

Corporate Governance

A business undertaking must be a place where those involved pursue and reconcile objectives of which the main one is to create value. Value for all those who 'invest' in the corporate project and who, by their active and interested participation, bring about its social legitimisation. We must therefore constantly balance and reconcile the various interests represented and underpinned by our business.

Corporate Governance at UniCredit means a set of procedures that identify and manage conflict or the diverging interests of the many parties with whom we have or may have economic relations. We do not mean only the relationships and duties that bind directors and shareholders, but also our employees, customers, and suppliers, as well as the community as a whole.

One change we made in 2004 was an example of this effort. Responsibility for audit was transferred from the CEO – whose role is to determine corporate strategy and direct operations – to the Chairman, who under our bye-laws has no operational role. This change represents the end point of a process designed to minimise potential conflicts of interest, and is aimed at ensuring that there is separation between those who carry out internal controls and those who are subject to them.

Generally speaking, our system of Corporate Governance is defined by taking account of current legislation and the relevant recommendations issued by the Italian Stock Exchange. The Group has a Self-Regulation Code for financial intermediaries providing investment services, adheres to the banking and financial sector Code of Conduct drawn up by ABI and the Self-Regulation Code for listed companies. It has also drawn up a code of conduct on internal dealing, with the objective of monitoring financial transactions carried out by individuals who hold key positions within the Group.

The Shareholders' Meeting

UniCredit's shareholders are a varied group of investors.

There are no shareholders' agreements between shareholders owning more than 2% of the shares, nor are there any shareholders with controlling interests in the Company.

At 31 December 2004, according to the Register of Shareholders:

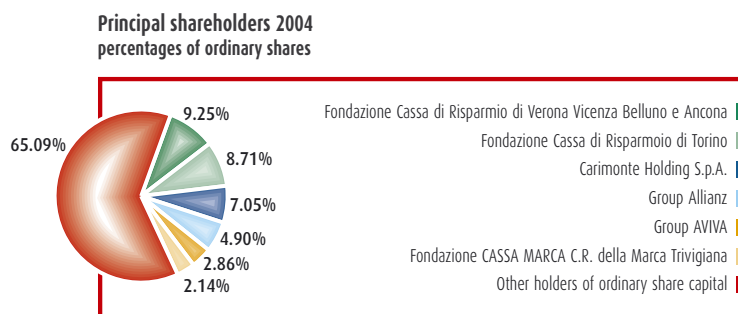
- there were approximately 243,000 shareholders;
- domestic shareholders owned approximately 62% of the share capital, and foreign shareholders the remaining 38%;
- 87% of the ordinary share capital was held by corporate entities, and the remaining 13% by individuals.

While there is a wide variety of means of communicating with shareholders, the shareholders' meeting still is the key opportunity for establishing a mutually beneficial dialogue between directors and shareholders, and to this end UniCredit strives to ensure conditions which will effectively facilitate the participation of small shareholders in the company's most important decisions.

In particular, Article 13 of our Articles of Association allows anyone entitled to take part in the meeting to be represented by a third party, who need not be a shareholder, without any need for authentication of the proxy. In making this provision, UniCredit, in compliance with current legislation, expressly avoided any red tape that might hinder the direct or indirect participation of its shareholders. It was thus decided to promote participation by doing away with measures which, if retained, would have contributed to an increase in the rate of absenteeism of small shareholders.

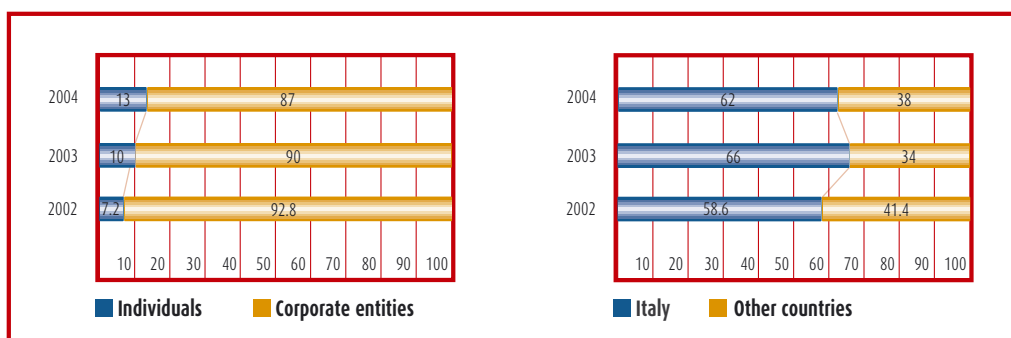
www.unicredit.it

The Regulations for Meetings of Shareholders
can be downloaded from



Share capital 2004

	Shares	€
Total shares	6,336,709,283	3,168,354,642
Ordinary shares	6,315,002,731	3,157,501,366
Savings shares	21,706,552	10,853,276

Breakdown of Shareholders (%)**The Board of Directors**

The Board of Directors is responsible for the management of the Company through a series of powers defined by law and by the Shareholders' Meeting. In addition, the Board of Directors can exercise the powers defined by Art. 23 of our Articles of Association (see www.UniCredit.it).

The Board of Directors consists of nine to twenty members with a mandate of three years, unless a shorter period is set at the time of appointment.

In 2004, the Board of Directors held 13 meetings. The average attendance was 85%, and the average meeting duration was approximately 2 hours.

Meetings of the Board of Directors are called by the Chairman, or by any person taking his place in accordance with Art. 21 of the Articles of Association, and in cases of urgency may even be called via telegram or fax.

Notice of the calling of a meeting must be forwarded to all directors, with reasonable notice except in cases of urgency. In order to permit considered and informed participation, the notice must generally contain the agenda listing all items to be discussed, accompanied by appropriate supporting documentation. At least 24 hours in advance of the meeting, the directors are also supplied with the documentation and information necessary to enable them to take an informed view on the matters to be debated.

The Board of Directors 2004

	Position	Place and date of birth	Qualifications
Carlo Salvatori *	Chairman	Sora (FR), 7.07.1941	Bachelor's Degree in Economics and Commerce and in Banking Sciences
Alessandro Profumo **	Managing Director/CEO	Genoa, 17.02.1957	Bachelor's Degree in Business Economics
Eugenio Caponi *	Deputy Vice Chairman	Florence, 8.03.1936	Bachelor's Degree in Jurisprudence
Franco Bellei *	Vice Chairman	Modena, 24.04.1944	Bachelor's Degree in Biological Sciences and in Sociology
Fabrizio Palenzona *	Vice Chairman	Novi Ligure (AL), 1.09.1953	Bachelor's Degree in Jurisprudence
Roberto Bertazzoni **	Director	Guastalla (MO), 10.12.1942	Bachelor's Degree in Economics and Commerce
Vincenzo Calandra Buonauro	Director	Reggio Emilia, 21.08.1946	Bachelor's Degree in Jurisprudence
Mario Cattaneo	Director	Genoa, 24.07.1930	Bachelor's Degree in Economics and Commerce
Philippe Citerne	Director	Lens Pas de Calais, 14.04.1949	Bachelor's Degree in Economic Sciences
Ambrogio Dalla Rovere	Director	Thiene (VI), 15.01.1940	Accountancy Diploma
Giovanni Desiderio	Director	Bosconero (TO), 4.05.1948	Surveyor Diploma
Guidalberto di Canossa	Director	Verona, 31.07.1949	Bachelor's Degree in Political Sciences
Francesco Giacomini **	Director	San Polo di Piave (TV), 2.08.1951	Bachelor's Degree in Jurisprudence
Piero Gnudi	Director	Bologna, 17.05.1938	Bachelor's Degree in Economics and Commerce
Mario Greco **	Director	Naples, 16.06.1959	Bachelor's Degree in Economics and Commerce
Luigi Maramotti	Director	Reggio Emilia, 12.03.1957	Bachelor's Degree in Economics and Commerce
Gianfranco Negri-Clementi	Director	Rome, 12.06.1931	Bachelor's Degree in Jurisprudence
Carlo Pesenti **	Director	Milan, 30.03.1963	Bachelor's Degree in Mechanical Engineering
Giovanni Vaccarino	Director	Tronzano (VC), 1.04.1941	Bachelor's Degree in Political Sciences
Anthony Wyand	Director	Crowborough (UK), 24.11.1943	BA 1st Class Honours, MA King's College

* member of the Management Committee and of the Executive Committee

** member of the Executive Committee

Independent Directors

Art. 3 of the Self-Regulation Code for Listed Companies defines as independent Directors those who:

- a) *do not entertain, directly or indirectly or on behalf of third parties, nor have recently entertained business relationships with the company, its subsidiaries, the executive directors or the shareholder or group of shareholders who controls the company of a significance able to influence their autonomous judgement;*
- b) *neither own, directly or indirectly or on behalf of third parties, a quantity of shares enabling them to control the company or exercise a considerable influence over it nor participate in shareholders' agreements to control the company;*
- c) *are not immediate family members of executive directors of the company or of persons in the situations referred to in points a) and b).*

This definition has been incorporated into the Regulations, demanding the prerequisite of independence on the part of Directors called upon to carry out particular functions in relation to matters of internal control, appointments to company bodies and remuneration of the appointees, and top management within the Group.

On the basis of the information received, the Board of Directors of the Company has established that conditions for the status of "independent director" are satisfied by 16 Directors (Messrs Carlo Salvatori, Eugenio Caponi Franco Bellei, Fabrizio Palenzona, Roberto Bertazzoni, Giovanni Desiderio, Vincenzo Calandra Buonauro, Guidalberto di Canossa, Mario Cattaneo, Philippe Citerne, Ambrogio Della Rovere, Francesco Giacomini, Piero Gnudi, Achille Maramotti Carlo Pesenti and Giovanni Vaccarino. On 27 January the Board of Directors co-opted Director Luigi Maramotti to replace Director Achille Maramotti, deceased. Director Luigi Maramotti also asked to be admitted as an Independent Director.

Directors

	2004
Total of Directors	20
Of which: - independents	16
- executives	1
- non executives	19

In accordance with the Self-Regulation Code for Listed Companies drawn up by Borsa Italiana S.p.A., the Directors accept the post when they consider themselves capable of devoting the necessary time to the diligent performance of their duties, taking account also of the number of directorships or appointments as statutory auditor that they hold in other companies. Below is a list of the directorships

and appointments as statutory auditors that some of our Directors hold in other companies listed on regulated markets, including foreign markets, in financial, banking or insurance companies or companies of a large size:

Carlo Salvatori – Chairman of the Board of Directors

- Chairman of the Board of Directors of CreditRas Vita
- Chairman of the Board of Directors of CreditRas Assicurazioni
- Vice Chairman and Member of the Executive Committee of Mediobanca
- Member of the Board of Directors of Ras S.p.A.
- Member of the Board of Directors of Associazione Bancaria Italiana

Eugenio Caponi – Deputy Vice Chairman

- Chairman of the Board of Directors of UniCredit Clarima Banca S.p.A.
- Member of the Board of Directors of UniCredit Banca Mobiliare S.p.A.
- Member of the Board of Directors of UniCredit Xelion Banca S.p.A.
- Member of the Board of Directors of Associazione Bancaria Italiana

Franco Bellei - Vice Chairman

- Chairman of Privata Leasing
- Vice Chairman and Member of the Executive Committee of Banca dell'Umbria 1462 S.p.A.
- Vice Chairman and Member of the Executive Committee of UniCredit Banca S.p.A
- Member of the Board of Directors of Carimonte Holding S.p.A.
- Member of the Board of Directors of Aeroporto G. Marconi of Bologna
- Member of the Board of Directors of the Executive Committee of Cassa di Risparmio di Carpi S.p.A.
- Member of the Board of Directors of Associazione Bancaria Italiana
- Member of the Board of Directors of Nomisma

Fabrizio Palenzona - Vice Chairman

- Chairman of the Board of Directors of Commercial Union Italia S.p.A.
- Chairman of FAI
- Chairman AISCAT
- Member of the Board of Directors of RETE AUTOSTRADE MEDITERRANEE S.p.A
- Member of the Board of Directors of Schemaventotto S.p.A.
- Member of the Board of Directors of Associazione Bancaria Italiana

Alessandro Profumo - Managing Director/CEO

- Member of the Board of Directors of Mediobanca S.p.A
- Chairman of UniCredit Banca Mobiliare S.p.A.
- Vice Chairman of UniCredit Xelion Banca S.p.A.

- Member of the Board of Directors of Olimpia
- Member of the Board of Directors of the Executive Committee of UniCredit Banca S.p.A.
- Member of the Board of Directors of the Executive Committee of UniCredit Banca d'Impresa S.p.A.
- Member of the Board of Directors of the Executive Committee of UniCredit Private Banking S.p.A.
- Member of the Board of Directors of Koç Holding
- Member of the Board of Directors of the Executive Committee of ABI;
- Member of the Supervisory Board of Deutsche Boerse;
- Member of the Investment Advisory Council for Turkey

Roberto Bertazzoni

- Chairman and Managing Director of SMEG S.p.A.
- Member of the Board of Directors of RCS Media Group
- Member of the Board of Directors of UniCredit Banca S.p.A.

Vincenzo Calandra Buonauro

- Chairman of Carimonte Holding S.p.A.
- Vice Chairman of UniCredit Private Banking
- Member of the Board of Directors of Cassa di Risparmio di Carpi S.p.A.
- Member of the Board of Directors of UniCredit Banca S.p.A.

Mario Cattaneo

- Chairman of CBI Factor S.p.A.
- Member of the Board of Directors of La Finanziaria Bonsel S.p.A.
- Member of the Board of Directors of Banca Lombarda S.p.A.
- Member of the Board of Directors of ENI S.p.A.
- Member of the Board of Directors of Luxottica S.p.A.

Philippe Citerne

- Chief Executive Officer of Société Générale Group
- Member of the Board of Directors of Credit du Nord
- Member of the Board of Directors of Geneval
- Member of the Board of Directors of SG Hambros Bank & Trust Ltd
- Member of the Board of Directors of TCW

Giovanni Desiderio

- Vice Chairman of UniCredit Banca d'Impresa S.p.A.

Piero Gnudi

- Chairman of Rai Holding
- Chairman of Enel S.p.A.

- Chairman of Enel Facility Management S.p.A.
- Chairman of Enel Real Estate S.p.A.
- Chairman of Wind Telecomunicazioni S.p.A.
- Chairman of Emittenti Titoli S.p.A.
- Vice Chairman of UniCredit Banca d'Impresa S.p.A.
- Managing Director of Carimonte Holding S.p.A.
- Member of the Board of Directors of UniCredit Banca S.p.A.
- Member of the Board of Directors of Fondazione IRI
- Liquidator of Filippo Fochi S.p.A.

Mario Greco

- Chairman of Ge.Si. Scpa
- Managing Director and General Manager of RAS – Riunione Adriatica di Sicurtà S.p.A.
- Vice Chairman of Allianz Subalpina S.p.A.
- Vice Chairman of Rasbank S.p.A.
- Vice Chairman of AGF RAS Holding BV
- Vice Chairman of RAS International NV
- Member of the Board of Directors of Allianz Compania de Seguros y Reaseguros
- Member of the Board of Directors of Allianz Suisse Versicherungen
- Member of the Board of Directors of Allianz Suisse Lebensversicherungs
- Member of the Board of Directors of Fastweb S.p.A.
- Member of the Board of Directors of Indesit Company S.p.A.
- Member of the Board of Directors of Pirelli & C. S.p.A.
- Member of the Board of Directors of IFIL S.p.a

Achille Maramotti

- Chairman of the Board of Directors of Max Mara Fashion Group S.r.l.
- Chairman of the Board of Directors of Max Mara Finance S.r.l.
- Vice Chairman of the Board of Directors of Credito Emiliano
- Member of the Board of Directors of Mediobanca S.p.A.
- Member of the Board of Directors of UniCredit Banca S.p.A.

Gianfranco Negri-Clementi

- Member of the Board of Directors of Rasbank S.p.A.
- Member of the Board of Directors of UniCredit Audit S.p.A.
- Member of the Board of Directors of Perfetti Van Melle S.p.A.
- Member of the Board of Directors of Telecom Italia Media S.p.A.
- Member of the Board of Directors of Gum Base S.p.A.

Carlo Pesenti

- Director General and Member of the Board of Directors of Italmobiliare S.p.A.
- Member of the Board of Directors of the Executive Committee of Italcementi S.p.A.
- Member of the Board of Directors of Ciments Français S.A.
- Member of the Board of Directors of Mediobanca S.p.A.
- Member of the Board of Directors of RCS Media Group S.p.A.
- Member of the Board of Directors of BPU Banca S.p.A.
- Vice Chairman and Member of the Board of Directors of BravoSolution S.p.a.
- Member of the Board of Directors of BravoSolution Espana S.A.

Anthony Wyand

- Director of Grosvenor Holdings
- Director of Société Générale
- Director of Société Foncière Lyonnaise SA
- Director of Adyal

Francesco Giacomini

- Managing Director of ACEGAS - APS
- Member of the Board of Directors of ABI

Ambrogio Dalla Rovere

- Member of the Board of Directors of UniCredit Banca
- Member of the Board of Directors of Verona Gestioni SGR S.p.A. (Cattolica Assicurazioni)

Committees

In order to favour a system of information and consultation which will enable the Board of Directors to perform its functions as well as possible, two committees have been set up for different areas of responsibility.

Remuneration and Appointments Committee

The Committee has inquiry, proposal and consultation powers. It expresses opinions on the identification of proposals for the remuneration of directors appointed to particular offices within the company and in the companies of the Group, as well as linking part of the remuneration of the Chief Executive Officer and General Managers of the subsidiary Banks to the attainment of objectives pre-established by the Boards of Directors. The Committee comprises six members, including, by right, the Chairman of the Board of Directors, the Vice Chairmen and the Managing Director. The other members of the Committee are appointed by the Board of Directors from its own non-executive members.

At 31 December 2004, the Committee consisted of Messrs Carlo Salvatori, Alessandro Profumo, Franco Bellei, Eugenio Caponi, Fabrizio Palenzona, Achille Maramotti and Gianfranco Negri-Clementi. Following the death of Director Achille Maramotti, Director Carlo Pesenti was appointed as a member.

During the course of 2004 the Committee met on 12 occasions, and the average duration of each meeting was approximately 30 minutes. The average attendance was 89.2%.

The Chief Executive Officer, Mr Alessandro Profumo, attended all the meetings.

During the course of the meetings held in 2004, the Committee expressed opinions mainly on matters relating to the appointment of members to the Boards of Directors of the Companies of the Group and appointments and movements in the Senior Management of the Group.

Audit Committee

The Committee assists the Board of Directors in defining the framework of internal control systems and in periodically verifying their adequacy and effective functioning, as well as in defining and managing the key business risks. Under the existing regulations, the Chairman of Board of Directors and the Deputy Vice Chairman are members of the Committee.

At 31 December 2004, the members of the Committee were Messrs Carlo Salvatori, Eugenio Caponi, Mario Cattaneo, Achille Maramotti and Gianfranco Negri-Clementi.

During the course of 2004 the Committee met on 7 occasions, and the average attendance was 88.5%.

Mr Alessandro Profumo and Mr Gian Luigi Francardo, Chairman of the Board of Auditors, attended 6 meetings of the Committee by invitation. The following parties also attended meetings by invitation: Mrs Elisabetta Magistretti, Chief Administrator; Mr Franco Grosso, Chief Auditor for the Group (present at 7 meetings); Mr Franco Leccacorvi, Chief Accountant (4 meetings); and Mrs Maurizia Angelo Comneno, Head of Corporate and Legal Affairs (1 meeting).

Board of Auditors

The Board of Auditors is the company's Supervisory Body. It audits the Company's management practices from a legal, management and financial point of view in order to ensure that the decisions taken by the Directors comply with statutory regulations and the principles of good administration and are compatible with the company's objects.

The appointment of serving and substitute members of the Board of Auditors takes place on the basis of lists submitted by a number of shareholders representing at least 1% of shares carrying voting rights.

A list of the shareholders who have submitted lists can be found on the website www.unicredit.it, together with details of the listed companies with which the Auditors hold office.

During the course of 2004 the Board of Directors met on 22 occasions, with an average duration of approximately 4 hours for each meeting.

Legislative Decree 231/2001

In 2004 work was completed to provide UniCredito Italiano with an Organisation and Management matrix satisfying the criteria established by Legislative Decree 231/2001.

As is well-known, this legislation introduced into the Italian legal system the principle of corporate liability on the part of companies for certain crimes committed in their interest or to their advantage by persons holding high office in the company concerned or by persons subject to their authority.

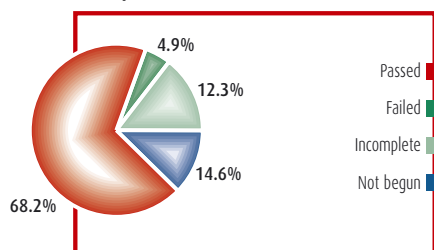
However, Decree 231/2001 establishes that the company can avoid liability if it can demonstrate that:

- it has adopted and effectively implemented suitable organisation and management structures to prevent crimes of the type found to have occurred;
- it has entrusted to an internal independent body the task of overseeing the functioning and observance of these structures and keeping them up to date;
- the persons concerned committed the crime by fraudulently evading the constraints provided by the company's organisation and management structures;
- there was no "omission of or insufficient surveillance" on the part of the above body.

The structure approved by the Board of Directors in May 2004 consists of one general section and a number of "decisional protocols" annexes. The general section sets out, among other things, the working methodology followed to arrive at the adoption of the structure, the composition and duties of the supervisory Body, the flows of information from and to the Body, and the disciplinary system put in place for the purpose of applying sanctions in the event of non-compliance with the principles set out in the structure. The "decisional protocols" set out the procedures to be followed in the conduct of activities where the Company is at risk of infringing such rules.

Organisation and management structures for the other companies of the Group are currently in the course of development.

Participants in the on-line course 2004*



* The course lasted 1½ hours. These figures refer to UniCredito Italiano personnel only.

Board of Directors, Board of Auditors as at 14 March 2005**Board of Directors***Chairman*

Carlo Salvatori*

*Deputy Chairmen*Eugenio Caponi* (with deputy functions)
Franco Bellei*
Fabrizio Palenzona**Managing Director/CEO*

Alessandro Profumo**

*Directors*Roberto Bertazzoni**
Vincenzo Calandra Buonauro
Mario Cattaneo
Philippe Citerne
Ambrogio Dalla Rovere
Giovanni Desiderio
Guidalberto di Canossa
Francesco Giacomini**
Piero Gnudi
Mario Greco**
Luigi Maramotti
Gianfranco Negri-Clementi
Carlo Pesenti**
Giovanni Vaccarino
Anthony Wyand*Company Secretary*

Marco Fantazzini

* Member of the Managing Committee
and the Executive Committee

** Member of the Executive Committee

Board of Auditors*Chairman*

Gian Luigi Francardo

*Statutory Auditors*Giorgio Loli
Aldo Milanese
Vincenzo Nicastro
Roberto Timo*Alternate Auditors*Giuseppe Armenise
Marcello Ferrari**External Auditors**

KPMG S.p.A.

**General Management and Managers of the Main Operating Divisions
and Head Office Departments as at 14 March 2005**

General Management

Managing Director/CEO

Alessandro Profumo

Group Deputy General Managers

Paolo Fiorentino

Dario Frigerio

Andrea Moneta

Roberto Nicastro

**Managers of the Main Operating Divisions
and Head Office Departments**

Retail Division

Roberto Nicastro

Corporate and Investment Banking Division

Alessandro Profumo
(ad interim)

Private Banking and Asset Management Division

Dario Frigerio

New Europe Division

Andrea Moneta

Global Banking Services Division

Paolo Fiorentino

Corporate and Legal 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

Human Resources

Antonio Andrea Monari

Group Information Systems

Umberto Quilici

Accounts

Franco Leccacorvi

The Organisational Structure

The organisational structure of UniCredito Italiano Group is founded on strategic choices made on the basis of the 'S3 Project' which, in establishing the segment Divisions, entailed the need to bring the Business Units operating chiefly within a specific segment within the boundaries of the respective Divisions, with the additional aim of maximising economies of scale and scope and ensuring excellence of corporate governance, thus achieving greater capacity to propose and articulate strategic moves, including at international level, on specific reference markets.

Against this background, the UniCredit Parent Company has responsibility for maximising the Group's overall value by providing unified governance, strategic direction and control of the various companies, management of the profit centres falling within its scope, overall control of cost structures and efficient delivery of the Group's shared services.

The organisational changes brought about during the course of 2004 represent a further step forwards in the process of reorganisation begun with the S3 Project, with a view to achieving, in particular, ever greater co-ordination in crucial areas for the Group by ensuring rigorous control of costs and better focus on revenue growth and innovation in service and product models.

To this end, a new Division named Global Banking Services (GBS) has been set up within the Parent Company to optimise Group cost structures and internal processes by maximising synergies and savings and ensuring maximum operating efficiency, as well as providing strategic support for the sustainable growth of the Group business.

Business Divisions

The Business Divisions are comprised of Business Units which primarily service the needs of a specific customer segment. They oversee four business areas.

Retail Division

The Retail Division is comprised of UniCredit Banca and its subsidiaries, such as UniCredit Clarima Banca and UniCredit Banca per la Casa. The Division also includes all the insurance companies in which UniCredit has a material holding and which are functional to the distribution of specific products.

Corporate and Investment Banking Division

The Corporate and Investment Banking Division is comprised of UniCredit Banca d'Impresa, the Group's Investment Bank (UBM), Locat and UniCredit Banca Mediocredito. The Division also includes UniCredit Factoring, UniCredit Broker and the other holdings allocated to UniCredit Banca d'Impresa, as well as the Network of Foreign Branches.

Private Banking and Asset Management Division

The Private Banking and Asset Management Division is comprised of UniCredit Private Banking, the sub-holding company Pioneer Global Asset Management and UniCredit Xelion Banca. The Division also includes the Group's foreign units specialising in private banking, Fiduciaria Cordusio other subsidiaries assigned to UniCredit Private Banking, as well as UniCredit International Bank (Luxembourg), a subsidiary of UniCredit also part of the Private Banking Division.

New Europe Division

The New Europe Division focuses on the planning and co-ordination of the Group's Banks and Companies in Central and Eastern Europe. It is responsible for the promotion and management of Retail and Corporate banking activities on the target foreign markets with the goal of maximising the Group's value, adjusted for risk-related costs, and becoming the leading Banking Group in New Europe. The Division also supports the Banks in the development of strategic and operational plans, in management control activities, and in the implementation, together with the Credit Department, of best-in-class credit management methodologies, processes and tools, as well as in defining organisational change plans and in the development of information systems.

Global Banking Services

Global Banking Services Division

The primary objective of the Global Banking Services is to:

- provide strategic support for the sustainable growth of the Group's business by ensuring the quality of the services supplied and generating added value for the benefit of all Group companies;
- optimise the Group's cost structures and internal processes, maximising synergies and savings and ensuring maximum operating efficiency.

The Division is comprised of Human Resources and Group Information Systems together with the Group's IT services Company (USI), the International Services Department and the Organisation and Quality Department. In addition it provides cost management, purchasing and security functions, the Group's centralised production Company (UPA), the real estate Companies, the credit collection Company (UGC), the Company responsible for the award of service contracts for the collection of taxes and duties, and I.Faber, which provides procurement management services through the "Marketplace".

Head Office Departments**Corporate and Legal Affairs Department**

Corporate and Legal Affairs is responsible for ensuring compliance with all legal and corporate requirements, monitoring any changes in legislation and ensuring consistent interpretation of the rules at Group level and providing oversight, independent of the business areas, of the Group's compliance risks. The Department therefore defines the best practices for implementing the Group's acquisition and restructuring plans, constantly monitors changes in legislation, formulates opinions, identifies, evaluates and monitors the Group's overall compliance risks, drafts contracts for infra-group services and provides general legal advice.

Group Audit Department

Group Audit is responsible for helping to protect the Group's assets and financial position by supplying a 'reasonable guarantee' that the organisation is capable of efficiently achieving its objectives. The Department therefore evaluates, at Group level, the quality of the overall System of Internal Controls and the effectiveness and efficiency of operating processes. In addition it ensures that the business is run properly and in accordance with the law, regulations and the policies of the Parent Company.

Corporate Identity Department

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 communication in collaboration with Human Resources, public communication, the development of the Group's environmental policy, the preparation of the Social and Environmental Report, the co-ordination of local Committees and co-ordination of relations with the Unidea Foundation.

Credits Department

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 Department

Administration, which includes the Accounts area, is responsible for accounting compliance for the Parent Company and on a consolidated basis, overseeing accounting policies and standards, reports to regulatory authorities, the Group's tax strategies, the Parent Company's tax compliance, compliance with respect to the Group's equity investments and the management of operational risk.

Planning and Finance Department

Planning and Finance, which includes Group Finance, is responsible for Asset and Liability Management, Group Treasury with centralised management of sources of funding and co-ordinated access to capital markets for all Group banks, the Parent Company's planning and control activities, and the co-ordination of securitisation transactions and issuance of new asset mobilisation products. The Department is also responsible for co-ordination of the planning process at Group level, Investor Relations activities, Mergers and Acquisitions and business development, management of market risks, consolidation of overall risks and the associated process of capital allocation.

Human Resources Department

Human Resources, which falls under the GBS Division, 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 develop high quality human resources and ensuring the close, consistent management of payroll costs. This Department provides the entire Group with a consistent organisational structure, development and management policies for human resources, optimal management and development of Key Resources and High Potential Resources, management of union relations in Italy and questions of labour law, and management of pension matters through functional co-ordination of the Group Pension Fund.

Group Information Systems Department

Group Information Systems, which falls under the GBS Division, is the control and operating centre for the planning and coordination of the Group's Information and Communication Technology (ICT) area. In particular, the goal of this department is to ensure the consistency of growth strategies of technological and IT architecture, provide uniform oversight of the Group's IT plans and related cost and investment budgets, maximise cost synergies in the IT area, dictate Group standards and facilitate the integration of hardware and software solutions. In addition, Group Information Systems supervises and provides functional coordination for the Group's IT service company (USI) and serves as the uniform functional ICT reference point for Group business units that do not use USI.

Further information

Further information about corporate governance is available on our website, which provides a variety of important data in the company profile, in the special Corporate Governance section, at www.unicredit.it

For navigation around the website, below is a table of the documents available.

SUBJECT	DOCUMENTS
Corporate Governance	Annual report on the Corporate Governance system and subscription to the Self-Regulation Code for Listed Companies
Articles of Association and Regulations	UniCredit Articles of Association, Regulations for Meetings
Shareholders	Summary descriptive tables
Board of Directors and Board of Auditors	Summary descriptive tables
Committees	Summary descriptive tables
Timetable of meetings	Summary descriptive sheets
Internal dealing	Codice di internal dealing
Risk management	Report on capital management and risk management
IAS Project	Summary fact sheets

The UniCredit Integrity Charter

How the Charter was Drawn Up

The idea for an Integrity Charter was launched by our Top Management. It gradually grew to involve other areas of our organisation. The aim was to achieve overall convergence of UniCredit's values and mission with distinctive business conduct which in our day-to-day dealings would clearly signal our unique identity and build our reputation.

We set up a working group, bringing together internal and external expertise, to act as a meeting-point for the selection of topics to be discussed and behavioural dilemmas to be examined. It summarised and circulated the thoughts and contributions made at all levels. The members of the group were drawn from various areas within the Parent Company and the main banks and companies, as well as from the "Fondazione Eni Enrico Mattei" under the guidance and scientific supervision of Professor Giulio Sapelli (who teaches Economic History at the University of Milan).

The members of the Strategic Committee have been regularly informed of the results of the Working Group's activities, with the aim of improving the draft using structured observations from the whole management spectrum of the business.

The members of the Strategic Committee and some members of the Board of Directors were also interviewed in depth, with a view to revealing a kind of substrate of the values of people in top positions.

With the same purpose of creating broad involvement in the project, questionnaires were distributed throughout the organisation in order to identify actual cases of especially critical situations encountered in the course of day-to-day business. A special area was set aside on the Group portal to enable all our people to find out about the work and its various stages. We also provided specific communication channels on our Portal, so that people could give us their ideas and any comments or criticisms on the items we had published.

We also organised three seminars to discuss and exchange ideas with our Unions, who made a significant and constructive contribution to the process.

Work will continue in 2005 on the definition of procedures for handling breaches of the Charter.

Our approach is based on social sanctions, i.e., on the deterrent effect of collective censure on improper conduct, in an organisation with shared values and rules. Emphasis will thus be placed on personal example, which must be the way to spread good practices in line with our values.

Preamble

The UniCredit Integrity Charter sets out the principles that should direct and guide us in our daily business.

It provides a framework of values to draw on at critical junctures in our work. It is intended as a reference point for the management of problematic situations and dilemmas – not always covered by laws, regulations or internal procedures – and permits the expression of our own business personality by enhancing our professionalism while respecting the individual's freedom of action.

The Charter is the result of a process that began at the time of the reorganisation of the Group's Italian banks by customer segment. It started with the formulation of UniCredit's defining values and continued with the 'Values Lab' experiment, an important opportunity for dialogue on strategy and sense of direction.

The Integrity Charter seeks to:

- propose behaviours that help people govern their own conduct in those areas of our daily work where potential conflicts may arise between individual morality, business objectives and different cultures
- create cohesion by overcoming conflicts and disputes
- encourage the growth of shared feelings and experiences among all our colleagues.

Frame of Reference

UniCredit is the expression of the various cultures of the banks and companies that have joined the Group over the course of time. Even in their diversity, these cultures are united by continuous attention to the transformation of markets, focus on value growth, socially responsible practices and placing a high value on people and relationships.

The UniCredit style of governance is characterised by the adoption of transparent and constructive behaviours. These behaviours represent a precious asset, which the Integrity Charter is intended to preserve and strengthen.

I. Business, Freedom and Spheres of Justice

Businesses are constructs that are simultaneously complex and imperfect. Their complexity lies in the large numbers of people working in the business, the difficulty of maintaining consistency while pursuing common goals in often contradictory economic, political and social situations, and the necessity of representing interests that must then be reconciled with the history and needs of our business environment.

For these reasons, in market-oriented economies there is a constant effort to reduce the complexity and imperfection of businesses *inter alia* by setting up regulatory systems and rules of conduct designed to facilitate the use of a framework for responsible business dealings.

There are no quick and easy ways of getting rid of complexity and imperfection. We have to live with these facts daily without prejudging or closing our minds, leaving spaces open for discussion and dialogue and recognising that large organisations can give rise to an often imperceptible malaise related to the individual's invisibility, her or his lack of acknowledgment from colleagues, superiors and senior management. UniCredit is committed to reducing the level of this malaise and eventually overcoming it. This commitment should continually inform our culture, attitudes, practices and processes.

The more a business's culture and rules reflect keen attention to the individual's growth and well-being, the greater the opportunity for human and professional fulfilment. In this sense, a corporation can be a place that creates freedom.

Institutes, laws and regulations on the one hand, and procedures, agreements, sets of values and customary practices within the business on the other, represent a complex of rules of conduct designed to prevent fraud, theft, violence and breach of trust. Corporate governance is part of this system. Such a complex of rules, in order to be recognised and respected, requires continuous dialogue and negotiation with all involved parties and their representatives.

There is therefore a triple structure of rules and regulations to which a corporation must constantly refer. There are, so to speak, three spheres of justice, which, while retaining their individuality in terms of origin, share the same ideal aim of attempting to reduce the degree of imperfection in the business.

The first sphere is that of the complex of laws and government regulations, which control the conduct of the business in its relations with employees, customers, the market, competitors and the environment.

The second sphere of justice contains all those norms that derive from industrial relations, employment contracts, and the customary practices and rules that are codified within companies. This set of rules requires continuous dialogue and negotiation with all the people involved and their social representatives in order to be recognised and respected.

Finally, the third sphere of justice contains the values of which the Integrity Charter is the expression. This sphere does not replace the first two, but reinforces them, in that it exists alongside them and

provides additional responsibilities. For this is the sphere of personal responsibility. It details the roles, the duties, the expectations and the authoritativeness of all UniCredit's people. These are greater in direct proportion to the individual's assigned responsibilities and the influence that she or he exercises. This sphere has to pay special attention to investors and savers, and to social and cultural entities with interests that either conflict or are aligned with those of our business.

II. The Foundations of Integrity

For us, integrity means identifying with a core of strong values, which must influence our daily behaviour, and which help to create a perceived reputation in the market.

In this sense, integrity means respecting the rules established by the three spheres of justice described above, not because we fear sanctions, but because we are convinced that these form the basis of civil coexistence.

Integrity must also be accompanied by a necessary degree of freedom allowing people to continue to be inspired by their personal morals (e.g., their religion or their philosophical, political or social views, or their sexual orientation) and enabling the corporation to be open to cultural and social pluralism.

If everyone respects the value of integrity as we have described it, it can become a formidable element of cohesion and improvement for everyone in UniCredit, once it is a shared attitude, recognised from outside the Group as the basis of our reputation.

III. The Road from Profit to Integrity

The Integrity Charter applies to the people working in our business, who make a crucial contribution to the generation of profit and the development of relations between our business and society.

Profit is the essential precondition for the continuity and freedom of the business. It is not, however, sufficient per se, particularly in the long term: profit must be created with the integrity that promotes reputation both internally and externally.

This guarantee of integrity is a condition of sustainability, which makes it possible to transform profit into value for employees, customers, investors (current or potential shareholders and bondholders), local communities and the whole of the society with which the corporation tends to be on good terms.

It is therefore necessary, in our daily activities, to constantly refer to the values that we define as the foundations of integrity. These values are:

• Fairness | • Transparency | • Respect | • Reciprocity | • Freedom | • Trust

These values should inform the behaviour of UniCredit people in their dealings with all their counterparties, including institutional entities such as government authorities and public officials. Above all, they also interact with the parties central to profit generation and the chain of social relations, which are the following:

• Employees | • Customers and Suppliers | • Investors | • Local Communities

Fairness

Fairness in relation to Employees

- The principles of civil freedom – in other words, religious, political and cultural freedom, freedom of unionisation and freedom of sexual orientation – must always be respected. All discrimination in these areas must be eliminated and replaced with an appreciation of people's skills and ability. These principles must also be reinforced by a special effort to integrate and fully value people who join UniCredit either as new hires or as a result of mergers and acquisitions.
- Respect for and attention to people and their needs, irrespective of grade, must become characteristic of our actions in relationships within the business.
- Everyone working in the business must eliminate any form of patronage or favouritism, both in the processes of appointment and career-path assessment and in applying incentive schemes.

Fairness in relation to Customers and Suppliers

- This means that we should always pay due attention to our customers, seeking to ensure their satisfaction and placing this value at the centre of our action. The aim is to make sure that a customer, when purchasing a product or service, is aware of the risk involved and understands the value of the product or service delivered to him.
- We should always be impartial when choosing suppliers, by involving all interested departments, to make the relationship with them a competitive advantage for the company.

Fairness in relation to Investors

- This means paying proper attention to every investor, without discrimination or favouritism, in order to make markets ever more open and competitive.

Fairness in relation to Local Communities

- We must be proactive in our relations with all stakeholders, by offering support, services and opportunities without discrimination.
- We should promote local development by choosing initiatives that take account of the real needs of communities and local areas and are consistent with the goal of creating sustainable value.

Transparency

Transparency in relation to Employees

- Knowledge is an asset of the business, to be shared and never monopolised or exploited to increase personal power to use against those around us or against the business itself.
- At every point in the career of each individual, the assessment criteria used and her or his actual assessment should be communicated to the person concerned. Where confidentiality is deemed necessary, the reasons for this should be made explicit and the limits of such confidentiality must be clearly established.

Transparency in relation to Customers and Suppliers

- This means making explicit to the customer, through simple and timely information, the characteristics of the products and services offered and the potential consequences arising from their purchase.
- The selection of suppliers must be carried out objectively.

Transparency in relation to Investors

- Informing the market is both an economic and a cultural value, and is carried out in a clear, complete and timely manner, using the most effective channel of communication for each type of investor.

Transparency in relation to Local Communities

- Relations with local communities must be conducted in a transparent manner, keeping them informed of what UniCredit is doing and how it is doing it, in the conviction that this attitude increases the level of acceptance, belonging and legitimation of our presence and actions.

Respect

Respect in relation to Employees

- All our people must be given clearly defined roles and areas of responsibility.
- This means constantly listening and paying attention to them, respecting their values, sensitivities and beliefs, without ever resorting to any form of undue pressure or offence.

Respect in relation to Customers and Suppliers

- This means managing and protecting the confidentiality of the information that comes into our possession

by virtue of the relationship established with the customers to whom we supply products and services. The same principle must also apply with regard to the business, its assets and its decisions.

- Relations with suppliers must be managed by opening a listening channel that serves to support the most innovative and responsible processes put into practice.

Respect in relation to Investors

- This means adopting, in relations with investors, rules of behaviour in line with corporate values and the professional ethics described by the best market standards.

Respect in relation to Local Communities

- The economic development of local communities must be carried out with sensitivity and attention to environmental and social sustainability.

Reciprocity

Reciprocity in relation to Customers and Suppliers

- This means offering the customer yields, satisfaction of needs and reliability, in return for payment.
- We must know how to listen to everyone's individual needs and translate them into practice, in order to offer appropriate responses in terms of products and services.
- It means co-operating with suppliers in a mutual exchange of knowledge and information, so that the business and its suppliers can generate value and find legitimation of their identities.

Reciprocity in relation to Investors

- This means that the business is willing to listen, without prejudice, to feedback received from investors through the channels provided.

Reciprocity in relation to Local Communities

- It is becoming essential for relations with the local communities and the wider communities in which UniCredit operates to be based on the mutual exchange of information, through the creation of occasions for discussion and the sharing of views.

Freedom

Freedom in relation to Employees

- We must provide a culture where people are free to voice their dissent and not afraid to reconsider their views, overcoming hierarchical and bureaucratic conditioning. Those who do not share the dissenting view must also express themselves and have their views heard, but if they hold senior office, they must do so with fairness and respect.

- The freedom to pursue entrepreneurial values and career development must find ways of expressing itself and its legitimisation in our appreciation of cultural diversity.

Freedom in relation to Customers and Suppliers

- We must learn to manage interpersonal relations on a free and equal basis, without submissiveness towards the strongest or arrogance towards the weakest.

Freedom in relation to Investors

- This means pursuing the freedom of action that allows us, without undue constraint, to keep the promises made to the market.

Freedom in relation to Local Communities

- All actions undertaken by UniCredit at local community level must be characterised by full respect for individual ethics and local cultures.

Trust

Trust in relation to Employees

- This means making reliability our business style, by keeping our word and acknowledging errors made in good faith.

Trust in relation to Customers and Suppliers

- Trust must be gained solely by constantly proving our reputation, won on the basis of the consistent behaviour of our people, the reliability of our products and services, not least in the long term, and the ability to acknowledge any mistakes made and change our behaviour and decisions.
- UniCredit must constantly strive for convergence between its own medium to long-term interests and those of its customers, so that customers can see that we are on their side.

Trust in relation to Investors

- This means seeking to develop durable and lasting relationships with the financial community, by maintaining consistency and credibility and accepting the views expressed by the market.

Trust in relation to Local Communities

- UniCredit must commit itself to establishing social and cultural relations aimed at meeting the needs of local communities.

Unidea - UniCredit Foundation

In March 2003 UniCredit set up Unidea - UniCredit Foundation, to signify our commitment, as 'active citizens,' to programmes of solidarity, international co-operation and development, our chosen sectors being health, education and the environment.

The Foundation is currently occupied with the following:

- Programmes for the promotion of youth employment in central Europe and the Balkans by means of professional training and microcredit.
- Action designed to combat poverty, hunger, illiteracy and pandemics, through intervention that is targeted and can be replicated, and which aims to promote sustainable development in community social and health services. These projects are located in Sub-Saharan Africa.
- Social studies and research, and action aimed at addressing the problems of disadvantaged youth at local community level in Italy, using an integrated preventive approach.

A summary of the activities carried out during the year by the Unidea Foundation follows. For a detailed description of the projects and initiatives, please read the Foundation's Mission Report available on www.unicreditfoundation.org.

We give a brief outline of the most significant projects in the three areas of intervention.

Youth employment promotion Central Europe and the Balkans

Poland

Rural Development and Microcredit in Eastern Pomerania and Podlasie Region

In Poland Unidea co-operates with FDPA (Foundation for the Development of Polish Agriculture - *Fundacja na Rzecz Rozwoju Polskiego Rolnictwa*, a private and independent non-profit foundation). Our aim is to maximise the human and productive resources of the rural areas most at risk of being abandoned by young people, through actions capable of reducing unemployment and poverty and preventing forms of social malaise.

The primary objective is to help job-seekers by strengthening the links between demand and supply in the employment market, by developing customised training for participants in the programme, and by organising on-the-job training for a period of three months.

The intention is also to promote self-employment by offering young people specialist support in the creation of their own small businesses and encouraging the creation of producer groups (syndicates) through the startup of a microcredit programme and a support and advice service.

Projects	2004	2003
Number of projects	6	8
Overall cost	€1,544,290	€1,107,098

Combatting poverty, hunger, illiteracy and pandemics Sub-Saharan Africa

Burkina Faso

Paths to Health

The 'Paths to Health' project aims to improve the living conditions of populations in the Hauts Bassins and Cascades regions of Burkina Faso. The project was identified during the first feasibility study carried out on the ground in August 2003. Its strategy uses an integrated approach, which focuses on the social/health sphere as the main axis of intervention, but widens the analysis of the problems and the scope of the action plan to all causes affecting the level of health of the population.

The first group to benefit from the programme comprised the populations falling within the catchment area of the new and restructured or enlarged basic healthcare centres in the Hauts Bassins and Cascades

regions. The catchment area of these centres contains an estimated 300,000 inhabitants. Other groups who will benefit from the project are nurses, state-registered nurses, doctors taking update training courses and, indirectly, the population of the Cascades region falling within the scope of the local health Department (about 450,000 people). The project is carried out in co-operation with the NGO MLAL Progettomondo.

Projects	2004	2003
Number of projects	6	8
Overall cost	€6,124,860	€3,144,404

Combatting the problems of disadvantaged youth

Italy

Gratosoglio: an Experiment in Preventing Youth Malaise

The Gratosoglio project supports two initiatives aimed at stemming the problems faced by youth living in disadvantaged areas. It focuses on a suburb on the outskirts of Milan at high risk of social disintegration. The project has a duration of three years and is being carried out by Unidea in co-operation with the San Martino Social Co-operative and the parish church of Maria Madre della Chiesa in Gratosoglio. It provides support to minors in difficulty through two initiatives: the first, entitled *Scuola Popolare* ["People's School"] – I Care, aims to provide a positive experience for young people who are having difficulties and facing their last year of secondary school; the second, called *ScuolaBottega* ["SchoolWorkshop"], is aimed at minors who have abandoned traditional school studies and training after completing compulsory education, and is therefore characterised by a decided focus on the marketplace and vocational training.

The project is now in its second year: the first course of the *Scuola Popolare* was run in the 2004/2005 academic year, and the conditions were created for starting the first year of *ScuolaBottega*.

Projects	2004	2003
Number of projects	27	10
Overall cost	€1,935,600	€2,214,483

UniCredit's Environmental Policy

Our mission is to signal a new way of banking, capable of generating high value over time for the community, our customers, our employees and our shareholders, as well as present and future generations. Our identity is that of a corporate citizen that promotes development in the community in which it operates. We have chosen to pursue our mission and affirm our identity by drawing on strong common values and adopting models of behaviour that put these values into practice in our strategy and operations. These same values and behavioural models inform the environmental policy of UniCredit.

Ethics and Responsibility

First and foremost, this is about taking responsibility for any consequences which our business decisions may have on the integrity of natural resources and on sustainability in the short, medium and long term. This involves the commitment to manage properly and, if possible, prevent the worst environmental consequences of our activities (consumption of natural resources, production of waste), and to act in such a way as to have a positive influence even on the 'indirect' effects of behaviours of third parties that we can identify and influence (through purchasing choice, credit policies and service innovation).

Acting responsibly means complying with rules. For this reason, as well as ensuring compliance with environmental legislation, we are constantly renewing our commitment to participation in voluntary initiatives and programmes such as the Global Compact, UNEP and the EMAS Regulations.

Creativity and Free Enterprise

The principal objective towards which we direct our energies and corporate resources, both material and immaterial, is the constant improvement of our services. We therefore make every effort to innovate our processes and our customer relationships both technically and in terms of organisation.

Above all, our goal is to stimulate and promote individual creativity in order to make the most of new solutions that enable us to achieve excellent environmental performance. People working within the Group must be aware that their behaviour and their ideas can contribute to the overall improvement of performance in this area.

We also aim to achieve ever-greater involvement of our partners in our environmental initiatives, in particular by offering customers and suppliers innovative forms of co-operation designed to promote eco-friendly practices and behaviours.

Skills and Growth

To pursue ambitious objectives effectively in terms of environmental sustainability, we must raise awareness of environmental issues among our people. Appropriate training and constant involvement of all employees, at all levels of the business, is a priority if we are to facilitate their professional growth.

Disseminating and agreeing this policy within the company will ensure that it becomes a primary responsibility of Top Management and that its values are adopted as guiding principles for the behaviour of staff at every level of the organisation. Consequently, it is our aim to bring about teamwork and constant co-operation between the various departments, in order to promote an interdisciplinary approach to environmental management.

We also want our skills to grow through the use of innovative tools and solutions and the ability to interact with the most advanced research and testing in the field of environmental sustainability.

Listening and Discussing

Aware that we cannot achieve the objective of sustainability by our own efforts alone, we are also committed to remaining open to all stakeholders - to listen to their needs, consult with them on possible answers and activate a dialogue which enables us to grow together.

We consider it essential to communicate with our counterparties (the public, local communities, environmental groups, end-users' and consumers' associations), by constantly supplying information and collecting their suggestions or complaints.

Listening and dialogue are especially useful in building long-term relationships with our local communities, leveraging their specific characteristics and needs in terms of the development of environmental resources and awareness of these issues.

Fairness and Transparency

The best way of establishing the credibility of our commitment is to make sure that all we do and achieve in environmental management is subject to the principle of transparency. To this end, we measure and monitor our ability to achieve our goals by means of a system of indicators that are easy to understand and compare over time. We voluntarily submit these indicators to independent bodies for verification and evaluation.

External Auditors' Opinion



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(Translation from the Italian original which remains the definitive version)

Report of the auditors on the social and environmental report Attestation

To board of directors of
 UniCredito Italiano S.p.A.

- 1 We have carried out the compliance procedures and analyses on the social and environmental report of the UniCredito Italiano Group ("UniCredit Group") at 31 December 2004, described in paragraph 2 of this report.

The aim of the procedures was to evaluate the board of directors' statement, included in the social and environmental report of the UniCredit Group at 31 December 2004 in the paragraph entitled "Note on methodology", that such report was prepared in compliance with the guidelines established by GRI – Global Reporting Initiative – and those established by ABI – Associazione Bancaria Italiana (the Italian Bankers' Association), with a view to linking business strategies with the activities carried out or planned during the year in the interest of all group stakeholders, showing the existing relationships between such activities and the economic value of UniCredit Group. The preparation of the social and environmental report in line with such principles is the responsibility of the parent company's management.

- 2 In order to evaluate the board of directors' statement referred to in paragraph 1, we have performed the following procedures, in accordance with the International Standards on Assurance Engagement 3000: "Assurance Engagements on other than Audits or Reviews of Historical Information" established at an international level by the International Auditing and Assurance Standards Board (IASB) and in compliance with Research Document no. 1 of the Gruppo di Studio per il Bilancio Sociale - GBS "Guidelines for auditing Social Reports":

- verifying that the financial figures and information are consistent with those included in the consolidated financial statements of the UniCredit Group as at and for the year ended 31 December 2004, approved by the board of directors on 14 March 2005. We have audited such consolidated financial statements and issued our audit report thereon on 5 April 2005;
- analysing of how the processes underlying the generation, recording and management of quantitative data included in the social and environmental report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management delegates and personnel of certain group companies to gather information on the IT, accounting and reporting systems used in preparing the social and environmental report, and to chart the processes and procedures used to gather, combine, process and transmit data and

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information of the various group companies to the office that prepares the social and environmental report;

- sample-based analysis of supporting documentation used in preparing the social and environmental report to confirm the effectiveness of processes and their adequacy in relation to business objectives, and that the internal control system correctly manages data and information;
- analysing the completeness of the qualitative information included in the social and environmental report and its consistency throughout. This activity was carried out in line with the above-mentioned guidelines;
- verifying the stakeholders' involvement process, in terms of the methods used and completeness of persons involved, and analysis of the summary of the main findings with regard to salient features arising from meetings held with them and comparing them with the information disclosed in the social and environmental report;
- obtaining the representation letter signed by the legal representative of UniCredito Italiano S.p.A. on the compliance of the social and environmental report with the relevant preparation criteria and on the reliability and completeness of the information and data contained therein.

The social and environmental report presents the prior year's figures and information for comparative purposes, in conformity with the guidelines and principles based on which the report has been prepared, with respect to which reference should be made to the attestation issued by other auditors dated 13 April 2004.

- 3 Based on the procedures performed, we believe that the social and environmental report of the UniCredit Group at 31 December 2004 complies with the preparation guidelines and principles based on which it has been prepared and described in the paragraph entitled "Note on methodology" of such report. The financial figures and information included in the social and environmental report at 31 December 2004 are consistent with the figures and information included in the consolidated financial statements of the UniCredit Group at the same date. Moreover, the other figures and information included in the social and environmental report as at 31 December 2004 are consistent with the documentation we were provided with, and meet the content requirements established by the guidelines and principles governing social and environmental report preparation.
- 4 We draw your attention to the following matters set out in the social and environmental report of the UniCredit Group at 31 December 2004:
 - with reference to the enhancing process implemented as part of social responsibility activities during 2004, involvement and discussions with stakeholders were focused on the level of satisfaction of employees, customers and local communities in their relationships with the group. The gradual extension of the main internal and external stakeholders aims to strengthen future participation in existing relationships with all counterparties;



UniCredit Group
Report of the auditors on the social and environmental report
31 December 2004

- further foreign companies have been included in data and information reporting scope with respect to the previous year, with the objective to gradually and progressively include all group companies in the future and to supplement the reporting model with further indicators and information;
- the structure of the social and environmental report at 31 December 2004 was changed with respect to the previous year, in order to provide a better picture of the link between business strategies and the activities carried out or planned during the year in the interest of all group stakeholder. However, the consistency of the main data and information is ensured.

Milan, 12 April 2005

KPMG S.p.A.

(Signed on the original)

Mario Corti
Director of Audit

Glossary

ABI

Associazione Bancaria Italiana (Italian Banking Association).

ACCIDENT FREQUENCY INDEX

Total accidents x 100,000 / number of hours worked.

ACCIDENT GRAVITY INDEX

Total days absence x 1,000 / number of hours worked.

ACCIDENT INDEX

Total accidents x 100 / total employees.

ADVISOR

A specialist with competence in a specific field.

ASSET GATHERING

The acquisition of investors' assets to be administered or managed by a bank.

ASSET MANAGEMENT

Management of clients' financial investments.

ATM

Automatic Teller Machine.

BOND

A security representing financing of a corporation or organisation by the underwriters. The underwriter has the right to receive on maturity the nominal amount of the security, as well as periodic interest payments on the face value of the security.

CALL CENTRE

Telephone service for customers wishing to carry out

transactions (home banking) or request information (help-desk). Also used for customer care and telemarketing.

CONSOB

Commissione Nazionale per le Società e la Borsa. The equivalent in Italy of the SEC.

CORPORATE

Customer segment comprising mid-to-large corporates and organisations.

CREDIT RISK

Defined as the probability that a borrower's creditworthiness will deteriorate.

DEFAULT

A situation in which a borrower has stated that it is unable to honour its debts or pay interest on them.

DUE DILIGENCE

Thorough-going analysis of a company, which entails *inter alia* examination of its financials, forecasts, strategy and competitive position.

INVESTMENT BANKING

Banking sector whose business is underwriting and placing new issues, as well as trading financial instruments.

ISO 14001

Standard relating to environmental management systems, issued by ISO - International Organization for Standards.

OMBUDSMAN

ABI section tasked with settling disputes that arise between banks and their customers.

POS

Point of Sale: a machine enabling payment to be made to a trader using a credit or debit card.

PRIVATE BANKING

Customer segment comprising high net worth individuals and households.

RATING

Assessment of the degree of risk that a specific debtor (company or organisation) will default. Expressed as a conventional value designating the debtor's risk classification.

RETAIL

Customer segment comprising mainly private individuals, professionals, traders and artisans.

ROE

Return on equity, Profitability ratio measuring the ratio of net profit to shareholders' equity.

SECURITISATION

Transfer of loans or other non-negotiable financial assets to a specialised company whose exclusive purpose is to perform these transactions and which converts these credits or assets into securities which can be traded in a secondary market.

STAKEHOLDER

Any counterparty of the company that may interact with it, by sharing its profits, influencing its performance, assessing its economic, social and environmental impact.

STOCK OPTIONS

Company share purchase options, issued by means of a specific capital increase, which confer the right to purchase a number of shares within a set term and at a fixed price. Used as a form of compensation to provide incentives and ensure the loyalty of certain employees, groups of employees or all staff.

TURNOVER

The ratio of the number of people who have left the Group in a given period to the average staff numbers in the same period.

UNEP

United Nations Environmental Programme – programme aiming to promote sustainable development at company and citizen level.

UNSECURED LOAN

Credito chirografario. Loan not secured by a mortgage or other charge over real assets.

VALUE CREATION

Estimated economic value added. The difference between a company's stock-market value (average closing price of the stock over a year) and the cost of remunerating risk (present value of the cost of capital employed).

This Social and Environmental Report was written thanks to the dedication and invaluable contributions of many colleagues within the Group. To their efforts we owe the collection and analysis of the information and data on which the Report is based.

You may consult this Report at www.unicredit.it or request a copy from:

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