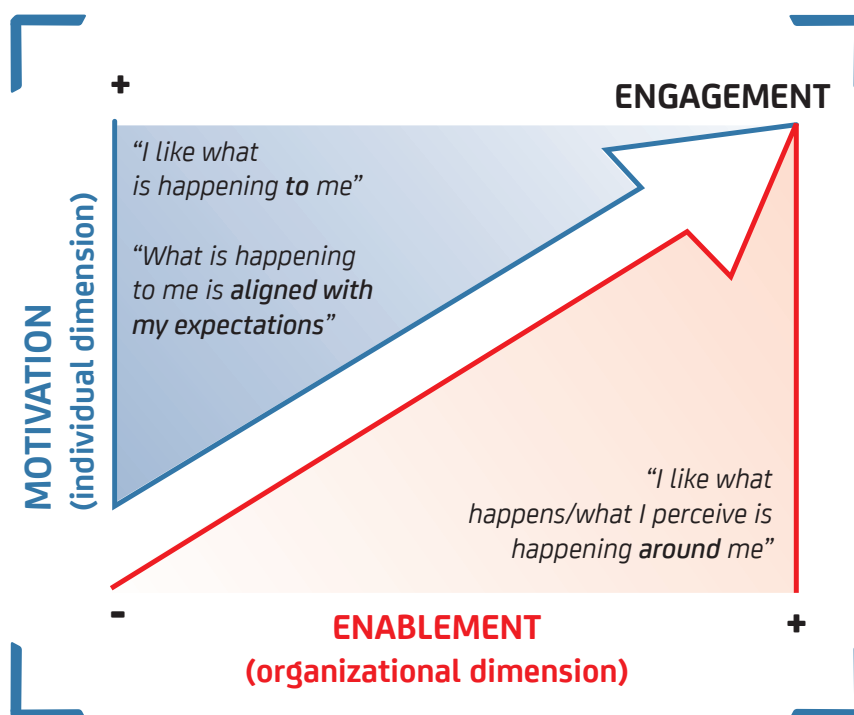
In order to enable our Group to focus more effectively on our strengths and key areas for improvement, we introduced a new two-dimensional analysis model in 2011 that accounts

Engage employees

Listening

Listening to our employees' needs and expectations remains key to improving their engagement. The People Survey is an essential part of this process. In 2011, we launched our sixth edition of the survey, with roughly 115,000 questionnaires completed and a 72 percent participation rate.

Engagement Index confirmed at 73%



for both individual (motivation) and organizational (enablement) variables. The rationale behind this new model is simple. Better understanding the results of our People Survey requires that we consider how people are “enabled” by our organization (employees’ perception of what is happening within the company), as well as how they are individually “motivated” (what they feel is happening to them).

According to our new analysis, the survey results revealed that our employees are proud to be part of UniCredit. They have a strong sense of belonging and are confident about their capacity to support our Group’s goals.

Regarding areas of improvement, colleagues are asking management for greater understanding of and interest in their career satisfaction. They would also like a clearer vision of the future, particularly in connection with personal development and growth.

We are committed to addressing the issues highlighted by the People Survey 2011 through specific action plans, which will be implemented at the country level.

Promoting social dialogue

We are committed to facilitating social dialogue that enables organizational simplification, cost management and a refocusing of our business. Because ensuring long-term growth within our strategic plan demands tough decisions, cooperation with employee representatives is critical. It helps improve colleagues’ understanding of UniCredit’s strategy and decisions, thereby helping strengthen our vision of the future.

We work to assure constructive social dialogue groupwide. At the Group level, our employee representatives are regularly updated on the progress of major projects and initiatives. At the national level, and in compliance with our Group strategies, local banks and employee representatives meet to address their goals, align their respective needs, requirements and expectations, and finalize agreements.

This continuous flow of information and interaction between management and employees provide regular opportunities for consultation, most importantly during the UniCredit European Works Council (EWC) meetings.

In 2011, the EWC continued to address complex matters. This included fostering a culture of shared social responsibility, careful listening and accountability with respect to both domestic and global needs.

Regarding employee representatives’ rights to information and consultation, details on the UniCredit Strategic Plan were submitted to the UniCredit EWC Select Committee directly after Board approval and prior to its being made public.

The following week, our top management presented the plan to the 44 employee representatives at the 2011 EWC Second Ordinary Meeting in order to solicit feedback, facilitate a better understanding of the plan and demonstrate their constructive partnership. Active discussions took place, capturing the spirit of social dialogue at UniCredit.

Because the plan’s guidelines and goals differ by country, UniCredit works at both the Group and local level to ensure standards of social dialogue and to maintain adherence to all relevant labor laws.

Cooperation between management and employee representatives also resulted in the implementation of the 2010 agreement on voluntary early retirement in Italy and alignment of compensation with European and Group standards in Croatia. In the Czech Republic, an internal coaching system to support employees’ professional growth was developed.

For further information on the UniCredit EWC’s achievements, see the Supplement.



Our People

Communicating

Reaching our strategic targets requires that we account for sustainable objectives in our choices, while ensuring that employees are aware of the rationale for our decisions. That is why significant effort went into explaining the strategic plan, with a groupwide communication campaign launched immediately after the plan's approval.

On November 15, our CEO explained the plan to colleagues in Italy through a live broadcast watched by more than 8,000 people. An online Q&A addressing a variety of important questions about the plan was also accessed by more than 60,000 colleagues in three days. And interviews with our CEO and General Manager were broadcast on our Group's internal radio station, UniRadio.

A communication kit was prepared for use at the country level by managers responsible for delivering the plan's key messages. Moreover, various local initiatives were established that explained to employees the impact of the plan on their daily activities.

At the divisional level, significant efforts were made to explain UniCredit's strategy and organizational changes to our employees. The Corporate & Investment Banking division, for example, held two roadshows. The first show, *Let's Share Our Vision and Priorities*, was held in five cities for an audience of more than 1,300 employees. The second one, *Our Vision 2015*, was held following the announcement of the strategic plan and was attended by more than 1,000 colleagues.

In 2012, we will support colleagues in their understanding of how we are achieving the plan's goals by regularly

highlighting issues and actions related to our business and customer satisfaction targets. Moreover, we will measure the effectiveness of these efforts by monitoring our colleagues' feedback.

Increasing sustainability awareness

By increasing our colleagues' awareness of sustainability issues, we are able to build on their engagement.

In 2011, comprehensive efforts were made to:

- increase awareness and interest in sustainability at UniCredit
- explain the significance of existing initiatives when it comes to sustainable performance
- inspire employees to make our business more sustainable through their everyday behavior

In September, these efforts were kicked off groupwide by dedicating UniCredit Day 2011 to sustainability. Entitled *Making the Difference, Every Day*, this event focused on sharing the vision of our CEO and top management.

Colleagues were asked to think about the meaning of sustainability and how acting in a sustainable way can make a difference in our relationships with clients, colleagues and communities. The takeaway, explained through real examples from our everyday work life, was that sustainability at UniCredit impacts everything we do.

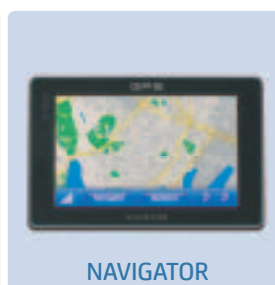
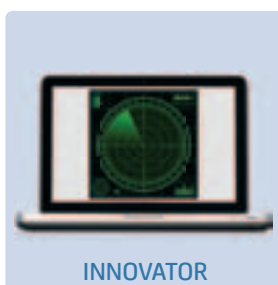
A training program was also created to explore the concept and application of sustainability at UniCredit:

- sustainability labs were organized in three Central Eastern Europe (CEE) hubs, raising awareness of the topic and relevant projects. These labs

Focus

How can you make the difference every day?

To generate curiosity about UniCredit Day 2011, prior to the event an online interactive quiz was available to employees groupwide. By answering a series of short questions, they explored their attitudes toward sustainability in a fun and engaging way. They also learned more about their potential roles in UniCredit's sustainability efforts and in making the difference every day.



The quiz results showed how they could help make our business more sustainable, either by being forward-looking (Innovators), business-focused (Navigators) or engaged with customers and local communities (Connectors). More than 15,500 individuals from nearly 30 countries took the quiz, demonstrating their interest in and curiosity about sustainability.

actively involved CEE colleagues and supported a common understanding of the concept of sustainability and best practices

- a comprehensive, multi-channel training program was organized in Italy, which included workshops with union representatives, HR senior managers and HR business partners to discuss UniCredit's sustainability approach. Classroom and online training courses were also made available to all employees roughly 2,800 colleagues participated in these trainings

In 2012, we will continue strengthening our colleagues' ability to apply sustainability concepts to their daily work.

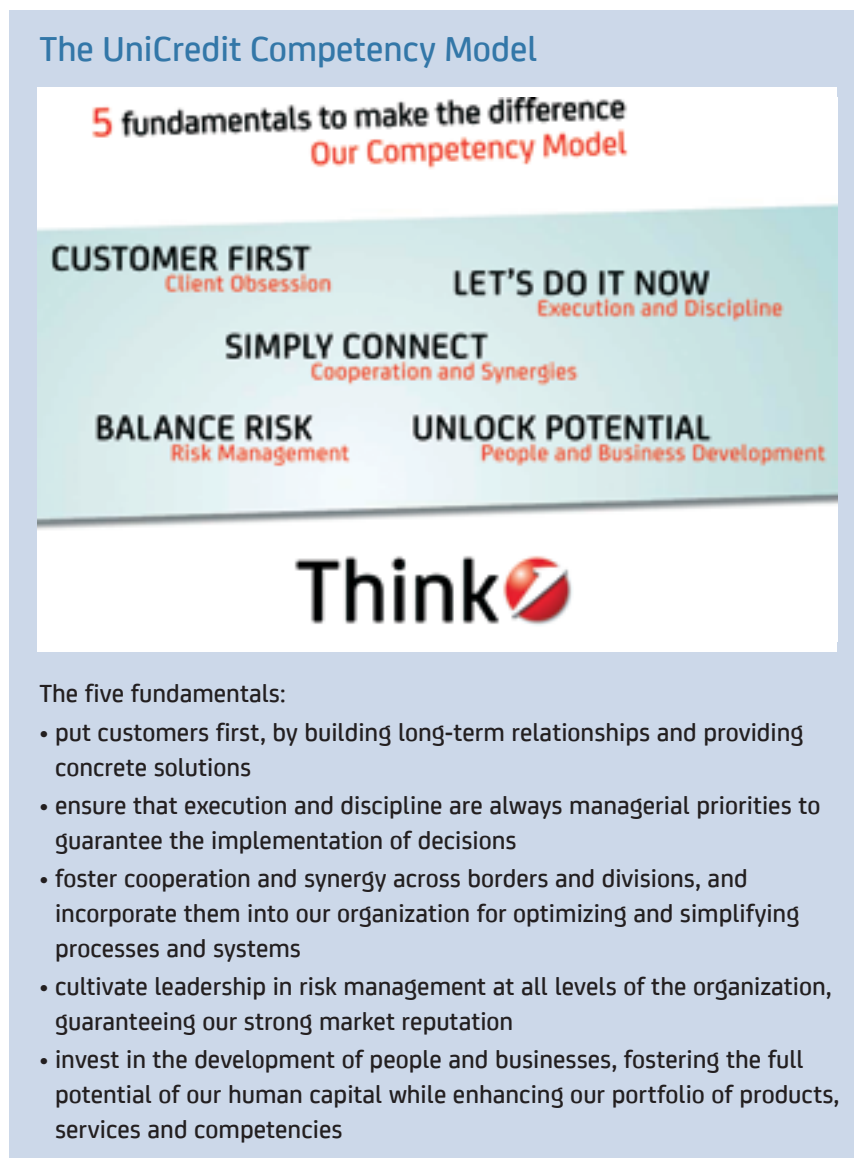
Enhance leadership and development

In 2011, we worked to strengthen our sustainable leadership pipeline, further ensuring a reliable supply of managers appropriate to meet the challenges of the current economic environment. We continued to invest in our employees' skills in order to enhance leadership, management of complexity, ability to operate in a multicultural context, risk management, execution and ability to manage interests of different stakeholders.

Refining a development framework

The UniCredit Competency Model and the Global Job Model are the basis for the management and development of our employees.

The Competency Model, defined by our top management, guides our professional behavior and decision-making. It was revised in 2011 to better align our



behavior with UniCredit's goals, while promoting a consistent leadership approach groupwide. It describes what is expected from all colleagues in order to achieve excellence and meet the evolving needs of our customers.

The Global Job Model is designed to provide UniCredit employees with a clear understanding of their roles and responsibilities, as well as their opportunities for growth. It provides a clear framework for career paths, categorizing all positions within our Group according to Job, Job Level and

Band. The model consists of two key elements:

- a standardized Global Job Catalogue arranged according to business lines, competence lines and countries
- a Global Bands structure, which evaluates and clusters all jobs within nine bands

In 2011, we mapped nearly all positions in the Global Job Catalogue, communicated job titles and bands to almost all employees, and worked to integrate all major HR processes into the Global Job Model.

Our People

FOCUS

UniCredit HR processes

UniCredit HR processes are managed in a consistent and standardized way, based on the UniCredit Competency Model and the Global Job Model.

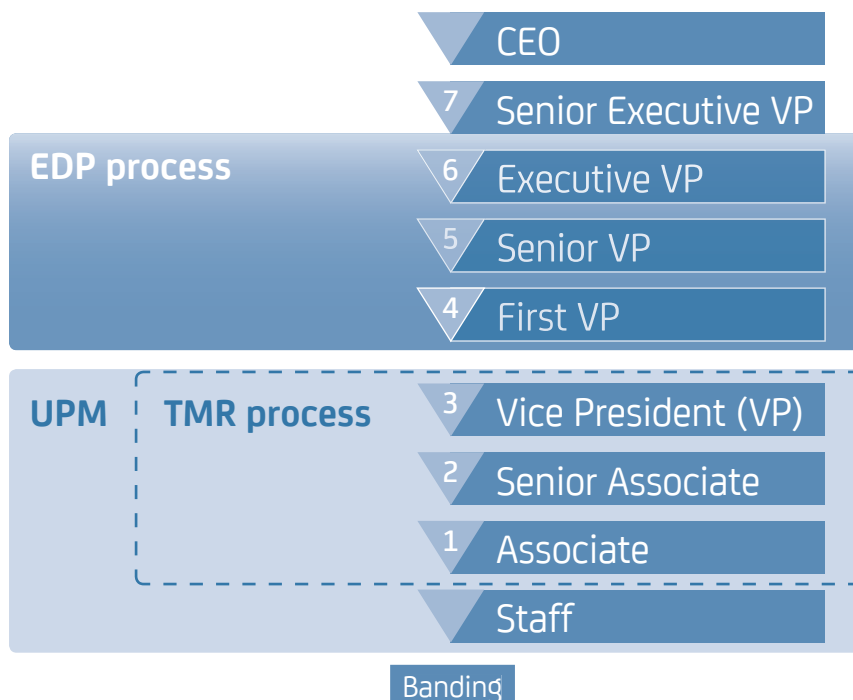


UniCredit Performance Management (UPM), our Group's performance appraisal and development process, is consistent with the roles and competencies defined in the job profile content of the Global Job Catalogue. Global job and band definitions are used to assess readiness for career development.

Career Maps make use of the Global Job Model to identify the skills needed for advancement and the jobs that foster these skills. They provide a framework for career development, enabling talent to identify the most suitable positions in which to grow and advance within UniCredit.

Training programs for business and competence lines are being developed based on the job profiles in the Global Job Catalogue. In 2011, we launched a training catalogue for competence lines. In 2012, training programs for the competence lines will be improved in those countries where the relevant competence lines are present.

The Executive Development Plan (EDP) and the Talent Management Review (TMR) are annual review processes for Group executives and talent, which make it possible to plan, manage and develop a sustainable Group leadership pipeline. These processes ensure continuity by regularly assessing performance and skills, defining career and succession plans, and identifying activities to support leadership development. People eligible for the EDP and TMR, and the development and career opportunities open to them, are determined based on banding defined by the Global Job Model.



Building upon our leadership pipeline

In 2011, we enhanced the EDP and TMR processes to better foster the professional and managerial growth of our leaders and talent. In doing so, we built a sustainable leadership pipeline at UniCredit, while aligning the quality of our leadership with business objectives and economic challenges.

These processes are developed internally and are managed directly by business functions with support and facilitation from Human Resources. They enable us to identify, assess and develop our current and future leadership, while supporting a gender-balanced leadership pipeline. For further information, see the Foster inclusion and diversity section of this chapter.

In 2011, more than 5,000 managers and roughly 3,000 talents were involved in these processes groupwide. For the top 600 managers, five day-long discussions were organized, in

which the CEO, the General Manager, the Chief Operating Officer, the Head of Corporate and Investment Banking, and the Head of Group Human Resources took part. In these discussions, succession plans were developed by top management, the managers of business functions, and the heads of each division and country.

A summary of these sessions and the resulting succession plans were presented by the CEO to the Board of Directors.

These discussions led to concrete measures to promote individual development. They are also designed to allow our Group to regularly monitor coverage of key executive positions, reducing turnover, and ensuring effective managerial and leadership development at UniCredit.

Providing leadership development programs

The leadership development programs available to UniCredit executives

and talent include initiatives and learning opportunities based on our UniCredit Competency Model. Leadership development is linked to the organization's mission and strategic goals, as well as to individual aspirations, performance and potential. Among others, our offerings include:

The Development Center: This three-day program combines assessment, learning and feedback activities that help identify top talent to include in our leadership pipeline. Of the 24 employees who were identified as top talent in 2010, 80 percent have since been promoted or assigned additional responsibilities. In 2011, 60 new talented employees participated in the program.

Mentoring: In a shift toward an open mentoring approach, our mentees now choose their mentors based on competencies and learning objectives. This approach includes career mentoring as well as situational and topical mentoring. It entails one-on-one and group interactions. As a result of the new approach, the number of participants grew from 35 in 2010 to 400 in 2011, with around 40 percent of our mentors being executive vice presidents. Of the mentees, more than 40 percent were female.

400 participants involved in mentoring programs

Coaching: Learning can be strengthened with a focus on how to make more effective choices. In 2011, 118 employees – 81 men and 37 women – received coaching, up from

Our People

70 in 2010. Our coaches are drawn from senior staff across different UniCredit divisions and competence lines. Each coach must complete a professional training course on coaching and agree to abide by the UniCredit Coaching Code of Ethics.

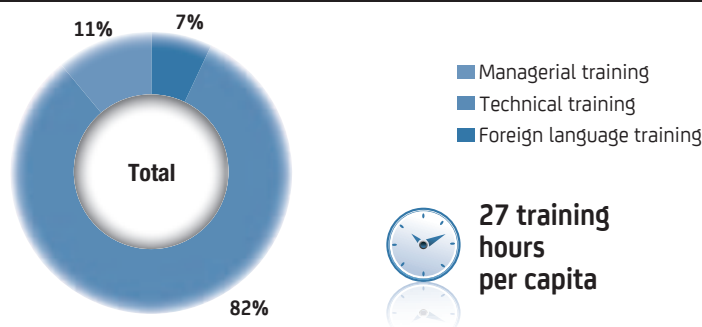
Investing in professional training

In 2011, despite the challenging macroeconomic environment, we continued to invest in training. Although the training per capita decreased by 5 hours, we kept on providing training focused on sustainable results, while maintaining quality and achieving efficiency. We continued to invest in retraining programs aimed at supporting employees' internal re-deployment and in activities that reinforce our customer-centric approach and culture of risk management.

Specifically, we accomplished the following:

- we improved the quality of our e-learning solutions, making them more engaging and user-friendly
- we transformed several training centers in Italy into multi-use spaces that incorporate the latest educational techniques
- we introduced new learning channels that increase the accessibility of training to all employees (e.g., live meetings, tutorials and webinars)
- we invested in part-time and full-time professional internal trainers in order to ensure access to specialized skills and to increase efficiency. We doubled our pool of internal trainers, including personnel from four countries, from 500 to 1,000, thus achieving our goals for 2011. We developed their skills with

Percentage of training hours, breakdown by type of training, 2011^A



^A This data is based on 73 percent of the total Head Count. Training hours include e-learning, classroom training and training on the job.

a new training course called Top3 and by creating the WeLearn knowledge-sharing platform

As of today, we provided more than 47,000 professional certifications to our colleagues in Italy. For our colleagues in other countries, we launched a pilot project, the Foreign Certification Path, which will be completed in 2012.

Our main priority in 2012 is to further align our training programs with the needs of our employees and our

business, as well as with the job profiles defined in the Global Job Model. Moreover, we will continue to increase the number of trainers, expand the WeLearn platform and publish the International Trainers Club newsletter.

We provided more than 47,000 professional certifications to our colleagues in Italy

The UniCredit Risk Academy, 2011

The Risk Academy is designed to build a stronger and more effective culture of risk management throughout our Group. Launched in 2010, the academy provides education in risk-related issues. In 2011, the number of applicants to the program increased significantly.

| Area | Targets for participants | Participants | Hours |
|-----------------------------------|--------------------------|--------------|---------------|
| Risk Diploma - Core Curriculum | 3,300 | 3,456 | 79,488 |
| Risk Diploma - Masterclasses | 800 | 1,721 | 13,744 |
| Risk Master Series | 60 | 97 | 2,160 |
| Strategic Learning Lab | 60 | 72 | 1,080 |
| Tailor-made training ^A | not applicable | 106 | 53 |
| Total | 4,220 | 5,452 | 96,525 |

^A New training activity launched in 2011.

FOCUS

The Induction Program

We focused special attention on newly hired colleagues to help familiarize them with our corporate culture. For example, we launched a new international induction program in Italy, Germany, Austria, Poland, Romania and Russia, which aims to strengthen colleagues' understanding of UniCredit and their sense of belonging. In 2011, roughly 840 recent hires participated in this program.

The induction program uses our mission statement as a framework to discuss:

- our identity, mission, market positioning, brand positioning and organizational structure
- our approach to sustainability
- HR strategy, processes, development tools and Industrial Relations
- UniCredit's banking activities and products
- compliance and risk management as fundamental to generating sustainable value for shareholders

Foster inclusion and diversity

In keeping with our mission and values and in line with our Joint Declaration on Equal Opportunity and Non-Discrimination, we continued to invest in a culture of inclusion. We are aware that a diversified workforce – in terms of gender, culture, background, age and abilities – guarantees a plurality of perspectives, fosters innovation and contributes to an engaging work environment.

In addressing diversity, we take a multi-stakeholder approach that accounts for the differing needs of our customers, employees and communities. With this in mind, we carried out several initiatives.

In Germany in 2009, we were the first bank to start a Women's Council. Through this council, female decision-makers from different social and economic fields engage in a dialogue and voice their opinions on economic and social issues pertinent to women. By the end of

2011, this council was comprised of roughly 30 female entrepreneurs and managers, including a number of bank customers. This body has also played an important role in UniCredit Bank AG's mentoring activities, pairing 21 female middle managers with council mentors. Additionally, mentors from the bank provided professional support to female entrepreneurs. This initiative will be repeated in 2012.

In Serbia, a Lady Branch was opened, contributing to the acquisition of 25 new small business clients managed by women. The branch also serves as a regular location for events involving female entrepreneurs, including seminars on successful communication, assertiveness and stress management.

Promoting gender balance

In 2011, creating a more gender-balanced leadership pipeline remained a priority. Our top management confirmed their commitment to this goal by setting a target of making 30 percent of

UniCredit S.p.A. Board of Directors and the boards of our subsidiaries female when they are next renewed.

We are aiming to make 30% of UniCredit S.p.A. Board of Directors female

Additional initiatives have been launched to address this issue. Improvement can be seen in the composition of the Executive Development Program, which saw a 3 percent increase in the number of female participants since 2010. In UniFuture, a leadership development program, the percentage of women grew from 15 percent in 2010 to 21 percent in 2011.

However, women still remain underrepresented at the top levels of our organization. As we strive to unlock the full potential of our workforce, 59 percent of which is female, we are working to assess the

Focus

EDP and TMR gender distribution

In the Executive Development Program, 27 percent of participants are female. In the Talent Management Review, 44 percent are female. The number of female executives in the EDP grew by 3 percent from 2010 to 2011, while the number of woman in the TMR remained stable.

| Process | Total 2011 | Female 2011 | % Female in 2011 | Total 2010 | Female 2010 | % Female in 2010 | Δ YoY female % |
|---------|------------|-------------|------------------|------------|-------------|------------------|----------------|
| EDP | 5,055 | 1,370 | 27% | 5,289 | 1,248 | 24% | 3% |
| TMR | 2,935 | 1,283 | 44% | 3,178 | 1,404 | 44% | 0% |

The Gender Balance Program

The pillars:

MEASUREMENT

- establish KPIs Groupwide, to be supported by a new measurement and reporting system
- track and monitor HR processes to assess the number of female executives being recruited and promoted throughout our Group

CAREER DEVELOPMENT

- identify investment priorities with the object of leveraging the yearly EDP cycle
- establish tailored career plans and a mentoring program with a focus on our female talents
- define a monitoring process that will enable us to evaluate results

WORK LIFE BALANCE

- introduce new work-life programs aimed at helping employees, both male and female, effectively manage professional and personal challenges
- evaluate programs that offer greater work-life flexibility with respect to working hours (e.g., part-time employment, telework)

COMMUNICATION & SUSTAINABILITY

- update the communication plan and related internal and external tools to ensure that stakeholders are informed about and involved in our gender diversity initiatives

BEST PRACTICES

- ascertain internal and external best practices and extend their implementation Groupwide

impact of our current initiatives. For this purpose, a cross-functional, cross-border Gender Balance Program was launched at the end of 2011. Five working groups, each led by both an HR executive and a business leader, were formed to identify activities that will contribute to the professional development of our female employees. The project will be implemented in 2012.

We continued to leverage the UniCredit Women's International Network (UWIN) to strengthen our female leadership. In 2011, our efforts concentrated primarily on a mentoring initiative and the *Shaping My Future* program, a learning experience that aims at improving individual ability to plan professional and personal life. In Italy, 14 sessions of the program were held, with more than 200 colleagues participating. Eight more sessions were held in Austria, the Czech Republic and Romania.

In Italy, the network elaborated on the theme of women's leadership by organizing several theatrical performances. *La Scelta* (The Choice) was held in Rome, Pescara

and Trento, and *Sahara Blue – Esperienze di Donne Viaggiatrici* (Experiences of Women Travelers) was held in Milan and Turin.

UniCredit also supports and participates in the initiatives of Valore D, an association of which UniCredit is founding member, that helps Italian companies promote the career development of talented women.

Supporting people with disabilities

At UniCredit, inclusion also means creating a work environment that minimizes the barriers faced by the disabled. We believe in addressing special needs in order to guarantee equal opportunity to all our employees.

In this spirit, we have provided English lessons to visually impaired or deaf colleagues. We have also trained employees to interact effectively with disabled colleagues and to help manage disabilities in the workplace. In total, approximately 200 people participated in these training activities.

In keeping with this approach, UniCredit Bank Austria AG appointed a disability manager to identify and facilitate necessary assistance to both employees and customers with disabilities. For further information, see the Communities chapter. As a result, UniCredit Bank Austria AG received the DiversCity Award in 2011 for promoting and utilizing staff diversity in an exemplary manner.

Enhancing work-life balance

Guaranteeing equal opportunity to all our employees includes supporting their well-being and enhancing their work-life balance at all stages of their careers.

In 2010, we conducted a qualitative survey to better understand how we can align our services and benefits with employee needs.

In 2011, we carried out the *Welfare and Work-Life Balance Survey* in Italy, in which roughly 21,500 people took part. The survey was conducted to gauge the awareness of our employees regarding their company, welfare, benefit and work-life balance options. Their responses showed that they highly value their welfare and work-life balance options, and are satisfied with their current benefits and services, despite some

differences of opinion depending on gender and geographical area. However, colleagues expressed that they would like their benefits to be better adapted to their needs at different stages of life.

Based on the survey results, we will initiate a pilot program of the *UniCredit Welfare Plan* in Italy in the first half of 2012, with the goal of creating a work environment that improves our employees' work-life balance. Through the welfare plan, colleagues can select services suitable to their needs and invest in accessing to additional or enhanced services.



An umbrella covering countries in Central and Eastern Europe.



Many Austrian companies have subsidiaries in other European countries that do not always engage in cross-border treasury operations. When new funding is needed, especially during the start-up phase of a business, local regulations that must be addressed can often present major obstacles to success. UniCredit has created the Umbrella Facility, a flexible and user-friendly credit facility based on the parent company's credit rating, that can be accessed in most Central and Eastern European countries. Bank Austria coordinates every phase of negotiation, acting as the single point of contact between the client and UniCredit's banks across the region.

A simple way to help companies focus on their business, leaving the bank to manage their financials.

Michelangelo Pistoletto - Embrace Differences - Serigraphy on Thermodek Mirror 2005 - 2006

UniCredit Art Collection - © Michelangelo Pistoletto - Courtesy Cittadellarte - Pistoletto Foundation - Details

Our Customers

PRIORITIES 2012

Provide greater proximity to our customers served by our Family & SME division by enhancing our being easy to deal with approach and investing in:

- simplification, transparency and front-end empowerment
- optimization of channel mix to offer the same products and services across all channels
- development of new products that can be commercialized across different channels

Strengthen our relationships with customers by building and maintaining their trust and by investing in the improvement of customer service and product quality

Deliver concrete solutions to support the internationalization of companies through a structured Groupwide task force focused on:

- simplifying and improving products
- reinforcing relationship managers' competencies and support systems
- developing essential IT infrastructure

Priorities 2011

Listen and satisfy

Enhance our listening in order to stay attuned to the changing needs of our customers in an evolving, competitive environment

Key achievements 2011

Achieved: We expanded the Instant Feedback program to Germany, Bulgaria, Croatia, Hungary and Romania following the success of the 2010 pilot program in Austria

Be easy to deal with

Optimize the credit process by streamlining it and increasing transparency

Partially achieved: Several business processes were simplified and internal structures were reorganized to improve customer interaction and achieve greater efficiency. Improvements will continue in 2012

Manage our relationships

Assure consistent standards, quality and excellence in customer service across our network by sharing best practices

Achieved: We established consistent standards for quality and excellence across all divisions and in the majority of the countries in which we operate

Further improve complaint management processes to reduce the need for follow-up with dissatisfied clients

Achieved: Our Global Compliance Guidelines – Complaint Management have been implemented Groupwide

Deliver concrete solutions

Develop new products and services to support international transactions and business models

Achieved: We implemented our Cross-Border Service Standards Governance Guidelines across our Group. New and innovative products have been developed (e.g., *Umbrella Facility*, *@GlobalTrade*) to promote the internationalization of our corporate customers

Complete and approve our new credit policies on environmental topics

Achieved: We approved our special credit policies on water infrastructure and mining

Our Customers

At UniCredit, our priority is clear: to put our customers at the core of our business and to listen to and understand their needs. This will make our business more effective and our customer relationships stronger to help us deliver concrete solutions. We work every day to provide our customers with the long-term sustainable value that they expect from us and to support the economic growth of the 22 countries in which we work.

Our key accomplishments in 2011 were the result of our continued efforts to embed sustainable business practices in the core of what we do. Our strategic plan, which was launched in November 2011, confirms that our sustainable practices are moving forward.

However, as a leading European commercial bank, we will ultimately be measured by the real-life impact we have on our customers. We are responsible for ensuring that the products and services we provide are of value and deliver real, lasting benefit.

To do this, we are strengthening our client franchises characterized by an extensive geographical reach and extending new medium-to long-term loans to small and medium-sized enterprises (SMEs) in Italy, Germany, Austria and Poland. We are also improving our operational efficiency in order to provide customers with the high-quality service and financial innovations they deserve.

We worked hard in 2011 to execute our priorities, which are part of our competency model aiming to deliver real results.

1. Listen and satisfy

We are dedicated to improving our customers' satisfaction and overall experience, no matter the business area, through UniCredit's customer-centric approach

2. Be easy to deal with

Our brand statement requires us to make it easier for our customers to achieve their financial goals. We do this through:

- investing in leaner operations
- promoting simplicity and transparency

3. Manage our relationships

We set standards in our advisory practices and give our relationship managers and employees the skills they need to provide customers with the services they expect. By doing this we establish trust and loyalty, while assuring proximity and continuity

4. Deliver concrete solutions

We deliver top products and services, provide financial innovations and promote responsible banking with a view to creating real benefits for our customers and their communities

Listen and satisfy

In 2011, we continued to listen carefully to our customers so we could better understand how to tailor our financial services to their changing needs.

We built on our One for Clients (One4C) organizational and business model by developing new client segmentation criteria in Italy, Germany and Austria, thus strengthening our divisional model. In line with One4C, we analyzed the satisfaction levels of our customers regarding our new Family & SME (F&SME) and Corporate and Investment Banking (CIB) organizational structures.¹ For further information on One4C see our 2010 Sustainability Report.

Honest dialogue with our customers has become increasingly important in understanding where we are doing well and where we need to improve. Several Groupwide listening initiatives were carried out across our network in 2011 to assess the needs, experiences and expectations of our customers.

We use the TRI*M index² methodology to track customer satisfaction levels. In 2011, we interviewed roughly 693,000 UniCredit customers using this methodology for our

¹ The F&SME division includes Mass Market and Affluent individuals and enterprises with an annual turnover < € 50 million. The CIB division includes enterprises with an annual turnover > € 50 million.

² A TRI*M Index score below 40 points is generally considered insufficient, while a score above 70 points is considered excellent. For all TRI*M Index results, an individual company's performance should be assessed in light of the overall scores achieved by their peers within that same country.

F&SME/Retail, CIB and Private Banking divisions. Our survey is conducted monthly in Italy, Germany and Austria for our F&SME division, similar to our Retail division in Poland, and three times a year for the Retail division in Central and Eastern Europe (CEE).

Roughly 693,000 customers interviewed

In the 2011 survey, our Individuals segment in Italy showed stable results with a slight decrease year-on-year; however, UniCredit maintained its competitive advantage compared to its peers. We analyzed the data extensively to explore the turnover impacts within our relationship manager staff and the effects of pricing decision trends on customer retention.

In Austria and Germany, our TRI*M Index scores increased and we are now on par with our peers. In Austria, this success can be partially attributed to the *6th Sense* division-wide initiative, which trained 98 percent of our branch employees to implement our service and advisory standards and strengthen our customer-first approach. See page 44 for further information on this initiative.

In CEE and Poland, our evaluated banks achieved TRI*M Index scores higher than the average scores tallied by our respective market peers. Moreover, the majority of our legal entities based in countries subject to TRI*M Index monitoring increased their absolute TRI*M scores. Croatia held a market-leading position although challenging conditions affected the performance of the entire sector.

Our newly established SME segment reported an increase in the TRI*M Index results in all countries except Austria where 2010 data is unavailable.

Individuals TRI*M index results in Italy, Germany and Austria Retail^A TRI*M index results in Poland and CEE

| Country | TRI*M index results | | | 2011 competitors' TRI*M index results |
|----------------|---------------------|------|---------------|---------------------------------------|
| | 2011 | 2010 | 2009 | |
| Italy | 60 | 61 | not available | 54 |
| Germany | 68 | 66 | 62 | 68 ^B |
| Austria | 71 | 66 | 64 | 71 |
| Poland | 59 | 57 | 56 | 58 |
| Bulgaria | 71 | 67 | 69 | 70 |
| Croatia | 69 | 79 | 81 | 65 |
| Czech Republic | 69 | 68 | 66 | 63 |
| Hungary | 72 | 70 | 72 | 62 |
| Romania | 65 | 68 | 68 | 63 |
| Russia | 83 | 82 | 81 | 73 |

^A In Poland and CEE, the Retail division includes Mass Market and Affluent individual customers, and Small Businesses.

^B Data is comparable to TRI*M index; however, it is calculated by a different research provider.

SME TRI*M index results in Italy, Germany and Austria

| Country | TRI*M index results | | |
|--------------------|---------------------|-------------------|---------------------------------------|
| | 2011 | 2010 ^A | 2011 competitors' TRI*M index results |
| | | | |
| Small Business | | | |
| Italy | 58 | 57 | 50 |
| Germany | 58 | 56 | 63 ^B |
| Austria | 49 | not available | 72 |
| Medium Enterprises | | | |
| Italy | 50 | 44 | not available |
| Germany | 66 | 63 | 64 ^B |
| Austria | 71 | not available | 73 |

^A Through our One4C program, new client segmentation criteria were implemented in Italy, Germany and Austria in 2010. Since 2011, the new F&SME division has included enterprises with an annual turnover of less than €50 million. The TRI*M Index data was therefore recalculated for 2010.

^B Data is comparable to TRI*M Index; however, it is calculated by a different research provider.

Our Customers

Corporate segment results show that customer satisfaction levels rank above our peers in the majority of countries we monitor. In Italy, Austria, Poland and Russia, the TRI*M Index improved over the last two years. In Germany, our scores decreased due to the market environment and, possibly, our transition to the One4C model.

For our Private Banking division, we ensured that in 2011 our methodology was aligned with the division's customer commitments defined in 2010, which represent our value proposition to our customers: competence leads to clarity.

Despite the challenging global economic environment, our Private Banking divisions in Germany, Bulgaria, Croatia and Romania made strong gains in customer satisfaction, as reflected by their respective TRI*M Index scores. Italy, Austria and Russia reported stable results. In Austria, Schoellerbank AG's exceptional score of 92 represents only a minor adjustment to its 2010 score of 93.

Other listening activities conducted in 2011 helped us to monitor and evaluate the quality of services delivered across our network. Such initiatives provide our customers with the communication channels they need to voice their opinions.

After launching our *Instant Customer Feedback* program – or our *Customer Experience Measurement* – in Austria in 2010, we expanded it in Germany, Bulgaria, Croatia, Hungary and Romania to encourage our customers to tell us about the quality of their interactions with their relationship managers.

We also made it easier for our customers to submit their feedback. In Germany, they can now share their input via telephone, email and SMS messaging.

Corporate TRI*M index results

| Country | TRI*M index results | | | |
|----------------|---------------------|-------------------|-------------------|---------------------------------------|
| | 2011 | 2010 ^A | 2009 ^A | 2011 competitors' TRI*M index results |
| Italy | 53 | 49 | 44 | 49 |
| Germany | 61 | 71 | not available | not available |
| Austria | 75 | 73 | 69 | not available |
| Poland | 63 | 62 | 57 | 63 |
| Bulgaria | 78 | 79 | 79 | 73 |
| Croatia | 84 | 86 | 84 | 73 |
| Czech Republic | 78 | 78 | 67 | 71 |
| Hungary | 70 | 66 | 69 | 57 |
| Romania | 75 | 73 | 76 | 71 |
| Russia | 90 | 87 | 80 | 80 |

^A Through our One4C program, the new CIB division has included enterprises with an annual turnover of more than €50 million. The TRI*M Index data was therefore recalculated for 2009 and 2010 in Italy, Germany and Austria.

Private TRI*M index results

| Country | TRI*M index results | | |
|----------------------|---------------------|-----------------|---------------|
| | 2011 | 2010 | 2009 |
| Italy | 59 | 58 ^A | not available |
| Germany | 68 | 56 | 53 |
| Austria ^B | 69 | 69 | 59 |
| Poland | 66 | 68 | 63 |
| Bulgaria | 95 | 88 | not available |
| Croatia | 103 | 98 | 91 |
| Czech Republic | 80 | 84 | not available |
| Hungary | 78 | 86 | not available |
| Romania | 83 | 78 | not available |
| Russia | 90 | 90 | not available |

^A Through our One4C program, new client segmentation criteria were implemented. The new Private Banking division also includes some customers previously classified under the F&SME segment. The TRI*M index data was therefore recalculated for 2010.

^B Austria results refer only to UniCredit Bank Austria AG.

Family & SME *Instant Customer Feedback* highlights, 2011

| Country | Number of questionnaires received | Purpose | Key results |
|----------------------|-----------------------------------|--|---|
| Austria | 27,190 | Ask customer feedback on advisory meetings, relationship manager turnover, service, processes, products, customer onboarding, etc. | The satisfaction level is over 90 percent |
| Germany | 6,675 | Advisory meetings | The satisfaction level is over 90 percent |
| Croatia ^A | 645 | Advisory meetings | 86 percent of customers who provided feedback were highly satisfied with their advisory meetings and would recommend our services |

^A Data refers only to individual customers.

After we aggregate and analyze customer feedback, our advisors can review the results from their own customer interactions, which are later reported at the branch, regional and headquarter levels, according to the country.

We also conduct more than 5,400 mystery shopping visits in CEE on a semiannual basis. Reports on our mystery shopping visits are typically available on our local intranet portals shortly after they take place.

In an effort to further enhance our customer relationships, we have also linked our relationship managers' incentive system directly to the satisfaction of their customers.

We also used Web 2.0 technology in Germany to maintain regular dialogue with our internet-savvy customers. More than 650 customers – up from 100 in 2010 – joined our *Kundenforum* virtual platform to ask questions and discuss upcoming initiatives with our employees.

At UniCredit, we believe in putting ourselves in our customers' shoes and experiencing our own services firsthand. That is why our mystery shopping initiative, which helps us monitor and evaluate the quality of customer service in our branches, is so important. In 2011, we conducted 1,455 visits in Italy, 621 in Germany and 3,030 in Austria.



Our Customers

Be easy to deal with

We want to empower our customers to get where they need to be. By being straightforward and easy to deal with, we can improve our interactions and build their confidence in us as a long-term partner. To do this effectively, we have made our operations, products and services easier and more transparent.

Investing in leaner operations

In 2011, we advanced our One4C organizational and business model by reshaping and simplifying our key business processes and reorganizing several of our internal structures.

For example, an SME sales channel was created within our F&SME division to improve our proximity to customers and provide easy access to our specialized services. Our new channel also promotes simplicity, reduces response times and builds deeper ties to our communities.

In Germany, this new SME sales channel spans five SME regions and 43 SME branches, thereby improving our profile as a regional bank. The arrangement enables our relationship managers to consistently serve as our customers' primary point of contact and to enlist specialist support when providing customers with services involving: corporate treasury sales, cash management, foreign trade finance, mortgage loans, subsidized loans, specialized financing, renewable energy financing, leasing, asset management and specialists securities.

In addition, our new credit risk policy for SMEs was rolled out in Germany. This policy utilizes credit parameters and industry standards to simplify the credit decision-making process and improve our credit risk management.

Our easy credit applications, innovative scoring systems, credit specialists and customized financing solutions for complex projects – including start-ups and company succession planning – help our sales teams by reducing the complexity and the time needed to complete the decision process.

Also in 2011 the CIB division was reorganized and a strategic plan was developed to:

- provide personalized, innovative and sophisticated services and products to companies and institutional customers
- ensure fast, high-quality financing and credit-risk services, and a client-oriented loan process
- develop products that maximize synergies across countries and divisions by sharing innovative product ideas and business models

The CIB strategic plan was shared with more than 2,370 employees in 2011 through a series of live events and road shows designed to engage, motivate and align our colleagues in achieving our long-term CIB targets. The plan is also available through internal channels, including our intranet.

Our effective underwriting process has been one of the keys to our improved customer satisfaction scores and subsequent reduction in the number of customer complaints. We strictly measure credit response time on a monthly basis across our divisions and legal entities, to see if our efforts are producing the intended results. The CIB division entirely redesigned their credit processes in 2010 to simplify procedures and increase credit quality. This has significantly reduced CIB's credit response times across countries. In Italy, CIB's credit response time was halved over the past two years. In CEE, efficiency improvements were

implemented at the branch level.

In Romania, for example, the Branch Network Committee was established to institute process efficiencies.

The committee reviewed 31 issues reported by branches, primarily regarding IT applications and equipment, operations and procedural problems. These issues were addressed with the responsible departments, after which the committee followed up monthly to ensure that the issue was resolved.

Promoting simplicity and transparency

Earning, building and maintaining the trust of our customers is one of our most important responsibilities as a bank. To do this, we work to ensure that our documents are clear and our financial products and services are simple and transparent. We offer our customers the financial products they need and, as their bank, we vigilantly protect their interests by marketing our products responsibly.

Transparent communication and responsible marketing

Customers depend on us to present and explain our documents, products and services in a way that is in their best interest – simply, clearly and quickly. In 2011, we continued to build on several important ongoing initiatives in this area.

For example, in response to volatile markets and tax reforms in Italy, we updated our catalogue of simple deposit products. We now offer a competitive range of products that are presented according to their value propositions and maturity structures in a way that ensures that our customers understand them.

We launched our *Punta su UniCredit* and *Informa il tuo Cliente* initiatives

in Italy to improve our customers' asset allocations, to match them with products suited to their needs and to provide support on tax code changes.

Additionally, we began an automated after sales process, using our ATMs, bank statements, branches and emails to tell Genius account holders about the free products and services available to them online or at our branches, and to raise awareness of the features and benefits of specific products.

In Germany, our workshops and *Mittelstandstage* event provided SME customers with opportunities to meet with senior managers and external financial experts to discuss topics relevant to their financial needs. Held in ten different locations over the year, these events attracted 4,100 SME clients and potential SME clients.

In Germany in 2011, our F&SME customers also began to receive standardized, one-page descriptions for more than 100 different products, which contain detailed product information, field of application, user group and costs.

Due to local loan procedures in Hungary, our customers may be compelled to select their mortgages before fully understanding the terms of the agreement. In response, we developed our *Foreseeing Loan*, which provides mortgage agreements that remain valid for six months while customers take their time to select a property and understand the mortgage they are being offered. The *Foreseeing Loan* was awarded Retail Loan Product of the Year, 2011 at the MasterCard Bank of the Year competition.

From MyGlobe to Depot Global

Based on the success of *MyGlobe*, which was launched in Italy in 2009, we now offer a similar service to our Private customers in Germany. *Depot Global* was launched in January 2012 for customers to obtain advice on all of our banking services for a flat fee. Under this transparent arrangement, there are no charges for product sales, while all sales commissions are rebated to the client. *MyGlobe* and *Depot Global* eliminate advisory conflicts of interest and ensure price transparency. *MyGlobe* already has more than €2.2 billion in investments, while preliminary figures for *Depot Global* amount to more than €150 million.

In the current economic environment, transparency is of the utmost importance for our asset management customers. The European sovereign debt crisis incurred severe market turbulence across the eurozone in 2011, with Greece, Portugal, Ireland, Spain and Italy taking austerity measures to reduce debt and contain interest rates.

Our asset management customers received regular communications from Pioneer Investments, including advice on how to protect their savings and position their portfolios to benefit from future opportunities. In addition, a number of video interviews were published on the Pioneer Investments corporate site to explain its market perspective.

Pioneer also launched a new website dedicated to the Key Investor Information Document (KIID) in July 2011 to communicate relevant information on its funds. This was in line with the European regulation,

Undertakings for Collective Investments in Transferable Securities (UCITS IV). For further details see page 43 of our 2010 Sustainability Report.

Responsibility and transparency are crucial when marketing financial products and services. Thus, our marketing adheres to voluntary codes to assure transparency.

Examples of codes we follow

In Italy, our marketing activities follow the Codice di Autodisciplina della Comunicazione Commerciale (Code for Self-Regulation of Marketing Communication) advocated by the Istituto dell'Autodisciplina Pubblicitaria (Institute for Self-Regulation in Advertising), which commits its subscribers to honest and transparent advertising. For further information, see the Our Approach section of the Supplement.

In Croatia, we comply with the Code of Advertising rules and regulations issued by the Croatian Association of Advertising Agencies.

In the Czech Republic, we adhere to the code of ethics outlined by AČRA, a professional advertising association, as well as the ethical code of the Czech Banking Association, which advocates price transparency, communication standards for products and services, and standards for complaint management. Our Identity & Communications department communicated and promoted the importance of responsible lending standards after we integrated them into our mortgage loans as recommended by the European Mortgage Federation.

Our Customers

Sustainable products and services

It is our responsibility to look out for the best interests of our customers. Thus, we offer products and services that meet their expectations, match their risk profiles, and provide long-term value.

In Italy, we made significant headway in our initiative to ensure that our personal bankers managed portfolios based on our customers' profiles and financial needs. Our advisory model, which exceeds the Markets in Financial Instruments Directive (MiFID) requirements, is still under development and will be rolled out in 2012. This initiative is based on three pillars:

- **Client Check-up:** an analysis of a customer's profile, which is based on an interview with the client and data drawn from such programs as our *Know Your Customer*
- **Portfolio Analysis:** a comparison of our customer's portfolio to a model portfolio, followed by the development of business proposals that are in line with our customer's overall profile
- **After Sale Over Time:** a process in which we carefully monitor every change in our customer's portfolio

A new 3-step advisory model

- **Client Check-up**
- **Portfolio analysis**
- **After sale over time**

In Poland, a similar service model is being put in place. All financial advisors for our Affluent segment are currently being trained and certified in a new approach to investment advisory meetings, as well in the use of our new *Investment Navigator* support tool. This tool enables our advisors to work with the customer to develop a tailor-made investment plan through a five-step process.

Additional products and services were launched in Italy to optimize our customers' asset portfolios.

Pioneer Idee di Investimento, an initiative launched in collaboration with Pioneer Investments, ensures that our relationship managers are equipped with detailed, structured and monitored market analysis to keep our customers informed. Based on market conditions and our model portfolio, our customers can switch to products that are invested exclusively in markets with positive outlooks.

Our *Risparmia Facile* investment product enables our customers to invest in small installments of €50 to €200 and to withdraw their accumulated savings at any time.

Our new *Tagliando Certificato* tool supports personal advisory services for all *Opzione Sicura* mortgages. While monitoring customer payments, this tool allows our branches to provide customers with the support and information they need to make better decisions.

We also extended our pre-scored ticket model to encompass our full range of personal loans in order to develop a simplified yet innovative approach to sustainable debt. A new pre-scored ticket model has been incorporated into *Senzapensieri*, our overdraft protection, and our credit card options for individual customers.

Enhancing consumer protection

We are vigilant in protecting the rights of consumers. We maintain constant dialogue with Consumer Associations to promote awareness and to encourage sustainable purchasing choices, and we carry out joint initiatives aimed at increasing

transparency and simplification. Following the 2010 agreement between UniCredit and 12 Italian Consumer Associations, our activities in 2011 focused on achieving two core objectives:

- maintaining active dialogue with central and local Consumer Associations that enable us to better understand the needs of our territories
- supervising the four working groups jointly established in 2010 to address issues of transparency and simplification

To achieve the first objective, we applied our effective central-level relationship model to the local level. The *UniCredit Territorial Consumer Day* (UCTD) meeting series created a network of key UniCredit territorial managers and local Consumer Association representatives. The network allows us to gather information from Consumer Associations and strengthen our local-level relationships. The first UCTD meetings in 2011 were held in Bari, Naples and Palermo, and resulted in the creation of a local network of 88 consumer association representatives and 39 UniCredit managers. We will continue holding UCTD meetings in 2012 as we strive to provide coverage to every Italian territory.

With regard to our second core objective, each of the four working groups – composed of representatives from the Consumer Associations and from UniCredit – rolled out significant initiatives related to:

- transparency and financial education
- territorial financial innovation and inclusion
- understanding complaints from Consumer Associations and developing alternative dispute resolution procedures
- informational reference points in our banking branches

Among the deliverables produced by the first working group tasked to address transparency was a mortgage transparency kit. This kit included a simplified contract, a standardized information sheet, a letter to inform clients about the risks related to variable rate mortgages and a set of guidelines identifying 10 key pitfalls to avoid when applying for a mortgage.

The second working group focused on financial innovation and inclusion issues. It provided Consumer Associations with a preview of new UniCredit products (e.g., *Conto Tu Famiglia*, *Friendly Repossess* and *Repossess Parziale*) which are further described in this report.

The third working group focused on defining alternative dispute resolution procedures to constructively manage disputes between UniCredit and its customers, which were not resolved through our complaint management process. Disagreements will now be resolved by one of the seven Joint Boards of Conciliation, which are composed of representatives from both UniCredit and Consumer Associations, and are based in Bologna, Brescia, Naples, Palermo, Rome, Turin and Verona.

The fourth and final working group is tasked with improving the information points that are located within UniCredit branches and staffed by consumer association representatives. With their oversight and support, we expanded our *Desk Consumatori* (Consumers Desk) initiative by opening three new such desks at our Agenzia Tu branches dedicated to foreign nationals living in Italy. Moreover, we implemented an online platform to support consumer association experts working in our branches. As of December 2011, more than 7,660 customers and non-customers received support from these

experts with regard to current accounts, mortgages, and credit and debit cards, as well as public administration, tourism and transport.

More than 7,660 individuals received support from our *Desk Consumatori* initiative

In 2012, these four working groups will focus on transparency and simplification related to products already identified together with Consumer Associations.

Additionally, together with two Consumer Associations, we launched our *Facile & Sicuro* (Easy and Secure) initiative to promote the responsible use of credit and debit cards. This seminar series targeted customers and small retailers, and included twelve seminars for specific groups such as housewives and retired people and eight seminars for small retailers regarding electronic payments. A national *Credit Card Day* will be organized and our customers will have access to information points in 20 cities across Italy. The *Facile & Sicuro* program will continue through the first half of 2012.

In line with the growing attention paid to consumer protection issues at the international level – particularly by the OECD, the Financial Stability Board and the European Union – we dedicated several activities to further protect our customers.³

One of these activities was a pilot project that researched transparency to better understand how our customers in Italy perceive its value. In collaboration with an Italian research institute, we held focus groups and conducted interviews with our employees, customers, non-customers and opinion leaders.

We launched a Consumer Protection Strategic Agenda initiative in Italy, in cooperation with business and competence lines to map key processes, roles and responsibilities related to consumer protection. In this way, we are working to meet the needs of consumers in areas such as access to products, fraud protection, transparency and financial education.

³ These included issues involving our F&SME division, which relate to consumer and financial awareness and the process of aligning bank conduct with consumer expectations. As stated by the Financial Stability Board, "Consumer protection is not about protecting consumers from bad decisions but about enabling consumers to make informed decisions in a marketplace free of deception and abuse."

FOCUS

Dialogue with the European Commission on Consumer Protection

We also engaged in a policy dialogue with the Work Programme of the European Commission. This dialogue is focused on the EU's legislative initiative on responsible mortgage lending and borrowing, which aims to ensure that all consumers purchasing a property or taking out a loan secured by their home are adequately protected against the associated risks. We actively participated in the drafting process (still under way as of February 2012) by calling for a more level playing field across the EU as well as for practical proposals aimed at allowing the customer to make more informed decisions at every stage of the contract.

Our Customers

Manage our relationships

We work hard to build and maintain the trust of our customers. Ultimately, our business is only as good as the relationships we keep. To this end, we set advisory standards to ensure that our relationship managers provide the professionalism and competence that our customers deserve. Our employees receive regular training in risk management, and we have developed a range of tools to monitor our performance and better manage our customer relations. When our services do not meet the expectations of our customers, we work to find concrete solutions to their complaints and to avoid similar pitfalls in the future.

Setting standards for our advisory practices

Our customers demand quality products and services that provide good value. To serve this need, we have developed and implemented tailor-made service and advisory models.

The 6th Sense initiative sharpens our sense of customer service

In Austria's F&SME division, the *6th Sense* initiative was launched in 2011 to strengthen the high-quality service we provide to our customers. Roughly 5,000 employees participated in exercises to sharpen their sense of customer service. They used a new Web 2.0 platform to engage in virtual real-time exchanges and to post 9,870 comments and best practice tips for creating excellent customer service. The program entailed a

five-module team workshop per branch, exams and the final Best Service Branches awards based on their engagement in the program and their customer satisfaction scores. After its first year, this initiative has transformed the division's service culture to put the customer first. Current figures show significant improvement in our customer satisfaction scores over the past 12 months.

The Austrian F&SME division also developed *Smart Banking*, a new professional advisory service for customers who prefer to conduct their banking remotely. This service makes it possible to manage customer relationships entirely online or by telephone. A remote personal advisor, with full access to high-quality, industry-standard processes, is at the core of this service and is available between 8:00 a.m. and 6:00 p.m., with a 24-hour support line for emergencies. Currently, the full range of *Smart Banking* services is available for individual customers only.

Additionally, the *Neukunden-Dialog* program was implemented in 2011 in Austria for both the Mass Market and Affluent segments, and provides assistance designed for first-year customers.

In Germany, we launched a *Service and Advisory Standards* project to ensure the consistent delivery of high-quality services in each of our branches. The project is based on a crowd-sourcing approach previously used in 2010 and involves interviews and feedback sessions with colleagues from all regions and areas. The results yielded valuable information and spurred motivation, dialogue and the sharing of best practices.

FOCUS

Professional's Secret

In Russia, the Retail division launched *Professional's Secret*, an interactive customer service project. Involving 14 regions, 90 branches and more than 800 employees, the project recreates the customer experience by involving our employees in mystery shopper exercises. The service quality standards that applied to this training are being expanded, while a video was produced to demonstrate the new standards in action.

In our Corporate segment, we worked to improve customer relationships by publicizing our customers' needs internally, with the aim to develop tailor-made offerings for them. For our larger customers, we introduced a two-year shared goals planning process that is designed to help meet their medium-term business targets. We also developed a process to enable our employees from different parts of our network to agree on shared goals. This process is based on regular meetings involving our relationship managers, specialists in cash management, factoring and leasing, representatives of other units from our product lines, credit analysts from our loan units, and other division experts. These meetings result in synergies and refine our strategies, operations and products.

Depending on the relative sophistication of their markets, several tailor-made service standards have been implemented in selected countries served by our Private Banking division.

Our Private segment developed the European Point of Reference, a network of UniCredit contacts to help us efficiently route transnational client requests.

This enables customers to leverage UniCredit's capacity in our core European markets to recommend contacts, such as those associated with foreign real estate investments.

In Poland, a new Private segment quality service model was implemented to ensure service consistency across all branches.

In Bulgaria, the Private segment published its service standard guidelines to ensure the use of our Group's best practices. This publication was distributed throughout the local branch network.

Empowering our relationship managers

Effective and personable relationship management is fundamental to maintaining proximity to our customers.

We continued to invest in the professional development of our relationship managers in 2011 by providing them with the training and certifications they need to be at the top of their field.

In Austria, 82% of our customers know their relationship managers by name

Our relationship managers are key to our advisory model, particularly for the Affluent client segment. In Italy, our Affluent customers have had access to our dedicated relationship managers since 2005, while in Austria, 82 percent of our Affluent customers know their relationship managers by name.

In Austria, 306 employees have become certified securities specialists

In Austria, we organized a Eurosig training program, in which UniCredit Bank Austria AG collaborates with the Frankfurt School of Finance and Management to train our personal banking advisors. In 2011, 306 of our employees became certified securities specialists. Our goal is to make our advisors experts in both products and markets. In addition, MiFID tests are now mandatory for our relationship managers, while product training is provided on a needs-only basis. Our client handover process in Austria is designed to complement our career development program for managers, thereby ensuring stable quality of service.

In Poland, we launched the *Effective Advisor* and *Effective Manager* programs, in which over 300 participants enrolled. Both initiatives were designed to improve the skill sets of our advisors and team managers.

For our SME segment, we support our relationship managers by providing analyses generated by our senior risk experts.

In Germany, for example, we hold conference calls to share information with our relationship managers on key industrial sectors, four of which were covered in 2011: automotive, construction, healthcare and pharmaceuticals, and tourism, in addition to real estate for private investors.

Several skills-related trainings were developed in 2011 and were made available to our SME relationship managers in Germany. Two pilot projects involving roughly 40 relationship managers were conducted, including:

- an innovative training program focused on interactions with SME customers. The training included a new presentation concept, the *decision-maker dialogue*, which included prepared questions and charts for customer meetings
- a new workshop to improve the quality of our advisory services using our existing range of Sales Advisory Tools (SATs)

Using these SATs, we are able to prepare customized presentations for customer meetings, which focus on their company, its balance sheet, profit and loss statements, and industry trends.

Sales advisory tools - Germany

Our *BuBa* advisory tool assists our relationship managers in preparing analyses of our customers' companies in relation to their competitors.

The *Working Capital Check* advisory tool enables us to explore our customers' working capital efficiency and the potential measures needed to improve their use of resources.

Our Customers

We have also implemented a new concept, the *STAR-Book* on-the-job training. Through this program, our junior specialist relationship managers during their first year are tasked with preparing presentations and analysis for complex customer meetings conducted by senior relationship managers. Our *STAR-Book* advisory teams are available throughout our SME operations in Germany to improve the quality of our advisory services. They are on-hand to support our relationship managers and employees in our Credit Risk division to develop sophisticated financial solutions, particularly when working on complex deals with our customers.

Together with Bocconi University, we also designed an *International Competences Certificate* program for our employees serving customers with international business operations. In Italy, more than 1,600 SME employees were trained in 2011.

In Italy, more than 1,600 employees received training on *International Competences*

In Austria, we developed *Praxis des Finanzierungsgeschäfts im Private Banking*, one-day specialized seminars for our Private segment relationship managers and assistants to address credit risk management and related processes. In 2011, ten seminars were organized, in which 95 percent of our relationship managers and assistants participated.

In 2011, nearly all of our relationship managers in Austria attended credit risk seminars

In Germany, the *Needs Analysis* project represents a new approach to our meetings with Private Banking customers. It entails a structured interview to provide a holistic picture of a customer's circumstances and goals, rather than focusing exclusively on financial topics and products.

Handling complaints

We are working to handle our customer complaints swiftly and effectively to maintain their trust in us and in our business.

Our Global Compliance Guidelines – Complaint Management, for example, which we reported on adopting in 2010, were implemented Groupwide in 2011 across our legal entities and divisions, and in line with local requirements. They encapsulate our complaint management policy and define clear principles, processes and reporting procedures on how we handle customer complaints. In our F&SME division in Italy, the implementation of our Q48 system, designed to resolve customer concerns within 48 hours of submission, was successfully completed in 2011.

Complaint resolution in Austria now aims to handle all open issues within 48 hours; more than 60 percent of Family segment complaints are successfully resolved within this time period.

In Bulgaria, we made several upgrades to our complaint management system in all segments, which reduced the average response time to complaints in 2011. Within three days, 80 percent of customer complaints were resolved, whereas in 2010, 90 percent of complaints were settled within five days.

In Croatia, nine regional workshops on complaint management were conducted in 2011, involving more than 180 employees. These trainings emphasized the importance of responding to complaints and devising ways to improve complaint management. We have also taken steps to handle more customer complaints using digital channels.

Pekao BusinessLine

Pekao BusinessLine, a service for Corporate customers in Poland, guarantees that our clients receive constant service assistance. Roughly 75% of all issues handled are finalized in two working days.

For further information on our customer complaints statistics, see the Supplement.

Customer complaints management in Bulgaria

2010

90% of complaints resolved in **5 DAYS**

2011

80% of complaints resolved in **3 DAYS**

Deliver concrete solutions

As a bank, we will ultimately be measured by the real-life impact we make on our customers. With life and its challenges demanding real solutions, we work hard to support companies and ensure that their businesses are sustainable in the long-term.

We are also committed to helping families achieve their full financial potential, particularly in the current global economic environment. But we must do this responsibly. As a sustainable bank, we are conscientious about our financial practices and conduct our business in the way our customers would expect of us.

CIB division's Capital Structure Advisory

The CIB division's Capital Structure Advisory project will be rolled out in 2012. After an in-depth financial analysis, our Corporate customers will be provided with customized, forward-looking, strategic-oriented solutions. Our objective is to establish long-term cooperative relationships by providing regular advisory services in addition to meeting specific on-demand requests regarding equity and debt capital markets.

Supporting internationalization

The long-term economic development and growth of our customers and their companies is one of our main responsibilities. As a leading European commercial bank, we are equipped to support their efforts in accessing the international markets.

To do this, we launched our *Global Internationalization Project* in 2011 as a structured, cross-Group task force that brings together experts from our F&SME and CIB divisions to:

- simplify product offerings by creating a new product catalogue organized by customer needs and featuring clear descriptions, bundles and terms
- provide training to our relationship managers on the international business needs of our Corporate customers and relevant product offerings
- support our network with a pool of product specialists and swift access to product lines
- improve the post-sale assistance process
- enhance our IT infrastructure to support product and service offerings with a focus on supply chain finance, trade finance and e-banking (e.g., cash management, bank transfers, account reporting and forex operations)
- provide customers with adequate coverage of all key trade destinations through partnerships
- speed up the implementation of standardized cross-border business processes by strengthening our advisory services
- develop an integrated communication plan on our Group's positioning vis-à-vis internationalization

In 2011, we globally implemented our Cross-Border Service Standards Governance Guidelines, which include our rules, responsibilities and processes regarding our customers with business relationships in two or more countries. The new guidelines were officially adopted by our CEE legal entities, with the exception of Russia and Poland, and trainings will be held in 2012 to support the implementation process.

Through our *Umbrella Facility*, we are supporting Austrian companies with subsidiaries across Europe during times when they require funds for local operations, particularly those associated with start-ups. The *Umbrella Facility* is our simple and flexible credit instrument that is available in several CEE countries. UniCredit Bank Austria AG coordinates these instruments and serves as the customer's single point of contact. Its *Umbrella Facility* was selected as the most innovative financial service in 2011 by participants of the Alpbach Finance Symposium.

Additionally, our UniCredit Global Transaction Banking specialists developed *@GlobalTrade* for our corporate customers as an innovative multi-bank, multi-counterpart web-based platform. It allows companies working in foreign markets to improve their internal processes and manage letters of credit, guarantees and documentary remittances in order to reduce the operational risks of their activities. In 2011, *@GlobalTrade* received the Italian Banking Association's (ABI) award for innovation.

We are also developing a unified account opening service in order to make it easier for customers to open an account in any of the 22 countries where our Group operates. This service will be available in 2012.

Building on the important experience we gained in 2010, we continued to invest in promoting SME internationalization in 2011 through a series of initiatives that provided both customers and non-customers alike with clear background information on key issues, as well as valuable networking opportunities.

Our Customers

Main initiatives to support SMEs' exports

| Initiative (Country) | Description | 2011 developments and participants |
|---|---|--|
| Destination China (Italy) | Supports companies' efforts to begin or enhance their export activities of their Made in Italy products in Chinese markets through road shows held in major Italian cities. These road shows provide an opportunity for entrepreneurs to develop an understanding of entry strategies for Chinese markets. In addition, they provide an ideal venue for them to interact with strategic consultants who specialize in China, UniCredit experts and UniCredit branch heads in China, as well as with independent legal professionals. Workshops are held at the road shows, which feature case studies and sharing of first-hand experiences by senior managers of leading companies doing business in China | Fourteen external professionals and experts participated in the four-day road show, which was attended by 600 entrepreneurs. Thirty one-on-one meetings between entrepreneurs and China experts were held |
| East Gate Export (Italy) | Promotes the exports of Italian SMEs to CEE countries – with a focus on Poland, Romania, Russia and Turkey – by providing entrepreneurs with access to experts from our CEE subsidiaries, independent consultants, and tax and legal professionals to share their international expertise | More than 2,230 entrepreneurs participated in five <i>East Gate Export</i> events in 2011, in Bari, Genoa, Florence, Monza and Perugia. Furthermore, roughly 7,000 one-on-one meetings were held between UniCredit representatives and independent professionals in other countries. Seventy-one percent of participating customers reported that they were satisfied by the event. Media covered the event, filing 201 news reports |
| 100 Imprese (Italy) | Promotes SME Made in Italy products by arranging meetings between Italian enterprises and buyers from CEE countries | In 2011, three <i>100 Imprese</i> events were held in Alghero, Naples and Treviso, and generated roughly 1,760 Business-to-Business (B2B) meetings |
| Sardegna Export | Focuses on supporting the internationalization of enterprises in Sardinia by inviting buyers from Poland to a two-day fair, in cooperation with the chambers of commerce in Cagliari, Oristano and Sassari | The Sardegna Export fair in Alghero attracted 54 entrepreneurs and generated 360 B2B meetings |
| Mediterranean Taste | Promotes Southern Italian food and beverages to markets in Russia and the Czech Republic | The two-day event held in Naples facilitated more than 700 B2B meetings between 100 Italian companies and 25 Czech and Russian buyers |
| WinEast | Helps winemakers increase exports to CEE markets | The program held in Treviso connected 128 wineries from different regions with 20 buyers from Russia and Poland, and facilitated 700 B2B meetings |
| Export Business School (Italy) | Aims to develop or strengthen export management, internationalization strategy and business planning skills of Italian entrepreneurs and their employees, through a six-day training program in cooperation with local university professors | Eight training programs were held in 2011 in Bari, Bergamo, Bologna-Modena, Catania, Naples, Rome, Salerno, Verona-Vicenza |
| Meet the World (Austria) | Promotes Austrian, German and Italian exports. Our information desk was on-hand and staffed by our Global Transaction Banking and Financing & Advisory specialists in cooperation with the Austrian Chamber of Commerce | The event attracted roughly 2,500 participants, 50 exhibitors who were export service providers, and more than 60 Austrian business delegates from around the world |
| CEE Economic Forum (Austria) | Creates network opportunities for developing partnerships in CEE markets through a two-day workshop organized with trade commissioners from Eastern European companies | Roughly 450 participants attended |

Our CIB division was also active in 2011 in the internationalization field. The division organized a series of events to help our Corporate customers meet potential new business partners and reinforce their dialogue with our top management.

Also of note in 2011 was our *I Rischi del Mestiere* program. Organized in partnership with the Italian newspaper *Il Sole 24Ore*, this program promoted dialogue between UniCredit and other companies on the risks posed by foreign exchange management and financial hedging instruments in a time of economic discontinuities. The program held five roadshows: Modena and Monza at the end of 2010, and Naples, Turin and Vicenza in 2011. The main participants were representatives from medium-sized and large local companies, including UniCredit customers, as well as our qualified specialists who provided customized advice on specific business solutions.

Our sixth annual *UniCredit Infrastructure Finance Conference*, held in Turkey in 2011, focused on new funding sources for infrastructure projects. The event was attended by 167 of our customers and representatives from the infrastructure finance community. Additional CEE events were organized to support our Corporate customers' cross-border activities. Between 2010 and 2011, for instance, we held events in Belgrade, Bucharest, Ljubljana, Sofia and Warsaw.

FOCUS

Dialogue with the European Commission on Internationalization

UniCredit has set up an internal working group to better engage the European Commission in a constructive policy dialogue regarding their strategy to support the expansion of European SMEs business to non-EU markets (e.g., a review of the Small Business Act for Europe: A new partnership to help SMEs seize global opportunities). In 2012, the working group plans to make the dialogue more structured at the European institutional level by leveraging our Group's expertise in the field (e.g., training programs, internationalization of micro-enterprises, networking opportunities and business information platforms).

Fostering local economic development

UniCredit sustains local economic development, offering our communities concrete support that is suitable with their local customs. We understand that local economic sectors often have specific dynamics and regional contexts that demand tailor-made solutions.

In Italy, for example, we focused on supporting professionals to develop and manage their businesses. Our *Valore Professioni* program is a collaboration between UniCredit and *Confindustria* – an organization that represents Italian professional associations, including notaries, chartered accountants and architects – in which we made €500 million in financing available to Italian professionals, in addition to a customized catalogue of our banking products.

Additionally, we developed our *Ripresa Cantieri Italia* program with the National Association of Builders (ANCE) in June 2011 and committed to providing €2 billion in financing to qualified applicants for residential construction projects. As part of this initiative, UniCredit representatives

and select companies discuss credit policies and credit training, while joint working groups convene semi-annually. ANCE associates benefit from tailored evaluation processes and targeted instruction, which we provide regarding our commercial loan procedures.

FOCUS

Sector specific research

Fashion: We conducted a study in 2011 on 12 Italian networks active in the fashion industry – an important sector for the Italian economy. Moreover, we organized strategy meetings with certain companies to support the sector's ongoing development. More information is available on our website (www.unicredit.it). 

Shipping: In 2011, the third annual AUB (Aidaf, UniCredit, Bocconi University) Observatory survey of Italian family businesses focused on the shipping industry. This initiative strengthens our territorial relationships and serves to create new business opportunities for the shipping sector supply chain. Furthermore, analyses of sector trends and dynamics are presented at Corporate and Private customer events. More information is available on our website (www.unicredit.it). 

Our Customers

Local government agencies are often under pressure to produce timely financial analysis, medium-term financial services and proper financial planning.

In Austria, together with the KDZ – Centre for Public Administration Research, we developed free, user-friendly analysis and planning tools, which are available on the KDZ website.



These tools are used by municipal agencies to generate credit ratings and risk assessments of their own finances, to assess childcare, retirement and nursing facilities, and to evaluate other similar projects and investments. The *Expanded Budget Check* program was launched in 2011 to give a comprehensive overview of municipal budgets, including subsidiary offices and agencies. More than 290 registered towns and cities are using these tools, which were accessed more than 5,000 times in 2011.

The development of SMEs is vital to local economies. It contributes significantly to employment and GDP growth. At UniCredit, we work hard to be a reliable partner to our SME customers across various sectors.

In 2011, we set up our *Ripresa Italia* initiative to help support the real economy in the face of weak recovery. *Ripresa Italia* offers a new €1 billion pool for SMEs, investing in production cycle recovery, innovation and competitiveness, sustainability and education, internationalization and the development of networks.

Reti di Impresa, a component of *Ripresa Italia*, is a model developed to support the networks of firms. It guarantees the independence of each company, while treating them

as a network in order to improve their competitiveness in the global market. Out of the roughly 200 firms that registered for this model, we are now guiding 15 new networks through their set-up phases. The model also includes a permanent working group that facilitates the operations of these networks, and accepts related proposals from associations and interested third parties.

Beginning in 2012, UniCredit will also launch the six-year financing product, *Bond delle Reti*, which allows companies that belong to a corporate network to benefit from an improved credit rating.

In terms of innovation and competitiveness, three Italian research universities worked with our Group to provide technological and scientific evaluations of innovative SME projects. These evaluations helped us to develop better financial products for SMEs, including:

- *Innova*, a loan designed to enhance the technological content of products, processes and services, while strengthening our borrower's organization and corporate structure
- *Ricerca*, a loan to develop or sustain R&D projects, with an emphasis on creating technologically innovative new products, processes and services

Moreover, UniCredit won in two public call for tenders – which was issued by the Italian Ministry of Economic Development – to provide financing to small and medium-sized enterprises to develop their innovative patents.

In Germany, we supported the development of our SME customers by offering a range of promotional loans that represent government subsidized loans. As of December 2011, our promotional loans portfolio amounted

roughly €6 billion. In 2011, €1.7 billion of new loans were approved.

In Romania, we signed an agreement with the European Investment Fund – the arm of the European Investment Bank that provides SME risk financing across Europe – under the Joint European Resources for Micro to Medium Enterprises (JEREMIE) initiative. The agreement allows our bank to provide up to €87.5 million in new loans to Romanian SMEs. Under the agreement, the third of its kind in Romania, we can finance new investment and expansion for local SMEs with better than market terms. We will offer these loans over a two-year period, beginning in spring 2012. We also joined the *Kogălniceanu Program* in 2011, which provides state-subsidized working capital to SMEs. Intended to stimulate the creation and development of SMEs from 2011 to 2013, the program offers credit lines with partially subsidized interest payments and, in some cases, government loan guarantees.

Similar loan subsidies are being offered in partnership with international financial institutions in other CEE countries.

Investing in innovative products and services

Improving our multichannel service model is one of our key strategic objectives.

At UniCredit, that means developing new or unconventional solutions that allow our customers to work with us through non-traditional banking channels. We created a process to generate new product, service and distribution channel innovations.

In Italy, roughly 2.7 million Individuals and Small Business customers have used electronic banking services at least once in 2011

For example, with *Firma Digitale* (Digital Signature) and *Negozi Online* (Shopping Online), our Italian customers are able to purchase or use our products and services wherever they happen to be; they do not need to visit a UniCredit branch.

In Germany, we are strengthening our relationships with remote clients by using video conferencing and modern call-center equipment, among other technologies.

For SMEs in Germany, we are researching the new eSignature technology to allow remote contract signing and online purchasing of our products. These services will be rolled out in 2012.

In Italy, we launched a virtual short-term loan request process for micro-enterprises and professionals. Customers

are able request a short-term loan by completing an online form, uploading their balance sheets directly from their own internet bank accounts and signing the agreement digitally.

Our Corporate customers are also the focus of our innovations. The *InvoiceComm* platform enables our Italian corporate clients to exchange, collect, reconcile and digitally store invoices and documents through multiple channels, thereby leveraging our customized solutions and making best use of our secure Digital Signature technology.

To help us further improve our online services, we led a focus group in Italy in 2011 of serious internet banking users. We first created an online forum and over seven days, two topics were introduced for discussion, which received comments from more than 100 participants. Face-to-face interviews were then conducted with 16 entrepreneurs regarding our new and existing services and features. We made improvements to our web payment service and site navigation following our study, while additional upgrades to our mobile banking and services are scheduled for 2012.

In Poland, we signed a *PekaoREADY* agreement with 30 Enterprise Resource Planning (ERP) software manufacturers in order to provide companies with faster, automated systems, which can be integrated with electronic banking systems and facilitate their daily operations.

More than 530 customers attended Bank Pekao's online corporate educational program

At the same time, we increased our investment in the *Pekao BIZNES²⁴ Academy*, which addresses advanced electronic banking tactics and strategies for Polish companies. More than 530 customers from 310 different companies attended our workshops in 2011 to learn how to use our advanced products and our banking platform.

Innovative products and services for individuals

In Italy UniCredit's modern mobile banking services includes our *Mobile Token* for smartphones and our *Operazioni Veloci* (Fast Operations), which allow customers to pay for their mobile phone service and recharge prepaid cards using secure SMS messaging from any cell phone. Our mobile banking in Germany, *Stecken Sie Ihre Bank in die Tasche* (Your Bank in Your Pocket), is now available on iPhone. In addition, we also launched our first mobile optimized homepage (m.hvb.de).

In Italy, our online banking service, *Genius Card Web*, is a rechargeable virtual prepaid card that is easier to use than cash. Our *Pagonline* (Pay Online) service allows our customers to make internet purchases without using a credit card. Instead, the purchase amount is debited from their bank account.

Our upgraded ATMs have evolved into a real communication channel in Italy. In addition to their usual functions, our ATMs provide services such as topping up a cell phone, paying for a train ticket or recharging a TV card.

Our Customers

Supporting families and companies

During these times of global economic strain, it is our responsibility to develop and engage in a broad range of activities to help families and companies achieve long-term sustainable growth.

In 2011, many families continued to face uphill challenges in meeting their mortgage payments as a result of the global economic crisis. We have been working hard to help alleviate their difficulties.

Thus, UniCredit has been carrying out meaningful initiatives that suspend mortgage payments for those families dealing with unplanned events that impact their earning capacity, such as temporary unemployment. In Italy in 2011, there has been an approximate 70 percent increase in mortgages benefiting from various support initiatives compared to 2010.

In Italy, the UniCredit Credit Management Bank (CMB), a specialized division that manages non-performing loans, partnered with several Italian Consumer Associations to develop the *Friendly Repossess* and *Repossess Parziale* solutions. These solutions support families facing difficulties in repaying their mortgages and prevent them from losing their homes. Homes are not auctioned off, but are instead sold to a specialized entity connected to UniCredit CMB. Under *Friendly Repossess*, families may pay rent and continue to live in their homes, while working to regain adequate income to buy back their property. Under *Repossess Parziale*, only partial interest of the property is sold to a specialized entity. The value is used to pay off a portion of the mortgage, reducing payments so they are within our customers' ability to repay. In 2011, we received roughly 100 requests involving approximately €11 million of mortgage loans.

In addition, across much of CEE, 2011 was also characterized by the deterioration of the macroeconomic environment, rising unemployment rates, a decline in family incomes, and a consequent decrease in customers' abilities to make regular loan payments. In some cases, currency fluctuations led to sudden increases in customers' monthly mortgage installments. As a result, we responded to their challenges by taking up measures with local authorities.

In Croatia, we signed a memorandum supporting measures to repair the exchange rate. Our bank took steps to inform customers in a timely manner about these measures, their repercussions and other possible solutions. Moreover, we provided refinancing and debt restructuring for customers facing repayment difficulties. In 2011, 6,265 restructuring transactions were carried out. In Bulgaria and Romania, we also devised new payment plans in line with our customers' circumstances and encouraged them to borrow in their local currencies in order to eliminate foreign exchange risk.

We are serious about our role as a reliable and trusted business partner for our business customers. In the ups and downs of the global economy, we are committed to supporting their long-term growth. In 2011, we continued to support our main initiatives to counter the effects of the financial crisis and assist SMEs in

Italy. *Impresa Italia*, launched in 2008, and *SOS Impresa Italia*, launched in 2009 in partnership with Confidi credit associations, are designed to strengthen the guarantees associated with conventional business financing, thus ensuring access to both short- and long-term loans. Both projects were described in our 2009 and 2010 Sustainability Report.

Focus

Impresa Italia and *SOS Impresa Italia*

As of December 2011, through *Impresa Italia*, UniCredit granted more than €3 billion to small businesses. Since 2009 through *SOS Impresa Italia*, UniCredit supported:

- more than 31,000 companies by restructuring their debt (i.e., providing new loans or revising existing ones), totaling roughly €3.7 billion in exposure
- more than 40,800 companies with debt repayment deferrals involving approximately €1 billion

Since 2009, UniCredit has participated in *Moratoria*, an initiative to suspend SMEs' debts with the approval of the Italian Ministry of Economy and Finance, the President of ABI and several business associations. After concluding *Moratoria* in June 2011, we supported roughly 20,000 SMEs totaling €7.7 billion in exposure. Our first internal analysis of *Moratoria* shows that most participating SMEs are maintaining a regular debt position after receiving support.

Focus

Trust Index of SMEs in Italy survey

For the eighth consecutive year in Italy, we conducted our Trust Index of Small and Medium-Sized Italian Entrepreneurs survey with an external research partner. We interviewed 5,000 small business clients, 1,000 small business prospects and 1,000 medium-sized enterprise clients, after which we found that, since 2010, the 2011 Trust Index decreased by 10 points due to the macroeconomic crisis in Italy, the lowest trust levels since 2004. More information is available on our website (www.unicredit.it). Similar studies were conducted in other countries.



Promoting responsible finance

UniCredit is committed to promoting sustainable solutions in its financing and investment decisions. When carrying out lending activities, including corporate, project and export finance, we take into account the International Finance Corporation's (IFC) Performance Standards and the Environmental, Health and Safety (EHS) Guidelines of the World Bank Group.

We have also been pioneering in our adherence to major international standards and guidelines developed in recent years, such as the Equator Principles, the Global Compact, the United Nations Environment Programme Finance Initiative (UNEP FI) and the Principles for Responsible Investment (UNPRI).

As a bank, we are aware of the potentially significant social and environmental impacts of our financing decisions. We consider not only the traditional economic and financial impacts, but also non-financial impacts, including environmental and social considerations, through our Group policies and practices. These include the General Group Credit Policy, the Special Credit Policies (e.g., the Project Finance

Transactions Policy and the Structured Trade and Export Finance Policy), and the Compliance Policies (e.g., the Anti-Money Laundering and Countering of Terrorism Financing Policy).

In 2011, we have enhanced our capacity to manage environmental and social risk in project finance transactions. Moreover, we have continued to address potential social and environmental risks in our financing activities through our special reputational risk policies.

Project finance and the Equator Principles

The Equator Principles are a set of standards for financial institutions to assess and manage environmental and social risk in the context of project finance. At UniCredit, we firmly support and subscribe to these voluntary standards and we are working to implement them throughout our network.

These principles are embedded in our Special Credit Policy Project Finance Transactions, which was approved by UniCredit S.p.A. in 2010 and implemented by UniCredit Bank AG and UniCredit Bank Austria AG in 2011. The approval and implementation process among our CEE legal entities

began in 2011 and will continue in 2012. Under this policy, the Internal Equator Principles Risk Screening Tool is incorporated into the approval process for project finance transactions.

As a Steering Committee member of the Equator Principles Financial Institutions Association, one of our Group's 2011 priorities was to provide our input on the IFC Performance Standards Review Process and on the ongoing review of the Equator Principles. We participated in several working groups, including the *Transparency and Reporting Task Force* and the *Climate Change Working Group*, and took on the co-lead role of the *Industry Stakeholder Engagement Working Group* and the *Export Credit Agencies (ECA) Stakeholder Engagement Working Group*.

Capacity building was an important priority for us in 2011 regarding the Equator Principles and our new Special Credit Policy Project Finance Transactions. As a result, employees from Austria and 15 CEE countries, belonging both to the Risk Competence Line and Business divisions, attended a tailor-made training in November 2011 in Vienna on project finance, with a special focus on the Equator Principles.

The aim of this two-day training was to provide participants with a state-of-the-art learning experience, while building on peer-to-peer knowledge sharing. The training helped to raise awareness of project finance transactions and illustrate the scope of application of our new Group Special Credit Policy Project Finance Transactions. It also provided information on principles for project finance transactions with a focus on the Equator Principles, and evaluated financial, environmental and social risks, among other issues.

Equator Principles - Number of projects financed by risk category

| Risk category^A | 2011^B | 2010^C | 2009^D |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Category A | 12 | 2 | 2 |
| Category B | 7 | 12 | 11 |
| Category C | 6 | 4 | 1 |
| Total | 25 | 18 | 14 |

^A Category A - Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented;
^B Category B - Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures;
^C Category C - Projects with minimal or no social or environmental impacts.

^B Projects financed within UniCredit Bank AG, UniCredit S.p.A. and UniCredit Bank Austria AG.

^C UniCredit Bank AG only.

^D Projects financed within UniCredit Bank AG including one project financed by UniCredit Mediocredito Centrale S.p.A. where UniCredit Bank AG provided due diligence services.

Our Customers

As financial advisors for the *Eurasia Tunnel* project in Turkey, we made the client aware of the benefits of applying the Equator Principles and helped them to commission an international environmental and social impact assessment. We advised our customer on the benefits of applying international best practices in environmental and social risk management in that field, and in working towards compliance with the Equator Principles.

This was instrumental in developing environmental and social risk management systems and an action plan. The project also was in full compliance with the environmental and social standards of the European Bank for Reconstruction and Development's (EBRD) Performance Requirements.

As one of the mandated lead arrangers for *London Gateway*, a container port project in an environmentally sensitive area in the United Kingdom, we have been evaluating the project's environmental impact in the context of a high-income OECD country. We have been working to achieve a satisfactory risk profile and proper compensation for adverse ecological effects.

We also supported the *Nord Stream Pipeline Project* as the mandated lead arranger, which entailed a portion of the pipeline to pass through an environmentally sensitive, Natura 2000-designated marine area. All ecological impacts were mitigated appropriately by Nord Stream by implementing a comprehensive suite of construction management plans, including a biodiversity management plan.

2011 Equator Principles - Number of projects financed by risk category and sector

| Sector | Category A | Category B | Category C |
|------------------------|------------|------------|------------|
| Resources ^A | 4 | 1 | 0 |
| Energy | 5 | 2 | 3 |
| Infrastructure | 3 | 4 | 3 |
| Total | 12 | 7 | 6 |

^A Including oil & gas, mining and metals.

2011 Equator Principles - Number of projects financed by risk category and regions

| Region | Category A | Category B | Category C |
|--------------------------|------------|------------|------------|
| Europe: EU | 7 | 4 | 2 |
| Europe: non EU | 3 | 2 | 1 |
| North America and Mexico | 1 | 0 | 3 |
| Asia - Australia | 1 | 0 | 0 |
| Africa | 0 | 1 | 0 |
| Total | 12 | 7 | 6 |



Stadium in Gdańsk, Poland. Bank Pekao SA participated in the financing of three UEFA EURO 2012™ stadiums: Stadion Narodowy in Warsaw, the Poznań Stadium and Stadium in Gdańsk. For UEFA EURO 2012™ Bank Pekao SA has also financed other infrastructures, such as highways, regional airports and public transportation.

Reputational risk policies

At UniCredit, we are aware that, through our influence on business operations, financial transactions, project finance, supply chains and other business activities, we may directly or indirectly affect outcomes on a range of sensitive issues.

We therefore strive to conduct our own business in such a way as to minimize our reputational, environmental and social risks. To this end, we have developed special reputational risk policies to address our involvement in sensitive industries such as weapons,

nuclear power, mining and water infrastructure.

In addition to maintaining our special reputational risk policies, we believe it is important to monitor other industries that might impact our Group's reputation.

Special reputational risk policies

| Policy | Objective | Recent developments and risk mitigation |
|--------------------------------------|--|--|
| Defense/ Weapons ^A | Regulates financial involvement with companies from the defense/weapons industry in order to minimize environmental, social, reputational and credit risk | UniCredit has published a position statement on the defense/weapons industry that includes key criteria that our Group applies in this sector We worked in 2011 to improve our application of these criteria across our different UniCredit legal entities. This involved reinforcing our transaction-based reputational risk assessments, as well as our monitoring and reporting requirements We actively participated in a working group promoted by the Science for Peace movement in Italy, where banks and civil society representatives worked to develop a Code of Responsibility for Financing Transactions in the Defense Sector to be used to address monitoring and assessing improvements |
| Nuclear Energy ^A | Regulates involvement and aims to address the challenges posed by the nuclear sector in order to minimize environmental, social and credit risk | The content of our Group Nuclear Energy Reputational Risk Special Policy was published on our website in 2010 |
| Non- Cooperative Jurisdictions | Aims to define principles and rules for managing new business in tax havens and non-cooperative jurisdictions in order to help our Group maintain a high level of risk awareness and risk culture, and safeguard UniCredit from tax and reputational risk-taking | See our 2010 Sustainability Report |
| Mining ^A | Provides guidelines and standards that address risks associated with mining operations | Our Mining Industry Policy was approved by our Group Operational and Reputational Risk Committee and our Group Risk Committee in December 2011. A policy statement will be available on our website in 2012 |
| Water Infrastructure ^A | Provides guidelines and standards that address and limit risks associated with financing fresh water infrastructure | Our Water Infrastructure Policy was approved by our Group Operational and Reputational Risk Committee and our Group Risk Committee in February 2012. A policy statement will be available on our website in 2012 |

^A Loan proposals that involve one of our global reputational risk policies must be screened by the responsible legal entity, according to the relevant screening record. This screening record is an integral part of the compliance assessment of any counterpart covered by these policies, based on the initiatives, transactions or projects. It must be filled out before approval may be given. The screening record contributes to the approval decision by confirming that the counterpart and the initiatives, transactions or projects fully comply with the requirements included in the respective global policy. In addition, a questionnaire based on the relevant questions generated by the screening record must be filled out and signed by the customer, with confirmation that all information provided is true, current, accurate and complete.

Streamlining banking with technology.



To communicate better with investors and markets, we are increasingly turning to online tools that disseminate information quickly and effectively. Our financial calendar, video presentations and other multimedia content feature comprehensive, up-to-date information on UniCredit and the markets, and can be easily accessed online. These tools are complemented by our commitment to personally contacting and serving our investors through roadshows and one-on-one meetings.

Investors and Markets

PRIORITIES 2012

Further increase the number of events designed to improve our dialogue with investors, analysts and rating agencies, while continuing to keep the markets up to date on news related to UniCredit

Focus on external online communications and develop a new and simpler web layout for the investors section

Priorities 2011

Hold more events to improve our dialogue with investors, analysts and rating agencies, and keep the markets up to date on news related to UniCredit

Continue to integrate online communications, increasing the use of the Knowledge Center and the financial calendar on the investors web page

Key achievements 2011

Achieved: Investor Relations enhanced its communication with investors, analysts and rating agencies. In 2011, more than 490 meetings were held with buy-side investors and sell-side analysts, and 73 meetings with rating agencies

Achieved: We continued to update the online Knowledge Center with content related to the UniCredit Strategic Plan, including presentations, press releases, podcasts and other multimedia materials. The online financial calendar was also regularly updated to highlight important financial events and related topics. We are currently assessing the overall effectiveness of the Knowledge Center

Investors and Markets

Enhancing shareholder relations

In line with the best practices of leading listed companies, our Investor Relations department serves institutional investors, while our Shareholder Relations department is dedicated to private investors. This specialization helps ensure that our investors receive the best possible service and information. Investor Relations colleagues can be contacted directly by regular mail, telephone and e-mail. Shareholder relations can be contacted via email, fax, toll-free telephone number or regular mail.

Investor Relations is dedicated to receiving and responding to inquiries

on a daily basis. As of December 2011, the office was staffed by 15 people with many years of combined market experience. In order to better meet the market's need for enhanced information flows, an additional subunit within the department was dedicated to rating agencies.

In 2011, Investor Relations worked to maintain and improve the transparency and quality of its communications with stakeholders, including:

- institutional investors
- sell-side analysts
- rating agencies

In 2011, 407 meetings were held with institutional investors – roughly

60 of which addressed the UniCredit Strategic Plan – up from 346 in 2010; 84 meetings were held with sell-side analysts, up from 54; and 73 were held with rating agencies, up from 61. Also in 2011, the number of roadshows increased to 35, up from 28 in 2010.

Investor Relations regularly updated the online Knowledge Center and financial calendar in an effort to increase their use. This proved extremely helpful to investors. Moreover, our institutional website received the Italian KWD Web Ranking award for the fifth consecutive year for being the best corporate website in both the Italian (2007-2008) and European (2009-2010-2011) financial sectors.

Engagement mechanisms

| Kind of engagement | Issues identified | UniCredit response |
|---|---|--|
| One-on-one and group meetings with institutions and analysts | <ul style="list-style-type: none"> • Capital increase • Returns/strategic plan • 3Q11 losses in light of challenges posed by the new macro and regulatory environments | Throughout 2011, Investor Relations conducted a significant number of meetings, one-on-ones and roadshows to engage investors, analysts and rating agencies, among other activities. These efforts were bolstered by a presentation and Q&A on the UniCredit Strategic Plan |
| Presentation of strategy and results to analysts and the investor community | | Investor Relations was responsible for the market presentation of the strategic plan. It prepared financial content (e.g., divisional figures), conducted live and online communications with analysts and investors, and presented a video webcast and conference call for online audiences |
| Annual General Meeting | | The strategic plan presentation focused on balance sheet structure, simplification and cost management, the refocusing of our business and the turnaround in Italy |
| Shareholder identification | | This event was also used to present 3Q11 results and announce the capital increase |
| | | At the Annual General Meeting and Extraordinary General Meeting, Investor Relations engaged with our major investors regarding the voting process. |
| | | Investor Relations is responsible for conducting the shareholder identification survey |

Rating agencies evolution, 2011

| Rating agencies | Short-term indebtedness | Medium/long-term indebtedness | Outlook |
|--------------------------|-------------------------|-------------------------------|--------------|
| Fitch Ratings | F2 | A- | Negative |
| Moody's Investor Service | P-1 | A2 | Under review |
| Standard & Poor's | A-2 | BBB+ | Negative |

Share information, 2011

Share price (€)

| | |
|---------------|--------|
| maximum | 13.105 |
| minimum | 4.225 |
| average | 8.573 |
| end of period | 4.225 |

Number of shares (millions)

| | |
|--|-------|
| outstanding at period end ^A | 1,930 |
| shares with dividend | 1,833 |
| of which: saving shares | 2.42 |
| average ^A | 1,930 |

Dividend

| | |
|-----------------------------|---|
| total dividends (€ million) | - |
| dividend per ordinary share | - |
| dividend per savings share | - |

^A The number of shares is net of treasury shares.

In 2011 the following operations were carried out: the euro 2,499,217,969.50 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.

Earnings ratios and major shareholders, 2011

Earnings ratios

IAS / IFRS

2011

| | |
|--|---------|
| Shareholders' equity (€ million) | 51,479 |
| Group portion of net profit (€ million) | (9,206) |
| Net worth per share (€) | 26.67 |
| Price/Book value | 0.12 |
| Earnings per share (€) | -5.12 |
| Payout ratio (%) | - |
| Dividend yield on average ordinary share price (%) | - |

Major shareholders (March 2012)

% owned^A

| | |
|---|--------|
| Aabar Luxembourg S.A.R.L. | 6.501% |
| Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona | 3.534% |
| Fondazione Cassa di Risparmio di Torino ^B | 3.345% |
| BlackRock Inc. | 3.106% |
| Carimonte Holding S.p.A. | 2.997% |

^A On ordinary capital.

^B In addition it is lender for 29,534,856 Ordinary Shares, 0.510% owned.

Sustainability Performance and Indices

We are included in a number of environmental, social and governance performance indices and benchmarks, including:

ASPI Eurozone®

Dow Jones Sustainability Index

FTSE4Good Index

ECPI Indices

Ethibel Sustainability Indices

oekom research

Sustainalytics

Vigeo

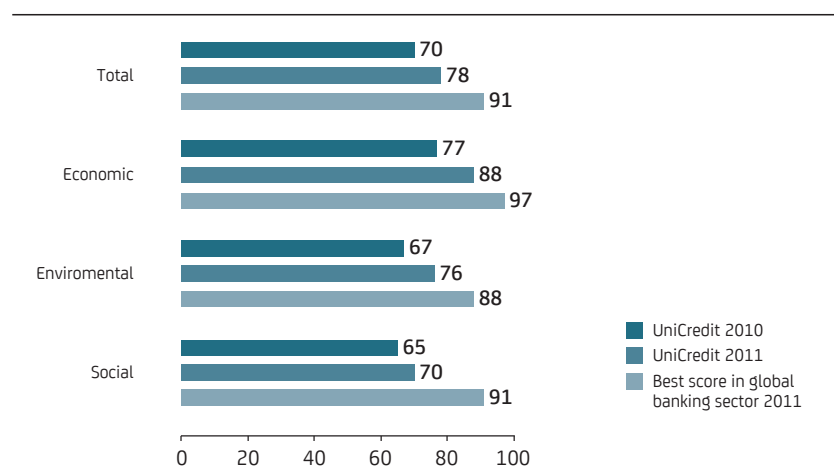
Dow Jones Sustainability Index

The Dow Jones Sustainability Index (DJSI) tracks the performance of the leading sustainability-driven companies worldwide.

Identification by the DJSI as a leader in sustainability is based on the annual Corporate Sustainability Assessment carried out by Sustainable Asset Management (SAM), the index's primary sustainability rating firm.

SAM's comprehensive assessment includes an in-depth analysis of economic, environmental and social performance factors, such as corporate governance, risks related to water infrastructure projects, and stakeholder relations, with a special focus on industry-specific risks and opportunities.

In 2011, UniCredit was selected as an index component in the Dow Jones Sustainability World and Europe Indexes, with a total score of 78 out of 100 – up from 70 in 2010.



Creating initiatives that meet real needs.



Together for the Region is an initiative designed to build tighter bonds with regions and communities, particularly with local non-profit organizations. In Nuremberg, for instance, UniCredit developed a new debit card, *My Town - My Bank - My Card*. A portion of card proceeds are donated to *Lebenshilfe Nürnberg*, a charitable organization that assists the disabled. The same model has been adopted by more than 50 UniCredit subsidiaries in Germany, where roughly 25,000 cards support charities. In addition to providing donations, the Bank's local staff created a corporate volunteer program, with more than 350 employees supporting 17 projects and participating in activities ranging from providing volunteer companion services to offering professional training. This is a practical demonstration of how our Group provides concrete answers to facilitate the full integration of persons with disabilities.

Communities

PRIORITIES 2012

Further support the economic and social development of our communities by:

- helping individuals to better grasp financial concepts in order to improve their money management and make more informed decisions by consolidating and expanding our financial education programs
- enhancing our financial services to non-profits, piloting our *Universo Non-Profit* model outside of Italy and partnering with non-profit organizations through the UniCredit Foundation to increase our employees' involvement in charitable work
- empowering future generations to build healthy and innovative communities, supporting talented students and researchers through the UniCredit & Universities Foundation's *UniCredit Study-Abroad Exchange Programme*, and expanding *Il Talento delle Idee* program to provide young entrepreneurs with a platform to launch new business ideas

Priorities 2011

Promote a value-oriented commitment

Enhance our internal reporting system and the metrics we use to assess our contributions to communities, with the aim to progressively implement the London Benchmarking Group's model over the next three years to better develop our community investment strategies

Invest in core initiatives

Further expand social inclusion projects in Central and Eastern Europe, strengthen our commitment to the development of social entrepreneurship by extending the areas of intervention in Italy and deepen our employees' involvement in Unidea - UniCredit Foundation initiatives

Extend and consolidate the UniCredit & Universities Foundation's network in Europe through new partnerships with prestigious academic institutions and initiatives involving young talent

Key achievements 2011

Achieved: We implemented the London Benchmarking Group methodology by completing a pilot project in Italy and drafting this report for the first time in line with their standards

Achieved: We increased our employees' involvement in a range of initiatives, including the *Gift Matching Program* and *Your Choice, Your Project*, which supported social enterprises in Italy and social inclusion initiatives in Poland, Bulgaria, Slovakia and Slovenia

Achieved: We expanded the foundation's initiatives to Croatia and Serbia, and forged new partnerships with prestigious universities in Europe and the United States to support students and researchers in the economics field

Promote a value-oriented commitment

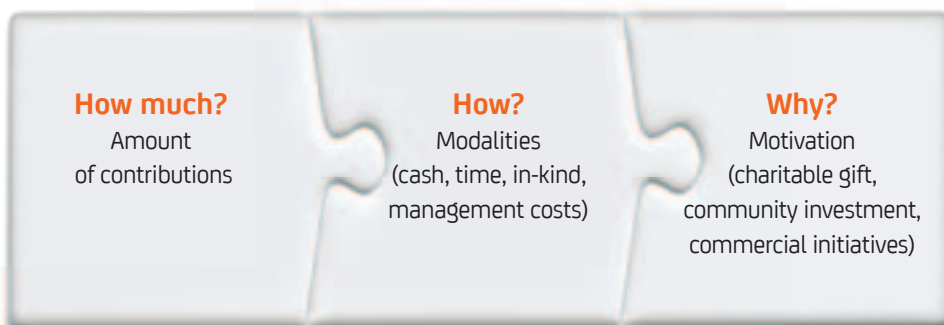
In light of the current economic downturn and in line with our strategic plan, we are working more than ever towards being an efficient and effective community player. From the financial services we offer to the local initiatives we support, our community investments are designed to create long-term value.

In 2011, this meant not only asking how much money we should invest, but also in what ways we should use our resources and to what end.

Thus, to increase the impact of our commitment to communities, we are strengthening our forward-looking approach to cost management. This has required us to be more selective about our investments in programs, which increase our proximity to our communities and support their well-being and development.

We are particularly focused on initiatives that deliver sustainable value that

Key questions when contributing to communities



move beyond our everyday business operations – beyond our products and services – and enhance relationships in the communities in which we operate.

As a bank we are committed to earning our place within these communities. In addition, through our partnerships with public and private entities, we aim to enrich communities and add value by leveraging our global presence to service both international and local level initiatives.

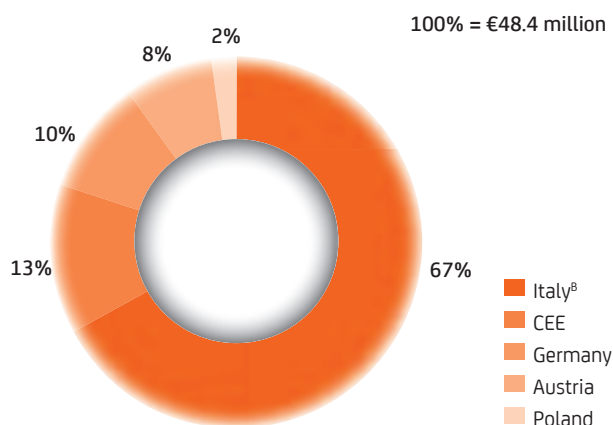
By generating this kind of concrete and measurable value, we work to meet

individual's real-life needs. Moreover, UniCredit's financial, cultural and social support is complemented by the generous commitment of our employees' time and skills.

In 2011, we introduced the London Benchmarking Group model (more information is available on the LBG website) to better assess and communicate the true value of our community investments and to be consistent with the priorities declared in our 2010 Sustainability Report. This approach is currently used by leading companies around the world.



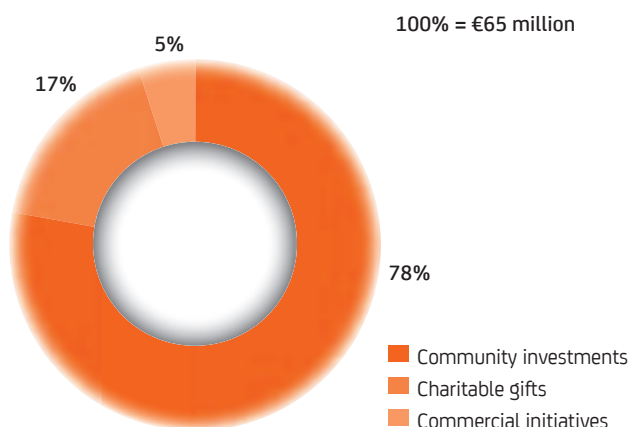
Percentage of cash contributions by geography, 2011^A



^A Data refers to cash contributions only. CEE includes UniCredit's six divisionalized countries – Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia – in addition to Bosnia Herzegovina, Kazakhstan, Serbia, Slovenia, Slovakia, Turkey and Ukraine.

^B Includes also UniCredit Foundation and UniCredit & Universities.

Percentage of community contributions by motivation, 2011^A



^A Includes Group cash contributions and – for Italy only – time and in-kind resources. Management costs are distributed based on the contributions by motivation.

Its standardized metrics enable companies to broaden their understanding and reporting to account for – in addition to traditional cash contributions – the expenditure of other resources such as employees' time, in-kind contributions and the costs associated with managing community initiatives.

Beginning from our first LBG pilot in Italy, our objective is to extend this methodology in the coming years to select countries where our Group has a presence.

Key 2011 Group figures

In 2011, UniCredit's contributions to community-oriented initiatives amounted to roughly €65 million¹ and included the following types:

- cash contributions: €48.4 million (75 percent)
- time: €5.4 million (8 percent)
- in-kind (contributions of product, property or services): €4 million (6 percent)
- management costs (staff salaries, overhead, research and communication expenses): €7.1 million (11 percent)

€65 million to community programs, 14% in time and in-kind resources

¹ 2011 data reflects new calculation methodologies, which used internal cost management data sources. Total contributions include cash contributions groupwide, in addition to Italy employees' time, in-kind resources and management costs. Other than contributions mapped under LBG methodology, the total contributions to communities include an additional €3.5 million dedicated to specific business initiatives, which foster economic development in the territories where UniCredit operates and local professional sports.

Our 2011 contributions are classified in line with the London Benchmarking Group and according to their underlying objective:

- 78 percent were "community investments" related to our long-term strategic involvement in community partnerships (e.g., programs in art and culture)
- 17 percent were provided as "charitable gifts" in response to specific needs and appeals (e.g., emergency relief)
- 5 percent can be classified as "commercial initiatives", which contributed to social causes while also supporting our brand and business (e.g., charity initiatives linked to ethical cards)

These figures demonstrate our commitment to building lasting relationships and generating real benefit and value. Moreover, we also made charitable contributions in response to major crises around the world.

In Italy, our *Aiutiamoli* fundraising campaign, held in cooperation with

the Italian newspaper La Nazione, raised roughly €193,000 to support flood victims in Liguria and Tuscany. These funds were used to purchase a minibus for the disabled and an ambulance, and to support the reconstruction of a local primary school.

Moreover, in Sicily, UniCredit donated an estimated €20,000 to the local Department of Civil Protection, which supported those communities affected by flooding in the Messina province.

In response to one of the most severe droughts experienced in the Horn of Africa in the past 60 years, UniCredit Bank AG launched a campaign against hunger for the affected regions. More than 800 employees donated roughly €80,000, which was matched one-to-one by the UniCredit Foundation. The €160,000 was sent to two aid organizations that provide assistance to the disaster victims by way of food and medicine.



Vitosha Park, Sofia. Girls who plant: Ekaterina Ancheva, Anna Ancheva, Todorova Blagorodka. Photo by Anton Raichev.

Communities

We also undertake initiatives that support both our brand and our commitment to communities. For example, our ethical credit and debit cards offer UniCredit customers

the opportunity to support charitable causes simply by using their cards, with a variable percentage of each transaction supporting social and environmental projects.

**Roughly €1.9 million
in donations collected
from more than
220,000 ethical cards**

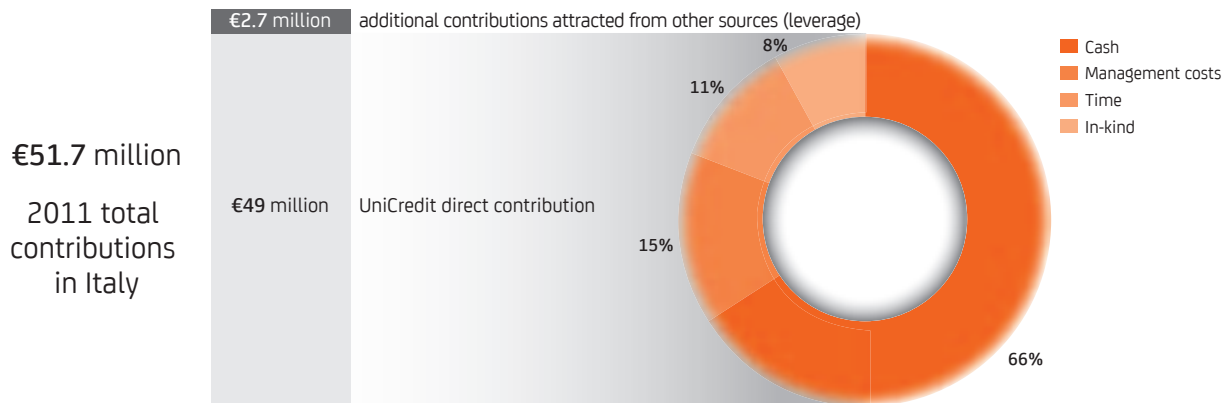
Commercial initiatives in communities: ethical cards

| | | |
|----------|--|--|
| Italy | UniCreditCard Classic E | Cardholders allocate their donations primarily to local social welfare projects. As of December 2011, roughly 180,000 of UniCreditCard Classic E were in circulation, of which more than 31,000 were newly issued. In 2011, more than €1.6 million was collected to support local and national non-profit organizations whose work incorporates social inclusion projects and helping families in difficult circumstances |
| | UniCreditCard WWF | Cardholders support the <i>WWF Oasis</i> , WWF's largest natural conservation program, which maintains hiking trails and prevents poaching and pollution in protected areas. As of December 2011, roughly 11,500 UniCreditCard WWF were in circulation and more than 4,700 were newly issued. In 2011, cardholders donated an estimated €98,000 in support of the project |
| Germany | HVB PremiumCard and My Town – My Bank – My Card | Cardholders support social and artistic projects operated by local organizations, which focus on health, children and the disabled, and incorporate music and research. As of December 2011, roughly 8,000 HVB Premium Cards were in circulation and cardholders had donated €115,000. Moreover, in Germany, as a part of the <i>Together for the Region</i> initiative, we created the <i>My Town – My Bank – My Card</i> debit cards, which are linked to non-profit projects. Our local staff also volunteers for the beneficiary organizations. This same model has been adopted by more than 50 UniCredit subsidiaries in Germany, with roughly 25,000 cards currently contributing to social causes. For example, in Nuremberg, UniCredit Bank AG partners with the Lebenshilfe Nürnberg organization by providing a portion of card proceeds to support its work with the disabled. Moreover, 352 UniCredit Bank AG employees also volunteer for Lebenshilfe Nürnberg, providing companion services to professional trainings |
| Romania | UNICEF-UniCredit Țiriac Bank Card | Since January 2011, Țiriac Bank has donated 1 percent of all POS spending, in addition to 50 percent of the annual fee for the UNICEF-UniCredit Țiriac Bank Card package, to support the <i>Baby Friendly Hospital</i> initiative. Trained staff provide new mothers with assistance and instruction to promote breastfeeding, and extend a basic package of health services and counseling designed to reduce the number of children abandoned at maternity hospitals. The project is also creating a community nursing network. As of December 2011, more than 1,100 cards were in circulation, resulting in roughly €13,800 in donations |
| Slovakia | Magna Credit Card | UniCredit Bank Slovakia developed credit and debit cards to support Magna Children in Need (www.magna.sk), a local charity providing health and nutrition care to children and adults in developing countries. The bank matches the donations generated by these cards, and donates 50 percent of each card's annual fees. Since September 2011, this initiative has given customers the option of setting standing donation orders in denominations of €3, €6 or €9. As of December 2011, cards circulating and standing orders resulted in roughly €5,000 in donations |

Focus

London Benchmarking Group pilot project in Italy

In 2011, Italy contributed a total of €49 million to communities, ranking first among all UniCredit countries, which is why we focused our first London Benchmarking Group pilot project in Italy.



LBG allows us to better understand and report on the true level of our commitment to communities by mapping our support beyond cash.

In addition to UniCredit's €32.3 million in cash contributions in Italy in 2011 (66 percent of Italy's total contributions), the remaining 34 percent was comprised of:

- employees' time (11 percent)
- in-kind giving (8 percent)
- management costs (15 percent)

34% of support in Italy was in the form of non-cash contributions

The time and skills donated by our employees were measured in 2011, with positive indications demonstrating the effectiveness of our community engagement initiatives.

During the year, UniCredit staff donated more than 123,000 working hours, or over 16,400 working days. These figures are a reflection of the value we place on the contributions of our employees and the retention of motivated individuals who strengthen our corporate culture and our ability to generate concrete value.

Employees contributed more than 16,400 days to community initiatives

In 2011, our in-kind contributions included roughly €296,500 in refurbished IT equipment. Thanks to our collaboration with Re-Tech Life onlus in Italy's Lombardy region, we donated 2,190 personal computers, 261 printers, and 86 notebooks and other IT components to schools and public offices. During 2011, Re-Tech Life's work incorporated the skills of 25 people, including students, inmates and disabled individuals.

Moreover, through our community initiatives, we were able to tap into additional resources – categorized by the LBG as leverage – of roughly €2.7 million, of which included:

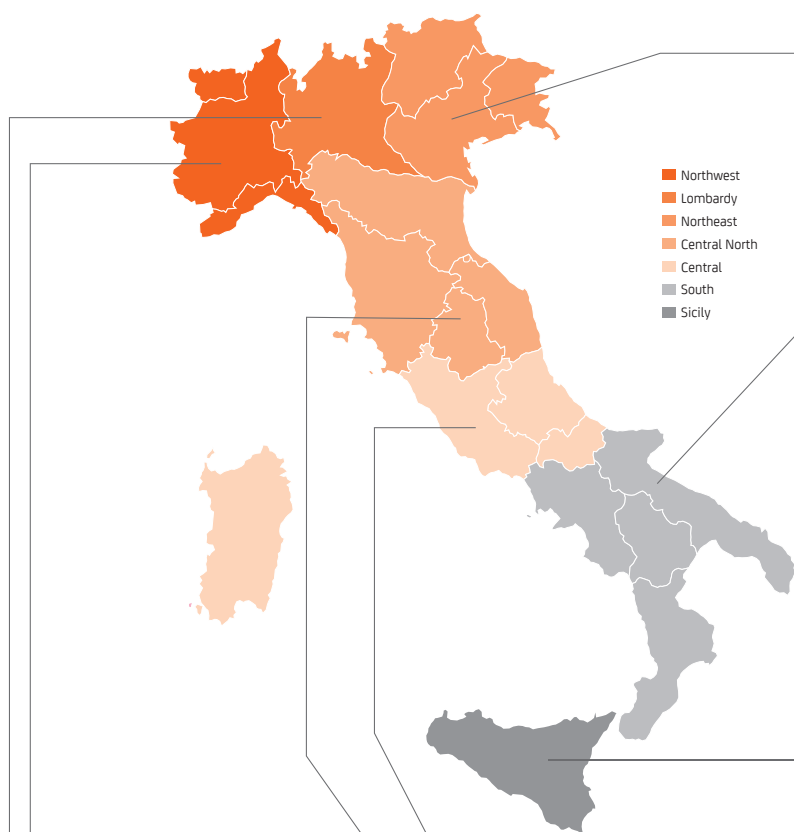
- €2.6 million in cash
- the equivalent of over 2,300 volunteer hours

Roughly €2.7 million in additional contributions to UniCredit initiatives

Initiatives in our 7 Territories in Italy

We renew our commitment everyday to forge ties to and enhance the value of all territories in which we operate. In order to build stronger relationships with our customers and with local stakeholders, our Group established 7 Territories in Italy: Northwest, Lombardy, Northeast, the Central North, Central, South and Sicily.

Events were held in 2011 that focused on local and national-level economic development, culture and sports. These events were opportunities for our Group to maintain regular dialogue with our communities, better understand their needs and demonstrate our concern for their well-being.



CULTURE

Turin International Book Fair

(Piedmont): as Italy's most important publishing event, the fair was dedicated to the 150th anniversary of the country's unification. More than 1,400 publishers and 300,000 visitors attended this five-day event.

Boldini and the Belle Epoque

(Lombardy): UniCredit's promotion of this important local art exhibition was linked to a broader cultural project to secure the city of Como's position in the national and international art circuit. Approximately 75,000 visitors attended the exhibition.

Lessons of History (Lazio): the 2011-

2012 edition of Lessons of History focused on the status of women. In collaboration with the Laterza publishing house and the Music for Rome Foundation, this event has hosted more than 50,000 participants during its first five years.

Umbria Jazz: roughly 40,000 spectators

attended Umbria Jazz, an important Italian and international music festival. During this 10-day event, 350 artists performed 260 concerts.

ECONOMIC DEVELOPMENT

Vino in Villa (Veneto): UniCredit

supports the consortium that organizes this renowned international event for wine producers, consumers and aficionados. More than 30,000 visitors attended this event.

Puglia Observatory Forum: the 2011

monitoring report on Puglia, entitled "The Levers of Economic and Social Development," was presented during the fourth annual Puglia Observatory. At the event, 150 economists and business leaders discussed their thoughts on local enterprise and development, and internationalization.

SPORTS

Marathons in Messina and Palermo

(Sicily): UniCredit supported the fourth edition of the Messina Marathon and the 17th annual Palermo Marathon, which, all together, involved roughly 4,300 runners. UniCredit also promotes marathons in Bologna, Perugia and Turin, in which over 40,000 participants took part.

Invest in core initiatives

In 2011, our community initiatives focused primarily on art and culture, economic development and social welfare.

Promoting art and culture

UniCredit's long-standing tradition of promoting culture is deeply rooted in our corporate identity and is a powerful means of engaging communities, encouraging dialogue and generating innovation.

Our cultural outreach emphasizes the role of music as a universal language, which transcends borders to reach vast and diverse audiences. Thus, we partner with preeminent international musical institutions and offer our financial and organizational support.

Typical of these partnerships is our support to the Filarmonica della Scala's concert season, international tours and special initiatives, such as *The Filarmonica della Scala Meets the City*. This program, in cooperation with the UniCredit Foundation, is comprised of a series of open rehearsals, the proceeds of which go to local non-profit organizations. Through this program in 2011, over 10,000 citizens of Milan had the opportunity to visit the legendary Teatro alla Scala and support five non-profit organizations.

In 2011, we also partnered with the Filarmonica della Scala to launch the *Sound, Music!* program, which educates children about classical music. Over the past year, 1,000 Milanese primary school students participated in four concert-lessons, while a fifth and final capstone event was opened to UniCredit employees and the general public.

In support of Italian excellence abroad, we renewed our partnership with the Teatro alla Scala's international concerts and ballet tours, supporting tours in Poland, Austria and Oman in 2011. In addition, we supported a special ballet open rehearsal program for roughly 500 UniCredit employees and their families.

Over 700,000 people took part in cultural initiatives that we supported

UniCredit also has a historical partnership with the Arena di Verona, and we are proud to support its internationally renowned annual summer *Opera Festival*. In 2011, the festival staged 49 shows for an estimated 492,000 visitors. In connection with this festival, we also cooperated with the Arena di Verona Foundation to hold 16 *Invito all'Opera* events for roughly 5,000 guests.

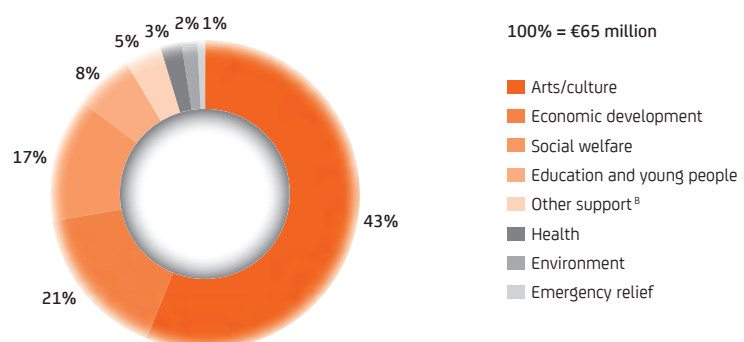
Over the years, we have built enduring partnerships with other preeminent musical institutions and events, including the Vienna Philharmonic, the Bavarian State Opera in Munich and the renowned Richard Wagner Festival in Bayreuth.

In line with our commitment to making art and culture in its many forms available to a wide audience, our programs also encompass the visual arts.

In 2011, we were the main sponsor of the exhibition, *Van Gogh and Gauguin's Journey*, in Genoa, which attracted roughly 175,000 visitors from November 2011 to early March 2012. In parallel, we supported the *Exhibition Theater Tour* of this show in Genoa and in other regions of Italy, as well, where it attracted roughly 5,800 visitors.

We are well aware of the therapeutic and social value of art, which is why we renewed our support to the *Acrobazie* project that engages artists from the *Atelier di Pittura Adriano e Michele*. Based in the Psychiatric

Percentage of community contributions by focus, 2011^A



^A Includes Group cash contributions and - for Italy only - time and in-kind resources. Management costs are distributed based on the contributions by focus.

^B "Other" primarily refers to local sport initiatives. It does not include main professional ones.

Rehabilitation Center of the Fatebenefratelli Hospital near Milan, this therapeutic program aims to give patients a voice through artistic expression. From November 2010 to January 2011, the first international *Acrobazie* exhibition was held in Munich. It then appeared in Pavia, where the exhibition stirred a scientific and cultural debate on art, medicine and neuroscience among its roughly 350 participants.

Inspired by our commitment to talented young artists, we continued to support the *UniCredit STUDIOS*, which we developed in 2010 to serve as exhibition spaces in our branches. To date, there are two active *UniCredit STUDIOS* in Milan and Trento, Italy and another in Sofia, Bulgaria. In 2011, two young *STUDIO* artists were given the opportunity to present their work at Turin's *Artissima*, the most important contemporary art fair in Italy.

UniCredit's long-term partnership with the Castello di Rivoli Museum of Contemporary Art and its Educational Department has been productive. In 2011, we joined forces once again in support of two important art projects that speak to our shared value of art as a collective experience.

The first of these projects, called *Italiae*, was comprised of collective art experiences in 150 Italian public plazas. In 2010 and 2011, UniCredit elected to support events in its seven core cities: Bologna, Milan, Naples, Palermo, Rome, Turin and Verona. A total of 10,000 participants attended these events, which were held to commemorate the 150th anniversary of Italian unification. The second project, *A tu per tu*, supported the social integration of immigrants. More than 2,150 children from

eight primary schools, together with their families and 200 teachers, participated in painting events in Bologna, Brescia and Modena.

Moreover, to promote the economic and social development of our territories, in 2011 we became the main sponsor of *Expo Meets Milan*, a set of cultural and social initiatives designed to enhance and promote the upcoming World Expo 2015 and its main theme *Feeding the Planet, Energy for Life*. This effort began in Milan with the exhibition, *1906-2015: Toward the Milan Expo*, at the Triennale Museum and with activities held in 10 plazas throughout the city. We also supported the tour of this exhibition in six Italian cities and business workshops for an estimated 15,000 participants.

Italiae: 10,000 people commemorated the 150th anniversary of Italian unification

Fostering economic development

As a bank, being close to our communities primarily means fostering their financial inclusion, which is vital to the economic growth and well-being of vulnerable populations.

Thus, our tailored product and service initiatives entail: bridging linguistic and cultural barriers to support the participation of immigrants in the banking system; assisting non-profit organizations with a dedicated service model; providing young people with products and services that suit their

needs while supporting the most talented in their studies; enhancing the public's financial literacy by helping individuals manage their money and make more informed financial decisions; and promoting the creation of new start-up businesses.

Immigrants

There are an estimated 200 million migrants around the world today, with more than 20 percent living in the countries where UniCredit operates.² That is why we strive to provide effective customized offerings that respond to the daily needs of our international customers.

With this goal, we have developed solutions for migrants that include a range of specialized services. These include the *Agenzia Tu* service model currently in 12 Italian branches in addition to other UniCredit locations that specialize in serving immigrant communities in Austria, Germany, the Czech Republic and Turkey.

In Italy, we continued to strengthen relationships and attract customers mainly through our *Agenzia Tu* branches, where we served more than 15,000 clients, of whom roughly 3,200 were new, by the end of 2011.

Among other key initiatives kicked off in 2011, we created *Conto Tu Famiglia*, which is the first current account package for caregivers, domestic staff and babysitters. In addition to traditional banking services (e.g., debit cards, prepaid cards, online banking, etc.), the package offers six free online international remittances annually to banks holding agreements with UniCredit. It also provides subscribers with access to a range of non-banking services, including Italian language training programs to help them

communicate with the families they work for and handle emergency situations more effectively.

Also in 2011, we opened our *Consumers Desk* in our Brescia, Modena and Turin branches. Developed in partnership with Italian Consumer Associations, it offers customers free advice and suggestions concerning everyday topics such as insurance, public administration, housing, food and transportation, as well as banking and finance. The goal of this service is to help consumers make well-informed and responsible decisions.

Conto Tu Famiglia and the *Consumer Desk* both offer concrete examples of the aim of the *Agenzia Tu* service model: to provide solutions that support the integration of immigrants.

Our Group's attention to these customers' needs is further confirmed by the growing number of active partnerships across our banking network to enable sending remittances abroad. In 2011, this network was further extended thanks to a new agreement signed with Western Union in Italy. Starting from the second half of 2012, remittances can be sent via online banking channels, ATMs and kiosks. This service will also be available at branches only for our *Agenzia Tu* customers.

In 2011, UniCredit Bank Austria AG launched the pilot project, *Banking without Borders*. Under this project, five branches in Vienna employ bilingual personnel to provide dedicated services to international customers with Bosnian, Croatian, Serbian and Turkish backgrounds. These branches also provide translated brochures for UniCredit's major products and services.

**Agenzia Tu and
Universo Non-Profit
serve roughly 45,000
customers**

The non-profit sector in Italy

The Italian non-profit sector engages nearly 5 million volunteers, employees and beneficiaries, while generating an annual turnover of roughly €50 billion.³ Given the sector's importance to Italy's social and economic fabric, we aim to provide its enterprises with outstanding service.

The *Universo Non-Profit* service model, launched in 2009, offers specialized financial products and services to non-profit organizations, including a special credit rating process. These offerings are available at any UniCredit branch in Italy, including our dedicated branch that opened in Rome in 2011. We serve roughly 30,000 non-profit clients, of which nearly 4,800 were new in 2011.

Specially trained personnel help these organizations to make informed decisions about our different financial products for SMEs, while providing them with access to customized products. For example, the *Imprendo Universo Non-Profit Light* is a current account package designed for small organizations with limited needs for banking services. Our other specialty product, *Universo Non-Profit Mortgage*, is a medium- to long-term loan for those non-profits that experience highly seasonal income flows (due, for example, to their reliance on annual membership drives and other fundraising campaigns). In 2011, the program granted roughly €64 million in new loans.

One of the major goals of the *Universo Non-Profit* service model is to help organizations raise funds and conduct management training activities. Thus, we provide them with access to *ilMioDono.it*, a free web platform to present their activities and facilitate fundraising.

Focus

Universo Non-Profit Prize 2011

The second annual *Universo Non-Profit Prize*, an event organized in collaboration with UniCredit Foundation, focused on combating the exclusion of elderly people to ensure that they feel they are a resource and not a burden. At the 2011 event, UniCreditCard Classic E prizes each worth €60,000 were awarded to five organizations, which won the *Social Cohesion Strategies for Third Age* competition. The five winning projects underwent an additional selection process conducted by UniCredit employees through the *Your Choice, Your Project* initiative. The *Come a Casa Solo a Casa* project earned the most votes and was awarded €60,000. Six additional participating organizations were recognized and were awarded a total of €120,000.

In 2011, this prize was responsible for providing €480,000 in donations to participating organizations. The award money comes from customers who choose to carry the UniCreditCard Classic E.

² World Bank, "Migration And Remittances Factbook 2011, second edition"

³ ISTAT, "Istituzioni Non Profit in Italia, Censimento 1999;" CNEL / ISTAT, "Primo Rapporto sull'Economia Sociale," 2008

Customers are able to use the platform to make donations without incurring any banking fees. In 2011, the number of non-profits with a presence on the website nearly doubled to 234. Roughly €66,000 in donations were processed, 60 percent of which were in support of organizations addressing healthcare and social inclusion.

Another program, *Conto Donazioni*, allows non-profits to collect donations made at UniCredit branches without paying an administrative fee. As of December 2011, the 491 current accounts opened under this program raised roughly €2.5 million. In addition to our trained non-profit relationship managers, volunteer employees known as *Non-Profit Friends* serve as internal and external ambassadors for the *Universo Non-Profit* service model. In 2011, UniCredit fielded 2,610 Non-Profit Friends, up from 1,490 in 2010.

***Conto Donazioni*: 491 current accounts raised €2.5 million**

In 2012, it is a priority to pilot the *Universo Non-Profit* model beyond Italy. At present, we plan to conduct feasibility studies in Austria, Germany, Poland and in select CEE countries.

Future generations

At UniCredit, we recognize that young people's participation in the economic system contributes to an inclusive and responsible financial world. Thus, we offer products tailored to the needs of younger

generations, including cards and loans that support students.

The *Genius Card* is a pre-paid card with zero monthly fees for university students up to 27 years old. More than 200,000 of these cards were newly issued in 2011, including the *Genius Card Web* for students who mostly do their banking online, in addition to cards designed to provide those who work or study at specific universities with discounts at nearby retailers.

Our other offers include the *CreditExpress Giovani* loan package, which responds to the typical financial needs of young Italian customers between 18 and 30 years old, who need to purchase text books and computer equipment, as well as to pay tuition fees.

The *CreditExpress Master* package was designed for students looking to pursue a master's degree, while the *UniCredit Ad Honorem* package is designed for students wanting to enroll in either graduate or undergraduate courses. The latter enables students to complete their studies without financial concerns and to postpone principal and interest payments until after their graduation when they have begun working. This loan is available to university students residing in Italy, who are selected by universities based on their merit in their academic program. The loan is provided only in partnership with those universities or training schools that have signed specific agreements with UniCredit.

In Austria, we developed *ErfolgsService*, which includes free accounts and special loans for students under 30 years old who

are either attending an Austrian university or have recently graduated and are waiting to begin work or to pursue a second degree.

At UniCredit, we provide youth with dedicated financial products and services, as well as opportunities to enroll in several of the world's top academic institutions. Doing this can provide them with the keys they need to unlock their true potential.

In 2011, the UniCredit & Universities Foundation renewed its academic initiatives program and successfully expanded its network through partnerships with universities in Europe and the United States.

UniCredit & Universities Foundation

The UniCredit & Universities Foundation supports top European students and researchers in the fields of finance, economics, law, politics and the social sciences, by awarding several study and research grants each year. UniCredit's geographic and cultural diversity inspires and is reflected in the foundation's support for academic study and research. More information is available on the UniCredit & Universities Foundation website.



Three of Europe's top business schools were involved in the first edition of the *Business School Research Project* initiative: IE Business School of Madrid; INSEAD; Fontainebleau and London Business School. Moreover, five top US universities – The University of Chicago, Harvard, MIT, Princeton and Stanford – were involved in our first US PhD Scholarship initiative,

designed to support a talented student from a CEE country in which UniCredit operates.

Our undergraduate *UniCredit Study-Abroad Exchange Programme* successfully demonstrates our commitment to providing equal opportunities to students from any of UniCredit's territories. We believe this ambitious goal can be achieved through the UniCredit & Universities Foundation's strong academic network.

The program was launched in 2011, awarding eight grants for students to do study exchanges either to or from Serbia and Russia. Among our priorities in 2012 is to expand the *UniCredit Study-Abroad Exchange Programme* to additional UniCredit CEE countries, which are not included in the EU's Erasmus Programme, including Croatia and Ukraine.

In 2011, we invested more than €1.5 million in UniCredit & Universities Foundation initiatives, enabling us to award 42 talented students and researchers.

Financial education

UniCredit regards financial education as a key component to sustainable business.

Thus, we offer free courses on basic financial skills to different segments of our communities, including students, elderly individuals, entrepreneurs, immigrants and non-profit organizations. By doing so, UniCredit raises awareness of economic and financial matters and demystifies financial terminology while enhancing transparency. Our goal is to have well-informed communities with citizens who are able to use financial products and services in a sustainable way.

To this end, in Italy we began the *In-Formati* program in 2011 dedicated to students (high schools and universities), families, elderly, immigrants, non-profit organizations and small and medium sized enterprises. To ensure that these learning activities meet the participants' needs, they address topics requested by partners based on local feedback and are developed in cooperation with local stakeholders, such as consumer and trade associations, universities and schools.

Relying on local UniCredit volunteer educators, the program has a high participation rate and benefits from our employees' strong engagement. In 2011, 573 UniCredit employees volunteered after hours and conducted more than 5,300 hours of trainings.

The program is based on a model that is distinguished by six major features: a multi-stakeholder approach; links to the territories; UniCredit volunteer educators; financial and banking education for multiple target segments; structured monitoring thanks to a KPIs matrix and evaluation questionnaires developed to measure attendees' achievements through the Financial Literacy Index; and internal and external communications to generate awareness.

In-Formati: over 9,800 attendees' financial knowledge increased by 20.7%

In 2011, *In-Formati* was carried out in 34 Italian cities for clients and non-clients alike. During the program's pilot phase, 250 classes were held,

involving roughly 9,800 attendees and providing nearly 41,000 hours' worth of training. In addition, a catalogue featuring 18 courses was developed.

Based on the UniCredit Financial Literacy Index, it was determined that participants increased their financial knowledge by an average of 20.7 percent.

To help young people learn how to handle financial matters, we developed our *Genius for Universities* initiative and ran an information desk for roughly 600 days to promote a range of student-friendly products and services at 25 of Italy's major universities. During these visits, UniCredit colleagues distributed more than 10,000 financial educational guides developed specifically for students.

400 workshops held for roughly 10,000 students in Austria

In Austria, 2011 marked the launch of a new program on financial education. Held in cooperation with The Austrian Museum of Economics, this program was primarily developed to provide academic support via workshops promoted by UniCredit Bank Austria AG. These workshops were facilitated by professional trainers together with 30 UniCredit Bank Austria AG employees. A total of 400 workshops, targeting young people from 14 to 19 years old, were held during the school year and attracted approximately 10,000 students and 500 teachers. This initiative will be carried out again in the 2012-2013 academic year.

Communities

In Germany, the *EURO.DE* website, the financial education portal created by UniCredit Bank AG, went live. The bank has a range of financial education programs in the pipeline – including workshops to be developed in 2012 – that will be held in its branches and customized for young professionals, apprentices, families, women, seniors and migrant workers, among others. The programs will cover topics that include payment transactions, retirement planning, investing, loans, real estate finance and the financial world.

Territorial Boards

Fostering innovation and the internationalization of Italian SMEs is a facet of our commitment to local economic development. Among the ways to do this, we established 18 *Italian Territorial Boards*, which are advisory bodies appointed by UniCredit's Board of Directors. These boards serve as think tanks

to help sustain development in UniCredit's territories through specific projects. Their 322 members are prominent leaders from local businesses, trade associations, research institutions, NGOs, cultural institutions and voluntary organizations.

Among other initiatives in 2011, we launched the second edition of *Il Talento delle Idee* to support the next generation of Italian entrepreneurs between 18 and 40 years old. Through a business plan competition, it identifies innovative ideas and provides winners with the financial and organizational support they need to set up their new business. All projects are evaluated by a panel of local judges – consisting of members of the Territorial Boards and Confindustria Young Entrepreneurs – using a scoring system established by UniCredit.

For the second edition in 2011, 436 business proposals were submitted, a 36 percent increase over 2010. Moreover, 48 percent of all business proposals were submitted by entrepreneurs between 18 to 30 years old. The greatest number of applications were for the ICT, clean technology/energy and tourism sectors.

Winners will be announced between May and October 2012, and will have the opportunity to participate in one-to-one meetings with investors, venture capitalists and business angels. The winning entrepreneurs will also meet with professionals in the UniCredit Network who are enrolled in tutorship programs. See the Our Customers chapter for further information on projects dedicated to internationalization.



Generating social welfare

In 2011, we renewed our commitment to social inclusion through projects that leveraged our employee engagement. Our objective is to meet the needs of vulnerable individuals and to partner with local organizations in support of worthy social causes.

A culture of solidarity and inclusion

At UniCredit, we promote initiatives that speak to our sense of solidarity and foster social inclusion. We strive to respond to emerging needs and to create value for the vulnerable.

We do so mainly through the UniCredit Foundation, which is entirely dedicated to cooperative and philanthropic initiatives. The foundation also manages several projects that benefit from partnerships at the local level and enable us to provide support in the form of knowledge, skills and financial resources.

UniCredit Foundation provides our employees with an outlet for volunteering their time and skills toward improving the welfare of our communities.

UniCredit Foundation

The UniCredit Foundation is our corporate foundation and the center of expertise for all of our philanthropic activities. It contributes to the development of solidarity within our territories and among our employees.

The foundation promotes social cohesion through social entrepreneurship, which is an important instrument for creating and delivering goods and services that contribute to social utility. More information is available on the UniCredit Foundation website.



In 2011, the *Gift Matching Program*, through which the foundation matches employees' contributions to non-profit projects, generated the highest participation rate since its creation in 2003. The ninth edition of this popular program ran in 17 countries and involved more than 12,000 employees – 22 percent more than in 2010. Together, their contributions supported 401 non-profit organizations, mainly in the areas of social welfare and international solidarity, and amounted to roughly €2.3 million. As all donations received a one-to-one match, the combined donations of employees and the foundation amounted to €4.6 million.

In keeping with its framework for employee-community involvement projects, the UniCredit Foundation launched a new initiative, *Your Choice, Your Project*, in 2011. Employees were invited to vote for their favorite initiatives, choosing from a list of those projects already supported by the UniCredit Foundation at the local level. Those that received the most votes were awarded an additional grant.

Five countries – Bulgaria, Poland, Slovakia and Slovenia, in addition to a second vote for UniCredit Leasing in Italy – played central roles in this initiative. All told, roughly 27,000 employees supported 20 ongoing projects in different fields.

These projects included: support to vulnerable groups, including the elderly, youths and children; local initiatives in economically depressed areas to support young people through informal educational and extracurricular activities, professional training, programs for social inclusion, and social

counseling for them and their families; volunteer networks offering career training and nursing care; and activities to support immigrants and cross-cultural integration.

In Italy, the UniCredit Foundation also launched programs in Sicily and Calabria to promote social enterprises founded on assets seized from criminal organizations. One of these programs, *Butterflies: A Legal Approach to Farming and Manufacturing*, is based in the city of Partinico near Palermo. In collaboration with the Libera-mente Cooperative, the program creates an organic food supply company on confiscated property, offers professional training for workers and includes agricultural workshops.

Another such program, *Giona: A Network of Assets Confiscated from the Mafia*, is in Reggio Calabria province. Operated by the Terre del Sole Consortium, it has played a large part in the cultivation of land in Porto Salvo and Maropati, while building strong partnerships with local entities.

Looking ahead to 2012, through the UniCredit Foundation, we will focus on: increasing the number of employees involved in non-profit activities while spreading philanthropic awareness by consolidating the *Gift Matching Program* and extending the *Your Choice, Your Project* to at least three more countries.

Over 40,000 employees engaged in UniCredit Foundation initiatives

Focus

Your Choice, Your Project



Come a casa solo a casa

a neighborhood network providing domestic assistance to the elderly.

Dress Up Freedom

thanks to the recovery of assets confiscated from organized crime, a social dressmaker's will be set up to employ immigrant women who were victims of human trafficking, as part of their rehabilitation processes.

Let Them Grow Older at Home

a program supporting families caring for elderly relatives through training and support services for caregivers, and neighborhood networks that can aid these families with care services.

Trust in the Family

a network that supports needy families, prevents the institutionalization of at-risk children and minimizes the negative effects of inadequate parental care.

Street is Not for Children


a program that provides counseling, educational support and training for at-risk youths, building direct connections between families and volunteers in the recovery process.

Let's Give Children a Family

a children's assistance program addressing children's integration into foster families, including professional psychological counseling for temporary parents.

FOCUS

2011 East Forum: employment and job creation

UniCredit promotes dialogue between institutions and civil society on important community issues. The 6th Annual East Forum held in 2011, entitled *Competitive Growth for Quality Jobs: Policies, Solutions and Strategies for Development and Employment*, was an international conference that spurred dialogue on employment and job creation. Organized in partnership with the OECD, it included the participation of our top management along with senior representatives of national and international institutions, including the World Bank, ISTAT and Italian trade unions. More information is available on the East Forum website. 

Initiatives for people with disabilities


We work to improve access to our branches for our disabled customers because we believe that minimizing barriers is the first step towards guaranteeing equal access to all.

UniCredit Bank Austria AG created the Disability Manager position to address the needs of our handicapped customers and to promote measures that assist them and our employees. Please see the Our People chapter for further information on diversity projects at UniCredit.

Moreover, in Vienna, we provide a shuttle service for disabled customers who are unable to independently visit our branches for meetings with their account managers.

This service includes individual transport arrangements using handicapped-equipped vehicles. In 2011, approximately 150 people took advantage of this service and we plan to implement it in additional cities in 2012.

In 2011, UniCredit Bank Austria AG also supported the publication of the first German sign language dictionary, which included select banking terminology. Additionally, UniCredit Bank Austria AG launched the first bank card for the visually impaired, featuring larger fonts, special colors and Braille notation. The card was developed in cooperation with the Relief Organization for Austria's Blind and Visually Impaired.

More information is available on the UniCredit Bank Austria AG corporate website in the Sustainability section. 

In Germany, UniCredit Bank AG provides visually impaired customers with Braille notation on their saving cards.

In 2011, we worked to make our branches and ATMs wheelchair-accessible wherever possible. In the Czech Republic, all newly opened branches were designed to be wheelchair-accessible, while in Croatia more than 90 percent of ATMs and roughly 35 percent of branches were made accessible to customers with disabilities. In Bulgaria, several conveyor lifts and one lift platform were installed in branches to assist disabled individuals.

Raising standards to protect the environment.



UniCredit is an environmentally conscious institution and, in Slovakia, it has instituted an energy management system that complies with the STN EN 16001 EMS certification standards. This is the bank's second such certification, building on an earlier ISO 14001 certification, and underscores its commitment to reducing emissions and protecting the environment from further climate change. This was a concrete endorsement of the articulated project of lower energy costs. The development of sustainable energy programmes is strategic both for the European Union and for UniCredit which has its own project named Environmental Programme Sustainability. A tangible and certified answer to an issue of great social importance.

Environment and Suppliers

PRIORITIES 2012

Maintain our Eco-Management and Audit Scheme (EMAS) registration and extend it to encompass its newly expanded scope

Update our product specification sheets to include social and environmental standards for our procurement processes

Finish testing and assessing our Group's model for carbon risk management

Reduce our carbon emissions by 15 percent by year-end since 2008

Priorities 2011

Define final metrics for our carbon model and begin analysis of the underlying impacts of financed emissions, based on test results

Complete and implement product sheet (specifying social and environmental standards for procurement), train the buyers

Increase training on environmental impacts (direct and indirect)

Extend EMAS registration to the new entities of UniCredit S.p.A.

Key achievements 2011

Partially achieved: Testing is underway in our Corporate & Investment Banking division in Germany. Results are expected to be delivered the first half of 2012

Partially achieved: We have designed and tested the first product sheets and upgraded our supplier selection system

Achieved: We provided training to more than 100 representatives from our Organization Business Partner network on our environmental management system

Achieved: The extension has been completed. To harmonize data collection procedures, the evaluation period to retain our EMAS registration has been postponed to mid-2012

Our Environmental Management Systems

Our Group operates several different environmental management systems (EMS) within our different territories and legal entities. UniCredit S.p.A. observes the standards of the European Union's Eco-Management and Audit Scheme (EMAS), which was selected with the aim of taking an increasingly standardized approach to evaluating and reporting on our Group's environmental performance.

Expanding our EMAS scope in response to One4C

UniCredit consolidated the bulk of its operations in Italy within the UniCredit S.p.A. corporate structure in 2010, a process that represented part of our One4C organizational changes. In 2011, we began to revise our EMAS program, which previously applied only to our headquarter operations, to expand it in line with UniCredit S.p.A.'s new structure. Our EMAS program is now being extended to cover operations involving more than 40,000 employees working across some 5,000 sites in Italy.

The enlarged scope of our EMAS program will represent a best practice in the European banking sector, as UniCredit will be the first financial institution to apply EMAS to such an extensive set of facilities and operations. Considerable effort has gone into expanding the scope of our EMAS registration, both in terms of training the responsible personnel and building our capacity to manage the substantial new streams of related data.

Direct impacts

The direct environmental impacts assessed by our EMAS program relate to the physical operations of our offices and branches. As a starting point in assessing these impacts across the new EMAS scope, UniCredit surveyed a representative sampling of our branches, offices and other sites, categorized according to size, location and function.

The dramatic expansion of the EMAS to so many sites requires the extensive involvement of our Real Estate unit. This unit will provide appropriate training to its building management staff in 2012 and will begin to use them to implement EMAS measures and assess compliance at all the relevant business sites.

Indirect impacts

The indirect impacts covered by the program include the downstream effects of our business activities as well as the upstream effects related to the activities of our suppliers. As a result, we have developed a revised EMAS methodology that incorporates environmental considerations into our procurement, credit processes, export finance, project finance and other banking activities. These revisions are in keeping with our Groupwide model and cover the bulk of our operations in Italy.

The majority of these activities did not fall within the operational scope of UniCredit S.p.A. prior to our One4C organizational changes. Applying the EMAS standards to these activities has required the involvement of a number of business units and functions.

Training personnel and implementing our EMAS program in the context of this greatly expanded scope will continue in 2012.

EMAS training to our Organizational Business Partners

Expanding the scope of our EMAS certification involves training our Group's Organizational Business Partners, our colleagues who are responsible for procurement and office management at thousands of business sites. To raise their awareness of environmental data collection and oversight, we have held six customized, one-day EMAS training programs in Bologna, Milan and Rome. To date, more than 100 employees have participated.

Tracking CO₂ emissions at UniCredit Bank Austria AG

UniCredit Bank Austria AG relies on an environmental management system (EMS) that is certified according to the ISO 14001 standard. The bank's EMS certification was received in May 2011 and applies to its central administrative office and its branch offices.

One of the current key objectives of the EMS is to reduce carbon dioxide emissions produced by our facilities in Austria by 30 percent by 2020.

To achieve this, the EMS tracks UniCredit Bank Austria AG direct and indirect environmental impacts. Direct impacts include our internal consumption of resources and the waste we generate, while indirect impacts include our environmental repercussions associated with our suppliers. Our procurement processes require that we track the degree to which our suppliers comply with our bank's environmental policies.

Our indirect impacts also include those associated with the activities of organizations and individuals who receive financing from the bank.

As a result, all credit applications must provide information on the potential environmental impacts of the projects in question. In assessing the creditworthiness of an applicant, the environmental factors within the purview of the EMAS and ISO 14001 certifications must be considered.

Our Environmental Sustainability Program

Our Group undertakes a range of activities to minimize the direct impacts of our operations and to take environmental considerations into account in how we operate our business. Chief among them in 2011 have been our carbon inventory and our carbon model with the WWF, which are both under development.

We cut our carbon emissions by 15% ahead of our 2012 target and aim for a 30% reduction by 2020

UniCredit carbon inventory

For the last four years, we have conducted a Groupwide inventory of our scope 1 and 2 carbon emissions. The carbon inventory for 2011 indicated reductions of these emissions, which are now 15 percent lower than in 2008¹. Some of the key sources of this improvement relate to space optimization and improvements in data center efficiency across our Group.

Space optimization

With respect to space optimization, one noteworthy project is Garibaldi Porta Nuova, our new headquarters office complex in Milan. Once it is operational, it will take the place of a number of older

facilities scattered around Milan. Similarly, in Croatia, several older buildings on Samoborska Street will be vacated shortly, and staff will be relocated to a highly energy-efficient new structure.

Projected energy savings Groupwide from all space optimization activities is expected to amount to 65 GWh.

Data center efficiency

Improvements in data center efficiency are being achieved by installing more efficient cooling systems that utilize heat exchangers. Energy recovered from the data centers' air conditioning is used to heat the buildings' offices. Additionally, efficient new electric motors are being used in the cooling towers of our centers.

The improvements performed over the last three years resulted in an estimated decrease of 1,600 tons of aggregate CO₂ emissions at our Group's data centers. This is a significant achievement considering that data centers typically experience annual increases in energy consumption and CO₂ emissions in order to cope with escalating security standards and data flows.

In Italy, our data center at Verona Bassano was upgraded this year with 270 new fan coils, which helped cut energy consumption by 50 percent. The distribution pipes for coolant water were retrofitted, while high-efficiency inverters were put into place for the water-pumping system.

At our Verona Monte Bianco center, a more efficient cooling system was installed, featuring new heat exchangers and an energy recovery system used to heat the building's offices. High-efficiency inverters were put into place for the water-pumping system, and

efficient new motors were installed in the cooling towers.

Our investment in our two Verona data centers generated a total of €63,560 in savings in 2011.

At our data transfer node at Milano Cambi, an efficient new installation was created in a 500-square-meter facility. The use of state-of-the-art technology has improved the site's power usage effectiveness (PUE) from 2.0 to 1.45, with total savings to be calculated next year. Computers will be moved into the new facility in 2012.

At our Group's data center in Tucherpark, Munich, we have installed a comprehensive green cooling system. It is now equipped with a sustainable chilled water system, using water from a nearby canal. This has resulted in an annual reduction in electricity use of roughly 1.4 GWh, corresponding to 510 tons of carbon or the equivalent of 1.4 kg of nuclear waste. This was accompanied by a savings of 50,000 tons of groundwater, which previously required considerable processing and cleaning as well.

Further optimization of the data center is still being planned. In line air cooling will be implemented to further improve efficiency.

In February 2012, more than 60,000 employees conducted 2,000,000 minutes of online conference calls and sent 7,000,000 instant messages

¹ The 2008 GHG inventory baseline data was recalculated using updated emission factors.

Environment and Suppliers

We are closely monitoring our business travel in order to reduce our costs and environmental impacts. UniCredit Bank Austria AG committed to a business trip policy, which evaluates the necessity of every business trip. This policy is available on intranet. Overall we are investing in technology communication to ensure that our employees travel for business meetings only when it is necessary.

Additional projects

Several additional projects designed to reduce our carbon footprint deserve to be mentioned.

In Milan, an energy monitoring smart building pilot project is being carried out in two of our buildings, and will later be extended to all large UniCredit buildings. Energy consumption will likely be reduced by 15 to 30 percent by implementing efficiency measures. The resulting energy savings will result in the improvements paying for themselves in less than two years.

UniCredit's CEE IT Efficiency Program implemented energy savings in the CEE by changing the settings on 2,400 computer workstations in the head office and branch network, putting them into standby mode after roughly an hour of inactivity. Tests carried out in early 2011 demonstrated a 44 percent reduction in power consumption and an annual savings of 65 kg of CO₂ per workstation.

At our data center in Munich's Tucherpark, the building's existing façade is being renovated. With its new windows, it will boast a thermal transmission coefficient of 0.55 W/m²K, a dramatic improvement over the 2.5 W/m²K of the existing façade. A 20 percent savings in energy used for heating is expected.

In Bulgaria, efficient LED lighting is now being used extensively, and automated lighting controls have been installed in the headquarters building. During non-working hours, lights are switched off automatically.

In Germany, an efficient lighting initiative has resulted in the installation of LED lighting in parking structures, utility rooms, bathrooms and other areas.

In Russia, lighting in common areas is now turned off automatically during non-working hours. In the first quarter of 2012, 300 75-watt lamps have been replaced with 60-watt lamps, resulting in a savings of 4.5 kWh. In the second quarter, another 1,192 lamps will be replaced, saving an added 23.9 kWh.

Remote control systems will be installed in roughly 50 of our facilities in Italy in 2012, after installing in more than 60 in 2011. These systems make it possible to monitor energy usage and automate lighting and heating controls. Upon completion of this process, savings of 15,000 MWh will be realized.

Developing a carbon model with the WWF

In 2011, we refined our partnership with the WWF by working together to further develop a model from 2010 that assesses investment opportunities related to reducing the global economy's carbon footprint. This initiative is intended to prepare our Group and our clients for a future characterized by increasingly stringent regulatory regimes for carbon emissions. At UniCredit, we believe that developing our carbon compliance expertise differentiates our services, supports our customers, and reduces the potential economic risks associated with regulatory and market changes in this field.

While developing the model, UniCredit and the WWF assessed how different carbon budgets would affect different regions and business sectors. The budgets, or possible limits to be placed on carbon emissions, were drawn both from existing legislation and from the two-degrees-Celsius scenario. This scenario, in which greenhouse gases cause a global rise in atmospheric temperatures of two degrees Celsius, is accepted by the scientific community as the most severe disruption from which our environment could likely recover. Thus, carbon budgets have commonly been developed to maintain temperatures within this limit. In the future, we envision that this project will contribute significantly to our ability to assess creditworthiness in a manner that gives due weight to climate change considerations.

This model also allows us to define quantitative carbon reduction targets within a given industry, thereby providing guidelines for future adjustments by individual companies. For each specific source of carbon emissions, the model identifies applicable abatement technologies, quantifies potential reductions and assesses implementation costs. Additionally, the model can assess the potential costs incurred by an individual company as it works to achieve either best-in-class performance or compliance with the limits associated with a two-degrees-Celsius scenario.

Our next step will be to assess the accuracy and effectiveness of the model in a confidential collaboration with one of our industrial clients. The goal of this pilot project would be to demonstrate that carbon compliance and efficiency can provide companies with distinct competitive advantages,

partly by reducing their energy costs and economic risks. We expect to test the model with select customers in 2012.

Employee engagement

We have carried out a series of activities groupwide to raise awareness among our employees of our environmental priorities and efforts.

In 2011, we conducted credit risk training on the topic of environmental and social issues and risks. Three training sessions were held and were attended by 75 employees. The F&SME division conducted four training sessions on environmental and social issues and risks, in which a total of 180 employees took part. We also held environmental awareness-raising sessions for 120 executive managers from the F&SME division.

To inform our colleagues about the purpose and scope of the carbon inventory, we have produced two informative videos. One addresses the effects of climate change, while the other contains a presentation by COO Paolo Fiorentino, asking our colleagues to join in the effort to reduce greenhouse gas emissions.

Additionally, our Group has developed a series of cartoons offering lessons on how to save energy, conserve paper and promote sustainable mobility. These are available to all colleagues at our training centers and on our intranet.

On March 26, 2011, our Group participated in Earth Hour, a WWF initiative, which entailed UniCredit turning off its lights for one hour in 47 representative buildings across Europe. In the March 2012 edition of this initiative, the number of buildings

increased to 72. Our participation in this global program was an expression of our commitment to reducing greenhouse gases in solidarity with the WWF. All of our employees were encouraged to participate.

Promoting green investment

In November 2011, Pioneer Investments signed the Global Investor Statement on Climate Change. This statement was released in November, ahead of the UN climate conference in Durban. It sets forth policies and tools that can be implemented at national and international levels that will catalyze private sector investment and move the world towards a low-carbon future.

Financing Renewable Energy Projects

UniCredit is committed to financing promising renewable energy projects. It is a leading financial institution in this field and provides prospective clients with access to its substantial expertise.

Related financial products

As a sustainable bank, we have taken a forward-looking approach to supporting the development of green infrastructure through our financing and other banking products.

For our corporate customers in Italy, we provide medium- to long-term loans to companies that want to take advantage of incentive programs that support investment in photovoltaic systems. These loans typically range from 24 to 120 months in length.

Also in Italy, our Officinae Verdi program provides financing for household electrical generation

systems and other environmental solutions. For further information, see the subsection further below.

In Germany, our SME segment maintained its focus on providing loans for green investments. After analyzing the regional, national and supranational subsidy programs available, we developed a short list of the most attractive programs in each region. In 2011, we strengthened our renewable energy loan expertise, both among our SME segment employees and by leveraging the skills of our Energy & Efficiency Advisory competence center. Loans made to projects related to environmental protection and sustainability totaled €394.8 million in 2011.

In CEE, special loans to encourage energy efficiency and renewable energy production are available to households and individuals. In Bulgaria, we provide loans for photovoltaic systems, while in Croatia we offer green housing loans and green car loans designed to raise environmental awareness and reduce global CO₂ emissions.

**€8.1 billion in loans
for renewable energy
projects**

Environment and Suppliers

As of year-end, UniCredit had a portfolio of €8.1 billion in loans for renewable energy projects, involving photovoltaic power plants (53%), wind farms (37%) and other renewable energy sources – biomass, hydropower and geothermal – (10%). Of this amount €3.0 is financed by Project and Commodity Finance.

UniCredit Leasing (UCL) financed renewable energy transactions totaling €2.1 billion in 2011, which contributed significantly to climate protection and sustainability across Europe. UniCredit Leasing concluded a record number of solar energy transactions, with more than 350 peak megawatts of installed capacity, based on roughly €1 billion in new financing.

In particular we financed two special wind turbines, including the Enercon E-126 model, which was financed by UniCredit Leasing Austria. It is the largest such equipment in the world with a rotor diameter of 126 meters. UCL Austria and UniCredit Bank Austria AG also concluded a €280 million financial lease transaction for Austria's largest wind park, which will be built between 2012 and 2014 and will generate 200 megawatts of installed capacity.

In CEE, UniCredit increased its portfolio to more than €1.2 billion in loans for renewable energy projects in the Czech Republic, Bulgaria, Romania and Slovakia. UniCredit Leasing completed financing a series of photovoltaic plants in the Czech Republic, with €80 million in transactions executed at attractive margins. Leasing colleagues in CEE also developed local cash flow-based leasing transactions, which are currently in progress.

Update on our engagement in Desertec

In 2010, UniCredit became a shareholder in the Desertec Industrial Initiative (Dii), a private sector initiative founded by the Desertec Foundation in 2009. The consortium's initial goal is to develop solar and wind resources in the Middle East and North Africa (MENA) on a large scale. The aim is to create markets for the renewable energy resources of MENA's deserts in a way that will yield substantial benefits for the local economies and generate up to 15 percent of Europe's power needs by 2050. Dii's first pilot project is expected to go into production in Morocco in 2014 or 2016, depending on the availability of photovoltaic solar power (PV) or concentrated solar power (CSP) technology. Additional projects in Algeria and Tunisia are currently in the planning phase. By the end of 2012, the initiative is expected to provide the concrete plan, Desert Power Perspectives 2050, for the development of these resources in Europe, the Middle East and North Africa, with guidelines on the necessary investments.

After launching in 2009, Dii now has the support of 56 corporations, scientific associations and other partners in the Middle East, North Africa and Europe. In 2011, the Algerian energy company Sonelgaz signed a collaboration agreement with Dii to develop renewable energy in the Algerian desert. Dii also signed an agreement with Medgrid to cooperate on the development of a suitable transmission infrastructure.

Additional agreements concluded in 2011 included arrangements with the Moroccan Solar Energy Agency and STEG Énergies Renouvelables

in Tunisia. These partnerships will facilitate joint projects intended to demonstrate the feasibility of Desertec's vision. The Ministries of Industry and Environment of Morocco have extended their support to Dii, while the EU and several of its member nations have expressed strong support for this undertaking.

The second Dii Desert Energy Conference in Cairo drew nearly 400 scientific, political and business representatives from 33 countries. The event was held under the patronage of Egypt's prime minister and was co-sponsored by UniCredit.

Officinae Verdi

Officinae Verdi S.p.A. is an energy services company that combines the environmental sustainability expertise of the world's largest independent nature conservation organization with the technical and financial support of a major bank. The first of its kind in Europe, this company is the product of a joint venture between UniCredit and the WWF Italy Foundation. It provides services, advanced technological solutions and access to financing for renewable energy generation to households, private businesses and public agencies.

Officinae Verdi's mission is to develop and promote a sustainable model for generating electricity, in which consumers have the capacity to produce their own energy, thereby reducing network inefficiencies and greenhouse gas emissions. To achieve this, it provides customers with support in installing photovoltaic systems, wind turbines, heat pumps and other technologies, and it offers an extensive menu of advisory services on energy efficiency, carbon management, building retrofits and environmental certifications.

It also provides access to third-party financing and dedicated loan products developed by the UniCredit project finance team. Expertise on sustainable practices is made possible through the WWF.

The company was established in July 2011 and began operations in November. Its services are being piloted in some 100 branches in Abruzzo, Lazio and Sardinia, and will be rolled out in select Italian branches in 2012.

Sustainable Procurement

UniCredit has been working toward harmonizing its procurement systems to ensure that goods and services acquired by our Group comply with our sustainability and environmental conservation policies. These changes will be implemented in stages as we extend and expand our current pilot projects, define detailed environmental standards for purchasing, improve our approach to supplier selection, develop training programs for purchasers and product end-users, and expand our dialogue with suppliers.

Procurement processes and supplier screening

In 2011, we completed the first wave of changes to our product procurement sheets, which primarily focused on specifying environmental standards, as well as social standards, for the goods and services we purchase from external vendors. The first product sheets were utilized in a test phase in 2011, and the finalized product sheets were officially launched in 2012. A second wave of changes to the product sheets is being developed for the current year.

Under the new guidelines specified in the Green and Social Procurement Policy, preference is given to suppliers who can demonstrate substantive accomplishments in three areas. First, they must demonstrate significant reductions in their greenhouse gas emissions, resource consumption and waste generation. Second, they must show compliance with the working standards of the International Labour Organization (e.g., freedom of association, collective bargaining, prevention of child labor and forced or compulsory labor). Third, they must demonstrate progress on mitigating the health and safety impacts of their entire supply chain. Their records on these issues are queried using supplier questionnaires, including one on Social Standards & Labor Law and another on Environmental Management.

Our goal is to apply the new vendor management system to 70 to 80 percent of our suppliers in Italy, Austria and Germany by 2016.

In our procurement process, local suppliers are usually preferred because reduced transport requirements result in reduced emissions and resource consumption. To assess our performance on this front, we use an indicator that quantifies the percentage of local suppliers we make use of, by expenditure. We define a local supplier as one that issues invoices and receives payment in the same country in which the goods or services are provided. In 2011, the proportion of our major local suppliers in Italy, Germany and Austria was roughly 95, 89 and 93 percent respectively.

Employee training

In 2011, we carried out the initial training for the buyers who will use the new product procurement sheets described above. We have also continued to work with the WWF to design a training program on sustainable purchasing practices for our procurement teams.

A group of global and local Italian buyers participated in a pilot training course in Milan in July 2011.

The WWF played an active role in this program. In it, 20 employees participated in a seven-hour course on our Green and Social Procurement Policy and related processes.

Environmental performance indicators¹

Scope 1: direct GHG emissions (tons CO₂ eq), 2009-2011^A

| Country | 2011 | 2010 | 2009 |
|--------------|---------------|----------------|----------------|
| Italy | 46,847 | 62,920 | 61,835 |
| Germany | 19,160 | 19,682 | 20,165 |
| Austria | 4,358 | 4,507 | 4,292 |
| CEE | 14,587 | 13,285 | 13,752 |
| Total | 84,952 | 100,394 | 100,044 |

^A GHG emissions from sources owned or controlled by our Group. Data covers 91% of population (a full-time equivalent of more than 110,800).

Scope 2: indirect energy GHG emissions (tons CO₂ eq), 2009-2011^A

| Country | 2011 | 2010 ^B | 2009 ^B |
|--------------|----------------|-------------------|-------------------|
| Italy | 150,746 | 165,293 | 180,568 |
| Germany | 104,007 | 107,946 | 106,845 |
| Austria | 24,325 | 26,443 | 27,694 |
| CEE | 56,650 | 56,912 | 57,069 |
| Total | 335,727 | 356,594 | 372,176 |

^A GHG emissions from purchased electricity, steam and heating/cooling consumed by our Group owned or controlled equipment or operations. The table below reflects the use of a carbon emission factor for national grid. Data covers 94% of population (a full-time equivalent of more than 110,800).

^B Also due to periodic updates of GHG emission factors, several 2009 and 2010 figures may differ from data presented in the 2010 Sustainability Report.

Scope 3: other indirect energy GHG emissions (tons CO₂ eq), 2009-2011^A

| Country | 2011 | 2010 ^B | 2009 ^B |
|--------------|---------------|-------------------|-------------------|
| Italy | 11,599 | 11,159 | 10,639 |
| Germany | 6,292 | 6,244 | 3,969 |
| Austria | 2,365 | 2,257 | 2,083 |
| CEE | 1,911 | 1,941 | 1,561 |
| Total | 22,167 | 21,601 | 18,252 |

^A GHG emissions from employee business travel and from using paper and recycling paper, glass and plastic. Data covers 86% of population (a full-time equivalent of more than 110,800).

^B Also due to periodic updates of GHG emission factors, several 2009 and 2010 figures may differ from data presented in the 2010 Sustainability Report.

Energy consumption per employee (GJ/capita), 2009-2011^A

| Country | 2011 | 2010 | 2009 |
|---------|------|------|------|
| Italy | 36 | 41 | 41 |
| Germany | 61 | 57 | 54 |
| Austria | 50 | 53 | 52 |
| CEE | 27 | 27 | 27 |

^A Data covers 94% of population (a full-time equivalent of more than 110,800).

¹ Central and Eastern Europe (CEE) countries included are: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Romania, Russia, Serbia, Slovakia, Slovenia and Hungary. Data for 2010 and 2011 were calculated based on the number of FTEs (full-time equivalent) employees. In 2009, HCs (Head Counts) were used to calculate data. Due to improved data collection and calculation processes, several figures may differ from data presented in the 2010 Sustainability Report. Country-to-country comparisons may be misleading as different tracking systems should be taken into account.

Water usage per employee (m³/capita), 2009-2011^A

| Country | 2011 | 2010 | 2009 |
|---------|------|------|------|
| Italy | 24 | 38 | 34 |
| Germany | 28 | 23 | 17 |
| Austria | 25 | 32 | 32 |
| CEE | 17 | 20 | 19 |

^A Data covers 91% of population (a full-time equivalent of more than 110,800).

Copy paper consumption per employee (kg/capita), 2009-2011^A

| Country | 2011 | 2010 | 2009 |
|---------|------|------|------|
| Italy | 85 | 68 | 74 |
| Germany | 42 | 43 | 45 |
| Austria | 54 | 58 | 52 |
| CEE | 65 | 70 | 65 |

^A Data covers 91% of population (a full-time equivalent of more than 110,800).

Most of the paper used groupwide is Total Chlorine-Free (TCF) or Elemental Chlorine-Free (ECF).
In 2011, recycled paper consumption in Italy was 29%, 15% in Austria, 14% in Germany and 14% in CEE.

Waste production per employee (kg/capita), 2009-2011^A

| Country | 2011 | 2010 | 2009 |
|---------|------|------|------|
| Italy | 98 | 117 | 121 |
| Germany | 531 | 439 | 331 |
| Austria | 171 | 201 | 230 |
| CEE | 187 | 186 | 186 |

^A Data covers 86% of population (a full-time equivalent of more than 110,800).

Percentage of waste by disposal method, 2010-2011^A

| Country | Valuable materials separated and recycled | | Waste incinerated | | Waste disposed in landfills | | Special waste treatment | | Other | |
|---------|---|--------|-------------------|--------|-----------------------------|--------|-------------------------|-------|--------|--------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Italy | 96.97% | 97.45% | 2.82% | 2.28% | 0.00% | 0.00% | 0.00% | 0.00% | 0.21% | 0.27% |
| Germany | 67.16% | 70.89% | 26.28% | 28.76% | 0.00% | 0.00% | 0.33% | 0.35% | 6.23% | 0.00% |
| Austria | 94.55% | 95.69% | 5.45% | 4.31% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CEE | 16.32% | 14.98% | 2.50% | 2.26% | 59.33% | 61.27% | 2.42% | 1.34% | 19.43% | 20.15% |

^A Data covers 86% of population (a full-time equivalent of more than 110,800).

GRI and Global Compact Index

All core GRI indicators are represented in the following table, with additional indicators included only if they are referenced within the report. For the GRI Content Index, please see the dedicated area of UniCredit's corporate website (www.unicreditgroup.eu).

KPMG reviewed the 2011 Sustainability Report, which satisfies GRI requirements at an A+ application level.

Legend:

| | |
|-------|------------------------------|
| Total | Indicator completely covered |
| N/A | Not applicable |
| NM | Not material |
| C | Core indicators |
| A | Additional indicators |

| Indicator | Coverage | Page |
|---|----------|---|
| PROFILE | | |
| 1. Strategy and analysis | | |
| 1.1 Statement of the most senior decision-maker of the organization | Total | 4-5 |
| 1.2 Main impacts, risks, and opportunities | Total | 11, 16-21, 23, 35, 57, 61, 77 |
| 2. Organization profile | | |
| 2.1 Organization name | Total | Front cover |
| 2.2 Main brands, products and/or services | Total | 2011 Consolidated Reports and Accounts: Results By Business Segment |
| 2.3 Operational structure of the organization | Total | 6-7 |
| 2.4 Headquarters | Total | 92 |
| 2.5 Countries of operations | Total | 6-7 |
| 2.6 Ownership structure and type of legal entity | Total | 59; 2011 Consolidated Reports and Accounts: Corporate Governance – Major Shareholders; 2011 Report on Corporate Governance and Ownership Structure: 5-10, 73-76 |
| 2.7 Markets served | Total | 6-7 |
| 2.8 Scale of the organization | Total | 6-7 |
| 2.9 Significant changes | Total | No significant changes |
| 2.10 Awards received | Total | 33, 41, Supplement: 36 |
| 3. Report parameters | | |
| Profile | | |
| 3.1 Reporting period | Total | 2 |
| 3.2 Previous report's date of publication | Total | 2 |
| 3.3 Reporting frequency | Total | 2 |
| 3.4 Contact point for information on report | Total | Inside back cover |
| Report purpose and scope | | |
| 3.5 Process for defining contents | Total | 2, 20-21 |
| 3.6 Report scope | Total | 2 |
| 3.7 Limitations of report purpose or scope | Total | 2 |
| 3.8 Information on other associate companies | Total | No significant changes |
| 3.9 Data measurement techniques and basis of calculation | Total | 2 |
| 3.10 Modifications compared with previous report | Total | 2 |
| 3.11 Significant changes compared with previous report | Total | No significant changes related to reporting scope and boundary. Changes in measurement methods are clearly stated within the Sustainability Report |
| Index of GRI contents | | |
| 3.12 Table of reference | Total | 86-88; GRI Content Index |
| Assurance | | |
| 3.13 External assurance | Total | 2, 90-91; 2011 Report on Corporate Governance and Ownership Structure: 56 |
| 4. Governance, Commitment, Involvement | | |
| Governance | | |
| 4.1 Governance structure | Total | Supplement: 2-3; 2011 Report on Corporate Governance and Ownership Structure: 17-18, 34, 77-80; http://www.unicreditgroup.eu/en/Governance/Board_of_Directors.htm |
| 4.2 Indicate whether Chairman also holds an executive role | Total | 2011 Report on Corporate Governance and Ownership Structure: 77 |

| Indicator | | Coverage | Page |
|--|--|----------|---|
| 4.3 | Independent and/or non-executive directors | Total | 2011 Report on Corporate Governance and Ownership Structure: 77-80 |
| 4.4 | Mechanisms for making recommendations to Board of Directors | Total | 25, 58, Supplement: 3, 19; 2011 Report on Corporate Governance and Ownership Structure: 68-70 |
| 4.5 | Link between directors' remuneration and performance | Total | 15, Supplement: 4; 2011 Report on Corporate Governance and Ownership Structure: 39-40; UniCredit S.p.A. Financial Statements 2011: Notes to the Accounts, Part H.1 |
| 4.6 | Mechanism of conflicts of interest's avoidance | Total | Supplement: 10; 2011 Report on Corporate Governance and Ownership Structure: 20-22 |
| 4.7 | Directors' qualifications | Total | 2011 Report on Corporate Governance and Ownership Structure: 17-21, 36-38 |
| 4.8 | Mission, values, codes of conduct, and principles | Total | 14, 31, Supplement: 2; Mission; Integrity Charter |
| 4.9 | Procedures to identify and manage economic, environmental, and social performance | Total | 16-18, Supplement: 6; 2011 Report on Corporate Governance and Ownership Structure: 41-45 |
| 4.10 | Process to assess BoD's performance | Total | Supplement: 4; 2011 Report on Corporate Governance and Ownership Structure: 24 |
| Commitment in external initiatives | | | |
| 4.11 | Way in which prudential principle or approach is applied | Total | 13-14, 16-18 Supplement: 10; 2011 Report on Corporate Governance and Ownership Structure: 43-45 |
| 4.12 | Adoption of external codes and standards in the economic, social, and environmental fields | Total | 5, 17, 53 |
| 4.13 | Memberships in associations | Total | Supplement: 40 |
| Stakeholder Engagement | | | |
| 4.14 | List of stakeholders engaged | Total | 19-20 |
| 4.15 | Principles for stakeholders' identification and selection | Total | 19-20 |
| 4.16 | Stakeholder engagement activities | Total | 19-20 |
| 4.17 | Key aspects and criticalities emerging from stakeholder engagement and related actions | Total | 24-25, 36-39 |
| FINANCIAL SERVICES SECTOR SUPPLEMENT INDICATORS | | | |
| C FS1 | Policies with specific environmental and social components applied to business lines | Total | 53- 55 |
| C FS2 | Procedures for assessing and screening environmental and social risks | Total | 18, 55 |
| C FS3 | Monitoring clients' implementation of and compliance with environmental and social requirements | Total | 53-54 |
| C FS4 | Improvement of staff competency to implement the environmental and social policies and procedures | Total | 53 |
| C FS5 | Interactions with clients/investees/business partners regarding environmental and social risks and opportunities | Total | 42-43, 54, 80-81 |
| C FS6 | Company portfolio | Total | Supplement: 32-33; 2011 Consolidated Reports and Accounts: Report on Operations - Results by Business Segment - Breakdown by business, geographic area and company |
| C FS7 | Products and services designed to deliver a specific social benefit | Total | 52, 68-70 |
| C FS8 | Products and services designed to deliver a specific environmental benefit | Total | 81-82 |
| C FS9 | Audits on implementation of environmental and social policies and risk assessment procedures | Total | 54; The Audit Department's onsite activities verify the endorsement of UniCredit policies at the local level, ensuring that their implementation is effective and adheres to local regulation. Analysis of the credit process is generally conducted through a sampling procedure, and for cases in which this sampling includes operations related to special credit policies – such as the Nuclear or Defense Sector Policies – the audit also verifies the compliance with the relevant internal regulations. There is no specific reporting regarding assessments on these matters; findings are included within the reports of the particular operation |
| C FS10 | Portfolio's companies engaged on environmental or social issues | Total | 54, 80 |
| C FS11 | Assets subjects to environmental or social screening | Total | Supplement: 34 |
| C FS12 | Environmental or social voting policies | Total | Supplement: 34 |
| ECONOMIC PERFORMANCE | | | |
| DMA EC | Information on management approach | Total | 2011 Consolidated Reports and Accounts: Report on Operations - Group Results - Main Results and Performance for the period |
| C EC 1 | Direct economic value generated and distributed | Total | Supplement: 44 |
| C EC 2 | Financial implications and other risks and opportunities due to climate change | Total | 79-83 |
| C EC 3 | Coverage of the organization's defined benefit plan obligations | Total | Supplement: 22-23; 2011 Consolidated Reports and Accounts: Part B - liabilities, sections 10-11-12 |
| C EC 4 | Significant financing received from Public Administration | Total | 59, Supplement: 18 |
| C EC 6 | Policy, practices, and percentage of expenditure concentrated on local suppliers | Total | 83 |

GRI and Global Compact Index

| Indicator | | Coverage | Page |
|--|---|----------|---|
| C EC 7 | Procedures for local hiring | Total | In 9 out of the 10 countries where UniCredit is present (Italy, Germany, Austria, Poland, Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia), the majority of Board of Directors members are local |
| C EC 8 | Development and impact of investments in infrastructures and public utilities | Total | 62-63, 65 |
| A EC 9 | Significant indirect economic impacts | Total | 49, 52-53, 62, 65 |
| ENVIRONMENTAL PERFORMANCE | | | |
| DMA EN | Information on management approach | Total | 77-81 |
| C EN 1 | Raw materials used | Total | 85 |
| C EN 2 | Percentage of materials coming from waste recycling operations | Total | 85 |
| C EN 3 | Direct energy consumption by source | Total | 84 |
| C EN 4 | Indirect energy consumption by source | Total | 84 |
| A EN 5 | Energy saving | Total | 79-80 |
| A EN 6 | Initiatives to provide energy-efficient or renewable energy based products and services | Total | 81-83 |
| A EN 7 | Initiatives to reduce indirect energy consumption and reductions achieved | Total | 78-81 |
| C EN 8 | Water consumption by source | Total | 85 |
| C EN 11 | Land owned, rented or managed in protected areas | Total | In Sicily, our Group owns five plots of land with environmental and archeological restrictions, totaling roughly 731,000 square meters |
| C EN 12 | Description of greatest impacts on biodiversity | NM | |
| C EN 16 | Greenhouse gas emissions | Total | 84 |
| C EN 17 | Other indirect greenhouse gas emissions | Total | 84 |
| A EN 18 | Initiatives to reduce greenhouse gas emissions | Total | 78-80; inside back cover |
| C EN 19 | Emissions of substances harmful for the ozone layer | Total | In line with applicable regulations, UniCredit continues to replace refrigeration and cooling systems that contain ozone-depleting substances |
| C EN 20 | Other atmospheric emissions | NM | |
| C EN 21 | Water discharges | NM | |
| C EN 22 | Waste production and disposal methods | Total | 85 |
| C EN 23 | Total number and volume of pollutant discharges | NM | |
| C EN 26 | Initiatives to mitigate impacts of products and services | Total | 80-83 |
| C EN 27 | Reclaim rate of products sold | NA | |
| C EN 28 | Fines and penalties for non compliance with environmental law and regulations | Total | No relevant fines were imposed in 2011 for non-compliance with environmental laws or regulations |
| A EN 29 | Significant environmental impacts of transporting products, goods, materials and members of the workforce | Total | 79-80, 84 |
| LABOR PRACTICES AND DECENT WORK | | | |
| DMA LA | Information on management approach | Total | 23-25, 30-31, Supplement: 19, 26 |
| C LA 1 | Breakdown of staff by type, contract, region and gender | Total | Supplement: 14, 17 |
| C LA 2 | Total number and rate of new employee hires and employee turnover by age, gender, and region | Total | Supplement: 16 |
| A LA 3 | Benefits provided to full-time employees and not to temporary of part-time employees | Total | Supplement: 22 |
| C LA 15 | Return to work and retention rates after parental leave, by gender | Total | GRI Content Index |
| C LA 4 | Degree of coverage of collective labor contracts | Total | Supplement: 20 |
| C LA 5 | Minimum period of notice for operational changes | Total | Supplement: 20-21 |
| A LA 6 | Percentage of total workforce represented in formal health and safety committees | Total | Supplement: 26 |
| C LA 7 | On-the-job accidents and illness | Total | Supplement: 28 |
| C LA 8 | Programs for management of serious diseases | Total | Supplement: 29 |
| A LA 9 | Health and safety topics covered by collective agreements with trade unions | Total | Supplement: 27 |
| C LA 10 | Staff training | Total | 30, Supplement: 18-19 |
| A LA 11 | Programs for skills management and lifelong learning | Total | 30, Supplement: 25 |
| A LA 12 | Employees receiving regular performance reviews | Total | 28 |
| C LA 13 | Breakdown of employees by gender and other diversity indicators | Total | Supplement: 14-15, 18; 2011 Report on Corporate Governance and Ownership Structure: 77-79 |
| C LA 14 | Ratio between basic salary and remuneration of men and women | Total | Supplement: 16-17 |
| HUMAN RIGHTS | | | |
| DMA HR | Information on management approach | Total | Supplement: 19; Integrity Charter; Human Rights Commitment |
| C HR 1 | Operations with human-rights considerations | Total | 53-54; Human Rights Commitment |
| C HR 2 | Suppliers and other business partners assessed as regards respect of human rights | Total | 83 |
| C HR 3 | Employee training on policies and procedures concerning aspects of human rights | Total | 14-15, 83; Human Rights Commitment |
| C HR 4 | Cases of discrimination | Total | Supplement: 31 |
| C HR 5 | Risks for right to freedom of association and collective bargaining | Total | 83; Human Rights Commitment |
| C HR 6 | Risks for use of child labor | Total | 83; Human Rights Commitment |

| Indicator | Coverage | Page |
|--|----------|--|
| C HR 7 Risks for use of forced labor | Total | 83; Human Rights Commitment |
| C HR 10 Operations that have been subject to human rights reviews | Total | Human Rights Commitment; GRI Content Index |
| C HR 11 Grievances related to human rights | Total | Supplement: 31; Human Rights Commitment |
| IMPACTS ON SOCIETY | | |
| DMA SO Information on management approach | Total | 61-63, Supplement: 6-7 |
| C SO 1 Management of impacts on community | Total | 18 |
| C FS13 Access points in low-populated or economically disadvantaged areas | Total | Supplement: 38 |
| C FS14 Access to financial services for disadvantaged people | Total | 68-69, 75 |
| C SO 9 Operations with impacts on local communities | NM | |
| C SO 10 Prevention and mitigation measures implemented in operations with impacts on local communities | NM | |
| C SO 2 Analysis for risks related to corruption | Total | Supplement: 7 |
| C SO 3 Staff trained in the prevention of corruption | Total | 14, Supplement: 19 |
| C SO 4 Actions taken following cases of corruption | Total | Supplement: 7 |
| C SO 5 Positions concerning public policy and lobbying | Total | 12, 16, 43 |
| A SO 7 Legal actions for anti-competitive behavior | Total | Supplement: 7-9; 2011 Consolidated Reports and Accounts: Part E, Section 4.B |
| C SO 8 Sanctions for non-compliance with laws or regulations | Total | Supplement: 7-9; 2011 Consolidated Reports and Accounts: Part E, Section 4.B |
| PRODUCT LIABILITY | | |
| DMA PR Information on management approach | Total | 35-36, 40, 44, 47 |
| C FS15 Policies for the fair design and sale of financial products and services | Total | 40-41, Supplement: 10-11 |
| C PR 1 Healthiness and safety of products and services | Total | Supplement: 35 |
| C PR 3 Information on products and services | Total | 40-41 |
| A PR 4 Non-compliance with regulations concerning product and service information and labeling | Total | 46, Supplement: 33 |
| A PR 5 Customer satisfaction | Total | 36-38 |
| C FS16 Enhancement of financial literacy | Total | 43, 71-72 |
| C PR 6 Laws, standards, and voluntary codes concerning marketing communications | Total | 41, Supplement: 11 |
| A PR7 Non-compliance with regulations concerning marketing communications | Total | Supplement: 11 |
| C PR 9 Sanctions for non-compliance with laws or regulations | Total | Supplement: 7-9; 2011 Consolidated Reports and Accounts: Part E, Section 4.B |

Making the connections by GRI and Global Compact

| Categories | Principles | GRI Indicators |
|-----------------|--|---|
| Human Rights | Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights. | LA4, LA 7-8, LA13-14, HR 1-2, HR 4-7, SO5, PR1 |
| | Principle 2 - Businesses should make they are not complicit in human rights abuses. | HR 1-2, HR 4-7, SO5 |
| Labour | Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | LA 4-5, HR 1-2, HR5, SO5 |
| | Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour. | HR 1-2, HR7, SO5 |
| | Principle 5 - Businesses should uphold the effective abolition of child labour. | HR 1-2, HR6, SO5 |
| | Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation. | EC7, LA2, LA 13-14, HR 1-2, HR4, SO5 |
| Environment | Principle 7 - Businesses should support a precautionary approach to environmental challenges. | EC2, EN26, EN30, SO5 |
| | Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility. | EN 1-4, EN8, EN 11-12, EN 16-17, EN21, EN26, EN28, SO5, PR3 |
| | Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies. | EN2, EN26, SO5 |
| Anti-corruption | Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery. | SO 2-5 |

Source of the correspondences between Global Compact principles and GRI indicators: report Making the Connections by GRI and Global Compact (www.globalreporting.org)



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(Translation from the Italian original which remains the definitive version)

Limited assurance report on the sustainability report

To the board of directors of
UniCredit S.p.A.

- 1 We have reviewed the 2011 sustainability report of the UniCredit Group (the “Group”). The parent’s directors are responsible for the preparation of the sustainability report in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 and the updated version of the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, as set out in the “Report structure” section. They are also responsible for determining the Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.
- 2 We carried out our work in accordance with the criteria established for review engagements by “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)”, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
 - comparing the information and data presented in the “Determination and distribution of Value Added” section of the Supplement to the sustainability report to the corresponding information and data included in the Group’s consolidated financial statements as at and for the year ended 31 December 2011, on which we issued our report dated 18 April 2012 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management of UniCredit S.p.A. and personnel of Pioneer Investment Management SGRp.A., UniCredit Bank Austria AG, UniCredit Bank AG, Domus Facility Management GmbH, Unicredit Business Integrated Solutions S.C.p.A., UniCredit Business Integrated Solutions Austria GmbH, UniCredit Global Business Services GmbH, Zagrebačka banka d.d. and UniCredit Ţiriac Bank S.A., to gather

information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;

- sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the effectiveness of processes, their adequacy in relation to the objectives described, and that the internal control system correctly manages data and information included in the sustainability report;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 and its overall consistency, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of UniCredit S.p.A. on the compliance of the sustainability report with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000 and, therefore, it offers a lower level of assurance that we have become aware of all significant matters and events that would be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made our report dated 6 April 2011.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2011 sustainability report of the UniCredit Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 and the updated version of the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, as set out in the "Report structure" section.

Milan, 18 April 2012

KPMG S.p.A.

(signed on the original)

Roberto Fabbri
Director of Audit

UniCredit S.p.A.

A joint stock company

Registered Office in Rome: Via Alessandro Specchi, 16

Head Office in Milan: Piazza Cordusio

Share capital Euro €19.647.948.525,10 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



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Appendix - Our Approach

Governance

Governance framework

UniCredit's approach to corporate governance is designed to encourage all UniCredit staff, external collaborators and commercial partners to be inspired by principles of transparency and sound management. This is in compliance with current legislation and in line with fundamental ethical principles in the pursuit of their goals.

UniCredit's corporate governance also complies with current regulations and recommendations laid out in the Self-Regulation Code for Listed Companies.

We developed a set of governance tools that are regularly verified and updated to assure compliance with evolving regulatory environments, operating practices and markets. These tools are constantly monitored to verify the level at which they are applied.

Key governance tools include:

- Articles of Association, which set forth corporate governance provisions and aim to ensure the proper management of our business
- Regulations of the Shareholders' Meeting
- Rules and Regulations of the Board of Directors
- the Group Remuneration Policy, which establishes a consistent approach to sustainable remuneration and its standardized implementation within UniCredit, with specific reference to top management
- the Principles and Rules of Group Corporate Governance, necessities to coordinate, through different governance tools and layers, the Group and each legal entity
- the Group Managerial Golden Rules (GMGR), which are guidelines that define clear principles of governance within UniCredit, outline our organizational model and establish managerial responsibility for all key processes

To ensure that our corporate governance system properly guides, coordinates and controls our Group activities and manages related risks, we defined a coherent system of rules based on the following sources:

- Integrity Charter (for more details, please refer to the specific section of the company's website www.unicreditgroup.eu)
- the UniCredit Code of Conduct, which defines general principles of conduct, promotes our compliance culture and our commitment to sustainability
- the Global Rules, which integrate the GMGR, are issued by UniCredit to guide, coordinate and control Global Topics (as defined by GMGR) and other relevant activities, and to ensure compliance with regulations and/or risk management guidelines. The Global Rules consist of the Global Policies and the Global Operational Instructions
 - the Global Policies establish the overall model, macro-processes (e.g., responsibility of the parent company and entities, interaction and coordination mechanisms), and rules/principles for the management of Global Topics and other significant activities to ensure compliance with regulations and risk management guidelines
 - the Global Operational Instructions provide operational, technical and methodological instructions to supplement a Global Policy, ensuring the correct application of the models, rules and principles of governance as defined by the Global Policy
- service contracts between UniCredit and its related subsidiaries formally regulate the provision of inter-company services and ensure transparency regarding services provided and the related compensation

Organization and governance structures

UniCredit S.p.A. has adopted traditional management and control system that is based on two corporate bodies appointed at the shareholders' meeting: an administrative body (the Board of Directors), which is responsible for the strategic supervision and management of the company, and a control body (the Board of Statutory Auditors), which supervises the administration of the company. Legal accounting supervision is entrusted to an external auditing firm in compliance with relevant current laws.

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

The Board of Directors is supported by four committees with the authority to advise and submit proposals to the board. These include the:

- Permanent Strategic Committee
- Internal Controls & Risks Committee
- Corporate Governance, HR and Nomination Committee
- Remuneration Committee

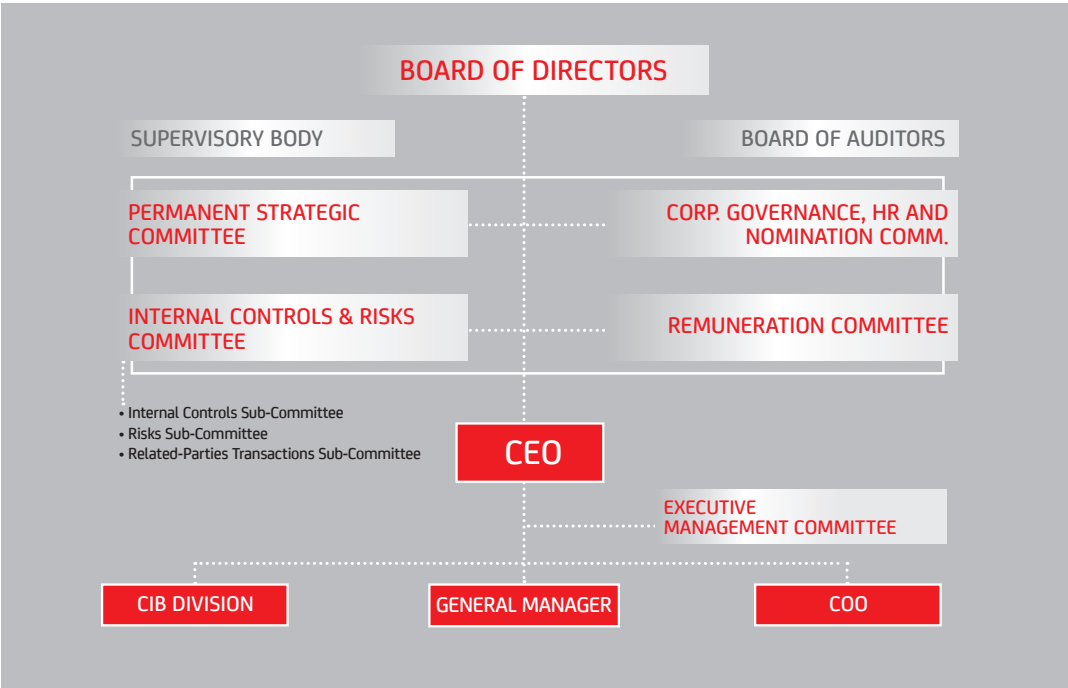
The abovementioned committees may operate according to the procedures considered appropriate and may, *inter alia*, divide into sub-committees. In particular, the Internal Controls & Risks Committee performs its duties in plenary session or with limited membership among its sub-committees: (i) the Internal Controls Sub-Committee; (ii) the Risks Sub-Committee; and (iii) the Related-Parties Transactions Sub-Committee.

UniCredit's overall corporate governance framework has been defined bearing in mind the recommendations of the Corporate Governance Code, which were approved by the Corporate Governance Committee of *Borsa Italiana*, the Italian Stock Exchange.

During 2012, UniCredit's governance will likely be affected by new regulations introduced in Italy, in addition to other European countries, regarding gender quotas (gender diversity) that will involve, *inter alia*, amendments to several provisions of the Articles of Association.

For detailed information on the UniCredit S.p.A. corporate governance system, please see the dedicated area of the corporate website (www.unicreditgroup.eu) and the UniCredit S.p.A. Report on Corporate Governance and Ownership Structures, which was approved by the Board of Directors in March 2012.

Governance Structure



Appendix - Our Approach

Board members compensation

The compensation paid to non-executive directors and to the members of the Board of Statutory Auditors is not linked to the financial results achieved by UniCredit. Non-executive directors are not beneficiaries of incentive plans based on stock options or, more generally, of any plan based on financial instruments.

The CEO, the only executive director sitting on the Board of Directors, has a portion of his remuneration linked to UniCredit's financial results. This is in line with the policy applied to the UniCredit management team, of which the CEO is a member.

Moreover, the CEO and other executives holding strategic responsibilities have, in the past, been beneficiaries of corporate incentive plans based on financial instruments.

Compensation for top management

Compensation for the CEO, General Manager (GM) and Deputy General Managers (DGMs) is defined within a rigorous governance process.

UniCredit's compensation approach is performance-oriented, market-aware and aligned with our business strategy and stakeholder interests. To ensure the competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Group Compensation Policy.

The overall compensation policy framework is designed to assure the consistency of the remuneration elements and systems, while conforming to sound risk management and long-term strategies. The framework provides a balance between the fixed and variable components of remuneration, including mechanisms for the deferred payment of a consistent portion of performance bonuses, which are subject to performance conditions. Risk-weighted systems and mechanisms are in place to govern variable compensation and are designed to ensure that compensation remains linked to actual sustainable results.

The Remuneration Committee analyzes and monitors overall compensation trends in the market over the course of the year in order to make informed decisions on our compensation approach. Regarding UniCredit executives, an independent external advisor contributes to defining a peer group, against which a compensation benchmarking analysis is performed. This peer group is ultimately defined by the Remuneration Committee, after considering our main European and international competitors in terms of market capitalization, total assets, business scope and dimension. Regarding constant benchmarking, we aim to adopt competitive ranges in compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources.

Our Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors and, subsequently, to shareholders at the Annual General Meeting for approval and is in line with regulatory requirements.

The Board of Directors reviews the criteria and features of UniCredit's incentive systems every year, ensuring an appropriate pay-mix between upfront and deferred reward opportunities, and fostering mid- and long-term business sustainability and value creation.

The 2011 Group Incentive System for Executives, which is comprised of the Bonus Opportunity Plan and the Performance Stock Options Plan, has been designed considering the provisions of: the European Parliament Directive CRD III (Capital Requirements Directive, November 2010); the Guidelines on Remuneration Policies and Practices issued in December 2010 by the Committee of European Banking Supervisors (CEBS), which is now called the European Banking Authority (EBA); and the latest indications of national regulators regarding compensation policies and practices.

Bonus Opportunity Plan

Our Bonus Opportunity Plan aims to reward sustainable performance, to motivate and retain UniCredit executives, and to align our compensation systems with the latest national and international regulatory requirements. The plan is designed in line with company strategies and goals, and is linked to UniCredit's results, which are adjusted for different types of risks – including capital and liquidity. The Bonus Opportunity Plan provides for the allocation of a performance-related bonus in cash and free ordinary shares paid out over four years.

The bonus payable to each executive is determined by a multi-perspective Performance Screen assessment of operational and sustainability drivers. The maximum bonus is capped and performance is evaluated on internal absolute goals and relative external goals, while also considering risk-adjusted indicators. As appropriate for each role, goals are selected from our Key Performance Indicators catalogue, while covering financial dimensions (value creation, profitability, asset quality and efficiency) and non-financial dimensions (reputation, customer satisfaction, compliance and function effectiveness).

The resulting bonus is paid in four equal installments through a balanced structure of upfront and deferred payouts, in cash and shares. In 2012, the first installment is paid in cash, subject to the application of an overall risk/sustainability factor (Group Gate) related to 2011 Group profitability, solidity and liquidity results, and in the absence of any individual/values compliance breach. In 2013, the second installment will be paid in cash, while the 2014 and 2015 installments will be allocated in UniCredit shares. Deferred payouts are subject to the application of a Zero Factor related to Group profitability, solidity and liquidity results, and in the absence of any individual/values compliance breach.

Performance Stock Options Plan

This plan aims to align UniCredit executives' and shareholders' interests by rewarding long-term value creation, share price appreciation, and absolute and relative performance. The plan provides senior executives with the grant of performance stock options with a four-year vesting (2012-2015 reference period), expiring in 2022.

The vesting of the performance stock options is conditional and proportional to performance achieved over the reference period in terms of:

- Relative Total Shareholder Return (rTSR), measuring the full reward on shareholder investment (considering capital gain and dividends) relative to peers. The peer group will consist of those companies in the European Stoxx Banking Sector Index (as of the last business day of the performance period), with a market capitalization higher than the median level of the companies included in the index
- Group Economic Profit (EP), calculated as the difference between Net Operating Profit After Tax and the product between Allocated Capital and Cost of Equity

The exercise of the maximum number of stock options granted is provided in case the performance of our Group EP over the reference period is higher than the cumulative planned target and the rTSR positioning is higher or equal to the third quartile of the reference peer group. No stock options will be exercisable in case of rTSR positioning below median and Group EP lower than the target set.

The CEO, General Manager and Deputy General Managers hold open-ended employment contracts, which are regulated within the general framework of the National Labor Agreement for Italian Banking Executives. Such contracts do not contain clauses that envisage the payment of indemnities or the right to keep post-retirement benefits in the event of resignations, dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer or change of control. They are governed – also in the event of resignations, dismissal/revocation or termination – by the CCNL's ordinary provisions.

Appendix - Our Approach

Compliance

Instilling a culture of compliance across UniCredit is fundamental to achieving sustainability.

The mission of Compliance is to facilitate our Group's advancement of our business interests in compliance with applicable laws, regulations, internal policies and best practices, to help safeguard our Group franchise and reputation, and to uphold our values.

Management of compliance risk is accomplished through:

- providing guidance: offering advice on a reactive and proactive basis on existing laws, regulations, rules, codes, standards, businesses, products and/or offices; issuing policies and procedures, notes, memos, opinions and notices; providing training, both in person and electronically
- assessing and monitoring compliance risk: performing compliance risk assessment; ranking such compliance risk; performing routine surveillance; monitoring and addressing identified issues; monitoring approval and implementation of compliance rules; and analyzing regulatory risks related to new products and businesses
- serving as liaison with authorities: assisting in or managing regulatory audits within the relevant area of competence; conducting self-assessments; managing regulatory investigations and inquiries; responding to regulatory consultations; responding to ad hoc queries; developing and maintaining relationships with relevant regulators

Policies

Anti-Money Laundering

In accordance with the three-year Anti-Money Laundering (AML) strategy, 2011 saw the development and issuance of global rules setting out detailed standards for our Group legal entities.

The Global Compliance Policy on Anti-Money Laundering and Countering of Terrorist Financing was issued in June 2011. The policy builds on the Global Compliance Guidelines issued in September 2010 and sets out more detailed policy statements on issues such as the risk assessment and classification of clients, and the minimum due diligence standards for the Know Your Customer process. At the end of December 2011, all main banks in the scope of the report had approved these guidelines, with the majority having implemented them.

In addition to the policy, technical instructions were issued on the following topics:

- AML Global Controls Monitoring Standards, which set forth detailed monitoring standards for AML units on the effectiveness of the controls in the AML Policy
- AML Compliance Risk Assessment & Customer Risk Classification Standards, which set forth our Groupwide standards for those elements of the customer risk classification required by the AML Policy, including country risk, industry risk, products and services risk, entity risk and Politically Exposed Person (PEP) reputation risk

The three-year strategy also saw an extensive and detailed assessment of the AML Information Technology (IT) systems used in Germany, Austria and CEE, and the development of a standard IT application for roll-out across Austria and CEE in 2012-2013.

A major 2011 achievement was the guidance and oversight of our Group's response to the international sanctions imposed on Libya, which, due to the historical ties between Italy and Libya, was more complicated for UniCredit than many of its peers. Other achievements in 2011 included:

- development and roll-out of a Groupwide computer-based training course on AML
- development of standardized global management information reports
- additional restrictions on Iran-related business

Primary objectives for 2012 include:

- further development of our Group AML Rules, with the issuance of a Global Sanctions Policy and Technical Instructions on Periodic Reviews of Know Your Customer Information, Correspondent Banking and Politically Exposed Persons
- commencement of the standard IT application roll-out to seven CEE countries, as well as the assessment of the current AML IT systems in Poland and Turkey

Other objectives for 2012 include:

- assessment of the payment screening solutions used in CEE
- publishing guidance on indirect sanctions risks
- investigation and recommendations of a tool to be used Groupwide to manage negative information related to clients or prospects

Anti-Corruption

Similar to AML, our Group Rules for Anti-Corruption were also developed in 2011. Our efforts were focused on two main areas: drafting the Global Anti-Corruption Policy and drafting a Policy on the Engagement of Intermediaries. The former defines high-level guidance for all employees on our Group's anti-corruption approach, including the zero-tolerance approach to corruption, employees' roles and responsibilities, and the main corruption risks. The Policy on the Engagement of Intermediaries details requirements for a subject that is assessed as presenting the highest risk of corruption, including requirements for risk assessment, due diligence, approval of engagements and record keeping. The Anti-Corruption Policy was approved by the Board of Directors in February 2012; the Policy on Engagement of Intermediaries was approved the following month.

A Groupwide computer-based training program was also developed in 2011 for employees on the new Code of Conduct, which includes a section on anti-corruption. The training has been carried out for employees in Austria, Germany and the United Kingdom, with the remaining countries scheduled for the first quarter of 2012.

The primary objectives for 2012 include the completion of a global anti-corruption risk assessment that began in 2011, the development and rollout of a Groupwide anti-corruption computer-based training course, and the completion of control standards for anti-corruption, as well as a policy on gifts and entertainment.

Focus on Italy¹: the Legislative Decree No. 231 and the Organization and Management Model

Legislative Decree No. 231 is the Italian law on the administrative liability of legal entities, companies and associations, including those without legal personality. The Decree poses as a corporate administrative liability if a manager or an employee of the entity commits an offence foreseen by the Decree as in the interest or to the advantage of the entity itself.

The entity can avoid liability if it adopts an Organization and Management Model (the Model) to prevent the crime committed and, if assigned to an internal corporate body (Supervisory Body) with independent authority, the task of supervising the Model's function and compliance.

On May 4, 2004, the Board of Directors of UniCredit S.p.A. approved the Model, which was first updated on August 1, 2008 and further updated on September 30, 2010.

Currently, the Model is comprised of:

- the UniCredit S.p.A. Organization and Management Model, which is a document with four sections.

The first addresses the content and objectives of legislation related to corporate administrative liability. The second concerns the governance model and the organizational structure of our company. The third focuses on the content of the Model, and the fourth addresses conduct guidelines

- Decision Protocols regulating activities where the risk of committing crimes has been detected
- Spending Regulations identifying procedures for managing financial resources

The Board of Directors has also appointed the UniCredit Supervisory Body, a collective corporate body comprised of seven members, two non-executive and independent directors, and five executives holding positions related to guidance, support and control functions. The President is selected from among the two directors. All UniCredit S.p.A. personnel must comply with the Model's rules and principles, and the details in the Decision Protocol referring to their performed activities. They are also required to report any violations of the Model's rules or criminal activity to the UniCredit Supervisory Body.

¹ According to the UniCredit Organization and Management Model: Companies being part of the UniCredit Group (hereafter also the Group) are considered all the Italian companies directly or indirectly controlled by UniCredit S.p.A., as well as the foreign companies, directly or indirectly controlled by UniCredit S.p.A., which carry on business in Italy through a permanent establishment. UniCredit S.p.A., aware of the importance of a correct application of the principles established by the Legislative Decree 231/2001 within the entire Group, sends to the companies belonging to the UniCredit Group, through the most suitable procedures, the Guidelines for adoption of the Organization, Management and Control Model pursuant to the Legislative Decree 231/2001. The Group member companies autonomously adopt, with resolution passed by their Boards of Directors and under their own responsibility their own Organization, Management and Control Model.

Appendix - Our Approach

Antitrust

The Antitrust and Unfair Commercial Practices Policy informs UniCredit entities and employees' behavior in the following matters:

- agreements (horizontal and vertical)
- abuse of dominant position
- concentrations (mergers and acquisitions)
- unfair commercial practices

UniCredit has an Antitrust and Unfair Commercial Practices Management Process that is based on:

- internal rules and local procedures
- a function responsible for Antitrust and Unfair Commercial Practices Management (the Antitrust Team), located within our largest Group entities
- training
- reporting and notification of potential violations

In 2011, UniCredit nearly completed the implementation of this policy Groupwide. As the policy contains detailed provisions primarily based on Italian laws and regulations, UniCredit adopted a different approach, by splitting Antitrust and Unfair Commercial Practices into two Group rules based only on European sources: *Guidelines*, which provide a set of core principles on Antitrust and Unfair Commercial Practices; and *Operational Instructions* (currently under drafting), which aim to set up more specific rules and processes.

In this context, UniCredit approved the new Global Compliance Guidelines on Antitrust and Unfair Commercial Practices in December 2011, which provide high-level rules on these matters. The Guidelines currently integrate – and do not repeal – the policy, which continues to apply to all aspects not dealt with by the Guidelines (e.g., the relevant processes and details), until the forthcoming Operational Instructions are enforced. The Groupwide implementation process of the Guidelines began in January 2012, and UniCredit is expected to approve the Operational Instructions on Antitrust and Unfair Commercial Practices by the end of 2012. Once the forthcoming Operational Instructions are enacted, the policy will be repealed and the Guidelines paired with the Operational Instructions will be enforced.

| Main legal actions regarding anticompetitive behavior, antitrust and monopoly practices | |
|---|---|
| Country | Description of main legal actions, 2011 |
| Italy | In August 2011, the AGCM (the Italian Antitrust Authority) simultaneously requested information and commenced proceedings against UniCredit S.p.A. and another Group entity, alleging unfair trade practices regarding an advertisement that offered funding. In September 2011, UniCredit and the Group entity provided the requested information. The AGCM imposed penalties on UniCredit and the Group entity, which are presently evaluating whether to appeal the ruling to the TAR (the competent judicial authority) |
| | At the end of 2010, the CONSOB (Commissione Nazionale per le Società e la Borsa) fined FinecoBank S.p.A. for failing to take adequate measures in identifying and reporting transactions suspected of or related to market abuse. The total amount of the fine (roughly €390,000) was related to 16 employees and was paid by the bank in 2011 |
| | In addition, CONSOB fined UniCredit S.p.A. for the violation of a control process regarding the transparency of investment services provided by an employee. The bank paid a total of €80,000 |
| Austria | In 2011, an action for injunction was issued by VKI, the Consumers Association of Austria, in line with Section 14 of the Austrian Unfair Competition Act regarding statements on the UniCredit Bank Austria AG homepage. Misleading information was allegedly provided regarding safety deposit boxes. Following this injunction, UniCredit Bank Austria AG worked to clarify the information provided on its homepage and entered into an agreement with VKI to finalize this civil proceeding. UniCredit Bank Austria AG is presently waiting for the formal conclusion of this proceeding |

| Country | Description of main legal actions, 2011 |
|---------|---|
| Poland | <p>In 2001, the UOKiK (Polish Office of Competition and Consumer Protection) launched the proceedings to protect competition against the operators of the Visa and Europay systems, as well as the Polish banks that issued Visa and MasterCard credit cards, connected to the use of alleged anti-competitive practices that would affect the Polish payment cards market. Upon the decision of December 2006, the UOKiK deemed this practice to restrict competition within the key market and required the banks to stop using them, also imposing fines. Bank Pekao SA appealed against the fine. In November 2008, the Anti-Monopolies Court revoked UOKiK's decision. UOKiK then counter-appealed the decision of the Anti-Monopolies Court. In April 2010, the Court of Appeal overturned the decision of the Anti-Monopolies Court and the case was referred once more to the latter for review. The proceedings are still pending.</p> <p>In 2010, the UOKiK launched the proceedings in relation to compliance with consumer law on framework agreements for loans entered into by Bank Pekao SA. Upon the decision of December 2010, the UOKiK imposed fine on the Bank Pekao SA. Bank Pekao SA filed an appeal against this fine before the Anti-Monopolies Court in January 2011. The proceedings are still pending.</p> |
| Hungary | <p>The GVH (Hungarian Competition Authority) has begun a cartel investigation against seven Hungarian commercial banks, including UniCredit Bank Hungary Zrt, in connection with FX mortgage loan repayments. The bank had not received any official notifications to date; however, the GVH held a dawn raid at six of the effected banks and added six other banks to the investigation. The official reason for the investigation is that within the Hungarian retail bank market, a large number of leading financial institutions have all increased interest rates of their retail mortgage products since September 22, 2011. This might represent a breach of the law on unfair practices and the prohibition of competition restrictions</p> <p>In 2011, the HFSA (Hungarian Financial Supervisory Authority) fined UniCredit Bank Hungary Zrt roughly a total of:</p> <ul style="list-style-type: none"> • EUR 1,000 over problems in complaint handling • EUR 10,000 over inadequacy of information provided to clients (transparency) • EUR 18,000 over inadequate interpretation of certain banking regulations |
| Romania | During 2011, UniCredit Ţiriac Bank S.A. received fines totaling roughly EUR 68,000, mainly due to an erroneous interpretation of transparency, consumer credit and other consumer protection requirements. |
| Russia | A ZAO UniCredit Bank mortgage customer from the Nizhegorodskiy region complained to the local Nizhegorodskiy anti-monopoly regulator that ZAO UniCredit Bank had violated Federal Law No. 135-FZ of July 26, 2006 On Protection of Competition. Specifically, it is alleged that the Bank violated Article 11, Prohibition of Agreements Restricting Competition or Concerted Actions of Economic Units. The client alleged that ZAO UniCredit Bank drove him to obtain insurance that he did not need, and that he was driven to procure services from a specific insurance company. The Nizhegorodskiy anti-monopoly regulator has requested that ZAO UniCredit Bank provide relevant documentation. The next hearing date has yet to be set |

| Country | Update on legal actions described in the 2010 sustainability report as not closed that have since progressed |
|---------|---|
| Italy | In July 2011, TAR overturned the fine imposed by the AGCM in November 2010 on UniCredit and other banks. The fine was related to alleged agreements restricting competition in the debit and credit card industry. In November 2011, the AGCM appealed this result before the Council of State. The procedure is currently ongoing |
| Austria | <p>The VKI (Consumers' Association of Austria) initiated proceedings against UniCredit Bank Austria AG regarding unfavorable terms and conditions for the so-called Callable Snowball Floater Obligations. The OGH (Supreme Court) ruled that UniCredit Bank Austria AG's termination clause was invalid, while the remaining clauses were sound. Following this decision, 24 complaints were lodged and settled out of court</p> <p>With reference to allegations that UniCredit Bank Austria AG misadvised customers in relation to derivatives transactions (e.g., OTC options), criminal charges against two UniCredit Bank Austria AG employees and the bank itself were dismissed. Still pending are 19 civil proceedings</p> |
| Hungary | As reported and based on a customer complaint, the GVH (Hungarian Competition Authority) launched an investigation of UniCredit Bank Hungary Zrt regarding an advertising campaign that ran from April 25 to October 31, 2008 for loans that were free of initial charge. As some elements of the advertisement were considered misleading, the GVH imposed a fine of HUF 8,000,000 (about €25,000) against the bank. The bank will appeal this decision |

Appendix - Our Approach

Conflicts of Interest

In 2011, UniCredit continued the implementation of the Conflicts of Interest management model and the related processes described in our previous sustainability reports.

In particular, UniCredit took the following actions to guarantee that the interests of our Group, our employees (including members of the strategic, control and executive bodies), and our agents do not damage² the interests of UniCredit customers:

- the UniCredit Compliance function has created an ad hoc team that counsels employees and members of governing bodies on the identification and management of conflicts of interest that may either arise in the course of their work or in connection with their personal interests. This team will evaluate potential conflicts of interest and identify appropriate mitigation measures
- in 2011, nearly all UniCredit S.p.A. employees acknowledged that they had read the Groupwide Conflicts of Interest Guidelines, which were originally issued in 2009. These guidelines were reviewed to ensure that they meet relevant requirements, are consistent with conflict-of-interest regulations and are fully up to date. The new guidelines were approved by the Board and issued in December 2011. In 2012, we will work to complete the acknowledgement process
- UniCredit Bank AG, UniCredit Bank Austria AG, Bank Pekao SA and UniCredit Bulbank AD continued their work related to the adoption of our Group's conflict-of-interest management IT tool. This process is scheduled for completion by the end of 2012. In 2012, we will also initiate the implementation of this tool at ZAO UniCredit Bank, UniCredit Ţiriac Bank S.A., Zagrebačka banka d.d., UniCredit Bank Hungary Zrt, and UniCredit Bank Czech Republic a.s.
- addressing the subject of Group employees' personal interests related to outside business activities, our Global Compliance Policy – Conflicts of Interest – Focus on Outside Business Interests was delivered to Group entities in February 2011. Among its other functions, this policy establishes rules that can be applied by managers to define restrictions, exclusions, behavioral principles and procedures covering the notification and monitoring of cases involving the personal interests of employees. In line with this new policy, in December 2011 UniCredit S.p.A. adopted an IT tool that will enable employees to report these types of personal interests beginning in 2012. This tool is also in place at UniCredit Bank AG and is slated for release in Austria, Poland, Bulgaria, Russia and Croatia in 2012

Product committees

UniCredit's Product Committees, set up within the One4C program, continued their work in 2011. These committees, dedicated to UniCredit's three Italian networks, are comprised of the Family & Small and Medium-sized Enterprises Product Committee, the Private Banking Product Committee and the Corporate Investment Banking Product Committee, in addition to the product committees of UniCredit's main Italian companies not covered by One4C. These committees work to increase the efficiency of valuation processes and oversee the marketing of products, services and other commercial initiatives to manage reputational and overall risk issues. Moreover, these committees work to reconcile the needs and the time requirements of business functions with the full compliance of internal and external rules.

These committees are a point of exchange and synthesis at the end of the product and services design process. They evaluate and provide opinions on the viability of the supply, marketing and launch of all banking, financial, investment, and insurance products and services to be offered to customers, as well as on all initiatives supporting marketing activities.

The process of creating products and services is designed to generate value for our clients. The product committees, which manage the final stage of this process, work to ensure that our interests are aligned with those of our clients.

During this process, we have accounted for the following:

- client needs, including their attitude toward risk, timeframes and financial needs. Client risk assessment is the first and most important step in ensuring that all product features – as defined in subsequent steps – meet the client's needs and avoid inappropriate risk exposure

² E.g., Commission Directive, 2006/73/EC. Chapter I, Scope and Definitions, Section 4, Conflicts of Interest, Article 21 (Articles 13(3) and 18 of Directive 2004/39/EC), Conflicts of interest potentially detrimental to a client.

- client expectations, such as sensitivity to market changes (e.g., products that track market movements vs. products with no mark-to-market aspects), expected return, degree of flexibility in modifying investment portfolios over time, etc.
- substitute products (i.e., those satisfying the same needs) and their relevant major features, distinguishing between existing products and products sold by our main competitors

More specifically, the three product committees are organized to each focus on a specific customer segment. This aims to guarantee compliance with internal and external regulations on products, services and commercial initiatives offered and marketed to the customers of each network. They do so after evaluating the operating impact, overall risk level and reputational implications. These committees also address the compliance of customer segments with Group guidelines/policies and the competencies of other relevant UniCredit committees/functions.

These three committees provide an opinion on the admissibility of the offer, product marketing or the start-up phase of all products and services. They also provide an opinion on initiatives to support business activities, which fall within UniCredit's commercial strategy and are aimed at customers in the Italian network.

The committees ensure that the products, services and commercial initiatives are developed with a view of customer-centricity, while at the same time assessing compliance with existing external and internal regulations. The committees also assess implications on risks, safeguarding both business needs and those of customers with a time-to-market perspective.

To set forth a standardized Groupwide approach, technical assessment instructions were circulated in 2011 regarding compliance on new products, business and initiatives, as well as instructions on how to best identify the most suitable organizational solutions.

Adherence to legal standards and voluntary codes related to marketing and communication

UniCredit follows the Code of Marketing Communication Self-Regulation (Codice di Autodisciplina della Comunicazione Commerciale – www.iap.it) promoted by the Advertising Self-Regulation Institute (Istituto dell'Autodisciplina Pubblicitaria, IAP), which commits subscribers to transparent, honest and true advertising. UniCredit is also a member of the Utenti Pubblicità Associati (UPA), which supports the Advertising Self-Regulation Institute. All UniCredit entities enforce the regulations promoted by these bodies, specifically when local codes lack guidelines on topics covered by the UPA.

In 2011, the IAP alleged that UniCredit was improperly aligned with certain standards. UniCredit took action accordingly to resolve the issue by modifying the advertising under question.

All advertising channels and communication activities for UniCredit are managed by our Group Identity & Communications department, which is responsible for assuring the effective application of the code and of the regulation of the Supervisory Board, among other duties.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy to ensure that they may be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

Appendix - Our Approach

Multi-stakeholder materiality matrix issues definition

| Issue | Definition | Chapter |
|--|--|---------------|
| Bank leadership | Having a well recognized competent top management able to provide a clear medium long term strategic positioning | Our Approach |
| Clear approach to markets | Having transparent relationships with the financial markets by disclosing information useful for investors to understand the positioning and trends of the bank business | |
| Fair business Behavior | Maintaining a high standard of fair business behavior and expecting senior management and employees to treat all stakeholders with fairness, respect and reciprocity according to the integrity charter | |
| Human rights | Supporting and respecting the Human Rights within the sphere of influence and making sure not to be complicit, albeit indirectly, in human rights abuse | |
| Regulations | Building long-term foundations for financial stability whilst continuing to support customers in an environment of uncertainty. Providing concrete support in regulatory discussions to create a better financial system | |
| Diversity | Fostering and improving a culture of inclusion by promoting equal opportunities in the workplace and increasing the value of their potential | Our People |
| Employees' development | Committing to enhance professional skills and accelerate the employees' development | |
| Health and safety | Promoting health and safety in the workplace, with a focus work related stress, through an active involvement and contribution of all persons in the company | |
| Performance management | Developing systems based on transparent and fair mechanisms to ensure that all employees are enabled to perform to the best of their abilities | |
| Talent attraction and management | Implementing projects/tools to attract talent and develop competencies aligned with company strategy | |
| Welfare, work-life balance, well being | Demonstrating concern for employees' well-being and balance between their professional and personal lives, creating a working environment in which everyone feels at ease and is motivated to invest in building positive relationships with customers | Our Customers |
| Customer proximity | Being close to customers, understanding their specific /industry needs and responding promptly to local families and firms with a wide range of specialized products/services | |
| Innovative bank | Developing products, services and processes that are innovative for the sector | |
| Quality and value | Offering high quality products and services that are good value for money | |
| Simplicity and transparency to customers | Having an open way of doing business by proposing simple and easy to understand products and services, as well as proactive, effective and clear communications and transparent decision-making processes thus building relationships based on trust and credibility | |
| Support to business | Being close to companies by developing products and services that support their economic growth (e.g., innovation, internationalization, research and development) | |
| Sustainable products | Offering products and services suitable to customer risk profile and accordingly properly manages customers savings | |
| Lean and transparent organization | Guaranteeing lean and efficient bank procedures and transparent decision making processes | |
| Responsible finance | Committing to environmental, social and governance issues also through dedicated products in portfolio | |

| Topic | Definition | Chapter |
|----------------------|--|---------------------------|
| Community proximity | Understanding territorial issues and responding to local needs, thus supporting social development and generating a positive impact on communities | Communities |
| Aging of population | Managing increasing life expectancy in the interest of all stakeholders | |
| Procurement | Managing procurement with an integrated and transparent strategy, which increasingly includes criteria for social and environmental responsibility throughout all stages of the purchase of goods or services and promoting among suppliers the implementation of sustainable business practices | Environment and Suppliers |
| Environmental impact | Taking responsibility for the potential environmental impact of our business decisions | |

Appendix - Our People¹

Our People: a portrait in numbers

Percentage and number of employees by gender and by country, 2009-2011

| Country | Female 2011 | Male 2011 | Head Count 2011 | Head Count 2010 | Head Count 2009 |
|----------------|---------------|---------------|-----------------|-----------------|-----------------|
| Italy | 43.45% | 56.55% | 54,167 | 55,814 | 57,969 |
| Germany | 54.88% | 45.12% | 24,627 | 24,195 | 23,906 |
| Austria | 55.66% | 44.34% | 11,702 | 11,742 | 11,987 |
| Poland | 77.47% | 22.53% | 20,764 | 21,166 | 21,167 |
| Bulgaria | 76.79% | 23.21% | 4,644 | 4,595 | 4,562 |
| Croatia | 74.08% | 25.92% | 5,219 | 5,278 | 5,251 |
| Czech Republic | 63.25% | 36.75% | 3,045 | 2,838 | 2,715 |
| Hungary | 68.59% | 31.41% | 2,588 | 2,548 | 2,501 |
| Romania | 73.64% | 26.36% | 4,868 | 4,761 | 4,443 |
| Russia | 68.81% | 31.19% | 4,351 | 4,251 | 4,573 |
| Others | 65.97% | 34.03% | 37,201 | 37,733 | 38,540 |
| Total | 58.84% | 41.16% | 173,176 | 174,921 | 177,614 |

Percentage of employees by employment tier and gender, 2009-2011

| Employment tier | 2011 | 2010 | 2009 |
|-------------------------------|----------------|----------------|----------------|
| Senior management | 0.39% | 0.38% | 0.37% |
| Executive & middle management | 15.14% | 15.24% | 14.86% |
| Staff | 84.47% | 84.38% | 84.77% |
| Total | 100.00% | 100.00% | 100.00% |

| Employment tier | 2011 | | 2010 | | 2009 | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Female | Male | Female | Male | Female | Male |
| Senior management | 0.13% | 0.74% | 0.13% | 0.73% | 0.13% | 0.70% |
| Executive & middle management | 9.78% | 22.81% | 9.60% | 23.25% | 9.24% | 22.71% |
| Staff | 90.09% | 76.45% | 90.27% | 76.02% | 90.63% | 76.59% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Percentage of employees by gender and contract type, 2009-2011 (*)

| Gender | 2011 | | 2010 | | 2009 | |
|--------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Fixed-term | Permanent | Fixed-term | Permanent | Fixed-term | Permanent |
| Female | 2.87% | 56.03% | 2.45% | 56.23% | 3.09% | 55.31% |
| Male | 1.38% | 39.72% | 1.17% | 40.15% | 2.33% | 39.27% |
| Total | 4.25% | 95.75% | 3.62% | 96.38% | 5.42% | 94.58% |

¹ The data in this appendix applies to UniCredit's employees as of December 31, 2011-2010-2009. Our employee data does not include external staff (e.g., interns or consultants). The number reflects all employees of our Group's subsidiaries consolidated at 100 percent. If noted by (*) data indicates a population more than 98%. Otherwise, the data represents 100% of the population.

Percentage of employees by educational level and employment tier, 2011 (*)

| Employment tier | Degrees above a high school diploma | High school diploma | Other | Total |
|-------------------------------|-------------------------------------|---------------------|-------|---------|
| Senior management | 81.49% | 12.91% | 5.60% | 100.00% |
| Executive & middle management | 64.46% | 32.32% | 3.22% | 100.00% |
| Staff | 48.32% | 42.29% | 9.39% | 100.00% |

Percentage of employees by length of employment and employment tier, 2011 (*)

| Employment tier | 0-10 | 11-20 | 21-30 | >31 | Total |
|-------------------------------|--------|--------|--------|--------|---------|
| Senior management | 48.55% | 31.30% | 12.82% | 7.33% | 100.00% |
| Executive & middle management | 30.91% | 33.01% | 23.00% | 13.08% | 100.00% |
| Staff | 46.30% | 25.70% | 18.19% | 9.81% | 100.00% |

Percentage of employees by age and employment tier, 2011 (*)

| Employment tier | Up to 30 years | 31-40 years | 41-50 years | Above 51 years |
|-------------------------------|----------------|---------------|---------------|----------------|
| Senior management | 0.00% | 0.10% | 0.18% | 0.09% |
| Executive & middle management | 0.64% | 4.48% | 6.05% | 3.90% |
| Staff | 19.36% | 26.74% | 22.49% | 15.97% |
| Total | 20.00% | 31.32% | 28.72% | 19.96% |

Percentage of employees leaving employment by reason, 2010-2011

| Reason for leaving the Group | 2011 | 2010 |
|--|----------------|----------------|
| Retirement - employees who left to retire ^A | 4.88% | 6.12% |
| Restructuring - employees who left due to a common agreement or industrial plan negotiated with trade unions | 17.40% | 22.30% |
| Individual agreements - employees who left due to individual or one-to-one agreements | 19.59% | 16.36% |
| Resignation - employees who resigned | 36.71% | 34.46% |
| Dismissal - employees who left the bank involuntarily | 7.08% | 5.96% |
| Other - all remaining reasons, including ending of temporary contracts | 14.34% | 14.80% |
| Total | 100.00% | 100.00% |

^A Retirements triggered by restructuring have been reported under restructuring rather than retirement.

Appendix - Our People

Turnover by country, gender and age, 2011^A

| Country | 2011 incoming employees | 2011 outgoing employees |
|----------------|-------------------------|-------------------------|
| Italy | 2.7% | 5.4% |
| Germany | 6.4% | 7.1% |
| Austria | 5.4% | 6.7% |
| Poland | 4.5% | 6.4% |
| Bulgaria | 12.0% | 10.9% |
| Croatia | 3.2% | 4.0% |
| Czech Republic | 18.6% | 13.1% |
| Hungary | 12.1% | 10.0% |
| Romania | 13.6% | 11.1% |
| Russia | 19.4% | 18.4% |
| Others | 15.0% | 15.7% |
| Total | 7.7% | 8.8% |

| Gender | 2011 incoming employees | 2011 outgoing employees |
|--------------|-------------------------|-------------------------|
| Female | 7.8% | 8.4% |
| Male | 7.7% | 9.4% |
| Total | 7.7% | 8.8% |

| Age | 2011 incoming employees | 2011 outgoing employees |
|----------------|-------------------------|-------------------------|
| Up to 30 years | 27.3% | 16.7% |
| 31-40 years | 5.1% | 6.4% |
| 41-50 years | 1.6% | 3.9% |
| Over 51 years | 0.8% | 11.9% |
| Total | 7.7% | 8.8% |

^A 2011 turnover rates have been calculated as follows: for incoming employees (Employees hired in 2011)/(Total employees at the end of 2011)*100; for outgoing employees (Employees who left the Group in 2011)/(Employees at the end of 2011)*100.

Differential^A between female and male employee gross salaries by employment tier^B and country, 2011

The percentage represents the weighted averages of women's average gross salary^C compared to men's. This data was drawn from a population representing 77 percent of the employees.

| Country | Executive & middle management | Staff |
|----------------|-------------------------------|-------|
| Italy | 79% | 89% |
| Germany | 85% | 75% |
| Austria | 77% | 67% |
| Poland | 67% | 74% |
| Bulgaria | 77% | 77% |
| Croatia | 93% | 103% |
| Czech Republic | 78% | 68% |
| Hungary | 79% | 70% |
| Romania | 92% | 81% |
| Russia | 77% | 66% |

^A The ratios were calculated as follows: (total gross salary of female employees/total female employees)/(total gross salary of male employees/total male employees).

^B For the Senior Management, the differential is 75%.

^C Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided related to specific positions.

Differential^A between female and male employee total remuneration by employment tier^B and country, 2011

The percentage represents the weighted averages of women's average remuneration^C compared to men's. This data was drawn from a population representing 77 percent of the employees.

| Country | Executive & middle management | Staff |
|----------------|-------------------------------|-------|
| Italy | 83% | 88% |
| Germany | 85% | 76% |
| Austria | 74% | 65% |
| Poland | 67% | 74% |
| Bulgaria | 77% | 78% |
| Croatia | 83% | 102% |
| Czech Republic | 76% | 66% |
| Hungary | 76% | 69% |
| Romania | 90% | 71% |
| Russia | 74% | 63% |

^A The ratios were calculated as follows: (total remuneration of female employees/total female employees)/(total remuneration of male employees/total male employees).

^B For the Senior Management, the differential is 71%.

^C Total remuneration: gross salary plus additional amounts such as bonuses including cash and/or equity shares, benefit payments, social charges, meals allowances and any other no 1-off payments.

Diversity management

Percentage of employees by employment status and gender, 2009-2011

| Gender | 2011 | | 2010 | | 2009 | |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time |
| Female | 90.33% | 55.62% | 90.96% | 55.41% | 91.96% | 55.25% |
| Male | 9.67% | 44.38% | 9.04% | 44.59% | 8.04% | 44.75% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Percentage of female with part-time contracts out of all women by employment tier, 2009-2011

| Employment Tier | 2011 | 2010 | 2009 |
|-------------------------------|--------|--------|--------|
| Executive & middle management | 2.77% | 2.41% | 2.23% |
| Staff | 15.52% | 15.25% | 14.06% |
| Total | 18.29% | 17.66% | 16.29% |

Percentage of employees by educational level and gender, 2011 (*)

| Gender | Degrees above a high school diploma | High school diploma | Others |
|--------|-------------------------------------|---------------------|---------|
| Female | 61.04% | 57.52% | 54.05% |
| Male | 38.96% | 42.48% | 45.95% |
| Total | 100.00% | 100.00% | 100.00% |

Appendix - Our People

Number and percentage of employees promoted to higher contractual job grade by gender and country, 2011 (*)

| Country | Number | | Percentage | |
|----------------|--------------|--------------|--------------|--------------|
| | Female | Male | Female | Male |
| Italy | 2,408 | 2,675 | 47.4% | 52.6% |
| Germany | 419 | 629 | 40.0% | 60.0% |
| Austria | 32 | 55 | 36.8% | 63.2% |
| Poland | 144 | 69 | 67.6% | 32.4% |
| Bulgaria | 39 | 21 | 65.0% | 35.0% |
| Croatia | 264 | 81 | 76.5% | 23.5% |
| Czech Republic | 1 | 1 | 50.0% | 50.0% |
| Hungary | 43 | 28 | 60.6% | 39.4% |
| Romania | 345 | 107 | 76.3% | 23.7% |
| Russia | 368 | 130 | 73.9% | 26.1% |
| Others | 2,565 | 1,394 | 64.8% | 35.2% |
| Total | 6,628 | 5,190 | 56.1% | 43.9% |

Number of employees in protected categories, 2011^A

| Country | 2011 |
|----------------|-------|
| Italy | 3,629 |
| Germany | 694 |
| Austria | 370 |
| Poland | 155 |
| Bulgaria | 80 |
| Croatia | 25 |
| Czech Republic | 1 |
| Hungary | 0 |
| Romania | 4 |
| Russia | 0 |

^A Employees in protected categories are reported according to the requirements of applicable local laws. If accepted by local laws alternative solutions are implemented.

Training

Our Group received €12 million in 2011, leveraging our capacity to cover training costs with public funds.

Training hours per capita by employment tier and training type, 2011^A

| Training type | Senior management - executive & middle management | | Staff | |
|---------------------------|---|-------|--------|-------|
| | Female | Male | Female | Male |
| Managerial training | 12.96 | 9.38 | 1.23 | 2.13 |
| Technical training | 19.81 | 21.44 | 22.12 | 23.26 |
| Foreign language training | 2.72 | 1.86 | 2.07 | 1.97 |

^A This data was drawn from a population that represented 73 percent of employees. Training hours included e-learning, classroom instruction and on-the-job training.

Number of training hours for anti-corruption, anti-money laundering and markets in financial instruments directive (MiFID) courses, 2011^A

| Courses | 2011 |
|-----------------------|---------|
| Anti-corruption | 21,199 |
| Anti-money laundering | 125,946 |
| MiFID | 42,172 |

^A Courses are identified as compulsory according to local law. Data covers 73 percent of employees.

Industrial Relations ²

As an international group present in 22 countries, UniCredit is dedicated to its long-lasting cooperation in national and transnational social dialogue, and listening intently and respecting domestic and global needs.

The European Works Council (EWC) at the Group level continues to address transnational issues and engage in constructive cooperation, partnering with both human resources and business functions. This approach is widely acknowledged in the banking industry as a best practice.

Since its founding in 2007, the UniCredit EWC was confirmed as a major EWC among the roughly 800 existing councils. Among its main activities in 2011 include:

- two EWC general meetings, including the participation of top management (e.g., CEO, COO, General Manager, Head of HR, Chief Risk Officer, Head of Planning, Strategy and Capital Management, Head of Group Identity and Communications). At these meetings, the main transnational strategies, decisions and plans were presented, shared and discussed with EWC members during Q&A sessions
- three Select Committee meetings were held, two of which with top management, to present and discuss strategies and reorganization processes consistent with the EWC's right for consultation

Both local companies and employee representatives, in compliance with our Group's strategies, met at the national level to coordinate their respective expectations and needs. They worked to agree on matters such as the salary structure review in Bulgaria and the consultation process to renegotiate the Collective Bargaining Agreement in Italy.

Local laws or collective agreement rules outline specific terms and conditions to support employees' rights to exercise freedom of association or collective bargaining. Despite the diverse social, cultural and political contexts it must work within, UniCredit respects all local conditions and is fully committed to recognizing and supporting the role of social dialogue.

² This data is drawn from the following subset of Group entities unless stated otherwise:

Germany: UniCredit Bank AG, UniCredit Global Information Services S.C.p.A. (UGIS, German branch), UniCredit Business Partner S.C.p.A. (UCBP, German branch)

Austria: UniCredit Bank Austria AG, UniCredit Global Information Services S.C.p.A., UniCredit Business Partner GmbH

Bulgaria: UniCredit Bulbank AD

Croatia: Zagrebačka banka d.d.

Czech Republic: UniCredit Czech Republic a.s.

Hungary: UniCredit Bank Hungary Zrt, UniCredit Jelzálogbank Zrt

Poland: Bank Pekao SA

Romania: UniCredit Tiriac Bank S.A., UniCredit Business Partner S.C.p.A., UniCredit Business Partner GmbH

Russia: ZAO UniCredit Bank

Italian entities include all except for the following: Breakeven S.r.l., Entasi S.r.l., EuroFinance 2000 S.r.l., Local Mind S.p.A., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A., UniCredit BpC Mortgage S.r.l., Unilt S.p.A., UniCredit Merchant S.p.A.

Appendix - Our People

| Percentage of employees covered by collective bargaining agreements, 2009-2011 | | | |
|---|--------------------------|--------------------------|--------------------------|
| Country | 2011 | 2010 | 2009 |
| Italy | sector and national 100% | sector and national 100% | sector and national 100% |
| Germany UniCredit Bank AG | sector 54.4% | sector 55.7% | sector 57% |
| Germany UniCredit Business Partner S.C.p.A. | sector 98.03% | sector 99.54% | sector 99.55% |
| Germany UniCredit Global Information Services S.C.p.A. ^A | sector 98.03% | sector 98.05% | sector 98.05% |
| Austria UniCredit Bank Austria AG UniCredit Business Partner GmbH UniCredit Global Information Services S.C.p.A. | sector 100% | sector 100% | sector 100% |
| Poland | company 76.75% | company 76.24% | company 76.46% |
| Bulgaria | company 100% | company 100% | company 100% |
| Croatia | company 100% | company 100% | company 100% |
| Czech Republic | sector and company 100% | sector and company 100% | sector and company 100% |
| Hungary ^B | not applicable | not applicable | not applicable |
| Romania UniCredit Ţiriac Bank S.A. UniCredit Business Partner S.C.p.A. | company 100% | company 100% | company 100% |
| Russia | company 100% | company 100% | company 100% |

^A Due to improved data collection and calculation processes, the figure differs from data presented in the 2010 Sustainability Report.

^B No collective bargaining agreement of any kind is in place.

| Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially | | | |
|--|--|---|---|
| Country | Legal number of months/weeks/days notice | Notice period specified in collective bargaining agreements | Notes |
| Italy | 25 days | yes | Italian labor law states that unions must be informed and consulted 25 days before any change becomes effective. The National Collective Bargaining Agreement of the credit sector provides for different notification and consultation procedures, which may vary from 15 to 50 days depending on the nature of the changes undertaken |
| Germany UniCredit Bank AG UniCredit Business Partner S.C.p.A. UniCredit Global Information Services S.C.p.A. | | no | National regulations do not specify the number of weeks notice typically provided for consulting employee representatives. The information must be provided to the Works Council as soon as management makes any decision, thus making substantial negotiations about the implementation of measures possible. The employers and Works Council must reconcile their interests, and major alterations may not begin unless this reconciliation is achieved or at least attempted |

| Country | Legal number of months/weeks/days notice | Notice period specified in collective bargaining agreements | Notes |
|---|--|---|---|
| Austria UniCredit Bank Austria AG UniCredit Business Partner GmbH UniCredit Global Information Services S.C.p.A. | no | no | Information must be provided to the Works Council before management makes any decision, thus making substantial negotiations about the implementation of measures possible. Austrian legislation does not state any specific timeframe for this issue |
| Poland | no | – | – |
| Bulgaria | 45 days | no | Bulgarian labor law stipulates – Right to information upon Collective Dismissal: When an employer is contemplating collective dismissals, said employer shall be obliged to begin consultations with the trade union organizations' representatives and with the factory and office workers' representatives in good time but not later than 45 days before the said dismissals are to take effect, and to make efforts to reach an agreement with said representatives so as to avoid collective dismissals or reduce the number of workers affected and to mitigate the consequences of the said dismissals – |
| Croatia | 8 days | yes | Additional details are described in the company Labor rules |
| Czech Republic | 2 months | no | Every major operational change must be discussed with the trade union and communicated to employees. The time provided before the change is implemented, is typically two weeks. In the collective agreement, there is no specification for the timing or nature of the changes. The official notice period given by the labor code is two months starting from the first day of the month, after the month of the change communicated |
| Hungary | minimum 30 days | no | The notice period is typically 30 days. The Works Council must be informed by the company and has 15 days to respond. After this period, changes may be implemented. No agreement is needed, only the timely provision of information |
| Romania UniCredit Ţiriac Bank S.A. UniCredit Business Partner S.C.p.A. | no | yes | No established notice period is required for this issue. Employees must be informed in good time before any major change within the organization. For collective dismissals under the Company Collective Bargaining there are additional specifications |
| Russia | 2 months | no | The legal requirement is a minimum of two months notice. This requirement does not need to be specified in collective agreements, as it is obligatory |

Welfare, health and safety, work-life balance³

Welfare

At UniCredit, we understand that work is an inherent part of our daily lives. The quality of our work life is a key determinant of our ability to reach our full potential – professionally and personally.

Our employees enjoy welfare benefits that are supplementary to their social security plans, which ensure them and their family members' well-being during their dynamic careers and into their retirement.

Additionally, our employees may be provided with special terms and conditions for various banking products and services to support them during the different stages of their lives.

In nearly all countries, part-time and fixed-term employees are offered the same benefits as their permanent full-time colleagues. In most countries, sabbaticals are available for accademic or personal reasons.

| Types of retirement plans offered to employees, 2011 | |
|--|---|
| Country | Principal types of retirement plans |
| Italy | The majority of complementary pension plans ^A include contribution funds in addition to benefit funds, which are unavailable to new employees. Most of these benefit funds do not have separate funds |
| | In 2011, the liabilities of these funds, which were estimated on an actuarial basis pursuant to international accounting standards, were adequately covered for the most part due to an increase in the discounting back rate based on economic variable estimates. See the 2011 Consolidated Reports and Accounts for further details |
| | We are working to achieve an optimal balance between the yields, costs and risks associated with complementary pension plans (i.e., to profit from greater assets and economies of scale). As a result, UniCredit has signed collective labor agreements since 2009 to enable our employees who are members of our Group pension funds to transfer their accounts to the Fondo pensione per il personale delle aziende del Gruppo UniCredit |
| Germany | In Germany, there are a variety of defined benefit plans ^A that derive from our company's history. Several are final pay plans, where the pension entails a certain percentage of the last monthly gross salary. Others are career average plans, where a percentage of an employee's average annual gross salary is converted into a fixed pension amount. These plans are closed to new beneficiaries. |
| UniCredit Bank AG | Currently, there are two career average plans. One is closed for new entries, the other one is the only open plan for new entries. Regarding this second plan, a certain percentage of the monthly gross salary is used as a fixed pension amount. In the event of a surplus in assets under management, employees have the option to credit the profits to their individual pension accounts. |
| UniCredit Business Partner S.C.p.A. | |
| UniCredit Global Information Services S.C.p.A. | |

^A As of December 31, 2011, defined benefit plans are almost fully funded via contractual trust arrangements (in Germany) or via pension funds (in the other countries).

³ This data is drawn from the following subset of Group entities unless stated otherwise:
Germany: UniCredit Bank AG, UniCredit Global Information Services S.C.p.A. (UGIS, German branch), UniCredit Business Partner S.C.p.A. (UCBP, German branch)
Austria: UniCredit Bank Austria AG, UniCredit Global Information Services S.C.p.A., UniCredit Business Partner GmbH
Bulgaria: UniCredit Bulbank AD
Croatia: Zagrebačka banka d.d.
Czech Republic: UniCredit Czech Republic a.s.
Hungary: UniCredit Bank Hungary Zrt, UniCredit Jelzálogbank Zrt
Poland: Bank Pekao SA
Romania: UniCredit Ţiriac Bank S.A., UniCredit Business Partner S.C.p.A., UniCredit Business Partner GmbH
Russia: ZAO UniCredit Bank
Italian entities include all except for the following: Breakeven S.r.l., Entasi S.r.l., EuroFinance 2000 S.r.l., Local Mind S.p.A., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A., UniCredit BpC Mortgage S.r.l., Unilt S.p.A., UniCredit Merchant S.p.A.

| Country | Principal types of retirement plans |
|--|-------------------------------------|
| Austria | |
| UniCredit Bank Austria AG | |
| UniCredit Business Partner GmbH | Defined contribution plans |
| UniCredit Global Information Services S.C.p.A. | |
| Poland | No plans |
| Bulgaria | No plans ^B |
| Croatia | Defined contribution plans |
| Czech Republic ^C | Not applicable |
| Hungary | No plans |
| Romania | |
| UniCredit Țiriac Bank S.A. | No plans |
| Romania | |
| UniCredit Business Partner GmbH | Defined contribution plans |
| UniCredit Business Partner S.C.p.A. | |
| Russia | Defined contribution plans |

^B This refers only to legal entities under the jurisdiction of Bulgarian labor legislation.

^C Every employee has the option of joining a voluntary pension insurance program. The employee signs a contract with an insurance company after choosing a policy independently. UniCredit is only privy to the amount of the contribution that the employee asks the bank to make.

| Welfare systems, 2011 ^A | | | |
|--|-----------------------------------|----------------------------------|---|
| Country | National mandatory welfare system | Voluntary company welfare system | Percentage of employees who can access the voluntary company welfare system |
| Italy | yes | yes | 100% |
| Germany | | | |
| UniCredit Bank AG | | | |
| UniCredit Business Partner S.C.p.A. | yes | yes | 100% |
| UniCredit Global Information Services S.C.p.A. | | | |
| Austria | | | |
| UniCredit Bank Austria AG | yes | yes | 100% |
| Austria | | | |
| UniCredit Business Partner GmbH | yes | no | not applicable |
| UniCredit Global Information Services S.C.p.A. | | | |
| Poland | yes | no | not applicable |
| Bulgaria | yes | yes ^B | 100% |
| Croatia | yes | yes | 100% |
| Czech Republic | yes | yes | 100% |
| Hungary | yes | yes | 100% |
| Romania | | | |
| UniCredit Țiriac Bank S.A. | | | |
| UniCredit Business Partner GmbH | yes | no | not applicable |
| UniCredit Business Partner S.C.p.A. | | | |
| Russia | yes | yes | 100% |

^A Welfare systems include pension plans and/or health insurance plans, in accordance with differing local laws.

^B UniCredit Bulbank AD's welfare system only covers additional health insurance.

Appendix - Our People

| Contribution by employees and/or employers to the voluntary company pension system | | |
|---|---|---|
| Country | Contribution from employer | Contribution from employee |
| Italy ^A | 2% or 3% | minimum 2% |
| Germany UniCredit Bank AG | 2.75% to 15% of gross salary. In 2011, an additional 0.25% of salary for all employees (excluding executives and total compensation) was introduced | 1.25% to 2.5% of gross salary |
| Germany UniCredit Business Partner S.C.p.A. UniCredit Global Information Services S.C.p.A. | 2.5% to 10% of monthly or annual gross salary | 1.25% to 2.5% of gross salary |
| Austria UniCredit Bank Austria AG | 2.9% or more | arrangements between the pension fund and employee are made on an individual basis |
| Austria UniCredit Business Partner GmbH | no | no |
| Austria UniCredit Global Information Services S.C.p.A. | 2.5% of base pay | voluntary |
| Poland | not applicable | not applicable |
| Bulgaria | not applicable | not applicable |
| Croatia | 1.5% of salary | no |
| Czech Republic ^B | maximum 24,000 CZK per year (approximately €900) | not specifically required; tax optimal maximum 17,500 CZK (approximately €680) per year |
| Hungary ^C | no | maximum 5% of basic gross salary |
| Romania UniCredit Țiriac Bank S.A. UniCredit Business Partner GmbH UniCredit Business Partner S.C.p.A. | not applicable | not applicable |
| Russia | 7% of gross salary | 7% of gross salary |

^A The reported contribution percentages refer to the second section of the Fondo pensione per il personale delle aziende del gruppo UniCredit, the pension fund currently open to new participants.

^B Every employee has the option to join a voluntary pension insurance program. After independently selecting an insurance policy, the contract is drawn up between the employee and the insurance company. UniCredit will be informed of the contribution amount only if requested by the employee.

^C All employees may allocate funds to a range of welfare benefits within the fringe benefit system.

Transition assistance programs to support employees, 2011

| Country | The Program includes: | | | | |
|---|---|--|------------------|------------------------|---|
| | Pre-retirement planning for intended retirees | Retraining for those intending to continue working | Severance pay | Job placement services | Assistance transitioning to non-working life (training, counseling) |
| Italy | no | no | yes | yes for executives | no |
| Germany UniCredit Bank AG | yes | yes ^A | yes | yes | yes |
| Germany UniCredit Global Information Services S.C.p.A. | yes | yes ^A | yes | yes | yes |
| Austria UniCredit Bank Austria AG | yes ^A | yes ^A | yes ^A | yes ^A | yes ^A |
| Austria UniCredit Business Partner GmbH | no | no | yes | no | no |
| Austria UniCredit Global Information Services S.C.p.A. | no | no | yes | no | no |
| Poland | no | no | yes | no | no |
| Croatia | no | yes ^A | yes ^A | no | no |
| Czech Republic | no | no | yes ^A | yes ^A | no |
| Romania UniCredit Ţiriac Bank S.A. | yes | yes | yes | no | yes |
| Romania UniCredit Business Partner GmbH | no | no | yes ^A | no | no |
| Romania UniCredit Business Partner S.C.p.A. | | | | | |

^A Assistance initiatives are implemented only in case of reorganization.

Appendix - Our People

Health and safety management

The best approach to managing the health and safety of our employees means remaining in compliance with and inspired by the law. As the primary source of our guidelines, the law provides specific timing and procedures for all relevant topics even though, for several projects, the company goes beyond the current legal provisions by providing specific times and modalities.

Our commitment to being a great place to work is the foundation of our approach to health and safety.

Those departments responsible for health and safety must provide the following services:

- an adequate evaluation of risks (e.g., analysis and verification of the factors that constitute working activities, specifically including the organization of the job, the job's instruments, work spaces, individual and collective protection measures, technical infrastructure and contractual matters – both for internal and contracted jobs)
- an evaluation of the derivative risk for each position
- the definition and planning of prevention and protection measures to eliminate risks or reduce them to a minimum

| Formal joint management-worker health and safety committees, 2011 | | | |
|---|---|--|---------------------------------------|
| Country | Existence of a formal joint management-worker health and safety committee | Percentage of employees represented in committee | Level at which the committee operates |
| Italy | no | not applicable | not applicable |
| Germany UniCredit Bank AG | yes | all non-managerial employees | legal entity |
| Germany UniCredit Business Partner S.C.p.A. UniCredit Global Information Services S.C.p.A. | yes | 100% | legal entity |
| Austria UniCredit Bank Austria AG UniCredit Business Partner GmbH UniCredit Global Information Services S.C.p.A. | yes | 100% | legal entity |
| Poland | yes | 100% | legal entity |
| Bulgaria | yes | 100% | legal entity |
| Croatia | yes | 100% | legal entity |
| Czech Republic | no | not applicable | not applicable |
| Hungary | no | not applicable | not applicable |
| Romania UniCredit Țiriac Bank S.A. UniCredit Business Partner GmbH UniCredit Business Partner S.C.p.A. | yes | 100% | legal entity |
| Russia | no | not applicable | not applicable |

Formal agreements with trade unions on health and safety issues, 2011

| Country | Existence of formal agreements with trade unions | Brief description |
|---|--|---|
| Italy | yes | Provision for the election of the so-called RSL (Employee Representatives for Safety) and their activities, which include trainings and regulations related to workplace access |
| Germany UniCredit Bank AG UniCredit Business Partner S.C.p.A. UniCredit Global Information Services S.C.p.A. | yes | Key factors were listed for maintaining a healthy workforce in an Occupational Health and Safety joint declaration for the private and public banking sectors in 2010. This list included respect for and trust toward employees, further development of measures to maintain and promote the health of employees, and strengthening preventative care methods. It also acknowledged that health prevention already plays an important role in the banking sector |
| Austria UniCredit Bank Austria AG UniCredit Business Partner GmbH UniCredit Global Information Services S.C.p.A. | no | Not applicable |
| Poland | no | Not applicable |
| Bulgaria | yes | Additional health insurance benefits are offered, which include the following medical care packages: - prophylaxis - non-Hospital Medical Care - hospital Medical Care health insurance package - medical services regarding life conditions and other additional conditions |
| Croatia | yes | Complete coverage of health and safety issues |
| Czech Republic | yes | The Collective Agreement set forth the right of trade unions to control the level of health and safety at work and to actively participate in improving conditions |
| Hungary | no | Not applicable |
| Romania UniCredit Ţiriac Bank S.A. | yes | Mandatory medical check-ups, safety conditions, trainings on safety issues and obligations, assuring proper environmental conditions and adequate work conditions in terms of sanitation and ergonomics |
| Romania UniCredit Business Partner GmbH UniCredit Business Partner S.C.p.A. | yes | Comprises a distinct chapter of the collective agreement, with key topics including safety trainings and annual medical check-ups |
| Russia | no | Not applicable |

Appendix - Our People

Rates of Injury, Lost Days and Absenteeism, 2011^A

| Country | Injury ^B | | Lost Day ^C | | Absentee ^D | |
|----------------|---------------------|------|-----------------------|---------------|-----------------------|---------------|
| | Female | Male | Female | Male | Female | Male |
| Italy | 3.48 | 2.70 | 0.21 | 0.17 | 5.94 | 5.81 |
| Germany | 4.56 | 2.84 | 0.03 | 0.02 | 6.52 | 4.35 |
| Austria | 0.65 | 0.40 | 0.06 | 0.02 | 7.59 | 6.30 |
| Poland | 2.32 | 1.78 | 0.14 | 0.05 | 5.80 | 2.68 |
| Bulgaria | 0.71 | 0.00 | 0.03 | 0.00 | 4.41 | 3.09 |
| Croatia | 1.02 | 0.48 | 0.29 | 0.06 | 13.49 | 3.32 |
| Czech Republic | 1.16 | 0.64 | 0.13 | 0.03 | 4.08 | 2.03 |
| Hungary | 0.00 | 0.00 | 0.00 | 0.00 | 7.57 | 8.57 |
| Romania | 0.00 | 0.00 | 0.00 | 0.00 | 1.99 | 1.03 |
| Russia | 0.21 | 0.48 | not available | not available | not available | not available |

^A This data was drawn from a population that represented 71 percent of the total employees. Injuries are recorded as per applicable local law. Country to country comparison can be misleading due to different tracking systems and differences in local law.

^B This was calculated as follows: (total no. of workplace injuries/total working hours)*1,000,000.

^C This was calculated as follows: (total no. of days of absence due to injuries/total working hours)*1,000.

^D This was calculated as follows: (total no. of days of absence/total working hours)*1,000. Days of absence refers to: injuries, illness, strikes and other reasons (e.g., medical controls, election days).

Employee security-related initiatives

The Strategic Risk Analysis Unit (SRA) is responsible for regularly monitoring the security of countries in which UniCredit operates, including security aspects that may affect traveling/expatriate staff. In this respect, in 2011, the SRA monitored roughly 100,000 UniCredit Group business trips in 70 foreign countries and supported UniCredit's main legal entities in Austria, Germany, Poland and CEE Countries.

In addition SRA issued roughly 70 travel alerts and warnings in 2011 to over one thousand UniCredit business travelers who were in or traveling to areas of the world affected by local crises such as natural disasters, riots, coups d'état and so forth. As a result of this focused and proactive effort, none of our traveling employees found themselves in dangerous or critical circumstances. Duly notified employees managed to adapt their plans, reschedule or cancel trips. This proved to be particularly helpful in supporting UniCredit's expatriates to exit Libya without harm.

The protection of our employees is a 360-degree activity. The SRA took additional steps in assisting UniCredit's traveling staff, as well as mitigating the risk and liabilities of the UniCredit CEO in accordance with Italian law 81/2008 (Safety and Security at Work). To this aim the project, Gate 365, was launched in 2011: it is an intranet web site to monitor UniCredit Travelers and security risks worldwide.

In addition, an operational agreement between UniCredit and the Italian Ministry of Foreign Affairs was signed in October 2011 (following the Memorandum of Understanding previously signed in 2010) to establish a structured and continuous exchange of information for Italian travelers. This aims to improve the safety of traveling UniCredit staff by having the capacity to promptly respond to emergency situations abroad. The SRA promoted this agreement within the Security department, which lends to UniCredit's sustainability efforts.

Work-life balance and healthcare initiatives

Regarding healthcare expenses, most UniCredit employees are supported by a variety of insurance policies, health funds and other benefits (e.g., prevention initiatives, special arrangements for medical costs, benefit platforms enabling employees to select plans best suited to their needs, etc.).

Additional benefits are offered to support colleagues and their families during different stages of their lives, ranging from childcare services, sport and leisure activities, lunch plans, access to company cafeterias, and special terms and conditions on various UniCredit banking products.

In 2011, highlights of our healthcare and work-life balance initiatives included the following:

- in UniCredit Bank AG continues the Healthy Company project, with the aim to help employees manage stress related situations. The initiative, strongly supported by the management of the Bank, has the main objective to meet in advance upcoming challenges – for example issues related to aging
- in UniCredit Bank Austria AG our Health Center continues to offer physical and psychical support to our employees. It also offers a range of different workshops for employees and managers on health related topics, e.g., stress related problems. Moreover, a pilot workshop on how to deal with disabled persons has been launched and it will be carried on in a standardized way during 2012
- in Romania we keep on promoting and supporting employees health and wellness at work through education and awareness programs. Particular attention is given to wellness and nutrition we established a *No week without fruits Program* with the aim to raise awareness on the importance of eating fruit, and every week the company provides fruits to all the employees. Moreover, in 2011 we launched a wellness program for our employees in collaboration with the medical services suppliers; it includes nutrition education, cholesterol, blood pressure and glucose screening programs and fitness facilities. The partnership will continue also in 2012 with weight management programs, prenatal education, stress management programs, smoke quitting programs, and lifestyle coaching
- we are addressing stress management related issues Bulgaria, Russia and Italy, through the implementation of dedicated training activities

Appendix - Our People

Disputes concerning labor, welfare issues and administrative bodies

| Number of disputes concerning labor issues | | | | |
|---|----------------------|----------------|----------------|--------------------------|
| Country | Opened prior to 2011 | Opened in 2011 | Closed in 2011 | Open as of Dec. 31, 2011 |
| Italy ^A | 1,217 | 302 | 431 | 1,088 |
| Germany: UniCredit Bank AG | 17 ^B | 29 | 29 | 17 |
| Germany: UniCredit Business Partner S.C.p.A. | 0 | 1 | 1 | 0 |
| Germany: UniCredit Global Information Services S.C.p.A. | 1 | 2 | 3 | 0 |
| Austria: UniCredit Bank Austria AG | 10 | 8 | 2 | 16 |
| Austria: UniCredit Business Partner GmbH | 2 | 0 | 1 | 1 |
| Austria: UniCredit Global Information Services S.C.p.A. | 3 | 1 | 2 | 2 |
| Bulgaria | 25 | 8 | 13 | 20 |
| Croatia | 23 | 5 | 3 | 25 |
| Czech Republic | 1 | 1 | 1 | 1 |
| Romania: UniCredit Țiriac Bank S.A. | 16 | 16 | 1 | 31 |
| Russia | 0 | 5 | 0 | 5 |
| Total | 1,315 | 378 | 487 | 1,206 |

^A Data for Italy includes the following: UniCredit S.p.A., Fineco Bank S.p.A., UniCredit Credit Management S.p.A., Pioneer Alternative Investment Management S.p.A., Pioneer Global Asset Management S.p.A., Pioneer Investment Management Soc. gestione risparmio, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG and I-Faber S.p.A..

^B In the 2010 Sustainability Report, this dispute was incorrectly classified in the context of an administrative body. In 2011, after a detailed review, the dispute was correctly classified in the context of welfare issues.

| Number of disputes concerning welfare issues | | | | |
|--|----------------------|----------------|----------------|--------------------------|
| Country | Opened prior to 2011 | Opened in 2011 | Closed in 2011 | Open as of Dec. 31, 2011 |
| Italy ^A | 112 | 3 | 62 | 53 |
| Germany UniCredit Bank AG | 1 ^B | 0 | 1 | 0 |
| Total | 113 | 3 | 63 | 53 |

^A Data for Italy includes the following: UniCredit S.p.A., Fineco Bank S.p.A., UniCredit Credit Management S.p.A., Pioneer Alternative Investment Management S.p.A., Pioneer Global Asset Management S.p.A., Pioneer Investment Management Soc. gestione risparmio, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG and I-Faber S.p.A..

^B In the 2010 Sustainability Report, this dispute was incorrectly classified in the context of an administrative body. In 2011, after a detailed review, the dispute was correctly classified in the context of welfare issues.

| Number of disputes concerning administrative bodies | | | | |
|---|----------------------|----------------|----------------|--------------------------|
| Country | Opened prior to 2011 | Opened in 2011 | Closed in 2011 | Open as of Dec. 31, 2011 |
| Italy ^A | 4 | 0 | 1 | 3 |
| Poland | 0 | 10 | 10 | 0 |
| Russia | 0 | 2 | 1 | 1 |
| Total | 4^B | 12 | 12 | 4 |

^A Data for Italy includes the following: UniCredit S.p.A., Fineco Bank S.p.A., UniCredit Credit Management S.p.A., Pioneer Alternative Investment Management S.p.A., Pioneer Global Asset Management S.p.A., Pioneer Investment Management Soc. gestione risparmio, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG and I-Faber S.p.A..

^B This figure differs from the data presented in the 2010 Sustainability Report. See footnotes B in the above table.

Restorative Justice System

Number of cases accepted by the Restorative Justice System: breakdown by country, 2006-2011

| Country | Starting date | Total number of cases from 2006 to 2011 | 2011 | 2010 | 2009 | Number of closed cases | Number of pending cases |
|-------------------------------|-------------------|---|------------|------------|------------|------------------------|-------------------------|
| Italy | October 1, 2006 | 380 | 49 | 67 | 97 | 377 | 3 |
| Germany | January 1, 2007 | 127 | 23 | 19 | 28 | 118 | 9 |
| Austria | March 1, 2007 | 55 | 7 | 14 | 11 | 55 | 0 |
| Poland | January 1, 2008 | 139 | 39 | 41 | 26 | 137 | 2 |
| Bulgaria | March 1, 2008 | 54 | 20 | 11 | 10 | 54 | 0 |
| Croatia | March 1, 2008 | 54 | 16 | 10 | 11 | 54 | 0 |
| Czech Republic | October 1, 2008 | 41 | 11 | 16 | 11 | 40 | 1 |
| Hungary | September 1, 2007 | 83 | 11 | 17 | 17 | 83 | 0 |
| Romania | March 1, 2009 | 23 | 5 | 9 | 9 | 18 | 5 |
| Russia | July 1, 2009 | 6 | 3 | 2 | 1 | 6 | 0 |
| Baltic countries ^A | February 1, 2009 | 11 | 6 | 0 | 5 | 10 | 1 |
| Serbia | April 1, 2009 | 11 | 2 | 3 | 6 | 9 | 2 |
| Slovakia | September 1, 2007 | 9 | 0 | 0 | 4 | 9 | 0 |
| Slovenia | February 1, 2008 | 41 | 9 | 15 | 5 | 37 | 4 |
| Total | | 1,034 | 201 | 224 | 241 | 1,007 | 27 |

^A Includes Estonia, Latvia and Lithuania.

Focus on closed cases: breakdown by country and methods employed, 2011

| Country | Closed cases ^A | Not admitted cases | Mediation refused | Renounced cases | Cases solved without RJS tools | Total number of cases deploying RJS tools | Tool Used | | |
|-------------------------------|---------------------------|--------------------|-------------------|-----------------|--------------------------------|---|-----------|------------|------------|
| | | | | | | | Mediation | Meetings | Notice |
| Italy | 377 | 91 | 11 | 59 | 48 | 168 | 21 | 87 | 60 |
| Germany | 118 | 2 | 0 | 7 | 60 | 47 | 7 | 12 | 28 |
| Austria | 55 | 4 | 2 | 5 | 6 | 38 | 1 | 8 | 29 |
| Poland | 137 | 18 | 2 | 28 | 22 | 67 | 0 | 28 | 39 |
| Bulgaria | 54 | 5 | 0 | 2 | 1 | 46 | 0 | 37 | 9 |
| Croatia | 54 | 23 | 0 | 0 | 0 | 30 | 2 | 6 | 22 |
| Czech Republic | 40 | 3 | 0 | 6 | 4 | 27 | 0 | 14 | 13 |
| Hungary | 83 | 14 | 0 | 19 | 6 | 37 | 0 | 8 | 29 |
| Romania | 18 | 5 | 0 | 6 | 0 | 6 | 0 | 4 | 2 |
| Russia | 6 | 0 | 1 | 0 | 1 | 4 | 0 | 1 | 3 |
| Baltic countries ^B | 10 | 1 | 0 | 0 | 1 | 7 | 0 | 7 | 0 |
| Serbia | 9 | 0 | 0 | 0 | 2 | 5 | 2 | 3 | 0 |
| Slovakia | 9 | 1 | 0 | 0 | 0 | 8 | 0 | 2 | 6 |
| Slovenia | 37 | 5 | 0 | 12 | 7 | 9 | 0 | 4 | 5 |
| Total | 1,007 | 172 | 16 | 144 | 158 | 499 | 33 | 221 | 245 |

^A Closed cases include also the cases related to the category Others. The total number of cases classified as Others is 18 (Germany 2, Croatia 1, Hungary 7, Romania 1, Baltic countries 1, Serbia 2, Slovenia 4)

^B Includes Estonia, Latvia and Lithuania.

Appendix - Our Customers

Customer distribution

Number of customers by division and country as of December 31, 2011

| Division/Country | Number |
|--|-----------|
| Family & SME Division | |
| Italy (UniCredit S.p.A.) | 7,767,148 |
| Germany (UniCredit Bank AG) | 2,411,659 |
| Austria (UniCredit Bank Austria AG) | 1,468,176 |
| Poland (Bank Pekao SA) | 4,421,989 |
| Corporate and Investment Banking Division | |
| Italy (UniCredit S.p.A.) | 17,585 |
| Germany (UniCredit Bank AG) | 37,848 |
| Austria (UniCredit Bank Austria AG) | 18,067 |
| Poland (Bank Pekao SA) | 16,522 |
| Private Banking Division | |
| Italy (UniCredit S.p.A.) | 134,799 |
| Germany (UniCredit Bank AG) | 44,239 |
| Austria (UniCredit Bank Austria AG, Schoellerbank AG) ^A | 22,921 |
| Poland (Bank Pekao SA) | 4,907 |
| Asset Gathering | |
| Italy (FincoBank S.p.A.) | 836,124 |
| Germany (DAB Bank AG) | 475,466 |
| Austria (Direktanlage.at AG) | 62,056 |
| CEE - Retail Division | |
| Bulgaria (UniCredit Bulbank AD) | 1,050,750 |
| Croatia (Zagrebačka banka d.d.) | 1,169,174 |
| Czech Republic (UniCredit Bank Czech Republic a.s.) | 236,612 |
| Hungary (UniCredit Bank Hungary Zrt) | 395,136 |
| Romania (UniCredit Ţiriac Bank S.A.) | 558,433 |
| Russia (ZAO UniCredit Bank) | 1,054,164 |

Number of customers by division and country as of December 31, 2011

| Division/Country | Number |
|---|--------|
| CEE - Corporate Division | |
| Bulgaria (UniCredit Bulbank AD) | 9,625 |
| Croatia (Zagrebačka banka d.d.) | 8,554 |
| Czech Republic (UniCredit Bank Czech Republic a.s.) | 9,256 |
| Hungary (UniCredit Bank Hungary Zrt) | 8,726 |
| Romania (UniCredit Ţiriac Bank S.A.) | 8,089 |
| Russia (ZAO UniCredit Bank) | 5,739 |
| CEE - Private Banking Division | |
| Bulgaria (UniCredit Bulbank AD) | 1,333 |
| Croatia (Zagrebačka banka d.d.) | 2,616 |
| Czech Republic (UniCredit Bank Czech Republic a.s.) | 2,509 |
| Hungary (UniCredit Bank Hungary Zrt) | 751 |
| Romania (UniCredit Ţiriac Bank S.A.) | 1,097 |
| Russia (ZAO UniCredit Bank) | 1,403 |

^A The number of Private Banking clients in Austria is the sum of Private Banking clients for the two Austrian legal entities, Schoellerbank AG and UniCredit Bank Austria AG.

Handling complaints

Family & SME / Retail division: number of recorded complaints^A

| Country | 2011 | | 2010 | | 2009 | |
|-----------------------|-----------------------------|---------|-----------------------------|---------|-----------------------------|---------------|
| | Recorded (written + verbal) | Written | Recorded (written + verbal) | Written | Recorded (written + verbal) | Written |
| Italy | 397,334 | 18,826 | 324,277 | 18,358 | not available | not available |
| Germany | 222,739 | 8,223 | 71,232 | 7,443 | 72,698 | 7,588 |
| Austria | 48,539 | 3,504 | 52,447 | 3,892 | 39,210 | 3,709 |
| Bulgaria ^B | 2,102 | 2,102 | 1,731 | 1,731 | 1,716 | 1,716 |
| Croatia | 41,133 | 5,713 | 44,012 | 2,729 | 60,093 | 3,100 |
| Czech Republic | 4,569 | 2,805 | 1,035 | 934 | 798 | 751 |
| Hungary | 6,968 | 3,233 | 5,583 | 3,627 | 5,097 | 3,216 |
| Romania | 894 | 841 | 1,610 | 1,510 | 1,427 | 1,384 |
| Russia | 20,962 | 17,902 | 10,295 | 9,143 | 6,027 | 5,541 |

^A Totals are not provided because definitions and recording methods have not been completely aligned across all countries. The number of complaints referring to Bank Pekao SA are not published due to confidentiality issues.

^B In Bulgaria we record only the written complaints.

Appendix - Our Customers

Socially Responsible Investments (SRI)

As a signatory to the United Nations Principles of Responsible Investment (UNPRI) in March 2009, Pioneer Investments joined roughly 500 financial institutions in an initiative advancing the six best practice principles for asset owners and investment managers. Today that number stands at more than 1,000. The six principles reflect the increasing relevance of environmental, social and corporate governance issues (ESG) to investment practices.

Since then, Pioneer Investments has focused on the integration of ESG issues into its investment processes. In line with its commitment to the UNPRI, in 2010, Pioneer Investments reported on the broadening of its Proxy Voting Policy to include environmental and social issues. The amended policy was approved by the Pioneer Global Asset Management board on March 16, 2011, and is implemented across our asset management operations. For more information, see the Supplement to the 2010 Sustainability Report, pg. 28.

Additionally, in 2011, Pioneer's Investment Control Department presented to its investment staff, together with senior investment managers, the specifics of the UNPRI together with suggestions on how to further incorporate them into its investment processes. This included detailed discussions with investment teams across all hubs. In December 2011, a webinar was produced to address activities that are linked to promoting and implementing the UNPRI within Pioneer Investments. This webinar is available to all staff via the Pioneer Investments global intranet site. Pioneer Investments offers several asset management products designed to maximize returns and to adhere to ethical and sustainable values.

| Fund Performance | | | | |
|--|-----------------------------------|---------------|---|-----------|
| Fund | One year (as of Dec. 31, 2011) | | Three years annualized (as of Dec. 31, 2011) | |
| | Fund | Benchmark | Fund | Benchmark |
| Pioneer Obbligazionario Euro Corporate Etico a distribuzione | -0.65% | 1.05% | 6.17% | 6.17% |
| Pioneer Funds - Global Ecology - E Class | -12.19% | -2.38% | 4.73% | 13.70% |
| Pioneer Investments Balanced Ecology | -3.30% | not available | fund launched on July 26, 2010 | |
| Pioneer Funds Austria – Ethik Funds | -1.39% | 1.01% | 5.56% | 6.33% |

| Assets subject to positive and negative environmental or social screening (in € million) | | |
|--|---|---|
| Fund | Assets under management (as of Dec. 31, 2011) | Assets under management (as of Dec. 31, 2010) |
| | | |
| Pioneer Obbligazionario Euro Corporate Etico a distribuzione | 180 | 228 |
| Pioneer Funds - Global Ecology - E Class | 870 | 1,140 |
| Pioneer Investments Balanced Ecology | 2.55 | 2.59 |
| Pioneer Funds Austria - Ethik Funds | 20.22 | 22.83 |
| Total assets under management at Pioneer Investments (including regular funds) | 162,063 | 186,600 |

Committed to the European Sustainable and Responsible Investment Forum (Eurosif) transparency guidelines, Pioneer Investments ensures that its search, investment, control and monitoring processes are all aligned.

Security

The sustainability of UniCredit's business is also founded on the assurance that security is continuously monitored and that adequate proactive measures are taken to protect our customers. In 2011, we continued to implement important security initiatives. In 2010, we focused on business continuity and crisis management (BCCM) initiatives related to the One4C business model in Italy.

Thus, in 2011 our focus was on guaranteeing continuity requirements by conducting periodic checks on the first wave of One4C-related workstreams. We have also raised awareness of our BCCM framework through web-based courses for our business continuity managers.

The privacy of customer data is another of our key concerns. Our privacy strategy aims to ensure the effective and efficient management of all privacy issues by applying those rules and controls that can guarantee the timely implementation of personal data protection needs. In February 2011, we issued our Group Policy Guidelines to establish basic principles for the confidential and professional processing of personal data. These guidelines also set forth clear internal lines of responsibility for privacy management.

In 2011, our Strategic Risk Analysis Unit (SRA) enhanced our business security by providing country risk analyses to internal units. It issued more than 600 reports on over 35 countries in which we had business prospects, with the aim to assist in security risk analysis activity (e.g., organized crime risk, terrorism, reputational risks, etc.). Moreover, targeted educational activities have allowed the SRA Unit to strengthen our employees' and customers' knowledge regarding country-specific security issues.

Family & SME/Retail Division: number of robberies, 2010-2011

In 2011, the Security department's ongoing work on robbery prevention was particularly effective in reducing the number of successful robberies in Italy¹. In fact, in 2011, the number of successful robberies in the country decreased to 56, down from 90 cases registered in 2010. Furthermore, defensive countermeasures have allowed us to thwart 59 attempted robberies.

Also in Germany, Austria, Poland and CEE, security countermeasures have reduced the number of successful robberies from 19 in 2010 to 13 in 2011.

Family & SME/Retail Division: number of thefts, 2010-2011

With regard to theft consisting mainly of attacks on ATMs, the progress recorded was in line with the national average. In 2010, 26 cases were registered in Italy, while 39 cases were registered in 2011. However, security countermeasures allowed the prevention of 32 criminal attempts. A similar overall trend was recorded in Germany, Austria, Poland and CEE, where security countermeasures in 2011 made it possible to avoid even more cases than in 2010.

We have also invested significantly in the protection of our customers' mobile banking transactions. Since 2010, our mobile banking platform, which permits customers to access their checking accounts and view their transactions, has been continuously updated with new applications. To guarantee the security of all transactions, we deploy Mobile Token. This solution, which is an integral part of our mobile application, is an extremely strong authentication protocol that generates single-use passwords for customers' mobile devices after a PIN check. This security system has been developed internally by UniCredit and is mandatory for confirmation of all transactions.

Lastly, 2011 saw an increase in fraud losses compared to the previous year, mainly due to online fraud (phishing), customers' computer viruses and other new modes for chip card cloning. Nevertheless, our fraud to sales volume ratio is 0.03 percent, which is well below the best practice ratio of 0.10 to 0.11 percent, as identified by MasterCard and VISA.

¹ This type of crime is more prevalent in Italy than in other European countries.

Appendix - Our Customers

Selection of 2011 awards

| Product and services | |
|---|---|
| Field | Award |
| Customer service | University of St. Gallen & DiePresse: Most Customer-Oriented Service Provider in Austria |
| | Deutschlands Beste Bank: Best Branch Bank in Germany |
| Loans | MasterCard Bank of the Year competition: First prize as The Best Retail Loan of the Year in Hungary |
| Asset management | Focus-Money & n-TV to UniCredit Bank AG Private Banking: Best Asset Management in 2011 and special prize Highest rating in Asset Management for a well-balanced, high-quality portfolio |
| Global securities services | Global Finance: Best Sub-Custodian Bank in Austria, Croatia, Hungary and CEE 2011 |
| Cash management | Global Finance <ul style="list-style-type: none"> • Best Bank for Cash Management in CEE 2011 • Best Bank for Liquidity Management in CEE 2011 • Best Payments & Collections in CEE 2011 |
| | Poll Euromoney 2011: #1 Cash Management House in Austria, Croatia and Poland |
| Trade and export finance, supply chain finance, transactional sales | Global Finance <ul style="list-style-type: none"> • #1 Trade Finance Provider Poland, Austria, Ukraine and CEE 2011 • #1 Supply Chain Finance Provider 2011 |
| | Trade Finance Poll Euromoney 2011 <ul style="list-style-type: none"> • #1 Best Relationship Management • #1 Trade Finance Provider in Italy |
| | Trade Finance Magazine: #1 Forfaiting Institution 2011 |
| | Trade & Forfaiting Review: #1 Trade Bank in Eastern Europe |

| Innovation | |
|---|---|
| Field | Award |
| Trade finance business web-based platform | National Award for Innovation: First prize for @GlobalTrade web-based platform solution capable to support companies in their international business |
| Financial services | Alpbach Finance Symposium: Most innovative financial service of 2011 in Austria: the Bank Austria Umbrella Facility – 1 loan available in 10 countries |
| Distribution channels | Associazione Italiana Financial Innovation (AIFI) <i>Cerchio d'Oro</i> award for financial innovation in 2011: First and second prize in the Distribution Channels category |
| Global | MasterCard Bank of the Year competition: First prize as The Most Innovative Bank of the Year in Hungary |

| Others | |
|-----------|---|
| Field | Award |
| Website | eFestival – Hungarian Association of Content Industry: First prize to the website www.unicreditbank.hu for its user friendly structure and high-quality Hungarian content |
| Reporting | MICEX and RTS: UniCredit Bank Russia Annual Report of the Year 2010 – 1st place in the XIV Annual Contest of Annual Reports – Best Disclosure to Customers |

Appendix - Communities

Financial inclusion

Ageing populations present unique challenges for the financial sector to address and at UniCredit we are working to do our part.

In Italy, we launched a new project in 2011 to refine our services to customers over the age of 60. To date, this project has mainly focused on exploring the needs of this segment through focus groups, surveys and specific customer analysis. In 2012, we will deepen this effort with a focus on advisory processes and customized services.

We also developed a range of products to address generational handover issues at family-owned companies in Italy. Our line of *Next Generation* products and allocated financing of €300 million ensures that we are prepared to offer concrete support to family businesses.

Similarly, in Austria, *Solutions 4 Generations* addresses generational handover issues during check-up meetings with customers. Designed to assist our affluent customers who need to consider issues related to estate planning, the initiative also works to increase word-of-mouth referrals among family members.

| Family & SME / Retail division: percentage of total branches in sparsely settled or economically disadvantaged areas as of December 31, 2011 ^A | |
|---|------------|
| Country | Percentage |
| Italy | 19.2% |
| Germany | 7.6% |
| Poland | 100% |
| Bulgaria | 100% |
| Croatia ^B | 20.3% |
| Czech Republic | 71% |
| Hungary | 43.2% |
| Romania | 100% |
| Russia ^C | 54% |

^A To identify sparsely settled or economically disadvantaged areas across the EU, we referred to the EU classification used in its Cohesion Policy 2007-2013. Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria.

^B For Croatia, we referred to the Regional Competitiveness Operational Programme 2007-2009 of the Republic of Croatia.

^C For Russia, we referred to the Social Map of Russian Regions provided by the Russian Independent Institute for Social Policy.

Contributions to communities

UniCredit employees express their commitment to communities across Europe through local initiatives, mainly in the field of social welfare.

For example, UniCredit Leasing Bulgaria employees donated quality second-hand clothes, shoes and toys to the St. Ivan Rilski Orphanage in the community of Razliv. Moreover, they raised roughly €3,000 through an inter-company charity auction where employees could buy handmade goods (e.g., paintings, candles, Christmas cards, calendars, souvenirs, etc.) produced by their colleagues. At the request of the orphanage, these funds were used to purchase winter shoes, towels and sweets for 46 children aged 7 to 17, as well as foodstuffs, which were delivered to the orphanage's annual Christmas party. This donation drive has since been enshrined as a new tradition at UniCredit Leasing Bulgaria.

UniCredit Bank Serbia participated in the organization of a charity event entitled *The First Breath of Life*, which was hosted in February 2011 by the Italian Embassy. Held at the National Museum in Belgrade, the event included a charity auction of 40 exquisite art works by Italian and Serbian artists. Thanks to the generous donations made by participants, over €100,000 was raised to support healthcare initiatives, including the installation of four state-of-the-art respirators at the Children's University Hospital in Belgrade, which is the regional center that provides first aid to premature babies.

Roughly 100 colleagues at UniCredit Bank Slovenia supported a camp for disadvantaged children. Located in the seaside resort of Debeli Rtič, the camp was prepared by volunteers for the children's arrival at the start of their summer vacation. Each member of the management board worked with a team of colleagues to build a children's playhouse. To commemorate the contributions and work of the volunteers, the CEO of UniCredit Bank Slovenia and the president of the Red Cross Slovenia symbolically planted a tree on the campgrounds.

In 2011, which was also the International Year of Forests, Zagrebačka banka d.d. decided to donate an 'eco-game' called *Green Living*. This approach introduced a new system for raising contributions through a Facebook application, which encouraged web users to plant virtual trees across Croatia and monitored which region had the most trees planted. A total of roughly 17,800 Facebook users took part and the winning Istria region received a Zagrebačka banka d.d. donation of roughly €40,000 to plant 6,000 olive trees on 25 hectares of burnt terrain near the city of Vodnjan. *Green Living* won the Green City Award as 2011's best eco-campaign in Croatia.

Additionally, in 2011 Zagrebačka banka d.d.'s traditional *Donation Tender* was made more transparent. The selection committee posted a short list of projects on Facebook and donations were given to those projects that garnered the most votes from web users. By doing so, the public was given a say on how the bank should direct its donations, while project coordinators had the opportunity to promote their initiative's work. In the end, nearly 15,000 Facebook users helped 15 valuable projects to receive roughly €100,000.

Appendix - Environment and Suppliers

Partnerships and affiliations

Germany

- The Global Compact Germany
- UNEP FI Workstream Biodiversity
- VfU (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.), (board member)
- Equator Principles
- Forum Nachhaltige Geldanlagen (board member)
- Finanzforum: Klimawandel (founding member). This initiative is a cooperation of leading German financial institutions in cooperation with the German Ministry of Education and Research
- B.A.U.M. e.V. and Sustainability Leadership Forum
- BenE München e.V., Regional Centre of Expertise, an United Nations University project for education of sustainable development (founding and board member)
- Bündnis München für Klimaschutz (founding member), a local climate change initiative of the city of Munich
- Derivate Forum (founding member)
- Bundesverband Deutscher Banken (member)
- Verband Deutscher Pfandbriefbanken (VdP) (member)

Austria

- aktiv pakt2020 / Climate protection partnership with Austrian government
- ÖGUT / Austrian Society for Environment and Technology
- ÖVA / Austrian Society for the Management of Contaminated Sites

Bulgaria

- Bulgarian Donor's Forum
- Tulip Foundation

Appendix - Yapı Kredi: A Focus on Turkey

Yapı Kredi social responsibility projects

Since its founding, Yapı Kredi has aspired to be more than a bank. It is serious about contributing to the society in which it operates by implementing and supporting projects in education, art and culture, and the environment. Research shows that corporate social responsibility projects affect brand credibility, recognition and appeal. At Yapı Kredi, however, its objective is to take these projects a step further by bringing them to life and making a positive contribution to its communities. With this in mind, Yapı Kredi develops and supports social responsibility projects in a range of fields, from education to environment, and art to history.

I Read, I Play

The *I Read, I Play* project has been carried out in collaboration with the Educational Volunteers Foundation of Turkey (TEGV) since 2006 to cultivate independent thinking, creativity and expression among children aged 7 to 11 years old. The project aims to instill the joy of listening and reading, and to help children acquire scientific, critical and constructive thinking; to develop speaking and debating skills; and to value and participate in a reading culture.

Children learn creative and critical reading techniques from a tailored curriculum developed by the Ministry of National Education in reading rooms specially designed for the program. TEGV volunteers lead the *I Read, I Play* training sessions in their 11 training parks and 55 education units across Turkey. More than 50,000 children participated at each event of the *I Read, I Play* project by 2009.

In response to its success and to meet the demand among children and parents, the project was extended until 2012. Today, 90,000 children attend each event; the project aims to attract 100,000 children to each event by the end of 2012.

Yapı Kredi Technical and Vocational High School for Girls

After opening officially on February 18, 2009, the Yapı Kredi Technical and Vocational High School for Girls in Çayirova, Kocaeli Province trains 450 students in Catering Services, Graphic Design & Photography, Information Technology, Child Development and Apparel Manufacturing Technology.

Infinite Blue

Carried out in collaboration with the Turkish Marine Environment Protection Association (TURMEPA) and supported by the Ministry of National Education, the Yapı Kredi *Infinite Blue* training program is designed to raise awareness among elementary and high school students about preserving Turkey's natural resources. As part of the two-stage educational program, TURMEPA instructors train teachers, who in turn teach their students about the sea, marine life, and how to combat sea pollution. By the end of 2011, 6.6 million students have been trained as environmental ambassadors through the *Infinite Blue* program.

Enabled Banking Program

In line with Yapı Kredi's unlimited service approach, the Enabled Banking program was launched in Turkey in 2008 to provide simple and modernized banking services to disabled customers. These services are updated each year and include:

ATMs for the Visually Impaired: provides information in Braille and headphones to facilitate audio transactions.

Points-of-Sale (POS) for the Visually Impaired: implemented for the first time in the world by Yapı Kredi, enabled POS machines provide visually impaired customers with the ability to carry out audio transactions.

Text-to-Speech Technology for the Visually Impaired: converts text into speech to assist visually impaired customers in receiving audio information regarding market activity in real-time.

Appendix - Yapı Kredi: A Focus on Turkey

ATMs for the Orthopedically Impaired: provides simple and modernized banking services for orthopedically impaired customers at more than 120 unobstructed ATMs in 15 Turkish provinces. This service will be available at additional ATMs in the near future.

Online Chat Services for the Hearing Impaired: offers services such as reporting lost or stolen debit or credit cards, closing card accounts, requesting new cards or updating account information, without having to contact call centers or travel to bank branches.

As part of its Enabled Banking program, Yapı Kredi also launched its Engelsiz Bankacılık website (www.engelsizbankacilik.com) on December 3, 2011 in observation of International Day of Persons with Disabilities. Through this website, Yapı Kredi aims to raise awareness of the 8.5 million disabled people in Turkey and the importance of making their lives easier. The site will be updated regularly and will incorporate the comments and suggestions of disabled customers.

Yapı Kredi Volunteers

The Yapı Kredi Volunteers initiative was created to raise awareness of the value of volunteerism and teamwork among its employees. Across the bank, employees from Yapı Kredi departments are involved in a range of projects: Yapı Kredi Pension in *Yontu*; Retail Banking in the *World of the Unageing*; Yapı Kredi Insurance in *Hand in Hand with Darüşşafaka*; Human Resources in *Source of Kindness with the Six Dots Foundation for the Blind*; and Yapı Kredi Operation Department in *Each Child is a World* project. Moreover, its Corporate and Commercial Banking employees carry out forestation activities across Turkey in an effort to help preserve the environment.

Art and Culture

Yapı Kredi is proud to be an institution that supports Turkey's artistic and cultural heritage by promoting art and artists in areas such as archaeology, history, literature, music, painting, photography, sculpture and theater.

The Yapı Kredi Cultural Activities, Art and Publishing institution was established in 1992 to further the bank's work in the artistic and cultural field. Every year, this institution opens 25 exhibitions, publishes 150 new books, and holds 250 artistic and cultural activities. In 2011, Yapı Kredi Publications printed more than 1 million books, including first editions in 233 titles and reprints in 432 others ranging from literature to poetry, art to history, general knowledge to classics, cartoons to philosophy. Yapı Kredi Publications recently published its 3,468th book.

Afife Theater Awards

Bearing the name of Turkey's first Muslim female stage actress, the Yapı Kredi Afife Theater Awards have honored members of the artistic community since 1997. Supported by Yapı Kredi in collaboration with Turkish actor and director, Haldun Dormen, the awards are a highly anticipated event held in April every year and are considered to be among the most prestigious art awards in Turkey.

A 2011 publication marked the 15th anniversary of the awards, featuring the unique stories of 191 award-winning artists and institutions and 14 productions.

Çatalhöyük Excavations

Since 1997, Yapı Kredi has been a main sponsor of the archaeological excavation of Çatalhöyük, the 9,000-year old Neolithic site near the Çumra district of Konya. The excavations are conducted annually, from June to September, and are led by Ian Hodder, President of the British Institute of Archaeology. New findings are unearthed at the Çatalhöyük excavation site every year that lends further insight on the history of humanity.

Environmental Projects and Investments

As a part of its effort to help protect the environment, Yapı Kredi couples its forestation activities with various projects to conserve natural resources.

The Yapı Kredi recycling campaign began in May 2011 to sort paper, plastic, glass and metal recyclable materials at Yapı Kredi headquarters, its operations center, facilities and regional directorates. As of the end of 2011, 282,360 kg paper, 783 kg plastics, 744 kg glass and 281 kg metal waste had been collected and delivered to recycling centers. Additionally, 961 tons of waste paper was collected from headquarter buildings and branches, saving nearly 17,000 trees.

With the belief that renewable energy projects help protect the environment and minimize the impact of climate change, Yapı Kredi provided 122 energy projects with a total of \$4 billion in financing during the first 9 months of 2011. Hydropower projects received nearly 57 percent of this total financing amount.

In addition to financing renewable energy projects, Yapı Kredi sponsors academic research on this topic. In collaboration with Koç University, the bank created the Yapı Kredi Renewable Energy Scholarship in 2011 to fund graduate students whose academic focus was on renewable energy. The scholarship curriculum includes: renewable energy law; promoting renewable energy; generating awareness of renewable energy's advantages, areas of use and environment friendliness; its share of global energy consumption and in Turkey; renewable energy economy; energy markets; emerging markets; and nuclear energy restrictions, potential and competition. Yapı Kredi is committed to supporting social responsibility projects in different fields, to protecting natural resources and to ensuring a sustainable future. The bank plans to continue financing renewable energy projects in addition to others in the energy sector, including distribution companies with privatization agendas.

Appendix - Determination and distribution of Value Added

(€/000)

| Determination and distribution of Added Value | | 2011 | 2010 |
|---|---|---------------------|---------------------|
| 10 | Interest income and similar revenues | 29,671,745 | 28,641,891 |
| 20 | Interest expense and similar charges | (14,184,168) | (12,885,464) |
| 40 | Fee and commission income | 10,062,375 | 10,209,704 |
| 50 | Fee and commission expense (excluded external networks' expence) | (1,520,838) | (1,497,254) |
| 70 | Dividend income and similar revenue | 740,881 | 718,314 |
| 80 | Gains and losses on financial assets and liabilities held for trading | 228,841 | 343,169 |
| 90 | Fair value adjustments in hedge accounting | 105,797 | 52,139 |
| 100 | Gains and losses on disposal of: | 313,809 | 311,636 |
| a) | loans | (21,920) | 7,340 |
| b) | available-for-sale financial assets | 302,771 | 120,238 |
| c) | held-to-maturity investments | (3,281) | (590) |
| d) | financial liabilities | 36,239 | 184,648 |
| 110 | Gains and losses on financial assets/liabilities at fair value through profit or loss | 23,693 | (28,733) |
| 130 | Impairment losses on: | (6,642,734) | (7,006,651) |
| a) | loans | (5,864,882) | (6,708,268) |
| b) | available-for-sale financial assets | (471,769) | (141,779) |
| c) | held-to-maturity investments | (152,373) | (2) |
| d) | other financial assets | (153,710) | (156,602) |
| 150 | Premiums earned (net) | 125,688 | 118,176 |
| 160 | Other income (net) from insurance activities | (98,814) | (94,904) |
| 220 | Other net operating income | 794,229 | 952,019 |
| 240 | Profit (loss) of associates: gains or losses on disposal | 27,102 | 25,474 |
| 270 | Gains and losses on disposal of investments | 180,327 | 158,001 |
| 310 | Total profit or loss after tax from discontinued operations | - | - |
| A. TOTAL ECONOMIC VALUE GENERATED | | 19,827,933 | 20,017,517 |
| 180 b) | other administrative expense (excluded indirect taxes and duties and donations) | (4,981,826) | (4,967,206) |
| | ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS | (4,981,826) | (4,967,206) |
| 180 a) | staff expense (included external networks' expence) | (9,692,273) | (9,752,080) |
| | ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS | (9,692,273) | (9,752,080) |
| 330 | Minority Interests | (364,766) | (321,226) |
| | ECONOMIC VALUE DISTRIBUTED TO MINORITIES | (364,766) | (321,226) |
| | Net profit attributable to shareholders | - | (550,277) |
| | ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS | - | (550,277) |
| 180 b) | other administrative expense: indirect taxes and duties | (636,504) | (485,332) |
| 290 | Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year | (1,691,523) | (1,505,430) |
| | ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS | (2,328,027) | (1,990,762) |
| 180 b) | other administrative expense: donations | (19,715) | (23,918) |
| | Net profit allocated to the charitable funds | - | (8,733) |
| | ECONOMIC VALUE DISTRIBUTED TO COMMUNITY | (19,715) | (32,651) |
| B. TOTAL ECONOMIC VALUE DISTRIBUTED | | (17,386,607) | (17,614,202) |
| C. TOTAL ECONOMIC VALUE RETAINED | | (2,441,326) | (2,403,315) |



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