

# Inside real life. A 360° view.

2015 Integrated Report



UniCredit firmly believes that to truly understand real life, we must directly experience it. That way we are more prepared to find sustainable solutions while the world's needs and values constantly change.

For us, helping customers fulfil the basic necessities of modern life is just as important as offering the very best financial and banking products.

This means providing a complete range of services to support families and businesses, fully aware that responding to their needs builds a sustainable future for everyone.

Our products begin with real human insights that help us accompany customers throughout their lives. Because life is full of ups and downs, but it is also full of many other things, like buying a home, getting married, having children and sending them to university, etc.

It's a 360-degree approach that we call Real Life Banking.

Over the following pages, our aim is not just to present data and numbers about our Group's performance. We also want to share stories that show how we have helped people realize their dreams and supported the communities that host our branches.

Because the drive to build a better future is what keeps people going.

And supporting people keeps us going too.

Life is full of ups and downs.  
We're there for both.






# Report Structure

UniCredit published a Sustainability Report each year between 2000 and 2013. Its aim was to provide an overview of the connection between its business strategies, the management of the relationships with the stakeholders and the Group’s main activities during the year.

Since 2014 - in line with the most recent international developments in corporate reporting - the Group has continued to report on sustainability through its **Integrated Report**, which aims to describe the Group’s financial and sustainability performance, business model, corporate governance, risk management, compliance, competitive environment, strategy and capitals. This year, to represent the combination, interrelations and dependencies that affect the organization’s ability to create value over time, three Case Studies have been developed to show connectivity, using specific metrics to illustrate the links and relationships between the various capitals.

The Report was produced on request of the Group CEO and is managed by the Group Sustainability function, in close collaboration with the Strategy, Business Development and M&A function. It is based on the guidelines set out in the International <IR> Framework published in December 2013 by the IIRC (International Integrated Reporting Council). The **Supplement**, annexed to the Integrated Report, is an integral part of this document, which sets out a number of essential indicators and quantitative data required to provide a complete and exhaustive overview in accordance with the GRI-G4 guidelines.

The **guidelines** adopted for the preparation of the sustainability information included in the Integrated Report 2015, including the Supplement, are the *Sustainability Reporting Guidelines* (version G4) and the *Sector Disclosures - Financial Services*, both published in May 2013 by the GRI (*Global Reporting Initiative*). The Integrated Report is considered to comply with the aforesaid guidelines when considered in its entirety, inclusive of the annexed Supplement. The information in the Report refers to the issues identified as material and associated indicators that reflect the main economic, environmental and social impacts of the organization, or that could have a substantial influence on the views and decisions of the stakeholders. Materiality analysis therefore takes on a fundamental important role, which as in the past years has driven the identification of the topics to be reported. In 2015, the materiality analysis process was updated to include additional topics derived from external sources (WEF, Eurostat).

**MATERIAL TOPICS**

This document contains more qualitative information on these material topics, appropriately marked within the two pages where the information is provided.

Specifically, the figures and information relating to Scope 1, Scope 2 and Scope 3 of the greenhouse gas emissions have been prepared in accordance with the GRI-G4 Guidelines and “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition, 2004)”.

The **content** of this Report refers to the year 2015 and, in particular, to the activities of UniCredit carried out during the year, unless otherwise stated. Figures relating to previous years are provided solely for comparative purposes, to enable an assessment of the Group’s activities over a longer period of time. In order to ensure the reliability of the information reported, directly measurable quantities have been included, while limiting the use of estimates as far as possible. Measurements are based on the best available information or spot checks. Estimates and any restatements of comparative figures previously published are clearly indicated as such.

The **reporting boundaries** include 15 countries where the Group has significant operations: Italy, Germany, Austria, Poland and a number of CEE (Central Eastern Europe) countries, namely Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

The scope of the Report for figures regarding staff and the calculation of the Value Added corresponds to the Consolidated Reports and Accounts 2015, unless otherwise indicated. Any conditions that may limit the scope of this data are clearly disclosed throughout the Report.

The Report has been **audited** by Deloitte, which, at the end of the work performed, released the Report of the External Auditors – hereby enclosed – according to the criteria set out by the “*International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*” (“ISAE 3000”).

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# Chief Executive Officer's Message

“We will invest €1.2 billion to increase the quality and speed of our digital services while more than doubling the number of customers in our online and mobile channels.”

**Federico Ghizzoni**  
CHIEF EXECUTIVE OFFICER



## Dear Stakeholders,

In 2015, we met with continued success in improving our asset quality and strengthening our capital position despite extraordinary charges in the final quarter. Moreover, UniCredit provided critical support to the socioeconomic progress of Europe. In all of our markets, we promoted the development of key business sectors by supporting entrepreneurship, encouraged social advancement by fostering financial inclusion, and helped conserve the environment by implementing green initiatives. We intend to continue these efforts, particularly in the light of the recent establishment of the Sustainable Development Goals by the United Nations.

Across Europe, UniCredit expanded its credit offerings and facilitated access to capital markets. In doing so, we stimulated growth and enabled our corporate clients to expand internationally. In the course of the year, our Group also allocated all of its TLTRO funding and worked hard to provide tailored consultancy services that have helped individual customers better protect their savings.

We accomplished all of this at a time characterized by historically low interest rates, a weaker-than-expected economic recovery, considerable regulatory pressure, and a turbulent international political landscape. On top of these challenges, we faced major changes in the banking industry brought on by advances in digital technology. This environment will continue to evolve for the foreseeable future, and will require us to be increasingly proactive on all fronts.

Wherever I travel in Europe, I hear discussion about how the banking business is being reshaped. All of our peers are dealing with the same issues, but not all are properly equipped to address them. After careful consideration and planning, UniCredit has opted to confront the transformation of the banking industry by taking full advantage of our unique pan-European franchise, expanding rather than downsizing our business. To succeed, our Group must accelerate its efforts to become more efficient, integrated and digitally oriented.

These goals lie at the heart of the new Strategic Plan that we introduced in November. The plan will strengthen our business and generate sustainable returns for all of our stakeholders. Over the coming years, we intend to increase loans, meet new needs and implement more effective processes Groupwide. The first concrete signs of success are already visible, and, to reach our targets, we are investing €4 billion in improving the experience of our customers.

To finance this investment, we have been freeing up resources by reducing our operating costs, deploying new technologies and integrating our operations. In undertaking these changes, we remain attuned to UniCredit's role in the interlinked value chain of financial, human, social and natural capital.

The stronger cooperation that we have implemented between mid-corporate banking and investment banking is a prime example of how we intend to increase our efficiency and accelerate progress. I have no doubt it will continue to generate excellent results – both for our Group and the economy at large. By reducing complexity across our organization, we can make faster decisions that will improve our cost-to-service and time-to-market ratios.

In terms of new investment opportunities, we are focused on our digital agenda and on growing businesses, exploring promising solutions. These include new ventures, such as the agreement we signed with Santander to create one of the world's largest asset managers.

As banking continues its radical transformation, we will invest €1.2 billion to increase the quality and speed of our digital services while more than doubling the number of customers who use our online and mobile channels. In these changing times, we will proactively modify our service models in ways that contribute to the customer experience, even as we develop innovative solutions that penetrate new markets, such as the upcoming launch of buddybank.

This entails a regular updating of our Group's skills and mindset in ways that generate greater sustainable value for our stakeholders. So, despite the challenging environment, we remain committed to investing in the development of our employees and to promoting the advancement of the next generation in order to foster new ideas.

Thanks to the actions we have taken and the strategies we are implementing, we are well prepared to turn challenges into new opportunities, with full awareness of the complexities in which we operate. UniCredit is and will remain a leader in European banking.

Sincerely,

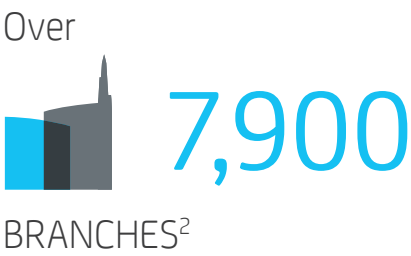
**Federico Ghizzoni**  
Chief Executive Officer  
UniCredit S.p.A.

### Our support for the UN Global Compact

We reaffirm our support for the principles of the UN Global Compact. They clearly express our commitment to human rights, fair working conditions, the environment and the fight against corruption.

# Highlights

UniCredit is a leading European commercial bank operating in **17** countries with more than **144,000** employees, over **7,900** branches and with an international network spanning in about **50** markets. UniCredit benefits from a strong European identity, extensive international presence and broad customer base. Our strategic position in Western and Eastern Europe gives us one of the region's highest market shares.



## Financial Highlights (€ m)

Operating income  
**22,405**

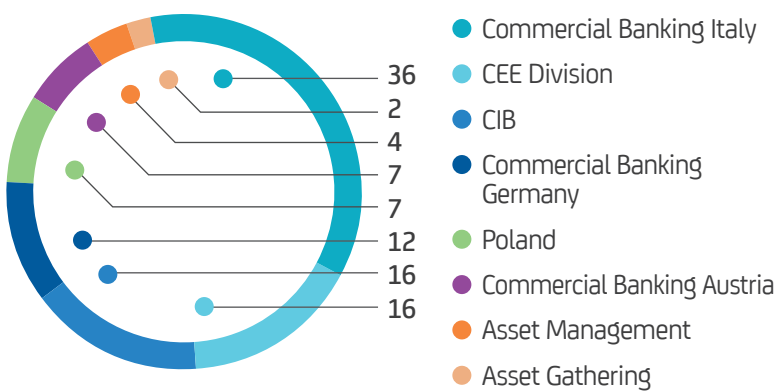
Net profit  
**1,694**

Shareholder's equity  
**50,087**

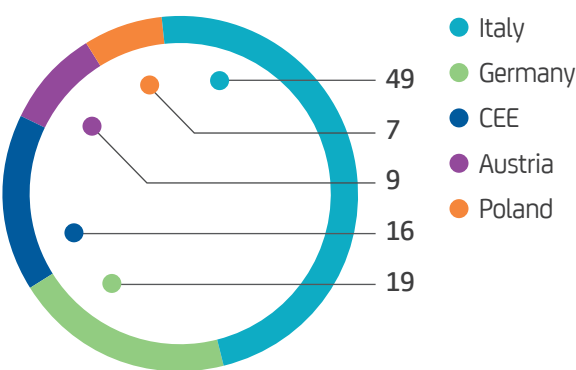
Total assets  
**860,433**

Common Equity Tier 1 ratio\*  
**10.73%**

## Revenues by Business Lines\*\* (%)



## Revenues by Region\*\* (%)

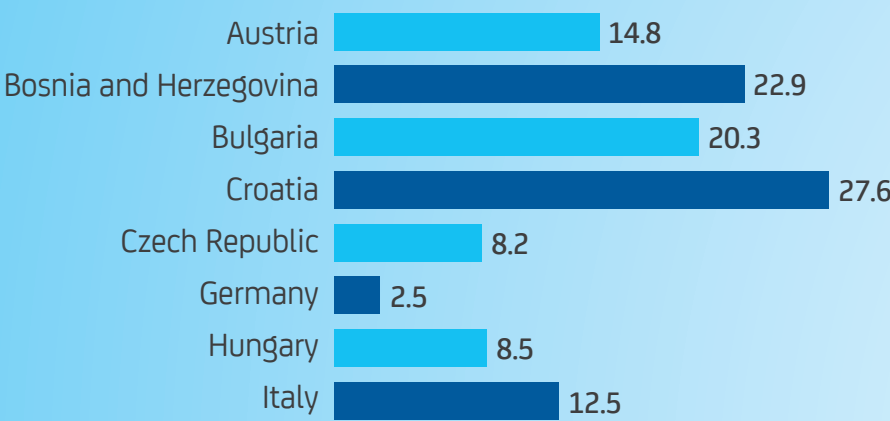


## Where we are

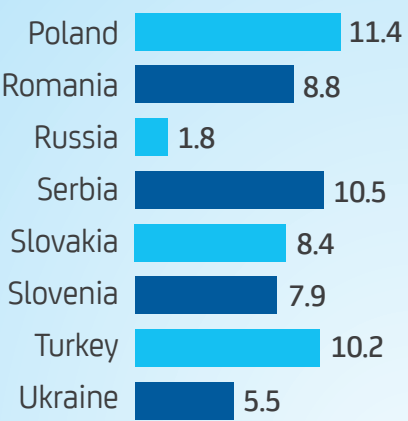
Austria  
Azerbaijan  
Bosnia and Herzegovina  
Bulgaria  
Croatia  
Czech Republic  
Germany  
Hungary  
Italy  
Poland  
Romania  
Russia  
Serbia  
Slovakia  
Slovenia  
Turkey  
Ukraine



## Market Shares<sup>3</sup> (%)



## Market Shares<sup>3</sup> (%)



1. Data as at December 31, 2015. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of Yapi Kredi Group (Turkey).  
2. Data as at December 31, 2015. Figures include all branches of Yapi Kredi Group (Turkey).  
\* CET 1 transitional pro-forma for 2015 scrip dividend of 12 €cents per share assuming 75%-25% shares-cash acceptance.  
\*\* Data as at December 31, 2015.

3. Market Shares in terms of Total Loans as at December 31, 2015.  
Source: Company data, National Central Banks.  
Total Loans definition includes corporate, household, self-employed, non-profit institutions serving household, insurances, pension funds, other financial intermediaries, local government, central government. For Poland and Romania central government is not included.





## Value Creation over time

Main 2015 Results  
Sustainability Governance  
and Culture

## Governance

Governance model  
Board of Directors

## Risk Management and Compliance

Risk management  
Risk Appetite Framework –  
RAF  
Compliance Mission  
2015 Compliance  
Strategic Pillars

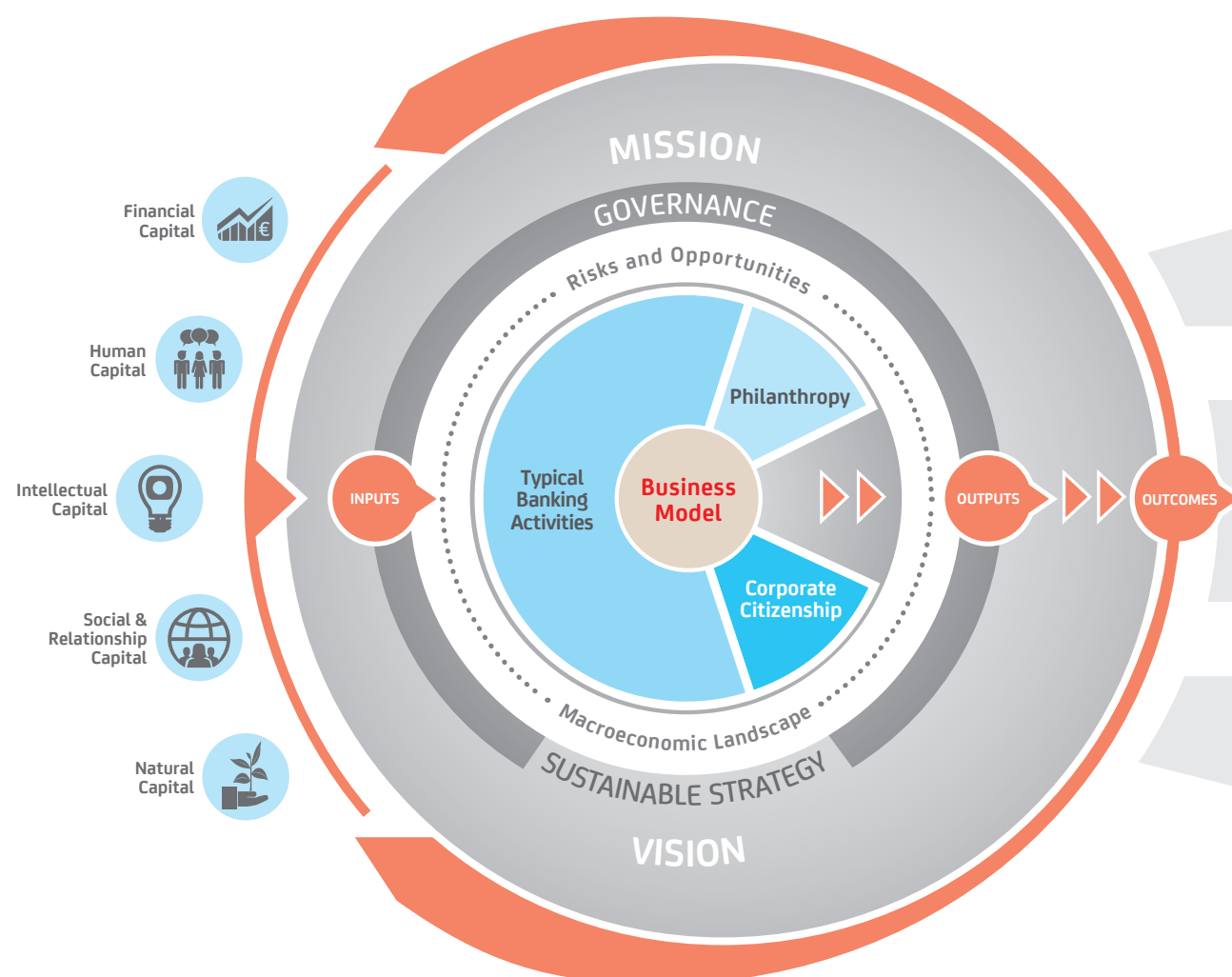
# Our Purpose & Identity



# Our Value Creation over time



We exist to bring prosperity to individuals, enterprises and communities. Mindful of our potential to make a difference, our Group applies a sustainable strategy to creating value in a way that supports the advancement of local communities, the competitiveness of enterprises and the well-being of individuals.



## ECONOMIC VALUE

€22.40 bn  
Operating income

€473.99 bn  
Loans and receivables with customers

## SOCIAL VALUE

77%  
employee Engagement Index

€45.3 m  
contributions to communities

approval of the new  
*Human Rights Commitment*

## ENVIRONMENTAL VALUE

-33%  
GHG emissions since 2008

€9.3 bn  
portfolio exposure to renewable energy sector

Reduction of  
445,000 square meters since 2009

OUR RESULTS

MATERIAL TOPICS

- Corporate Identity
- Fair Business Behaviour

We consider sustainability to be an integral part of our business strategy and believe that our most important contribution to sustainable development is to be an effective, efficient and profitable Group.

Our sustainability depends on our effective value chain that consists of managing different kinds of capital – financial, human, intellectual, social and relationship, and natural. These are fundamental to our business model, influence the quality of the products and services that we provide and have a positive impact on society and the environment as a whole.

By providing responsible lending, savings, payments and investment products, we enable individuals to improve their

quality of life and enhance their financial stability. By providing finance to small, medium and large corporations and financing the development of key sectors, we contribute to economic growth, job creation and innovation. By improving financial literacy, promoting inclusion and gender balance and conserving natural resources, we also contribute to the achievement of the [United Nations' Global Goals for Sustainable Development](#).

The very nature of our business means that we help our customers and stakeholders manage social and environmental challenges and invest for the future. This in turn contributes to the viability and sustainable growth of local markets and national economies. The success of all our stakeholders ensures our sustainability as a business.

## Sustainability Governance and Culture

The Group Sustainability unit is responsible for supporting the Group management in developing strategies that integrate sustainability considerations into the value creation process and generate long-term benefits for all stakeholders. The unit is also charged with monitoring relevant key performance indicators and communicating UniCredit's sustainability policies to an external audience. The unit is part of the Group Identity & Communications department and reports directly to the CEO. This direct line of communication strengthens UniCredit's capacity to develop and fine-tune initiatives that significantly contribute to the long-term viability of our business.

The adoption of integrated reporting has proven to be valuable in strengthening our ability to monitor our progress towards financial goals as well as environmental, social and governance targets. It has also served to promote a deeper understanding of the benefits of integrated governance.

In 2014, we reinforced our internal governance by establishing the *Group Environmental and Social Council* (GESC) to oversee

the implementation of UniCredit's environmental and social initiatives and commitments. In cooperation with all relevant counterparts (Group Risk Management, business divisions and others), the GESC is in charge of proposing all relevant activities, including strategies, annual objectives and targets for approval by the Executive Management Committee. The Group Sustainability unit acts as the secretariat of the GESC.

We believe these developments have contributed to the improvement of our sustainability strategy and enabled us to achieve a more consistent approach across our various divisions and functions, with outcomes such as the recent approval of the new [Human Rights Commitment](#)<sup>1</sup>.

We have further strengthened our approach by disseminating the culture of sustainability among key people Groupwide. In 2015, this included specific training for new hired colleagues who are part of the *Talent Management Review*, colleagues in strategic functions such as Corporate Learning and Group Identity & Communication, and newly promoted middle managers in Italy.

1. Refer to the Risk Management and Compliance chapter for more information.

# Governance

Our Value  
Creation  
over time

Governance

Risk  
Management  
and Compliance

UniCredit's system of corporate governance promotes clarity, accountability and the creation of sustainable long-term value<sup>1</sup>.

## Governance Model

UniCredit is an Italian listed company, with a traditional management and control system featuring 2 corporate bodies, whose members are appointed at the Shareholders' Meeting: the Board of Directors, responsible for the strategic supervision and the management of the company, and the Board of Statutory Auditors, responsible for supervising management<sup>2</sup>.

Legal accounting supervision is entrusted to an external auditing firm by the Shareholders' Meeting, on proposal of the Board of Statutory Auditors.

This traditional management system, envisaging specific responsibilities to the Shareholders' Meeting, allows for the clear exchange of views between shareholders and management on fundamental decisions relating to governance. These include appointing and removing directors, appointing members to the Board of Statutory Auditors, granting a mandate for the external auditing to an auditing firm, and approving all associated fees. Such decisions also encompass the approval of financial statements, the allocation of profits, resolutions on remuneration and incentive policies and practices, as well as criteria to determine compensation to be granted in the event of early termination of employment or early retirement from office.

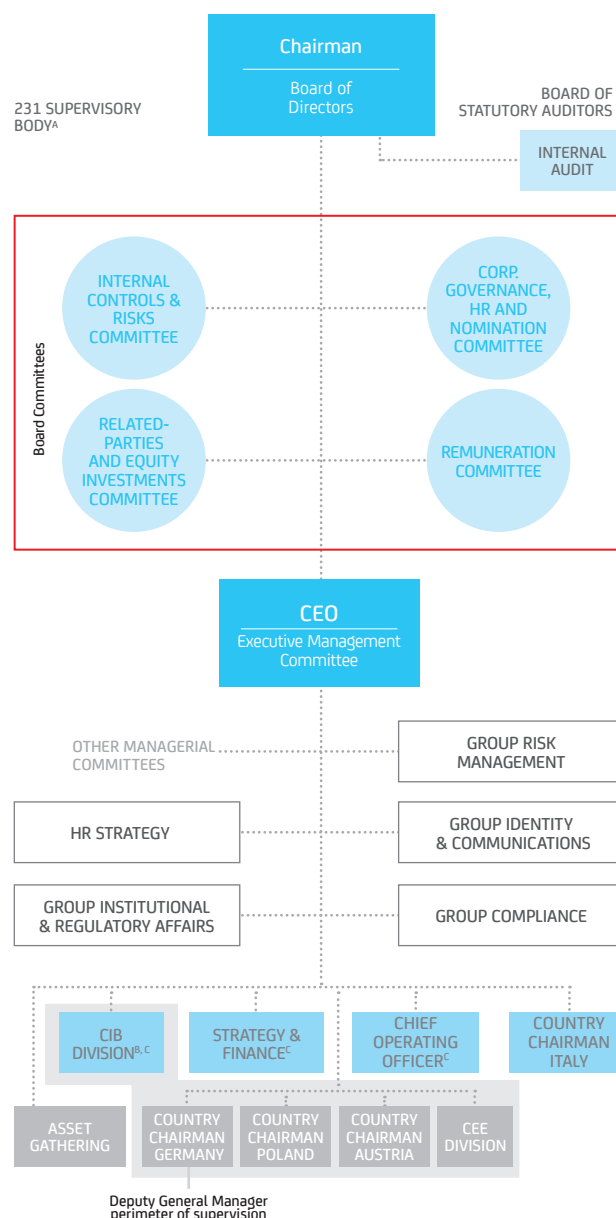
As of December 31, 2015, the UniCredit Board of Directors is composed of 17 members, including the Chairman and the Chief Executive Officer (CEO).

The Board of Directors is supported by 4 Committees, which provide advice and submit proposals to the Board. The work to run the Group of the CEO - performing also the role of General Manager - is supported by 3 Deputy General Managers. The CEO's work to make strategic decisions on behalf of the Group is supported by 2 management bodies that perform consultative functions: the CEO Office and the Executive Management Committee. As the director in charge of the internal control and risk management system, the CEO is also supported in managing and overseeing the internal controls system by a managerial committee, the Group Risk & Internal Control Committee, chaired by the CEO himself.

## UniCredit Culture

UniCredit's organizational culture is based on integrity and is enshrined in both the System of Values and the Code of Conduct, which have been approved by our Board of Directors.

### Organizational and Governance Structures (as of 31.12.2015)



A. Set up according to the Legislative Decree No. 231 dated June 8, 2001.  
B. The supervision of Germany, Austria, Poland and CEE Division is delegated from CEO to Deputy General Manager (in charge of CIB Division).  
C. Position covered by Deputy General Manager.

## Board Composition

The composition of the Board of Directors in office as of December 31, 2015, is quantitatively and qualitatively corresponding to the theoretical profile approved by the Board itself. All of the Directors meet the required professional experience, integrity and independence requirements.

### Balance of executive and non-executive directors

1 CEO executive 16 non-executive

### Board independence

10 As per Articles of Association and Corporate Governance Code 15 as per TUF

### Length of tenure

5.5 years

### Board skills and knowledge areas



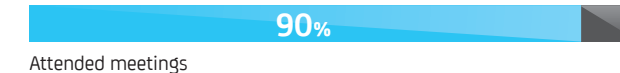
All the competence areas were accounted for by the Board, with each director possessing at least two of the required competence areas. On average, directors possessed six of the competence areas.

MATERIAL TOPICS  
- Bank Solidity  
- Fair Business Behaviour

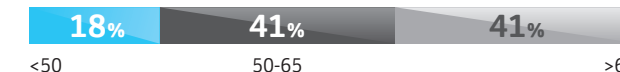
### Board gender balance



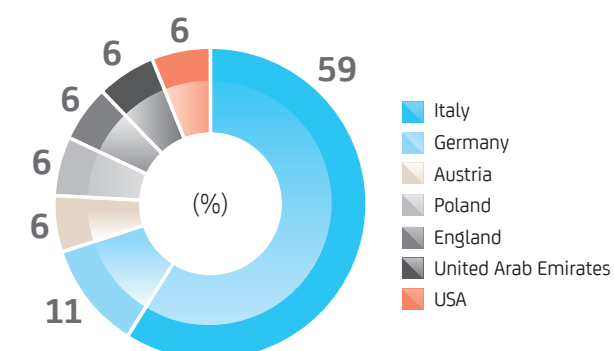
### Board attendance



### Average age



### Geographical mix



## Board and Top Management Compensation

The CEO is the only executive director who sits on the Board of Directors, and part of his remuneration is linked to sustainability overtime of UniCredit financial results.

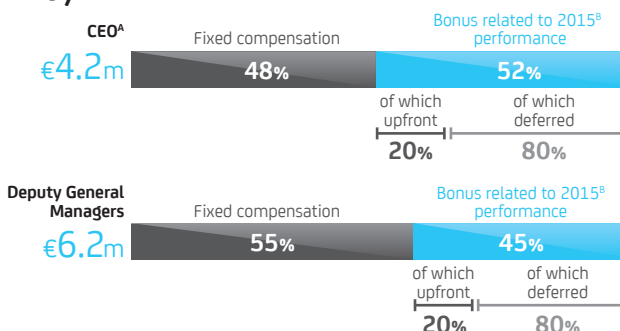
All the other members are non-executive Directors and are not beneficiaries of incentive plans utilizing stock options or, more generally, of any plan that makes use of financial instruments.

The approach to compensation for UniCredit's Top Management - CEO, and Deputy General Managers (DGMs) - as detailed in the Group Compensation Policy, is performance-based, market-aware and aligned with our business strategy and stakeholder interests.

The Group Compensation Policy, as proposed by the Remuneration Committee, is submitted for approval to the

Board of Directors and, subsequently, to shareholders at the Annual General Meeting.

### Pay mix



A. During 2016, the CEO will receive 284,091 shares under the Long -Term Incentive Plan (LTI) 2013 - 2015.  
B. This is based on 4 (suggested max. 6) core goals, of which at least half are sustainability-driven.

1. Refer to the Corporate Governance Report, the Group Compensation Policy and Accounts for more information.

2. All members of the Board of Directors and the Board of Statutory Auditors are appointed at the Shareholders' Meeting on the basis of a proportional representation mechanism (voto di lista). This voting system features lists of the candidates who are competing against one another to ensure that minority shareholder representatives are elected. The above-mentioned corporate bodies structure ensures they are gender-balanced in compliance with current regulations and provisions. In addition, with regard to requirements for professional experience, integrity and independence, the number of independent directors in office is above the minimum required by current regulatory and statutory provisions (10 out of 17 under UniCredit's Articles of Association and the Italian Corporate Governance Code, 15 out of 17 under the Legislative Decree no. 58/1998, 16 of whom are non-executives). According to the provisions of UniCredit's Articles of Association, two Permanent Statutory Auditors, and two Substitute Statutory Auditors are appointed by minority shareholders.

# Risk Management and Compliance



## Enhance a sound risk management

*Risk is a part of business. It is at the very heart of what we do, because being a banking institution means making risk management our top priority.*

*Sound risk management is a strategic necessity. Our Strategic Plan emphasizes the importance of mitigating risk, deploying a balanced risk appetite framework to ensure the sustainable profitability and healthy long-term growth of our business.*

### The variety of risks in UniCredit

CREDIT RISK

the risk that a debtor is unable to meet repayment obligations.

LOAN CLASSIFICATION <sup>1</sup>	AMOUNTS AS OF DEC 31 <sup>ST</sup> , 2015	Y/Y CHANGE	COVERAGE RATIO
Bad Loans	€51,089 m	-2.0%	61.0%
Unlikely to Pay	€26,054 m	-8.6%	34.4%
Past Due Loans	€2,617 m	-29.8%	27.0%
Performing Loans	€437,495 m	1.3%	0.6%

FINANCIAL RISKS

the risks mainly broken down into:

- **market** risk - risk of losses connected to changing market parameters
- **liquidity** risk - risk that the bank is unable to meet its payment obligations
- **interest rate** risk - the potential impact of a change in interest rates on the value of assets, liabilities and off-balance items or on the bank's interest income
- **counterparty credit** risk - risk of default of a counterparty in the context of a derivative transaction.

OPERATIONAL RISK

the risk of losses resulting from the failures or inadequacy of internal processes, human resources and IT systems, or stemming from external events.

REPUTATIONAL RISK

the risk associated with negative perceptions of the bank by customers and counterparties such as shareholders, investors or regulators, which can adversely affect business relationships and access to sources of funding.

COMPLIANCE RISK

the risk of incurring penalties, losses or reputational damage as a result of non-compliance with laws, regulations or decisions of supervisory authorities, or with self-regulatory standards such as corporate statutes and codes of conduct.

OTHER EMERGING RISKS

the risks such as **information technology** risk, which is the risk of incurring financial, reputational or market share losses in connection with the use of information and communications technology, and **environmental and social** risk<sup>2</sup>, which relates to financial or reputational losses deriving from environmental and social impacts associated with specific transactions and sectors.

1. Loan Classification includes:  
Bad Loans: exposures to borrowers in a state of insolvency (even when not recognized in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank;  
Unlikely to Pay: classification in this category is the result of the judgment of the bank about the unlikeliness, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and / or interest) its credit obligations; Past Due Loans: problematic exposures that are more than 90 days past due on any material obligation; Performing loans: exposures which are not past due for more than 90 days or to borrowers in a problematic state.  
2. Refer to Environmental and Social risk Focus at page 17 for more information.

## Managing the risks

UniCredit's Risk Management function relies on internal processes that identify, measure, manage and mitigate (where necessary) the risks of the whole Group.

We utilize a set of rules, methodologies, policies and strategies that comply with the regulatory requirements set forth by regulators while supporting the bank's strategic planning.

In order to allow for the best trade-off between risk and return, the Risk Management function has defined a Risk Appetite Framework, which sets the level of acceptable risk for the bank, in accordance with its business goals.

Furthermore, we proactively monitor all risks and invest in fostering a strong risk culture Groupwide.



MATERIAL TOPICS

- Financial Stability
- Performance Management
- Risk Culture

## Our Risk Appetite Framework

The UniCredit Strategic Plan envisages the adoption of a balanced Risk Appetite Framework (RAF) - a model for risk appetite that aims to achieve sustainable profitability and healthy business growth. The RAF is an important element of our risk management governance.

The Risk Management function is therefore responsible for supporting the CEO in defining a proposed risk appetite for the Group, which is then submitted to the Board of Directors for approval. This proposal is preliminary and preparatory to the annual and multi-year budget process and is expected to conform to our Group strategy.

Its main goals are:

- **Aligning risk, strategy and business**  
The RAF is designed to take into account the expectations of various stakeholders (including the Board of Directors, regulators, rating agencies and others). In the RAF, our managers have an effective, forward-looking guide to align our desired risk profile vis-à-vis our short- and long-term strategic objectives and our business plan.

The Group's risk appetite consists of a set of parameters developed by the Group Risk Management (GRM) and Planning, Finance and Administration and other relevant units within the Group, each according to their assigned responsibilities. The parameters, which may include limits

and tolerance thresholds, are defined at the beginning of our budget process and are then transmitted to UniCredit's business units and legal entities. They are incorporated into our day-to-day risk management activities via policies, operational limits and compensation programs<sup>3</sup>.

- **Encouraging prudent risk-taking behavior**  
Aligning compensation with prudent risk-taking on behalf of our institution is critical to maintaining appropriate levels of risk. The connections between the RAF and our incentive system promote such prudent behavior. By incorporating prospective risk and risk outcome metrics into our incentive system, we ensure that UniCredit's risk appetite is respected in day-to-day management decisions. The Board and the Remuneration Committee solicit input from relevant functions, including Risk Management, Human Resources and Strategy & Finance, to ensure that profitability, risk and rewards are explicitly linked.

This ensures the dissemination of a sound risk culture and aligns with international best practices and the regulatory requirements of the Financial Stability Board and the Bank of Italy<sup>3</sup>. UniCredit defines its risk culture as the norms of behavior, reflected in the daily thoughts and actions of all bank employees, that underlie the collective and individual ability to identify, understand, openly discuss and make decisions on the organization's current and future risks. UniCredit's program to maintain a strong risk culture is directly sponsored by the CEO and has the full support of the Executive Management Committee.

3. Refer to the 2014 Integrated Report for more information.



## RISK MANAGEMENT AND COMPLIANCE

Our Value  
Creation  
over time

Governance

Risk  
Management  
and Compliance

## Training in risk culture

To establish an awareness of risk management and to strengthen the firm's risk culture, UniCredit has created the *Risk Academy*, an initiative designed and managed by GRM in cooperation with internal learning and training competence centers. The *Risk Academy* has developed a multi-tier risk learning framework that addresses the needs of professionals at all levels, with dedicated learning streams that are available to all of the bank's professional staff.

The *Risk Academy* follows a global approach: the same training is available to the entire Group, and participants come from numerous legal entities and countries.

This global approach further strengthens the idea of a common risk culture and supports a Groupwide understanding of risk concepts and know-how.

## Risk Academy in 2015

Since its establishment in 2010, the Risk Academy has provided more than **368,000 hours of training** to more than **15,900 people**



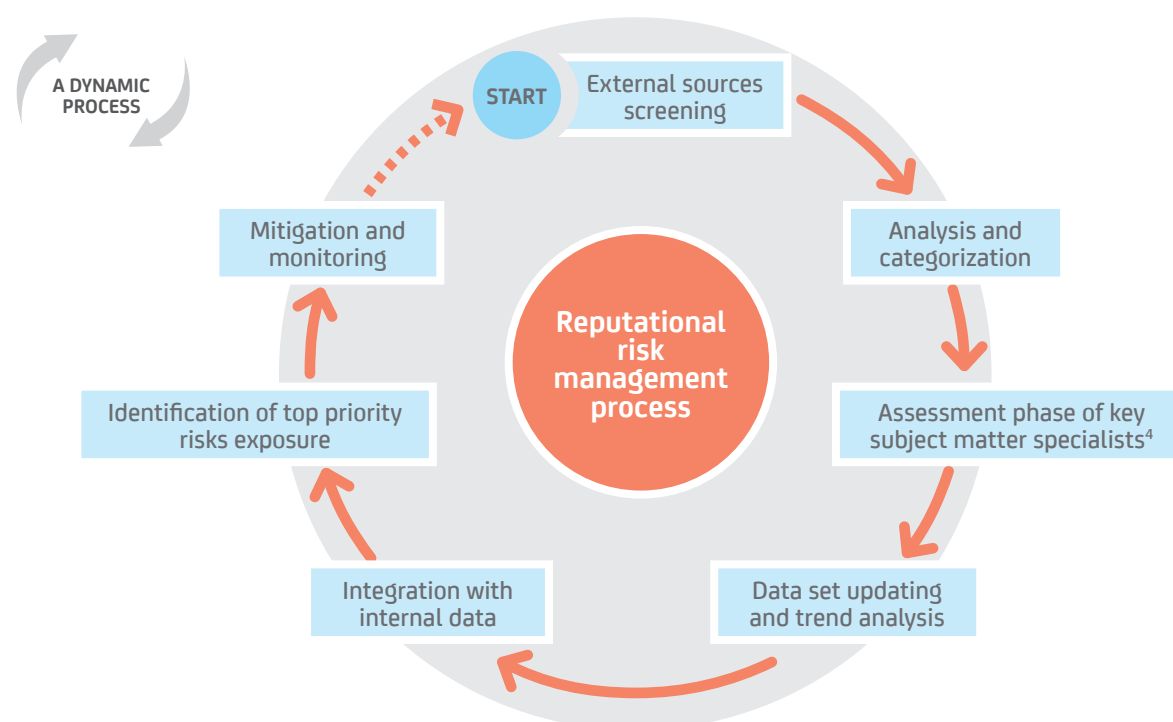
## Customizing a solid approach to prevent reputational risk

To reinforce our capacity to identify and analyze financial sector reputational risk, in 2015 UniCredit instituted a new process to monitor external events that may trigger reputational risks for the banking sector.

The process outlines the potential impacts for UniCredit by involving key subject matter specialists (e.g., Investor Relations, Compliance) that address the perspectives of different stakeholders.

Trend analysis and potential impacts are regularly considered and will be discussed by the Group Operational and Reputational Risk Committee in 2016.

The information is also disseminated internally in order to improve awareness of potential reputational risks across the Group. Roughly 60 colleagues have access to the tool associated with the process. The process is part of the Group's risk management framework.



4. All the internal functions responsible for a specific stakeholder.

## Environmental and Social risk

We are aware that the interdependencies between economic activity, ecosystems and natural resources present risks for our business. A sound risk management requires a deep understanding of many types of risk, including environmental and social risks and their potential effects on financial results and the balance sheet.

It also demands a fundamental level of technical risk knowledge across an organization, reinforced communication at all levels and a mindset geared to anticipating changes in the macroeconomic environment.

UniCredit is committed to promoting sustainable solutions in its financing and investment decisions.

In light of this, at UniCredit, we have adopted an integrated, multifaceted approach to managing the environmental and social risks associated with our financial products and services.

Strong governance is central to the implementation, monitoring and ongoing improvement of our strategies and policies pertaining to environmental and social topics. Therefore, over the past few years we have worked on reinforcing our governance on these matters. These efforts have included the establishment of the *Group Environmental and Social Council* (GESC). The GESC's goal is to support and coordinate the maintenance and improvement of our environmental and social strategy<sup>5</sup>.

Our *Environmental Commitment* and our *Human Rights Commitment* describe the strategic approach, roles and responsibilities, principles, rules, procedures and systems adopted by UniCredit to prevent and manage any potential negative environmental, social and human rights impacts or risks that are inherent to our operations and our value chain<sup>6</sup>.

In keeping with our commitments, we work to disseminate across our Group a strong risk culture that prioritizes social and environmental issues, among others.

## OUR 2015 ACHIEVEMENTS

- **Governance:**
  - following the decision in late 2014 to establish the GESC, in 2015 a GESC internal regulation was approved by the CEO and sent to key countries for implementation
  - the GESC met twice in 2015 to discuss and propose improvements to our environmental and social strategies, objectives and targets.
- **Equator Principles<sup>7</sup>:**
  - 106 project transactions were evaluated and 27 projects were financed
  - over 140 people were trained in Equator Principles standards.
- **Environmental and social sector policies<sup>8</sup>:**
  - over 340 transactions were screened for environmental, social and reputational risk issues
  - roughly 180 people were trained in UniCredit policies pertaining to the mining and coal-fired power generation sectors.

- **Human rights<sup>9</sup>:**
  - our approach was reinforced by a special program overseen by the GESC, which included an update of our *Human Rights Commitment* and a draft action plan to be finalized by 2016
  - almost 13,000 people were trained.
- **Stakeholder engagement:**
  - we continued to support a constructive dialogue among our stakeholders by participating in working groups and forums such as the Thun Group<sup>10</sup> and the United Nations Global Compact<sup>11</sup>
  - we facilitated knowledge-sharing and discussion of environmental and social issues.

*In September 2015, UniCredit hosted a meeting attended by more than 20 representatives of 14 international banks, featuring guest panelists with expertise in the fields of climate change, human rights and reputational risk.*

5. Refer to the Natural Capital chapter for more information.

6. Refer to our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

7. Refer to the Supplement - *Equator Principles* section for more information.

8. Refer to the Supplement - *Environmental, Social and Reputational Risk sector Policies* section for more information.

9. Refer to the Supplement - *Human Rights Approach* section for more information.

10. The Thun Group is an informal group of bank representatives that discusses how the United Nations Guiding Principles on Business and Human Rights apply to banking activities.

11. UniCredit is a member of the UN Global Compact - Global Compact Network Italy Foundation, which is a strategic policy initiative that is promoted by the United Nations at the national level.

## RISK MANAGEMENT AND COMPLIANCE



## Manage compliance risks through a proactive approach

*At UniCredit, compliance is an integral part of the Group's business strategy. Our firm commitment to compliance in all of our operations and personal behavior is not only motivated by the expectations of our customers, of society at large and of regulators, but it is also founded upon our internal beliefs and attitudes about proper conduct, in keeping with the Group's core values that are summed up in our Integrity Charter<sup>1</sup>.*

## Mission

We proactively monitor and manage compliance risks as we carry out our activities in line with mandatory rules, internal procedures, best practices and ethical standards. In doing so, our Compliance function defines, develops and regularly monitors both the implementation of and adherence to our Group's compliance rules, procedures, methodologies and other minimum compliance standards. Senior management oversees this process and upholds a strong compliance culture.

Business is the core of what we do, but compliance is how we do it. Adherence to laws and regulations is neither an obstacle nor a drag on growth - it is a prerequisite for running a sustainable business. Since regulations are part of our operational environment, we must comply with them while remaining focused on our customers' needs in all of our business areas and all of the countries where we are present. By adhering to all applicable laws, rules and regulations -

both locally and Group wide - UniCredit helps prevent misconduct and avoids sanctions.

In this respect, it is fundamental to achieve strong cooperation between Compliance and our business units. This cooperation is focused on 2 core activities:

- **advisory** - strategic advice with an eye on future challenges
- **monitoring** - processes, policies, monitoring systems, design and execution of controls, a business-specific view of risk.

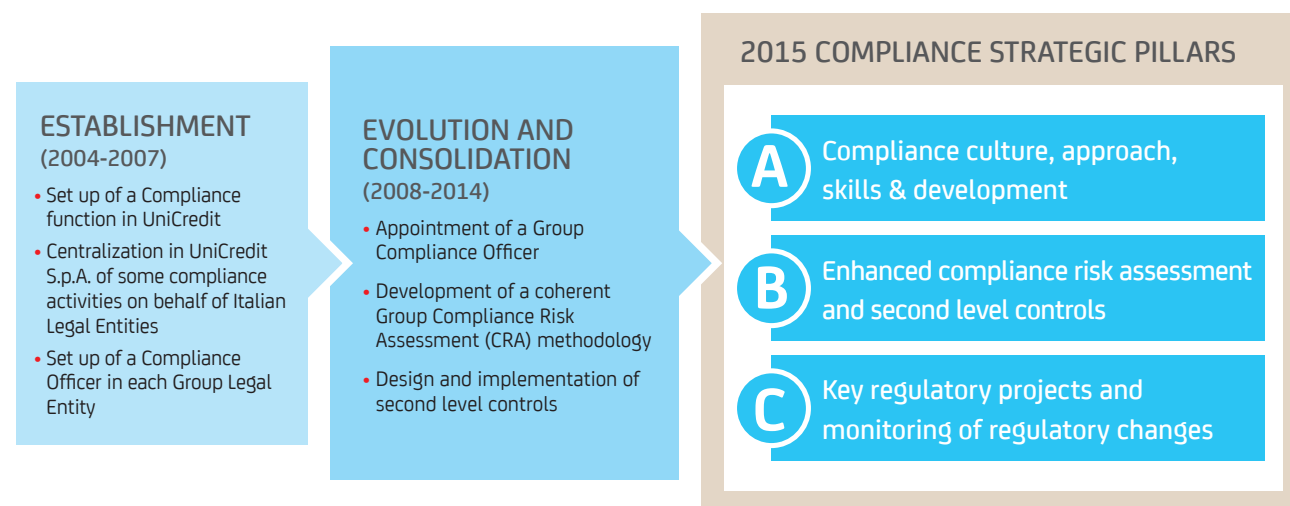
To further foster cooperation, Compliance participates in the main UniCredit committees where business functions are also represented (e.g., the Internal Control and Business Committee, the Group Risk and Internal Control Committee). This has helped Compliance become a strategic partner with other UniCredit corporate functions, regularly assisting them in confronting complex challenges.

## 2015 Compliance Strategic Pillars

In line with the improvements in Compliance governance made at the end of 2014<sup>2</sup>, UniCredit continued to strengthen its approach over the past year. UniCredit's Compliance Plan for 2015 was approved by the Board of Directors and was

presented at the first *Compliance Leadership Meeting* in Vienna in January 2015, which was attended by senior management and more than 100 colleagues from all of our countries. It is built upon 3 strategic pillars.

## COMPLIANCE DEVELOPMENT

**A** Compliance culture, approach, skills & development

We aim to build and enforce a common culture of compliance throughout all levels of our organization and across all geographies. This culture will become an integral part of our corporate values.

To speed up the adoption of compliance culture, we launched the *Compliance Culture Framework Roadmap* in 2015.

The Compliance Education program is one of the key enabler of our compliance culture. Our training programs emphasize appropriate processes and promote a deeper understanding of compliance risks and how to implement controls both inside and outside the competence line. In 2015 we provided more than 168,000 hours of training to roughly 154,000 employees.

## Focus

## Compliance Academy

Because we strongly believe in the development of our people at UniCredit, in 2015 we strengthened the *Compliance Academy* in order to support Compliance colleagues in their daily activities and to improve their specialized skills. The program offers helpful video clips and up-to-date news on compliance issues. It is composed of 26 modules divided into 4 sections. Employees who pass the final exam receive an externally recognized qualification accredited by Kaplan Professional Awards, an international awarding body regulated by the Office of Qualifications and Examinations Regulation.

Communication and the engagement of colleagues are also essential to fostering a compliance culture across our organization. Our internal communication plan in 2015 focused on a number of initiatives addressing compliance risks and expected behaviors. These included compliance alerts, video tutorials, events and webcalls from the Group Compliance Officer to all Compliance colleagues. We also launched a Groupwide *Tone from the top* internal communication campaign in which our senior managers shared their endorsement of compliance culture throughout our organization.



Carlo Appetiti - Group Compliance Officer

“Our compliance culture is not just a slogan written in a policy. It comes with the ability to support business people and protect UniCredit. A strong compliance culture responds to regulators with accurate and consistent answers.”

**B** Enhanced compliance risk assessment and second level controls

At UniCredit, we aim to ensure the effectiveness, speed and consistency of our advisory services in risk assessment and controls. In 2015, the overall Compliance governance model was improved to guarantee homogeneity across all Group legal entities. Its structure has now been simplified by introducing a local model that mirrors the Group governance model, with a specific focus on certain relevant areas (Corporate Investment Banking compliance monitoring, regulatory counsel, anti-financial crime, anti-corruption, anti-money laundering, financial sanctions). This process will continue during 2016.

Furthermore, we have worked to simplify reporting processes by making IT improvements that standardize and automate the internal workflow.

**C** Key regulatory projects and monitoring of regulatory changes

Staying abreast of regulatory changes and promptly identifying our obligations on this front are vital to UniCredit.

To this end, our Compliance function monitors and analyzes forthcoming regulations and triggers the necessary changes at different levels of the Group. Key regulatory topics on which we worked in 2015 included the Dodd-Frank Act, Market Abuse Regulation, anti-financial crime initiatives and the Markets in Financial Instruments Directive<sup>3</sup>.

Moreover, significant work was completed on a number of additional key compliance areas, including anti-corruption, antitrust, anti-money laundering, financial sanctions and privacy.

In 2016, Compliance will continue to focus on the above-mentioned core activities and will support the Group in achieving the goals of its Strategic Plan.

**MATERIAL TOPICS**

- Compliance
- Fair Business Behaviour
- Financial Stability

1. Refer to our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.  
2. Refer to the 2014 Integrated Report for more information.

3. Refer to the Supplement - Risk Management and Compliance for more information.





## Business Model in action

Macroeconomic landscape  
Main 2015 Results

## Our Country Priorities

Snapshot of the  
competitiveness and  
well-being of our countries

## Stakeholder Engagement

Materiality matrix

# Our Business Environment



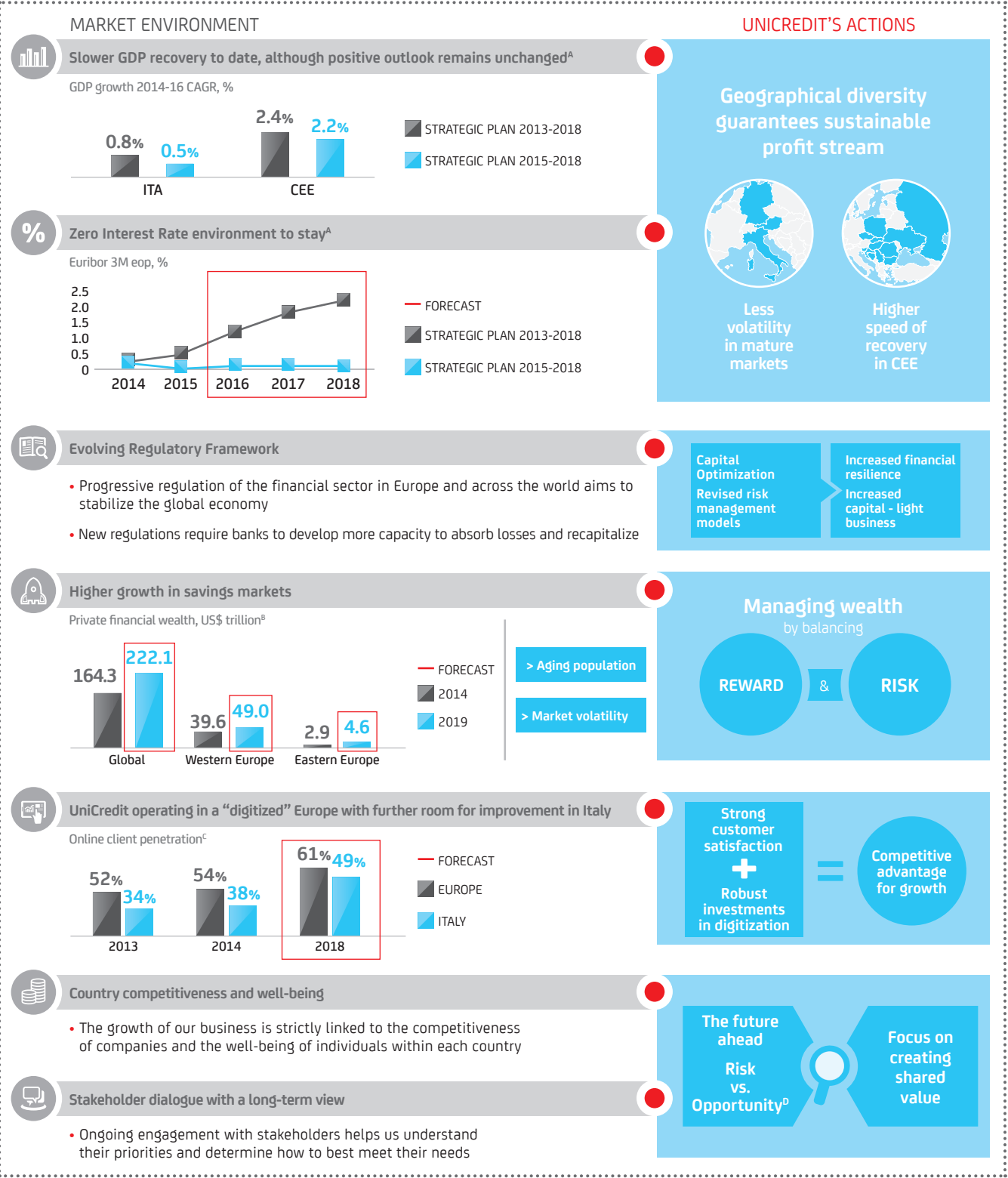
# Business Model in action

Business Model in action

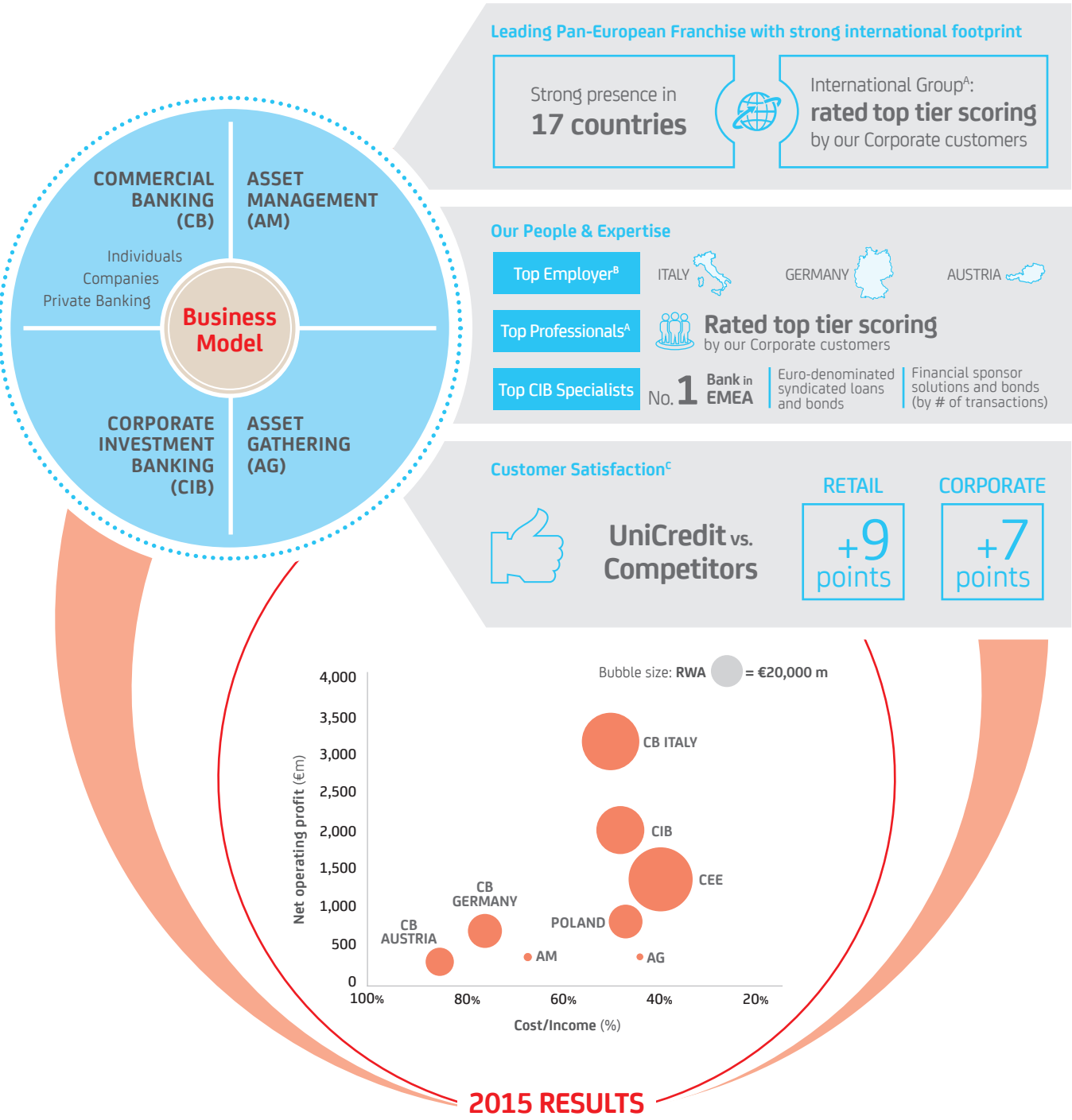
Our Country Priorities

Stakeholder Engagement

In 2015, UniCredit had to contend with historically low interest rates, regulatory pressure and a weaker-than-expected economic recovery. Despite these headwinds, our resilient business model delivered opportunities and long-term value to the companies, individuals and communities we exist to serve.



## OUR DISTINCTIVE ASSETS



### COMMERCIAL BANKING

- Individuals:** flexible and easy access to banking products, as payments, mortgages and consumer finance, investments and savings offered through traditional and digital channels.
- Companies:** support for entrepreneurs - in their day-to-day business, or in executing new projects or strategies - through tailored, profit-driven solutions.
- Private Banking:** a 360-degree advisory model, customized investment strategies and access to international markets through specialist advisors.

**CORPORATE INVESTMENT BANKING:** traditional corporate and transaction banking services, along with full-fledged structured finance, capital markets and investment products, as a strategic long-term partner that meets clients' specific needs and delivers access to WE and CEE.

**ASSET MANAGEMENT:** concrete investment solutions that satisfy real investment needs, providing an innovative and consistent global offering that manages risk and delivers attractive returns to investors.

**ASSET GATHERING:** innovative financial services that combine the efficiency of digital channels with advisory expertise.

A. As per our Strategic Plan released the 11th of November 2015. B. Source BCG Global Wealth Market-sizing Database, 2015. C. Source Forrester Research - Digital banking forecast. D. Refer to the Stakeholder Engagement and Country Priorities chapter for more information.

A. Based on our 2015 Brand and Reputation survey. B. Independently certified by the Top Employers Institute for demonstrating the highest standards of employee offerings. C. Values calculated as difference between the average of TRI™ index results of UniCredit and the average of competitors' / markets TRI™ index results in the countries where the survey was carried out in 2015. Refer to the Supplement for more details regarding our methodology for calculating Customer Satisfaction and our 2015 results.

Our Country Priorities



Country competitiveness and well-being

The 2030 United Nations Agenda for Sustainable Development again recognizes the importance of people, the planet and prosperity and calls on all countries and stakeholders to act in concert to meet the challenge.

Companies are called upon to recognize their interdependent role within society and to integrate sustainability into their core strategy. In this way they will create competitive advantages through cost improvements, innovation linked to the solutions necessary to meet the problems of society and differentiating them within the competitive arena.

As an institution closely tied to the lifeblood of many national economies, we recognize that we have the responsibility to stimulate economic growth that is both socially inclusive and environmentally sustainable.

The measurement of our impact is vital to our ability to focus on these issues, enabling us to better assess the progress we have made on countries' key priorities, which include increasing humanity's well-being, ensuring environmental sustainability and helping our communities to prosper.

We begin this process by examining the complexity of the circumstances in which we operate. This involves the systematic analysis and regular review of a set of 97 indicators<sup>1</sup> that are mainly sourced from Eurostat and the World Economic Forum. These indicators tell us about the prosperity of the countries where we work, and they can help make us aware of potential problem areas. Indicators for each country are analyzed not only in comparison with current EU averages and top performers, but also over a 10-year period to see how the data has evolved over time.

Through this process, we aim to form a 360-degree picture of the values and the assets that we must treat carefully. We seek to consider every possible angle – including people's overall financial and social well-being, their work-life balance, security, cultural heritage, education, the efficient use of talent, health, environment, economics and productivity.

The result is the identification of each country's most urgent priorities so that we address them, directly or indirectly. While none of these indicators can tell us how to judge social and environmental outcomes, we nonetheless recognize that communities on the rise provide businesses with the necessary preconditions to thrive.

With this in mind, at an early stage of our project planning, we assess the relative well-being and competitiveness of our countries so that we can determine what kind of impact we might make. We decide whether we are likely to be able to generate positive externalities while avoiding or mitigating negative ones. We assess outcomes by measuring the benefits we have generated for third parties at either the individual or the country level.

The effects described within this report are deemed to be direct in a number of cases. These include support we provide to improve the Quality of local Infrastructure that improve people's quality of life; the way we stimulate Innovation; our contribution to Business Sophistication<sup>2</sup> that conducts to higher efficiency in the production of goods and services and our support to Environment: through our portfolio of renewable energy<sup>3</sup> among others we conserve the Quality of urban air.

We also contribute to many tangible, individual-level outcomes. For example, when we take on a project that improves the Financial Education<sup>4</sup> of community members, that represents a positive individual-level impact in the field of education. We support such efforts to promote responsible financial habits because informed individuals are better at managing and accumulating wealth; they thus become active contributors to the economic development of their communities.

Our business activities can also generate a variety of powerful indirect effects – principally by supporting the competitiveness of the companies we serve. In this way, we contribute to job creation and to the Capacity to retain and attract talent in the field of Social Well-being and Efficient use of talent.

The methodology detailed in this report enables our Group to pay close attention to the social and environmental assets on which the development of our communities is founded. This approach aims to capture the complexities and the tensions between economic growth, social development and the conservation of natural resources.

The increasingly complex dynamics of global competition have led us to recognize environmental and social sustainability as primary sources of value creation. Each day, we work to implement our mission also by building on our intangible assets so that we can deliver products and services with the power to generate progress well into the future.



Gaia Ghirardi - Head of Group Sustainability

“Economic, social and environmental value are not mutually exclusive. We are a purposeful workplace where we partner and co-design the economic sustainability of each client we serve. We are inspired by a shared belief in the idea of community development.”

1. A selection of indicators aggregated by dimension is represented at page 25 showing their status of urgency in some of our countries.

2. Refer to the Strategic Plan section and Intellectual Capital chapter for more information.

3. Refer to the Natural Capital chapter for more information.

4. Refer to the Social and Relationship Capital chapter for more information.

		 ITALY	 GERMANY	 AUSTRIA	 POLAND	 CEE <sup>A</sup>
 High priority	 Medium priority	 Low priority				
Social Well-being	Employment rate of people 20-64 years old					
	Social decay rate					
	Work satisfaction					
Economic Well-being	People suffering poor housing conditions					
	Severely materially deprived people					
	Index of subjective evaluation of economic distress					
Education and Efficient use of talent	Percentage of people with a high level of ICT competencies					
	Country capacity to attract talent					
	Percentage of young people not in education, employment or training (NEET)					
	Percentage of people participating in formal or non-formal education					
Health	Healthy life expectancy at birth					
	Waiting lists					
	Life expectancy without activity limitations at 65 years of age					
Environment & Landscape	Energy from renewable sources					
	Public expenditure for recreation, culture and religion					
	Quality of urban air					
	Separate collection of municipal waste					
Infrastructure & Quality of services	Quality of overall infrastructure					
	Quality of railroad infrastructure					
	Internet bandwidth					
	Citizens who benefit from infancy services					
Financial Market	Availability of financial services					
	Ease of access to loans					
	Venture capital availability					
Business Sophistication	Local supplier quality					
	Extent of marketing					
	Production process sophistication					
	Nature of competitive advantage					
Innovation	Productive specialization in high-tech and knowledge intensive sectors					
	Innovation rate of the national productive system					
	Research intensity					
	Patent propensity					

A. Central Eastern Europe (CEE) includes Bulgaria, Croatia, Hungary, Romania.

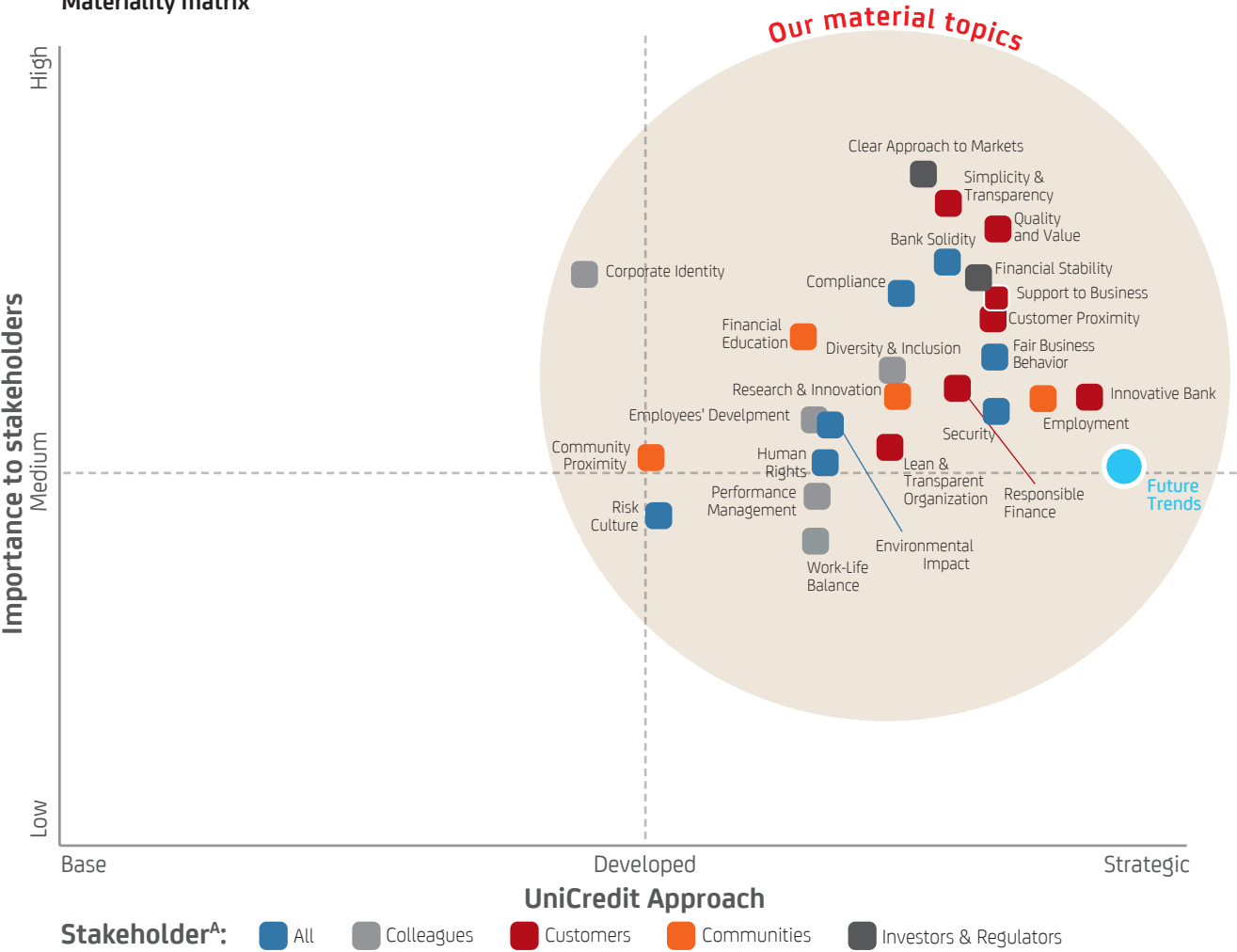
# Stakeholder Engagement

UniCredit's stakeholders provide insights about the Group's daily work that can be vital to creating more value in the future.

Stakeholder engagement and collaboration are integral to UniCredit's core business operations. This creates the opportunities and mutual benefits that are necessary to support our shared interest in supporting innovation and the co-development of new, long-term solutions.

Regular dialogue with our five key groups of stakeholders enables us to fully understand the nature of our responsibilities. These stakeholders directly communicate with us through special dialogue tools; we respond to all of the concerns that they raise and always take their opinions into consideration<sup>1</sup>.

### Materiality matrix



Since 2010, we have also used a materiality assessment to identify the topics that matter most to our stakeholders. This process provides our company with a clearer view on where we must focus in order to seize new opportunities, mitigate risks and ensure long-term value creation.

In 2015, we upgraded our analysis by implementing a structured, methodology<sup>1</sup>. We identified and prioritized each material topic and directly engaged stakeholders through surveys and interviews. Whenever stakeholder engagement was not feasible, we used other resources (e.g.: sector benchmarks, rating agencies

and other communications) to gain insights into each topic. Through this process, we assessed the strategic importance of these topics to UniCredit's approach to creating value.

In 2015, the majority of the priorities that we identified during this process remained the same or only slightly changed in comparison to previous years. Among them, the relative importance of the topics Support to Business and Financial Stability increased, which is consistent with ongoing macroeconomic uncertainties and the resulting weaker-than-expected economic recovery.

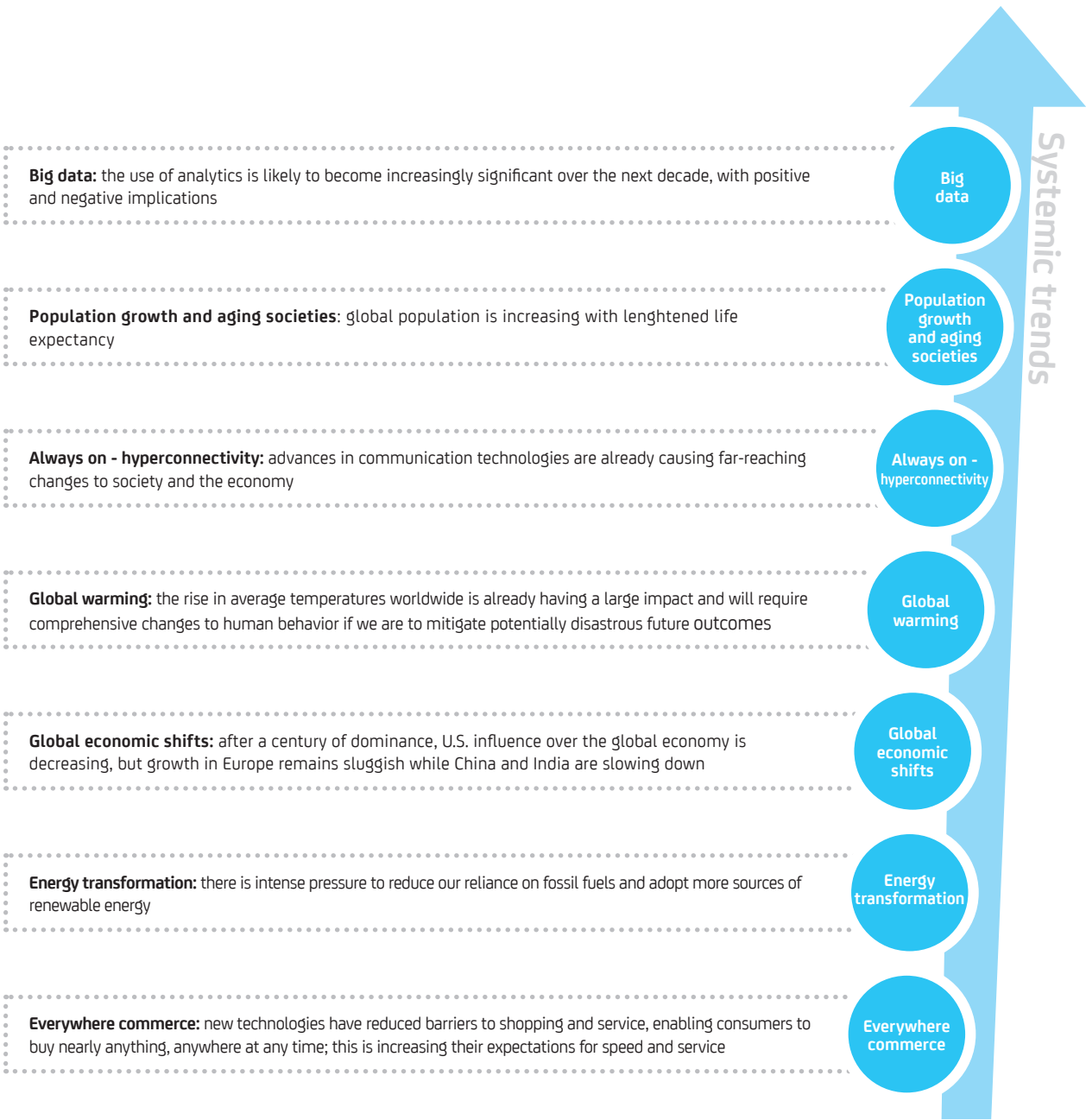
### Understanding future trends and how they will affect UniCredit

Since it is impossible to predict what will happen a decade from now, many companies focus on everyday challenges to the detriment of long-term planning and strategies.

UniCredit, however, believes it is essential to prepare for the future by forecasting how banks might continue to grow, recognizing new markets and finding better ways to compete. We are constantly working to improve our materiality analysis to consider issues of the present as well as the future.

To this end, in 2015 our Group conducted in-depth research that identified the systemic trends that are most likely to provide opportunities or pose risks for UniCredit in forthcoming years.

We surveyed over 100 opinion leaders (academics, journalists, regulators, sustainability experts, strategic consultants) to select, from a list of 20, the trends with the biggest potential to impact the banking sector in the next ten years. Through this process we identified the following trends that will become, integral to UniCredit's materiality assessment.



A. Refer to the Supplement for more information.

1. Refer to the 2014 Integrated Report and 2015 Supplement for more information.



## Strategic Plan

Integration of Strategic  
Pillars and Capitals

Main 2015 Initiatives

Monitoring KPIs

Connectivity

## Capitals

Stock of Capitals

Main 2015 Initiatives

Value for UniCredit and  
Community Impact

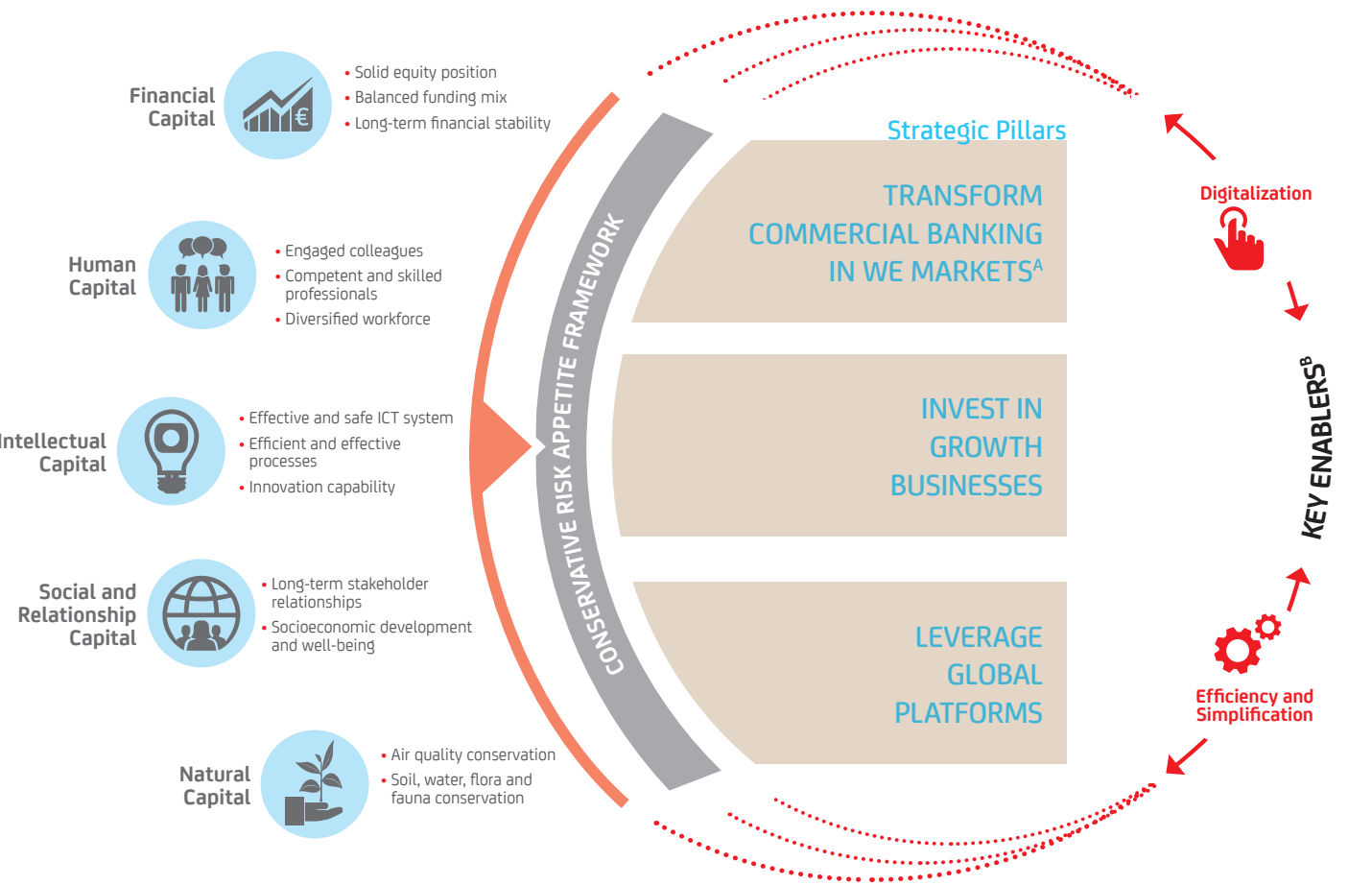


# Our Sustainable Strategy



# Integration of Strategic Pillars and Capitals

*In 2015 UniCredit continued to move toward sustainable profitability. We are successfully transforming our operations to meet the evolving needs of our customers, deliver high-value products and provide a unique banking experience. In response to persistent economic challenges, our Group has elected to accelerate its transformation by adopting a sustainable strategy that explicitly aims to achieve viable growth and support social development.*



UniCredit's strategy will result in a rock-solid, profitable bank that is able to generate sustainable value, maintain a strong balance sheet and support the prosperity of the territories where it operates. In pursuing it, we will continue to make careful use of the different types of capital available to us and take into consideration the ways in which they are interconnected. In so doing, we will create value not only for our Group but also for our stakeholders, communities and society as a whole, while minimizing negative impacts on the environment.

Due to the challenging and rapidly changing business environment, UniCredit has elected to accelerate its transformation by adopting a strategy that explicitly aims

to boost sustainable profitability and confirm our role as a leading pan-European commercial bank.

We are working to reduce our cost base, streamline our structure and accelerate our digital transformation. This will enable it to be more responsive to external challenges and to allocate resources more effectively.

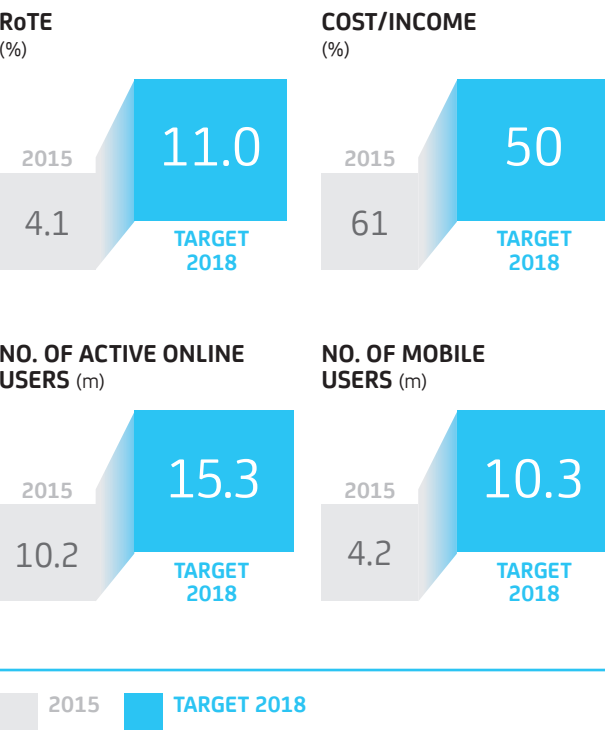
We will continue to invest in the growth of traditional businesses by providing credit to the real economy and will continue to focus on areas offering significant growth potential, such as Corporate & Investment Banking, Asset Management, Asset Gathering and Central Eastern Europe in general.

The execution of the Strategic Plan that was launched in 2014 has put UniCredit on track to achieve several targets. We further increased our capital buffer, with a fully loaded CET1 ratio of 10.94 percent<sup>1</sup> that is already above current regulatory requirements for 2018. Our cost of risk is at 86 basis points (-4 bp year-on-year), and our asset quality continued to improve, with gross impaired loans down to €79.8 billion and a solid coverage ratio of 51.2 percent.

We continue to reshape our operations to respond to the evolving needs of our customers and better support the communities where we operate.

As a result, we achieved a net profit of more than €2.2 billion in 2015, excluding €540 million in non-recurring items<sup>3</sup>, for a stated net profit of €1.7 billion. We have proposed the distribution of a €0.12 dividend per share in the form of a scrip dividend of newly issued shares or, upon a shareholder's request, in the form of a cash payment.

In November 2015, the Board of Directors approved a revised Strategic Plan that, while leveraging on Strategic Pillars, focuses on key enablers such as efficiency, simplification and digitalization.



## Focus

### UniCredit's Digital Strategy

UniCredit has decided to invest heavily in digitization to turn the Group into a highly competitive player in the emerging digital arena. According to the Strategic Plan, digital investments until 2018 will amount to €1.2 billion.

Our first driver will be to accelerate the digital transformation of the Group. This will involve improving the speed and quality of our services, as well as the experiences of our customers. In this undertaking, we are fully committed to creating an excellent and engaging digital user experience that provides customers with a comprehensive multichannel service.

Second, we will develop a digital business model based on a new IT infrastructure. This model will meet customers' basic needs and reduce our cost-to-serve.

We will also open *buddybank*, which will be accessible solely via smartphone devices, with customer service available 24/7. Representing a clear break from traditional banking, *buddybank* is scheduled to be launched in 2017 in Italy.

Our investments in transforming our business model have allowed us to optimize our retail branch network and refurbish more than 800 commercial branches<sup>2</sup> overall. We have also raised the number of customers who access our services remotely, with 10.2 million online users in 2015, up from 8.9 million in 2014 (+14 percent year-on-year) and 4.2 million mobile users in 2015, up from 2.9 million in 2014 (+44 percent year-on-year). In the midst of these changes, we have continued to make credit available to our customers, with medium- to long-term flows up by over 23 percent, driven by all of our main customer segments in commercial banking. Thanks to our efforts to offer high-value products and services, we acquired 1 million new customers in 2015 and improved customer satisfaction results in most of the countries we serve.

A. Western European markets.  
B. As outlined in the Strategic Plan approved by the UniCredit's Board of Directors on November 11, 2015.

1. CET1 fully loaded assuming 2015 expected scrip dividend of €12 cents per share with 75%-25% share-cash acceptance.  
2. Refer to the Leverage Global Platforms chapter (Global Activities) for more information.  
3. Non-recurring items refer to (i) UniCredit Strategic Plan restructuring charges (-€214 million net of tax), (ii) impact of the valuation of Ukrspbank (-€298 million net), (iii) extraordinary contributions to single resolution funds in Italy and Poland (-€173 million net), (iv) LLP for CHF loan conversion in Croatia (-€138 million net), and (v) taxes (€287 million net).

# Strategic Plan

## Transform Commercial Banking in Western European Markets

### Italy



UniCredit's Commercial Bank Italy remained the top contributor among the Group's divisions in 2015. Net Profit at €1.6 billion notwithstanding negative

one-offs mainly related to integration costs and systemic charges. Adjusted Net Profit at €2 billion.

The division contributed nearly €4.4 billion (up 2.7 percent year-on-year) to the Group's gross operating profit and demonstrated strong capability to grow, as revenues increased by 2.2 percent and the customer base expanded by some 130,000 clients. Commercial Bank Italy also asserted its leading position in the domestic consumer finance market, with a market share of more than 13 percent.

In 2016, we aim to consolidate our lead in consumer financing, continue our digital transformation and increase our capacity to support the domestic and international growth of our corporate clients.

### Continue the evolution of Retail Banking

In 2014 we adopted a new approach to retail banking with the launch of the OPEN project<sup>1</sup>. The new service model aims to offer products and services in an increasingly flexible, simple and accessible manner, letting the customers determine the way they want to do their banking.

### Making banking more available and accessible

In 2015, we continued to enhance our service model, implementing innovative operational tools, called OPEN DESK, that enabled our relationship managers to dedicate more time to providing customers with more individualized and extensive advisory services.

Over the year, we also continued to make our bank more accessible, with new branch layouts, more convenient opening hours, more house calls and an increase in remote consulting through our Remote Offsite service.

Our branch renovation and modernization project, which began in 2014, remained a top priority in 2015, because branches continue to be the focal point in our banking relationships with customers. At present, more than 400 branches have been renovated in line with our strategic plan. With modern layouts and high-tech interfaces, these branches are more comfortable and, by virtue of being fully integrated with all of our alternative channels, they enable us to conduct more complex interactions with customers; 270 of these new branches have also adopted flexible opening hours and days of operation, so that people can visit us at the times that work best for them. These changes have enabled us to provide more focused and higher quality advisory services, while 85 percent of transactions have been migrated to digital channels. Our target is to reach 90 percent of transactions accessed via internet and mobile devices.

Our innovative customer-centric approach resulted in a TRI\*M index<sup>2</sup> rating of 66, 10 points higher than our nearest competitors



### COMMERCIAL BANKING

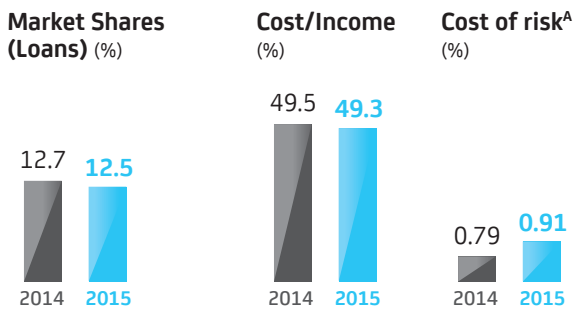
85% transactions migrated to digital channels



### TRI\*M index evolution vs. 2014

- Retail: +1
- Corporate: +6
- Private: +2

### Commercial Banking



A. Cost of risk increasing y/y aiming to support coverage ratio on impaired loans.

1. Refer to the Connectivity case study - OPEN IN ACTION in Italy at page 36 for further information.  
2. Refer to the Supplement for more details on our Customer Satisfaction (TRI\*M index) performance and trends.

### Supporting clients and country well-being

The need to make the bank more responsive to the increasing demand for a wider range of advisory services prompted us to think differently about real estate transactions, which not only represent important milestones for our customers but are also vital to the health of the Italian economy. With a new series of targeted initiatives, we now provide solutions that consider the lifelong needs and overall well-being of our clients.

This suite of competitively priced financial products is complemented by UniCredit Subito Casa, our real estate brokerage company, which provides distinctive services and access to the expertise of a network of more than 600 specialized advisors. With a focus on helping customers sell their houses, UniCredit Subito Casa aims to set a benchmark for quality in the real estate market. Through its website, unicreditsubitocasa.it, users can engage in real-time consultations and readily access all of our products and services.

UniCredit clients particularly appreciate two aspects of this service:

- the property ID card, which provides complete floor plans and an estimate of the property's value
- a dossier that describes the property in full detail.

UniCredit Subito Casa has already received assignments to mediation of more than 12,500 properties across Italy. It aims to conduct more than 20,000 transactions by 2018



### Providing new services through innovation

We are leveraging big data and UniCredit's growing menu of digital channels to provide innovative new products and services that make banking simpler and more efficient. For individual customers, we developed the Mobile Plus app and new functions (e.g., Prelievo Smart, Pagamento Bollette) so they can use their mobile devices to transfer money and make either online purchases or POS payments, among other transactions. We also made a concerted effort to broaden and diversify our offer, to better respond to our customers evolving needs.

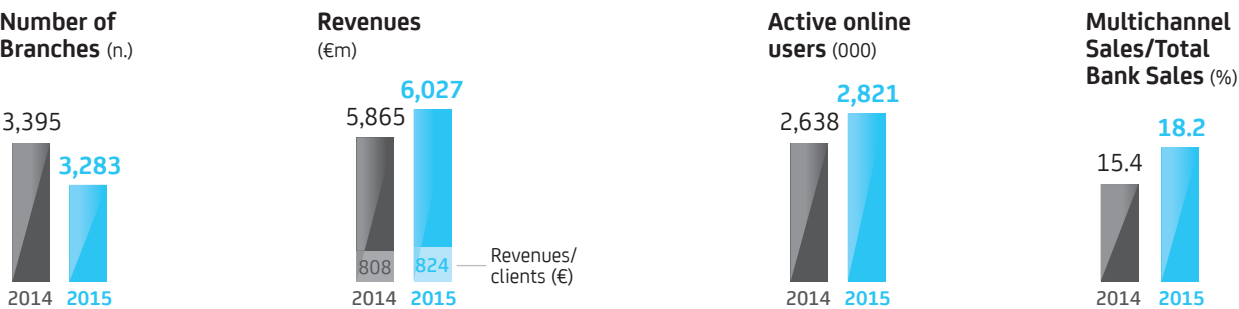
Guida Protetta, an insurance policy for automobiles and motorcycles, distributed by UniCredit but sold by CreditRas, is designed as a modular policy that can be easily adapted to individual customer needs. It offers 3 different solutions (in addition to third-party liability), which provide varying degrees of coverage. In addition to that Guida Protetta offers a wide range of payment solutions, including an installment plan through our Flexia card. The policy, which can be activated either online or through one of our customer service representatives, is exclusively available to UniCredit clients who have a current account or a Genius Card with the bank.

At the end of 2015, we opened the Subito Banca Online Store, a new web portal that meets the needs of our customers by offering the best prices on a wide range of major brands. The store includes a selection of affordable products made available with zero-interest financing or installment plans through our Flexia card, with no commissions charged. In early 2016, our customers will be offered another unique e-commerce opportunity - the ability to apply online for financing when they get to the checkout page.

For our small business customers, we developed 2 new digital services in 2015. In UniCredit's first use of big data, we created My Business View, which allows companies that manage their sales transactions through UniCredit's POS systems to analyze buying behavior, access aggregated industry information, and analyze and develop new sales and marketing strategies. We also launched My Business Manager for companies that use our internet banking services. My Business Manager lets these companies monitor their current accounts and their active credit lines via a graphical user interface that is easy to navigate.

The Italian Association of Financial Innovation (AIFin) awarded the first prize to My Business Manager and an honorable mention to My Business View both in New business service category

### Retail



STRATEGIC PLAN

Transform Commercial Banking in Western European Markets

Strengthen our long-term relationship with Corporate clients

Through our 140 corporate centers and more than 900 relationship managers, we serve over 44,000 corporate customers, representing a wide range of businesses. To further increase our capacity to support the domestic and international growth of our clients, in 2015 we continued to improve our service model.

Improving our service model

We strive to improve our proximity to corporate clients, providing them with tailored solutions, and serving as strategic partners.

Our top clients (large companies with cross border activities and complex financial needs) are served through customized, one-on-one account planning by an expert management team, that strives to understand and anticipate the needs and opportunities these clients face. We also provide coverage by senior staff members to offer seasoned expertise and build still stronger relationships.

All the remaining corporate clients are served by our qualified relationship managers, have access to structured advisory processes and can engage with subject matters specialists to get professional advice on specific needs.

TRI\*M index for top clients<sup>3</sup>: 69 (+2 vs. 2014)

TRI\*M index for the corporate segment: 58 (+6 vs. 2014)

To deliver an even better customer experience and strengthen our social and relationship capital, we launched 3 new projects that meet the needs of our increasingly demanding clientele:

- *OPEN IN ACTION in Italy*<sup>4</sup>, which is accelerating the development of our Italian network's new commercial structure
- *CIB-CCB Joint Venture*<sup>5</sup>, which provides investment banking products and services to our mid-sized corporate clients
- *Internationalization*<sup>6</sup>, which is integrating and leveraging our international footprint so that our corporate clients can more easily expand their businesses abroad.

Enhancing customer experience through innovation

The adoption of mobile technologies by our relationship managers has significantly increased their efficiency and productivity. Through digital innovation, we have reduced administrative tasks, so that relationship managers can devote more time to their customers.

With *Mobile Corporate* project relationship managers have been equipped with the latest generation of mobile devices: smartphones, tablet PCs and notebooks with Wi-Fi and 4G LTE connectivity.

New apps enable integration between devices and internal processes, as well as access to videoconferencing tools, and social media interactions among relationship managers, product specialists and customers. In this way our bankers can bring the bank to our customers, with consequent benefits for them:

- faster and easier interactions
- more relevant and effective business proposals that make use of predictive tools
- improved client relationship continuity thanks to easier access to historical data.

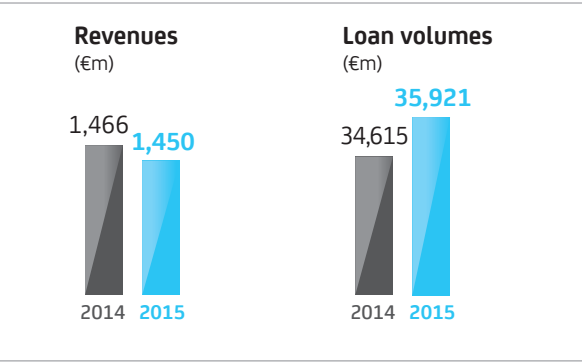
Stimulating the growth of enterprises

To better support our Corporate customers and the overall economy, we decided to participate in the European Central Bank's Targeted Long-Term Refinancing Operations (TLTRO) program. Launched in June 2014, this subsidized funding program aims to revitalize economic growth by stimulating banks to lend to the eurozone's non-financial private sector.

In roughly three months, UniCredit successfully disbursed the €7.75 billion it requested at the first European Central Bank (ECB) auction in September 2014. Our Group then played a leading role at the subsequent ECB auction in March 2015, requesting €7.4 billion in new funds for loans to families and Corporate clients. Through the *Valore Europa* program launched following the TLTRO initiative, our Group is expanding its lending activity even more than it did in 2014, providing vigorous support for our clients in Italy.

As part of the TLTRO program, in 2015 we provided Corporate clients with €4.4 billion in loans (+€1.3 billion over 2014)

Corporate



Continue to improve Private Banking

In 2015 we further developed our service model to create a truly differentiating customer experience.

Increasing simplification leading to greater integration and strong synergies

UniCredit's Private Banking network has undergone a major reorganization, leading to greater efficiency, optimized regional coverage and synergies with Commercial Banking Italy's other businesses.

The network is now divided into 76 distinct areas that are fully aligned with our Commercial Banking network.

This new structure enables us to establish colleagues' responsibilities clearly and to identify and align our objectives across different business lines. The result is more effective cooperation and a significant increase in the value of our services to customers.

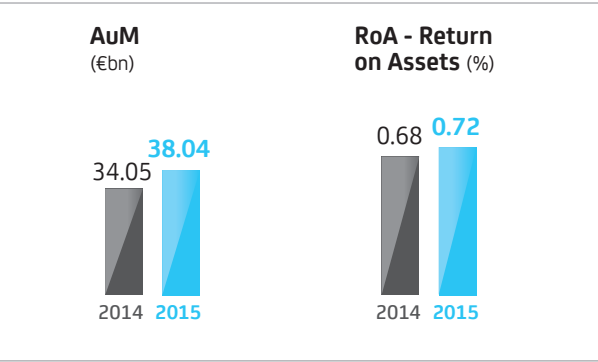
The continuous improvement of our service model resulted in greater customer satisfaction. This year we registered a TRI\*M index score of 67 (+2 over 2014)

Offering better coverage and more premium services

As part of our major reorganization in Italy, in 2015 we expanded and refined our advisory services and extended our basic service model to our Commercial Banking customers who are potential Private Banking clients.

As a result, all customers that possess substantial assets, can receive advanced consulting services and benefit from the progressive enlargement of our investment services catalogue, while maintaining a stable relationship with their relationship manager.

Private



To ensure that comprehensive support is available for this new target customer group, we also recruited more than 60 new experts.

We now field a team of more than 100 specialists who provide expert coverage from locations across our entire network.

FOCUS

Exclusive services for top clients

UniCredit has decided to create *Cordusio SIM*, a separate company to manage the wealth of ultra-high-net-worth individuals.

*Cordusio SIM*'s mission is to create value for customers with more than €5 million in assets and become the bank of choice for wealthy Italian families.

*Cordusio SIM* with its own brand, will distinguish itself through premium investment advice, unique products and an exclusive network of bankers.

Clients will benefit from the company's specialized advice and an approach integrated with our Corporate & Investment Banking division.

3. In 2014 this perimeter was called Corporate Stars - data as October 2015.  
4. Refer to the Connectivity case study - OPEN IN ACTION in Italy at page 36 for further information.  
5. Refer to the Connectivity case study - Joint Venture CIB and CCB Italy at page 50 for further information.  
6. Refer to the Connectivity case study - UniCredit's International Network at page 52 for further information.



OPEN IN ACTION in Italy

► Strategic Plan  
► Capitals

CONNECTIVITY

2014



This new paradigm was launched in 2014<sup>1</sup> to:

- **fully respond** to evolving client needs and expectations
- **grow** our culture of providing custom-tailored solutions
- **increase** the use of online services, thereby saving time and reducing the cost to serve

2015



Our model for connectivity, designed to make these changes happen faster

OPEN IN ACTION ENABLERS



**SERVICE MODEL MONITORING**  
Identification of **KPIs** to assess the effectiveness of our service model

**13**  
RETAIL  
KPIs

**14**  
CORPORATE  
KPIs



**OPEN ACCELERATOR**  
This dedicated team was assembled to:  
a) **identify** unresolved issues  
b) **share** best practices  
c) **plan** new interventions

**120**  
PROFESSIONALS



**TRACKING PERFORMANCE**  
A business intelligence unit **correlates** our service model KPIs with conventional performance indicators, e.g.:

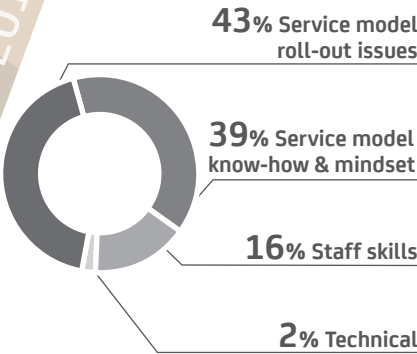
- Market Share
- Volume
- Cross-Selling
- Acquisition Rates
- Customer Satisfaction

SERVICE MODEL  
KPIs



CONVENTIONAL  
PERFORMANCE  
INDICATORS

AREAS TO BE  
UPGRADED



INVESTMENTS

**60%** of district managers committed to meeting network targets

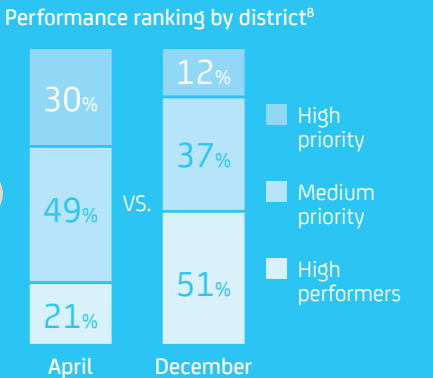
Roadshow visited **45%** of our districts

**120 Open Accelerator** mentored network colleagues

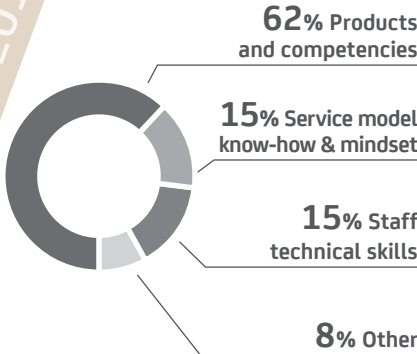
More than **75,000 h** of self-learning<sup>A</sup>  
Around **180,000 h** of face-to-face training

New tablet, **Firma mia**  
Broadband upgrade

ACHIEVEMENTS



AREAS TO BE  
UPGRADED



INVESTMENTS

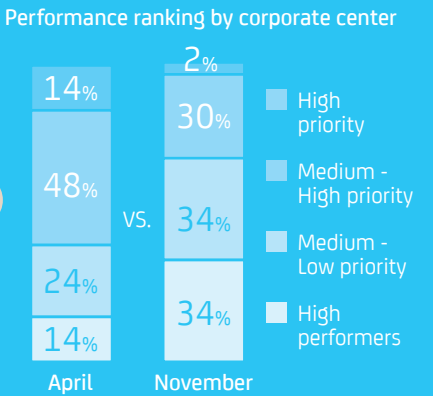
**Additional support** from specialists

Roadshow visited **all** corporate centers

**120 Open Accelerator** mentored network colleagues

About **1,800 h** of self-learning<sup>A</sup>  
Around **53,000 h** of face-to-face training

ACHIEVEMENTS



Acquisition  
Retention  
Customer Satisfaction  
Expected in 2016

PLUS

1. Refer to the 2014 Integrated Report for more information.

A. Self-learning training: October 2014 - December 2015.  
B. Performance index calculated synthetically from average figures.  
C. Corporate centers EBITDA data not available due to starting data of the project in July 2015.



STRATEGIC PLAN

Transform Commercial Banking in Western European Markets



Germany



In a challenging environment, Commercial Banking in Germany managed to improve its operating performance, achieving higher revenues (up 2.2 percent year-on-year) and lower costs (down 2.1 percent year-on-year) despite investments in growth areas and digitization. Growth was particularly pronounced in the Private Banking & Wealth Management segment and the Corporate segment. Overall, our activities in Germany resulted in a 2.6 percent increase in corporate loan volume.

In 2015, Commercial Banking in Germany delivered a net profit of €433 million.

In response to geopolitical uncertainty and rising financial market volatility, the division will execute its multi-year plan for 2016-18, enacting significant measures to achieve strong core business growth and increase back office efficiency.



341 refurbished branches as of 2015

**HypoVereinsbank**  
Private Banking awarded **Summa cum laude** by the Handelsblatt Elite Report

Transform the Retail Banking

In 2015, we continued to upgrade our branches to meet the increasingly sophisticated demands of our customers. In the process of repositioning our network, we have refurbished 341 branches and closed 236.

Improving the innovation in our service model

Today, the increased use of technology and the emergence of new digital competitors pose great challenges to the future of the retail banking business. To compete better in a shifting marketplace, we launched *FinanzKonzept*, an advisory tool that involves customers in the advisory process with a let's do it together approach. Our advisors can now provide comprehensive consultations on any financial, savings or investment matter. In 2015, the service began by offering investment advice only, but will soon provide full, 360-degree advisory sessions.

For *FinanzKonzept*, the Institute for Asset Accumulation awarded HVB its seal of Excellent Investment Advice

Furthermore, we launched the online service *Finanzmanager*, which uses a structured advisory process to get an overview of all financial affairs and helps customers understand the nuances of their financial matters.

Growing in the mortgage business

- In 2015, our retail mortgage operation gained additional market share by:
- successfully setting up our *Mortgage Remote ExpertCenters*
  - offering competitive mortgage terms
  - extending its cooperation with the three largest mortgage intermediaries in Germany
  - taking advantage of Germany's growing real estate market.

In particular, our *Mortgage Remote ExpertCenters* gave our business a strong boost. These remote teams of real estate specialists support our branches via video conference, giving our clients a premium service experience. This efficient, nationwide network already provides nearly 30 percent of the retail mortgage advice.

Together, these moves in 2015 helped us deliver excellent year-on-year results in terms of new medium- long-term loans origination in commercial banking that have grown 24.8 percent year-on-year.

Provide Corporate clients everything they need

We maintain our focus on remaining an efficient partner for our customers in delivering value services. We made significant progress in providing customer easy offerings through integrated channels and strategic advisory in international business development.

Implementing new digital services

Corporate clients require quick, straightforward access to financial advice and solutions. In response to this need, we are going to offer remote access to advisory services for corporate clients (beginning in 2016) and we have provided new digital devices to all relationship managers to facilitate interaction with customers. A simplified online process for opening corporate current accounts and taking out standardized loans, among other basic products, was finalized in 2015 and will be implemented in 2016. We also strengthened *Business Easy*, our remote service model dedicated to small business clients, implementing a new solution for secure electronic transfer of documents.

Supporting international activities

Efficient cross-border banking services including trade finance, FX, cash management and financing are crucial for German companies that want to expand their business abroad. To better respond to our customer needs, following the implementation of our distinctive internationalization service model in 2015 we further refined our approach and, in addition to the 6 regional international experts appointed in 2014, we established branch ambassadors at all 25 branches to serve as facilitators, addressing all requests made at UniCredit's *International Centers*.

Supporting entrepreneurial succession needs

Over the next three years, roughly 135,000 enterprises will be engaged in planning their successions. In response to this emerging trend, Corporate Banking developed a corporate succession advisory program in 2015. Over the course of 2016,

succession specialists will become available in all regions to provide corporate clients with solutions that cover the full range of their possible succession planning needs, from M&A and investing to financing and equity solutions.

Improve our Private Banking approach

In 2015 we improved and expanded the range and the quality of our services for affluent clients and High Net Worth Individuals, providing financial consultancy and a wide range of solutions to satisfy their evolving needs.

Enhancing service model

In 2014, we decided to reorganize our services for wealthy clients by forming an internal joint venture between our Private Client Bank (Retail/PBK) and Corporate Bank (UBK). We saw that closer cooperation between our corporate and private banking functions would give our entrepreneurial clients what they need: a 360-degree advisory service that helps them better manage their private wealth. Operational implementation took place in December 2014, and the project achieved considerable success in 2015: the number of clients increased of 4 percent year-on-year, while customer satisfaction index and revenues registered a low double digit growth.

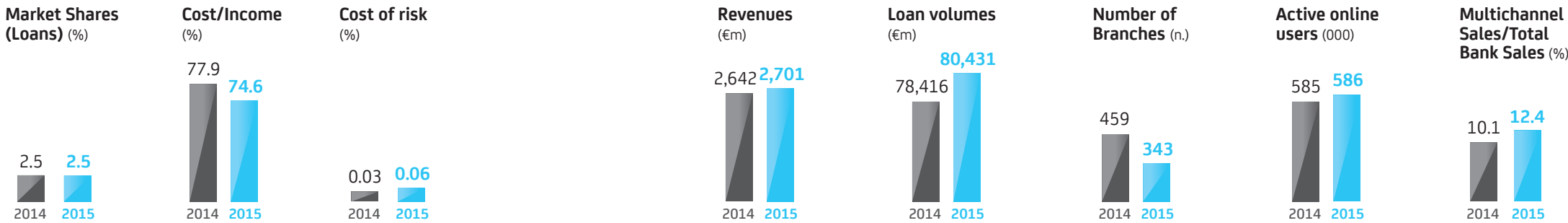
For the third consecutive year, Private Banking was awarded Summa cum laude by the Handelsblatt Elite Report. Top marks were earned in a number of areas, including portfolio management, expertise, succession planning and corporate succession. This recognition helps illustrate the success of our 360-degree approach to wealth advisory.

Offering digital solutions

We are developing a new app that will be launched in the third quarter of 2016. The app is designed to increase our appeal to an important demographic: 30 to 50-year-old, high-income clients who prefer to bank digitally via their mobile devices.

- The app will help increase profitability and retain clients by offering:
- an excellent user experience, in line with our private banking service
  - simplified interactions with tellers and advisors
  - a means to future-proof our private banking service model.

Commercial Banking



STRATEGIC PLAN

Transform Commercial Banking in Western European Markets



Austria



UniCredit Bank Austria AG, with a 14.8 percent share of the market for loans and a 14.3 percent share of the market for deposits, was one of the country's leading banks in 2015. Its solid performance resulted in a net operating profit of €233 million (up 2.9 percent year-on-year).

The bank successfully increased its volume of loans by 4.1 percent year-on-year while keeping the portfolio's level of credit risk near zero. It also increased its efficiency in 2015 (operating costs down 2.8 percent year-on-year) through strict cost management and additional enhancements.

In the years to come, UniCredit Bank Austria AG plans to deepen its digital transformation in order to better serve its customers and streamline internal processes.

€35 million

invested in 2015 to implement *SmartBanking Solutions*



**CREDO** project launched to better serve our business clients

Increase innovation and flexibility in Retail Banking

We invested to offer innovative services and make the interaction with our customers more flexible.

Creating new ways to bank with us

Regional and demographic trends and new technologies are changing consumer behaviors and expectations. In response, we have created *SmartBanking Solutions*, a project started in 2013 and planned to be fully implemented by 2017. A modern approach to retail banking, providing our 1.6 million customers with convenient new ways to do business with us. This year we invested €35 millions to implement the new business model, deliver a superior customer experience, redesign 25 branches to feature modern layouts and amenities, tighten our network, and deploy technologies such as cash recyclers, electronic signature pads, Wi-Fi-enabled tablets and remote advisory services.

In concert with these moves, we closed 35 branches on a total of 174, and we expanded access to our 24/7 banking services by creating new self-service branches and making more experts available to provide remote mortgage consulting services.

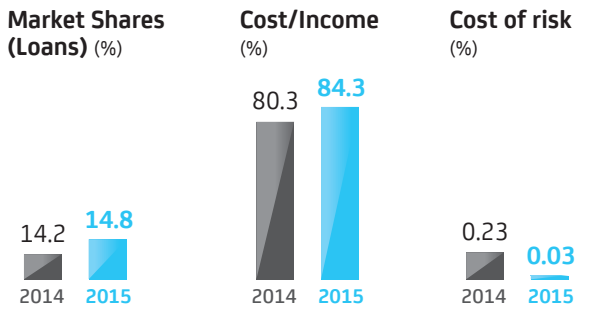
Attracting and retaining customers

Since 2014 we have been working to enhance our capability to increase customer loyalty, to prevent attrition, and become more attractive for prospective new clients.

- In 2015 we proceeded in the same direction developing several initiatives, which include:
- analysis to identify potential new customer targets, such as students or family members of existing clients
  - focused communication campaigns, through different online channels (e.g., Google)
  - change management programs for retail employees, to increase individual entrepreneurship and enhance the customer experience during the onboarding process of newly acquired clients.

Our efforts resulted in an increase of about 38 percent of new client acquisition, stabilizing the net customer base.

Commercial Banking



Serve our Corporate clients diverse needs

We continued to invest in innovative new banking platforms and improved the strategic advisory for our internationalized clients.

Renewing our organization to be closer

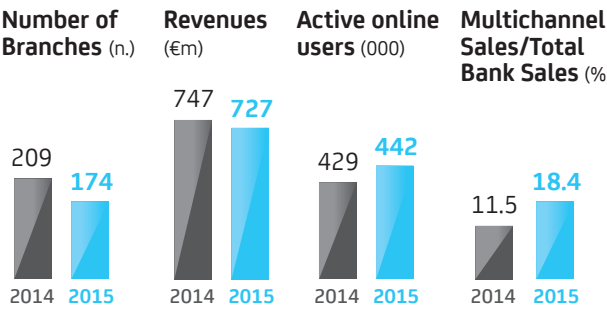
To make our personal advisory and other services more readily accessible to our clients, we launched *CREDO: Corporate Redesigned Organization*. This restructuring project involved reintegrating small and individual businesses (less than €3 million in turnover) into our branch network. This step allows us to provide them with a wider range of standardized service models to meet both their personal and business needs. On our end, it simplifies our multi-channel, online sales, and mass CRM interactions by placing all responsibilities for these customers on a single manager increasing the time to market and enhancing synergies among different business segments. This project will entail moving some 300 relationship managers and assistants from the Corporate to the Retail division.

Through this project we will be able to offer to our clients a unique customer experience thanks to a service model that includes physical and remote advice, according to the complexity of the business needs. To maintain an outstanding quality of service, remote service is supported by specialists that provide online consulting on both basic and more sophisticated issues. For our remaining corporate clients, our relationship managers will work to improve and reprioritize corporate sales. They will do so with the help of remote teams of specialists and more tailored strategies designed to sustain the growth of our customers' businesses.

Offering innovative services

As for the retail segment, also for companies we have created *SmartBanking*, a service model for customers with less complex needs that can be met through remote channels. We provide both premium (*SmartBanking Business*) and standard (*BusinessCenter 24*) versions of this service, as well as specialized services for FX (*Business Center Special Customers*) to 40,000 small businesses in Austria. *SmartBanking* enabled us to start stabilizing our client base with end-of year churn ratios of 3 percent in standard and 1 percent in premium segment.

Retail



In 2015, we focused on:

1. finalizing customer roll-out in Austria
2. implementing *SmartBanking 2.0* (restructuring teams and optimizing workflow to increase efficiency)
3. rolling out video conferencing capabilities.

To support the implementation of this need-oriented service model and guarantee full engagement to the project, the entire staff participated in a change management program, addressing key elements such as: enhance understanding, hone capabilities and foster motivation. The program included a series of employee workshops and team training modules on team effectiveness. In addition to that, key members of the teams, acting as ambassadors and change agents, attended specific video conferencing and customer interaction training.

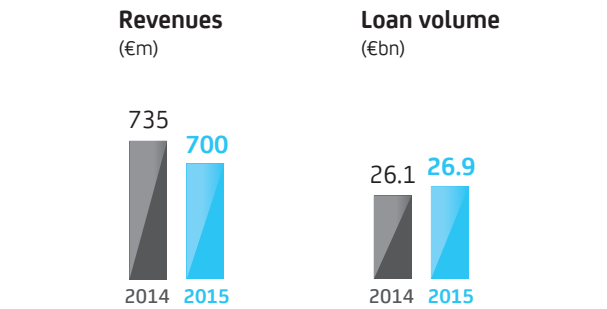
Supporting the internationalization of companies

In 2015 we kicked off *SQUARED*, a new strategic project led by our Corporate & Investment Banking (CIB) to make UniCredit into Europe's leading institution in the corporate and investment banking segment. By helping our corporate clients expand abroad, we aim to promote job creation, stimulate growth of our customers' business sectors and also generate additional revenue for us.

One of the project's objectives is to transform the Group into a powerhouse in European trade finance. We aim to achieve a 40 percent share of this business. We have already made a significant drive to achieve our objective, working to increase the trade finance expertise of 197 relationship managers through extensive online training courses.

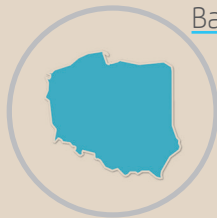
As a part of **SQUARED**, our target is to generate **€38 million in revenue by 2018**. Additional revenue will be derived from trade and supply-chain finance

Corporate





Invest in Growth Businesses  
Poland



Bank Pekao's strategy is focused on business growth and innovation.

In 2015, it continued to invest in the areas with the highest potential for value creation, while maintaining strong operational efficiency (costs down 3.2 percent year-on-year) and a secure risk profile (cost of risk declined to 43 basis points).

It also maintained its customer-centric approach, making more credit available to the communities it serves (loan volume increased 6.4 percent year-on-year). Bank Pekao's €275 million<sup>1</sup> in net profit in 2015 demonstrates its ability to generate sustainable profits despite a challenging regulatory landscape and a highly competitive market.

More than  
**3,000**  
new agricultural customers

**Bank Pekao**  
Most innovative Bank in  
transaction services 2015  
according to Global Finance

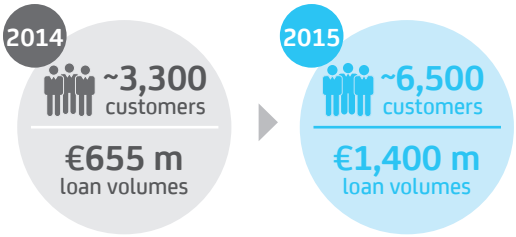
Support business growth

Bank Pekao's strategy is to increase its market share in areas with the highest potential for value creation. Its *Klientomania*<sup>2</sup> project, launched in 2014, resulted in the acquisition of more than 300,000 new customers over the past year. Over 5 million customers were served by Bank Pekao in 2015.

Over  
**300,000** new customers in 2015

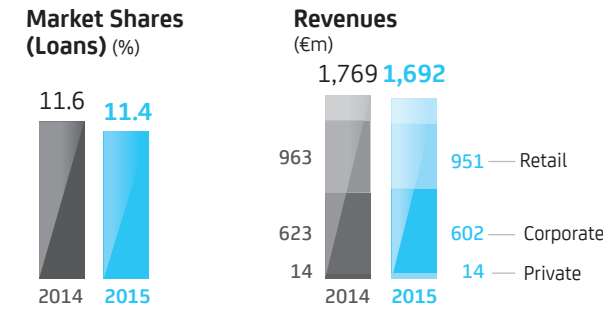
The *Agromania*<sup>2</sup> project, which targets farmers and agricultural companies, has met expectations. A customer service model based on a new organizational structure dedicated to agriculture sector, *Agromania* was launched in 2014 to meet specific needs, supporting innovation and helping local businesses become more competitive. In 2015 we expanded the range of products, including special loans to finance seasonal activities, preferential loans with the Agency for Restructuring and Modernisation of Agriculture to subsidize capital and interest payments for farmers and food processing companies, and *Agrar cards* that provide discounts and additional services offered by our business partners.

Agromania results



Based on the success of *Agromania*, we launched *Program for Enterprises*, a client outreach initiative that aims to strengthen our positioning in the small and medium enterprises sector, in particular in the regions with the highest potential. By reinforcing synergies among our different business lines, *Program for Enterprises* offers small and medium-sized businesses an integrated approach that provides more diversified financial

Commercial Banking



solutions to their unique challenges. The program's team of skilled traveling advisers increases our proximity to prospective new clients across the country and enhances our capacity to serve them. To further improve the quality of this service, we have simplified our risk assessment process and accelerated our decision-making capability. We expect this program will generate over €460 million in new loans by the end of 2016.

With our new *Kartomania* project, we increased the range of banking cards we offer and introduced several innovative solutions previously unavailable on the Polish market. These include multicurrency cards that enable transactions in PLN and other major foreign currencies, letting customers protect themselves from fluctuating rates. Based on its success in Italy, we also offered *Flexia*, a payment card that lets customers pay for purchases through direct charges to their credit card or via installments. Our clients can also personalize their credit or debit cards with custom images. Thanks to these new services, we issued more than 600,000 new cards, almost double year-on-year, and achieved significant growth in the number and volume of customer transactions.

Innovate multichannel

Innovation remains a vital component of our strategy to anticipate and respond to the ongoing evolution of the banking sector and to the customers' changing needs.

In 2015, we continued to develop and expand our range of products and services available through internet and mobile platforms. Multichannel solutions now exist for nearly all services offered by Bank Pekao's network. We are also the only bank in the Polish market to offer individual clients the ability to manage brokerage accounts not only through our internet service but also through our mobile app.

We were also the first bank in Poland and just the second in Europe to offer the *PeoPay* mobile payment system, which is based on Host Card Emulation (HCE) technology. *PeoPay* enables clients to transfer money securely to friends, family or coworkers via their mobile phone number. Through this system, they can also withdraw cash from ATMs without a bank card,

making transactions more efficient, secure and affordable to our customers. These innovations helped us increase the number of individual and corporate online users we served in 2015.

NUMBERS (thousands)	2013	2014	2015
Individuals with access to electronic banking <i>Pekao24</i>	2,447	2,661	2,899
Individuals with access to mobile banking	373	596	1,015
Business clients with access to electronic banking	224	241	248
Business clients with access to mobile banking	7	14	18

Our client-oriented, innovation-driven approach has made us the first bank to achieve full integration with the Polish largest Comarch EDI<sup>3</sup> platform, which is used by the country's major wholesale distribution companies and store chains. Invoices can now be securely, rapidly and easily transferred directly from the platform to Bank Pekao, giving customers access to trade finance services such as eFinancing or advance loans. Consequently, local enterprises that bank with us can now more effectively manage their supply chain, improve liquidity and foster business to business relationships, becoming more competitive in the process.

In 2015, we financed over 20,000 invoices of clients utilizing Comarch EDI platform, covering a turnover of more than €137 million

Focus

Bank Pekao for R&D

Our drive to innovate translates into our efforts to support innovative small and medium-sized businesses. In the province of Silesia, for example, Bank Pekao contributes to Poland's research and development capacity by strengthening cooperation between the local government, enterprises and research institutions. To facilitate the transfer of knowledge within the green energy industry, we financed the construction of 2 technology parks in Katowice and the purchase of specialized laboratory equipment, with a bond issue of around €10 million.

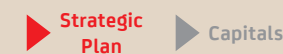
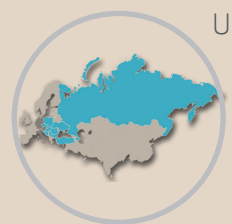
1. The data in euro is calculated using current foreign exchanges rates.  
2. Refer to the 2014 Integrated Report for more information.

3. Electronic Data Interchange.



## STRATEGIC PLAN

Invest in Growth Businesses

Central Eastern Europe (CEE)<sup>1</sup>

UniCredit's Central and Eastern European franchise is the largest and most diversified in the region. With more than 1,000 retail branches providing

strong local coverage, it ranks among the top 3 banks in 5 countries and among the top 5 in almost every CEE country we call home. UniCredit is also one of the region's leading corporate banks, providing more than €57 billion in credit to businesses throughout CEE.

Going forward, CEE will continue to be central to the Group's strategy. Further investment in digitization will enable us to respond even more effectively to the changing needs of our CEE customers and to expand our business across the region.

+13.2%   
active online users year-on-year

More than  
**2,500** new deals  
generated thanks to the new capital  
light business model

## Renew our approach to Retail

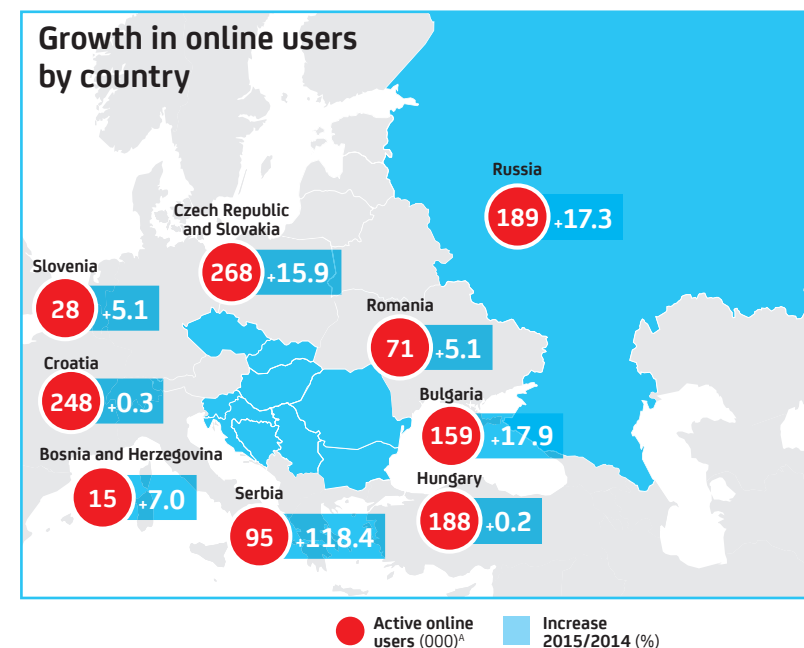
We are continuing our transformation – enhancing our ability to understand and respond to rapidly changing customer needs and offering a variety of products and services via easy-to-use interactive tools. This will help us strengthen customer loyalty and attract more prospective customers, as well as stimulate socioeconomic progress.

## Improving our digital banking

In 2015 we launched our new website, providing easy, interactive access to our core banking products. Romania came first, followed by Bosnia and Herzegovina, Hungary, Russia and Serbia. Completion of the website's rollout is expected by mid-2016. Romania also tested the Group's newly designed internet banking solution, which was made available to all 120,000 internet users in September. The new platform offers a user-friendly interface and added-value functions, such as *Personal Finance Management*, which can facilitate responsible money management and reduce indebtedness.

**In Romania in only two months we achieved a 20% increase in online self service transactions and more than doubled the number of leads (online product application)**

To support the continuous improvement of our front-end solutions and the transition to multichannel service delivery, we have enhanced and simplified our IT infrastructure. This new architecture lets our clients make easier use of our services across all digital channels and will help us make additional efficiency improvements in terms of costs and time to market.



1. CEE includes Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine.

## Developing a data driven customer relationship management

The better we understand our customers, the more we can make our services relevant to them. So we have continued to enhance our ability to use customer data analytics. In 2015 we launched new campaigns using target lists that were based on data-mining models. This resulted in much more effective campaigns. In countries<sup>2</sup> where we tested this approach to reducing customer churn, we observed a decline in attrition rates for the target sample ranging from around 15 to around 25 percent. Innovative, data driven communications allowed us to obtain an increase in conversion rates<sup>3</sup> for the target population ranging from around 25 to 50 percent.

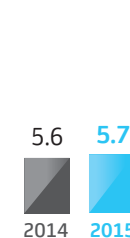
## Results of advanced CRM campaigns



As more people increasingly interact digitally, the amount of marketing data available to us has increased correspondingly. To improve customer experience, we need to rapidly strengthen our capacity to analyze and then utilize this data. The *Big Data* project was launched in 2015 to put in place a data analysis architecture that will provide a 360-degree view of our customers. This will improve our ability to be close to them, as well as increase our speed and time to market. The *Big Data* project aims to:

- use machine learning and statistical models to anticipate churn
- develop an innovative business model that uses statistical analysis and client micro-segmentation and provides a review of processes and governance
- create a roadmap and identify what is needed to scale up for use in all CEE countries.

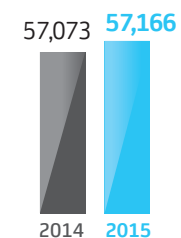
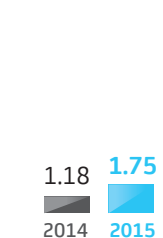
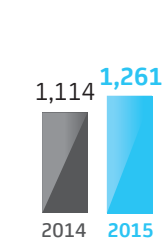
The project has been launched in Hungary and Romania and will be rolled out in our other countries at the end of 2016 after the pilot phase is complete.

Commercial Banking<sup>A</sup>Market Shares (Loans)<sup>B</sup> (%)

## Revenues (€m)



## Loan volumes (€m)

Cost of risk<sup>C</sup> (%)Active online users<sup>B</sup> (000)

A. Data calculated using current foreign exchanges rates.

B. Excluding Ukraine.

C. The increase of cost of risk is mainly driven by provisions in Croatia related to CHF loans conversions.

2. Bosnia and Herzegovina, Bulgaria, Hungary and Romania.

3. The conversion rate is the percentage of marketing proposals that generate a result.

4. Czech Republic, Slovakia and Turkey.

## Boosting net active customers growth

We are focused on making proactive investments that increase our market penetration, improve our retention capabilities and contribute to sustainable profitability.

Our strategy includes strong focus on innovation sharing among the CEE banks and seeking out innovative partnerships with companies such as telecoms, utilities and insurers, to meet the evolving expectations of consumers and offer a diversified range of products and services. With this goal in mind, a new project was initiated that:

- identifies and codifies innovations to attract and retain clients in sponsor countries<sup>4</sup>
- assesses the potential applicability of local initiatives to other parts of CEE and designs pilot initiatives in selected countries.

## Serve the non-lending needs of Corporate clients

UniCredit is a leading corporate lender in CEE, with a market share of 6.2 percent. It serves roughly 80,000 corporate clients in the region. Our successful business model has made us first in customer satisfaction in 6 out of 10 CEE countries<sup>5</sup>.

## Enhancing our business model

In 2015 we continued to leverage our capital-light business model with support from the *Babel*<sup>6</sup> analytical tool, which offers our clients a diverse array of products. The model was rolled out to all clients in 6 countries<sup>7</sup> in summer 2015 after a successful pilot in Romania.

**With Babel we have now identified more than 5,600 customers representing around 10,500 opportunities to satisfy customers specific needs; from these we have concluded more than 2,500 new commercial deals**

5. According to a survey conducted by TNS, UniCredit is ranked first in customer satisfaction in Bulgaria, Czech Republic, Hungary, Romania, Russia and Slovakia.

6. Refer to the 2014 Integrated Report for more information.

7. Bulgaria, Czech Republic, Hungary, Romania, Russia and Slovakia.

## STRATEGIC PLAN

Invest in Growth Businesses



Capitals

Investing in upgrades to our business model remains a strategic priority for our banks. We have now launched a second phase in this process, which includes:

- developing cutting-edge sales support solutions
- upgrading the analytical tool with state-of-the-art new functionalities (e.g., portfolio diagnostics, warning signals).

In our corporate area, we have also launched a new initiative intended to make use of all the information now available in banking and other fields. *Big Data for CIB Clients* is focused on the design and application of analytics and algorithms that utilize a wide range of facts and statistics. It will improve our ability to provide creative and targeted solutions that address the challenges our clients may face today and in the future.

**Serving an important customer segment**

One of our key objectives is to maintain our strong position in the small and medium enterprise (SME) segment. We are doing this by diversifying our lending capabilities and simplifying our customer relationships. In particular, we have begun to simplify the procedures connected with the credit process. This will improve our time to market and our ability to support the economic development of our territories. It will also help us sustain and grow our market share.

## Focus

## Supporting companies' growth

EU subsidized Finance serves as an important instrument to support the growth of companies, and reaches 3 to 4 percent on average of the local GDP in CEE countries. More than €2.2 billion in loan facilities have been approved for EU-funded projects in CEE<sup>8</sup>.

Our Competence Centers for EU funds, based in UniCredit's CEE banks, partner with consulting companies to offer advisory services to companies interested in accessing EU funds, including non-reimbursable grants. The support is provided on a complimentary basis. The EU funds experts at the banks focus primarily on financial assessments of the projects, while the consulting companies focus on assessing eligibility. Companies that intend to carry out eligibility checks for their projects receive a free consulting session, on the basis of which they can decide whether to continue with the process of seeking EU funds<sup>9</sup>.

We continue to focus on international clients.

In 2015 we supported nearly **3,200 new customers** with **ad hoc specialized services**, for a new total of **25,000 international customers** across CEE

To maintain our leadership position in serving cross-border clients and to present ourselves as a global partner capable of supporting our clients anywhere, we launched the new *One CIB* initiative. The initiative offers a distinctive value proposition to international clients through a new service model, enhanced commercial and credit processes and customized product offerings. Key advantages include simplified processes, cross-border cooperation and tools, and coordinated decision-making on business and risk considerations.

**Develop holistic Private Banking services**

Private Banking depends on a clear understanding of customer requirements based on a structured advisory dialogue in which the relationship manager explores the client's needs, expectations and overall personal and financial circumstances. This approach is vital to developing strong solutions that add real value and produce an outstanding customer experience.

Our new service model is grounded in a customer-centric approach and seeks to provide holistic, 360-degree service. It combines an effective CRM implementation with related product development and the excellent relationship management skills of about 280 private bankers. The new model has already been initiated in 6 countries<sup>10</sup>. The launch was boosted with a two-day workshop involving about 80 people. We plan to complete the implementation in 2016.

To support our ability to obtain a comprehensive view of our clients' wealth and make the best investment recommendations, we have also invested in IT tools. In June 2015, we began the roll-out of a complete advisory and reporting tool that improves communication with our clients. The pilot countries - Czech Republic, Hungary and Slovakia - are now live, while Bulgaria and Romania will become active in the first quarter of 2016. Russia is expected to go live by the end of 2016.

**Honing our advisory skills**

We continued to invest in honing the professional skills of our relationship managers. Our *Private Banking Academy* opened its doors at the end of 2014. In 2015, 263 people from 10 countries took part in modules on private banking fundamentals, client management, global investments and sales management. 93 people completed the full course, earning *Private Banking Academy* certifications.

**263 Private bankers**, representing about **90% of the entire staff**, participated in the **Private Banking Academy**

## Asset Gathering

We continue to grow our capital-light business lines, boosting client acquisition activities in our Asset Gathering.

**Support capital-light business**

*FinecoBank SpA*, the Group's multichannel direct bank in Italy, is a leading player in the market thanks to its unique business model. It offers banking, brokerage and investing services through a single account, and makes all of them accessible via online and mobile banking channels, personal financial advisors, Fineco Centers and Customer Care specialists. Unlike many of its European peers, Fineco does not compete based on pricing. Its advantage comes from its fully integrated offering, which helps it grow a loyal and satisfied client base.

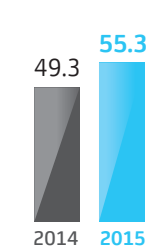
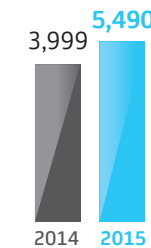
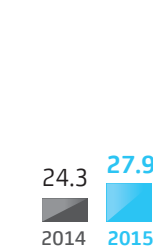
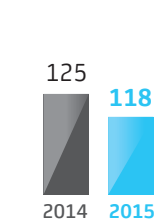
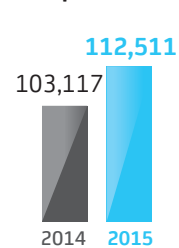
Fineco's investment services combine financial advisory with transparent compensation practices. As an example, the bank has introduced a fee-only advisory service where the Personal Financial Advisors (PFAs) only receive the advisory fee and they are completely independent because they are not paid based on the financial products sold to costumers. Fineco is well-positioned to take advantage of two important trends underway in Italy: digitization and the growing need of Italian savers for advanced advisory services.

Fineco's strategy, as per the Group's 2015 multiyear plan, is based on three pillars that reflect its entrepreneurial culture, focus on innovation and consistent product delivery:

- developing, expanding and training its network of PFAs to enhance customer satisfaction and net sales
- continuing to shift total financial assets towards higher-value-added products and services by means of a state-of-the-art advisory model, with a target ratio of guided products to assets under management of 64 percent by 2018
- focusing on client acquisition, leveraging its use of customer referrals and its innovative customer model.

Fineco continues to invest in its financial advisory team, with 118 new PFAs hired in 2015 to bring the total number to more than 2,600.

## Asset Gathering

**Total financial asset - TFA** (€bn)**Net Sales** (€m)**Executed orders** (€m)**Recruited Personal Financial Advisors - PFAs** (n.)**New customers acquisition** (n.)

1. Source: TNS Infratest 2015.

8. Linked to the 2007-2013 EU Funds budgeting period.

9. Refer to Social and Relationship Capital chapter for more information.

10. Bulgaria, Czech Republic, Hungary, Romania, Russia and Slovakia.

MATERIAL TOPICS

- Customer Proximity
- Employees' Development
- Quality and Value
- Support to Business

STRATEGIC PLAN

Invest in Growth Businesses

Asset Management

We continue to grow our capital-light business lines, scaling up our Asset Management unit to leverage non-captive distribution channels.

Support capital-light businesses

Pioneer Investments, a leading global asset manager with a diverse, high-quality investment platform, enjoys broad distribution via UniCredit's robust European network as well as through leading global third-party distributors, institutions and consultants.

Over the years, the close cooperation that exists between Pioneer and the Group's distribution channels has generated numerous valuable investment solutions and advising services for UniCredit clients.

The Group considers asset management to be a strategic, profitable business that is both capital-light and attractive. In line with this rationale, UniCredit and Banco Santander, together with private equity firms Warburg Pincus and General Atlantic, shareholders of Santander Asset Management, signed a binding master agreement to combine Pioneer Investments and Santander Asset Management.

As a result of the envisaged transaction which defines UniCredit as a stakeholder of the combined entity, our Group will retain a significant exposure to an enhanced asset management platform with improved growth prospects.

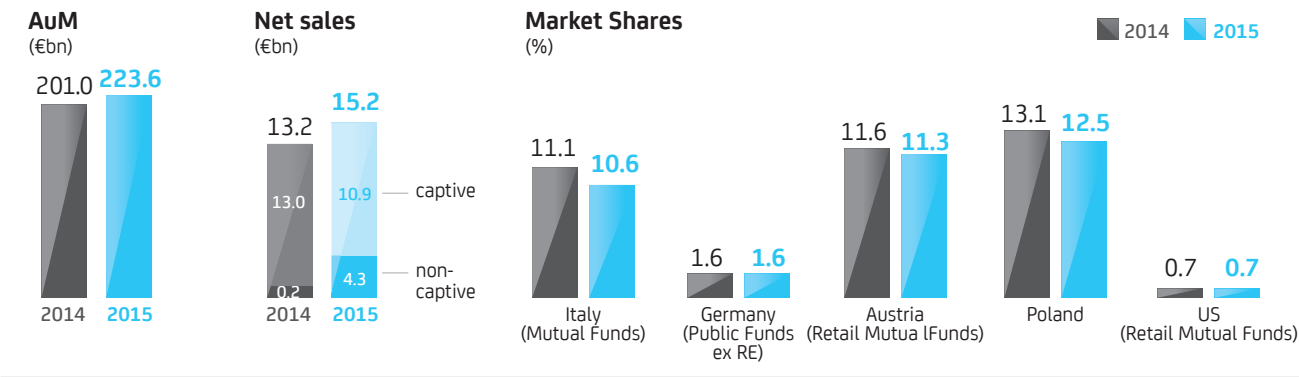
In 2015, Pioneer followed a two-pronged approach in implementing the Group's multi-year plan.

First initiative

Pioneer completed the roll-out of a global front office platform and a global trading desk.

The front office system features enhanced reporting functions to support client needs, a cutting-edge risk management

Asset Management



system with a global market perspective to automatically monitor compliance risks related to all regional regulatory requirements, and an integrated investments book of record.

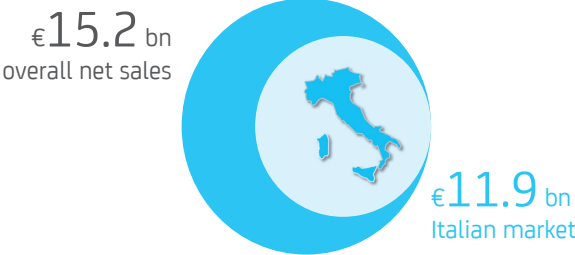
The global trading desk now centralizes all trading activities on a common platform, putting Pioneer Investments ahead of peers and competitors. It provides the capability to route orders to local desks and execute them locally, leveraging our local market expertise at no additional cost.

Second initiative

Pioneer promoted its *Diversify, Different* campaign to multi-asset investing and its corresponding range of multi-asset investment solutions, suited to meeting client needs in market conditions characterized by lower expected returns and possible higher volatility.

Pioneer's multi-asset solutions aim to offer investors protection against excessive drawdowns while enhancing potential portfolio returns through the exposure to a globally diverse mix of asset classes.

Pioneer achieved significant success in 2015, with overall net sales reaching €15.2 billion. Of this, €11.9 billion derived from the Italian market.



Leverage Global Platforms

Corporate & Investment Banking

A key priority for our Group is to build on Corporate & Investment Banking's (CIB) ability to provide clients with superior products and access to our international infrastructure.

In recent years, we have worked to conform to a lean, simple and efficient business model that focuses on the markets where we are particularly strong. Based on this effort, we are increasingly recognized as a leading European player in CIB. Over 600 core CIB clients and 6,000 corporate clients in Western Europe now use our investment products. It is our goal to become their main partner by leveraging our pan-European platform.

CIB is already a major engine of growth for UniCredit, with revenues at roughly €3.8 billion in 2015 and over €3 billion in additional shared revenues generated in partnership with other divisions. CIB's strategy centers upon 3 key pillars.

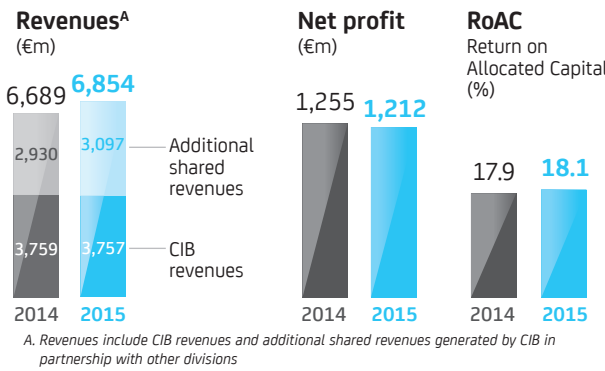
Make the best use of our strong position with corporate clients and financial institutions

While continuing to serve our core CIB clients, we are working to become the main investment banking partner for corporate clients. A growing number of medium-sized companies are seeking greater access to capital markets and have a growing need for investment banking products and services. We have worked to enhance internal synergies in order to better serve these clients and enable them to diversify their access to funding and to manage their financial risks through tailored solutions developed by our CIB Markets teams<sup>1</sup>.

1<sup>st</sup> in syndacate loans and EUR denominated corporate bonds in Italy, Germany and Austria<sup>2</sup>

In 2015, with €84 billion, we are co-leading the league table for combined bonds and loans in Europe.

Corporate & Investment Banking



1. Refer to the Connectivity case study - Joint Venture CIB and CCB Italy at page 50 for further information.  
2. Sources: UniCredit, Dealogic, Mergermarket v2, Feb. 3, 2016; period: Jan. 1 - Dec. 31, 2015.  
3. Refer to the Connectivity case study - UniCredit's International Network at page 52 for further information.

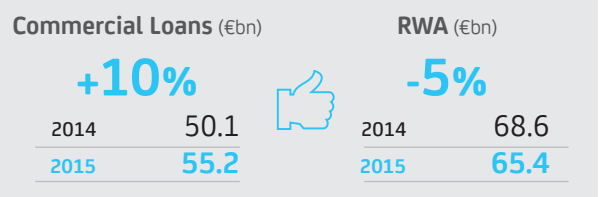
Fully leverage our international network

Cross-border trade and investment has grown faster than global GDP. However, international complexity is also increasing, largely due to geopolitical challenges. With our expertise, we can capitalize on the opportunities presented by ongoing global changes - for our clients as well as for UniCredit. To do this, we are prepared to serve our clients wherever they are, using UniCredit's extensive presence to offer them international products and services, particularly in countries that we have designated as high-priority. We support companies to internationalize their businesses through a full range of products and services including trade finance products and sophisticated supply chain finance offerings which can be customized to the requirements of each client<sup>3</sup>. These services have been enhanced by our efforts to become a more integrated bank. CIB and our foreign network are now under the responsibility of one management system, which has greatly streamlined our operations.

UniCredit offers deep local knowledge of key markets to its network of investors around the world - a combination that benefits corporate clients and investors alike. In the first three weeks of 2016, 1,300 equity and debt investors from all over the world participated in 8 UniCredit conferences to explore opportunities in Italy, Germany, Austria and CEE.

Grow through strong cost and risk discipline

While we work to increase synergies and boost our business, we are also undertaking crucial work to align our risk appetite with growth opportunities and strengthen our coverage. In 2015, we significantly increased the loans granted to our clients across all regions by carefully managing our RWA (Risk Weighted Assets), which have been reduced during the same period by over €3 billion.



Our strategic plan will continue to leverage CIB's leadership to reach its €4 billion revenue target in 2018; furthermore, we expect to generate additional €3 billion revenues from investment banking products through strong cooperation with our corporate commercial banking network.



# Joint Venture CIB and CCB Italy

CONNECTIVITY

We launched the Joint Venture (JV) between Corporate & Investment Banking (CIB) and Corporate Commercial Banking (CCB or Corporate) to integrate our traditional offer to Corporate customers with a wider range of products and services that enable them to take advantage of structural changes in the European financial market. These include access to capital markets, advisory, financial risk and liquidity management. Based on the combined product knowledge and established client relationships, UniCredit has developed a carefully structured service model through which Corporate clients can choose high value-added products and services to support their growth and a better management of financial risks.

## THE JOINT VENTURE: 360-DEGREE CLIENT-CENTRIC APPROACH



## THE JOINT VENTURE'S KEY ENABLERS

Through a dedicated team of over **50 product specialists** and a network of over **900 Corporate relationship managers**, the JV aims to reach the following achievements.

- Increase internal customer satisfaction** by improving the collaboration between the JV and the Corporate network
- Increase cross-selling** between Corporate and CIB products, leading to increased business opportunities and client satisfaction
- Increase the expertise** of the Corporate network in CIB products



## 2015 YEAR IN REVIEW

### CAPITAL MARKETS AND CORPORATE FINANCE ADVISORY

Actions undertaken in 2015 in connection with the set-up of the Joint Venture, when considered together with UniCredit's expertise in CFA, CM and CTS, are expected to yield major results in 2016-2018. In particular, CFA and CM laid foundations in 2015 to go fully operational in 2016. More than 350 target clients have been identified and over 600 individual meetings have been held to date to develop a structured origination approach. Making our specialists' expertise available to Corporate clients should serve to reinforce UniCredit's leadership position. In 2015, our Group CIB Division was ranked No. 1 in every Italian investment banking league table.

## KEY INVESTMENTS

- Understanding client needs**
- Customized account planning process for top clients with direct involvement of specialists and relationship managers to improve understanding of client needs
  - Detailed product strategy, defined through a bottom-up approach based on customer needs – risk exposure, asset liability management and flow analysis

- Leaner processes & digitization**
- Simplification of OTC derivatives processes, including credit, product development and approvals
  - Additional online services and platforms, including FX cash transactions and online delivery and signatures for deal confirmations

- Service offering improvements**
- Design of the JV portal, integrated in the Corporate CRM tool, that uses new algorithms to assess client needs and to boost the JV's commercial development – to be deployed in 2016

- Training**
- Extensive training was provided on the following topics:
    - CTS business model and product suite
    - Treasury management and financial risks for corporations

## CORPORATE TREASURY SALES

Improved processes



Employees trained ~600  
Training hours per capita ~6

## KEY ACHIEVEMENTS

- Revenue**
- Total revenue from CTS products and services increased
  - Revenue from top Corporate clients increased more rapidly than overall revenue

Revenue 2014-2015 +82%

- Active clients**
- Total active client groups among top Corporate clients increased significantly

2014-2015 +25%

- Participation Index**
- The number of Corporate network RMs who participated in CTS business increased significantly from 2014 to 2015

2014-2015 +43%

- Improved product offerings**
- New products were developed to bolster CTS commercial offerings across all asset classes

New products 2014-2015 26

- Internal Customer Satisfaction Index**
- Corporate RMs evaluated the quality of interactions with various internal product factories and support functions<sup>1</sup>
  - RMs rated CTS No. 1 among all functions surveyed, with satisfaction scores notably higher than the Groupwide average

CTS Satisfaction Index vs. average for all functions +17 pts

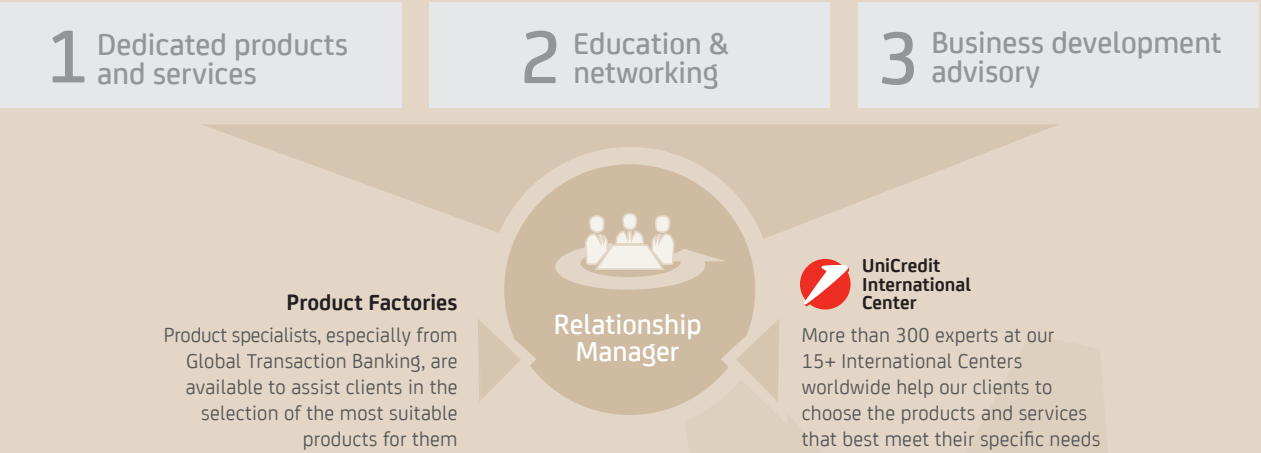
1. Evaluation by relationship managers of the product factories and support functions using TRI™ index methodology.

# UniCredit's International Network

CONNECTIVITY

Providing products and services for international business is an important part of UniCredit's DNA and intrinsic to our overall strategy. Our Group has a strong position in Europe's dynamic foreign trade markets, which have always welcomed a wide range of international businesses. The importance and potential of our internationalization activities are clear: imports and exports represent almost 50 percent of Italy's GDP and more than 80 percent of Germany's, while foreign trade grew nearly twice as fast as global GDP from 1993 to 2013<sup>1</sup>.

## INTERNATIONALIZATION SERVICE MODEL



## INTERNATIONAL CLIENT SEGMENT IN ITALY

International clients<sup>2</sup> tend to be more resistant to the ongoing effects of the faltering economic recovery and, on average, more profitable than domestic business clients. With better risk profiles and greater opportunities for growth, they are a natural strategic focus and a key resource for our Group. As one of the few banks with a direct presence in about 50 countries, UniCredit provides exclusive competencies that are acknowledged and appreciated by clients.



1. Source: ISTAT, DESTATIS, World Trade Organization.  
2. International clients are defined as those with headquarters in Italy and at least one operating subsidiary abroad or Italian subsidiaries of multinational companies based overseas.  
3. UniCredit market share: Italian firms with subsidiaries abroad and turnover greater than €5 million per year.

## 2015 KEY INVESTMENTS

- Cross-border Business**
  - Development of a new client database to better map international clients in partnership with Bocconi University
  - Investments in new systems and platforms
- Cross-border Loan Harmonization**
  - Transparent rules of engagement between branches, standardized credit documents and legal texts, and unified cross-border bank accounts
- Training & Events**
  - Training for relationship managers on internationalization products and services
  - International forums to spread knowledge of regional and local business practices to clients

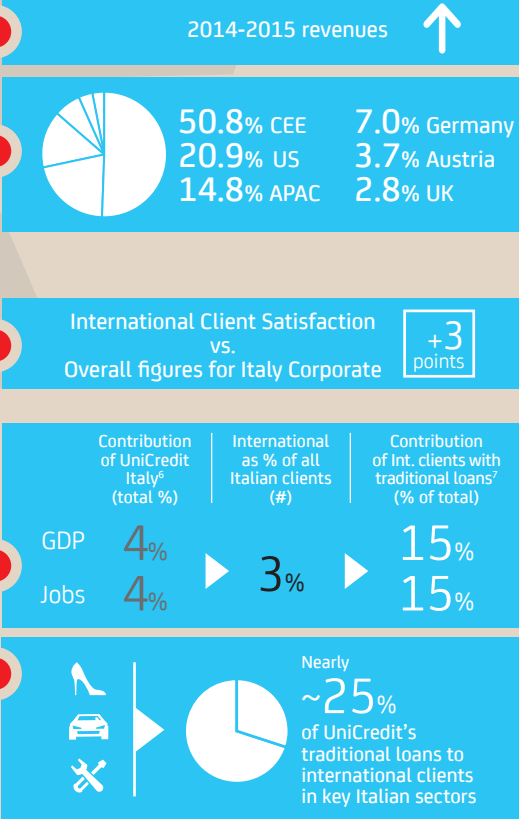
### IN ITALY



## 2015 KEY ACHIEVEMENTS

- Sustained Performance**
  - Despite weak or negative economic growth in Italy and Europe, the international segment registered a double digit growth<sup>4</sup> in the volume of loans booked abroad:
  - These volumes were heavily concentrated in the growing CEE region; volumes in the US and APAC were also significant (see figure at right<sup>5</sup>)
- Client Satisfaction**
  - International clients demonstrate a higher level of overall satisfaction with services provided
- Country Impact**
  - Italian international clients contribute to the Italian GDP and jobs facilitated by UniCredit<sup>6</sup>
  - Italy ranks **No.1 or No. 2** in international trade in the fashion, automotive and mechanical manufacturing sectors<sup>8</sup>

### IN ITALY



4. Data from January to October 2015.  
5. Most recent data available for 2013. Data deferred due to availability of customer reports and accounts.  
6. Total UniCredit contribution based on Leontief model and ISTAT input-output matrices.  
7. Traditional loans generate 2.3% and 2.6% of total GDP and jobs.  
8. Based on WTO Trade Performance Index 2014 and client Ateco codes.



In the process of creating value at UniCredit, we carefully manage different kinds of capital to increase and reinforce them over time. We understand that we do this on behalf of the economic system and the society, for today and also for the future.



Financial  
Capital

STOCK OF CAPITALS

Solid equity position  
Balanced funding mix  
Long-term financial stability

READ MORE  
AT PAGE  
56-59



Human  
Capital

STOCK OF CAPITALS

Engaged colleagues  
Competent and skilled professionals  
Diversified workforce

READ MORE  
AT PAGE  
60-65



Intellectual  
Capital

STOCK OF CAPITALS

Effective and safe ICT system  
Efficient and effective processes  
Innovation capability

READ MORE  
AT PAGE  
66-69



Social and  
Relationship Capital

STOCK OF CAPITALS

Long-term stakeholder relationships  
Socioeconomic development and well-being

READ MORE  
AT PAGE  
70-79



Natural  
Capital

STOCK OF CAPITALS

Air quality conservation  
Soil, water, flora and fauna conservation

READ MORE  
AT PAGE  
80-86

Global activities

Implement cost reductions, simplification and operating efficiency

The UniCredit Strategic Plan puts an emphasis on operational efficiency and innovation. In 2015 we continued to rationalize our operations Groupwide, which involves taking simplification and cost reduction measures to reinforce our balance sheet.

Total Group costs



Real estate optimization

Our global campaign to reduce our real estate costs relies on several initiatives that were continued in 2015.

City Plans<sup>1</sup>

Launched in 2009 with the aim of reducing the space we occupy at our various headquarters offices and increasing their efficiency and functionality.

**Achievements as of 2015:** a reduction of roughly 445,000 square meters since 2009, thus far generating around 70 percent of the anticipated cost savings.

**Target 2018:** a total reduction of 700,000 square meters of office space, saving roughly €120 million in real estate costs.

Smart Working<sup>2</sup>

Launched in 2012 in Italy, the *Smart Working* model aims to foster a dynamic and flexible work environment.

**Achievements as of 2015:** roughly 3,000 colleagues in Milan, Turin, Bologna, Munich and Frankfurt were placed in Smart Working environments.

**Target 2018:** the extension of this model to additional cities in Italy, Germany and Austria, involving roughly 30,000 colleagues.

Network optimization

We have been reviewing our branch network. Since 2013 in Italy, Germany and Austria, this has led to both space reductions and cost savings while improving our in-branch customer experience.

**Achievements as of 2015:** our network was optimized with the restructuring of over 800 branches and the closure of more than 700.

**Target 2018:** we ultimately intend to restructure over 1,500 branches and close more than 1,000.

Procurement management

Our Procurement Department oversees the purchase of products and services that support our business.

It effectively manages our external costs through negotiations and online auctions.

In 2015, UniCredit saved more than €400 million (13 percent of pre-negotiated expenses), with €1.7 billion in purchases conducted via online auctions (about 64 percent of total procurement costs). It accomplished this while maintaining appropriate standards of quality for products and services purchased.

Simplification and optimization of other expenses

We aim to be a simpler, more operationally integrated bank. Some of the initiatives associated with our strategic objectives – such as increasing the offering of digital products and services to satisfy evolving customer needs – have required optimization and substantial organizational changes. This process was accelerated with the approval of our updated strategic plan targets in November 2015.

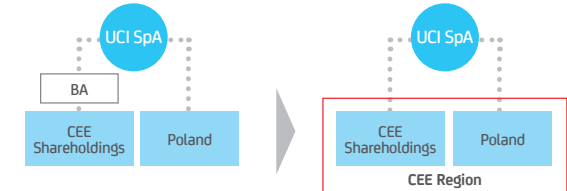
The aim is to **increase total savings** to €1.6 billion by 2018, of which half will come from staff expenses. This translates into a net **reduction of full-time-equivalent (FTEs)** by approximately 12,200<sup>3</sup> from December 2014. A reduction of around 3,500 was already achieved in 2015.

The FTE reduction is being responsibly managed with due consideration for local business requirements and laws. At the same time, we have continued to invest in hiring new employees. During the restructuring process, we have hired almost 6,700 new FTEs across the Group, thus acquiring the knowledge and skills needed to address new challenges.

We have also been working to **simplify our governance** by strengthening the parent company's steering functions. The organizational changes made in 2015 to create a leaner organization included transferring the responsibilities of the

former general manager to three deputy general managers. It was also decided that, by the end of 2016, the sub-holding company that presently controls our CEE subsidiaries will be eliminated and control will be transferred to UniCredit SpA. In this process, the skills and knowledge of the CEE division will be preserved.

CEE Subsidiaries governance simplification



Other initiatives in 2015 have aimed to **improve the efficiency of operating processes**. These included the Lean Six Sigma (LSS) methodology implemented by UniCredit Business Integrated Solutions. In all, 19 projects related to process reengineering were realized using the LSS methodology in 2015, resulting in enhanced resource allocation. Dedicated training programs were established to train colleagues in the methodology. Since 2009, more than 1,700 Group colleagues participated in the training.

A. Source: Strategic Plan approved by the UniCredit's Board of Directors on November 11, 2015.  
1. Refer to the 2014 Integrated Report for more information.

2. Refer to the Human Capital chapter for more information.  
3. The figure does not include 4.0k FTE for Ukraine disposal and 2.0k for Pioneer JV.



# Financial

## Capital

Financial resources obtained from external providers and generated by our bank's activity, that are used to support clients' business and bank operations for the medium-long term<sup>1</sup>.

### OUR STOCKS OF CAPITAL

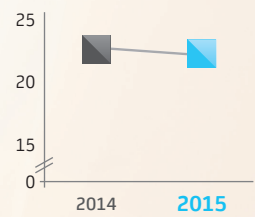
Solid equity  
position

Balanced  
funding mix

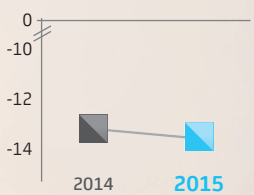
Long-term  
financial  
stability

### 2015 RESULTS

#### Income generation and cost monitoring

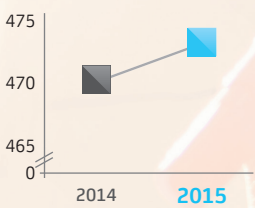


€22.40 bn  
Operating income

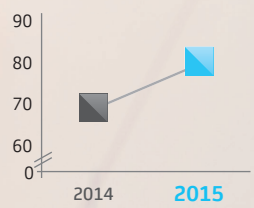


-€13.62 bn  
Operating costs

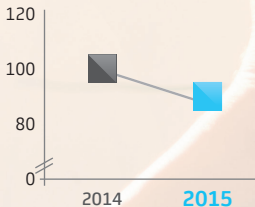
#### Support to the economy



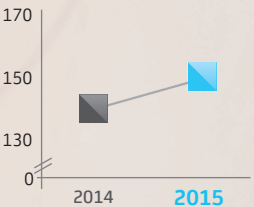
€473.99 bn  
Loans and receivables  
with customers



€80.07 bn  
Loans and receivables  
with banks



€90.99 bn  
Financial assets  
held for trading



€152.84 bn  
Financial  
investments

### COMMUNITY IMPACT

- Support for the economy
- Investor and employee remuneration
- Public administration contributions

### PRIORITIES 2016

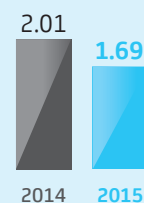
- > Revenue and net profit growth
- > Commercial loans augmentation

<sup>1</sup> Financial data corresponds to information in our 2015 Consolidated Reports and Accounts. When not applicable, management data is used. For additional information on Group results, refer to the Consolidated Reports and Accounts and to the Presentation on 2015 preliminary results available on the investors section of the Group website.

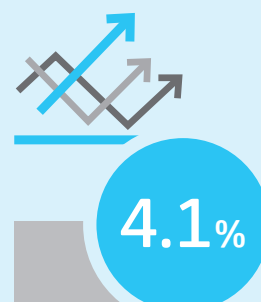




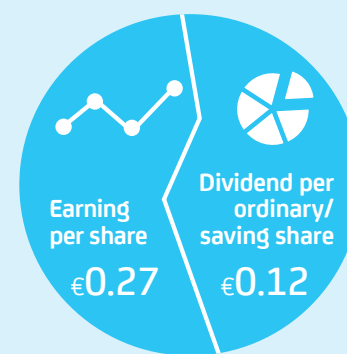
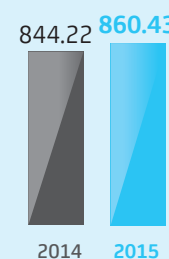
### Net Profit/Loss (€bn)



### RoTE<sup>A</sup>



### Total Assets (€bn)



## Solid equity position

UniCredit intends to reaffirm its standing as a rock-solid European commercial bank.

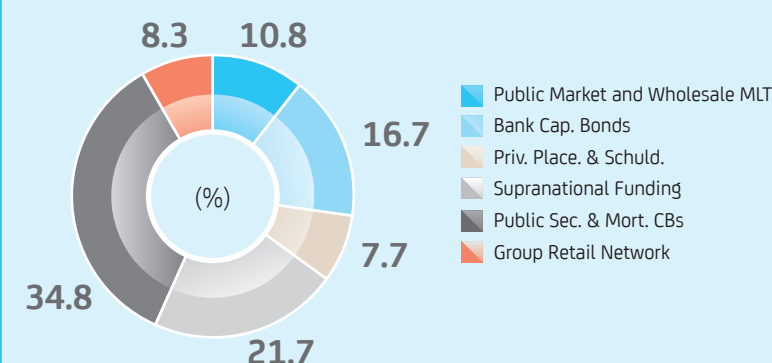
In 2015 the Group recorded a **net profit** equal to €1,694 million net of extraordinary items such as: new strategic plan integration costs' accrual, impairment of Ukrainsbank subsidiary in relation to its sale, the systemic charges for 4 Italian banks and 1 Polish bank rescue, the additional write-downs on loans' accruals in Croatia, consequent the conversion obligation of mortgages from Swiss francs to local currency, the benefits related to the transfer of some pension liabilities in Austria and some non-recurring positive tax items; without these the net profit would amount to over €2,200 million.

The Board of Directors proposes the allocation of a dividend from profit reserves (the "Dividend"), totaling €704.74 billion.

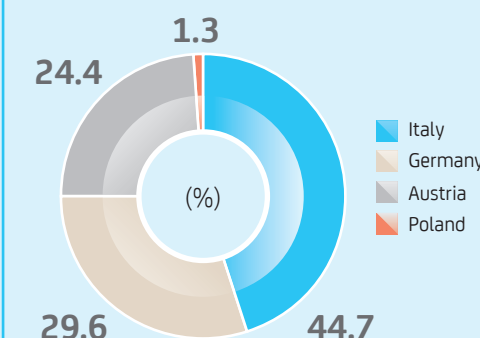
MATERIAL  
TOPICS

- Bank Solidity
- Clear Approach to Markets

### Funding mix by source



### Funding mix by country



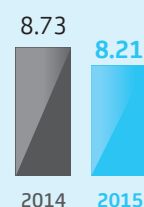
## Balanced funding mix

2015 Group Funding Plan realized at €19.5 billion, leveraging on diversified sources and geographies taking advantage of the Targeted Long-Term Refinancing Operations (TLTRO) take up for €8.2 billion.

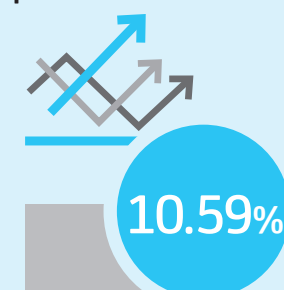
Given the overall positive liquidity position, it has been possible to focus on the **public market** with issuances of Mortgage Covered Bonds.

Group participation during 2015 to TLTRO for €8.2 billion (Italy for €7.4 billion, Austria for about €0.5 billion and Czech Republic & Slovakia for about €0.3 billion).

### Net Impaired Loans Ratio (%)



### Common Equity TIER 1 Capital Ratio



### Ratings 2015

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

Data as at January 21, 2016.

## Long-term financial stability

The **net impaired loans ratio** decreased from 8.73 percent to 8.21 percent; in 2015 Group gross impaired loans decreased by €4.6 billion (down by 5.5 percent) over the previous year-end figures, with an incidence on total loans of 15.42 percent compared to 16.34 percent at 2014 year end. Coverage ratio (51.2 percent) confirmed the level achieved in 2014 year end.

UniCredit's capital position remains above the minimum Supervisory Review and Evaluation Process (SREP) requirement, including the phase-in G-SIB buffer, in the context of ongoing and continued commitment to further internal capital generation<sup>2</sup>.

A. RoTE: Net Profit/Average Tangible Equity (excluding Additional Tier 1).

2. Refer to the 2015 Consolidated Report and Accounts for more information.



# Human

Capital

The competences, capabilities, experience, and motivation to innovate of UniCredit colleagues, including their alignment with and support for our Group's governance framework and risk management approach; alignment with our corporate values and core competences; ability to understand, develop and implement our Group's strategy; ability to lead, manage and collaborate.

## OUR STOCKS OF CAPITAL

Engaged  
colleagues

Competent  
and skilled  
professionals

Diversified  
workforce

### 2015 RESULTS

#### Employee Engagement

↑ **77%** Engagement Index      ~95,000 colleagues responding to the *People Survey*  
Positive trend in employee engagement

#### Training hours per capita

~26  
Investment in professional skills development keeps steady

#### Diversity and Inclusion

↑ **45%** female presence in Middle Management<sup>1</sup>      **24** Diversity Managers in the job  
Notable results in diversity

1. Source: Gender Balance Dashboard.

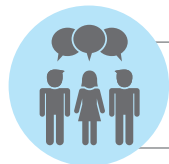
### COMMUNITY IMPACT

- Work and life satisfaction
- Talent's attraction
- Empowerment and development of skills
- Support of diversity and inclusion

### PRIORITIES 2016

- > Employee engagement (new *People Survey*)
- > Digitization, particularly in training
- > Enhancement of diversity and inclusion projects





## Engage colleagues

Engaged colleagues are fundamental to our viability. They make our enterprise more successful and improve overall and individual well-being across the Group.

### Listening to and dialoguing with people

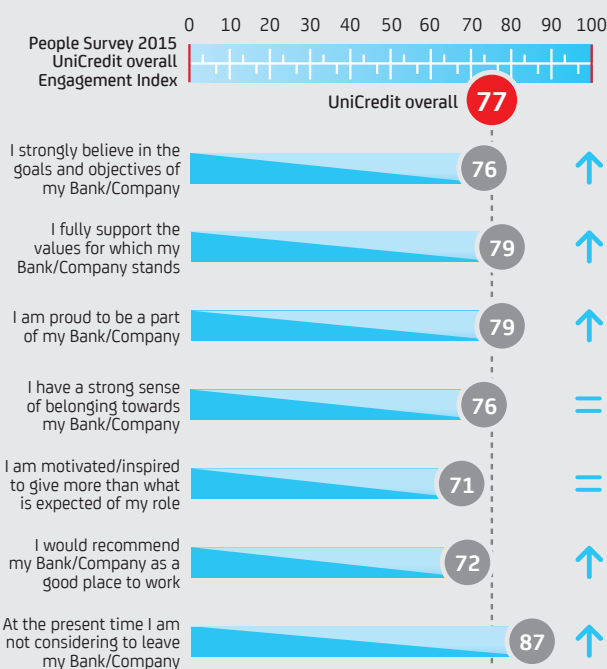
According to the February 2015 *People Survey*, our colleagues feel strongly engaged at UniCredit. With approximately 95,000 colleagues responding, UniCredit's engagement index reached 77 percent.

The questions, composing the engagement index, that generated the most favorable responses clearly demonstrate the pride our people take in belonging to the Group and the support of its values. Fully 87 percent of all respondents declared they are not considering leaving the Group.

Given its importance in monitoring the sentiments of our people, the next *People Survey* will be conducted in autumn 2016.

#### Engagement Index questions

Figures are in percentages and represent **very favorable** and **favorable** responses. Trends compare to the previous *People Survey's* results.



In recognition of the increasing prevalence of social media tools and their potential influence on businesses and reputations, in 2015 we also invited 280 colleagues to attend workshops to speak about their use of social media.

Based upon the results from these listening workshops, we designed an online training program, which will be mandatory from 2016, adopted a Policy on Employees and Social Media, and launched 3 successful internal communications campaigns to help colleagues understand how to use social media when speaking about UniCredit. Each online initiative received up to 30,000 unique visitors.

## Communicating and inspiring with facts

If we ask, we then provide answers for our colleagues.

Our *People Survey* highlighted that meritocracy and transparency are important subjects for the colleagues.

In connection with *OPEN<sup>2</sup>*, the Italian Bank's new business model, Commercial Banking Italy strives for the growth of both its business and people through a management procedure which culminates in the *OPEN* appointment process, fully responding to the challenges of the new service model. That is, a structured selection process whereby the Heads of Business, supported by the Human Resources (HR) department, choose in complete autonomy the best candidate from different clusters: female pipeline, young talent, internal candidates or those from other regions or businesses.

All the 2015 appointments were managed by this process, including roughly 500 colleagues appointed in managerial positions within the network.

To ensure that its people are committed to common business goals, a company must engage with them regularly about its strategy, performance and results, businesses, HR issues, welfare concerns, cultural opportunities and many other matters. And it must do so in a way that goes straight to the point – delivering messages that are not only well-received but also inspire and motivate colleagues to make an extra effort in support of a challenging strategy.

To inspire colleagues and keep them aligned with our goals, UniCredit's intranet delivers Group and also local information to an average of 61,000 unique visitors every day. It does so in 7 languages, to ensure the content is accessible to all employees. In 2015, our new intranet also took over the functions previously performed by UniCredit's local Italian intranet, providing Italian colleagues with a simpler, user-friendly experience on a common platform.

UniCredit's intranet project was included in the **Nielsen Norman Group's 2015 Intranet Design Annual**, where it ranked among the **world's top 10 corporate intranets**, a first for an Italian company

At UniCredit, we consider it essential to share the content of our Strategic Plan with our people in order to secure their involvement and commitment. News articles, CEO video messages and internal presentations with new editorial formats covered the updates involved in the 2015-2018 Strategic Plan. Through this extensive coverage, we reached a greater number of people than in the launch of the previous plan in 2014. All told, our online communications garnered 24,852 unique visitors (+295 percent vs. 2014) and 43,615 page views (+232 percent vs. 2014) on Group channels only.

To uphold its good reputation, UniCredit also counts on the many colleagues who actively share contents and provide comments about our institution via social media channels. 60 *UniCredit Natural-Born Advocates* were selected, trained and encouraged to share and interact with their personal contacts about UniCredit-related topics on major social networks. This pilot program has been run in Italy, Poland and Croatia, generating impressive results

2. Refer to the Strategic Plan section for more information.

that reflect the high levels of trust people have in their friends who are UniCredit employees. The click-through-rate<sup>3</sup> generated by informal personal networks is 7 times higher than that generated by UniCredit's official Facebook page. The influence of these informal personal networks on brand awareness and reputation is significant and these *Advocates* now rank among our bank's important communication assets.

## Foster strong competences

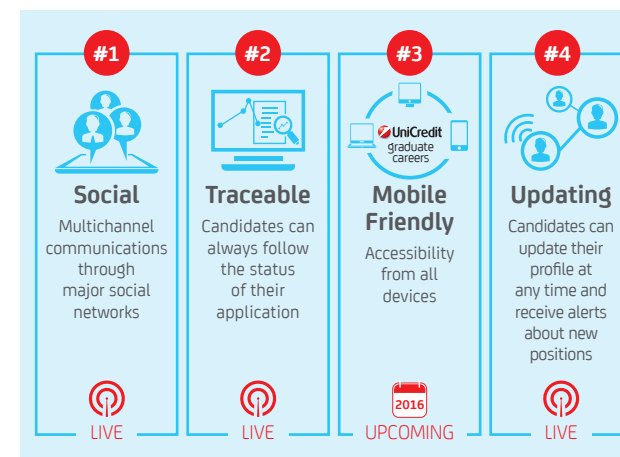
Given the faltering economic recovery and the challenges it poses, UniCredit needs people who are at ease working in complex, ambiguous and uncertain environments, who can keep pace with both our short- and long-term agendas, who are current on global issues yet well-versed in local topics relevant to local businesses. We need people who are curious, open to innovation and transformation, and have the courage to learn, adapt and change to meet our uncompromising performance standards.

These requirements are driving UniCredit's hiring practices and our investment in learning and development opportunities for current employees.

### Recruiting talent

Although the macroeconomic situation in Italy is uncertain, UniCredit has hired some 800 new people to reinforce its pipeline. In our changing business environment characterized by technology-driven social interactions, we are increasingly aware of the importance of fielding a new generation of employees

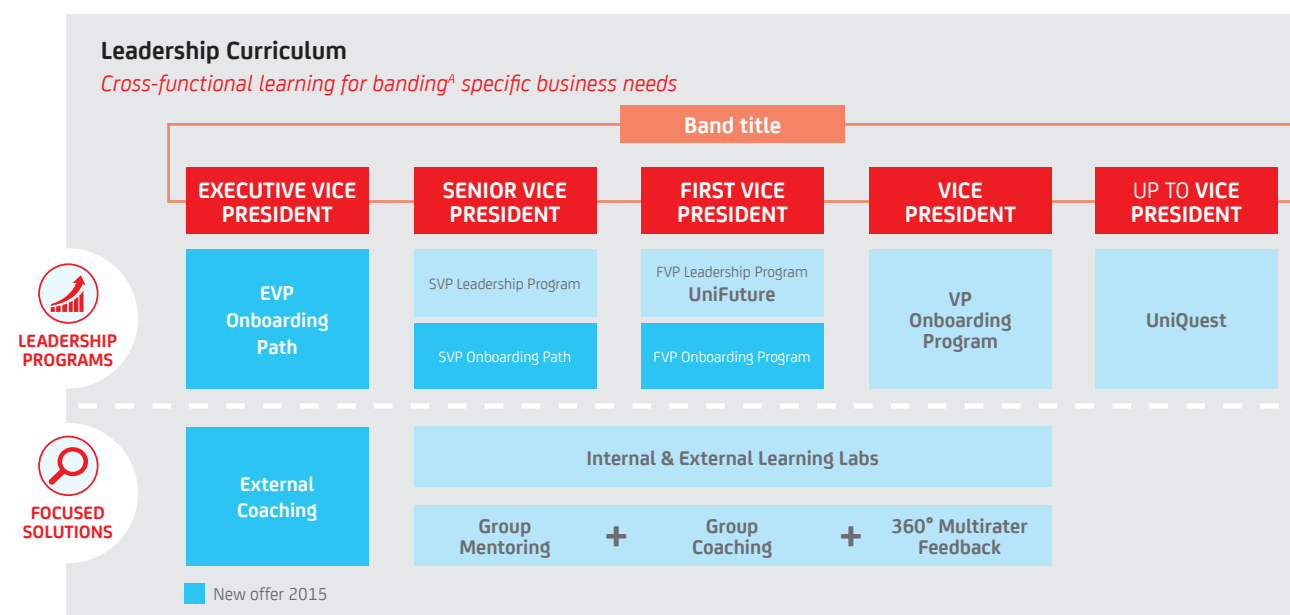
comfortable with digitization. This priority is in line with the strategy of the Group and explains why our recruiting process is becoming progressively more forward-looking and online based.



In 2015, we continued our *Impact Graduate* program, which recruits talented young graduates who are fluent in Italian and English and possess strong CVs that include previous work experience and a period of work or study abroad. Following a week of induction, these recruits enter an intensive two-year, on-the-job training program. In 2015, 19 new hires were selected from a pool of 4,000 candidates to participate in the program (up from 18 in 2014, the program's first year). In 2016, the program will hire 25 new people, who will also be offered the opportunity to work abroad in one of UniCredit's banks.

## Developing people

Our *Global Learning Framework* is built around our core drivers – the *Global Job Model* and our competency model<sup>4</sup>. It is designed to promote professional development. Launched in 2014, it is characterized by 3 different parts: 1) the *Leadership Curriculum*; 2) functional learning; 3) country local learning.

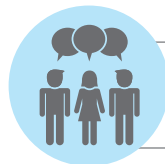


A. With banding we refer to our Global Banding structure, a framework which allows to evaluate and cluster jobs within 9 Bands, making them comparable in terms of weight, complexity, impact, scope and recognition within UniCredit.

3. The click-through rate is the ratio of users who click on a specific link to the number of total users who view a page or post. It is a commonly used metric for the success of an online campaign.

4. The Global Job Model and our competency model are the basis for the management and development of our employees.





In 2015, a special focus was placed on the implementation of the *Leadership Curriculum*, which offers programs to develop key leadership competences according to peculiar banding of current and future managers. Designed in partnership with top business schools (including INSEAD, IMD, London Business School and Bocconi University), our *leadership programs* and *focused solutions* serve specific individual development needs:

- the *leadership programs* are designed to support a leader's professional development during his or her career. Program content is aligned with the strategic priorities, complexity and challenges that leaders will face in each step of their careers, according to their respective banding. In 2015 the program was expanded to provide *onboarding programs* to facilitate transitions into new roles
- the *focused solutions* are programs and tools offered throughout the Group to support development related to specific needs. The program comprises *Learning Labs*, classes organized according to specific band ranges, and individual solutions to support development, including mentoring, coaching and Multirater Feedback.

Overall, the number of participants in these programs increased from roughly 200 in 2014 to more than 350 in 2015.

## Focus

### MySelf: individually-determined training

In 2015, roughly 7,000 colleagues from certain competence and business lines at a selection of Italian legal entities (I-Faber SpA, Subito Casa SpA, FinecoBank SpA, Cordusio, UniCredit SpA) were given the opportunity to choose by themselves and enroll for the technical, linguistic and behavioral courses that met their business needs and professional goals. 47 percent of colleagues chose behavioral & managerial courses, 43 percent technical training, while 10 percent of them preferred some linguistic courses. They then submitted their selections to their direct manager for final approval.

*Strategic Workforce Planning* is the ability to assess supply and demand for current and future positions and skills, and then determine the best way to meet the identified needs in terms of workforce quantity, quality, timing and location. This approach allows us to better allocate our workforce in line with UniCredit's business strategy. It also promotes greater efficiency by strengthening our ability to identify internal candidates qualified to fill future open positions.

Through *My Skill*, a management tool based on the *Global Job Model*, the competency model and the European Qualification Framework, we are able, for instance, to map competences and their expected level for each defined role in the Italian networks.

Accordingly, in 2015 we invited roughly 30,000 colleagues to take part in a three-step process:

1. employee self-appraisal: colleagues assess their own skills according to their role
2. managerial appraisal: managers assess their colleagues' skills
3. gap analysis: employee and manager discuss opportunities open to the employee to develop his or her skills.

*Strategic Workforce Planning* was designed to be used in the majority of UniCredit's countries. As of the end of 2015, our *Demand & Supply* platform was implemented in Italy and Germany, and the project was presented in Austria, Poland and Central Eastern Europe (CEE) countries.

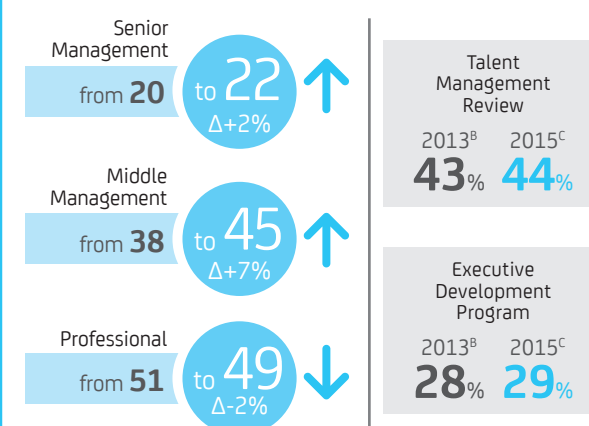
UniCredit's performance reviews continue to represent a vital basis for growth, career development decisions and compensation allocation. Each employee receives a performance review and, coherently with the method adopted in 2014 for several key employee categories including Group executives, we maintained a more rigorous approach to performance appraisals which places greater emphasis on merit and individual contributions<sup>5</sup>.

## Value diversity and inclusion

For many years now, we have been working to address inclusion issues, seeking to promote gender balance, value age and support people with disabilities.

In 2015, our global workforce showed more women than men (58 percent vs. 42 percent), as in 2014. The female participation in Middle Management positions rose by 4 percentage points vs. 2014; women in our *Talent Management Review* (TMR) and *Executive Development Program* (EDP) also showed an increasing trend.

### Female presence by tier in %, 2012-2015<sup>A</sup>



A. Source: Gender Balance Dashboard.

B. Appraisal 2012.

C. Appraisal 2014.

These changes have principally stemmed from the ongoing implementation of our **Gender Balance Program**, which enjoys the direct support of Senior Management and has been the subject of Group-level communications and learning activities.

5. Refer to the 2014 Integrated Report for more information.

In 2015, the *Gender Balance Program* received a further boost from our CEO, who signed the CEO Statement of Support for the United Nations' Women's Empowerment Principles in June and signaled his support for the work of the 30% Club in October<sup>6</sup>. The members of the Group Management Team were directly informed about that and encouraged to be accountable for change and help shape a culture of inclusion.

In response, a number of specific initiatives have been developed:

- in Italy, the Bank distributed a brochure to each HR Business Partner and Head of Business to encourage them to make gender balance a consideration in recruitments, appointments, succession planning and professional development activities
- in Germany, 24 female First Vice Presidents had the opportunity to speak with members of the bank's Board of Directors in one-on-one meetings (30 such meetings were held). In addition 85 women, primarily at the Vice President level, participated in 5 different round tables with members of the Board
- in Poland, 259 people took part in workshops on personal communication styles designed to encourage women to be more self-confident in seeking professional advancement
- the Corporate and Investment Banking division sponsored a new gender balance action plan in the second half of 2015, with many initiatives planned for 2016 (e.g., a communication plan, the appointment of gender balance ambassadors, role models and networking events).

**Inclusion of generational differences** was effectively facilitated by several courses designed for senior colleagues about how to value their experience, and the deployment of 130 trained mentors to help newly appointed managers take on their roles and help young talented colleagues develop their potential.

We also continued to make the **bank fully accessible** to disabled colleagues and customers alike<sup>7</sup>.

For colleagues with disabilities, in 2015 we consolidated several projects begun as pilots in Italy in 2014 that received very positive reviews from participants:

- *UniCredit for the Deaf*, a service model for deaf or hearing-impaired customers, makes deaf colleagues available to interpret for customers in our branches. It is now available in 10 Italian branches, up from 6 in 2014
- *Si può* enables visually impaired colleagues to interact with customers in the field of credit collection (friendly collection) by means of retraining and specialized software. It now involves 9 of our colleagues in Italy, up from 5 in 2014.

These activities were possible also thanks to the commitment of Group's Diversity Managers.

The role of the **Diversity Manager** was created in 2013 with the approval of the Gender Equality Policy. By the end of 2015 we had **24 people** in the job across the Group

6. Refer to the websites <http://www.wepinciples.org/> and <http://30percentclub.org/> for more information on these initiatives.

7. Refer to the Social and Relationship Capital chapter for more information.

## Support work-life balance

*SmartWorking*, a new approach to work and office culture that is being adopted by the Group, is based on principles of accountability, cooperation, flexibility and innovation. In addition to utilizing a range of different working spaces, floor plans and ICT solutions, it relies on important behavioral cues.

We have begun to change our culture and leadership style, shifting from a traditional working model in which colleagues occupy specific spaces designed according to their status and job type, to a new model that promotes a culture of *anytime, anywhere*.

Relying on trust and accountability to achieve results, the approach lets colleagues have greater flexibility to manage their own time, thus achieving better work-life balance and motivating them more to produce high-quality results.

Flexible working: **Work is something you do, not somewhere you go**

In 2015, roughly 3,000 colleagues took advantage of smart working arrangements across the Group (1,040 in Milan, 450 in Turin, 450 in Bologna, 650 in Munich and 250 in Frankfurt). Between 2016 and 2018, the number of colleagues participating in these arrangements will increase sharply. From Verona, Vienna, Iași, Bucharest and Belgrade, around 30,000 employees will work smart.

But flexibility is not the only strategy UniCredit is using to help its employees achieve a better balance between their professional and personal lives. Our new headquarters buildings in Milan, Munich, Vienna, Bucharest and Prague feature employee-centric designs, which include services that improve quality of life and well-being. Many of them have a nursery, a gym, a laundry and an in-house physiotherapist. The buildings themselves are located in places served by public transit or major railway stations. Health services are generally nearby, and bookshops, restaurants and supermarkets are within easy reach.

### MATERIAL TOPICS

- Diversity and Inclusion
- Employees' Development
- Performance Management
- Work Life Balance



# Intellectual

## Capital

Innovation-related capabilities from which future economic benefits are expected. In UniCredit's case, it includes information and communications technology systems, our internal regulation and process framework and innovation processes.

### OUR STOCKS OF CAPITAL

Effective and  
safe ICT system

Efficient and  
effective  
processes

Innovation  
capability

#### 2015 RESULTS

##### ICT investment (CAGR)

↑ +2% CAGR over the  
last 4 years

A growing emphasis on digitization, operational reliability and efficiency

€0.8 billion invested in 2015

##### Process enhancement

We fine tuned our Groupwide process framework increasing efficiency and usability, and through greater simplification we enhanced our business focus

##### High value solutions

Completion of our Start Lab Financial Technology Accelerator program  
We focused on seeking out new ideas, new talent and high-value solutions for core products and services

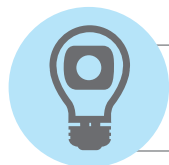
#### COMMUNITY IMPACT

- Business continuity and security
- Friendly and simple relationship
- Customized products and service

#### PRIORITIES 2016

- > Digital transformation, focusing on developing global platforms for multichannel banking and data analytics
- > Organizational support for digitization, simplification and process optimization initiatives
- > Development of high-tech solutions that may potentially yield high-return on investments





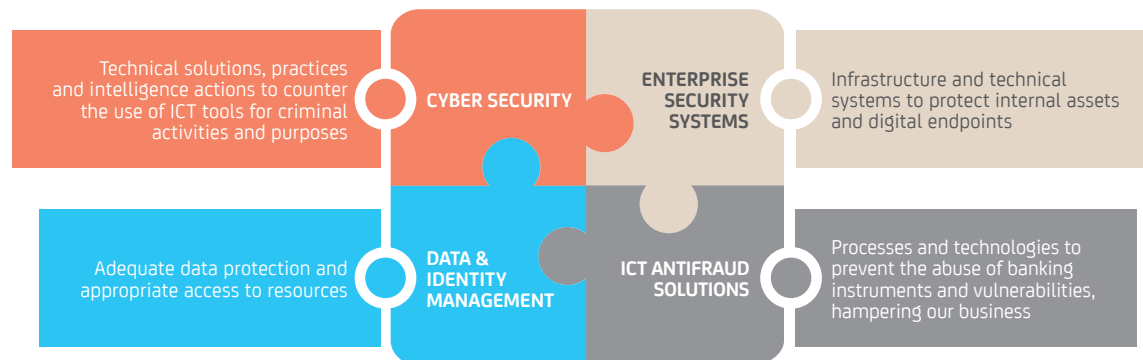
## Foster our Group's digitization

UniCredit maintains a consistent capital allocation strategy for its ICT investments, balancing the need to accelerate the Group's digital transformation with the need to fulfil an increasing number of legal and regulatory requirements.

The [UniCredit Strategic Plan](#) makes digital transformation a priority over the next three years<sup>1</sup>. From 2016 to 2018, UniCredit will invest €2.6 billion in its ICT infrastructure, including about €1.2 billion in digital initiatives (44 percent).

To meet Multi Year Plan targets, ICT investments will be focused on further developing multichannel common platforms in mature markets, while modernizing core banking legacies to reduce IT costs and enable new business opportunities. Corporate and institutional clients market growth will be supported by developing global platforms (for payments and e-banking). Digitization and multichannel solutions to support business growth will be crucial priorities also for Central Eastern Europe (CEE) and Poland. Besides, the development of common assets for Finance and Risk functions will continue in the next three years.

### The four pillars of ICT Security



Given the strategic importance of digitization, it is essential for UniCredit to strengthen the ability to manage ICT risks and ensure an adequate level of protection. For this reason, our ICT and Security departments merged in 2015 to create the first such combined unit in the European financial sector – the Group ICT & Security Office.



“The digital transformation of UniCredit is a strategic commitment for us; we are focusing our efforts and investments to improve our customers digital experience, leveraging on leading edge multichannel and data analytics technology. Given the strategic importance of digitization, we are strengthening our ICT Security capabilities to contrast cybercrime and ensure top level protection to our customers.”

Massimo Milanta - Head of Group Ict and Security Office

UniCredit's ICT security concept is based on strong cooperation among all of our legal entities because, in the digital realm, comprehensive, prompt and effective security relies on strong

stakeholders commitment and engagement, including the involvement of regulators. A broad ICT security technological assessment that was carried out by an external advisor on UniCredit's various IT infrastructures has validated our strategic approach to security.

Main achievements in 2015 focused to enable business growth are the following:

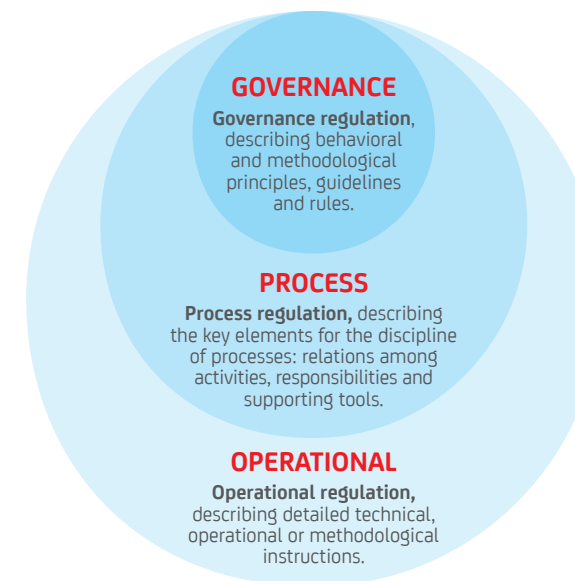
- global multichannel solutions for mature markets and CEE have been implemented to improve physical and digital customer experience and enable cross channel efficiency
- development of flexible new branch formats has been boosted in Italy (more than 400 branches redesigned) and Germany (more than 300 branches redesigned), aimed at expanding and rationalizing our multichannel presence and providing more digital products and services to our customers<sup>2</sup>
- a Group big data architecture has been developed, enabling the realization of new effective CRM solutions for Corporate business in mature markets and CEE. In Italy a new Merchant Analytics tool has been released, enabling the analysis of customers spending and comparison of business performance with peers<sup>2</sup>.

Furthermore, 2015 ICT activities have also been directed to fulfil regulatory requirements, strengthen data governance and reinforce security:

- for Finance and Risk functions data warehouse architecture has been developed for setting a global platform
- the *Disaster Recovery* program is proceeding and the new solution to fulfill regulatory requirements for systemic applications has been completed<sup>3</sup>
- the enhancement of countermeasures to direct channel frauds has been realized with the objective to reinforce cybercrime contrast and enhance IT systems resilience.

## Reinforce our organizational efficiency

Our internal regulatory framework has been revised also in consideration of the information and process distribution requirements of the Group's primary banks. A consistent, three-tiered internal regulatory hierarchy now distinguishes clearly between governance, process and operations regulations.



*GreTel*, a new IT tool, has also been introduced to disseminate and then monitor the adoption of internal regulations by our legal entities.

The implementation of UniCredit's new process management methodology begun in 2014 to promote a uniform Group approach. It continued in 2015 with the full involvement of various legal entities. The new methodology is expected to be implemented in 2016 in Germany, Austria and in the Group's primary CEE-based legal entities.

Furthermore, the Organization and Management Model pursuant to Legislative Decree 231/2001<sup>4</sup> has been strengthened also in light of changing Italian legislation regarding corporate and environmental offenses and self-laundering crime. A complete analysis of areas potentially at risk for these offences has been conducted. Consequently, new protocols, that include principles of conduct and controls that must be respected when performing related activities, have been established to prevent the commission of crimes.

A series of measures to improve and consolidate our relationship with customers has been implemented. These measures aim to provide clearer information on essential contractual terms and to enhance the level of process automation which allow us to spend more time on customer-oriented commercial activities than on routine administrative tasks.

## Innovate in a changing world

When change is constant, innovation is critical for businesses, especially in the banking sector. Throughout 2015, UniCredit developed a number of new ideas that focused on digitization and high-tech solutions (see table below).

In 2016, our efforts in the field of innovation will center on the development of high-tech prototypes that may potentially yield high-return investments. Examples include machine learning (algorithms that utilize past data to make new predictions) and the high-speed management of vast quantities of data.

INITIATIVE	DESCRIPTION	STATUS 2015
New website	<b>New website concept.</b> Through calculators, product wizards and other interactive tools, current and prospective customers can easily find answers to their financial questions, identify the best products and services for their needs, and apply for them in a friendly and transparent way. This will help maximize lead generation and prospectively boost digital sales once new back-end processes are deployed in 2016. The website also features non-commercial services, including an FX calculator and a locator to help people find ATMs and branches in all of UniCredit's countries.	Launched in CEE <sup>A</sup>
FinTech Accelerator	<b>Support for startup companies.</b> Considering the growing financial technology trend over the past few years and the importance of establishing a position in it, in October 2014 UniCredit launched its <i>Start Lab Financial Technology Accelerator</i> program. Selected fintech startups had the opportunity to be mentored by UniCredit managers and benefit from investor support. In a co-working space in the heart of Milan, meetings were held with internal and external experts, and presentations for commercial agreements were made to UniCredit's network of partners. Four companies achieved extremely strong results and partnered with UniCredit to integrate their solutions into our systems. The program ended in October 2015.	Completed
Ananas	A <b>new IT solution</b> that would <b>reduce costs</b> associated with UniCredit's mainframe computer. <i>Ananas</i> has already passed all acceptance and performance tests. The architectures and source codes have now been turned over to UniCredit's Industrialization function.	Industrialization
Exceed	Support for the creation of an <b>internal</b> and more efficient <b>market</b> for <b>currency trading activities</b> . The capillarity of UniCredit in several countries gives to the Group the possibility to move internally different currencies according to the needs of our corporate customers or to purchase/sell them at better conditions in the market, thanks to new technologies (allowing the management of low latency data). In this way, we aim to generate additional value to our customers allowing them to access to a single borderless liquidity pool. Implementation will occur by the end of 2016 or beginning of 2017.	Pre industrialization
Pillard	A <b>set of internal office space solutions</b> . This initiative combines a new mobile app for booking meeting rooms, a new screen desk where people can collaborate on the same worksheet, and a phone booth where both Lync and regular calls can be made in total privacy. A meeting room with a range of screen sharing technologies was also developed.	Pre industrialization

A. The site has been launched in 2015 in Bosnia and Herzegovina, Hungary, Romania, Russia and Serbia. In 2016, it will be launched in Czech Republic, Slovakia and Slovenia.

4. Legislative Decree No. 231/2001, containing the Regulations governing the administrative responsibility of corporate bodies, companies and associations with or without legal liability, introduces into the Italian regulation a special burden of responsibility on the companies themselves for a range of crimes committed in the company's interest or to its advantage. The decree stipulates that the company shall not be held liable for the crime in the event it is able to prove that it had in fact adopted and effectively implemented an organizational, management and control model that is capable of preventing the commission of crimes such as the one that in fact occurred, prior to the commission of the crime in question.



# Social and Relationship

## Capital

Relationships with our key stakeholders - customers, investors, regulators and communities - which influence our value-creation processes over the short, medium and long term and ultimately foster growth, both individually and collectively.

## OUR STOCKS OF CAPITAL

Long-term  
stakeholder  
relationships

Socioeconomic  
development and  
well-being

### 2015 RESULTS

#### Customer Satisfaction

↑ TRI\*M Index results

↑ Performance vs. peers

A positive response to the investments made in our services in most of our countries

#### Stakeholders providing feedback

more than 700,000

An ongoing, integrated dialogue with stakeholders via multiple channels

#### Contributions to communities

€45.3 million

Effective support for the long-term prosperity of the people and communities we serve

### COMMUNITY IMPACT

- Customer satisfaction
- Banking industry transparency and collaboration
- Financial inclusion
- Responsible financial habits
- Companies' competitiveness
- Social inclusion

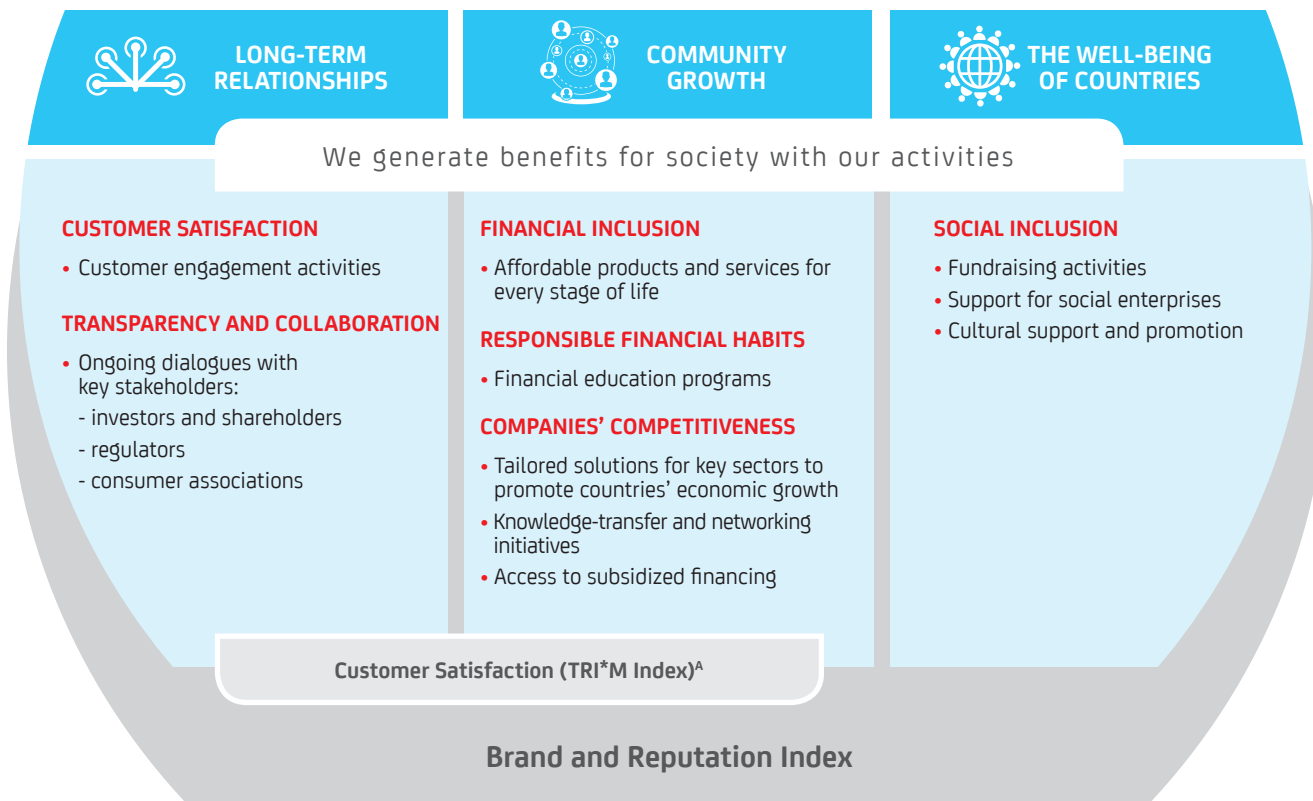
### PRIORITIES 2016

- > Enhancement of tools and channels to engage with customers
- > Enhancement of services for underserved categories
- > Further promotion of local financial education programs





Our cooperative relationships with customers, investors, regulators and communities enable UniCredit to generate and deliver value. To develop this social and relationship capital we invest in:

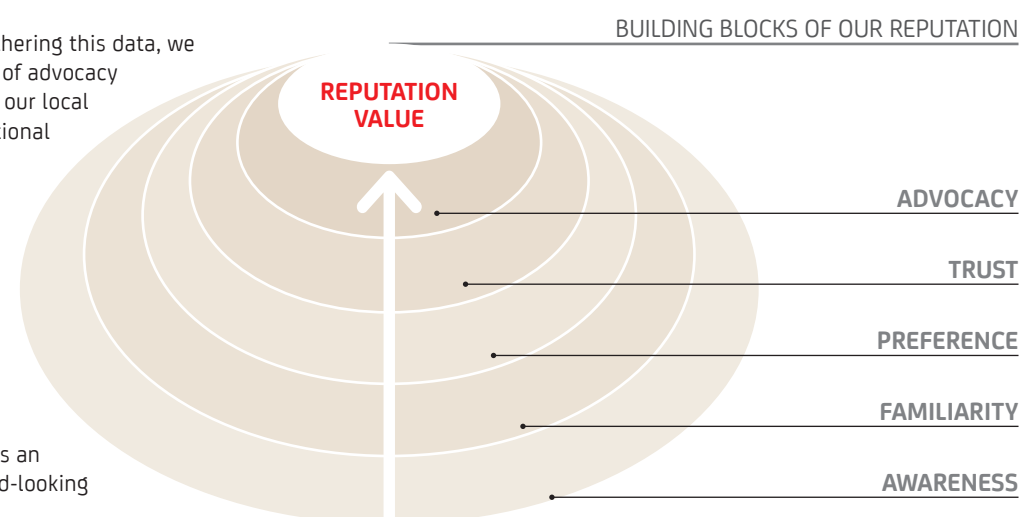


Our ongoing efforts in this field are reflected in the strength of our corporate reputation. To assess what we stand for to our stakeholders, we constantly monitor their perceptions of us in most of the countries where we are present. Because a positive reputation can unlock value in every aspect of our business relationships, last year we adopted a **new approach to appraising our brand and reputation**. This approach enables us to measure the perceptions of customers and non-customers alike, using a scale that ranges from simple awareness up to advocacy in favor of our brand.

Our investments in the development of our people has helped us earn a reputation for having fair and professional employees.

We are working to convert these survey results into concrete actions. Following a detailed analysis, we have decided to focus our efforts on two areas: developing more customized solutions to meet the specific needs of our clients, and simplifying financial transactions to avoid subjecting customers to information asymmetries.

In the second year of gathering this data, we confirmed that the level of advocacy we inspire is in line with our local competitors, with exceptional results seen in certain segments, such as our corporate business in Germany. Instead, in Central Eastern Europe (CEE), our results reflect the leading positions we have established in Bulgaria and Russia. Overall, UniCredit has made a name for itself as an international and forward-looking institution.



A. Refer to the Supplement for more information on our customer satisfaction (TRI\*M Index) performance and trends.

## Invest in long-term relationships

Understanding our customers' evolving needs and habits is essential to delivering a superior customer experience and to building long-lasting relationships. This allows us to interpreting and anticipating responses from different types of clients. Open interaction with key stakeholders helps us build a sound banking environment based on transparency and mutual understanding.

### Working for customer satisfaction

UniCredit's approach is inspired by the conviction that dialogue and responsiveness are fundamental in managing and improving service quality and customer satisfaction. With this in mind, we are committed to maintaining a seamless, integrated dialogue across channels. We regard each contact as an aspect of a relationship deserving of attention.

OUR ENGAGEMENT TOOLS AND CHANNELS	RESULTS
Customer satisfaction surveys, <i>Instant Feedback</i> , <i>Mystery Shopping</i>	Fulfillment of specific customer needs
24/7 complaint management by branch, phone, email and online	Resolutions of critical service delivery flaws
Focus groups, online communities	Customer insights into and involvement in product development
Web and social media presence	Broader interaction opportunities and ability to track evolving behaviors

Our dialogue and interactions with customers span a number of channels, all of which provide opportunities to gather feedback, understand their needs and provide **customized answers**. In many cases our branches remain the main point of service for our clients and the place where their expectations must be met. For this reason we continue to invest in the quality of our branches and our advisory services. In Austria, customer orientation training was held in 2015, involving 400 employees in those branches that fell below a certain level of customer satisfaction. As a result, the customer satisfaction index has since increased by 1 point. In Poland, to respond to the need for fast and easy financing, *One Click* was introduced, making it possible to get cash loans online and increasing the range of services available via internet and mobile banking. In 2015, more than 3,100 such loans were made to individual clients.

Thanks to our **complaint management** systems, we can identify sources of client's dissatisfaction and react promptly to improve our service. In Bosnia and Herzegovina, the highest percentage of client complaints was caused by technical problems with standing orders. The relevant departments immediately cooperated to analyze the standing order mechanism and find the best solution. The local customer satisfaction index increased by 6 points in 2015<sup>1</sup>.

Client interactions also give us the opportunity to involve them in **product development and optimization**, letting us use their feedback and ideas to create distinctive products and initiatives. In Germany and Austria, the *Kundenforum* online community is a platform where customers interact with us about upcoming products and concepts and where they can post and discuss their own ideas and suggestions. In Germany, one of our feedback and discussion initiatives concerned our remote business model *Business Easy*. Selected entrepreneurs

were asked to evaluate how relevant certain online services were for them and to tell us about how they used them. As a result of this dialogue and consequent improvement of services, 85 percent of these clients are now fully satisfied. In Austria, about 2,600 customers were engaged for feedback on several products and initiatives as well as for information about their online shopping behavior and their thoughts on the new *BankCard Mobile*.

## FOCUS



### Appathon 2015

Following the success of the first edition in 2014, UniCredit decided to make the *Appathon*<sup>2</sup> an international contest this year. During this hackathon, 58 teams composed of young web developers, designers and marketing specialists competed to invent, design and develop prototype mobile apps for financial services. *Appathon 2015* was a 24-hour, live-streamed event held simultaneously at our head offices in Milan, Munich and Vienna. In each country the best teams were awarded cash prizes. The event involved more than 200 participants supported by UniCredit mentors. It has proven to be a good way to promote collaborative product development, sparking new ideas, generating prototypes that make our services more engaging and efficient, and helping us look beyond a conventional approach. The first UniCredit *Appathon* generated a number of useful innovations, including *Prelievo Smart*, a new function on the Group's mobile banking app. Released in 2015, it lets customers withdraw cash from ATMs using a smartphone or QR code rather than a bank card.

1. Refer to the Supplement for more information on 2015 customer satisfaction (TRI\*M Index) results for UniCredit Bank AD Banja Luka - Bosnia and Herzegovina.

2. Refer to the 2014 Integrated Report for more information.



We also use **social media to engage** with our clients. In 2015 UniCredit retained its ranking among the most active banks on social channels in Italy and in Europe. Our social media profiles are active on 14 different channels.

## Improving banking industry transparency and collaboration

Our broad base of stakeholders includes investors, socially responsible investors (SRI) and rating agencies, regulators and local consumer associations, with whom we work constructively underlining our commitment to transparency.

Our Group promotes constant and effective **communication with investors**. We hold a number of meetings over the year to present not only the Group's financial performance, but also our sustainability strategy, along with policies, procedures and governance mechanisms.



In 2015, an **ongoing dialogue** was maintained **with SRI and sustainability rating agencies**. This interaction provided us with support in benchmarking our progress on going through a sustainable path. Our performance in the area of sustainability is reflected in the key external ratings and rankings we received in 2015.



FTSE4Good

The **FTSE4Good Index Series** is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices: in 2015, we received a 97 top percentile rating.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

In the 2015 **DJSI Index assessment**, UniCredit scored 79 points, vs. 84 in 2014. The decline was ascribable to two Wall Street Journal articles about two pre-existing legal disputes on which the authorities are still deliberating and which have been a matter of UniCredit's public record since 2009 and 2011<sup>3</sup>, respectively. Without this negative factor, which we do not agree with as a Group, our score would have been 85, confirming, as RobecoSAM's feedback states, continuous progress in our sustainability performance and extremely good performance in the important areas of risk culture and emerging risks. Our reporting on longer-term risks proved to be among the strongest in the financial sector.



The **STOXX Global ESG Leaders Indices** track the performance of the globally leading companies with regard to corporate sustainability. UniCredit was newly added in 2015 and included in the following indices:

- STOXX Global ESG Leaders
- STOXX Global ESG Social Leaders
- STOXX Global ESG Environmental Leaders.

At UniCredit we understand that we operate in an evolving system where regulatory changes may have important implications for the overall macroeconomic stability of our markets. They may sometimes even generate unintended negative consequences for the banking system, hence constraining economic growth instead of triggering it. This is why, in the interest of our customers and of the economy overall, we engage in **regulatory advocacy**. The constructive dialogue is intended to make standard setters and policymakers aware that proposed regulations could negatively impact our banking KPIs, business strategies and ability to lend, with repercussions on the whole economy, as well as to recommend alternative measures from time to time.

Regulatory changes are constantly monitored and mapped, also using an internal analysis framework, in order to orient our senior management strategic decisions and prioritize the mitigation actions to alleviate the impact of such changes.

We believe that consumer awareness and trust are essential to boosting the economy and fostering community growth. To protect consumers, increase safety and improve their knowledge of their rights, UniCredit runs a constructive dialogue and active **cooperation with consumer associations**. In 2015, the focus of our collaboration in Italy was on financial education and consumer awareness of major banking products and services. It was carried out through different initiatives such as, for example, 2 educational campaigns on social networks:

- a Facebook campaign based on 4 videos made in partnership with Associazione per la Difesa e l'Orientamento dei Consumatori, Federconsumatori and Unione Nazionale Consumatori on current accounts, multi-channel banking services, credit and debit cards and remittances
- a Twitter campaign based on decalogues called *10 Things to Know about*, made in collaboration with 12 consumer association partners in the *Noi & UniCredit* program, containing suggestions about the more important things to know about major banking product and services such as mortgages and current accounts.

## Invest in community growth

We do our best to support community growth by fostering financial inclusion, improving people's financial choices and supporting the competitiveness of businesses. Our distinctive approach utilizes our specialized knowledge, expertise and skills.

## Fostering financial inclusion

In all of the countries where we are present, we try to promote financial inclusion by providing individual customers with concrete solutions at every stage of their lives.



In Poland in 2015, about 68,000 **young** customers benefited from *Eurokonto Kieszonkowe* or *Eurokonto Intro*, a convenient bank account that is free to open and maintain and offers 24-hour online and infoline assistance. In Croatia, student packages helped roughly 9,500 young customers to access a complete range of banking services in one product. With this convenient package, they can easily use direct channels to transfer funds, set up overdraft protection up to about €1,300 and access such additional benefits as automobile assistance and travel insurance.

During the 2015 crisis that saw thousands of refugees and **migrants** streaming into Austria, we expanded our product range, offering free accounts and cards with basic functions that could help people through the difficulties of seeking asylum. About 325 migrants applied for this service from September to December.

In Austria, we also continued to offer **financially challenged** people our *New PerfectFit-Konto light*, an account featuring reduced fees: more than 1,000 new customers took advantage of this service.

In Poland, more than 103,000 *Eurokonto Mobilne* current accounts were opened in 2015. These provide active, low-income customers with very low maintenance fees and a card fee which can be further reduced while ensuring inflow on the account, and realizing a certain number of transactions during each month.

## Encouraging responsible financial habits

It is widely acknowledged that improving the financial literacy of citizens is essential to stimulating community progress through a stronger economic participation. This is why at UniCredit, since 2009, we have engaged in a range of financial education programs customized for different demographic groups in order to help meet people's need for information and ensure that product information is provided in a clear way.

As in previous years, we held our *In-Formati* program in Italy. In 2015, it involved more than 32,700 participants in about 900 training sessions run by about 460 volunteer colleagues. The related 2015 UniCredit Financial Literacy Index<sup>4</sup> increased by an average of 16 percent.

<sup>4</sup> The Index measures the participants' level of understanding before and after courses.

The transformation of our branch network in Italy, which began last year, will make our **bank fully accessible** to all of our customers. To date, over 2,000 ATMs, also located in busy commercial centers, have been enabled with functions for the visually impaired.



“The modernization of our branch network is enabling us to provide our customers with a wider range of high-quality services to foster greater social inclusion.”

Remo Taricani - Head of Individuals & Small Business Sales & Marketing, Italy

In Poland, our **elderly** customers (over 75 years old) can benefit from *Konto Pomocne*. This current account, designed especially for pensioners, is free of fees and commissions for the first two years from its opening and also includes comprehensive assistance insurance. In 2015 we opened about 2,000 new accounts for a total at the end of the year of roughly 8,500 customers.

In Croatia, through our *Allianz Annuity* insurance service we offered to elderly customers who paid a premium as a lump sum of money, an additional monthly income in order to provide financial protection for their families. In 2015, almost 13,700 customers took advantage of our senior packages to ensuring their standard of living in retirement.

A new type of financial education program dedicated to young people, was held in Italy in 2015. Offering almost 850 hours of training in 49 classes held by 19 volunteer employees, the *Training the future* program offered 425 participants an opportunity to strengthen their overall knowledge of financial management, growth and estate planning.

In Germany, our educational portal *EURO.DE* was visited in 2015 by more than 25,000 unique visitors. In addition, we held 22 workshops with about 400 attendees.

In Austria, thanks to an annual partnership with the Austrian National Museum of Social and Economic Affairs, about 8,500 young students participated in 479 workshops held at their

MATERIAL  
TOPICS

- Community Proximity
- Financial Education
- Financial Stability
- Responsible Finance
- Simplicity & Transparency

A. One-on-one and group meetings, conference and video conference calls and meetings with rating agencies (44), buy-side (639) and sell-side (41) investors, including Fineco meetings.  
3. Refer to the 2009 - 2011 Consolidated Reports and Accounts.





schools in 2015. The workshops promoted responsible money management.

The *Finance Academy* in Poland continued to offer young people and students financial lessons focused on banking development, innovation and safe usage of the internet. It held about 1,500 training sessions that involved about 46,500 participants.

More than 88,000 participants in our 2015 financial education programs. A total of about 267,000 participants and more than 610,000 training hours from the beginning of the programs<sup>5</sup>

## Supporting the competitiveness of companies

In our relationships with companies, we seek to support them with initiatives and solutions. The goal is to enable our countries to prosper through business growth and employment. Since small and medium enterprises (SMEs) form the backbone of the European economy, our efforts are primarily directed at them.

In our countries, we strive to offer **solutions that serve** those **business sectors** that contribute most to socioeconomic development, national competitiveness and sustainable growth. A snapshot of sector-specific support in our Group can be found in the next page.

To support the innovation and competitiveness of companies throughout our markets, we also engage in a range of **knowledge-transfer** and **networking initiatives**. We believe that new opportunities for business growth and employment stem from the dissemination of knowledge and best practices.

In Italy, we continue to offer *Go international! The UniCredit Learning Experience*, a program for entrepreneurs and export managers. The program provides a range of different courses: the *Digital and Export Business School* master path, video seminars, workshops and customized training. In 2015, 78 training sessions were held for more than 3,200 companies in several sectors, of which 80 percent were SMEs. Additionally, nearly 20,000 hours of training were provided, of which 8,000 addressed digitization and e-commerce.

To support the internationalization of companies, we also organized 14 business meetings between Italian SMEs and potential international buyers. Participants were selected from within the food and wine sector, in conjunction with the 2015 Expo in Milan, which focused on nutrition. More than 800 companies and buyers from 43 countries were involved.

In Austria, we reached more than 200 participating companies through our *SME Info Day*. This consulting event was held in Vienna in cooperation with the chamber of commerce and guarantee agencies. Participants received information on how to access subsidized loans, manage their liquidity and engage in business planning for a robust and sustainable business.

In Slovenia, our *Financial Days* have set a standard for best practice in the market. They provide participants with up-to-date information on major trends and opportunities in key sectors and industries. The two-day event in 2015 focused on innovation and adaptation to change. More than 100 directors, CEOs and CFOs attended.

We possess established expertise in **handling state- and EU-supported programs**<sup>6</sup>. We actively cooperate with national, international and European institutions to make public funds available in all of our countries to support the growth and development of SMEs.

In Italy, we are leaders in the field of funding provided through the Ministry of Economic Development's SME guarantee fund, Fondo di Garanzia PMI. Over €1.3 billion in long term financing has been provided with this state guarantee, including roughly €15 million to startups. In addition, we offer companies innovative financial instruments such as the minibonds guaranteed by the Fondo di Garanzia.

With over €1.3 billion we are leaders in Italy for funding provided through the SME guarantee fund Fondo di Garanzia PMI

In Austria, we cooperate with the federal promotion agency Austria Wirtschaftsservice to provide grants funded by the European Regional Development Fund. These are earmarked for sustainable investments made by SMEs based on the criteria of innovation and impact on employment. For the period from 2014 to 2020, we plan to make available more than €20 million to Austrian SMEs through this program.

At the end of 2015, more than 60 companies from Bulgaria, Croatia, Czech Republic, Hungary and Slovakia, most of them SMEs, benefitted from improved access to finance via the Risk Sharing Instrument<sup>7</sup>. UniCredit subsidiaries in these countries loaned more than €33 million in total to innovative SMEs, small-to-mid-caps, and new research and development projects.







The Joint European Resources for Micro-to-Medium Enterprises (JEREMIE) has proven to be a very successful instrument, with high absorption rates in Italy, Bulgaria, Romania and Slovakia. Through it, SMEs have been able to access financing with several advantages, including lower collateral requirements, reduced interest rates and a fee-free guarantee. In these countries, UniCredit was able to approve more than €430 million in loan facilities for SMEs under JEREMIE by the end of 2015.

5. Figures based on data since 2011 for Italy and Austria, 2012 for Germany and 2014 for Poland.  
6. Refer to the Invest in Growth Businesses chapter (CEE) for more information.  
7. Refer to the 2014 Integrated Report for more information.

In Bulgaria and Croatia, we continued to provide loans to support unemployed individuals and micro-enterprises via the European Progress Microfinance Facility (EPMF). By the end of 2015, these small loans - usually less than €25,000 -

were distributed to roughly 400 microenterprises, as well as individuals having difficulties entering the labor market and disadvantaged individuals. In 2015, we approved more than €4.2 million in loans via the EPMF.

## A snapshot of sector-specific support in our Group

SECTOR (Country) <sup>A</sup>	EXAMPLE OF TAILORED SOLUTIONS	
STARTUPS   in IT, DE, AT, PL, BA, BG, HR, HU, RO	<b>UniCredit Start Lab</b> acceleration program for innovative startups (Italy)	Mentoring program for startups run by female entrepreneurs (Germany)
	<ul style="list-style-type: none"><li>offered to actively support innovation and business development, as well as to increase patent propensity and to improve country capacity to retain talent<sup>8</sup></li><li>more than <b>900 applications</b> in the 2015 edition with <b>66 percent</b> of the entrepreneurs <b>under the age of 40</b></li><li><b>45 startups admitted</b> to the program</li><li>more than <b>€10 million</b> of external venture capital raised for the most promising projects</li></ul>	<ul style="list-style-type: none"><li>offered by experienced businesswomen from the <i>HVB Women's Council</i> and startup experts from the bank to encourage new entrepreneurial ventures by women</li><li>third edition in 2015 with six months of support to the most innovative business ideas, chosen from over <b>170 applications</b></li><li>a project involving social entrepreneurship selected for the first time</li><li>participation in the German Accelerator Program (supporting German tech startups seeking to enter the U.S. market) for one participant</li></ul>
TOURISM   in IT, BA, HR	<b>UniCredit 4 Tourism</b> (Italy)	
	<ul style="list-style-type: none"><li>offered to support the economic development and competitiveness of SMEs in the sector, particularly hotels</li><li><b>tourism</b> is a vital contributor to the country's development, tied closely to such other key fields as fashion, food, art and culture and responsible for more than <b>10 percent of the national economy</b></li><li>launched in 2015 with support offered in four ways:<ul style="list-style-type: none"><li><b>innovative digital products</b> for SMEs to promote themselves and manage their presence on the web and social media</li><li><b>€2 billion of available financing up to 2018</b>, of which <b>75 percent reserved for SMEs</b></li><li><b>specific insurance solutions</b> for seasonal businesses</li><li>workshops and <b>training</b> to increase SMEs' financial, <b>marketing and digital skills</b></li></ul></li><li>training events held in five Italian cities with 250 attendees</li><li>nearly <b>€480 million</b> in <b>new loans</b> provided in 2015</li></ul>	
REAL ESTATE   in IT, AT	Subsidized financing (Austria)	
	<ul style="list-style-type: none"><li>financing for subsidized housing provided mainly in cooperation with non-profit housing associations</li><li>subsidized housing is important for the country's economy, it does not only improve the affordability of housing but also ensures high environmental building standards</li><li>roughly <b>€250 million</b> in <b>new loans</b> provided for social housing in 2015</li></ul>	
AGRICULTURE   in IT, DE, PL, BA, BG, HR, CZ, RO, SK	Pre-financing for subsidies (Romania)	
	<ul style="list-style-type: none"><li>pre-financing offered for the subsidies granted by the APIA, the relevant national agency</li><li>our credit lines bridge the delay from the time at which the subsidy is approved until the time at which it is disbursed, thereby improving the recipient's cash flow in a sector where seasonal fluctuations influence income streams</li><li><b>25 loans</b> up to roughly <b>€12.5 million</b> approved in 2015</li></ul>	
INFRASTRUCTURE   in IT, PL, RS	Financing for municipal infrastructure (Serbia)	
	<ul style="list-style-type: none"><li>financing to support municipal development across the country</li><li>program began in 2015, one loan has now been disbursed to a Serbian city</li><li><b>€10 million</b> made available under the Municipal Infrastructure Development Fund</li></ul>	
NONPROFITS   in IT, PL, RO, SI	<b>Universo Non Profit</b> (Italy)	
	<ul style="list-style-type: none"><li>specific service model dedicated to nonprofit organizations, serving more than <b>35,000 clients</b> (about 4,100 in 2015)</li><li>more than <b>€106.5 million</b> in new loans agreed also via a customized rating process</li></ul>	

A. Country codes refer to codification assigned by the International Organization for Standardization (ISO).  
8. Refer to Our Country Priorities chapter for more information.

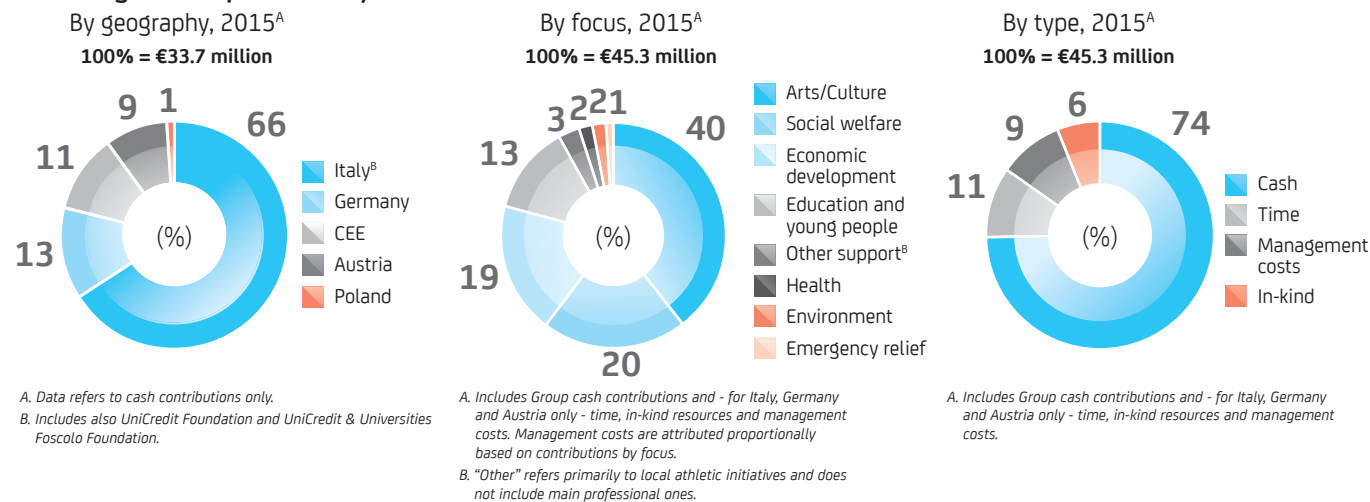




## Invest in the well-being of countries

We believe in staying close to the communities we serve in ways that go beyond our traditional banking activities. That is why we engage in philanthropic initiatives related to social inclusion, which we feel is essential to the prosperity of all countries.

### Percentage of Group community contributions



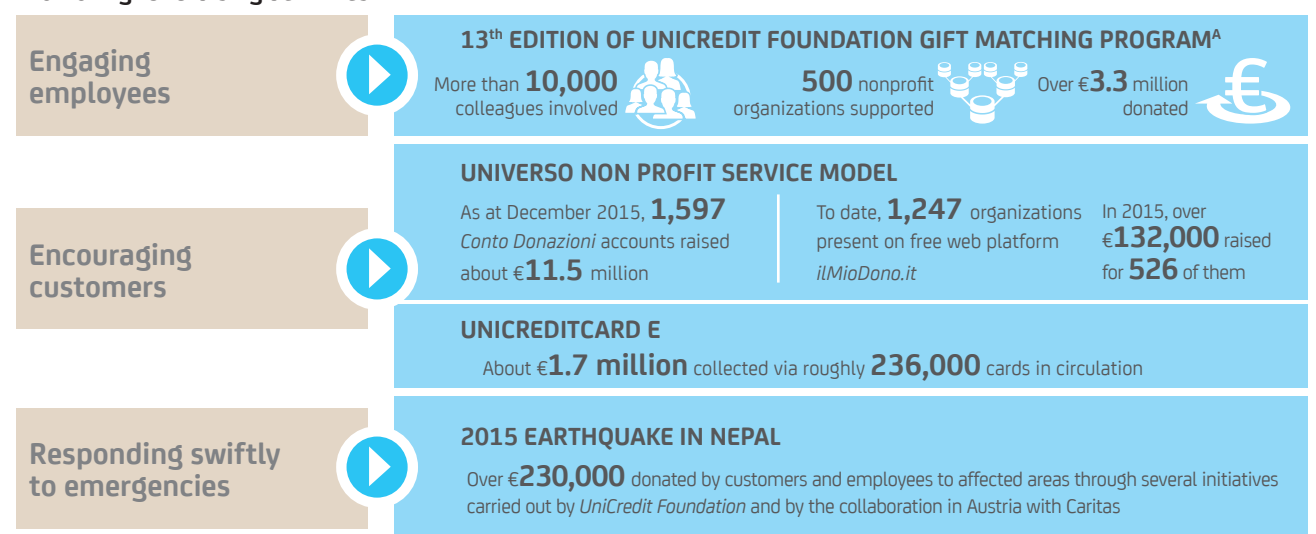
In 2015, we confirmed our commitment to providing concrete support to communities, contributing roughly €45.3 million<sup>9</sup> as measured according to the London Benchmarking Group (LBG) model<sup>10</sup>. Despite the uncertain economic scenario we continue to ensure a level of support that is in line with the one our Group guaranteed in 2013. In 2014 additional support was provided with a contribution to the restoration of the City of Verona's Arena<sup>11</sup>, a historic part of Italy's cultural heritage. In addition, by leveraging our strong local presence and reputation, we were able to attract resources from third parties amounting to almost €3 million. The majority of our support in 2015 was in the form of funding for art, culture and social welfare.

### Promoting social inclusion

In keeping with our activities in previous years, we continued to work to improve the social welfare of the territories we serve. In 2015, we:

- promoted fundraising activities, engaging both colleagues and customers, particularly to generate support in response to emergencies and disasters
- supported social enterprises
- promoted culture in all of its forms.

### Promoting fundraising activities



A. Refer to the Foundation website [www.unicreditfoundation.org](http://www.unicreditfoundation.org) for more information.

9. 2015 data are based on internal cost management data sources. Total contributions include cash contributions Groupwide, in addition to the value of employees' time, in-kind resources and management costs referring to Italy, Germany and Austria only. Aside from contributions tracked using the LBG model, total contributions to communities include an additional roughly €937,000 for business initiatives that foster economic development in our territories and for the support of local professional sports.

10. To date, the LBG model covers roughly 85 percent of our contributions Groupwide. Coverage calculated on cash contributions only.

11. Refer to the 2014 Integrated Report for more information.

UniCredit Foundation **supports** the growth of **social enterprises** in the countries where UniCredit operates, mainly in CEE. It does so by means of grants, training, consultancy services, mentorship and networking.

UniCredit has contributed over €10.1 million since 2009 to the foundation's programs, supporting about 440 recipients. The 2015 *UniCredit International Internship Program* has provided 54 undergraduates with three-month internships abroad at UniCredit.

MATERIAL  
TOPICS

- Community
- Proximity
- Employment

2015 ACTIVITIES

- 18 calls for proposals
- >50 colleagues involved from 6 countries
- 2,270 estimated hours dedicated to training and mentorship

KEY RESULTS

- 180 incubated organizations
- 297 jobs created
- ~4,000 training hours
- 140 grants given, mainly in the welfare and agrofood sectors
- over €2.3 million total funding

We believe that **culture in all its forms** can facilitate an exchange of perspectives and develop relationships in a more inclusive society. This is why we encourage talented people to unlock their potential and we support initiatives in the fields of art and music.

In support of study and research in the fields of economics and finance, every year the *UniCredit & Universities Foscolo Foundation*<sup>12</sup> offers scholarships, fellowships and grants on an annual basis to talented students and researchers.

In line with our desire to make cultural initiatives accessible to large audiences, we continued our partnership with the Filarmonica della Scala Orchestra, also with special projects<sup>13</sup>. Additionally, in July 2015, it held a Concert for Peace in Sarajevo, to mark the 20th anniversary of the end of conflict in the country. The event was organized together with the Italian Embassy in Bosnia and Herzegovina.

In July 2015 we inaugurated the *UniCredit Pavilion*, adjacent to our Group headquarters in Milan. This innovative, multifunctional center was designed to meet the bank's needs, as well as to provide the city with an open facility for dialogue and the sharing of different languages. The facility's purpose spans worlds ranging from economics to culture.

The *UniCredit Pavilion* incorporates innovative technologies that maximize its environmental sustainability. It has been designed to achieve the LEED Gold<sup>®</sup> certification<sup>14</sup>.

Besides hosting Group and private events, as of December 2015, the *Pavilion* has been used for:

- 2 cultural events, open to the public, which welcomed almost 35,000 visitors
- 8 concerts
- the first edition of the Festival del Documentario, a film event spotlighting documentaries.

The building also houses a daycare center attended by about 60 children aged 0-3 years old. They include the children of UniCredit employees and of other members of the local community.

In Germany, we promote culture in an innovative way, with the *HVB Art App*. The app, downloaded nearly 900 times in 2015, reaches a broad public with images of more than 400 works by approximately 300 artists, drawn from 100 different art venues.



UniCredit Pavilion, Milan.

12. Refer to the Foundation website ([www.unicreditanduniversities.eu](http://www.unicreditanduniversities.eu)) for more information.

13. Sound, Music! dedicated to young for musical education; Prove Aperte for non profit; Concerto per Milano in piazza Duomo; Discovery Filarmonica; Borse di Studio for young talents.

14. Refer to the Pavilion website ([www.unicreditpavilion.it](http://www.unicreditpavilion.it)) for more information.



# Natural

Capital

Earth's natural assets and the ecosystem services resulting from them, which make human life possible. Natural Capital is affected by the impacts generated through the bank's activities.

## OUR STOCKS OF CAPITAL

Air quality  
conservation

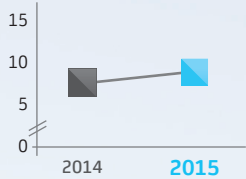
Soil, water,  
flora and fauna  
conservation

### 2015 RESULTS

Portfolio exposure to renewable energy sector

€9.3 billion

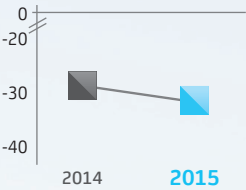
Support renewables as a low environmental impact energy source



GHG emissions

-33%

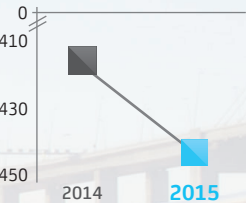
In total GHG emissions since the base year



Optimization of workspaces

-445,000 square meters

Reduction of square meters at end 2015



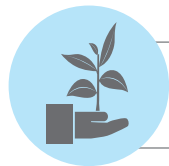
### COMMUNITY IMPACT

- Renewables and energy efficiency promotion
- Environmental business culture development
- Air quality conservation
- Community well-being

### PRIORITIES 2016

- > Define an action plan for further emission reductions
- > Enhance understanding of natural capital related risks
- > Increase digitization processes across the Group
- > Promote environmentally sensitive practices in the workplace





## Reinforce our environmental governance

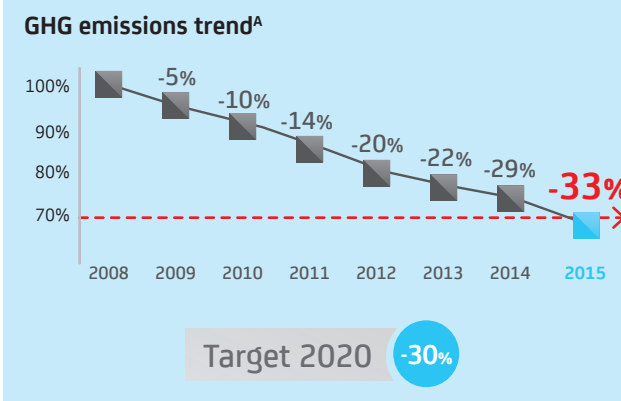
In 2015, two seminal agreements were completed: the Sustainable Development Goals and the Paris Agreement at the COP21 UN Conference on climate change<sup>1</sup>. While concrete actions to fully implement the two agreements have yet to be deployed, both will certainly inform the agendas of the public and the private sectors in the years to come. In this context UniCredit continues to take a multipronged approach to mitigating the risks and leveraging the opportunities that stem from climate change and other trends related to the environment.

UniCredit has established the *Group Environmental and Social Council* (GESC) which oversees the implementation of UniCredit's environmental strategy and commitments, ensuring they are in line with its *Environmental Policy*. By gathering together executives from different departments, the GESC has driven all of the Group's initiatives involving environmental and social topics and worked collectively to manage UniCredit's operational impacts and the risks and opportunities related to its lending practices. The council, set up in 2014 after UniCredit Executive Management Committee (EMC) approval, met twice in the second half of 2015 to propose environmental strategies, objectives and targets to the EMC.

## Reduce our environmental impact

### Abating emissions

Well ahead of our deadline, we achieved our 2020 **greenhouse gas (GHG) abatement target** in 2015. At year-end, our Group's GHG emissions had dropped to 330,327 tons, which was 33 percent less than in the base year of 2008. The target was achieved by substantially reorganizing our workspaces. Thanks to the nearly complete implementation of



Our Scope 1 and Scope 2 GHG emissions (tons CO<sub>2</sub>e) in relation to our 2008 base year and our 2020 reduction target of -30%. In 2015 the per capita value recorded is 3.43 tons CO<sub>2</sub>e versus 4.45 tons CO<sub>2</sub>e in 2008.

A. Refer to the Supplement for more details.

our *City Plans*<sup>2</sup> project, we are **optimizing** the way that our Group uses **working space**.

Having reached our abatement target five years ahead of schedule, we have set new short- and medium-term goals. UniCredit is now committed to achieving a 60 percent reduction by 2020 in its scope 1 and 2 emissions measured in terms of CO<sub>2</sub>e<sup>3</sup> and an 80 percent reduction by 2030<sup>4</sup>. These targets are far more ambitious than any of the Nationally Determined Contributions presented at COP21 and are in line with the most aggressive abatement scenarios required to address climate change that were set out in the latest Intergovernmental Panel on Climate Change Assessment Report.



“Conservation of natural resources and ecosystems is the foundation of economic activity. By setting new ambitious targets to reduce our GHG emissions, we confirm our commitment to fighting climate change.”

Paolo Fiorentino - Chief Operating Officer

Aside from these internal emissions targets, we plan to increase our commitment to reporting on initiatives to reduce our commuting-related emissions.

*City Plans* is designed to reduce commuting by locating our offices close to railway hubs. We have also implemented stricter Groupwide rules for business trips.

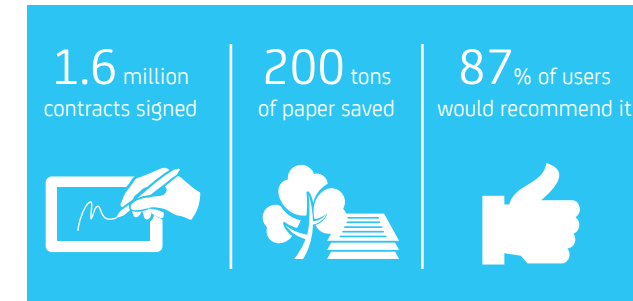
The UniCredit Strategic Plan calls for **travel-related expenses to be reduced** by 20 percent by 2018, which should result in a further drop in associated CO<sub>2</sub> emissions. To meet this target, UniCredit has prohibited non-customer-related travel for one week per month. The initiative is expected to reduce our number of trips in Italy by 44,000 per year, with proportional reductions also expected in Germany, Austria and Poland. To further avoid unnecessary travel, our Group has developed a dedicated tool that enables teams to remotely manage customer relationships as a viable alternative to face-to-face meetings. When business trips are unavoidable, we do our best to reduce their negative impacts.

Our car fleet, for example, is being downsized and upgraded to feature low-carbon-emissions vehicles. In Germany we have also recently adopted a new travel policy that sets strict limits regarding greenhouse gas emissions. Under the new policy, only vehicles with a limited CO<sub>2</sub> discharge may be used for business trips.

## Cutting consumption

The **reduction of paper consumption and energy use** are also ongoing priorities for our Group. So far, more than 2 million UniCredit customers have registered for *FirmaMia*, our advanced graphometric signature system in Italy.

### FirmaMia 2015



### FirmaMia Target 2016



*FirmaMia* is the first step toward the full digitization of Group processes, which will continue through the next three years in Italy, Germany and Austria within the scope of the *Document and Case Management Project*.

The aim of the *Document and Case Management Project* is to simplify and optimize the management of customer requests in our commercial banking operations by:

- harmonizing the branch operating model in our Italian, German and Austrian networks
- transferring administrative activities from branches to a centralized back office
- increasing process efficiency by introducing Group technologies that eliminate paper documents
- streamlining processes and automation.

Once complete, this project will reduce costs, improve efficiency and cut down on paper consumption.

Initiatives to limit our consumption of paper have also been set in motion in several of the other countries in UniCredit's operations.

In Russia, we have implemented a bank-wide electronic internal and external document flow system. Account statements for corporate customers were delivered electronically in 2015, with paper documents provided for at an extra charge. When complete, this system is expected to save 12 million sheets of paper per year. Another successful project in Russia substituted electronic documents for printed ones in the internal management of invoices. The bank has also reduced paper consumption at its Nagatino building in Moscow, through an authentication system that tracks and limits the use of office printers, similar to the system in use since 2013 at the UniCredit Tower in Milan<sup>5</sup>.

As part of the Group's push to further digitize operations, new paperless processes will be introduced in Bulgaria at POS terminals and throughout the banking network. Once fully implemented, these processes will enable the signing of consumer loan documents with electronic devices and implement greater use of electronic archiving, improving speed and quality of service. While final designs and concepts have already been completed, pilot processes are expected to go live by the fourth quarter of 2016 for a complete rollout in 2017.

Energy consumption by data centers is a particular concern for financial institutions. While increasing the digitization of operations ultimately reduces the need for energy-consuming brick-and-mortar bank branches, it also leads to greater use of energy-hungry data storage systems. From 2014 to 2015, for example, our energy needs on this score increased by 2 to 2.5 gigawatt-hours.

At UniCredit, we have managed to partially offset these increases with energy-saving initiatives at our data centers in Verona and Munich.

The Munich Tucherpark data center is the most efficient, due to a cooling system fed by the Eisbach Canal. In 2015, this data center improved its power usage effectiveness (or PUE, the ratio of total power used by the data center to the power used for IT processing) to 1.34 from an already excellent 1.39. Over the same timeframe, our Verona 1 data center reduced its PUE from 1.94 to 1.84, while Verona 2 reduced its PUE from 1.65 to 1.57.

Our Group began conducting energy audits of UniCredit facilities in 2013, well before national laws began to enforce the EU Directive on Energy Efficiency. Since then, we have audited several sites in Italy, in Germany, in Austria, in Czech Republic and Slovakia. The audits involve energy consumption assessments, energy monitoring tools, energy loss detection and the replacement of equipment that is obsolete or wasteful.

UniCredit S.p.A.'s Environmental Management System (EMS) has been registered according to the EU Eco-Management and Audit Scheme (EMAS) since 2002. Following a reorganization

<sup>5</sup>. Refer to the 2012 Sustainability Report for more information.

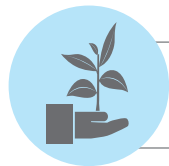
1. Refer to <https://sustainabledevelopment.un.org/> for more information on the Sustainable Development Goals. Refer to <http://unfccc.int/2860.php> for more information on the Paris Agreement.

2. Refer to the Leverage Global Platforms chapter (Global Activities) for more information.

3. Carbon dioxide equivalent.

4. Refer to the Supplement for more details.





In Italy in 2012, the EMS was extended to encompass all of UniCredit's facilities in Italy. Since our EMS covers a large number of facilities and must in particular account for indirect environmental impacts, we contacted the European Commission to check the feasibility of our approach. The commission, which is currently drafting guidelines to facilitate auditing processes for multi-site organizations, granted UniCredit permission to conduct a pilot project. This project uses a sampling methodology that is being assessed as to whether its outcomes are appropriate for organizations with strong centralized management structures. Through its EMS based on this sampling model, UniCredit S.p.A ensures compliance with the applicable environmental legislation. Environmental management systems across several UniCredit legal entities are also used to monitor environmentally oriented plans, and foster employee participation.

### Sourcing responsibly

In the context of our commitment to responsible actions and good practices, our Group has established protocols for our responsible procurement practices and how we manage the goods and services purchased and used within our organization. Procurement at UniCredit is based on a sustainable model: suppliers must meet certain minimum sustainability requirements and are selected according to the standards of conventions of the International Labour Organization relating to fundamental human rights, child labor, freedom of association, working conditions, equal pay, health, safety and business ethics.

Suppliers must also comply with the standards set forth in our [Environmental Policy](#)<sup>6</sup>.

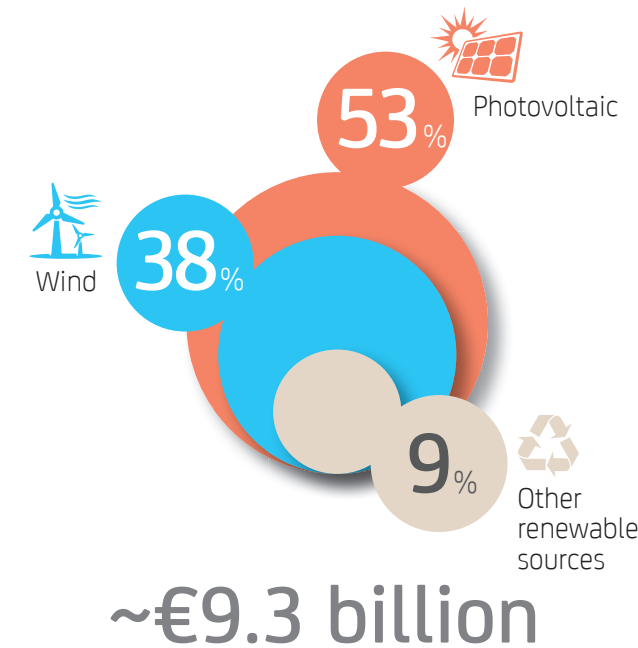
In addition to sourcing environmentally certified products, we prefer to use providers with EMS certified under EMAS and ISO 14001 standards. This applies, for example, to the cleaning service we employ in Austria and the operators of the cafeteria at the UniCredit Tower in Italy. Under the auspices of our EMS in Italy, we completed audits of 12 external service providers in 2015.

In keeping with our commitment to good procurement practices, since 2014 UniCredit SpA has adhered to the Codice Italiano Pagamenti Responsabili. This voluntary standard for responsible payments is promoted by Assolombarda, an association of companies operating in the areas of Milan, Lodi, Monza and Brianza. The standard exists to promote prompt and efficient payment practices by companies to their suppliers.

## Embrace green business opportunities

We provide financial support for a number of renewable energy sources such as wind, solar and hydro. At the end of 2015, our Group's portfolio in this sector amounted to a total exposure of around €9.3 billion, representing a 0.5 percent increase vs. 2014.

### Portfolio of loans for renewable energy, 2015



We report below some of our **main climate finance initiatives**.

One of the green projects financed in Germany is BARD Offshore 1, the first and most powerful offshore wind farm in Germany. BARD Offshore 1 has been fully connected to the grid since September 2013.

With 80 five-megawatt wind generators, the farm has a nominal capacity of 400 megawatts. Under full load it produces 1.6 billion kilowatt-hours of electricity per year, which equals the energy consumption of more than 400,000 households, resulting in the avoidance of some 880,000 tons of CO<sub>2</sub> emissions.

### OFFICINÆ VERDI®

**Officinæ Verdi® Energy Efficiency Group** (OV Group), was originally created by UniCredit in partnership with Fondazione WWF Italia.

OV Group has developed a high level of expertise in energy efficiency solutions for key sectors such as real estate, infrastructure, large-scale distribution and manufacturing, thereby becoming a strategic partner in the management of energy efficiency investments. OV Group is a holding company that develops and structures complex investments in green energy projects. Its subsidiaries engage in a range of activities in the field of green energy:

- **Mætrics®** is an innovative platform that independently measures energy consumption in comparison with relevant financial indexes
- **3EPC®** is an engineering procurement contractor that works on energy-efficiency-related construction projects
- **Consortium Energia Verde®** is a 100-percent renewable energy supplier.

From 2013 to 2015, OV Group was responsible for about €100 million in green energy investments and services, managing roughly 500 renewable energy projects worth €930 million in Italy and across Europe. The resulting energy plants represent 285 megawatts of peak power. In total, OV Group has supplied 401 gigawatt-hours/year of energy, successfully avoiding CO<sub>2</sub> emissions by 222,000 tons per year<sup>7</sup>.

In Austria, we offer solutions like *Energieeffizienz-Paket*, which supports our customers' efforts to save energy. After helping them assess their funding options, we finance their projects. We also offer *Energiesparmilliarde*, a special program for loans related to energy efficiency. Last year, 20 customers in Austria were loaned some €180 million under this program.

We continue to partner with multilateral development banks and government-subsidized lenders such as KfW, a German development bank, to promote energy efficiency. Through these institutions' programs, we provided over €1.8 billion to small and medium enterprises (SME) and over €652 million to individuals by the end of 2015. Meanwhile, in partnership with the European Investment Bank and the European Bank

for Reconstruction and Development, we provided small Central Eastern Europe (CEE)-based corporations with some €375 million in financing.

Among the most important deals we closed last year, UniCredit Corporate & Investment Banking (CIB) supported the ERG Group's acquisition of E.ON Italia's hydroelectric business. This increased ERG's overall installed capacity by approximately 30 percent, making it a significant part of the Italian hydroelectric sector. With 16 power plants, seven dams, three reservoirs and one pumping station located in the Italian regions of Umbria, Marche and Lazio, this portfolio has an overall installed capacity of 527 megawatts, potentially serving more than 500,000 households. The equity value of the transaction was €950 million, which was mostly financed by a €700 million syndicated loan. In 2015, CIB was also involved in placing Berlin Hyp's Green Pfandbrief, an issue intended to finance mortgage-backed real estate.

UniCredit is a significant participant in the **green bond market** and is a signatory to the Green Bond Principles. The size of the green bond market has steadily increased since it opened in 2007. Green bond issues reached a record USD 40 billion in 2015, a 14 percent increase over 2014 and a four-fold increase over 2013<sup>8</sup>. However, issuance volumes in 2016 are forecast to rise only slightly.

UniCredit has brought a number of green bonds to market:

- the first green bond ever issued (European Investment Bank, 2007)
- three of the five European utility company benchmark green bonds issued in 2014
- the first green covered bond (Berlin Hyp, 2015)
- lead manager of the first green bond issued in 2016 (European Investment Bank)

UniCredit has maintained a **carbon trading desk** since 2005. Currently located within the Corporate Treasury Sales unit alongside our other commodities trading desks, the carbon trading desk takes care of customers' needs vis-à-vis climate issues, carbon neutrality and Emission Trading Directive related risks. In 2015 the desk traded with approximately 90 compliance counterparties, organizations whose plants fall within the EU emissions trading system. Our Group uses the EU Transaction Log, a public database, to verify the carbon exposure of various companies. Thus we can provide the best possible consulting services to companies, understand their carbon risks, balance sheet impacts and profit and loss statements, and develop tailor-made hedging solutions. We also leverage the expertise of our sales desk to address developments in the carbon market and assess how companies should react to political changes. In 2015, we traded the equivalent of some €4.4 billion, representing approximately 560 million tons of CO<sub>2</sub> equivalent.

<sup>6</sup>. Refer to *Environmental Policy* on our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.

<sup>7</sup>. Data has been estimated by Officinæ Verdi® and is currently being verified by an independent third party.

<sup>8</sup>. Source: Climate Bonds Initiative, Bloomberg, UniCredit Research.





## Enhance environmental risk management

UniCredit manages risks related to the environment in different ways. When applying for credit, clients must fill out an environmental questionnaire<sup>9</sup>. The environmental performance of the customer is then assessed, and their credit rating is adjusted accordingly. We continue to seek more advanced methodologies that can better assess the financial risks associated with environmental impacts and the regulatory risks for high-environmental-impact businesses and those that may be specifically subject to environmental oversight.

Our Group has also expanded its focus on climate change by supporting the 2° Investing Initiative. This France-based multi-stakeholder think tank is working to align the financial sector with 2 degree celsius climate goals. Through its Sustainable Energy Investment Metrics project, it aims to develop climate performance metrics that help financial institutions to have a clear vision of how their loan books or financial portfolios align with energy transition scenarios.

UniCredit joined the Advisory Committee of the project which includes research and development on:

- defining climate-friendly assets
- measuring and benchmarking portfolio exposures to energy transition scenarios
- creating index and portfolio optimization tools based on climate performance metrics
- updating data frameworks
- integrating climate performance metrics and optimization tools into financial regulatory frameworks.

In addition to these efforts, in 2012 UniCredit was among the first signatories to the [Natural Capital Declaration \(NCD\)](#).

This finance sector initiative aims to integrate natural capital considerations into loans, equity, fixed income and insurance projects, as well as into accounting, disclosure and reporting frameworks. In keeping with this commitment, UniCredit will participate over the next three years in a pilot project commissioned by Switzerland's State Secretariat for Economic Affairs.

This NCD-oriented project aims to develop tools and a business case for integrating material risks from dependencies on natural capital into the lending and investment operations of financial institutions.

The project, which supports the Sustainable Development Goals, addresses two of the four commitments set forth in the NCD<sup>10</sup>.

The project consists of two phases. In the first phase, it will develop and test a methodology for mapping risks associated with natural capital impacts and dependencies associated with the portfolios of financial institutions.

In the second phase, it will develop a methodology for embedding natural capital considerations into credit risk assessments. As part of the second phase, UniCredit will test the techniques on its own loan portfolio.

We are also investing in our future by building a culture of sustainability, starting with our *Talent Management Programs*.

In 2015, through several training modules, 78 employees participated in the *UniQuest* program. All of them received sustainability training on our *Sustainability Approach*, and some of them elected to write their *UniQuest* graduation paper on the topic of environmental risks.

They were asked to examine the relevance of environmental impacts to our Strategic Risk Framework.

This initiative provided our Group with an original, non-specialist perspective while disseminating knowledge and creating environmental advocates within the next generation of UniCredit managers.

After a thorough review of climate science, the planetary boundary concept and externalities, the participants familiarized themselves with our Strategic Risk Framework to identify a suitable starting point for their analysis.

They decided to run a simplified carbon stress test, which was presented to our CEO at their graduation ceremony.



The UniQuest participants that wrote their UniQuest graduation paper on the topic of environmental risks.

## Focus

### Working with WWF

We continue to support WWF initiatives in Italy. Last year we donated more than €450,000 to the WWF Oasis System.

Since its inception, our program has raised close to €1.5 million, with 0.3 percent of all transactions made with our UniCredit *Flexia Card WWF* and the issuing fees for our *Genius Card WWF* going to a special WWF fund managed by our Group.

UniCredit provided further support to WWF as the main sponsor of *Festa delle Oasi*, which was held on May 24 to help raise money and awareness of the WWF Italy Oasis System.

This system comprises more than 30,000 hectares of forests, coastlines, rivers, lakes and mountains at more than 100 WWF sites across Italy.

## UniCredit Contribution to the Sustainable Development Goals

Our most significant initiatives contribute to development, promote well-being, help conserve the environment, and are in line with the [United Nations Global Goals for Sustainable Development](#)<sup>1</sup>.

CURRENT INITIATIVES	REFERENCES	PAGES	SUSTAINABLE DEVELOPMENT GOALS
Strenght Sustainability Governance and Culture	OUR VALUE CREATION OVER TIME	▶ 11	17 PARTNERSHIPS FOR THE GOALS
	MAIN PARTNERSHIPS AND AFFILIATIONS	SUPPLEMENT ▶ 4	
Reinforce our environmental governance and Enhance environmental risk management	ENVIRONMENTAL AND SOCIAL RISK	▶ 17	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Natural Capital	▶ 82	
	EQUATOR PRINCIPLES IMPLEMENTATION	SUPPLEMENT ▶ 22	13 CLIMATE ACTION
Country competitiveness and well-being	OUR COUNTRY PRIORITIES	▶ 24	8 DECENT WORK AND ECONOMIC GROWTH
Improving our digital banking	STRATEGIC PLAN (CEE)	▶ 44	10 REDUCED INEQUALITIES
	Intellectual Capital	▶ 68	
	Social and Relationship Capital	▶ 75	
Reduce our environmental impact	STRATEGIC PLAN (GLOBAL ACTIVITIES)	▶ 54	11 SUSTAINABLE CITIES AND COMMUNITIES
	Natural Capital	▶ 82	
	EQUATOR PRINCIPLES IMPLEMENTATION	SUPPLEMENT ▶ 22	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Value diversity and inclusion	Human Capital	▶ 64	5 GENDER EQUALITY
Invest in community growth	Social and Relationship Capital	▶ 75	1 NO POVERTY
			4 QUALITY EDUCATION
Invest in the well-being of countries	Social and Relationship Capital	▶ 78	8 DECENT WORK AND ECONOMIC GROWTH
			3 GOOD HEALTH AND WELL-BEING
Embrace green business opportunities	Natural Capital	▶ 84	7 AFFORDABLE AND CLEAN ENERGY
	EQUATOR PRINCIPLES IMPLEMENTATION	SUPPLEMENT ▶ 22	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

9. Refer to Environmental Statement 2011 on our website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for more information.  
10. Refer to the 2013 Sustainability Report for more information on the Natural Capital Declaration.

1. The selection of initiatives and Sustainable Development Goals are non exhaustive.



# GRI and UN Global Compact Indexes

The following table presents the GRI with reference to the “In Accordance-core” option, as foreseen by the GRI-G4 Guidelines. For the GRI Content Index, please see the dedicated area of UniCredit’s corporate website ([www.unicreditgroup.eu](http://www.unicreditgroup.eu)).

### General standard disclosures

DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Strategy and analysis				
G4-1	Statement from the CEO	2015 Integrated Report	4-5	
G4-2	Key impacts, risks, and opportunities	2015 Integrated Report	14-19, 84-85; Supplement: 22-28	
Organizational profile				
G4-3	Name of the Organization	2015 Integrated Report	99	
		2015 Integrated Report	22-23, 32-54	
G4-4	Primary brands, products, and/or services	2015 Consolidated Reports and Accounts	46-50	
G4-5	Location of the Organization's headquarters	2015 Integrated Report	99	
G4-6	Countries where the Organization operates	2015 Integrated Report	6-7	
		2015 Integrated Report	12-13	
G4-7	Nature of ownership and legal form	2015 Consolidated Reports and Accounts	68-70	
		2015 Report on Corporate Governance and Ownership Structure		
G4-8	Markets served	2015 Integrated Report	6-7, 30-54	
G4-9	Scale of the Reporting Organization	2015 Integrated Report	6-7, 57-59	
G4-10	Workforce characteristics	2015 Integrated Report	64; Supplement: 42-43	
G4-11	Employees covered by collective bargaining agreements	2015 Integrated Report	Supplement: 49	
G4-12	Organization's supply chain	2015 Integrated Report	22-23, 30-31, 55, 84	
		2015 Integrated Report	2	
G4-13	Changes in Organization's size, structure, ownership or its supply chain	2015 Consolidated Reports and Accounts	51-53	
G4-14	Precautionary principles	2015 Integrated Report	17, 82; Supplement 22-28	
G4-15	Externally developed charters, principles or initiatives to which the Organization subscribes	2015 Integrated Report	5, 24, 82, 84, 86, 87; Supplement: 22, 26	
G4-16	Membership in associations or Organizations	2015 Integrated Report	Supplement: 4-7	
Identified material aspects and boundaries				
		2015 Integrated Report	2, 6-7	
G4-17	Entities included in the Integrated Report	2015 Consolidated Reports and Accounts	99-153	
G4-18	Reporting principles for defining Report content	2015 Integrated Report	2, 26-27; Supplement: 40-41	
G4-19	Material aspects identified in defining Report content	2015 Integrated Report	26-27; Supplement: 40-41	
G4-20	Material aspects within the Organization	2015 Integrated Report	26-27; Supplement: 40-41	
G4-21	Material aspects outside the Organization	2015 Integrated Report	26-27; Supplement: 40-41	
G4-22	Restatements of information provided in earlier Reports	2015 Integrated Report	2	
G4-23	Significant changes from previous Reporting periods in scope and aspect boundaries	2015 Integrated Report	2	
Stakeholder engagement				
G4-24	Stakeholder groups engaged by the Organization	2015 Integrated Report	26-27; Supplement: 40-41	
G4-25	Identification and selection of stakeholders to engage	2015 Integrated Report	26-27; Supplement: 40-41	
G4-26	Organization's approach to stakeholder engagement	2015 Integrated Report	26-27, 73-74; Supplement: 40-41, 59-60	
G4-27	Key topics collected through stakeholder engagement	2015 Integrated Report	26-27; Supplement: 59-61	

DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Report profile				
G4-28	Reporting period	2015 Integrated Report	2	
G4-29	Date of the last Report	2015 Integrated Report	2	
G4-30	Reporting cycle	2015 Integrated Report	2	
G4-31	Contact point for questions regarding the Report	2015 Integrated Report	Inside back cover	
G4-32	GRI Content Index	2015 Integrated Report	88-94	
G4-33	External assurance	2015 Integrated Report	96-97	
Governance				
		2015 Integrated Report	12-13; Supplement: 10-16	
G4-34	Governance structure	2015 Report on Corporate Governance and Ownership Structure		
G4-35	Delegating authority for economic, environmental and social topics	2015 Integrated Report	11, 82	
G4-36	Positions with responsibility for economic, environmental and social topics	2015 Integrated Report	11, 82	
G4-37	Consultation between stakeholders and the highest governance bodies on economic, environmental and social topics	2015 Integrated Report	11, 24-27, 82	
		2015 Integrated Report	12-13; Supplement: 10-16	
G4-38	Composition of highest governance bodies and its committees	2015 Report on Corporate Governance and Ownership Structure		
		2015 Integrated Report	13	
G4-39	Executive powers of the Chairman	2015 Report on Corporate Governance and Ownership Structure		
		2015 Integrated Report	13; Supplement: 10-13	
G4-40	Qualification and expertise of highest governance bodies	2015 Report on Corporate Governance and Ownership Structure		
		2015 Integrated Report	14-19; Supplement: 38	
G4-41	Processes to avoid conflicts of interest	2015 Report on Corporate Governance and Ownership Structure		
G4-42	Highest governance bodies and senior executives' roles in the development, approval, and updating of the Organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	2015 Integrated Report	11, 26-27	The content of the Group Integrated Report receives the approval by the Board of Directors.
G4-43	Measures taken to develop and enhance the highest governance bodies' collective knowledge of economic, environmental and social topics	2015 Integrated Report	13, 24-27; Supplement: 13	
		2015 Integrated Report	13; Supplement: 13	
G4-44	Evaluation of the Board of Directors' performance	2015 Report on Corporate Governance and Ownership Structure		
G4-45	Highest governance bodies' role in the identification and management of economic, environmental and social impacts, risks, and opportunities	2015 Integrated Report	13, 26-27; Supplement: 10-13	
		2015 Report on Corporate Governance and Ownership Structure		
G4-46	Highest governance bodies' role in reviewing the effectiveness of the Organization's risk management processes for economic, environmental and social topics.	2015 Integrated Report	13, 26-27; Supplement: 10-13	
		2015 Report on Corporate Governance and Ownership Structure		
G4-47	Frequency of the highest governance bodies' review of economic, environmental and social impacts, risks, and opportunities	2015 Integrated Report	13; Supplement: 10-13	
		2015 Report on Corporate Governance and Ownership Structure		



DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
G4-48	Highest committee or position that formally reviews and approves the Organization's Integrated Report	2015 Integrated Report	13	
G4-49	Communicating critical concerns to the highest governance bodies	2015 Integrated Report	11, 24-27; Supplement: 10-13, 48-49	
		2015 Report on Corporate Governace and Ownership Structure		
G4-50	Critical concerns that were communicated to the highest governance bodies and the mechanism(s) used to address and resolve them			Given the strategic nature, data are considered as confidential.
G4-51	Remuneration policies for highest governance bodies and senior executives	2015 Integrated Report	13; Supplement: 16-19; Group Compensation Policy	
		2015 Report on Corporate Governace and Ownership Structure:		
G4-52	Principles for determining remuneration	2015 Integrated Report	13; Supplement: 16-19; Group Compensation Policy	
		2015 Report on Corporate Governace and Ownership Structure:		
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	2015 Integrated Report	13; Supplement: 16-19; Group Compensation Policy	
		2015 Report on Corporate Governace and Ownership Structure:		
Ethics and integrity				
G4-56	Organization's values, principles, standards and norms of behavior	2015 Integrated Report	10-12, 18-19; Supplement: 10-13	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to Organizational integrity	2015 Integrated Report	14-19; Supplement: 10-13, 20-21	
G4-58	Internal and external mechanisms for Reporting concerns about unethical or unlawful behavior, and matters related to Organizational integrity	2015 Integrated Report	14-19; Supplement: 10-13, 20-21, 33	
Specific standard disclosures				
Category: Economic				
Material aspect: economic performance				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	6, 11, 17, 82; Supplement: 2-3, 22-28	
G4-EC1	Direct economic value generated and distributed	2015 Integrated Report	Supplement: 2-3	
G4-EC2	Financial implications, risks and opportunities for the Organization's activities due to climate change	2015 Integrated Report	11, 17, 82, 84-86; Supplement: 22-28	
G4-EC3	Coverage of the Organization's defined benefit plan obligations	2015 Integrated Report	Supplement: 50-53	
		2015 Consolidated Reports and Accounts	261, 265	
G4-EC4	Financial assistance received from Government	2015 Integrated Report	Supplement: 47	
Material aspect: indirect economic impacts				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	24-25, 75-79; Supplement: 22-28	
G4-EC7	Development and impact of infrastructure investments and services supported	2015 Integrated Report	24-25, 75-79; Supplement: 22-28	
G4-EC8	Significant indirect economic impacts	2015 Integrated Report	24-25, 75-79; Supplement: 22-28	
Category: Enviromental				
Material aspect: materials				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	83; Supplement: 67	
G4-EN1	Materials used by weight or volume	2015 Integrated Report	83; Supplement: 67	

DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Material aspect: energy				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	82-84	
G4-EN3	Energy consumption within the Organization	2015 Integrated Report	Supplement: 66 In 2015, direct energy consumption amounted to roughly 715,000 GJ. Main fuels used were natural gas (about 94 percent), followed by crude oil and petroleum products (about 6 percent). Indirect energy consumption amounted to roughly 2,610,000 GJ (including self-produced energy from photovoltaic plants in Italy and Austria), divided in district heating (about 19 percent) and electricity (about 81 percent) consumption. 82 percent of consumed electricity was produced by renewable sources. Moreover, in Germany about 24,000 GJ of self-produced energy form renewable sources was produced and sold during 2015.	
G4-EN5	Energy intensity	2015 Integrated Report	83; Supplement: 66	
G4-EN6	Reduction of energy consumption	2015 Integrated Report	82-83; Supplement: 66	
G4-EN7	Reductions in energy requirements of products and services	2015 Integrated Report	83; Supplement: 66	
Aspect: water				
G4-EN8	Water withdrawal	2015 Integrated Report	Supplement: 67 Water withdrawn from public water mains or other water services providers.	
Material aspect: emissions				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	82-84	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	2015 Integrated Report	82; Supplement: 66	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2015 Integrated Report	82; Supplement: 66	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	2015 Integrated Report	Supplement: 66	
G4-EN18	Greenhouse gas (GHG) emissions intensity	2015 Integrated Report	82	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	2015 Integrated Report	82; Supplement: 66	
G4-EN20	Emissions of ozone-depleting substances (ODS)	2015 Integrated Report	In line with applicable regulations, UniCredit continues to replace refrigeration and cooling systems that contain ozone-depleting substances. Throughout 2015 and until all hydrochlorofluorocarbons are phased out, these airconditioning and refrigeration equipments will continue to be fed with R22 gas. Systems with leakages or showing additional operating problems will be gradually replaced and/or modified by equipment in line with current legislation. In 2015 in Germany some episodes of ozone-depleting substances' leakage occurred (used for cooling systems), which are still being quantified.	
Aspect: effluents and waste				
G4-EN23	Total weight of waste by type and disposal method	2015 Integrated Report	Supplement: 67	
Material aspect: products and services				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	82-86	
G4-EN27	Mitigation of environmental impacts of products and services	2015 Integrated Report	82-86	



DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	83-84	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	2015 Integrated Report	No relevant fines were imposed in 2015 for noncompliance with environmental laws or regulations.	
Material aspect: transport				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	82	
G4-EN30	Environmental impacts of transport	2015 Integrated Report	82; Supplement: 66	
Aspect: supplier environmental assessment				
G4-EN32	Suppliers screened using environmental criteria	2015 Integrated Report	84, In UniCredit 100% of new suppliers are screened using socio-environmental criteria.	
Category: Social				
Labor practices and decent work				
Material aspect: employment				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	62-65	
G4-LA1	Number and rates of new employee hires and employee turnover	2015 Integrated Report	Supplement: 44	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2015 Integrated Report	Supplement: 50-51	
Aspect: labor/management relations				
G4-LA4	Minimum notice periods regarding operational changes	2015 Integrated Report	Supplement: 50	
Aspect: occupational health and safety				
G4-LA5	Workforce represented in health and safety committees	2015 Integrated Report	Supplement: 54	
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	2015 Integrated Report	Supplement: 55	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	2015 Integrated Report	Supplement: 55	
Material aspect: training and education				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	16, 19, 63-64	
G4-LA9	Training per employee	2015 Integrated Report	16, 19, 63-64; Supplement: 13; 27-28; 47	
G4-LA10	Programs for skills management and lifelong learning of employees	2015 Integrated Report	16, 19, 63-64; Supplement: 13; 27-28; 47	
G4-LA11	Employees receiving regular performance and career development reviews	2015 Integrated Report	64	
Material aspect: diversity and equal opportunity				
G4-DMA	Generic Disclosures on Management Approach		64-65	
		2015 Integrated Report	13, 64; Supplement: 46-47	
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	2015 Report on Corporate Governance and Ownership Structure:		
Material aspect: equal remuneration for women and men				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	64-65	
G4-LA13	Ratio of basic salary and remuneration of women to men	2015 Integrated Report	Supplement: 45	
Aspect: labor practices grievance mechanisms				
G4-LA16	Grievances about labor practices filed, addressed, and resolved	2015 Integrated Report	Supplement: 20-21	

DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Human rights				
Material aspect: investment				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	17, 84; Supplement: 22-28; Human Rights Commitment	
G4-HR1	Investment agreements and contracts that include human rights clauses or that underwent human rights screening	2015 Integrated Report	17, 84; Supplement: 22-28; Human Rights Commitment	
G4-HR2	Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	2015 Integrated Report	17; Human Rights Commitment	
Material aspect: non-discrimination				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	17; Supplement: 20-21; Human Rights Commitment	
G4-HR3	Incidents of discrimination and corrective actions taken	2015 Integrated Report	17; Supplement: 20-21; Human Rights Commitment	
Aspect: supplier human rights assessment				
G4-HR10	Suppliers screened using human rights criteria	2015 Integrated Report	84; In UniCredit 100% of new suppliers are screened using socioenvironmental criteria, including compliance with International Labour Organization conventions n. 29, 87, 98, 100, 105, 111, 138 and 182.	
Material aspect: human rights grievance mechanisms				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	17; Supplement: 20-21; Human Rights Commitment	
G4-HR12	Grievances about human rights impacts filed, addressed, and resolved	2015 Integrated Report	19; Supplement: 20-21; 56-57; Human Rights Commitment; The incidents relatedto Human Rights monitored are: Discrimination (see System of Values data on discrimination), Labor (see Disputes concerning labor, welfare issues and administrative bodies), Child/Forced (not applicable to the sector).	
Society				
Material aspect: local communities				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	24-25; 75-79	
G4-S01	Operations with implemented local community engagement, impact assessments, and development programs	2015 Integrated Report	24-25; 75-79; Supplement: 22-28	
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	2015 Integrated Report	Supplement: 64	
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	2015 Integrated Report	75-79	
Material aspect: anti-corruption				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	18-19; Supplement: 32-34	
G4-S03	Operations assessed for risks related to corruption	2015 Integrated Report	18-19; Supplement: 32-34	
G4-S04	Communication and training on anti-corruption policies and procedures	2015 Integrated Report	18-19; Supplement: 32-34	
G4-S05	Confirmed incidents of corruption and actions taken			UniCredit monitors incidents of corruption related to both employees and business partner. For privacy reasons, we do not report on this disclosure.
Material aspect: anti-competitive behavior				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	18-19; Supplement: 34-37	
G4-S07	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	2015 Integrated Report	18-19; Supplement: 34-37	
		2015 Consolidated Reports and Accounts	444-451	



DMA AND INDICATORS		REFERENCES, NOTES AND PAGES		OMISSIONS
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	18-19; Supplement: 34-37	
G4-S08	Fines and sanctions for non-compliance with laws and regulations	2015 Integrated Report	18-19; Supplement: 35-37	
		2015 Consolidated Reports and Accounts	444-451	
Product responsibility				
Material aspect: product and service labeling				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	Supplement: 59-61	
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	2015 Integrated Report	Supplement: 61	
G4-PR5	Results of surveys measuring customer satisfaction	2015 Integrated Report	73; Supplement: 59-60	
Aspect: Marketing communications				
G4-PR6	Sale of banned or disputed products		Compliance Policies and Procedures are adopted and implemented in order to scrutinize new products/new initiatives and ex-ante evaluations are timely proposed when needed. Compliance is an integral part of local Product Committees - where present - and it is regularly referred to in case of launch of new products.	
Material aspect: Product Portfolio				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	72-79	
G4-FS6	Portfolio for business lines	2015 Integrated Report	Supplement: 22-25; 58	
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit	2015 Integrated Report	72-79; Supplement: 62-63	
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	2015 Integrated Report	84-85; Supplement: 62-63	
Material aspect: customer privacy				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	18-19, 68; Supplement: 39	
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	2015 Integrated Report		UniCredit monitors complaints regarding breaches of customer privacy and losses of customer data. For privacy reasons, we do not report on this disclosure.
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	18-19; Supplement: 28-30, 34-37	
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	2015 Integrated Report	Supplement: 35-37	
		2015 Consolidated Reports and Accounts	444-451	
Material aspect: Active Ownership				
G4-DMA	Generic Disclosures on Management Approach	2015 Integrated Report	17; Supplement: 22-28, 62-63	
G4-FS10	Number of companies held in the institution's portfolio with which the Reporting Organization has interacted on environmental or social issues	2015 Integrated Report	17; Supplement: 22-28, 62-63	
G4-FS11	Assets subject to positive and negative environmental or social screening	2015 Integrated Report	Supplement: 62-63	

Making the connection by GRI and Global Compact

UniCredit submits the Integrated Report as its annual Communication on Progress (COP), publicly disclosing to stakeholders also on progress made in implementing the Ten Principles promoted by the UN Global Compact and in supporting broader UN development goals, in its core business. The table included in this Report provides connections among GRI-G4 indicators and UN Global Compact Principles.

Categories	Principles	GRI-G4 Indicators
Human Rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights	G4-HR2, G4-HR7, G4-HR8, G4-HR9, G4-HR12, G4-S01, G4-S02
	Principle 2 - Make sure that they are not complicit in human rights abuses	G4-HR1, G4-HR10, G4HR-11
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	G4-11, G4-HR4, G4-LA4
	Principle 4 - The elimination of all forms of forced and compulsory labour	G4-HR6
	Principle 5 - The effective abolition of child labour	G4-HR5
	Principle 6 - The elimination of discrimination in respect of employment and occupation	G4-10, G4-EC5, G4-EC6, G4-LA1, G4-LA3, G4-LA9, G4-LA11, G4-LA12, G4-LA13, G4-HR3
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenge	G4-EC2, G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-EN27, G4-EN31
		G4-EN1, G4-EN2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN8, G4-EN9, G4-EN10, G4-EN11, G4-EN12, G4-EN13, G4-EN14, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21, G4-EN22, G4-EN23, G4-EN24, G4-EN25, G4-EN26, G4-EN27, G4-EN28, G4-EN29, G4-EN30, G4-EN31, G4-EN32, G4-EN33, G4-EN34
	Principle 8 - Undertake initiatives to promote greater environmental responsibility	
	Principle 9 - Encourage the development and diffusion of environmentally friendly technologies	G4-EN6, G4-EN7, G4-EN19, G4-EN27, G4-EN31
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery	G4-56, G4-57, G4-58, G4-S03, G4-S04, G4-S05, G4-S06

An online tool that cross-references the GRI-G4 indicators to the Global Compact principles is available on the GRI website: <https://www.globalreporting.org/resourcelibrary/UNGC-G4-linkage-publication.pdf>.



**INDEPENDENT AUDITORS’ REPORT  
ON THE SUSTAINABILITY INFORMATION INCLUDED IN THE INTEGRATED REPORT**

**To the Board of Directors of  
UniCredit S.p.A.**

We have performed a limited assurance engagement on the sustainability information included in the Integrated Report, including its Supplement, (hereafter “Integrated Report”) of UniCredit (the “Group”) as of December 31, 2015.

**Directors’ responsibility on the sustainability information included in the Integrated Report**

The Directors are responsible for the preparation of the sustainability information included in the Integrated Report in accordance with the “*G4 Sustainability Reporting Guidelines*” issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraph “Report structure” of the Integrated Report, and for such internal control as they determine is necessary to enable the preparation of a sustainability information that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Directors are also responsible for defining UniCredit objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

**Auditors’ responsibility**

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the “*International Standard on Assurance Engagement 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information*” (“*ISAE 3000*”), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the sustainability information included in the Integrated Report is free from material misstatement. These procedures included inquiries, primary with company personnel responsible for the preparation of sustainability information included in the Integrated Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

The procedures performed on the sustainability information consisted in verifying its compliance with the principles for defining report content and quality of the sustainability information included in the Integrated Report set out in the “*G4 Sustainability Reporting Guidelines*”, and are summarized as follows:

- comparing the economic and financial data reported in the sustainability information included in the Integrated Report with those reported in the Group Consolidated Financial Statements as of December 31, 2015, on which Deloitte & Touche S.p.A. issued the auditors’ report (pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January, 2010), dated March 3, 2016;
- analysing, through interviews, the governance system and the management process of the matters related to sustainable development regarding the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the sustainability information included in the Integrated Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;

- analysing how the processes underlying the generation, collection and management of quantitative data of the sustainability information included in the Integrated Report operate. In particular, we have performed:
  - interviews and discussions with the management of UniCredit S.p.A. and the personnel of UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bank a.d. Banja Luka and UniCredit Bulbank AD to gather information about the accounting and reporting systems used in preparing the sustainability information, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the sustainability information;
  - analysis, on a sample basis, of the documentation supporting the preparation of the sustainability information, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the sustainability information;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the sustainability information included in the Integrated Report in relation to the guidelines identified in the paragraph “Directors’ responsibility on the sustainability information included in the Integrated Report” of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the Chief Executive Officer of UniCredit S.p.A., on the compliance of the sustainability information included in the Integrated Report with the guidelines identified in the paragraph “Directors’ responsibility on the sustainability information included in the Integrated Report”, as well as the reliability and completeness of the data and information disclosed.

Data and information subject to our limited assurance are reported, as required by the “*G4 Sustainability Reporting Guidelines*”, in the “GRI and UN Global Compact Indexes” of the Integrated Report.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

**Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the sustainability information included in the Integrated Report of UniCredit as of December 31, 2015 is not prepared, in all material respects, in accordance with the “*G4 Sustainability Reporting Guidelines*” issued in 2013 by GRI – *Global Reporting Initiative*, as stated in the paragraph “Report Structure” of the Integrated Report.

Milan, Italy

March 21, 2016

DELOITTE & TOUCHE S.p.A.

**Franco Amelio**  
Partner

*This report has been translated into the English language solely for the convenience of international readers.*



**UniCredit S.p.A.**

A joint stock company

**Registered Office in Rome:** Via Alessandro Specchi, 16 - 00186 Roma

**Head Office in Milan:** Piazza Gae Aulenti 3 - Tower A - 20154 Milano

Share capital Euro € 20,298,341,840.70 fully paid in, Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101

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

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



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The Integrated Report and Supplement have been made available at [www.unicreditgroup.eu](http://www.unicreditgroup.eu) and also available for download by activating the QR code below.

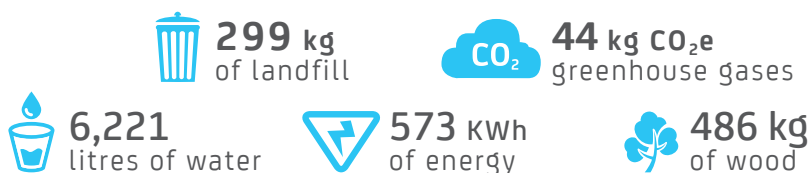


You may also request a copy from: UniCredit - Group Sustainability  
Piazza Gae Aulenti, 20154 Milan, Italy  
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#### ENVIRONMENTAL IMPACT CALCULATOR

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Life is full of ups and downs.  
We're there for both.

