

G O O D P R A C T I C E

***Social
and Environmental
Report 2003***







UniCredito Italiano - Italian Stock Company
Registered office: Genoa, Via Dante, 1
General Management: Milan, Piazza Cordusio
Registered in Genoa Trade and Companies Register (Court of Genoa)
Tax Code and VAT Reg. No. 00348170101
Entered in the Register of Banks and Parent Company
of the UniCredito Italiano Banking Group
Banking Group Register No. 3135.1
Member of the Interbank Deposit Protection Fund
Capital stock: € 3.158.168.076 fully paid in

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and Environmental
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Letter of the Chairman and Managing Director/CEO

The publication of this fourth edition of the Social and Environmental Report provides UniCredit with an opportunity to reflect on the importance and ongoing issues of a movement that has accompanied the Group's growth in recent years.

The effort has focused primarily on the gradual "construction" of a strong identity that would clearly rely on shared values and behaviour, gradually leading to the concept of "social responsibility". To strengthen these values, each year we have put more effort into designing initiatives enabling us to achieve commitments and improve the consistency of related action taken.

And just as we expected, the further we went down this path, the more complex the issues we faced, and the higher expectations of the various stakeholders rose.

With the carrying out of the S3 project, the company successfully brought to a close an extraordinary organisational transformation. Then, in order to reinforce the three new banks, which are specialised by customer segment, it was necessary to oversee and monitor the entire transformation

«The further we went down this path, the more complex the issues we faced, and the higher expectations of the various stakeholders rose»



process, and overcome the understandable initial disorientation and resistance by redefining and strengthening the tools needed to build the Group's identity.

Internally this meant increasing opportunities for formal and informal meetings among various organisational levels with a positive approach to dialogue and the exchanging ideas.

Externally, in those areas where our former federated banks had the greatest presence, we aimed to embody the values that defined each of them. Their enhancement is currently one of

the most topical issues from the standpoint of creating a "new way of banking". We involved our main associates in each area including institutions, members of the business community, associations, cultural and voluntary organisations and created the first Local Committees charged with promoting development and growth at the local level.

Towards the end of the year, our attention was focused on events surrounding the default of Argentina, Cirio and

Parmalat bonds, which had significant implications from the standpoint of social responsibility also for our Group. Investors in fact believe that banks are one of the main parties responsible for what happened.

It is obvious that events of this significance gave us and the banking industry as a whole cause to reflect on how such events could have happened. The result will be a thorough rethinking of organisational and individual tools, relationships and actions.

The issue raised does indeed centre around the ability of our structures to embrace change and the need to assess them, but most of all, it stresses that the quality of our Group and staff, our personal and professional integrity, and our openness and desire to discuss matters will ensure that harmful situations will not be repeated, especially for our customers.

The action taken in response to these events (described in greater detail on the following pages) confirms these convictions, and in particular the steps taken in the past have allowed us to be considered as a proper and trustworthy organization.

«The focus on aspects of social responsibility is essential for maintaining an environment of trust and credibility, both internally and with our customers»



In light of all these events, the focus on aspects of social responsibility in business management represents the key element for maintaining an environment of trust and credibility, both internally and with our customers. We must continually strive to improve our efforts in this area.

External events and internal maturity have confirmed the absolute importance of the professionalism and personal ethics of human resources in their relationships with savers. Despite the problems that remain in a troubled environment, the work done by the Group continues to be of high quality, and the performance of individuals is nothing short of remarkable. As our accounts demonstrate, our vision of social responsibility also has tangible results. We are on the right path, and we will follow it with the utmost determination.

Carlo Salvatori
Chairman

Alessandro Profumo
Managing Director/CEO

Introduction

Markets and society have a growing perception that the factors that allow a company to achieve long-lasting growth include a number of aspects in addition to the ability to generate profits. The focus on the development and the satisfaction of human resources, environmental protection, the safeguard of health and safety in the workplace, the guarantee of transparent and truthful communication of relevant information, and the attention paid to the needs of society as a corporate citizen have now become essential for the social legitimacy of each corporate organisation.

These aspects concern corporate values, corporate identity, the rules and procedures through which its identity emerges.

It is not just a matter of stating the values and codes of behaviour adopted, but also of providing information that will make it possible to understand how these are actually disseminated, shared and put into practice within the organisation, and especially how they are used in operations (definition of strategic guidelines, policies, goals and related action plans).

The UniCredit Group responds to this need with the annual publication of the social and environmental report, which is now in its fourth edition.

When applied at the socio-environmental level, the concept of an “annual report”, which brings to mind disclosure based on rigid accounting principles, acquires a broader meaning, best expressed by the concept of “accountability”. This method of reporting, when applied to the broad variety of issues that concern corporate interlocutors, requires a commitment to identify their requirements, gather data and information that meet these needs and provide transparent, accurate and precise communication.

In 2003, this commitment was demonstrated in several areas.

■ The area of reporting efficiency, it focused on finding a form of expression and reporting based on a clear representation of information in line with the communication strategy. As a result, the report covers the Group and its experience in four sections that describe:

- the Group: a presentation on the Group and its organisation;

- the identity: a description of the values that guide our activities, the principles of action that underly the policy of social responsibility, and a presentation of the strategic goals for 2004
- the actions: a description of operations during the year, in keeping with the obligations assumed and action principles defined.
- the measure of value: a presentation of the procedures we intend to use to measure and report the value created.

The need for providing greater clarity is met by including a summary of data and ratios used, compared with the best useful indicators identified by guidelines of the main reference standards and tables (criteria defined by the Italian Banking Association and international guidelines of the Global Reporting Initiative, 2002 edition).

■ In the area of involvement and dialogue with stakeholders, efforts were continued with a focus on analysing, identifying and managing the needs of the main corporate interlocutors by taking several significant steps (customer projects, spending a week in branches, transparent contracts, people satisfaction and local committees). These activities fall under

the process of managing relationships with stakeholders. This process attaches a broader meaning to reporting and sees it as a tool for governance, self-regulation and management of good corporate citizenship.

■ In the area of broader scope of reporting a project was launched for defining the methods and tools for the systematic gathering of data and information for all Group banks and companies. This will make it possible to broaden the scope of the report, which until now has been restricted (given the continual evolution of the organisational model) by the availability of complete data, which we intend to gather in a more structured form through the creation of a “tableau de bord”.

■ In the area of measuring value a model for measuring UniCredit’s intangible assets (human, organisational and relationship assets) is being researched and defined. These are those intangible assets that contribute significantly to the generation of value and economic growth. Thus, the social and environmental report aims to cast light on, communicate and disseminate, those aspects that are not found in traditional annual reports.

Indicators view

This table provides the information, which, in our opinion, should be included in the Social and Environmental Report. At present, not all items are fully covered in the document. Thus, this table will make it possible, through a year-to-year comparison, to show our path towards consolidated social and environmental reporting. The table also lists all the data and information contained in the report with an indication, where in-depth information on various topics can be found within the document.

LEGEND	●	TOTAL COVERAGE OF REFERENCE AREA	○	INFORMATION NOT AVAILABLE IN DOCUMENT	
	◐	PARTIAL COVERAGE OF REFERENCE AREA	QL	QUALITATIVE INFORMATION	QN

	TOPICS	INFORMATION/DATA	COVERAGE	TYPE	PAGE	NOTES	
GENERAL	VISION AND STRATEGIES	LETTER OF MANAGING DIRECTOR/CEO AND CHAIRMAN	●	QL	4 - 5		
		MISSION	●	QL	31		
		VALUES	●	QL	31		
		STRATEGIC DIRECTION OF SOCIAL RESPONSABILITY	●	QL	32 - 33		
		SOCIAL RESPONSABILITY POLICIES	◐	QL	34 - 35		
		ORGANISATION FOR SOCIAL RESPONSABILITY	○				
	PROFILE	HISTORY	●	QL	12		
		ORGANISATIONAL MODEL	●	QL	12 - 17		
		BOARD OF DIRECTORS, BOARD OF AUDITORS	●	QL	22 - 23		
	CORPORATE GOVERNANCE	COMPOSITION AND OPERATION OF BOARD OF DIRECTORS AND BOARD OF AUDITORS	●	QL	24 - 26		
		POWERS DELEGATED TO DIRECTORS	●	QL	27		
	SUPPLEMENTAL INFORMATION	CODE OF CONDUCT	○			IN PROGRESS	
		CONTACTS	●	QL	102		
METHODOLOGICAL ELEMENTS		●	QL	6 - 7			
REFERENCE STANDARD		●	QL	7			
SOCIAL AREA	EMPLOYEES PROFILE	TOTAL EMPLOYEES	●	QN	46		
		COMPOSITION OF STAFF BY CATEGORY	●	QN	47 - 48		
		LOCATION OF EMPLOYEES	●	QN	18 - 20		
		DEGREE	●	QN	53		
		BREAKDOWN BY AGE CATEGORY	●	QN	53		
		COMPENSATION	◐	QN	55		
		STOCK GRANT	●	QN	55		
		STOCK OPTION	●	QN	55		
		CORPORATE SERVICES	◐	QL	55		
		EMPLOYEE SATISFACTION INDEX	○			IN PROGRESS	
		INVOLVEMENT SYSTEMS	◐	QL - QN	48 - 52		
		ASSESSMENT, COMPENSATION AND INCENTIVE SYSTEMS	●	QL - QN	54 - 56		
		INCENTIVES ORIENTED TOWARDS SOCIAL RESPONSIBILITY	○				
		TURNOVER	○				
	TRAINING	HIRES - REDUCTIONS	◐	QN	47		
		CONTRACTUAL HIRING FORMS	●	QL	46		
		HOURS OF TRAINING	●	QN	54		
		TRAINING PROGRAMMES	●	QL	52 - 54		
		EQUAL OPPORTUNITY	RATIO OF MEN TO WOMEN	●	QN	46	
			PART TIME VS. FULL TIME	●	QN	46	
			PROTECTED CATEGORIES	◐	QN	46	
		INDUSTRIAL RELATIONS	COMPOSITION OF SENIOR MANAGEMENT	●	QN	48	
			RATE OF UNION PARTICIPATION	●	QN	56	
			NEGOTIATING POLICIES AND PROCEDURES	○			
	HEALTH AND SAFETY	EMPLOYEE DISPUTES	○				
		SAFETY MANAGEMENT	●	QL	56		
		NO. OF ACCIDENTS	●	QN	57		
	INTERNAL COMMUNICATIONS	ABSENTEE DAYS DUE TO ILLNESS	◐	QN	56		
		COMMUNICATION TOOLS	◐	QL	48 - 49		
		NO. OF VISITS TO PORTAL	●	QN	48		
SECURITY		ACTIVITY	◐	QL	57		
	NO. OF ROBBERIES	◐	QN	57			
SOCIETY ACTION POLICIES CONTRIBUTIONS INVOLVEMENT	GUIDELINES FOR ASSESSING SOCIAL IMPACT	○			IN PROGRESS		
	AMOUNT	●	QN	73, 82			
	GROUP	●	QL - QN	73 - 75, 79			

	TOPICS	INFORMATION / DATA	COVERAGE	TYPE	PAGE	NOTES	
SOCIAL AREA	INVOLVEMENT	FOUNDATION	●	QL - QN	76 - 78		
		RELATIONSHIPS WITH LOCAL AREA	●	QL	60		
	ADDED VALUE	MANAGEMENT METHODS	●	QL	60		
		ACTIVITY	●	QL - QN	61 - 62		
	CUSTOMERS	REPRESENTATIVES INVOLVED	●	QL	61		
		PROFILE	●	QN	82		
	INVESTORS	INFORMATION ON CAPITAL REMUNERATION-RISK	CALCULATION AND DISTRIBUTION	●	QN	82	
			NO. OF CUSTOMERS	○			
			NO. OF CUSTOMERS BY DIVISION	○			
			NO. OF INTERNET BANKING CUSTOMERS	○			
			GEOGRAPHIC LOCATION	○			
			SATISFACTION INDEX	⦿	QN	38, 91	
			COMPLAINT MANAGEMENT	⦿	QL	44	
			NO. OF COMPLAINTS RECEIVED	⦿	QN	44	
			TYPE OF COMPLAINTS RECEIVED	⦿	QL	44	
			AMOUNT PER PAID COMPLAINT	⦿	QN	44	
	POLICIES	CREDIT POLICIES BY TYPE OF ACTION	●	QL	68 - 69		
			RESPONSIBLE LENDING	●	QL	69 - 72	
	OUTSIDE COMMUNICATIONS SECURITY	PRODUCTS AND TOOLS	○				
		TREATMENT OF "SENSITIVE DATA"	⦿	QL	44 - 45		
	SUPPLIERS	PROFILE	COMPOSITION OF CAPITAL STOCK	●	QN	59	
			STOCK PERFORMANCE	●	QN	59	
RISK LEVEL OF STOCK			●	QN	96		
TYPES			⦿	QL	58 - 59		
NUMBER			⦿	QN	59		
PERFORMANCE	SELECTION POLICIES	TYPE	○				
		NUMBER	○				
		SATISFACTION	○				
ENVIRONMENTAL AREA	MANAGEMENT	SELECTION POLICIES	⦿	QL	72		
		NO. SELECTED	⦿	QN	72		
		DIRECT ASPECTS	POLICY	●	QL	64	
			METHOD	⦿	QL	65	
			ENVIRONMENTAL AUDITS	⦿	QN	65	
			POWER CONSUMPTION	⦿	QN	66	
			WATER USAGE	⦿	QN	66	
			WASTE PRODUCED	⦿	QN	68	
			RAW MATERIALS USED	⦿	QN	68	
			CO ₂ EMISSIONS	⦿	QN	67	
MOBILITY MANAGEMENT POLICIES	○						
INDIRECT ASPECTS	CREDIT POLICIES		●	QL	68		
	LOAN RISKS	⦿	QL	69			
	FINANCIAL SERVICES AND TOOLS	⦿	QL	69 - 72			
	CREATING AWARENESS AMONG SUPPLIERS	⦿	QL	72			
	SELECTION OF SUPPLIERS	⦿	QL - QN	72			
TRAINING	TRAINING PROGRAMMES	⦿	QL	68			
	HOURS OF TRAINING	⦿	QN	68			
ECONOMIC AREA	ECONOMIC AND ASSETS DATA	BALANCE SHEET	●	QN	83		
		INCOME STATEMENT	●	QN	84		
		DISTRIBUTION OF GROSS GLOBAL VALUE ADDED	●	QN	85		
		ANNUAL COMPOSITE REVENUE GROWTH	●	QN	85 - 86		
		COST/INCOME RATIO	●	QN	93		
	FINANCIAL DATA	RETURN ON EQUITY	●	QN	93		
		MARKET CAPITALISATION	●	QN	93		
		VALUE CREATION	●	QL - QN	92 - 93		
		RISK REMUNERATION	●	QL - QN	92 - 93		





The Group

ORGANISATION

CORPORATE GOVERNANCE

Organisation

The UniCredit Group was formed in 1998 in Italy through a combination of Credito Italiano and Rolo Banca 1473 with Cassa di Risparmio di Torino, Cassamarca and Cariverona. In 1999 Cassa di Risparmio di Trento e Rovereto and Cassa di Risparmio di Trieste joined the Group.

Between 1999 and 2000 the Group embarked on a strategy to penetrate markets in the New Europe: a controlling interest was acquired in Bank Pekao (the largest private bank in Poland), in the Slovakian Polnobanka (currently UniBanka), in Bulbank (the largest bank in Bulgaria), in Demirbank Romania (currently UniCredit Romania) and in the Croatian banks Zagrebacka Banka and Splitska Banka (sold to Bank Austria in 2002).

In addition, in 2000, the companies operating in the asset management sector were acquired from the Pioneer Group in Boston to form Pioneer Global Asset Management.

At the end of 2001, S3 project was launched for the structural and functional reorganisation of the Group's seven Italian banks already mentioned based on a business model that led to the establishment, at the beginning of 2003, of three new banks specialised by customer segment:

■ UniCredit Banca, targeting households and small businesses (retail segment);

■ UniCredit Banca d'Impresa, specialising in the distribution of financial products for medium and large companies and for government agencies (corporate segment);

■ UniCredit Private Banking, specialising in wealth management for high net-worth individuals and wealth management for medium to high net-worth households (the private segment).

In 2002 the Group's expansion in Europe continued with the signing of an agreement with the Koç Group (one of the largest private groups in Turkey) for an equal partnership in banking and financial services. In 2003, Zivnostenska Banka, one of the largest commercial banks in the Czech Republic, was acquired.

Nowaday, UniCredit is a multi-specialist, international banking group that operates in Italy and Central and Eastern European countries through an operating network of banks, finance companies and other service companies. It also has a presence in other parts of the world through an international network consisting of 7 branches and 11 representative offices.

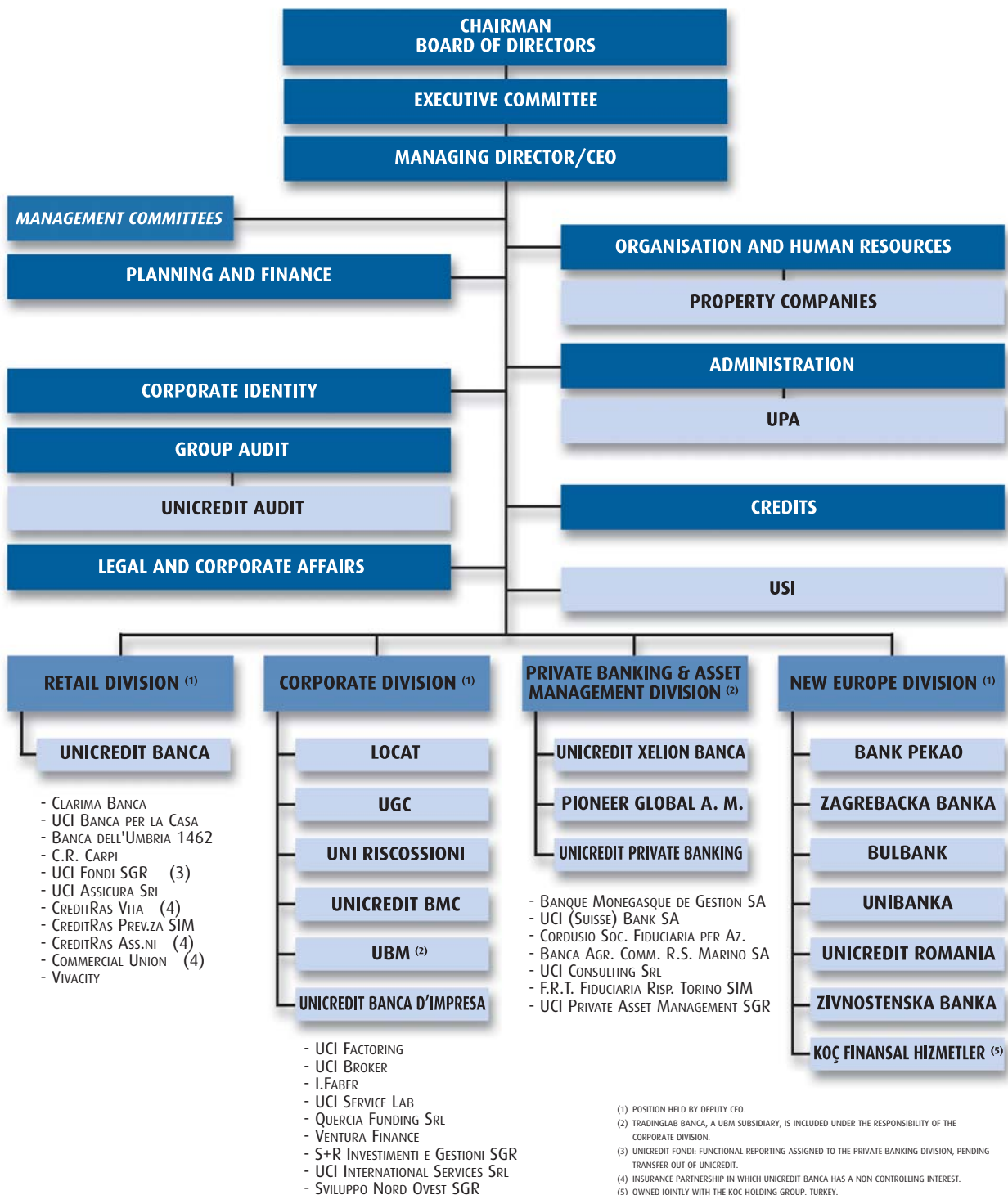
The Group is divided into the following divisions:

- Retail Division;
- Corporate Division;
- Private Banking and Asset Management Division;
- New Europe Division.

This structure reflects the adoption of the S3 Project and aims to take full advantage of benefits derived from the centralised administration of individual customer segments and growth opportunities offered by the market through leveraging specialised skills available to customers and through a strong presence in local areas.

The centralised administration of operations is assigned to the Parent Company, UniCredito Italiano SpA, which maintains the responsibility for maximising the Group's overall value through the strategic planning and control of the Divisions' activities, the management of profit centres under their responsibility, and the provision of common services which are not structured as dedicated companies.

STRUCTURE OF GENERAL MANAGEMENT AND DIVISIONS



Organisation

BUSINESS DIVISIONS

Retail Division

The Division includes UniCredit Banca and UniCredit Banca and its subsidiaries, especially Clarima Banca and UniCredit Banca per la Casa. The Division also includes all insurance companies in which UniCredito has significant equity investments, and which are instrumental in the distribution of specific products.

Corporate Division

The Division includes UniCredit Banca d'Impresa as well as UniCredit Banca Mobiliare, TradingLab Banca, Locat, UniCredit Banca MedioCredito, UniCredito Gestione Crediti, Uniriscossioni. The Division also includes UniCredit Factoring, UniCredit Broker, I-Faber and the other equity investments allocated to UniCredit Banca d'Impresa. The foreign branch network, Correspondent Banking, Custodian Banking Services and institutional customer relationships also fall under the Corporate Division.

Private Banking and Asset Management Division

The Private Banking and Asset Management Division is made up of UniCredit Private Banking, the sub-holding company Pioneer Global Asset Management and UniCredit Xelion Banca. The Division also includes the Group's foreign offices specialising in private banking, Cordusio Fiduciaria Company and other subsidiaries allocated to UniCredit Private Banking.

New Europe Division

The New Europe Division concentrates on the planning and co-ordination of the Group's banks in Central and Eastern Europe. It is in charge of promoting and managing the Retail and Corporate banking operations in these foreign markets with the goal of maximising the Group's value and becoming the leading Banking Group in New Europe. The Division also supports banks in the preparation of strategic and operating plans; in management controls; the implementation of excellent methods, processes and loan management, together with Credits Department; and the implementation of projects involving organisational changes and the development of information systems.

HEAD OFFICE DEPARTMENTS

Legal and Corporate Affairs

Legal and Corporate Affairs is responsible for ensuring accurate legal and corporate compliance, reviewing changes in regulations and providing standard interpretation at the Group level. This unit has the task of identifying the best corporate method for implementing acquisition and Group restructuring projects, the ongoing review of legal changes, preparation of legal opinions, drafting of intra-group service contracts and general legal consulting services.

Group Audit

Group Audit is responsible for contributing to the protection of Group assets and corporate stability by providing a "reasonable guarantee" that the organisation can achieve its objectives in an efficient manner. The unit is charged with assessing the functionality of the entire internal control system at Group level, the effectiveness and efficiency of operating processes, and with monitoring the correctness of operations and their compliance with laws, regulations and the Parent Company's plans.

Corporate Identity

Corporate Identity is responsible for formulating and disseminating a strong Group identity through brand co-ordination, the management of public and institutional relations, the management of internal communications in collaboration with Organisation and Human Resources, and public communications, the development of environmental policy, the preparation of the Social and Environmental Report, the coordination of local committees and co-ordination of dealings with the Unidea Foundation.

Credits

Credits is responsible for strategic planning in the area of credit risk management and control, overseeing the assessment of the creditworthiness of major groups, the planning and implementation of excellent processes and tools for the loan approval process, monitoring and recovery, and the management of major loan restructuring.

Administration

Administration is responsible for managing the Group's centralised acquisition processes, optimising operating expenses, accounting and tax compliance, making reports for regulators, compliance in the area of the Group's equity investments and overseeing operating risks. Administration includes the Group's centralised production company (UniCredit Produzioni Accentrate).

Planning and Finance

Planning and Finance is responsible for Asset and Liability Management, the management of the Group's Treasury, planning activities and oversight of the holding company. Planning and Finance is also responsible for co-ordinating planning at Group level, Investor Relations, Mergers and Acquisitions, the management of market risk, the consolidation of overall risk and the related process of capital allocation.

Human Resources and Organisation

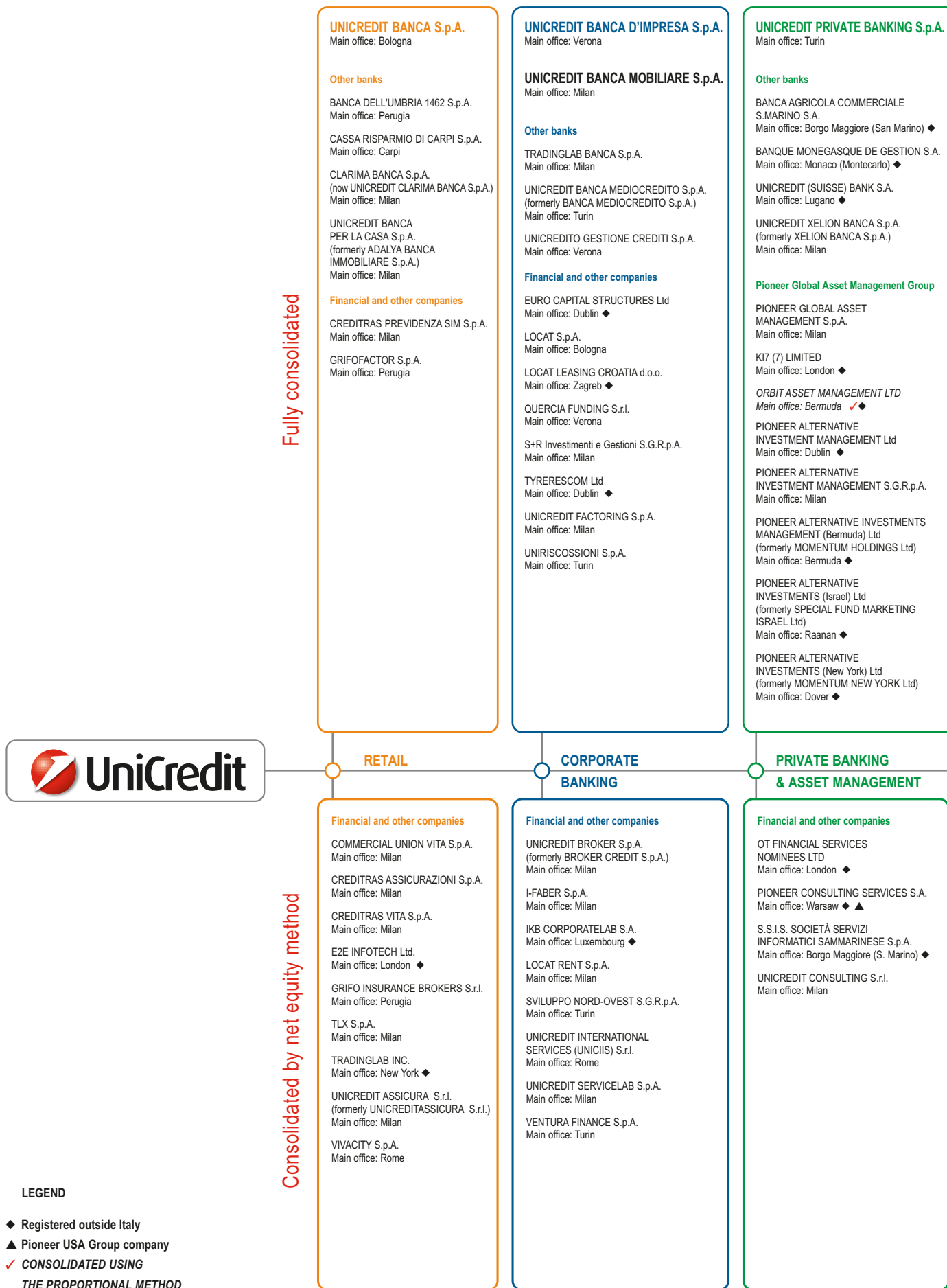
Human Resources and Organisation is responsible for supporting the Group's strategic and organisational development and optimising the human capital of the Parent Company and individual entities by providing the capacity to recruit, keep and developing high quality human resources and ensuring the close,

consistent management of payroll costs. Human Resources and Organisation provides the entire Group with an appropriate organisational structure, development and management policies for human resources, the optimal management and development of key employees and individuals with high potential, and the management of industrial relations in Italy and questions of labour law.

Human Resources and Organisation is also responsible for co-ordinating the Group's reorganisation projects, overseeing Group processes with a high degree of inter-business activity and Parent Company processes, overseeing the quality of growth in order to ensure that the Group's operating model evolves in keeping with providing quality service to customers, managing physical security at Group level and maintaining property assets (through the functional co-ordination of the Group's property companies).



Organisation



PIONEER ALTERNATIVE INVESTMENTS (UK) Ltd (formerly MOMENTUM UK Ltd)
Main office: London ◆

PIONEER ASSET MANAGEMENT S.A. (formerly PIONEER INSTITUTIONAL INVESTMENT MANAGEMENT S.A.)
Main office: Luxembourg ◆

PIONEER CZECH FINANCIAL COMPANY Sro
Main office: Prague ◆

PIONEER CZECH INVESTMENT COMPANY A.S.
Main office: Prague ◆

PIONEER FONDS MARKETING GMBH
Main office: Munich ◆

PIONEER GLOBAL FUNDS DISTRIBUTOR Ltd
Main office: Hamilton ◆

PIONEER GLOBAL INVESTMENTS Ltd
Main office: Dublin ◆

PIONEER GLOBAL INVESTMENTS (Australia) (PTY) Ltd (formerly MOMENTUM AUSTRALIA (Pty) Ltd)
Main office: Melbourne ◆

PIONEER GLOBAL INVESTMENTS (HK) Ltd (formerly MOMENTUM ASIA (Hong Kong) Ltd)
Main office: Hong Kong ◆

PIONEER INVESTMENT MANAGEMENT Ltd
Main office: Dublin ◆

PIONEER INVESTMENT MANAGEMENT S.G.R. p.A.
Main office: Milan

PIONEER INVESTMENT MANAGEMENT USA Inc.
Main office: Delaware ◆

PIONEER PEKAO INVESTMENT MANAGEMENT S.A.
Main office: Warsaw ◆

PIONEER PEKAO TFI S.A.
Main office: Warsaw ◆

Pioneer USA Group ◆

PIONEER FUNDS DISTRIBUTOR Inc.
Main office: Boston

PIONEER INVESTMENT MANAGEMENT Inc.
Main office: Wilmington

PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES Inc.
Main office: Boston

Financial and other companies

BAC FIDUCIARIA S.p.A.
Main office: Dogana Repubblica di San Marino ◆

CORDUSIO Società Fiduciaria per Azioni
Main office: Milan

F.R.T. FIDUCIARIA RISPARMIO TORINO SIM S.p.A.
Main office: Turin

UNICREDIT PRIVATE ASSET MANAGEMENT S.G.R.p.A. (formerly ROLO PIONEER S.G.R.p.A.)
Main office: Bologna

Pekao Group ◆

BANK PEKAO S.A.
Main office: Warsaw

BANK PEKAO (UKRAINA) Ltd
Main office: Luck

CDM PEKAO S.A.
Main office: Warsaw

DRUKBANK Sp.zo.o.
Main office: Zamosc

LEASING FABRYCZNY Sp.zo.o.
Main office: Lublin

PEKAO FAKTORING Sp.zo.o.
Main office: Lublin

PEKAO FUNDUSZ KAPITALOWY Sp.zo.o. - Main office: Lodz

PEKAO LEASING Sp.zo.o.
Main office: Warsaw

PEKAO PIONEER PTE S.A.
Main office: Warsaw

Zagrebacka Group ◆

ZAGREBACKA BANKA D.D.
Main office: Zagreb

POMINVEST D.D. - Main office: Split

PRVA STAMBENA STEDIONICA D.D.
Main office: Zagreb

UNIVERSAL BANKA D.D.
Main office: Sarajevo

VARAZDINSKA BANKA D.D.
Main office: Varazdin

ZAGREBACKA BANKA BH D.D.
Main office: Mostar

ZAGREB NEKRETNINE D.O.O.
Main office: Zagreb

ZB INVEST D.O.O.
Main office: Zagreb

Koç Financial Services Group ◆

KOÇ FINANSAL HIZMETLER A.S.
Main office: Istanbul ✓

KOÇBANK A.S. - Main office: Istanbul ✓

KOÇBANK (AZERBAIJAN) LTD
Main office: Baku ✓

KOÇBANK NEDERLAND N.V.
Main office: Amsterdam ✓

KOÇFAKTOR - KOÇ FAKTORING HIZMETLERİ A.S.
Main office: Istanbul ✓

KOÇLEASE - KOÇ FINANSAL KIRALAMA A.S.
Main office: Istanbul ✓

KOÇ PORTFOY YONETİMİ A.S.
Main office: Istanbul ✓

KOÇ YATIRIM MENKUL DEĞERLER A.S.
Main office: Istanbul ✓

Other banks ◆

BULBANK A.D.
Main office: Sofia

UNIBANKA A.S.
Main office: Bratislava

UNICREDIT ROMANIA S.A.
Main office: Bucharest

ZIVNOSTENSKA BANKA A.S.
Main office: Prague

Financial companies ◆

DEMIR ROMLEASE S.A. (now UNICREDIT LEASING ROMANIA S.A.)
Main office: Bucharest

DEMIR SECURITIES ROMANIA S.A.
Main office: Bucharest

XELION DORADCY FINANSOWI Sp.zo.o. (formerly PEKAO INFORMATYKA Sp.zo.o.)
Main office: Lodz

ZB ASSET MANAGEMENT A.S.
Main office: Prague

ZB TRUST INVESTICNI SPOLECNOST A.S.
Main office: Prague

Banks

UNICREDITO ITALIANO BANK (IRELAND) Plc - Main office: Dublin ◆

Financial and other companies

CARIVERONA IRELAND Plc - Main office: Dublin ◆

C.R. TRIESTE IRELAND Ltd - Main office: Dublin ◆

FIDA SIM S.p.A. - Main office: Turin

ING SVILUPPO FINANZIARIA S.p.A. (now SVILUPPO FINANZIARIA S.p.A.) - Main office: Milan

ING INVESTMENT MANAGEMENT ITALIA S.g.r. S.p.A. (now PIXEL INVESTMENT MANAGEMENT S.G.R.p.A.) - Main office: Milan

ING SVILUPPO FIDUCIARIA SIM S.p.A. (now SVILUPPO FIDUCIARIA SIM S.p.A.)
Main office: Milan

ING SVILUPPO INVESTIMENTI SIM S.p.A. (now SVILUPPO INVESTIMENTI SIM S.p.A.)
Main office: Milan

UNICREDIT DELAWARE Inc. - Main office: Dover ◆

UNICREDITO ITALIANO - CAPITAL TRUST I - Main office: Newark ◆

UNICREDITO ITALIANO - CAPITAL TRUST II - Main office: Newark ◆

UNICREDITO ITALIANO - FUNDING LLC I - Main office: Dover ◆

UNICREDITO ITALIANO - FUNDING LLC II - Main office: Dover ◆

Ancillary companies

CORDUSIO IMMOBILIARE S.p.A.
Main office: Milan

QUERCIA SOFTWARE S.p.A. - Main office: Verona

TRIVIMM S.r.l. - Main office: Verona

UNICREDIT AUDIT S.p.A. - Main office: Milan

UNICREDIT PRODUZIONI ACCENTRATE S.p.A. - Main office: Milan

UNICREDIT REAL ESTATE S.p.A.
Main office: Milan

UNICREDIT SERVIZI INFORMATIVI S.p.A.
Main office: Milan

NEW EUROPE

Pekao Group ◆

ANICA SYSTEM S.A.
Main office: Lublin

BDK CONSULTING Ltd
Main office: Luck

CENTRAL POLAND FUND LLC
Main office: Wilmington

CENTRUM KART S.A.
Main office: Warsaw

FABRYKA MASZYN Sp.zo.o.
Main office: Janov Lubelski

FABRYKA SPRZETU OKRETOWEGO "MEBLOMOR" S.A.
Main office: Czarnkow

GRUPA INWESTYCYJNA NYWING S.A.
Main office: Warsaw

HOTEL JAN III SOBIESKI Sp.zo.o.
Main office: Warsaw

JUPITER NFI S.A.
Main office: Warsaw

KRAJOWA IZBA ROZLICZENIOWAS.A.
Main office: Warsaw

MASTERS S.A.
Main office: Legnica

PEKAO ACCESS Sp.zo.o.
Main office: Warsaw

PEKAO DEVELOPMENT Sp.zo.o.
Main office: Warsaw

PEKAO FINANCIAL SERVICES Sp.zo.o.
Main office: Warsaw

POLONIT Sp.zo.o.
Main office: Lodz

TOMTEX S.A.
Main office: Tomaszów Mazowiecki

TRINITY MANAGEMENT Sp.zo.o.
Main office: Warsaw

ZASLAW ZPIN Sp.zo.o.
Main office: Zagorz

Zagrebacka Group ◆

ALLIANZ ZAGREB DIONICKO DRUSTVO ZA OSIGURANJE
Main office: Zagreb

ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE DOBROVOLJNIM MIROVINSKIM FONDOM
Main office: Zagreb

ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJE OBVEZNIM MIROVINSKIM FONDOM
Main office: Zagreb

CENTAR GRADSKI PODRUM D.O.O.
Main office: Zagreb

CENTAR KAPTOL D.O.O.
Main office: Zagreb

ISTRATURIST UMAG HOTELIJERSTVO I TURIZAM D.D.
Main office: Umag

LIPA D.D.
Main office: Novi Marof

MARKETING ZAGREBACKE BANKE D.O.O.
Main office: Zagreb

ZABA TURIZAM D.O.O.
Main office: Zagreb

ZANE BH D.O.O.
Main office: Sarajevo

UPI POSLOVNI SISTEM D.O.O.
Main office: Sarajevo

Financial and other companies ◆

AGROCONS CENTRUM A.S.
Main office: Bratislava

KOÇ ASSET MANAGEMENT S.A.
Main office: Geneva

ZIVNOSTENSKA FINANCE B.V.
Main office: Amsterdam

OTHER COMPANIES

Banks

BANCA C.R. SAVIGLIANO S.p.A.
Main office: Savigliano

CASSA DI RISPARMIO DI BRA S.p.A.
Main office: Bra

CASSA DI RISPARMIO DI FOSSANO S.p.A.
Main office: Fossano

CASSA DI RISPARMIO DI SALUZZO S.p.A.
Main office: Saluzzo

CASSA DI RISPARMIO DI SALUZZO S.p.A.
Main office: Saluzzo

Financial and other companies

CONSORZIO CA.RI.CE.SE.
Main office: Bologna

FIDIA S.G.R. S.p.A.
Main office: Milan

LISEURO S.p.A.
Main office: Udine

IMMOBILIARE LOMBARDA S.p.A.
Main office: Milan

ING AGENZIA ASSICURATIVA S.p.A. (now XAA AGENZIA ASSICURATIVA S.p.A.)
Main office: Milan

ING EMPLOYEE BENEFITS S.p.A. (now EMPLOYEE BENEFITS S.p.A.)
Main office: Milan

ON INVESTMENT SERVICES S.r.l.
Main office: Milan

SELEZIONE TERZA S.r.l.
Main office: Milan

S.F.E.T. S.p.A. Società Friulana Esazione Tributi
Main office: Udine

SYNESIS FINANZIARIA S.p.A.
Main office: Turin

S.T.T. S.p.A.
Main office: Verona

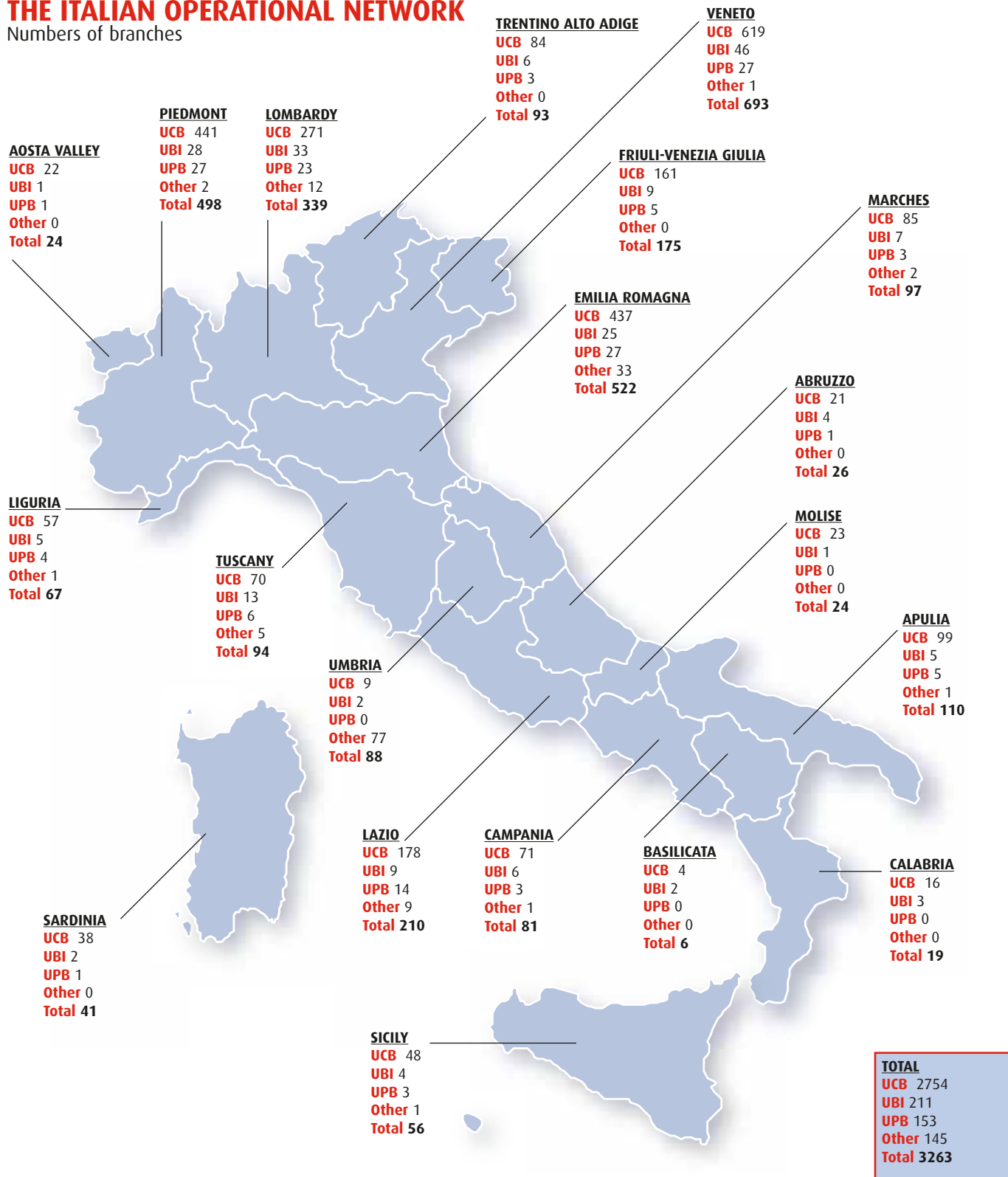
UNICREDIT ENERGIA S.c.r.l.
Main office: Milan

UNI IT S.r.l.
Main office: Trento

Organisation

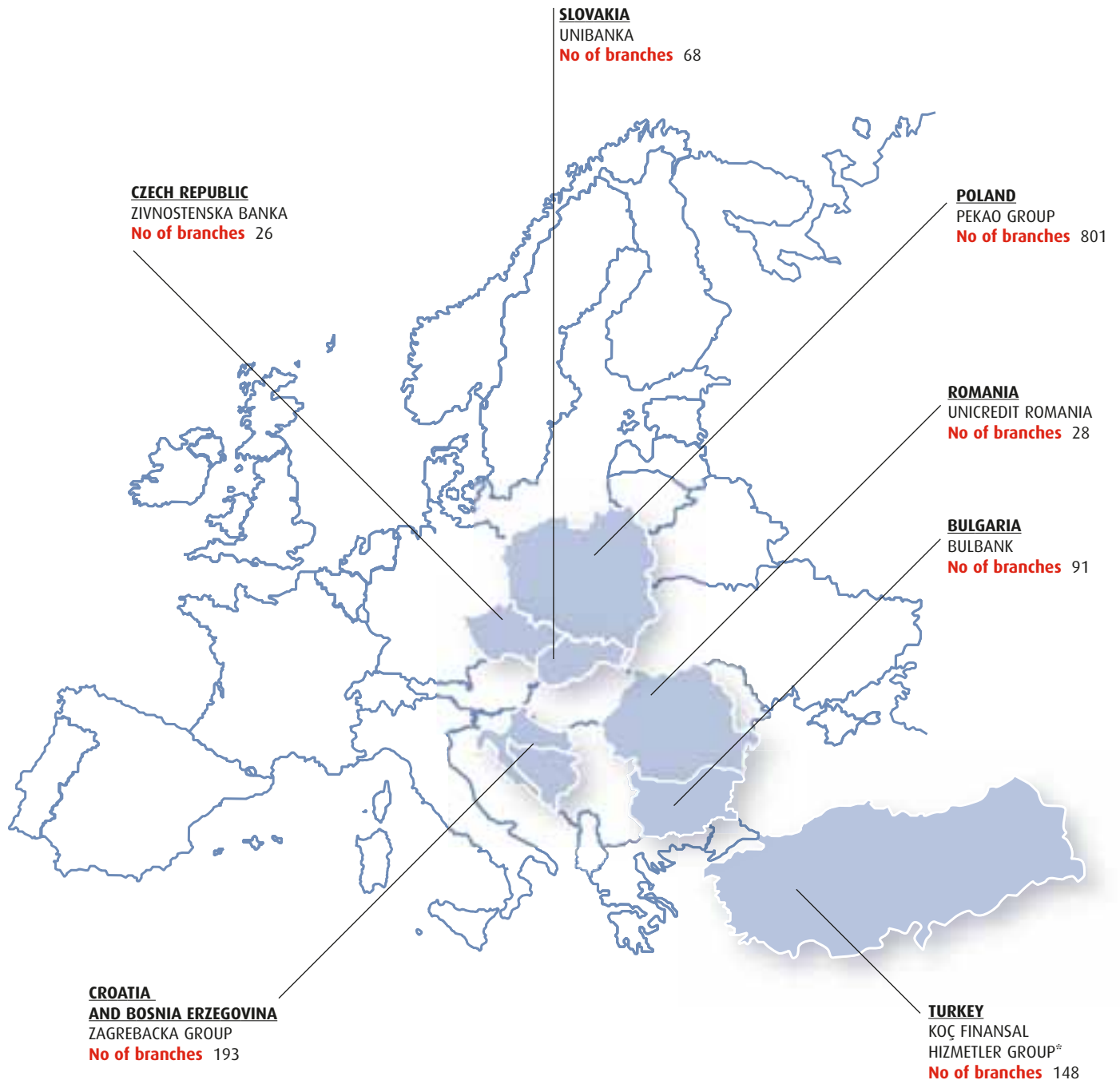
THE ITALIAN OPERATIONAL NETWORK

Numbers of branches



LEGEND	UCB	UniCredit Banca	UBI	UniCredit Banca d'Impresa	UPB	UniCredit Private Banking	Other	Other
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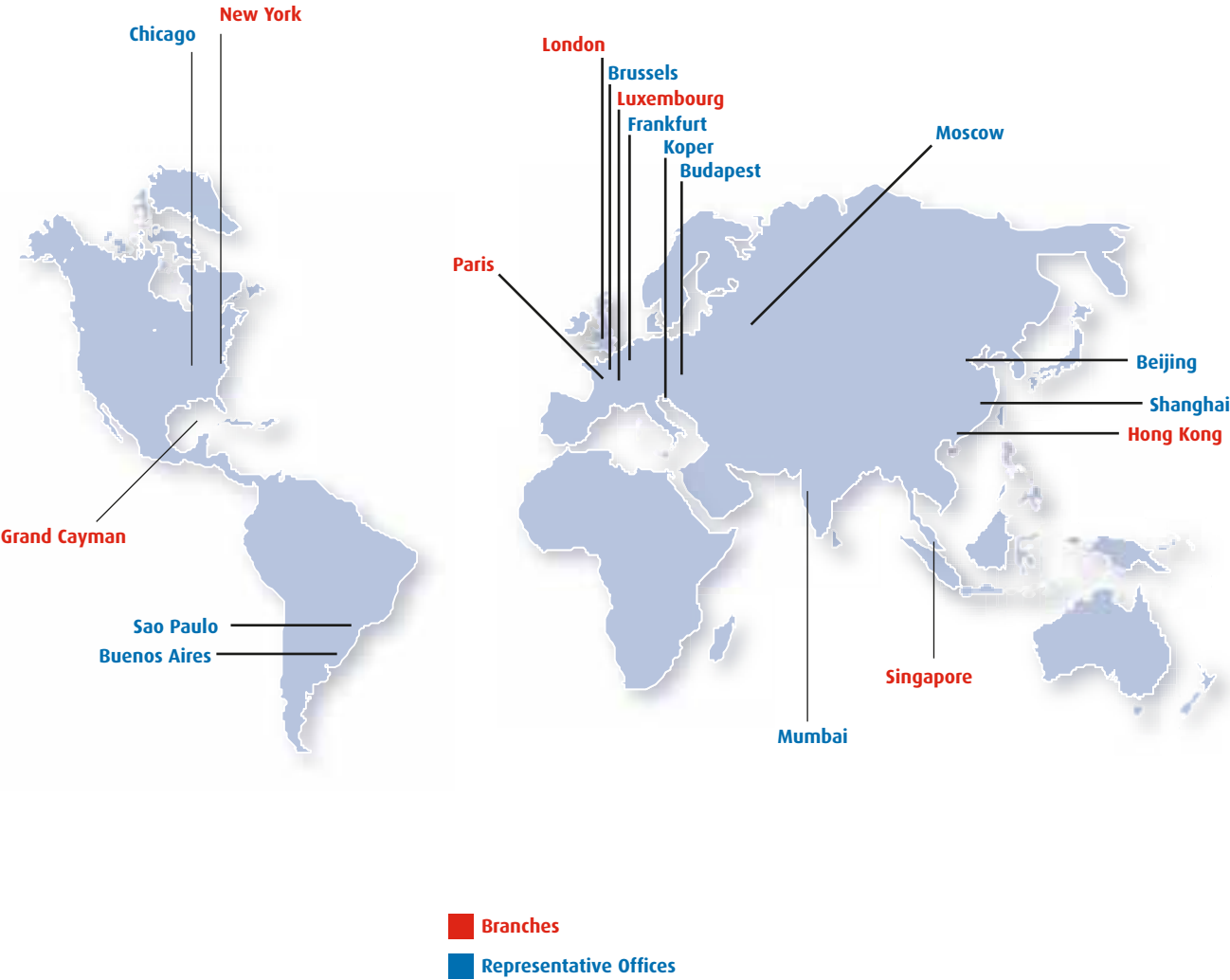
NEW EUROPE BRANCH NETWORK



* FOR THE PURPOSES OF CONSOLIDATED ACCOUNTS, 50% OF THE FIGURE IS USED.

Organisation

INTERNATIONAL NETWORK



UniCredit's overall "corporate governance", which is defined as the system of rules and procedures which serves as the basis for corporate bodies to form their strategy and to fulfil their various responsibilities to their stakeholders, was defined in keeping with current regulations and related recommendations issued by the Italian stock exchange. The Group accordingly adopted a code of conduct for intermediaries that provide investment services. This code complies with the code of conduct for the banking and financial sector prepared by the Italian Banking Association and with the code of conduct of listed companies that are aimed at ensuring market transparency. It also prepared a code of conduct for internal dealings with the goal of monitoring financial transactions carried out by individuals that hold significant positions in the Group. Against this backdrop, an internal debate is taking place at all company levels, which will lead to the drafting of a new code of conduct for the Group. The idea is to have a code that reflects a progressive awareness of

the link between duties and consequences (considering the multiple cultures that are part of the Group and encouraging them to share common principles). The effectiveness of this code will be commensurate with the extent of the involvement of those that are called upon to apply it.

In a more general sense, we are aware that an appropriate "expanded" governance system must support the obligations of social responsibility with respect to a large number of entities with which the company comes into contact. Reconsidering the definition of corporate governance means going beyond the debate over the regulation of relationships between management and shareholders to consider all relationships with stakeholders (including the identification of mechanisms and tools to manage potential conflicts within corporate structures and processes) in the context of the new rule-based culture, and in support of an equally new market culture.



Corporate Governance

Board of Directors, Board of Auditors

Board of Directors as at 31 December 2003

CHAIRMAN	Carlo Salvatori*
DEPUTY CHAIRMEN	Eugenio Caponi * (with vicarious duties) Franco Bellei * Fabrizio Palenzona *
MANAGING DIRECTOR/CEO	Alessandro Profumo **
DIRECTORS	Roberto Bertazzoni ** Vincenzo Calandra Buonaura Mario Cattaneo Philippe Citerne Ambrogio Dalla Rovere Giovanni Desiderio Guidalberto di Canossa Francesco Giacomini ** Piero Gnudi Mario Greco ** Achille Maramotti Gianfranco Negri-Clementi Carlo Pesenti ** Giovanni Vaccarino Anthony Wyand
COMPANY SECRETARY	Marco Fantazzini

Board of Auditors as at 31 December 2003

CHAIRMAN	Gian Luigi Francardo
STATUTORY AUDITORS	Giorgio Loli Aldo Milanese Vincenzo Nicastro Roberto Timo
ALTERNATE AUDITORS	Giuseppe Armenise Marcello Ferrari

* MEMBER OF THE CHAIRMAN'S COMMITTEE AND OF THE EXECUTIVE COMMITTEE
** EXECUTIVE COMMITTEE MEMBER

General Management

General Management as at 31 December 2003

MANAGING DIRECTOR/CEO	Alessandro Profumo
DEPUTY CEOs	Paolo Fiorentino Pietro Modiano Andrea Moneta Roberto Nicastro

Managers in charge of the main operating divisions and head office departments

RETAIL DIVISION	Roberto Nicastro
CORPORATE DIVISION	Pietro Modiano
PRIVATE BANKING AND ASSET MANAGEMENT DIVISION	Andrea Moneta
NEW EUROPE DIVISION	Paolo Fiorentino
LEGAL AND CORPORATE AFFAIRS	Maurizia Angelo Comneno
GROUP AUDIT	Franco Grosso
CORPORATE IDENTITY	Pier Luigi Celli
CREDITS	Fausto Galmarini
ADMINISTRATION	Elisabetta Magistretti
PLANNING AND FINANCE	Ranieri de Marchis
ORGANISATION AND HUMAN RESOURCES	Antonio Andrea Monari
ACCOUNTS	Franco Leccacorvi
INDUSTRIAL RELATIONS, SAFETY AT WORK	Matteo Montagna

External Auditors

PRICEWATERHOUSECOOPERS S.p.A.

Corporate Governance

BOARD OF DIRECTORS

Composition

The Board of Directors is made up of nine to twenty members with a term of three years unless another term is set at the time of the appointment.

It generally meets at least every three months and whenever the Chairman deems necessary, or when the Chairman is requested to do so by the Managing Director/CEO or at least three directors. A meeting can also be called at the request of at least two internal auditors.

This year 14 meetings were held, one of which was extraordinary. The following individuals may be invited to attend meetings without voting rights to report on specific topics: Deputy General Managers, Senior Managers and Central Co-Managers, as well as other Senior Managers of General Management.

At present, twenty members have been appointed*:

	POSITION	PLACE AND DATE OF BIRTH	DEGREE
Carlo Salvatori (*)	Chairman	Sora (Frosinone) il 7.07.1941	Economics, business and banking sciences
Alessandro Profumo (**)	Managing Director/CEO	Genoa, 17.02.1957	Business management
Eugenio Caponi (*)	Deputy Chairman (Vicarious)	Florence, 8.03.1936	Law
Franco Bellei(**)	Deputy Chairman	Modena, 24.04.1944	Biological science and sociology
Fabrizio Palenzona(*)	Deputy Chairman	Novi Ligure (Alessandria), 1.09.1953	Law
Roberto Bertazzoni(**)	Director	Guastalla (Modena), 10.12.1942	Economics and business
Vincenzo Calandra Buonauro	Director	Reggio Emilia, 21.08.1946	Law
Mario Cattaneo	Director	Genoa, 24.07.1930	Economics and business
Philippe Citerne	Director	Lens Pas de Calais, 14.04.1949	Economic sciences
Ambrogio Dalla Rovere	Director	Thiene (Vicenza), 15.01.1940	Dip. Acc.
Giovanni Desiderio	Director	Bosconero (TO), 4.05.1948	Dip. Des.
Guidalberto di Canossa	Director	Verona, 31.07.1949	Political science
Francesco Giacomini(**)	Director	San Polo di Piave (TV), 2.08.1951	Law
Piero Gnudi	Director	Bologna, 17.05.1938	Economics and business
Mario Greco (**)	Director	Naples, 16.06.1959	Economics and business
Achille Maramotti	Director	Reggio Emilia, 7.01.1927	Law
Gianfranco Negri-Clementi	Director	Rome, 12.06.1931	Law
Carlo Pesenti(**)	Director	Milan, 30.03.1963	Mechanical engineering
Giovanni Vaccarino	Director	Tronzano (VC), 1.04.1941	Political science
Anthony Wyand	Director	Crowborough (UK), 24.11.1943	BA 1st Class Honours, MA King's College

* MEMBER OF THE CHAIRMAN'S COMMITTEE AND OF THE EXECUTIVE COMMITTEE

** EXECUTIVE COMMITTEE MEMBER

Within the Board, certain directors with consulting and advisory functions have been assigned specific duties related to certain areas of internal controls, appointments in the Group's corporate governance bodies, the compensation of such appointments and of senior management. In the appointment of these directors, who meet in committees, a significant role is given to non-executive directors who:

- a) do not directly, indirectly or on behalf of third parties maintain, nor have they recently maintained, business relationships with the company, its subsidiaries, executive directors, shareholders or groups of shareholders who have a level of control in the company that would affect their ability to be objective;
- b) do not directly, indirectly or on behalf of third parties own an equity interest in an amount that would allow them to exercise control or significant influence over the company, or do not participate in agreements among shareholders in order to control the company;

- c) are not close family members of executive directors of the company or individuals that find themselves in the situations indicated in paragraphs a) and b) above.

However, all directors (each of which must evaluate in advance his authority to carry out his duties diligently and effectively) must act and vote with full knowledge of the facts, objectivity and a time commitment in order to pursue the goal of creating value for shareholders, including by supervising the general performance of the company.

Function

The Board is vested with all powers of ordinary and extraordinary administration with the exception of those designated to the shareholders' meeting by law and the bylaws.

Operating in accordance with the provisions, duties and authorities

* THE FOLLOWING INDIVIDUALS ARE "INDEPENDENT" AS DEFINED IN ARTICLE 3 OF THE SELF REGULATING CONTROLS FOR LISTED COMPANIES: MESSRS. SALVATORI, BELLEI, PALENZONA, BERTAZZONI, CALANDRA BUONAURO, CATTANEO, CITERNE, DALLA ROVERE, DESIDERIO, DI CANOSSA, GIACOMINI, GNUDI, MARAMOTTI, PEsENTI, VACCARINO.

set by law and the bylaws as well as general rules indicated in the code of conduct for listed companies that are currently in effect, the Board of Directors has sole authority to:

- A) determine criteria for coordinating and administering Group companies and for implementing instructions of the Bank of Italy, and within the framework of exercising power granted to the Parent Company by legislative and regulatory provisions, to give instructions to members of the Group for the purposes noted above, and to verify that such instructions are actually carried out. Thus, the Board is responsible for:
 - A.1) determining general management guidelines for the Group's development policies in preparation for the drafting of multi-year plans and budgets, approving these and verifying that they are properly implemented;
 - A.2) approving partnership, joint venture and any collaboration agreements, including at the industry level, with related parties and other bank groups;
 - A.3) defining guidelines for internal control systems and periodically verifying the adequacy and actual operation of such systems ensuring that the main corporate risks have been identified and are properly managed; analysing periodic reports of the control systems; assessing mechanisms to control corporate and Group results and the accounting of such results;
 - A.4) defining procedures for providing information to outsiders on documents and information regarding the Parent Company and the Group, and also with regard to price sensitive information and information on transactions involving financial instruments carried out by individuals who, due to their position, have access to relevant information (internal dealing);
 - A.5) identifying criteria for determining compensation for the Group's senior management;
 - A.6) approving stock option and stock granting plans for Group personnel.
- B) examine and approve the company's strategic, industrial and financial plans and the Group's corporate structure headed by the company;
- C) oversee general operating performance with a specific focus on the status of conflicts of interest, taking into consideration, in particular, information received from the Executive Committee, Managing Director/CEO and Audit Committee, and periodically comparing actual to budgeted results;
- D) approve the acquisition and sale of equity investments, companies or divisions in amounts greater than 1% of shareholders' equity, and in any event, the acquisition and sale of equity investments that change the Group's composition;
- E) review and approve transactions with a significant operational, financial and cash-flow impact, and particularly with regard to transactions with related parties, subject to the definition of criteria for identifying them;
- F) verify the appropriateness of the organisational and administrative structure of the company and Group as prepared by the Managing Director/CEO;
- G) after reviewing the proposal of the appropriate committee and consulting with the Board of Auditors, determine the compensation of Managing Directors/CEOs and directors filling specific positions, and if not already handled by the shareholders' meeting, determine the breakdown of overall compensation due to individual members of the Board and Executive Committee;
- H) report to shareholders at shareholders' meetings.

The Board may assign, modify and revoke powers of attorney by setting their limits and the methods for exercising them, as well as the frequency with which the bodies granted powers must report to the Board on activities performed in the exercise of the powers granted.

Decisions made by the Board of Directors regarding management guidelines and the Group's main strategic initiatives are clarified by the Managing Director/CEO at meetings of Management Committees when required, with information and consulting functions in the regulation of the Group.

COMMITTEES

In order to foster an efficient information and consulting system, enabling the Board of Directors to assess more effectively certain issues under its responsibility, two committees were established, to advise and/or make limited research-based recommendations, each for its own area of responsibility.

Audit Committee

This Committee is made up of five non-executive directors, the majority of whom are independent.

The Chairman of the Board of Directors and Deputy Chairman (vicarious) are ex-officio members; if no appointment has been made for the latter, a member of the Committee is identified among the members of the Chairman's Committee. This member will automatically be removed in the event a Deputy Chairman (vicarious) is subsequently appointed and he does not fill this position. The other members must be selected based on the best skills and their willingness to fill the position.

The Committee elects among its members, other than those who participate ex officio, a Chairman and a Secretary. The latter may also be appointed from outside the Committee's membership, and prepares appropriate minutes for each meeting.

Corporate Governance

The committee has investigatory, consulting and advisory duties. In particular, the audit committee:

- A) assists the Board of Directors in determining guidelines for internal control systems and the periodic verification of their appropriateness and actual operation, and in the activities performed by the Board of Directors to ensure that the main corporate risks have been identified and are managed appropriately; it also analyses periodic reports on control systems;
- B) assesses the work plan prepared by those in charge of risk management controls and audit activities, from whom it receives periodic reports;
- C) together with the company's administrative managers and auditors, it assesses the appropriateness of the accounting principles used and their consistency for the purposes of preparing consolidated accounts;
- D) assesses criteria proposed by the branches for the selection of the auditing firm (or "the Group's auditing firms") and the assessment of the work performed by it (or "by them"), and reviews the status of relationships with auditing firms, including in consideration of any consulting duties assigned to them by the Parent Company and Group companies;
- E) reviews the process for assembling quarterly and half-year reports and the annual accounts on the basis of reports prepared by those in charge of this function;
- F) reviews the processes for assembling accounts, including consolidated accounts, prepared by sub-holding companies for the purposes of preparing a single set of accounts and the consolidated accounts for UniCredito Italiano on the basis of reports prepared by those in charge of this function and meetings with representatives of sub-holding companies;
- G) assesses any observations made in audit reports of the internal audit units of UniCredito and sub-holding companies, which were received through UniCredito Italiano's Audit Department or from Boards of Auditors or investigations and/or reviews of third parties.

This Committee may be consulted to assess transactions with related parties and transactions in which there may be a direct or indirect conflict of interest, when directed to do so by the Board of Directors.

In addition, the Audit Committee reports at least semi-annually to the Board of Directors on the occasion of the approval of accounts and the half-year report, regarding activities performed, the appropriateness of internal controls, and the status of the relationship with the auditing firm.

The Chairman of the Board of Auditors, or another internal auditor designated by the Chairman of the Board of Auditors, participates in the work of the Audit Committee.

The Managing Director/CEO, Accounting Manager, Group Audit Manager and other members of the Parent Company's senior management may be asked to participate in meetings of the Committee, including separately, based on the specific issues covered.

These individuals may always submit topics and questions for the Committee's review, for which they feel an investigation would be useful for subsequent reports to the board.

The Committee is responsible for establishing appropriate relationships with the Board of Auditors to perform those activities deemed to be common to the two bodies in compliance with their specific powers.

Compensation and Nominating Committee

This committee is made up of six members including, by law, the Chairman of the Board of Directors, Deputy Chairmen and the Managing Director/CEO. If there is no Deputy Chairman in office, members of the Chairman's Committee are members by law, in addition to the Chairman and Managing Director/CEO; these members will automatically be removed if one or more Deputy Chairmen are subsequently appointed, and they do not fill this position.

The other members of the Committee are designated by the Board of Directors from its non-executive members. The Secretary, who may be appointed from outside the Committee's membership, prepares the appropriate minutes for each meeting. The Committee is presided over by the Chairman of the Board of Directors.

The Committee has investigatory, advisory and consulting duties. It is requested to provide an opinion on compensation-related matters in the following areas:

- A) the identification of proposals for the compensation of directors with specific positions in the company and in Group companies;
- B) at the instruction of the Parent Company's Managing Director/CEO, and after consulting with the chairmen of the subsidiary banks, the identification of proposals to link a portion of the compensation of Managing Directors/CEOs and general managers of subsidiary banks to performance targets set in advance by the Boards of Directors;
- C) at the instruction of the Parent Company's Managing Director/CEO, the identification of criteria and parameters for determining the compensation of the Group's senior management and for linking all or part of such compensation to pre-set performance targets;
- D) the review of documents for the preparation and audit of stock option and stock granting plans for Group personnel.

The chairman will not participate in meetings regarding the determination of proposals on his own compensation; similarly, the Managing Director/CEO will not participate when meetings are held to set his or the Chairman's compensation.

To carry out the above duties, the Committee may avail itself of the Parent Company's management, and if appropriately substantiated, may propose hiring outside consultants.

This committee, which is convened well in advance of the meeting of the Board of Directors at which the motion will be discussed and the resolution passed in principle, is also in charge of providing an opinion on appointments to be indicated for the positions of directors and internal auditors of Group companies designated as

“key companies” on the basis of the type of activity, operating relevance, existence of partnerships and the presence of appointees at the Group level.

Once appropriate advance consulting has taken place, and taking into account the needs of the local branch network of each company, the Chairman is required to indicate the names to be submitted to the Committee for review.

POWERS DELEGATED TO DIRECTORS

Below is a description of the powers delegated by the Board of Directors by resolution dated 19 December 2002 and as subsequently amended and revised by resolution of 23 January 2003 and by the Executive Committee by resolution dated 13 May 2002 and as subsequently amended and revised with resolutions dated 20 June 2002, 25 July 2002, 19 December 2002 and 23 January 2003.

BY THE BOARD OF DIRECTORS:

■ to the Executive Committee, the right and authority to execute all the transactions that the Bank may perform pursuant to art. 4, paragraph 1 of the Articles of Association, with a number of specifications and restrictions concerning loans, expenses for building, purchasing and restructuring properties and for ordinary expenses and investments necessary for the Bank's management, for the sale of property, the stipulation of property and goods leasing contracts and rental contracts, the appointment and administration of Personnel, the granting of contributions for recreational, sporting and cultural activities, bonuses for organisational schemes and provisions for Personnel in service and retirees, the provision of donations to charitable or public-interest bodies;

■ to the Chairman

• the right to authorise, at the express request of the Managing Director/CEO, the organisation on behalf of the latter of a credit facility within a pre-established limit throughout the Bank's network, for the cash payment of bank cheques drawn on other credit organisations.

• jointly with the Managing Director/CEO, the right to authorise acquisitions/disposals of direct, minority equity investments that do not change the Group's structure, and transactions involving the capital of such affiliates that do not require the prior authorisation of the Regulatory Authorities, in both cases for amounts in excess of the spending levels singly exercisable by the Managing Director/CEO, and at any rate, within pre-established limits;

• jointly with the Managing Director/CEO, the right to express the Company's approval, as Parent Company of the UniCredito Italiano Banking Group, of the acquisitions/disposals of equity investments approved by subsidiaries that do not modify the Group's structure and transactions involving the capital of minority affiliates held by subsidiaries that do not require the

prior authorisations of the Regulatory Authority, in both cases for amounts in excess of the levels of spending singly exercisable by the Managing Director/CEO and at any rate, within pre-established limits;

■ to the Managing Director/CEO, in addition to the authorities indicated above, to be exercised singly or jointly with the Chairman regarding the transaction amounts, the following powers:

• to authorise, at the express request of company officers, the organisation of a credit facility within a pre-established limit throughout the Bank's network, for the cashing of bank cheques drawn on other credit organisations;

• to express the Company's approval, as Parent Company of the UniCredito Italiano Banking Group, regarding obligations upon the representatives of Banks and companies belonging to banking groups, in relation to transactions pursuant to Art. 136 of Legislative Decree No. 385 of 1/9/1993 and for amounts not in excess of the pre-established limits;

• to grant individual members of staff single signing powers for transactions of a specified nature;

• to represent the Bank as the holder of voting rights at ordinary or extraordinary meetings, including those held abroad, or as the proxy of minority interests or shareholders of those foreign companies.

BY THE EXECUTIVE COMMITTEE:

■ to the Chairman, the right to express his approval – in urgent cases – of transactions of amounts in excess of the pre-established limits for the General Management, provided these are under predetermined limits related to loans, dealings in securities and other money market instruments, spending powers, contributions and donations, non-performing loans, doubtful loans, restructured loans and loans subject to restructuring, accidents and disputes;

■ to the Managing Director/CEO, the authority within pre-established limits and with the right to sub-delegate, in all sectors of the Bank's activity, namely: loans; dealings in securities and other money market instruments; treasury activity; foreign exchange; activities relating to the determination of conditions; sale of property; spending powers; rights regarding contributions and donations; personnel administration rights; non-performing loans, doubtful loans, restructured loans and loans being restructured, accidents and disputes.

At its meeting of 6 May 2002, the Board of Directors also assigned to the Chairman's Committee (made up of the Chairman of the Board of Directors and the Deputy Chairmen appointed or, if there is no Deputy Chairman in office, made up of designated members of the Board of Directors) the duty of determining, in agreement with the Managing Director/CEO, the development policies and guidelines for strategic and operational plans to be submitted to the Board of Directors.