UniCredit

The world
is changing.

Let's change
together.

2014 Consolidated Reports and Accounts

GENERAL MEETING DRAFT

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

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

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

The world is changing. Let's change together.

2014 Consolidated Reports and Accounts

GENERAL MEETING DRAFT

Hospitality is important.

But the welcome is crucial.

The real star is the customer.

Going to the branch becomes a unique experience.
A **revolutionary branch format**, combining technological innovation and design to guide the customer in an easy, enjoyable and interactive world. A branch tailored to the customer where opening hours are no longer a constraint, with multiple access channels and ways to use the services.
A multifunctional space where Customers and consultants sit side by side to experience the bank service in total comfort.
Because reliability is part of our way of doing things.

Contents

Notes
The following conventional symbols have been used in the tables:

- a dash (-) indicates that the item/figure is inexistent;
- two stops (..), "n.s." or "n.m." when the figures do not reach the minimum considered significant or are not in any case considered significant;
- "n.a." indicates that the figure is not available.

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

UniCredit S.p.A.
A joint stock company
Registered Office in Rome: Via Alessandro Specchi, 16
Head Office in Milan: Piazza Gae Aulenti, 3 – Tower A – 20154 Milan
Share capital €19,960,518,108.04 fully paid in
Registered in the Register of Banking Groups and Parent Company of the Unicredit Banking Group, with cod. 02008.1
Cod. ABI 02008.1
Fiscal Code, VAT number and Registration number with the Company Register of Rome: 00348170101
Member of the National Interbank Deposit Guarantee Fund and of the National Compensation Fund

Time is precious.

Give it more value.

Advice when you want it.

Everyone needs advice. And no one wants to waste time. That is why we created **Video Advice@home**. This convenient service delivers expert advice online, allowing you to connect with our consultants from the comfort of home. Easy-to-install software enables us to respond quickly to questions about your current account, car loan or mortgage. We can create value for you, whenever and wherever you need us.

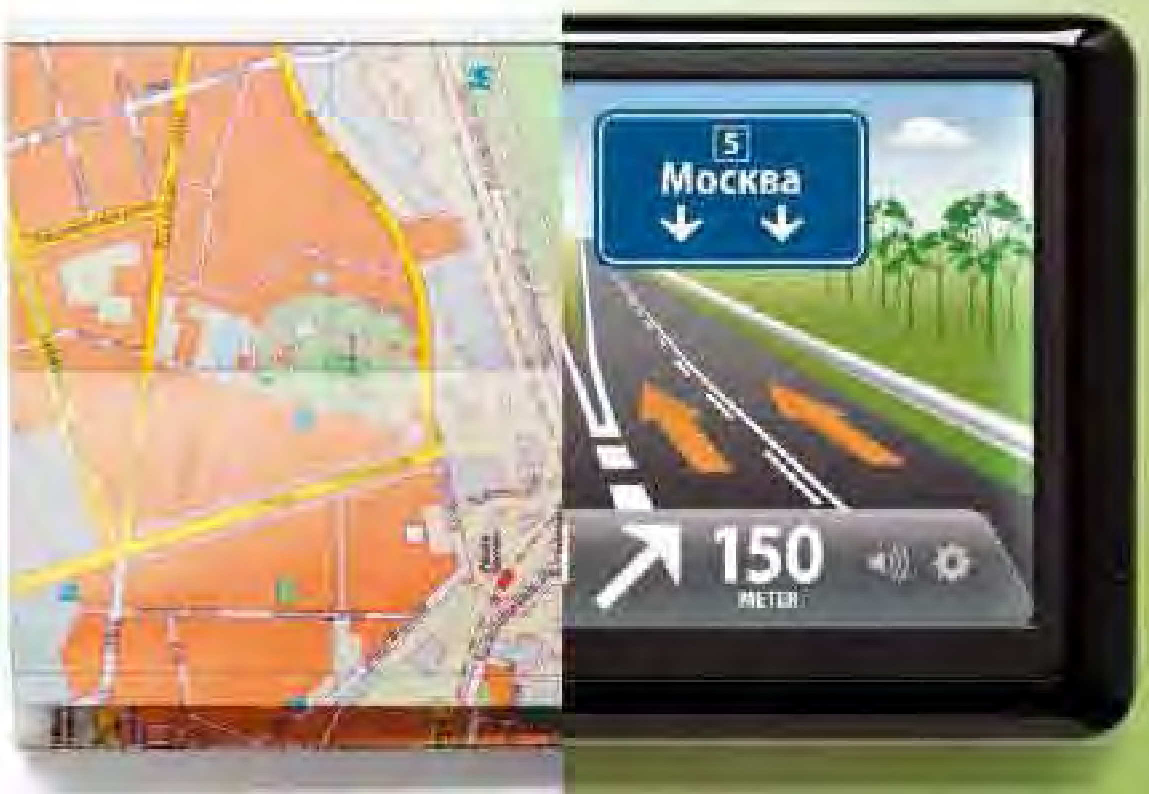
Introduction

There is a whole world to discover.

Better discover it now.

At home when you're abroad.

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



Board of Directors, Board of Statutory Auditors and External Auditors as at December 31, 2014

Board of Directors

Giuseppe Vita	Chairman
Candido Fois	Deputy Vice Chairman
Vincenzo Calandra Buonaura Luca Cordero di Montezemolo Fabrizio Palenzona	Vice Chairmen
Federico Ghizzoni	CEO
Mohamed Ali Al Fahim Manfred Bischoff Henryka Bochniarz Alessandro Caltagirone Francesco Giacomin Helga Jung Marianna Li Calzi Luigi Maramotti Giovanni Quaglia Lucrezia Reichlin Lorenzo Sassoli de Bianchi Alexander Wolfgring Anthony Wyand	Directors
Gianpaolo Alessandro	Company Secretary

Board of Statutory Auditors

Maurizio Lauri	Chairman
Giovanni Battista Alberti Cesare Bisoni Enrico Laghi Maria Enrica Spinardi	Standing Auditors
Federica Bonato Paolo Domenico Sfameni Beatrice Lombardini Pierpaolo Singer	Alternate Auditors

General Manager

Roberto Nicastro

Manager charged with preparing the financial reports

Marina Natale

External Auditors

Deloitte & Touche S.p.A.

Chairman's message to the Shareholders

GIUSEPPE VITA
Chairman

> "We have people who are capable and energetic. Their skills, commitment and sense of responsibility are certainties on which we can stake our prospects and future success."

Dear Shareholders,

Our bold choices over the past three years have enabled UniCredit to become one of Europe's most solid banks, working hard to serve the real economy. I am especially proud that the excellent health of our Group was certified by the European authorities in 2014. Your confidence in our management and the strong contributions of the entire UniCredit staff enabled us to achieve these results. I am genuinely grateful to our colleagues in Italy and abroad for their impressive efforts over the past year, particularly in connection with the stress tests and Asset Quality Review.

The work of the comprehensive assessment restored some measure of trust in Europe's financial institutions. Trust is a vital commodity as we seek to reenergize our markets, especially in an uncertain and fast-changing environment. The commitment and credibility of the banking industry are essential to completely reestablishing this trust.

At UniCredit, the next four years will be guided by the industrial plan presented last March, which set a course enabling us to achieve sustainable results. The plan recognizes that our relationships with customers will be increasingly important over this period. The key challenge we face is to develop our digital banking services further while maintaining close and lasting client relationships.

We carried out a number of improvements in our governance in 2014. In light of the rapidly changing regulatory environment, we took steps to further simplify the work of the Board of Directors, with the object of sharpening its focus on strategy and supervision. Because a clear and effective governance structure increasingly distinguishes us from our competitors, over the past year we improved the planning and processes that underlie the Board's activities. The strength of our governance system today is particularly evident in the effective oversight of our risk appetite and our efficient internal controls system.

This year we celebrated our 15th anniversary. This milestone offered us an occasion to look back over the history of our Group and to reflect on UniCredit's successful integration of a number of distinct corporate cultures. Some of our entities marked other significant anniversaries in 2014. Yet all of our entities share a strong commitment to promoting economic growth and supporting recovery in employment. These two priorities for Europe require significant investment, and UniCredit is now in a position to provide financing for that purpose.

In my previous letter to you, I wrote that last year's European elections could send new representatives to Brussels who might oppose the European Union and the euro. Fortunately, the majority of EU representatives still strongly favor the European project. This result offers hope for stronger integration and cooperation across the continent.

An important step in this direction was taken with the recent introduction of the European Single Supervisory Mechanism for the banking industry. But much remains to be done to integrate Europe more completely and to establish a more harmonious balance in all areas, particularly economics and politics.

We have no real alternative to creating a more inclusive Europe. Each of us must play a part in restoring faith in Europe's future prosperity – a task that will require strategic vision, responsibility and courage. These are the prerequisites to achieving any worthwhile goal, whether one's focus is on economic growth, social welfare or institutional reform.

As we look to the future, we must keep in mind that innovation is a key driver of growth. By making the best use of rapid and far-reaching developments in technology, culture and society, we can shape the future according to our designs. Thanks to an abundantly dynamic and open culture at UniCredit, our bank consistently stands out for its flexibility. We have regularly demonstrated that we have the right mindset to innovate.

Solidity, credibility and a vision for the future – these are the strengths that enable UniCredit to contribute to the development of the territories in which it operates and to set an example in the international banking sector. The next few years will certainly present challenges, but we have built a solid foundation to face whatever comes next.

With enthusiasm, determination and, above all, a high level of professional competence, we can reach any goal. We have people who are capable and energetic. Their skills, commitment and sense of responsibility are certainties on which we can stake our prospects and future success.

Sincerely,

Giuseppe Vita
Chairman

CEO's message to the Shareholders

FEDERICO GHIZZONI
Chief Executive Officer

"We returned to profitability, reaping the rewards of our hard work. Now we are once again able to concentrate on the pursuit of growth."

Dear Shareholders,

In 2014, we returned to profitability, reaping the rewards of our hard work to strengthen our capital position, simplify our processes and increase our efficiency. Now we are again able to concentrate on the pursuit of growth.

The period marked a turning point for our Group. In the first year of the current industrial plan, we achieved our €2 billion profit target. We met that target by executing the initial stages of our plan in a timely fashion. Two noteworthy examples were the Fineco IPO and the sale of UniCredit Credit Management Bank. The plan itself emphasizes investment, development of our commercial banking activities, realization of greater value from our core assets, and reduction of non-core assets. Solid results in Italy and Central and Eastern Europe demonstrated that we have been making the right strategic choices. In the knowledge that our Group is intrinsic to the broader, interconnected economy, we are providing financing where it is most needed and also fostering the overall development of the communities where we live and work.

UniCredit's accomplishments in 2014 are even more significant when viewed in light of the persistent geopolitical tensions and unemployment that trouble Europe. In this complex environment, we pursued growth by focusing on the day-to-day operations of our business. Thanks to the strong decision-making skills of our managers and the professionalism of our people, we have achieved considerable gains in efficiency and have increased our market share – principally in the form of new loans.

Furthermore, we are witnessing positive macroeconomic shifts that can help restore market confidence and stimulate investment, putting us in a position to look to the future with optimism. Yet we are well aware that a solid and sustainable European recovery will only take place if government leaders can implement continent-wide structural reforms. In the past year, we demonstrated our confidence in Europe's true potential when we opted to use the maximum resources made available to us by the European Central Bank to support families and businesses, thereby doing our part to develop the real economy.

Supporting communities this way is at the core of our mission. It is why we have redesigned our business model and are investing in innovative new services – like UniCredit International Centers, which facilitate cross-border transactions for corporate clients. This model is rooted in a commitment to sustainability and to conservation of the world's resources. Strong customer relationships are central to this vision. Customers today want more than ever to control how, when and where they interact with their banks. It is our job to develop innovative, user-friendly ways to enable close business relationships marked by superior service. As we move forward, we intend to make close partnerships with our customers an even more distinguishing feature of our Group.

Our multichannel strategy is key to making this future a reality. Even now, we are dedicating significant resources of both personnel and technology to its implementation. The goal is to combine the best elements of face-to-face and digital banking to improve the quality and efficiency of our services. Customer satisfaction surveys have confirmed that the work we have done is appreciated. These surveys also indicate that our customers value their relationships with UniCredit. The ability of our people to convert the principles of our competency model into concrete action is at the heart of this business success. We are committed to building further on these strengths, and we will continue to invest in the skills and knowledge of all of our colleagues. The quality of our people was evident when the asset quality review was conducted last year, when the comprehensive assessment classified UniCredit as one of the strongest banks in Europe. I believe the review served a vital purpose and contributed significantly to transparency and trust in the European banking sector. By doing so, it provided a firm foundation for a true banking union, which is a fundamental prerequisite for a solid and sustainable economic recovery.

All of these developments have contributed to preparing UniCredit to face the next set of challenges. Our key objective now is to establish UniCredit as the premier bank in Europe for quality of service. In particular, we plan to differentiate ourselves from other players in the sector by thoroughly assessing and participating in the digital revolution that is transforming the banking business. We are well-equipped to meet the challenges of the future. Our broad European footprint, sound capital position, strong risk management culture and innovative spirit are all closely tied to our commitment to achieving sustainable results and engaging with our stakeholders. We face a considerably more challenging environment, but many new developments and trends are in our favor, including regulatory integration at the European level, a consensus on the need to reignite investment activity, the sharp decline in energy prices, and the depreciation of the euro.

As one of the most robust and best-positioned banks in Europe, we are prepared to continue to do our part to support a sustainable recovery across the continent. In 2015, we will continue to take a primary role in the European economy, putting our resources and skills to the best possible use with foresight and determination.

Sincerely,

Federico Ghizzoni
Chief Executive Officer

Highlights

UniCredit is a leading European commercial bank operating in **17** countries with more than **147,000** employees, over **8,500** 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.

OVER
147,000
Employees[1]

OVER
8,500
Branches[2]

Financial Highlights (€ mio)

OPERATING INCOME
22,513

NET PROFIT
2,008

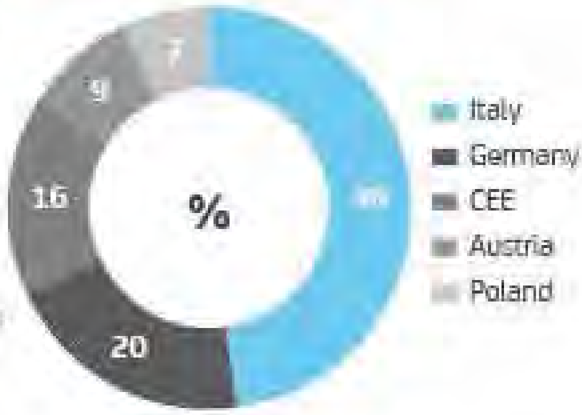
SHAREHOLDER'S EQUITY
49,390

TOTAL ASSETS
844,217

COMMON EQUITY TIER 1 RATIO
10.41%

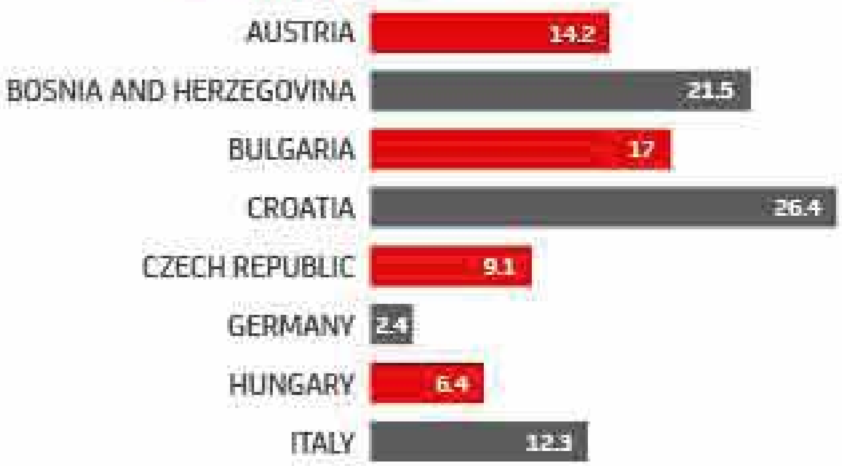
REVENUES BY BUSINESS LINES*

REVENUES BY REGION*



1) Data as at December 31, 2014. [illegible]
2) Data as at December 31, 2014. [illegible]
* Data as at December 31, 2014.

MARKET SHARE[3] (%)



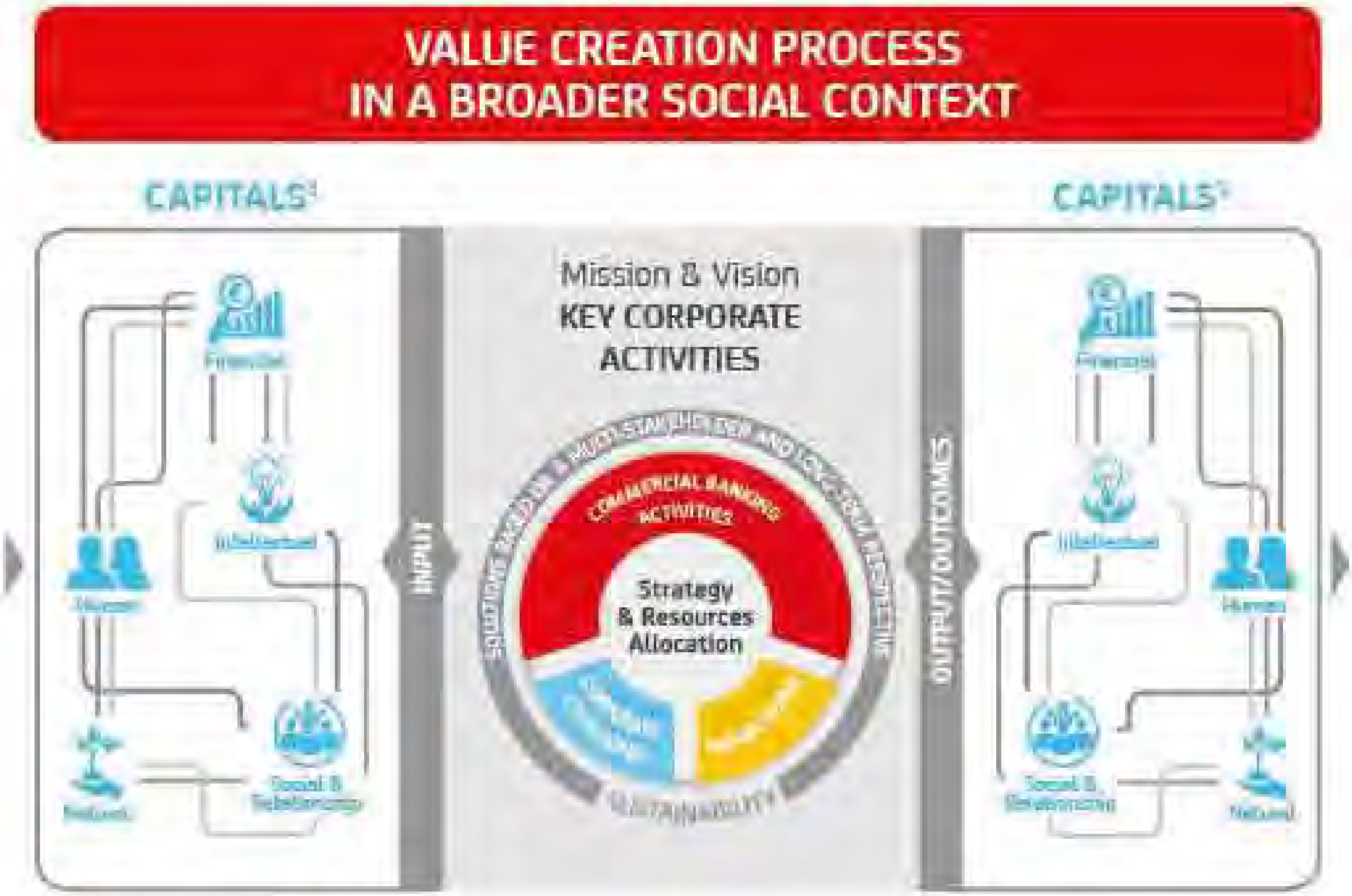
MARKET SHARE (%)

3. Market Shares in terms of Total Customer Loans as at December 31, 2014 for Italy, Germany and Austria. Market Shares in terms of Total Assets as at September 30, 2014 for CEE Countries, except for Bosnia and Herzegovina (2Q 2014), Hungary (FY 2013), Romania (3Q 2014), and Slovenia (2Q 2014).
Source: UniCredit National Center Banks, UniCredit Research, UniCredit CEE Strategic Analysis.

Our Approach

UniCredit holds significant responsibilities within a complex value chain and we use different types of capitals -financial, human, social, intellectual and environmental as inputs to contribute to our economy and society at large. These inputs heavily influence our business model and the quality of the products and services that we provide, i.e., our outputs.

We have studied our impact extensively, and we have become ever more aware of the vital role we play in the real economies of the countries where we operate. A responsible approach guides everything we do, from our core banking activities to our corporate citizenship initiatives. These initiatives emphasize financial inclusion and education, complementing our philanthropy in the field of social inclusion. We strongly believe that communities that provide a genuine diversity of opportunities nurture the innovative environment that enables both people and businesses to thrive.



1. See 2014 Group Integrated Report for details.
Source: adapted from the IIRC framework

Our Business Model

At UniCredit, we work relentlessly to offer outstanding banking services and to provide real support for economic growth in the communities where we operate. This requires developing new service models that enable connections between businesses in different places while making the bank more accessible and more transparent. It means being a sustainable bank.
The restructuring process that began at the start of 2012 has resulted in major simplification of our operating processes. In order to bring us closer to our customers, for example, our national offices now possess greater decision-making power. The object of this change is to simplify our business by implementing a more streamlined chain of command, a more efficient commercial network, and an expanded ability to create personalized solutions. Additionally, it enables our national offices to be more effective at developing the markets they serve.

OUR MISSION

We UniCredit people are committed to generating value for our customers. As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work. We aim for excellence and we consistently strive to be easy to deal with. These commitments will allow us to create sustainable value for our shareholders.

Our Business Key Strengths:

VALUE PROPOSITION

COMMERCIAL BANKING

INDIVIDUALS
Flexible and easy access to banking services 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 specialised advisors.

CORPORATE & INVESTMENT BANKING

Traditional corporate and transaction banking services, along with full-fledged structured finance, capital markets and investment products. Strategic long-term partner that meets clients' specific needs and delivers access to Western, Central and Eastern Europe.

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.

Our Strategy

On March 11, 2014, our Board of Directors approved the five-year Strategic Plan with the object of ensuring sustained profitability over the coming years. The plan is based on solid fundamentals, a strong culture of risk management and an improving macroeconomic climate. Our goals are to consolidate our leading position in corporate financial services across Europe, to institute an innovative mindset throughout our retail network, and to establish a cutting-edge digital footprint.
UniCredit understands its role as part of a far-reaching system that leverages resources, or capital, to generate shared value. Indeed, the solidity of our business depends on the prosperity of our customers and of the communities in which we operate. To create greater value we, as a bank, develop innovative solutions that form attractive investment opportunities and also generate positive outcomes for our Group.
We adopted our five-year strategic plan building on our solid fundamentals, with the purpose of ensuring sustained profitability, and making the best possible use of the resources at our disposal.
This is how we continue to respond effectively to our stakeholders' priorities.

* See 2014 Group Integrated Report for details

Our Multi-Channel Banking

One of the cornerstones of our business plan effectively represents the transformation of commercial banking in the markets where we operate. The continued expansion of our digital offerings and the rapid improvement of our Group's multichannel platform are at the heart of the profound changes we are making to our bank's distribution model.

Greater integration between our physical and virtual channels will bring us closer to our customers and allow us to provide them superior service. The associated challenges go beyond simply providing virtual banking. We need to maintain close ties to our customers, even as social and market trends generate new complexity and reshape the future of our business environment. These circumstances have resulted in a strategy designed to ensure the compatibility of sales and after-sales processes, high ease of access in connection with both in-branch and remote customer experiences, straightforward communication with relationship managers and specialists through our multimedia channels, and the refinement of the electronic network that underpins our digital content and communication.

A NEW APPROACH TO SERVE OUR CUSTOMERS

WELCOMING
- Proactive welcome in the branch
- New 'warm' and transparent layout, digital signage

ACCESSIBLE
- Off-Site Advisory at customer's house/office
- Multimedia advice beyond the officehours and support on service and post-sales item outside the bank

SEAMLESS
- Fully integrated Digital-Physical channels
- Key moments managed in real time (recall on card cancellation)

INNOVATIVE
- Simple products, in line with client needs
- New non-banking services (E-Commerce, Real Estate, Market Place)

COMPETENT
- One access point, simple and intuitive
- A new advice service through a structured interview and reporting on investments, protection, welfare

Technology is for young people.

Young people of all ages.

The future is for everyone.

Simplicity and clarity appeal to all of us. That's way UniCredit created **Subito Banca via Internet**, a practical online banking interface with common sense graphics, intuitive navigation buttons and large fonts. We are making our online services easy to use even by people unfamiliar with new technologies. We are offering solutions based on the preferences of more than 300 customers over the age of 60, collected during workshops and laboratories in Italy. We are proof that you can always innovate in a new way.

Strategy and Results

2014 Highlights

YEAR 2014:

GROUP

- **Net profit:** €2.0 bn and 4.9% RoTE
- **Revenues:** €22.5 bn (-3.5% FY/FY)
- **Total costs:** €13.8 bn (-2.9% FY/FY) with a cost/income ratio of 61.5%
- **Asset Quality:** LLP at €4.3 bn, cost of risk at 90bps

CORE BANK

- **Net profit**: €3.8 bn and 10.8% RoAC
- **Revenues**: €22.2 bn (-2.0% FY/FY)
- **Total costs**: €13.2 bn (-2.9% FY/FY) with a cost/ income ratio of 59.7%
- **Asset Quality**: LLP at €2.1 bn, cost of risk at 50bps

Q4 2014:

GROUP

- **Net profit**: €170.4 m (-76.4% Q/Q) and 1.6% RoTE
- **Revenues**: €5.6 bn (+0.8% Q/Q, -3.4% Y/Y)
- **Total costs**: €3.5 bn (+2.9% Q/Q, -6.4 % Y/Y) with a cost/ income ratio of 62.7%
- **Asset Quality**: LLP at €1.7 bn (compared to €753.5 m in 3Q14 affected by positive one-offs), net impaired loans ratio at 8.7%, coverage ratio at 51.3%
- **Capital adequacy**: CET1 ratio transitional at 10.41%, CET1 ratio fully loaded at 10.02%, Tier 1 ratio transitional at 11.26%, total capital ratio transitional at 13.55%(*)

CORE BANK

- **Net profit:** €867.5 m (-21.3% Q/Q) and 9.8% RoAC(**)
- **Revenues:** €5.5 bn (+1.0% Q/Q, -2.1% Y/Y)
- **Total costs:** €3.4 bn (+3.6% Q/Q, -5.9% Y/Y) with a cost/ income ratio of 61.1%
- **Asset Quality**: LLP at €754.3 m, cost of risk at 71bps

(*) Assuming 2014 scrip dividend of 12 €cents per ordinary share with 75% acceptance rate of shares and, only for CET1 ratio fully loaded, the full absorption of DTA on goodwill tax redemption and tax losses carried forward. Including full cash dividend, CET1 Ratio transitional at 10.26%, Tier 1 Ratio transitional at 11.12% and Total Capital Ratio transitional at 13.41%.

(**) RoAC = Net profit/ Allocated capital. Allocated capital is calculated as 9% of RWA, including deductions for shortfall and securitizations.

Note to the Report on Operations and the Consolidated Accounts

General Aspects

The **UniCredit group's Consolidated Reports and Accounts** as at December 31, 2014 have been compiled under IFRS as required by Bank of Italy Circular 262 of December 22, 2005 (third amendment dated December 22, 2014). These instructions lay down the Accounts tables and compilation methods, as well as the Notes to the Accounts.

The **Consolidated Reports and Accounts** comprise the Balance Sheet, the Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Notes to the Accounts, as well as a Report on operations, results and the Group's financial situation and Annexes.

Included in this package are:

- the Attestation of the Consolidated Accounts pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 as amended and supplemented;
- the Report of the External Auditors in accordance with articles 14 and 16 of Legislative Decree no. 39 of January 27, 2010.

UniCredit's website also contains the press releases concerning the main events of the period and the presentation to the market of the results for the period.

Any discrepancies between data disclosed in the Report on operations and in the consolidated accounts are solely due to the effect of rounding.

General Principles Followed in the Preparation of the Report on Operations

In light of the need to ensure that disclosure of accounting records is clear, true and fair, the **Report on Operations** includes information provided in accordance with the principles applied when preparing prior-period quarterly reports, including condensed balance sheet and income statement – as required by Consob Notice 6064293 of July 28, 2006, their line-by-line reconciliation to the statutory statements is given in an annex to the Accounts - and in other interim financial statements.

The report is accompanied by a number of tables - Highlights, Condensed Accounts, Quarterly Figures, a Comparison of Q4 2014 with Q4 2013, Segment Reporting, How the Group Has Grown and the UniCredit Share - as well as a comment on Group Results and Results by Business Segment.

Reconciliation Principles Followed for the Condensed Balance Sheet and Income Statement

The Condensed Balance Sheet and Income Statement have led to the restatement – as shown in the reconciliation tables annexed to this volume – of the accounting entries as follows:

Balance Sheet

- the aggregation of Financial assets designated at fair value, Available-for-sale financial assets, Held-to-maturity financial assets and Equity investments as 'Financial investments';
- grouping under Hedging Instruments, both assets and liabilities, of Hedging derivatives and Value adjustments to macro-hedged financial assets;
- the inclusion of Severance pay (TFR) and Technical reserves under Other liabilities.

Income Statement

- the inclusion in "dividends and other income from equity investments" of gains (losses) on equity investments valued at net equity and the exclusion of dividends on held-for-trading shares, which are included in trading, hedging and fair value income;
- the exclusion from "dividends and other income from equity investments" of profit (loss) of associates valued at equity following the adoption of IFRS 10-11 and whose possession originated from debt-to-equity transactions, and the inclusion under the item "net Income from Investments";
- the inclusion in the balance of other income/expense of the insurance business result and other operating expense/income, excluding recovery of expenses which is classified under its own item;
- presentation of payroll costs, other administrative expenses, write-downs of tangible and intangible assets and provisions for risks and charges net of integration costs related to the reorganization program, which are shown in their own items;
- the exclusion from the "net write-downs on loans and provisions for guarantees and commitments" of the provisions for the contribution to the National Interbank Deposit Guarantee Fund (FITD) classified under the item "provisions for risks and charges";
- the exclusion from write-downs of tangible assets of impairment losses and write-backs on investment property, which are recognized in net income from investments;
- the inclusion in net income from investments of write-downs and write-backs on available-for-sale financial assets and held-to-maturity investments, gains (losses) on disposal of investments, as well as gains (losses) on equity investments and on disposals of investments.

Note to the Report on Operations and the Consolidated Accounts

Scope of consolidation

The changes in the scope of consolidation during f 2014 mainly related to the introduction, starting from January, 1 2014 of IFRS 10 and 11 and to the acquisition of 100% of the equity interest in Immobilien Holding, a holding company of a group of 56 companies in which the Bank Austria Group already held the right to an 88% share of income. This resulted in the consolidation of 34 companies using the line-by-line consolidation method and 10 companies using the equity method.
For strategic reasons, Bank Austria intends to dispose the group within the next 12 months. Accordingly, the companies consolidated using the equity method and the assets/liabilities of the companies consolidated line-by-line have been classified under “disposal groups classified as held for sale”.

With respect to December 31, 2013, the following overall changes have been recorded:

- the number of fully consolidated companies has gone from 732 at the end of 2013 to 751 at December 2014 (76 first-time consolidations - of which 27 first-time consolidations as a result of IFRS 10 - and 57 exited), representing an increase of 19;
- the proportionally consolidated companies, which amounted to 26 at the end of 2013, have been reduced to zero as a result of the introduction of IFRS 11: of these, 18 have been consolidated using the equity method, and 8 minor companies invested in indirectly have been consolidated synthetically from January 1, 2014 through the consolidation at equity of the direct investee;
- the number of companies consolidated using the equity method has gone from 59 at the end of 2013 to 73 at December 2014 (22 entered - of which 18 as a result of the change in method of consolidation due to the introduction of IFRS11 - and 8 exited), representing an increase of 14.

For further details see Part A - Accounting Policies; A.1 General, Section 3 - Consolidation Procedures and Scope and Part B - Consolidated Balance Sheet – Assets, Section 10 - Investments in associates and joint ventures (item 100).

Changes Made to Increase Comparability

The main changes in the accounting principles, described in detail under Accounting Policies section, relate to the entry into force of IFRS 10-11-12 (which resulted in changes in the scope of consolidation), the presentation of deferred tax assets and deferred tax liabilities on a net basis in the Balance Sheet (IAS 12), a counterparty reclassified from customers to banks and the reclassification of the contribution to the National Interbank Deposit Guarantee Fund (FITD).

The following tables report for all 2013 quarters the changes recognized in balance sheet, respectively for assets and liabilities, due to the adoption of the new standards.

ASSETS	12.31.2013	09.30.2013	06.30.2013	03.31.2013
Cash and cash balances	(288)	(310)	(294)	(290)
Financial assets held for trading	(209)	(172)	(138)	(85)
Loans and receivables with banks	1,566	989	1,026	746
Loans and receivables with customers	(18,833)	(18,951)	(18,993)	(19,054)
Financial investments	117	203	(5)	(37)
Hedging instruments	(74)	(61)	(68)	(41)
Property, plant and equipment	(132)	(135)	(152)	(170)
Goodwill	-	(237)	(254)	(273)
Other intangible assets	(57)	(55)	(59)	(64)
Tax assets	(117)	(129)	(165)	(180)
Non-current assets and disposal groups classified as held for sale	-	-	(266)	(280)
Other assets	(274)	(164)	(174)	(334)
Total assets	**(18,300)**	**(19,020)**	**(19,541)**	**(20,062)**

LIABILITIES AND SHAREHOLDERS' EQUITY	12.31.2013	09.30.2013	06.30.2013	03.31.2013
Deposits from banks	(2,778)	(3,083)	(3,228)	(3,336)
Deposits from customers	(17,432)	(17,112)	(17,434)	(18,063)
Debt securities in issue	4,173	3,603	3,706	4,049
Financial liabilities held for trading	631	572	616	632
Financial liabilities designated at fair value	9	9	9	9
Hedging instruments	(53)	(64)	(76)	(125)
Provisions for risks and charges	(170)	(203)	(220)	(237)
Tax liabilities	(72)	(91)	(114)	(120)
Liabilities included in disposal groups classified as held for sale	-	-	(240)	(264)
Other liabilities	(2,490)	(2,525)	(2,433)	(2,475)
Minorities	-	-	-	-
Group Shareholders' Equity**:	(119)	(124)	(126)	(132)
*- Capital and reserves**	*(166)*	*(133)*	*(106)*	*10*
*- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve***	*47*	*8*	*(21)*	*(142)*
- Net profit (loss)	-	-	-	-
Total liabilities and Shareholders' Equity	**(18,300)**	**(19,020)**	**(19,541)**	**(20,062)**

*Includes the FTA reserve amounting to €-144,7 million

** The difference between the overall net equity and the FTA reserves is attributable to the changes in the fair value reserves of each quarter

Note to the Report on Operations and the Consolidated Accounts

The following table reports, split by quarters, the changes recognized in consolidated income statement as of December 31, 2013, due to the adoption of the new standards.
In addition to IFRS 10 and IFRS 11 adjustments, column "Further Adjustments" includes also the reclassification of income and expenses belonging to consolidated industrial companies (i.e. subsidiaries operating in sectors other than banking and other financial services) within "net other expenses/income". This reclassification only applies to the condensed consolidated income statement.

Consolidated Income Statement

(€million)

	Originally reported	IFRS 10 and IFRS 11 Adjustments				Restated	Further Adjustments	Restated and Reclassified
	12.31.2013	Q1	Q2	Q3	Q4	12.31.2013		12.31.2013
Net interest	12,990	(218)	(185)	(164)	(121)	12,303	-	12,303
Dividends and other income from equity investments	324	98	141	296	103	961	3	964
Net fees and commissions	7,728	(78)	(113)	(70)	(106)	7,361	-	7,361
Net trading income	2,657	(13)	(55)	(34)	(50)	2,505	-	2,505
Net other expenses/income	273	(9)	(17)	2	8	257	(54)	203
OPERATING INCOME	**23,973**	**(219)**	**(231)**	**29**	**(166)**	**23,387**	**(51)**	**23,335**
Payroll costs	(8,649)	71	74	61	62	(8,382)	6	(8,375)
Other administrative expenses	(5,559)	54	51	44	43	(5,367)	10	(5,357)
Recovery of expenses	715	3	5	3	(10)	716	1	716
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1,307)	11	11	10	9	(1,266)	29	(1,238)
Operating costs	**(14,801)**	**139**	**141**	**118**	**104**	**(14,300)**	**46**	**(14,253)**
OPERATING PROFIT (LOSS)	**9,172**	**(81)**	**(90)**	**147**	**(62)**	**9,087**	**(5)**	**9,082**
Net write-downs on loans and provisions for guarantees and commitments	(13,658)	46	45	33	42	(13,493)	12	(13,481)
NET OPERATING PROFIT (LOSS)	**(4,486)**	**(35)**	**(45)**	**180**	**(20)**	**(4,406)**	**7**	**(4,399)**
Provisions for risks and charges	(996)	11	12	5	1	(967)	(17)	(984)
Integration costs	(727)	-	-	-	-	(727)	-	(727)
Net income from investments	1,322	(1)	(1)	(220)	(228)	872	18	890
PROFIT (LOSS) BEFORE TAX	**(4,888)**	**(24)**	**(34)**	**(36)**	**(247)**	**(5,228)**	**7**	**(5,220)**
Income tax for the period	1,607	24	34	36	24	1,724	(8)	1,716
NET PROFIT (LOSS)	**(3,281)**	**-**	**-**	**-**	**(223)**	**(3,504)**	**-**	**(3,504)**
Profit (Loss) from non-current assets held for sale, after tax	(639)	-	-	-	-	(639)	-	(639)
PROFIT (LOSS) FOR THE PERIOD	**(3,920)**	**-**	**-**	**-**	**(223)**	**(4,143)**	**-**	**(4,143)**
Minorities	(382)	-	-	-	-	(382)	-	(382)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE P	**(4,302)**	**-**	**-**	**-**	**(223)**	**(4,524)**	**-**	**(4,524)**
Purchase Price Allocation effect	(1,673)	-	-	-	-	(1,673)	-	(1,673)
Goodwill impairment	(7,990)	-	-	-	223	(7,767)	-	(7,767)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**(13,965)**	**-**	**-**	**-**	**-**	**(13,965)**	**-**	**(13,965)**

Non-Current Assets and Asset Groups Held for Disposal

In the balance sheet at December 31, 2014, the main assets classified according to IFRS 5 as non-current assets and disposal groups held for sale, with regard to the individual assets and liabilities held for sale, were some properties held by UniCredit S.p.A. and the BARD group.

With regard to groups of assets held for sale, and associated liabilities, the item at December 31, 2014 refers to:

- the group companies in Ukraine
    - BDK CONSULTING;
    - PUBLIC JOINT STOCK COMPANY UKRSOTSBANK;
    - PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL;
    - LLC UKROTSBUD;
    - LTD SI&C AMC UKRSOTS REAL ESTATE;
    - SVIF UKRSOTSBUD;
- the Immobilien Holding group companies, in the scope of consolidation since September 30, 2014 (for more information, see the paragraph "Scope of consolidation" in this section).

An update on Ukranian risk is stated in Part E – Section 5 – Other risks – Selected emerging risks.

Segment Reporting (Summary)

Segment reporting is presented and commented on the basis of the organizational structure currently used in management reporting of Group results, which consists of the following business segments:

- Commercial Banking Italy;
- Commercial Banking Germany;
- Commercial Banking Austria;
- Poland;
- CEE Division;
- CIB;
- Asset Management;
- Asset Gathering;
- Non-core;
- Governance/Group Corporate Centre (including Global Banking Services, Corporate Centre Global Function, inter-segment adjustments and consolidation adjustments not attributable to individual segments).

The Non-core segment was introduced in the first quarter of 2014. It includes selected assets of Commercial Banking Italy (identified on a single customer basis) and the activities of the company UniCredit Credit Management Bank and of some securitization SPVs.

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Report on Operations

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

Highlights

Income Statement

(€ million)

	YEAR		
	2014	2013	CHANGE
Operating income	22,513	23,335	- 3.5%
of which: - net interest	*12,442*	*12,303*	*+ 1.1%*
- dividends and other income from equity investments	*794*	*964*	*- 17.7%*
- net fees and commissions	*7,572*	*7,361*	*+ 2.9%*
Operating costs	(13,838)	(14,253)	- 2.9%
Operating profit	8,675	9,082	- 4.5%
Profit (loss) before tax	4,091	(5,220)	- 178.4%
Net profit (loss) attributable to the Group	**2,008**	**(13,965)**	**- 114.4%**

The figures in this table refer to reclassified income statement.

Balance Sheet

(€ million)

	AMOUNTS AS AT		
	12.31.2014	12.31.2013	CHANGE
Total assets	844,217	825,919	+ 2.2%
Financial assets held for trading	101,226	80,701	+ 25.4%
Loans and receivables with customers	470,569	483,684	- 2.7%
of which: - impaired loans	*41,092*	*39,746*	*+ 3.4%*
Financial liabilities held for trading	77,135	63,799	+ 20.9%
Deposits from customers and debt securities in issue	560,688	557,379	+ 0.6%
of which: - deposits from customers	*410,412*	*393,113*	*+ 4.4%*
- securities in issue	*150,276*	*164,266*	*- 8.5%*
Shareholders' Equity	**49,390**	**46,722**	**+ 5.7%**

The figures in this table refer to reclassified balance sheet.

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

Staff and Branches

	AS AT		
	12.31.2014	12.31.2013	CHANGE
Employees[1]	129,021	132,122	-3,101
Branches[2]	7,516	8,954	-1,438
of which: - Italy	*4,009*	*4,171*	*-162*
- Other countries	*3,507*	*4,783*	*-1,276*

1. "Full time equivalent" data (FTE): number of employees counted for the rate of presence. Figures as at December 31, 2013 were restated following the introduction of IFRS 10 e IFRS 11.

2. 2013 figure includes the branches of the Koç/Yapi Kredi group (Turkey).

Profitability Ratios

	YEAR 2014	YEAR 2013	CHANGE
EPS[1] (€)	0.34	-2.47	2.82
Cost/income ratio	61.5%	61.1%	0.39bp
EVA[2] (€ million)	(2,734)	(11,559)	+ 8,825
Return on assets[3]	0.28%	-1.64%	1.92bp

1. Annualized figure. €35,466 thousand was deducted from 2014 net profit of €2,007,828 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction.

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

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

Risk Ratios

	AS AT 12.31.2014	AS AT 12.31.2013
Net non-performing loans to customers/Loans to customers	4.19%	3.74%
Net impaired loans to customers/Loans to customers	8.73%	8.22%

Own Funds and Capital Ratios

	AS AT 12.31.2014 (*)	AS AT 12.31.2013 (**)
Total own funds (€ million)	54,857	57,651
Total risk-weighted assets (€ million)	409,223	423,739
Common Equity Tier 1 Capital Ratio	**10.26%**	**9.60%**
Total own funds/Total risk-weighted assets	**13.41%**	**13.61%**

(*) Transitional own funds and capital ratios (Basel 3).

(**) Amounts and ratios calculated in compliance with the supervisory regulations in force at the date (Basel 2.5); the Core Tier 1 Ratio relating to December 31, 2013, compared with Common Equity Tier 1 ratio as of December 31, 2014, was calculated using an internal model.

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

Ratings

	SHORT-TERM DEBT	MEDIUM AND LONG-TERM	OUTLOOK	STANDALONE RATING
Fitch Ratings	F2	BBB+	NEGATIVE	bbb+
Moody's Investors Service	P-2	Baa2	NEGATIVE	D+
Standard & Poor's	A-3	BBB-	STABLE	bbb-

Data as at December 18, 2014.

Condensed Accounts

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013	CHANGE AMOUNT	CHANGE PERCENT
Cash and cash balances	8,051	10,520	- 2,469	- 23.5%
Financial assets held for trading	101,226	80,701	+ 20,525	+ 25.4%
Loans and receivables with banks	68,730	63,310	+ 5,420	+ 8.6%
Loans and receivables with customers	470,569	483,684	- 13,115	- 2.7%
Financial investments	138,503	125,839	+ 12,664	+ 10.1%
Hedging instruments	11,988	12,390	- 402	- 3.2%
Property, plant and equipment	10,277	10,818	- 541	- 5.0%
Goodwill	3,562	3,533	+ 28	+ 0.8%
Other intangible assets	2,000	1,793	+ 207	+ 11.5%
Tax assets	15,772	18,215	- 2,443	- 13.4%
Non-current assets and disposal groups classified as held for sale	3,600	3,928	- 329	- 8.4%
Other assets	9,941	11,187	- 1,246	- 11.1%
Total assets	**844,217**	**825,919**	**+ 18,298**	**+ 2.2%**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013	CHANGE AMOUNT	CHANGE PERCENT
Deposits from banks	106,037	107,830	- 1,793	- 1.7%
Deposits from customers	410,412	393,113	+ 17,299	+ 4.4%
Debt securities in issue	150,276	164,266	- 13,991	- 8.5%
Financial liabilities held for trading	77,135	63,799	+ 13,335	+ 20.9%
Financial liabilities designated at fair value	567	711	- 144	- 20.2%
Hedging instruments	15,150	12,745	+ 2,405	+ 18.9%
Provisions for risks and charges	10,623	9,427	+ 1,196	+ 12.7%
Tax liabilities	1,750	2,281	- 531	- 23.3%
Liabilities included in disposal groups classified as held for sale	1,650	2,129	- 478	- 22.5%
Other liabilities	17,781	19,562	- 1,781	- 9.1%
Minorities	3,446	3,334	+ 112	+ 3.4%
Group Shareholders' Equity:	49,390	46,722	+ 2,668	+ 5.7%
- Capital and reserves	*48,065*	*61,002*	*- 12,936*	*- 21.2%*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(683)*	*(315)*	*- 368*	*+ 117.0%*
- Net profit (loss)	*2,008*	*(13,965)*	*+ 15,973*	*n.s.*
Total liabilities and Shareholders' Equity	**844,217**	**825,919**	**+ 18,298**	**+ 2.2%**

Notes:
The comparative figures at December 31, 2013 have been restated:
- due to the introduction of the IFRS 10 and IFRS 11 accounting standards;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised, from the item “Provisions for risks and charges” to the item “Other liabilities” under “Liabilities” in the Balance Sheet;
- due to the offsetting of the deferred tax assets, “Tax Assets” in the Balance Sheet – Assets, against the relevant deferred tax liabilities, “Tax Liabilities” in the Balance Sheet – Liabilities;
- due to the change with one counterparty falling under a different sector, from the items "loans and receivables with customers/deposits from customers" to the items "loans and receivables with banks/deposits from banks".

Consolidated Income Statement

(€ million)

	YEAR		CHANGE		
	2014	2013	€m	PERCENT	ADJUSTED[1]
Net interest	12,442	12,303	+ 139	+ 1.1%	+ 2.7%
Dividends and other income from equity investments	794	964	- 171	- 17.7%	- 13.3%
Net fees and commissions	7,572	7,361	+ 211	+ 2.9%	+ 3.5%
Net trading income	1,557	2,505	- 948	- 37.8%	- 38.7%
Net other expenses/income	149	203	- 54	- 26.7%	- 38.2%
OPERATING INCOME	**22,513**	**23,335**	**- 822**	**- 3.5%**	**- 2.5%**
Payroll costs	(8,201)	(8,375)	+ 174	- 2.1%	- 1.5%
Other administrative expenses	(5,575)	(5,357)	- 219	+ 4.1%	+ 4.6%
Recovery of expenses	834	716	+ 117	+ 16.4%	+ 15.5%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(896)	(1,238)	+ 342	- 27.6%	- 27.0%
Operating costs	**(13,838)**	**(14,253)**	**+ 415**	**- 2.9%**	**- 2.3%**
OPERATING PROFIT (LOSS)	**8,675**	**9,082**	**- 407**	**- 4.5%**	**- 2.9%**
Net write-downs on loans and provisions for guarantees and commitments	(4,292)	(13,481)	+ 9,189	- 68.2%	- 68.3%
NET OPERATING PROFIT (LOSS)	**4,383**	**(4,399)**	**+ 8,782**	**n.s.**	**n.s.**
Provisions for risks and charges	(358)	(984)	+ 625	- 63.6%	- 62.8%
Integration costs	(20)	(727)	+ 707	- 97.2%	- 97.2%
Net income from investments	87	890	- 803	- 90.3%	- 90.5%
PROFIT (LOSS) BEFORE TAX	**4,091**	**(5,220)**	**+ 9,311**	**n.s.**	**n.s.**
Income tax for the period	(1,297)	1,716	- 3,013	n.s.	n.s.
NET PROFIT (LOSS)	**2,793**	**(3,504)**	**+ 6,298**	**n.s.**	**n.s.**
Profit (Loss) from non-current assets held for sale, after tax	(124)	(639)	+ 514	- 80.6%	- 66.6%
PROFIT (LOSS) FOR THE PERIOD	**2,669**	**(4,143)**	**+ 6,812**	**n.s.**	**n.s.**
Minorities	(380)	(382)	+ 1	- 0.4%	+ 9.0%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**2,289**	**(4,524)**	**+ 6,814**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(281)	(1,673)	+ 1,392	- 83.2%	- 83.2%
Goodwill impairment	-	(7,767)	+ 7,767	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**2,008**	**(13,965)**	**+ 15,973**	**n.s.**	**n.s.**

Notes:

'1. Changes at constant foreign exchange rates and perimeter.

As from the first quarter of 2014, the financial results of fully consolidated industrial companies were stated in a single item ("Net other expenses/income") in order to better represent the purely banking activities in the individual Income Statement entries. The comparative period has been restated accordingly.

It is further noted that the impact on the Income Statement of consolidated equity investments subsequent to the adoption of IFRS 10-11, where the holding thereof stems from debt-to-equity transactions, was recorded under the item "Net profit (losses) on investments", instead of "Dividends and other income from equity investments". This was done so that the representation of operating results would not be affected, and to render the consolidated investments comparable for impairment on investments. The comparative period has been restated accordingly.

In addition to the effects referred to above, the comparative figures as at December 31, 2013 have been restated:
- due to the introduction of the IFRS 10 and IFRS 11 accounting standards;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised from the item "Net other expenses/income" to the item "Provisions for risks and charges".

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Quarterly Figures

Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT 12.31.2014	09.30.2014	06.30.2014	03.31.2014	AMOUNTS AS AT 12.31.2013	09.30.2013	06.30.2013	03.31.2013
Cash and cash balances	8,051	8,882	9,975	12,499	10,520	6,692	6,708	6,743
Financial assets held for trading	101,226	93,026	84,079	79,368	80,701	87,802	93,584	98,451
Loans and receivables with banks	68,730	83,284	72,308	74,128	63,310	73,630	68,742	80,017
Loans and receivables with customers	470,569	470,356	474,798	483,782	483,684	504,376	510,041	514,956
Financial investments	138,503	136,042	135,773	129,451	125,839	118,276	117,213	111,586
Hedging instruments	11,988	14,435	13,845	12,586	12,390	15,184	15,946	17,947
Property, plant and equipment	10,277	10,283	10,509	10,690	10,818	11,016	11,235	11,301
Goodwill	3,562	3,565	3,536	3,528	3,533	11,308	11,313	11,406
Other intangible assets	2,000	1,882	1,854	1,797	1,793	3,717	3,762	3,811
Tax assets	15,772	16,174	16,887	17,867	18,215	15,476	15,418	15,704
Non-current assets and disposal groups classified as held for sale	3,600	8,301	3,325	3,166	3,928	3,902	4,185	7,951
Other assets	9,941	9,563	9,789	10,994	11,187	11,522	10,056	11,032
Total assets	**844,217**	**855,793**	**836,679**	**839,854**	**825,919**	**862,899**	**868,204**	**890,906**

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2014	09.30.2014	06.30.2014	03.31.2014	AMOUNTS AS AT 12.31.2013	09.30.2013	06.30.2013	03.31.2013
Deposits from banks	106,037	116,977	109,863	118,328	107,830	124,874	126,557	118,527
Deposits from customers	410,412	399,695	401,490	397,090	393,113	382,134	385,118	386,590
Debt securities in issue	150,276	155,213	159,515	163,073	164,266	162,090	163,234	165,777
Financial liabilities held for trading	77,135	72,237	63,637	62,622	63,799	77,499	77,832	92,994
Financial liabilities designated at fair value	567	627	649	638	711	700	684	759
Hedging instruments	15,150	16,444	15,018	13,521	12,745	15,042	16,142	20,062
Provisions for risks and charges	10,623	9,721	9,570	9,083	9,427	8,773	8,692	8,773
Tax liabilities	1,750	1,887	1,779	2,387	2,281	3,030	3,010	5,588
Liabilities included in disposal groups classified as held for sale	1,650	6,885	1,401	1,447	2,129	2,102	2,228	5,964
Other liabilities	17,781	21,275	21,585	20,816	19,562	21,513	19,681	19,436
Minorities	3,446	3,475	3,234	3,391	3,334	3,963	3,831	4,186
Group Shareholders' Equity:	49,390	51,357	48,937	47,460	46,722	61,179	61,195	62,250
- Capital and reserves	*48,065*	*49,139*	*47,640*	*46,595*	*61,002*	*60,874*	*61,259*	*62,412*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	*(683)*	*380*	*182*	*152*	*(315)*	*(709)*	*(874)*	*(610)*
- Net profit (loss)	*2,008*	*1,837*	*1,116*	*712*	*(13,965)*	*1,014*	*810*	*449*
Total liabilities and Shareholders' Equity	**844,217**	**855,793**	**836,679**	**839,854**	**825,919**	**862,899**	**868,204**	**890,906**

Notes:
The comparative figures at December 31, 2013 have been restated:
- due to the introduction of the IFRS 10 and IFRS 11 accounting standards;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised, from the item “Provisions for risks and charges” to the item “Other liabilities” under “Liabilities” in the Balance Sheet;
- due to the offsetting of the deferred tax assets, “Tax Assets” in the Balance Sheet – Assets, against the relevant deferred tax liabilities, “Tax Liabilities” in the Balance Sheet – Liabilities;
- due to the change with one counterparty falling under a different sector, from the items "loans and receivables with customers/deposits from customers" to the items "loans and receivables with banks/deposits from banks".

Consolidated Income Statement

(€ million)

	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,064	3,122	3,179	3,077	3,139	3,032	3,075	3,057
Dividends and other income from equity investments	191	178	321	104	194	362	264	144
Net fees and commissions	1,882	1,853	1,947	1,890	1,853	1,794	1,822	1,892
Net trading income	340	386	359	472	593	372	902	638
Net other expenses/income	118	12	(17)	36	10	102	36	54
OPERATING INCOME	**5,595**	**5,551**	**5,789**	**5,578**	**5,789**	**5,662**	**6,099**	**5,785**
Payroll costs	(2,082)	(2,030)	(2,002)	(2,087)	(2,045)	(2,080)	(2,107)	(2,142)
Other administrative expenses	(1,399)	(1,358)	(1,419)	(1,399)	(1,434)	(1,281)	(1,316)	(1,325)
Recovery of expenses	215	202	226	191	212	165	193	146
Amortisation, depreciation and impairment losses on intangible and tangible assets	(239)	(220)	(221)	(216)	(479)	(251)	(254)	(255)
Operating costs	**(3,506)**	**(3,406)**	**(3,416)**	**(3,510)**	**(3,746)**	**(3,448)**	**(3,484)**	**(3,576)**
OPERATING PROFIT (LOSS)	**2,089**	**2,145**	**2,373**	**2,068**	**2,043**	**2,215**	**2,615**	**2,209**
Net write-downs on loans and provisions for guarantees and commitments	(1,697)	(754)	(1,003)	(838)	(9,295)	(1,482)	(1,532)	(1,173)
NET OPERATING PROFIT (LOSS)	**392**	**1,392**	**1,369**	**1,230**	**(7,252)**	**733**	**1,083**	**1,037**
Provisions for risks and charges	(57)	(145)	(143)	(14)	(541)	(170)	(175)	(99)
Integration costs	29	(5)	(40)	(4)	(699)	(16)	(9)	(3)
Net income from investments	(4)	43	(16)	62	910	(22)	(19)	20
PROFIT (LOSS) BEFORE TAX	**360**	**1,285**	**1,171**	**1,275**	**(7,582)**	**526**	**881**	**955**
Income tax for the period	43	(350)	(582)	(408)	2,471	(128)	(279)	(348)
NET PROFIT (LOSS)	**403**	**936**	**588**	**867**	**(5,111)**	**398**	**602**	**607**
Profit (Loss) from non-current assets held for sale, after tax	(69)	(33)	(26)	3	(632)	9	(40)	24
PROFIT (LOSS) FOR THE PERIOD	**334**	**902**	**563**	**870**	**(5,743)**	**407**	**563**	**631**
Minorities	(96)	(112)	(89)	(83)	(90)	(105)	(102)	(84)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**238**	**790**	**474**	**787**	**(5,833)**	**302**	**461**	**547**
Purchase Price Allocation effect	(68)	(69)	(71)	(74)	(1,378)	(98)	(99)	(98)
Goodwill impairment	-	-	-	-	(7,767)	-	-	-
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**170**	**722**	**403**	**712**	**(14,979)**	**204**	**361**	**449**

Notes:

As from the first quarter of 2014, the financial results of fully consolidated industrial companies were stated in a single item ("Net other expenses/income") in order to better represent the purely banking activities in the individual Income Statement entries. The comparative period has been restated accordingly.

It is further noted that the impact on the Income Statement of consolidated equity investments subsequent to the adoption of IFRS 10-11, where the holding thereof stems from debt-to-equity transactions, was recorded under the item "Net profit (losses) on investments", instead of "Dividends and other income from equity investments". This was done so that the representation of operating results would not be affected, and to render the consolidated investments comparable for impairment on investments. The comparative period has been restated accordingly.

In addition to the effects referred to above, the comparative figures as at 31 December 2013 have been restated:
- due to the introduction of the IFRS 10 and IFRS 11 accounting standards;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised from the item "Net other expenses/income" to the item "Provisions for risks and charges".

Comparison of Q4 2014 / Q4 2013

Consolidated Income Statement

(€ million)

	Q4		CHANGE		
	2014	2013	€m	PERCENT	ADJUSTED[1]
Net interest	3,064	3,139	- 75	- 2.4%	+ 0.1%
Dividends and other income from equity investments	191	194	- 3	- 1.6%	- 3.5%
Net fees and commissions	1,882	1,853	+ 29	+ 1.6%	+ 1.8%
Net trading income	340	593	- 253	- 42.7%	- 47.1%
Net other expenses/income	118	10	+ 108	n.s.	n.s.
OPERATING INCOME	**5,595**	**5,789**	**- 194**	**- 3.4%**	**- 2.7%**
Payroll costs	(2,082)	(2,045)	- 37	+ 1.8%	+ 2.3%
Other administrative expenses	(1,399)	(1,434)	+ 34	- 2.4%	- 1.8%
Recovery of expenses	215	212	+ 3	+ 1.5%	+ 0.9%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(239)	(479)	+ 239	- 50.0%	- 49.3%
Operating costs	**(3,506)**	**(3,746)**	**+ 240**	**- 6.4%**	**- 5.7%**
OPERATING PROFIT (LOSS)	**2,089**	**2,043**	**+ 46**	**+ 2.2%**	**+ 2.7%**
Net write-downs on loans and provisions for guarantees and commitments	(1,697)	(9,295)	+ 7,598	- 81.7%	- 81.9%
NET OPERATING PROFIT (LOSS)	**392**	**(7,252)**	**+ 7,644**	**n.s.**	**n.s.**
Provisions for risks and charges	(57)	(541)	+ 484	- 89.5%	- 89.4%
Integration costs	29	(699)	+ 728	n.s.	n.s.
Net income from investments	(4)	910	- 913	n.s.	n.s.
PROFIT (LOSS) BEFORE TAX	**360**	**(7,582)**	**+ 7,942**	**n.s.**	**n.s.**
Income tax for the period	43	2,471	- 2,428	- 98.3%	- 98.8%
NET PROFIT (LOSS)	**403**	**(5,111)**	**+ 5,514**	**n.s.**	**n.s.**
Profit (Loss) from non-current assets held for sale, after tax	(69)	(632)	+ 563	- 89.1%	- 78.5%
PROFIT (LOSS) FOR THE PERIOD	**334**	**(5,743)**	**+ 6,077**	**n.s.**	**n.s.**
Minorities	(96)	(90)	- 6	+ 6.7%	+ 6.1%
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA	**238**	**(5,833)**	**+ 6,071**	**n.s.**	**n.s.**
Purchase Price Allocation effect	(68)	(1,378)	+ 1,311	- 95.1%	- 95.1%
Goodwill impairment	-	(7,767)	7,767	n.s.	n.s.
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	**170**	**(14,979)**	**+ 15,149**	**n.s.**	**n.s.**

Notes:

'1. Changes at constant foreign exchange rates and perimeter.

As from the first quarter of 2014, the financial results of fully consolidated industrial companies were stated in a single item (“Net other expenses/income”) in order to better represent the purely banking activities in the individual Income Statement entries. The comparative period has been restated accordingly.

It is further noted that the impact on the Income Statement of consolidated equity investments subsequent to the adoption of IFRS 10-11, where the holding thereof stems from debt-to-equity transactions, was recorded under the item “Net profit (losses) on investments”, instead of “Dividends and other income from equity investments”. This was done so that the representation of operating results would not be affected, and to render the consolidated investments comparable for impairment on investments. The comparative period has been restated accordingly.

In addition to the effects referred to above, the comparative figures as at December 31, 2013 have been restated:
- due to the introduction of the IFRS 10 and IFRS 11 accounting standards;
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Segment Reporting (Summary)

KEY FIGURES by BUSINESS SEGMENT											(€ million)
	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CEE DIVISION	CIB	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER[1]	NON-CORE	CONSOLIDATED GROUP TOTAL
Income Statement											
OPERATING INCOME											
2014	8,327	2,640	1,607	1,760	3,909	3,711	791	451	(1,014)	330	**22,513**
2013	*7,836*	*2,874*	*1,619*	*1,793*	*4,478*	*4,284*	*731*	*429*	*(1,400)*	*691*	***23,335***
OPERATING COSTS											
2014	(4,020)	(2,102)	(1,460)	(823)	(1,623)	(1,710)	(496)	(212)	(800)	(591)	**(13,838)**
2013	*(4,185)*	*(2,123)*	*(1,451)*	*(825)*	*(1,722)*	*(1,707)*	*(528)*	*(192)*	*(916)*	*(604)*	***(14,253)***
OPERATING PROFIT											
2014	4,307	538	147	937	2,287	2,001	295	239	(1,814)	(261)	**8,675**
2013	*3,650*	*751*	*168*	*968*	*2,757*	*2,577*	*203*	*237*	*(2,316)*	*87*	***9,082***
PROFIT BEFORE TAX											
2014	3,158	666	14	803	1,474	1,802	286	230	(1,789)	(2,553)	**4,091**
2013	*2,040*	*424*	*(330)*	*817*	*1,533*	*1,448*	*192*	*216*	*(1,854)*	*(9,707)*	***(5,220)***
Balance Sheet											
LOANS TO CUSTOMERS											
as at December 31, 2014	130,005	78,416	47,379	26,896	57,009	89,191	0	696	(6,440)	47,417	**470,569**
as at December 31, 2013	*130,931*	*79,057*	*48,392*	*25,033*	*57,163*	*93,875*	*0*	*641*	*(4,781)*	*53,373*	***483,684***
DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE											
as at December 31, 2014	145,215	102,236	64,186	30,218	51,469	87,472	-	14,254	63,304	2,334	**560,688**
as at December 31, 2013	*149,802*	*108,343*	*59,134*	*29,538*	*49,473*	*76,536*	-	*13,246*	*68,829*	*2,478*	***557,379***
TOTAL RISK WEIGHTED ASSETS											
as at December 31, 2014	76,472	33,510	24,047	25,850	89,173	67,462	1,693	1,742	50,194	39,080	**409,223**
as at December 31, 2013	*77,629*	*33,823*	*25,142*	*25,089*	*81,668*	*74,528*	*2,046*	*1,915*	*31,515*	*31,395*	***384,750***
EVA											
2014	1,216	187	(171)	190	58	350	139	114	(2,655)	(2,162)	**(2,734)**
2013	*617*	*101*	*(420)*	*197*	*17*	*38*	*123*	*105*	*(5,453)*	*(6,885)*	***(11,559)***
Cost/income ratio											
2014	48.3%	79.6%	90.9%	46.8%	41.5%	46.1%	62.7%	47.0%	-79.0%	179.0%	**61.5%**
2013	*53.4%*	*73.9%*	*89.6%*	*46.0%*	*38.4%*	*39.9%*	*72.2%*	*44.7%*	*-65.5%*	*87.4%*	***61.1%***
Employees											
as at December 31, 2014	37,098	13,419	6,701	18,098	29,038	4,020	2,021	974	15,803	1,849	**129,021**
as at December 31, 2013	*37,541*	*13,748*	*6,891*	*18,152*	*30,848*	*4,300*	*1,995*	*934*	*15,739*	*1,974*	***132,122***

Notes

Figures were recasted, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological rules.
1. Global Banking Services, Corporate Centre Global Functions, inter-segment adjustments and consolidation adjustments not attributable to individual segments;

How the UniCredit Group has grown

UniCredit S.p.A. (formerly Unicredito Italiano S.p.A.) and the Group of companies with the same name which the latter heads up came about as a result of the merger, in October 1998, between the Credito Italiano S.p.A., founded in 1870 under the name of Banca di Genova, and Unicredito S.p.A., the latter the holding company which held the controlling equity investments in Banca CRT, CRV and Cassamarca. As a result of this merger, the Credito Italiano Group and the Unicredito Group pooled the strength of their respective products and the complementary nature of the geographic coverage for the purpose of more effectively competing on the banking and financial services markets both in Italy and in Europe, thereby creating the UniCredit group. Since its creation, the Group has continued to expand in Italy and in Eastern European countries, both via buy-outs and via systematic growth, also consolidating its roles in sectors of important significance outside Europe, such as the asset management sector in the USA.

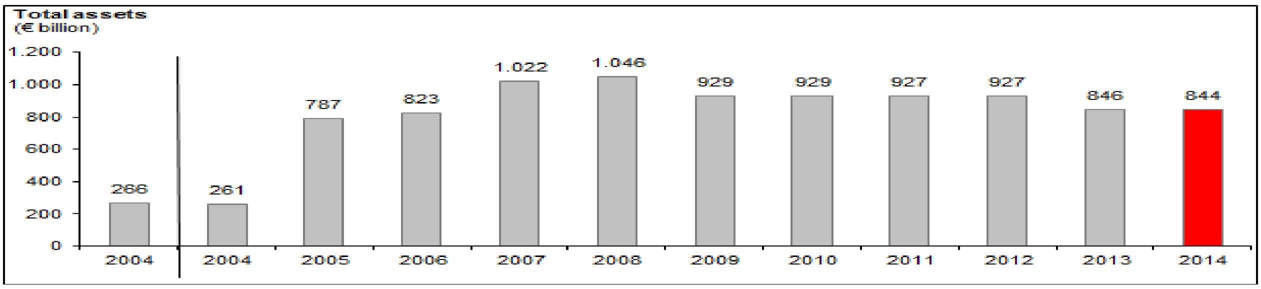
This expansion was characterized, particularly:

- by the merger with the HVB Group, achieved by means of a public exchange offer furthered by UniCredit on August 26, 2005 so as to take over control of HVB and the companies it headed up. Following this offer, finalized during 2005, UniCredit in fact acquired a holding of 93.93% in HVB's share capital (UniCredit has now 100% of the shares, after the acquisition of minority interest concluded on September 15, 2008 – so-called "squeeze-out" – in accordance with German regulations);
- by the merger with the Capitalia Group, achieved by means of merger through incorporation of Capitalia within UniCredit, which became effective as from October 1, 2007.

Group Figures 2004 - 2014

	IAS/IFRS											ITALIAN GAAP
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004
Income Statement (€ million)												
Operating income	22,513	23,973	25,049	25,200	26,347	27,572	26,866	25,893	23,464	11,024	10,203	10,375
Operating costs	(13,838)	(14,801)	(14,979)	(15,460)	(15,483)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)	(5,701)	(5,941)
Operating profit (loss)	8,675	9,172	10,070	9,740	10,864	12,248	10,174	11,812	10,206	4,979	4,502	4,434
Profit (loss) before income tax	4,091	(4,888)	317	2,060	2,517	3,300	5,458	9,355	8,210	4,068	3,238	2,988
Net profit (loss) for the period	2,669	(3,920)	1,687	644	1,876	2,291	4,831	6,678	6,128	2,731	2,239	2,300
Net profit (loss) attributable to the Group	2,008	(13,965)	865	(9,206)	1,323	1,702	4,012	5,961	5,448	2,470	2,069	2,131
Balance Sheet (€ million)												
Total assets	844,217	845,838	926,827	926,769	929,488	928,760	1,045,612	1,021,758	823,284	787,284	260,909	265,855
Loans and receivables with customers	470,569	503,142	547,144	559,553	555,653	564,986	612,480	574,206	441,320	425,277	139,723	144,438
of which: non-performing loans	*19,701*	*18,058*	*19,360*	*18,118*	*16,344*	*12,692*	*10,464*	*9,932*	*6,812*	*6,861*	*2,621*	*2,621*
Deposits from customers and debt securities in issue	560,688	571,024	579,965	561,370	583,239	596,396	591,290	630,533	495,255	462,226	155,079	156,923
Shareholders' Equity	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199	14,373	14,036
Profitability ratios (%)												
Operating profit (loss)/Total assets	1.03	1.08	1.09	1.05	1.17	1.32	0.97	1.16	1.24	0.63	1.73	1.67
Cost/income ratio	61.5	61.7	59.8	61.4	58.8	55.6	62.1	54.4	56.5	54.8	55.9	57.3

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



ITALIAN GAAP **IAS/IFRS**

Share Information

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Share price (€) (*)											
- maximum	6.870	5.630	4.478	13.153	15.314	17.403	31.810	42.841	37.540	32.770	24.629
- minimum	5.105	3.238	2.286	4.222	9.820	4.037	8.403	28.484	30.968	22.592	21.303
- average	5.996	4.399	3.292	8.549	12.701	11.946	21.009	36.489	34.397	25.649	22.779
- end of period	5.335	5.380	3.706	4.228	10.196	14.730	9.737	31.687	37.049	32.457	23.602
Number of outstanding shares (million)											
- at period end[1]	5,866	5,792	5,789	1,930	19,297.6	16,779.3	13,368.1	13,278.4	10,351.3	10,303.6	6,249.7
- shares cum dividend	5,769	5,695	5,693	1,833	18,330.5	18,329.5	13,372.7	13,195.3	10,357.9	10,342.3	6,338.0
of which: savings shares	*2.45*	*2.42*	*2.42*	*2.42*	*24.2*	*24.2*	*21.7*	*21.7*	*21.7*	*21.7*	*21.7*
- average[1]	5,837	5,791	5,473	1,930	19,101.8	16,637.8	13,204.6	11,071.6	10,345.2	6,730.3	6,303.6
Dividend											
- total dividends (€ million)	697	570	512	(***)	550	550	(**)	3,431	2,486	2,276	1,282
- dividend per ordinary share	0.120	0.100	0.090	(***)	0.030	0.030	(**)	0.260	0.240	0.220	0.205
- dividend per savings share	1.065	0.100	0.090	(***)	0.045	0.045	(**)	0.275	0.255	0.235	0.220

1. The number of shares is net of Treasury shares and included 96.76 million of shares held under a contract of usufruct.
(*) Following extraordinary corporate operations, which involve the detachment of rights, stock splitting or grouping, demerger operations and distribution of extraordinary dividends, the price of the shares can fluctuate so much that they are no longer comparable. Thus, the time series hereby published are adjusted accordingly to restore the continuity of historical price series.
(**) 2008 dividend was paid with cash to savings shareholders (€0.025 per share, for a total amount of €0.5 million), and with newly issued shares (so called "scrip dividend").
(***) As per Bank of Italy's paper dated March 2, 2012, in keeping with the decision of UniCredit S.p.A.'s Board of Directors and in line with the intention announced to the Shareholders' Meeting in 2012, UniCredit S.p.A. did not pay any dividends with respect to its 2011 financial results.
In 2011 the following operations were carried out:
. the €2.5 billion free capital increase, through the allocation to capital of an equivalent amount transferred from the "Issue-premium reserve";
. the reverse stock split of ordinary and savings shares based on a ratio of 1 new ordinary or savings share for every 10 existing ordinary or savings shares;
. elimination of the per-share nominal value of UniCredit shares.

In the first quarter of 2012 the capital increase of €7.5 billion equal to a number of shares issued of 3,859,602,938 was fully subscribed for.

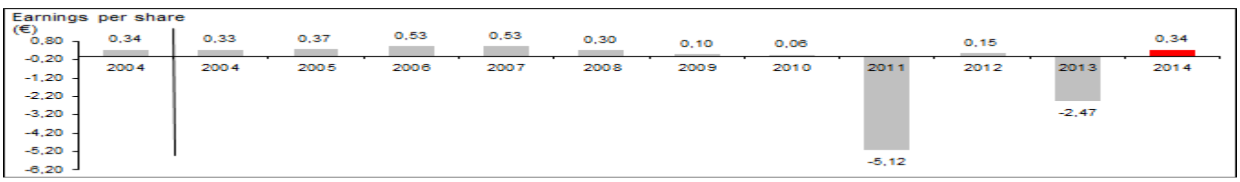
The Shareholders' Meeting of May 13, 2014 approved a scrip dividend scheme under which the holders of ordinary shares and the holders of savings shares will be allocated one new share for every sixty shares held and one new share for every eighty-four shares held, respectively. The new shares were allocated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

Figures relating to the 2014 dividend are shown according to the specific Board of Directors' reports on the distribution to Shareholders.

Earnings Ratios

	IAS/IFRS											ITALIAN GAAP
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2004
Shareholders' Equity (€ million)	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199	14,373	14,036
Group portion of net profit (loss) (€ million)	2,008	(13,965)	865	(9,206)	1,323	1,702	4,012	5,961	5,448	2,470	2,069	2,131
Net worth per share (€)	8.42	8.09	10.85	26.67	3.33	3.56	4.11	4.35	3.72	3.42	2.30	2.25
Price/Book value	0.63	0.67	0.34	0.16	3.06	4.14	2.37	7.28	9.97	9.50	10.26	10.51
Earnings per share[1] (€)	0.34	-2.47	0.15	-5.12	0.06	0.10	0.30	0.53	0.53	0.37	0.33	0.34
Payout ratio (%)		-4.1	59.2		41.6	32.3	(*)	58.1	45.6	92.1		60.2
Dividend yield on average price per ordinary share (%)		2.27	2.73		1.55	1.58	(*)	3.98	3.90	4.79		5.02

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



ITALIAN GAAP **IAS/IFRS**

Macroeconomic situation, banking and financial markets

International situation

USA/Eurozone

In the last quarter of 2014, global economic activity showed the first signs of a gradual acceleration, thanks to the continuation of extremely accommodative monetary policies and the hesitant recovery of global trade. But growth prospects between and within regions continued to diverge significantly. In advanced economies, the strengthening of domestic demand helped consolidate expansion in the United States and the United Kingdom, while the Eurozone and Japan seem to be struggling to resume sustained growth. In emerging economies, on the other hand, the recovery has been modest in Brazil, while in China the weakening of investment has led to an economic slowdown, and in Russia the collapse of oil prices is probably behind a deterioration in the economic and financial situation.

In the Eurozone, the recovery remains modest. In the fourth quarter of 2014, GDP is expected to stand at 0.1% on a quarterly basis. This moderate expansion should be driven primarily by a recovery in domestic demand, albeit at a level lower than that required to ensure a sustainable recovery. External demand, however, has suffered from the adverse impact of the Russian/Ukrainian crisis and the weakness of world trade, linked to the slowdown in emerging economies, with negative repercussions on investment spending. However, the upturn in the outlook aspect of the IFO business climate index for the manufacturing sector, up from 98.2 in October to 100.2 in December, confirms our forecast of a sharper recovery in early 2015.

Within this framework of general weakness in aggregate demand, inflation in the Eurozone decreased further (-0.2% in December). The collapse of oil prices is the main factor behind this disinflationary spiral, although core inflation (which excludes the more volatile components such as food and energy) is also still very low. In this quarter, medium-term inflation expectations, as measured by the five year-on-year inflation swap, have deteriorated further, passing the threshold of 2% and almost touching 1.4%, despite the non-standard monetary policy measures announced by the European Central Bank in September.

After the September rate cut by the ECB, there was a second auction of targeted long-term refinancing operations (TLTROs) in December, designed to facilitate the granting of credit to businesses. The second instalment, combined with the first auction in September, led to a net liquidity provision of € 212 billion. Again in the last quarter, the ECB indicated that it intended to expand its budget by one trillion euros, thus creating expectations of a programme of Quantative Easing and thereby contributing to the further depreciation of the Euro against the currencies of major trading partners, a trend in motion since the previous summer.

In the United States, economic growth remained solid even in the last quarter of 2014, standing at 2.5% QOQ. Economic performance has certainly benefited from increasing private consumption, despite signs of weakness in terms of spending on physical capital. Inflation measured on the Consumer Price Index remains contained at around 2% and no marked acceleration is expected in the coming months. In October, the Fed ended its programme of buying long-term securities, thus preparing the market for a future rise in interest rates, which we expect will arrive in mid-2015. The biggest uncertainty factor for the future growth prospects of the US economy concerns the labour market. Although the unemployment rate is back to pre-crisis levels, wage pressures remain extremely contained, creating uncertainty about the actual level of slack. Should the Fed take the view that the economy has not yet reached full employment, the rise in rates could be further delayed.

Banking and financial markets

2014 ended with visible improvements as regards the trend in bank loans in the euro area as a whole, although the growth rate remains negative in a context in which the economic recovery is proceeding gradually. In more detail, lending to the private sector in the euro area declined by only 0.5%, on an annual basis, at December 2014 compared with -2.3% at December 2013.

In the three countries of reference for the Group, at the end of 2014 the reduction in loans to businesses continued in Italy, although at a more moderate rate of contraction compared with the previous months – in a context of continuing weakness of spending for investment – while the drop in loans to households was limited (around -0.5%, on an annual basis). In Germany and Austria, at the end of 2014 loans to businesses continued to show a moderate expansion, while the recovery of loans to households was further consolidated, above all home loans.

As regards the trend in funding of the system, at the end of 2014, in all three of the Group's countries of reference, a further increase in the rate of expansion of bank deposits was observed. This was driven above all by a sharp acceleration of current account deposits.

In terms of the trend in banking interest rates, following the moves to reduce official rates by the European Central Bank in the second half of 2014, in all three of the Group's countries a process of gradual reduction in interest rates on both loans and bank deposits continued. In fact they came down to even lower levels, with a slight drop in the banking spread (difference between average rate on loans and average rate on deposits).

The end of 2014 was characterised, finally, by a gradual increase in volatility on the financial markets, which affected the performance of the equity markets. The performance of the German stock exchange and the Italian stock exchange showed no visible advance compared with the end of third quarter 2014, while the Austrian stock market ended the fourth quarter with a slightly negative contraction.

CEE Countries

2014 marked a deeper divergence in economic performance among CEE economies. External risks stemming from geopolitical tensions and a soft patch in eurozone's economic activity were mitigated by stronger domestic demand only in Central Europe, while the Balkans, Turkey, Russia and Ukraine saw their economies slow down or contract.

Central Europe continued to benefit from a robust rebound in domestic demand, driven both by consumption and investment. Real wage growth accelerated amid a fall in inflation, while consumer lending picked up due to a slower pace of deleveraging. Meanwhile, corporate profitability reached its highest level since the financial crisis, boosting investment. Robust EU fund inflows helped capital formation. Hungary saw fixed investment growth in double digits as the government increased infrastructure spending before April's parliamentary elections.

Domestic demand received additional support in Central Europe from dovish central banks amid a sharp fall in consumer price inflation. While low inflation has been driven by supply-side shocks (low food and energy prices and a strong EUR in 2013, falling food and oil prices in 2014), their second round effects on core inflation have been sizeable, requiring more easing. As a result, the central banks of Hungary, Poland and Romania cut policy rates by 0.9, 0.5 and 1.25pp respectively in 2014, while the Czech National Bank extended its currency floor to 2016. As a result, monetary conditions weakened further, with lending rates and sovereign yields touching all-time lows.

The picture is different in the rest of the region. In Serbia and Croatia, domestic demand contracted amid floods and a fiscal adjustment that weighed on growth, but was not sufficient to keep deficits and public debt in check. Public debt rose above 70% of GDP in both countries and is expected to exceed 80% of GDP by the end of 2015. Serbia reached a precautionary agreement with the IMF and committed to further reforms, but tightening expenditure and increasing taxes will postpone economic recovery. Croatia failed to find stimuli for domestic demand amid a high degree of euroisation and structural rigidities that affect investment. In order to comply with EDP requirements, more reforms are on the cards.

In Turkey, an adjustment in domestic demand prompted by the TRY selloff at the beginning of the year resulted in sharp deceleration in loan growth by July. This led to a gradual narrowing of the C/A deficit, but also to a slowdown in growth. However, the adjustment was aborted in August, when lending reaccelerated well above deposit growth. The C/A deficit failed to re-widen due to lower oil prices, but should start increasing again in 2015.

The recession deepened in Ukraine as the conflict in the Donbas continued. All economic sectors suffered from disruptions and tight financial conditions, with the central bank forced to support both the government and the banking sector amid a run on bank deposits and rising NPLs. Money creation and UAH depreciation boosted inflation. IMF and EU financial support helped service debt in 2014, but more will be needed from here on. In addition, a truce in the Donbas is required to stabilise the economy.

For the past years, Russia's economy suffered a structural slowdown that was only reinforced in 2014 by the conflict in Ukraine and the ensuing rounds of sanctions imposed by the US and the EU. Economic growth slowed below 1%yoy, but recession was averted due to a sharp contraction in imports. At the same time, exports suffered from trade sanctions and a sharp deterioration in terms of trade due to falling commodity (and especially oil) prices. Financial sanctions curtailed access to foreign financing and increased the strains on the Russian financial sector, culminating in December in the sharpest bout of RUB depreciation since Russia defaulted on its debt in 1998. The CBR tried to fight currency weakness by hiking its policy rate aggressively. As a result, the Russian economy is expected to fall in recession in 2015. An easing of sanctions will be needed to restart growth.

Main results and performance for the period

Introduction

In 2014 the Group recorded a **net profit** equal to €2,008 million, compared to the loss of €13,965 million registered in 2013 and mainly due on the one hand to the goodwill impairments and on the other hand to the increase of the loans' coverage level with the related increase of the accruals on credits.

This result is in line with the 2013-18 Strategic Plan targets, despite a macro-economic scenario less favorable than assumed.

"Core" segment (that includes the strategic business segments and in line with the risk strategies determined by the Group) contributed to this result for about €3,749 million, which contrasts with the loss of €1,741 million in "Non core" segment (that includes non-strategic segments and/or those with a considered poor fit to the Group's risk-adjusted return framework, to be managed with the aim of reducing the overall exposure). This loss is due to a relevant amount of loans loss provisions on loans portfolio that, even though decreasing, remains still high.

As regards the positive results of *"core"* segment, they have been achieved thanks to the net interest income and fees growth, which was accompanied by a relevant decrease of the operating expenses and loan loss provisions.

Operating income

In 2014 Group **operating income** amounted to €22,513 million, decreasing by 3.5% over 2013 (down by 2.5% at constant exchange rates) mainly due to trading result shrinkage. In particular, **net interest** amounted to €12,442 million, up by 1.1% over last year, **dividends** (which include companies accounted for using the equity method's profit) were equal to €794 million, down by 17.7% over last year, **net fees and commissions** to €7,572 million, up by 2.9% over last year, **net trading income** to €1,557 million, down by 37.8% over last year. Finally **net other expenses/income** totalized €149 million in comparison to €203 million of last year.

Almost the whole **operating income** was attributable to the *"core"* segment (€22,183 million), decreased by 1.1% at constant exchange rates in comparison to the previous year restated, mainly as an effect of a lower profit from the Yapi Kredi subsidiary (posted to the dividends), that in 2013 benefited from the capital gain stemming out from the insurance business disposal, and of lower profits from repurchase of liabilities issued by the Group. Net of these two effects, total revenues, at constant exchange rates, would record a slight increase over the previous year restated.

Analyzing in detail the operating income single components of *"core"* segment, **net interest** was equal to €12,293 million, increasing by 3.4% over the previous year restated (up by 4.9% at constant exchange rates).
Such a positive trend, as in previous quarters, is attributable to the reduction of average cost of commercial funding, which more than compensated the decrease of interests income on lending side. Such a trend was supported by the progressive reduction of credit spreads, initially on govies, later continued in the corporate sector, in a stable interest rates' environment (average 3 months Euribor equal to 0.21% in 2014 compared with 0.22% of 2013).

Net interest increase was achieved regardless a still quite unfavorable loans dynamic. In particular **loans to customers** related to the *"core"* segment (equal to €423.2 billion as of December 31, 2014) were down by 1.7% over the last year (up by 0.4% at constant exchange rates) although compared to the previous quarter they continued to show some stabilization signs, with the stock of commercial loans to customers growing by 0.4% (up by 2.1% at constant exchange rates).
The evolution of commercial loans to customers volumes of *"core"* segment still proved to be not uniform at geographical level: compared to 2013 – even if with a slower peace - the Western Europe decreasing trend (down by 0.6%) carried on, in particular due to Italy (commercial loans down by 0.4%, as a consequence of a weak credit demand) and Germany (down by 1.4%, mostly attributable to Retail clients), on the other hand, the countries of CEE Region confirmed their growth (up by 12.4% at constant exchange rates) driven by Russia (up by 48.3% at constant exchange rates, partially due to the loans denominated in foreign currency), Romania (up by 7.2% at constant exchange rates), Czech Republic (up by 5.0% at constant exchange rates) and Poland (up by 10.5% at constant exchange rates).

Direct funding from customers (deposits and securities) of *"core"* segment (equal to €558.4 billion as of December 31, 2014), instead, was growing by 0.6% (up by 2.3% at constant exchange rates) over December 2013 (the growth would have been of 3.2% at constant exchange rates, netting 2013 also from the company Dab Bank AG, reclassified to the "liabilities included in disposal groups classified as held for sale" in September 2014 and then sold in December 2014). Such a trend was a result of the commercial direct funding from customers (up by 1.5%), while the institutional component decreased (down by 1.6%)
Focusing on commercial direct funding from customers, Italy, due to higher diversification towards assets under management products, showed a decrease over 2013 (down by 1.5%), whilst both Germany (up by 2.2%) and Austria (up by 7.8%) recorded an increase. CEE Region continued towards achieving an equilibrium between loans and deposits, growing by 3.2% (up by 14.6% at constant exchange rates) on yearly basis, driven by Poland (up by 4.7% at constant exchange rates), Russia (up by 50.6% at constant exchange rates), Czech Republic (up by 7.4% at constant exchange rates), Bulgaria (up by 25.0% at constant exchange rates), Hungary (up by 12.6% at constant exchange rates), Serbia (up by 32.0% at constant exchange rates) and Bosnia (up by 12.1% at constant exchange rates).

As a consequence of the above outlined dynamics, at December 2014, a commercial funding surplus *"core"* (which excludes institutional component) of €11.2 billion was recorded, compared to December 2013 amounting at €5.0 billion.

"Core" segment's **dividends** (which include the profits of the companies accounted for using the equity method) in 2014 amounted to €794 million, decreasing by €170 million compared to 2013 restated, mainly as a consequence of €181 million capital gain generated by the sale of the insurance business unit in Turkey (Yapi Sigorta), posted to third quarter 2013.

With regard to **net fees and commissions** related to the *"core"* segment, in 2014 they amounted to €7,355 million, up by 4.3% (up by 4.9% at constant exchange rates) over the previous year restated.
Growth was mainly attributable to fees from investment services (up by 9.5% compared to 2013) and was driven by assets under management's products, thanks to volumes' growth (up by €29.2 billion over 2013). Financing services fees also recorded a positive result (up by 1.8% in comparison with 2013), while transactional services fees decreased by 0.6% over 2013 restated.

Core" segment's **net trading, hedging and fair value income** in 2014 was equal to €1,570 million, decreasing by 37.5% over 2013 (down by 38.8% at constant exchange rate).
Also net of Group's bonds buy-back, which generated a gross capital gain equal to €254 million in 2013 and €49 million in 2014, a decrease of 32.7% was recorded, mainly due to Commercial Banking Germany - that in 2013 benefitted from a particularly positive result of the treasury activities - to CEE Region and CIB division.

Finally, *"core"* segment's **net other expenses/income** in 2014 amounted to €173 million, down by €48 million over 2013 restated, mainly due to lower revenues generated by the subsidiary Ocean Breeze Energy GmbH & Co.KG, owner of the wind farm BARD Offshore 1 (for this matter refer to "Exposures in the renewable energy sector" in Part E – "Information on risks and related risk management policies").

Regarding *"Non-core"* segment, in 2014 it registered €330 million of **operating income**, decreasing by 52.2% over last year restated. Such a dynamic was consistent with the 11.2% reduction of customers loans, coupled with a higher weight of the portion of impaired loans, over which are not accounted for revenues.

Operating income (€ million)

	Year				% CHANGE		2014 Q4		% CHANGE ON Q3 2014	
	2013		2014							
	Gruppo	o/w Core	Group	o/w Core	Gruppo	o/w Core	Group	o/w Core	Group	o/w Core
Net interest	12,303	11,894	12,442	12,293	+ 1.1%	+ 3.4%	3,064	3,053	- 1.9%	- 0.9%
Dividends and other income from equity investments	964	964	794	794	- 17.7%	- 17.7%	191	191	+ 7.3%	+ 7.3%
Net fees and commissions	7,361	7,053	7,572	7,355	+ 2.9%	+ 4.3%	1,882	1,831	+ 1.6%	+ 1.5%
Net trading income	2,505	2,512	1,557	1,570	- 37.8%	- 37.5%	340	340	- 12.0%	- 12.3%
Net other expenses/income	203	221	149	173	- 26.6%	- 21.8%	118	115	n.s.	n.s.
Operating income	**23,335**	**22,644**	**22,513**	**22,183**	**- 3.5%**	**- 2.0%**	**5,595**	**5,530**	**+ 0.8%**	**+ 1.0%**

Group Results

Operating costs

Group's **Operating costs** in 2014 were equal to €13,838 million, lower by 2.9% compared to 2013 (down by 2.3% at constant exchange rates). In detail **staff expenses** were equal to €8,201 million, decreasing by 2.1% over last year, **other administrative expenses** were equal to €5,575 million, growing by 4.1% over last year, **expense recovery** were equal to €834 million, growing by 16.4% over last year. Finally, **write-downs on tangible and intangible assets** were equal to €896 million, decreasing by 27.6% over last year.

Such a positive achievement on **operating costs** was driven by Group's *"core"* segment, which registered €13,247 million in 2014, lower by 2.9% over 2013 restated (down by 2.4% at constant exchange rates), thanks to staff expenses, decreasing by 2.1% compared with 2013 restated (down by 1.6% at constant exchange rates) and to write-downs on tangible and intangible assets, decreasing by 27.6% (down by 27.0% at constant exchange rates).

Analyzing in more detail the single components, **staff expenses** related to the *"core"* segment in 2014 were €8,053 million, down by 2.1% over 2013 restated (down by 1.6% at constant exchange rates).
This positive achievement mainly benefited from the workforce reduction over 2013 restated, measured in terms of Full Time Equivalent (FTEs), by 2,975 units (of which 1,313 FTEs reduced in Ukraine, in addition to the outsourcing of technological infrastructure management and "invoice management"), and from the release of some exceeding accruals previously made.

The staff expenses' trend shows some geographic differentiations, with CEE Region growing by 3.3% at constant exchange rates and the rest of the Group significantly decreasing (down by 2.5%). At divisional level, main savings were registered in Commercial Banking Italy, that continues the implementation of the rationalization initiatives launched with the strategic plan. Also GBS and Corporate Centre show a decrease.

Concerning *"core"* segment's **other administrative expenses** on the other hand, they amounted to €4,990 million in 2014, growing by 5.4% in comparison to 2013 restated (up by 6.0% at constant exchange rates). Good part of the increase was driven by IT costs increase due, on the one hand to higher recurrent and development activities and the other hand to outsourcing services fees. Part of these costs refers to expenses directly incurred by the Group (mainly rents and operating costs for IT assets still owned by the Group) that are later re-invoiced to the outsourcer. The income from this re-invoicing is included in the **expenses recovery** item, that in 2014 was €689 million, up by 26.5% over 2013 restated.

Finally, the **write-downs on tangible and intangible assets** of *"core"* segment 2014 were €894 million, falling by 27.6% (down by 27.0% at constant exchange rates). This reduction benefitted from the revision of the amortization period of some intangible assets' categories, from the intangible assets impairments and from the Customer relationship write-off carried out in the last quarter 2013, as well as from the assets disposal related to the technological infrastructure management outsourcing .

Operating costs related to the *"non-core"* segment in 2014 were €591 million, decreasing by 2.2% over 2013 restated, mainly thanks to lower administrative expenses.

Operating costs

(€ million)

	Year 2013		Year 2014		% CHANGE		2014 Q4		% CHANGE ON Q3 2014	
	Gruppo	o/w Core	Group	o/w Core	Gruppo	o/w Core	Group	o/w Core	Group	o/w Core
Payroll costs	(8,375)	(8,228)	(8,201)	(8,053)	- 2.1%	- 2.1%	(2,082)	(2,047)	+ 2.6%	+ 2.7%
Other administrative expenses	(5,357)	(4,733)	(5,575)	(4,990)	+ 4.1%	+ 5.4%	(1,399)	(1,268)	+ 3.0%	+ 3.9%
Recovery of expenses	716	545	834	689	+ 16.4%	+ 26.5%	215	174	+ 6.5%	+ 2.7%
Write downs of tangible and intangible assets	(1,238)	(1,233)	(896)	(894)	- 27.6%	- 27.6%	(239)	(239)	+ 9.0%	+ 9.1%
Operating costs	**(14,253)**	**(13,649)**	**(13,838)**	**(13,247)**	**- 2.9%**	**- 2.9%**	**(3,506)**	**(3,379)**	**+ 2.9%**	**+ 3.6%**

The decline of revenues, only partially offset by the costs containment, led to €8,675 million Group **gross operating profit** in 2014, declining by 4.5% over 2013 (down by 2.9% at constant exchange rates), reduced however to 0.7% drop when referring to the *"core"* perimeter (up by 0.7% at constant exchange rates).
However, it should be emphasized that net of positive contribution stemming out from the repurchase public offers of bonds issued by the Group, as well as net of the capital gain from the sale of the insurance business unit in Turkey (Yapi Sigorta), previously already mentioned, the Group gross operating profit of 2014 would increase by 3.8% on yearly basis.

The cost income ratio of *"core"* segment was substantially stable, from 60.3% of 2013 restated to 59.7% of 2014, thanks to the operating costs containment.

Gross operating profit related to the *"non-core"* segment in 2014 was instead -€261 million, against +€87 million profit of 2013 restated. This decrease is related to lower revenues, as an effect of the expected volumes reduction (impacting both net interest income and fees), jointly with the higher weigh of the impaired loans that do not generate more interest.

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

Net write-downs on loans and provisions for guarantees and commitments of the Group in 2014 were €4,292 million, significantly reduced compared to 2013 (down by 68.2%), also as a result of measures taken in the fourth quarter of 2013 aimed to improve the coverage ratio.

In 2014 Group gross impaired loans increased by €769 million (up by 0.9%) over 2013, with an incidence on total loans equal to 16.34% from 15.76% at 2013 year end. Coverage ratio (51.3%) confirmed close to the level achieved in 2013 year end.

It should be noticed that the provisions for credit risk benefitted from a change in valuation methodology of doubtful loans operated by UniCredit S.p.A. This change, resulted in third quarter 2014 in a release of credit allowance for about 775 million (gross nominal value at 30 September 2014 of the specific portfolio affected by the change of about €18.1 billion). As a result of the underlying portfolio trend during fourth quarter 2014, the overall Profit & Loss benefit has been reduced to €560 million, highlighted also by the overall reduction of doubtful loans coverage ratio in comparison to the same data of 2013. The valuation methodology has been revised in order to reflect a change in the underlying credit management process, which is more focused now to recovering activities in the stage before revocation of the credit line and from which higher cash flows are expected. The change in valuation methodology has been accounted as change in accounting estimate, according to IAS 8.35.

With regard to the *"core"* segment, in 2014 net write-downs on loans and provisions for guarantees and commitments amounted to €2,135 million, decreasing by 43.2% (down by 42.3% at constant exchange rates) over 2013 restated. The significant reduction in loan loss provisions was due to the increase of the accruals on credits, booked in fourth quarter 2013 in order to adjust loans' coverage level and also to the methodological change above mentioned, which resulted in 2014 in a release of credit allowance.

Core segment's cost of risk was 50 basis points in 2014, improving compared to the previous year (equal to 84 basis points), showing however relevant differences on geographical basis. Italy were the macro-economic environment is still weak, registered a cost of risk of 64 basis points. CEE Division too recorded a cost of risk higher than the average of "core" segment and equal to 118 basis points. On the contrary Germany (9 basis points), Austria (19 basis points), Poland (51 basis points) confirmed the high quality of their assets.

The *"core"* segment's gross impaired loans on December 31, 2014 were growing by €1.8 billion compared to December 31, 2013 restated (up by 6.9%). This resulted in a growth of gross impaired loans on total loans ratio, from 5.78% in December 2013 to 6.27% in December 2014. Gross non-performing loans stock was at €14.5 billion, growing by €813 million over 2013 year end restated.

Regarding "Non-core" segment, instead, Net write-downs on loans and provisions for guarantees and commitments were reduced to about a quarter from €9,720 million in 2013 restated to €2,157 million in 2014.
Also the "non-core" segment was affected by the increase of the accruals on credits, booked in fourth quarter 2013, and by the change in valuation methodology of doubtful loans operated by UniCredit S.p.A. in 2014, that resulted in a release of credit allowance. Nevertheless the cost of risk remains high (425 basis points) due to the increased incidence of the most deteriorated component of its portfolio.

Indeed, even though "Non-core" segment's impaired loans as of December 31, 2014 were decreasing by 1.7% in comparison to €57.9 billion as of 2013 year end restated, the non-performing loans increased by 6.4% over 2013 year end restated. Coverage ratio as of December 31, 2014 was at 52.9% in comparison to 53.8% as of 2013 year end restated.

Loans to customers – asset quality

(€ million)

	NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED LOANS	PAST-DUE LOANS	**IMPAIRED LOANS**	PERFORMING LOANS	**TOTAL CUSTOMER LOANS**
As at 12.31.2014							
Face value	52,143	23,301	6,324	2,591	**84,359**	431,982	**516,341**
as a percentage of total loans	*10.10%*	*4.51%*	*1.22%*	*0.50%*	***16.34%***	*83.66%*	
Writedowns	32,442	8,102	2,119	604	**43,267**	2,505	**45,772**
as a percentage of face value	*62.2%*	*34.8%*	*33.5%*	*23.3%*	***51.3%***	*0.6%*	
Carrying value	19,701	15,199	4,205	1,987	**41,092**	429,477	**470,569**
as a percentage of total loans	*4.19%*	*3.23%*	*0.89%*	*0.42%*	***8.73%***	*91.27%*	
As at 12.31.2013 restated [(1)]							
Face value	49,059	24,935	6,150	3,446	**83,590**	446,866	**530,456**
as a percentage of total loans	*9.25%*	*4.70%*	*1.16%*	*0.65%*	***15.76%***	*84.24%*	
Writedowns	30,947	9,911	2,216	770	**43,844**	2,928	**46,772**
as a percentage of face value	*63.1%*	*39.7%*	*36.0%*	*22.3%*	***52.5%***	*0.7%*	
Carrying value	18,112	15,024	3,934	2,676	**39,746**	443,938	**483,684**
as a percentage of total loans	*3.74%*	*3.11%*	*0.81%*	*0.55%*	***8.22%***	*91.78%*	
As at 12.31.2013 historical							
Face value	47,592	25,051	6,153	3,564	**82,360**	466,927	**549,287**
as a percentage of total loans	*8.66%*	*4.56%*	*1.12%*	*0.65%*	***14.99%***	*85.01%*	
Writedowns	29,534	9,982	2,217	812	**42,545**	3,600	**46,145**
as a percentage of face value	*62.1%*	*39.8%*	*36.0%*	*22.8%*	***51.7%***	*0.8%*	
Carrying value	18,058	15,069	3,936	2,752	**39,815**	463,327	**503,142**
as a percentage of total loans	*3.59%*	*2.99%*	*0.78%*	*0.55%*	***7.91%***	*92.09%*	

(1) In order to enable a uniform comparison, the figures have been restated to take into account the introduction of IFRS10 and IFRS11 and the reclassification from loans to customers to loans to banks due to the change in sector of a counterparty.

From net operating profit to profit before tax

As a consequence of a gross operating profit decreasing by €407 million and net write-downs on loans down by €9,189 million over 2013, Group's **net operating profit** amounted to €4,383 million in 2014, compared to the loss of €4,399 million of 2013.

The *"core"* segment contribution to **net operating profit** in 2014 was equal to €6,801 million, growing by 29.9% compared to 2013 restated (up by 31.0% at constant exchange rates), countered by a negative net operating profit of €2,418 million generated by the *"non core"* activities.

Group's **provisions for risk and charges** were at -€358 million, of which -€326 million related to the *"core"* segment, that includes -€107 million as an effect of the new law on exchange rates and interest rates applied to retail foreign currency loans in Hungary.

Integration costs were -€20 million and were mainly related to the leasing commercial network restructuring, with the agents channel closure.

Finally, **net income from investments** was €87 million, mainly due to the sale of the German subsidiary Dab Bank AG, the SIA shareholding transfers, as well as some real estate disposals in Austria, partially balanced by the impairment of some participations of the Group.

As an effect of the items above mentioned, in 2014 the Group registered a **profit before tax** of €4,091 million, compared to the loss of €5,220 million of 2013, of which €6,644 million related to the *"core"* segment (up by 48.1% in comparison to the €4,486 million of 2013 restated) and -€2,553 million related to the *"non-core"* segment (in comparison to the -€9,707 million of 2013 restated).

Profit before tax by business segment (€ million)

	OPERATING INCOME	OPERATING COSTS	Net write-downs on loans and provisions	NET OPERATING PROFIT	PROFIT BEFORE TAX	
					2013	2014
Commercial Banking Italy	8,327	(4,020)	(1,026)	3,281	2,040	3,158
Commercial Banking Germany	2,640	(2,102)	(26)	511	424	666
Commercial Banking Austria	1,607	(1,460)	(111)	36	(330)	14
Poland	1,760	(823)	(134)	803	817	803
Central Eastern Europe	3,909	(1,623)	(677)	1,610	1,533	1,474
Corporate & Investment Banking	3,711	(1,710)	(135)	1,866	1,448	1,802
Asset Management	791	(496)	-	295	192	286
Asset Gathering	451	(212)	(3)	236	216	230
Group Corporate Center	(1,014)	(800)	(23)	(1,837)	(1,854)	(1,789)
Non Core	330	(591)	(2,157)	(2,418)	(9,707)	(2,553)
Group Total	**22,513**	**(13,838)**	**(4,292)**	**4,383**	**(5,220)**	**4,091**

Group Results

Profit (loss) attributable to the Group

As a consequence of €4,091 million **profit before tax**, in 2014 Group's **income taxes** were €1,297 million, from which derives a 31.7% tax rate. To be noticed that in Italy in first half 2014 taxes were affected by additional taxes on Bank of Italy shareholding revaluation. Net of this factor, Goup's income taxes would have been €1,082 million with a tax rate of 26.5%, thanks to the lower fiscal charge of CEE Region and Austria, compared to the higher taxation level of Italy and Germany.

The **loss from discontinued operations net of taxes** was €124 million and mainly referred to economic result for the period of the Ukrainian subsidiaries, partially offset by the economic effects of the control acquisition of Immobilien Holding group, that led to the revaluation of non-controlling interests previously owned.

Profit for the period in 2014 was €2,669 million, with contribution of *"core"* segment in amount of +€4,410 million, in comparison to the -€4,143 million loss of 2013.

Minorities were €380 million, mainly referred to Pekao subsidiary.

Purchase price allocation was -€281 million, decreasing in comparison to the -€1,673 million accounted in 2013. The reduction over the last year derives from the complete impairment of the Customer relationship carried out in fourth quarter 2013, that reduced the amortization charge of the period.

Consequently, in 2014, a **net profit attributable to the Group** of €2,008 million was registered, compared to -€13,965 million loss registered in 2013.

The *"core"* segment in 2014 achieved €3,749 million **profit attributable to the Group**, in comparison to -€7,445 million loss of 2013 restated

"Non-core" segment registered €1,741 million **net loss attributable to the Group**, in comparison to -€6,520 million loss registered in 2013 restated (-73.3%).

Profit (loss) attributable to the Group

(€ million)

	Year				% CHANGE		2014 Q4		% CHANGE ON Q3 2014	
	2013		2014							
	Gruppo	o/w Core	Group	o/w Core	Gruppo	o/w Core	Group	o/w Core	Group	o/w Core
Operating income	23,335	22,644	22,513	22,183	- 3.5%	- 2.0%	5,595	5,530	+ 0.8%	+ 1.0%
Operating costs	(14,253)	(13,649)	(13,838)	(13,247)	-2.9%	-2.9%	(3,506)	(3,379)	2.9%	3.6%
Operating profit (loss)	**9,082**	**8,995**	**8,675**	**8,936**	**-4.5%**	**-0.7%**	**2,089**	**2,150**	**-2.6%**	**-2.8%**
Net write-downs on loans and provisions for guarantees and commitments	(13,481)	(3,760)	(4,292)	(2,135)	-68.2%	-43.2%	(1,697)	(754)	125.2%	196.5%
Net operating profit (loss)	**(4,399)**	**5,234**	**4,383**	**6,801**	**-199.6%**	**29.9%**	**392**	**1,396**	**-71.8%**	**-28.7%**
Provisions for risks and charges	(984)	(927)	(358)	(326)	-63.6%	-64.8%	(57)	(39)	-60.8%	-73.0%
Integration costs	(727)	(719)	(20)	(2)	-97.2%	-99.7%	29	28	n.s.	n.s.
Net income from investment	890	898	87	171	- 90.3%	- 80.9%	(4)	20	- 108.6%	- 55.9%
Profit (loss) before tax	**(5,220)**	**4,486**	**4,091**	**6,644**	**-178.4%**	**48.1%**	**360**	**1,405**	**-72.0%**	**-24.2%**
Income tax for the period	1,716	(1,471)	(1,297)	(2,109)	-175.6%	43.4%	43	(305)	-112.2%	-43.4%
Net profit (loss) of discontinued operations	(639)	(639)	(124)	(124)	-80.6%	-80.6%	(69)	(69)	105.8%	105.8%
Profit (loss) for the period	**(4,143)**	**2,377**	**2,669**	**4,410**	**-164.4%**	**85.6%**	**334**	**1,031**	**-63.0%**	**-19.6%**
Minorities	(382)	(382)	(380)	(380)	-0.4%	-0.4%	(96)	(96)	-13.9%	-13.9%
Net profit (loss) attributable to the Group before PPA	**(4,525)**	**1,995**	**2,289**	**4,030**	**-150.6%**	**102.0%**	**238**	**935**	**-69.9%**	**-20.1%**
Purchase Price Allocation effects	(1,673)	(1,673)	(281)	(281)	-83.2%	-83.2%	(68)	(68)	-1.6%	-1.6%
Goodwill impairment	(7,767)	(7,767)	-	-	n.s.	n.s.	-	-	n.s.	n.s.
Net profit (loss) attributable to the Group	**(13,965)**	**(7,445)**	**2,008**	**3,749**	**-114.4%**	**-150.4%**	**170**	**868**	**-76.4%**	**-21.3%**

Capital and Value Management

Principles of value creation and disciplined capital allocation

In order to create value for the shareholders, the Group's strategic guidelines are aimed at optimizing the composition of its business portfolio. This goal is pursued through a process of capital allocation to each business line in relation to its specific risk profile and ability to generate sustainable earnings measured as EVA, which is the main performance indicator related to TSR (Total Shareholder Return). The development of Group operations with a view to value creation requires a process for allocating and managing capital governed by different phases in the process of planning and control, articulated as:

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

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

Capital Ratios

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

Own Funds and Capital Ratios (€ million)

	AS AT	
	12.31.2014 (*)	**12.31.2013 (**)**
Common Equity Tier 1 Capital	41,998	40,683
Tier 1 Capital	45,499	42,737
Total own funds	54,857	57,651
Total RWA	409,223	423,739
Common Equity Tier 1 Capital Ratio	**10.26%**	**9.60%**
Tier 1 Capital Ratio	**11.12%**	**10.09%**
Total own funds Capital Ratio	**13.41%**	**13.61%**

(*) Transitional own funds and capital ratios (Basel 3).

(**) Amounts and ratios calculated in compliance with the supervisory regulations in force at the date (Basel 2.5), i.e. Regulatory Capital and Tier 1 Capital; the Core Tier 1 Capital and Core Tier 1 Ratio relating to December 31, 2013, compared with Common Equity Tier 1 and with the related capital ratio as at December 31, 2014, respectively, were calculated using an internal model.

The economic and financial crisis, which began in 2007, has raised an intense debate on the need to promote a stronger and more resilient financial system. Therefore, over the last years, global regulators introduced a series of new regulatory requirements that have contributed greatly to re-shape the financial markets landscape. In particular, in December 2010, the Basel Committee for Banking Supervision (BCBS) published a series of changes relative to the requirements for banking institutions on capital and liquidity, also known as "Basel 3". The regulatory changes introduced by the Basel 3 framework define more stringent rules for capital requirements and introduce for the first time liquidity and leverage limits. According to the Basel 3 framework, the new rules are introduced gradually in order to allow the banking system to comply with the new requirements and contain the impact on the real economy. In Europe, the Basel 3 framework has been translated into law by means of two separate legislative instruments applied from January, 1 2014: the Directive 213/36/EU and the Regulation n. 575/2013. Moreover, in December 2013 the Bank of Italy published the "Circolare 285" which updated and adjusted to the new international regulation framework the rules on Italian banks and banking groups. Starting from January 1, 2014, Italian banks and banking groups are required to comply with a minimum CET1 Capital ratio of 4.5%, Tier 1 Capital ratio of 5.5% (6% starting from 2015) and Total Capital Ratio of 8%. These minimum ratios are complemented on the following capital buffers to be meet with CET1 Capital: Capital Conservation set at 2.5% from January 1, 2014 and, from 2016, Countercyclical in the periods of excessive credit growth and Systemic for Global Systemically Important Institutions (G-SII) or Other Systemically Important Institutions (O-SII). Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need to adopt a capital conservation plan. As part of the transition arrangements, regulatory capital recognition of outstanding non-CET1 capital instruments that no longer meet the minimum criteria will be gradually phased out.

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

In December 2014, the transitional CET1 ratio stood at 10.41% and Total Capital ratio transitional stood at 13.55%[1].

The ECB, within the framework of the joint decision on the capital adequacy of the UniCredit Group, has defined the following capital requirements: 9.5% of the CET1 ratio and 13% of the total capital ratio, both calculated in accordance with the transitional requirements. In December 2014, the Group sat comfortably above the defined thresholds and, in line with the objectives of the strategic plan, foresees staying at current levels also in the coming years, with the possibility of further strengthening its capital position.

Note on accounting effects on the quantitative results of the ECB Comprehensive Assessment

This disclosure is provided upon specific request of Consob, pursuant to art. 114, paragraph 5, of Legislative Decree 58/98.

On October 26, the European Central Bank, the European Banking Authority and Bank of Italy provided the final outcome of the Comprehensive Assessment conducted in preparation of the adoption of the Single Supervisory Mechanism (in force starting from November 2014), which entailed the analysis of the current and future conditions of 130 banking groups in the Eurozone.

The Comprehensive Assessment entailed:

- an Asset Quality Review (AQR) at the reporting date of December 31, 2013, which concerned loan portfolios and financial assets of high risk;
- the simulation of a hypothetical “Stress Test” aimed at assessing the ability of banks to withstand extreme and particularly unfavorable conditions.

The overall results of the assessment confirmed that the UniCredit Group far exceeds the requirements set in the Comprehensive Assessment.

The assessment lasted nearly a year and involved, with reference to the Asset Quality Review process (AQR), the main Group legal entities in Italy, Germany, Austria, Croatia, Romania and Bulgaria, while the Stress Test was referred to the entire Group.

Regarding the accounting implications of the quantitative evidences arisen from the Comprehensive Assessment, we highlight the following:

- the sample analysis on the credit exposures (the Credit File Review), conducted by the ECB highlighted at Consolidated level the need of potential net additional provisions amounting at about €440 million. This value (inferable from the detailed data received by ECB) takes into consideration the overall netting effect of additional provisions and releases of existing provisions related to all the credit files subject to the CFR and, consequently, it differs from the value published by ECB (equal to about €482 million) that reflected an offsetting of additional provisions and release of existing provisions only at portfolio level and not across selected portfolios.

  With regard to the exposures related to the Unicredit Bank AG and its subsidiaries, for which the CFR highlighted a potential release of existing provisions for about €3 million, UCG posted in the 2014 Financial Statement an overall amount of ca €134 million. also considering changes in the borrowers' conditions since the AQR reference date, including the closure without losses of some positions.

  With regards to the exposures related to the other Legal Entities for which the CFR indicated the need of potential additional provisions (about €442 million), UCG posted in the 2014 Financial Statement an overall amount (about €482 million).

  It should be noted that at single debtor level the changes in provision recognized during 2014 may differ from what implied in the ECB request given that the credit evaluation (made according to the Group’s relevant credit policies) embedded in the 2014 Financial Statements takes into account the changes occurred between December 2013 (reference date for the CFR exercise) and December 2014 in the borrowers conditions and in the set of available information.

- With regard to the statistical projections of the CFR outputs (for which the theoretical increase of provisions resulting from the AQR was about €111 million at consolidated level), it is necessary to highlight that such projections they cannot, by their very nature, be directly interpreted as precise assessments of the need for additional accounting provisions. Moreover it is important to mention that the impairment triggers used during the CFR are largely included in the list of events/indicators currently monitored during the life cycle of the credit transactions and in assessing the related default classification.

- Additional collective provisions need of about €380 million at consolidated level, were calculated for AQR purposes – through the ‘Challenger Model’ – applying risk parameters that were defined by the ECB using limited time observation period (i.e. one year) and, in Bank’s view, do not completely capture, differently from the internally estimated risk parameters, the real riskiness of the portfolio. Consequently, UCG has not changed the approach in use for collective provisioning that has been applied in continuity also for 2014 Financial Statement.

- The analysis of the Level 3 asset evaluation highlighted, at consolidated level, differences for about €54 million substantially related to an investment in an associate coming from impaired credit restructuring. Those differences have been reflected in the 2014 Consolidated Financial Statements.

[1] Assuming 2014 scrip dividend of 12€cent per ordinary share with 75% acceptance rate of shares. Assuming 2014 full cash dividend, CET 1 ratio transitional at 10.26% and Total Capital ratio transitional at 13.41%.

In addition to the findings listed above, the final outcome of the Comprehensive Assessment included also other qualitative issues. The Group is addressing in 2015 such qualitative issues, within the on-going process of regular enhancement of policies, procedures and accounting practices, including improvements in the following areas:

- definitions of Fair Value Hierarchy levels and documentation of Fair value adjustments;
- scope and frequency of the existing Group Independent Price Verification (IPV) process;
- measurement of losses arising from contingent liabilities;
- definition of the criteria for independent real estate appraisals.

With regard to the abovementioned qualitative remarks, it is worth remarking that they did not result in effects in 2014 Consolidated Financial Statements.

Shareholders' Equity attributable to the Group

The **Shareholders' Equity of the Group**, including the profit of the period (€2.008 million), amounted to €49,390 million at December 31, 2014, compared to €46,722 million at December 31, 2013.

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

The following table shows the main changes that occurred in 2014.

Shareholders' Equity attributable to the Group (€ million)

Shareholders' Equity as at December 31, 2013 (*)	**46,722**
Capital increase (net of capitalized costs)	-
Equity instruments	1,888
Disbursements related to Cashes transaction ("canoni di usufrutto")	(35)
Dividend payment (**)	(176)
Forex translation reserve (***)	(1,588)
Change in afs/cash-flow hedge reserve	1,099
Others (****)	(528)
Net profit (loss) for the period	2,008
Shareholders' Equity as at December 31, 2014	**49,390**

(*) Please note that on January 1, 2014 the new IFRS 10 and IFRS 11, effective from January 1, 2013, were introduced. The adoption of these standards resulted in a negative impact (restated) on the Group's Shareholders' Equity of €119 million as at December 31, 2013.

(**) The dividends paid, amounting to €176 million, refer to the cash dividends, while the dividends declared totaled €570 million. For further details see Part B - Liabilities, Section 15 of the Notes to the Accounts.

(***) Principally arising from the consolidation of the Russian and Ukrainian subsidiaries.

(****) Other changes mainly relate to the positive effects of €626 million from the sale of 34.5% of FinecoBank S.p.A., of which UniCredit is still the controlling shareholder, to the decrease in reserves relating to actuarial gains/losses on defined benefit plans of €1.468 million after tax, resulting from the reduction in the discount rate, and to the increase of €269 million in the revaluation reserve for companies accounted for using the equity method.

Reconciliation of the Parent Company's Accounts to the Consolidated Accounts

The following table reconciles the Parent Company's Shareholders' Equity and **Net profit** to the corresponding consolidated figures.

Reconciliation of Parent Company to Consolidated Accounts (€ million)

	SHAREHOLDERS' EQUITY	*of which: NET PROFIT*
Balance as at December 31, 2014 as per UniCredit S.p.A. Accounts	**48,172**	***80***
Surplus over carrying values:	2,282	*3,766*
- subsidiaries (consolidated)	*1,708*	*3,310*
- associates accounted for at net equity	*574*	*457*
Dividends received in the period by the Holding Company	-	*(1,278)*
Other reclassification on consolidation	(1,065)	*(561)*
Balance as at December 31, 2014 attributable to the Group	**49,390**	***2,008***
Minorities	3,446	*380*
Balance as at December 31, 2014 (minorities included)	**52,836**	***2,388***

Result by Business Segment

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) and the Leasing and Factoring product factories. In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking's goal is to offer a full range of investments and credit needs, relying on almost 4,000 branches and multichannel services provided by new technologies. In relation to corporate customers, Commercial Banking, with about 1.100 Managers divided in 196 Corporate branches, operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio.

Income Statement, Key Ratios and Indicators (€million)

Commercial Banking Italy	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	7,836	8,327	+6.3%	2,043	+0.9%
Operating costs	(4,185)	(4,020)	-3.9%	(1,028)	+5.8%
Net write-downs on loans	(1,316)	(1,026)	-22.0%	(322)	+149.1%
Net operating profit	2,335	3,281	+40.5%	692	-25.0%
Profit before tax	2,040	3,158	+54.8%	673	-24.0%
Loans to customers (eop)	130,931	130,005	-0.7%	130,005	-0.1%
Customer deposits (incl. Securities in issue - eop)	149,802	145,215	-3.1%	145,215	+2.0%
Total RWA Eop	77,629	76,472	-1.5%	76,472	+0.1%
EVA (€ million)	617	1,216	+97.1%	217	-39.5%
Absorbed Capital (€ million)	7,090	7,209	+1.7%	7,371	-0.9%
RARORAC	+8.70%	+16.87%	n.s.	+16.87%	-175bp
Cost/Income	+53.4%	+48.3%	-513bp	+50.3%	234bp
Cost of Risk	0.98%	0.78%	-20bp	0.99%	59bp
Full Time Equivalent (eop)	37,541	37,098	-1.2%	37,098	+0.0%

Commercial Banking Germany

Commercial Banking Germany provides all German customers – except CIB clients – with a complete range of banking products and services. With its strong funding base it is an important liquidity provider.
Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in Private Banking and especially in business with local corporate customers (including factoring and leasing). The Division also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Income Statement, Key Ratios and Indicators (€million)

Commercial Banking Germany	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	2,874	2,640	-8.1%	637	-0.1%
Operating costs	(2,123)	(2,102)	-1.0%	(537)	+0.7%
Net write-downs on loans	49	(26)	-153.8%	(25)	-238.2%
Net operating profit	800	511	-36.0%	75	-38.3%
Profit before tax	424	666	+57.2%	236	+120.1%
Loans to customers (eop)	79,057	78,416	-0.8%	78,416	-0.4%
Customer deposits (incl. Securities in issue - eop)	108,343	102,236	-5.6%	102,236	+0.2%
Total RWA Eop	33,823	33,510	-0.9%	33,510	-0.3%
EVA (€ million)	101	187	+84.5%	132	n.s.
Absorbed Capital (€ million)	3,105	2,842	-8.5%	2,792	-0.4%
RARORAC	+3.26%	+6.57%	331bp	+6.57%	403bp
Cost/Income	+73.9%	+79.6%	575bp	+84.3%	66bp
Cost of Risk	0.06%	0.03%	9bp	0.13%	22bp
Full Time Equivalent (eop)	13,748	13,419	-2.4%	13,419	-1.2%

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients – with a complete range of banking products and services. With its strong funding base it is an important liquidity provider.
Commercial Banking Austria holds large market shares and a strategic market position in retail banking, in Private Banking and especially in business with local corporate customers (including factoring and leasing). The Division also includes the local Corporate Center, which performs tasks in connection with Bank Austria's sub-holding company function.

Income Statement, Key Ratios and Indicators					(€million)
	Year		%	2014	% CHANGE
Commercial Banking Austria	2013	2014	CHANGE	Q4	ON Q3 2014
Operating income	1,619	1,607	-0.7%	407	+8.8%
Operating costs	(1,451)	(1,460)	+0.6%	(378)	+8.0%
Net write-downs on loans	(193)	(111)	-42.7%	(41)	+144.0%
Net operating profit	(25)	36	-244.2%	(12)	-270.8%
Profit before tax	(330)	14	-104.2%	(40)	n.s.
Loans to customers (eop)	48,392	47,379	-2.1%	47,379	-0.1%
Customer deposits (incl. Securities in issue - eop)	59,134	64,186	+8.5%	64,186	+0.9%
Total RWA Eop	25,142	24,047	-4.4%	24,047	-0.1%
EVA (€ million)	(420)	(171)	-59.2%	(13)	-83.4%
Absorbed Capital (€ million)	2,227	2,213	-0.6%	1,766	-27.2%
RARORAC	-18.84%	-7.74%	n.s.	-7.74%	119bp
Cost/Income	+89.6%	+90.9%	124bp	+92.9%	-69bp
Cost of Risk	0.39%	0.23%	-16bp	0.35%	21bp
Full Time Equivalent (eop)	6,891	6,701	-2.8%	6,701	-0.8%

Poland

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

Income Statement, Key Ratios and Indicators					(€million)
	Year		%	2014	% CHANGE
POLAND	2013	2014	CHANGE	Q4	ON Q3 2014
Operating income	1,793	1,760	-1.8%	437	-2.4%
Operating costs	(825)	(823)	-0.2%	(200)	-3.9%
Net write-downs on loans	(159)	(134)	-15.8%	(32)	-1.9%
Net operating profit	809	803	-0.7%	205	-0.9%
Profit before tax	817	803	-1.7%	206	-0.7%
Loans to customers (eop)	25,033	26,896	+7.4%	26,896	+1.7%
Customer deposits (incl. Securities in issue - eop)	29,538	30,218	+2.3%	30,218	+1.7%
Total RWA Eop	25,089	25,850	+3.0%	25,850	+2.7%
EVA (€ million)	197	190	-3.5%	48	-3.5%
Absorbed Capital (€ million)	1,090	1,135	+4.1%	1,151	+3.0%
RARORAC	+18.05%	+16.74%	-132bp	+16.74%	-1bp
Cost/Income	+46.0%	+46.8%	75bp	+45.8%	-73bp
Cost of Risk	0.67%	0.51%	-16bp	0.48%	-1bp
Full Time Equivalent (eop)	18,152	18,098	-0.3%	18,098	+1.0%

CEE Division

UniCredit is a market leader in Central and Eastern Europe, where it has a broad network of about 2,600 branches. Its regional footprint is diverse and includes a direct presence in 16 countries. The Group's market position in CEE provides local banks with substantial competitive advantages. This includes the sharing of best practices, significant economies of scale, access to international markets and strong brand recognition. Moreover, the diversified portfolio in this region enables modular growth and increased market penetration for UniCredit's global product lines.

Income Statement, Key Ratios and Indicators (€million)

CEE Division	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	4,478	3,909	-12.7%	919	-15.4%
Operating costs	(1,722)	(1,623)	-5.8%	(413)	+2.9%
Net write-downs on loans	(1,124)	(677)	-39.8%	(204)	+31.4%
Net operating profit	1,633	1,610	-1.4%	301	-43.1%
Profit before tax	1,533	1,474	-3.9%	290	-36.0%
Loans to customers (eop)	57,163	57,009	-0.3%	57,009	-2.4%
Customer deposits (incl. Securities in issue - eop)	49,473	51,469	+4.0%	51,469	+2.9%
Total RWA Eop	81,668	89,173	+9.2%	89,173	+5.5%
EVA (€ million)	17	58	+246.5%	(142)	-234.0%
Absorbed Capital (€ million)	7,635	7,438	-2.6%	8,076	+14.8%
RARORAC	+0.22%	+0.78%	56bp	+0.78%	-291bp
Cost/Income	+38.4%	+41.5%	306bp	+45.0%	n.s.
Cost of Risk	1.92%	1.18%	-74bp	1.42%	35bp
Full Time Equivalent (eop)	30,848	29,038	-5.9%	29,038	-1.8%

CIB

Corporate & Investment Banking (CIB) is dedicated to multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit group. The business model adopted is focused on a clear distinction between coverage and local distribution (Network) areas, and those areas dedicated to centralized specialization of dedicated products or services, namely Financing & Advisory (F&A), Markets and Global Transaction Banking.

Income Statement, Key Ratios and Indicators (€million)

CORPORATE & INVESTMENT BANKING	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	4,284	3,711	-13.4%	1,023	+27.1%
Operating costs	(1,707)	(1,710)	+0.2%	(406)	-5.4%
Net write-downs on loans	(942)	(135)	-85.7%	(101)	-250.8%
Net operating profit	1,634	1,866	+14.1%	516	+16.5%
Profit before tax	1,448	1,802	+24.5%	469	+2.0%
Loans to customers (eop)	93,875	89,191	-5.0%	89,191	+5.7%
Customer deposits (incl. Securities in issue - eop)	76,536	87,472	+14.3%	87,472	+1.9%
Total RWA Eop	74,528	67,462	-9.5%	67,462	-3.9%
EVA (€ million)	38	350	n.s.	153	+139.0%
ROAC	13.7%	+18.2%	451bp	21.1%	376bp
(Rev-LLP)/RWA	+5.31%	+5.28%	-2bp	+6.14%	141bp
Cost/Income	+39.9%	+46.1%	n.s.	+39.6%	n.s.
Cost of Risk	0.92%	0.15%	-77bp	0.47%	78bp
Full Time Equivalent (eop)	4,300	4,020	-6.5%	4,020	+0.1%

Asset Management

Asset Management operates under the Pioneer Investments brand, the asset management company within the UniCredit group specializing in the management of customer investments worldwide.
The Business Line, a partner of many leading international financial institutions, offers investors a broad range of financial solutions, including mutual funds, assets under administration and portfolios for institutional investors.
Pioneer Investments started an organic growth strategic plan which will further enhance the quality of Pioneer Investments' product offering while maintaining focus on delivering an outstanding level of client service.
In 2012, its relationship with UniCredit was also reviewed through a distribution agreement that sets specific requirements in terms of performance and quality of service provided by Pioneer. Reciprocally, UniCredit has committed to effectively support Pioneer leveraging on its distribution network, maintaining agreed level of market share.

Income Statement, Key Ratios and Indicators (€million)

ASSET MANAGEMENT	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	731	791	+8.2%	217	+9.1%
Operating costs	(528)	(496)	-6.0%	(129)	+3.6%
Net write-downs on loans	-	-	n.s.	-	n.s.
Net operating profit	203	295	+45.1%	87	+18.3%
Profit before tax	192	286	+48.7%	81	+12.1%
TFAs (eop)	181,700	193,230	+6.3%	208,694	+2.5%
RoA (Operating Income/ avg TFAs)	+0.42%	+0.40%	-1.59bp	+0.42%	1.99bp
EVA (€ million)	123	139	+12.6%	18	-55.9%
Absorbed Capital (€ million)	261	266	+2.1%	266	+0.0%
RARORAC	+47.3%	+52.1%	482bp	+52.1%	n.s.
Cost/Income	+72.2%	+62.7%	n.s.	+59.7%	-315bp
Full Time Equivalent (eop)	1,995	2,021	+1.3%	2,021	-1.1%

Asset Gathering

Asset gathering is a division specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
It operates in Italy through Fineco Bank, which, with its direct channel and a network of more than 2.400 financial advisors, offers all the banking and the investment services of traditional banks, with a specific focus on innovation, that emerges mainly from the development of the online trading, with respect to which FinecoBank is leader at a national and European level.

Income Statement, Key Ratios and Indicators (€million)

ASSET GATHERING	Year 2013	Year 2014	% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Operating income	429	451	+5.1%	118	+9.6%
Operating costs	(192)	(212)	+10.6%	(54)	+4.5%
Net write-downs on loans	(3)	(3)	-2.9%	(1)	+75.6%
Net operating profit	234	236	+0.8%	63	+13.6%
Profit before tax	216	230	+6.3%	60	+10.4%
Loans to customers Eop	641	696	+8.5%	696	-0.7%
Customer deposits (incl. Securities in issue) Eop	13,246	14,254	+7.6%	14,254	+1.1%
Total RWA Eop	1,915	1,742	-9.0%	1,742	+7.2%
TFAs Outstading Stock (eop)	64,794	69,368	+7.1%	70,529	+1.7%
TFAs Net Sales	2,204	3,999	+81.4%	1,231	+61.9%
EVA (€ million)	105	114	+8.6%	24	+1.7%
Absorbed Capital (€ million)	168	103	-38.7%	99	-4.4%
RARORAC	62.6%	110.9%	n.s.	+110.9%	-428bp
Cost/Income	+44.7%	+47.0%	231bp	+45.7%	n.s.
Full Time Equivalent (eop)	934	974	+4.3%	974	+2.1%

Non-core

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

Income Statement, Key Ratios and Indicators					(€million)
	Year		% CHANGE	2014 Q4	% CHANGE ON Q3 2014
Non-core	2013	2014			
Operating income	691	330	-52.2%	65	-15.4%
Operating costs	(604)	(591)	-2.2%	(127)	-11.4%
Net write-downs on loans	(9,720)	(2,157)	-77.8%	(943)	+88.8%
Net operating profit	(9,633)	(2,418)	-74.9%	(1,004)	+77.6%
Profit before tax	(9,707)	(2,553)	-73.7%	(1,045)	+83.6%
Loans to customers (eop)	53,373	47,417	-11.2%	47,417	-4.2%
Net Impaired Loans(percentage of total net loans)	50.05%	56.43%	6.4pp	56.43%	1.6pp
Total RWA Eop	31,395	39,080	+24.5%	39,080	+18.4%
EVA (€ million)	(6,885)	(2,162)	-68.6%	(814)	+60.5%
Absorbed Capital (€ million)	3,020	3,264	+8.1%	2,914	-29.1%
RARORAC	-228.00%	-66.25%	n.s.	-66.25%	n.s.
Cost/Income	+87.4%	+179.0%	n.s.	+195.0%	n.s.
Cost of Risk	15.41%	4.25%	n.s.	7.78%	380bp
Full Time Equivalent (eop)	1,974	1,849	-6.3%	1,849	-3.9%

Report on corporate governance and proprietary structures

Within the meaning of Art. 123-bis par. 3 of Legislative Decree 58 dated February 24, 1998, the "Report on Corporate Governance and Proprietary Structures" is available in the "Governance" section of the UniCredit website (**http://www.unicreditgroup.eu**).
An explanatory chapter on the Corporate Governance structure is likewise included below in this document.

Report on remuneration

Pursuant to Art. 84-quater, paragraph 1, of the Issuers' Regulations implementing the Legislative Decree no. 58 of February 24, 1998, the "Report on remuneration" is available on UniCredit's website (**http://www.unicreditgroup.eu**).

Research and development projects

In 2014 the Group's research and development projects were mainly aimed at:

- developing suitable systems for using all payments data managed by UniCredit to enable a better understanding of the various local economic conditions. These solutions represent a breakthrough innovation in the Bank innovation efforts as they enable a better understanding of customers and therefore give the Group a new competitive edge, improve the customer service and increase proximity to the territory;
- prototyping and developing flexible solutions to make the physical network of branches more flexible in terms of both cost and localization;
- streamlining branch processes through a non-invasive technology that can be applied in any complex legacy process;
- strengthening industrial and academic partnerships enabling the development of long-term solutions for UniCredit entity, as well as developing new network in the scientific environment.

Development of Group operations and other corporate transactions

During the period, in addition to continuing the reorganisation of certain activities in line with the Group's organisational model, which essentially involves the allocation of business conducted in foreign countries directly to local banks, UniCredit decided, on the one hand, to take further steps to develop high-growth business at the Group level and, on the other, to make non-controlling equity investments aimed at creating new partnerships. The disposal of now non-strategic shareholdings also continued.

Group initiatives

Reorganisation of international leasing activities

In order to redefine the business model, bringing it closer to the customers' needs, speed up the decision-making process at the local level, reduce complexity and increase efficiency, UniCredit has continued work on the reorganisation of leasing activities at the Group level.
The project begun in 2013 involved the transfer of the leasing companies and businesses operating in the CEE area from UniCredit Leasing to the respective local banks of each CEE country.
In addition, the reorganisation project involved the transfer to UniCredit of the 31% minority stake held by UniCredit Bank Austria in UniCredit Leasing, after which UniCredit acquired full control of the Italian leasing company.
At the end of 2014, the project was substantially completed, except for the transfer (presumably within the first half of 2015) of some businesses in certain Balkan countries (Bosnia and Herzegovina, Croatia, Serbia and Slovenia).

In accordance with the reorganisation, UniCredit Leasing will no longer act as a sub-holding, but will operate exclusively as the leading leasing company in the Italian market, as a result of the merger by incorporation of Fineco Leasing S.p.A. in early 2014.

Initial Public Offering (IPO) and listing of FinecoBank

In order to accelerate the growth of the subsidiary and enhance its market visibility while optimising the allocation of capital, in March 2014 the Group decided to launch the activities to proceed with the Initial Public Offering (IPO) of the ordinary shares of FinecoBank.
As part of this transaction, in April FinecoBank, in line with the initiatives set out in the Group's 2013-2018 Strategic Plan, applied for admission to listing of its ordinary shares on the Mercato Telematico Azionario, organised and managed by Borsa Italiana, and filed a request with CONSOB for the approval of the Prospectus relating to the public offering and listing of its shares.

After the full exercise of the over-allotment option in July, the global offering (which was exceeded by demand by 2.9 times) represented 34.5% of FinecoBank's share capital. The offering price of FinecoBank ordinary shares was set at €3.70 per share, and after full exercise of the over-allotment option the gross proceeds for UniCredit were approximately €774 million, resulting in a capital gain of approximately €410 million inclusive of tax, commissions and expenses, entirely accounted for as equity reserves, as UniCredit will retain control of FinecoBank.
Since 2 July 2014, FinecoBank ordinary shares have been traded on the Mercato Telematico Azionario, organised and managed by Borsa Italiana.

Reorganisation and rationalisation of UniCredit Credit Management Bank

UniCredit Credit Management Bank (UCCMB) is the Group's Bank dedicated to the management and recovery non-performing loans originated in Italy. Today UCCMB is the largest platform in Italy by managed assets and it boasts an outstanding track record, as demonstrated by the top rating assigned to it by Standard & Poor's and Fitch Ratings.

The structure of non-performing loans and the strategy implemented to manage them are currently being reorganized. This resulted in the signature of an agreement in February 2015 for the sale of UCCMB, including a portfolio of non-performing loans for an amount of €2.4 billion (gross value) and a long-term agreement for the management of future small- and medium-size loans of the Italian legal entities of the Group. Further details are provided in the section Subsequent Events and Outlook.

The investment in UCCMB continued to be fully consolidated in the financial statements at December 31, 2014, since the conditions for its classification as for held for sale (IFRS 5) were not met at the reporting date.

"Subito casa" project

In order to develop new business models based on the centrality of the branch network as part of an integrated system, a plan has been developed to offer dedicated and distinctive services for the sale and leasing of real estate (primarily for residential use) owned by customers, the market and builders.
More specifically, the project is based on the highly important role played by the real estate market in the Italian economic system and on expectations for its recovery, after the significant contraction recorded over recent years.
To implement the project, in March 2014 UniCredit established a new wholly owned subsidiary called UniCredit Subito Casa S.p.A., which specialises in real estate brokerage in Italy.
The operational launch of the initiative, which initially involves the major Italian cities (Turin, Milan, Verona, Bologna, Rome, Naples and Palermo), has taken place in recent months and will subsequently extend to the remaining Italian territory.

Other transactions and initiatives involving shareholdings

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

In June 2013, UniCredit, together with Intesa Sanpaolo, became involved as a financial partner (with an 18.43% stake worth €115 million) in the establishment of Lauro Sessantuno S.p.A., an SPV (also owned by Nuove Partecipazioni (NP) and by Clessidra SGR) that, after a series of corporate transactions (including a full mandatory takeover bid), acquired 100% of the share capital of Camfin, a company that owns 26.19% of Pirelli.
The transaction was aimed at encouraging the reorganisation of Pirelli's shareholding structure and at gaining benefits, over a period of 3/4 years, from any increases in the value of the Pirelli Group, an example of manufacturing excellence in Italy and at the global level.
In May 2014, UniCredit, Intesa Sanpaolo and NP reached an agreement with Long Term Investments S.A. (LTI), a Luxembourgian SPV linked to the pension fund of the Russian group Rosneft (the world's major operator in the oil and gas industry), that resulted, on the one hand, in the exit of Clessidra and a partial divestment of UniCredit and Intesa Sanpaolo from the existing partnership in Lauro Sessantuno/Camfin and, on the other hand, in the formation of a new joint partnership between LTI and the Italian shareholders aimed at developing Pirelli's activities and business, also by strengthening its sales network in Russia thanks to Rosneft's extensive market coverage across the country.
The transaction, conducted by setting the value of each share held indirectly in Pirelli at €12, was implemented in the following phases: a) the acquisition by LTI of a shareholding in Lauro Sessantuno (July 2014), as part of which UniCredit sold LTI approximately 12.97% of Lauro Sessantuno for approximately €140 million and with a capital gain of about €58.1 million; b) the merger by incorporation of Lauro Sessantuno into Camfin (concluded on 1 December 2014); c) the retention of the Pirelli shareholding in Camfin and other related assets and liabilities and spin-offs of other assets and liabilities of Camfin in favour of a NewCo (Coinv S.p.A.) owned by NP, UniCredit and Intesa Sanpaolo through a non-proportional partial demerger (also concluded on 1 December 2014); d) the subsequent transfer to Coinv of the Camfin shares owned by NP, UniCredit and Intesa Sanpaolo (carried out on 22 December 2014).
Upon completion of the transactions described above, Camfin is owned by LTI (50%) and Coinv (50%); the latter in turn is owned by NP (76%) and by UniCredit and Intesa Sanpaolo with a share of 12% each.

Acquisition of a shareholding in ERG Renew S.p.A.

In January 2014, UniCredit signed an ERG Renew capital increase, with an investment of €50 million, corresponding to 7.14% of the company's share capital.
UniCredit's investment is aimed at supporting ERG Renew's plans to expand into the renewable energy market in Italy and abroad, and will enable the Group to benefit from any increases in the value of the investee, also in view of a possible future listing.

Mediobanca S.p.A. shareholders' agreement

During 2014, the Mediobanca S.p.A. shareholders' agreement was renewed until 31 December 2015, with a percentage of share capital syndicated to the Agreement equal to 30.05%.
On 19 February 2014, the Meeting of the Parties to the Shareholders' Agreement passed a resolution to reduce – from 30% to 25% – the minimum percentage of the Bank's share capital syndicated to the Agreement, below which the Agreement lapses, and granted Financière du Perguet (Bolloré group) the right to increase its percentage syndicated to the Agreement from 6.0% to 8.0%.
During the first half of 2014, Financière du Perguet S.A. partially exercised the right it was granted on 19 February 2014 and increased its percentage syndicated to the Agreement to 6.46%.
On 17 July 2014, the Meeting of the Parties to the Mediobanca S.p.A. Shareholders' Agreement approved the new text of the Agreement and noted that Financière du Perguet contributed a further 4,747,000 Mediobanca shares to the Agreement (of which 1 million with settlement on 18 July) in partial exercise of its right to increase its shares; its syndicated percentage increased therefore from 6.46% to 7.01%.
On 29 September 2014, the above-mentioned Meeting of the Parties to the Shareholders' Agreement noted that Financière du Perguet contributed a further 3,991,000 Mediobanca shares to the Agreement, again in partial exercise of its right to increase its shares, increasing its syndicated percentage from 7.01% to 7.48%.
As a result of the aforementioned increases, the overall percentage of shares syndicated to the Agreement increased from 30.05% to 31.52%, the latter percentage dropping to 31.44% in December as a result of the change in share capital. As at 31 December 2014, UniCredit S.p.A. held a stake of 8.63% in Mediobanca.

Shareholding in Alitalia S.p.A.

In August, Alitalia finalised an investment agreement with Etihad Airways aimed at strengthening Alitalia in terms of competitiveness and sustainable income.
In particular, the provisions of the agreement include:

- an investment of €560 million by Etihad, which, subject to approval by the regulatory authorities, will thus become a non-controlling shareholder of the company;
- the commitment by the main stakeholders (in addition to UniCredit, Intesa Sanpaolo, Poste Italiane, Atlantia, Immsi, Pirelli, Gavio and Macca) to support additional recapitalisation of the company (maximum liability for UniCredit of €63.5 million, which then fell to €62.1 million);
- support for the transaction from the financial institutions and shareholder banks with a maximum of €598 million in the form of conversion and/or restructuring of short- and medium-term debt.

Other information

After successful debt restructuring in the short- and medium-term by the financial institutions and shareholder banks, UniCredit at the end of 2014 now holds a 33.50% stake in CAI. Therefore, at December 31, 2014, the equity investment is classified among those subject to significant influence.

The transaction, closed with effect on 1 January 2015, substantially resulted in:

- the transfer by Alitalia CAI, to a new company called Alitalia-Società Aerea Italiana S.p.A. (SAI), of the business unit dealing with all the operational activities performed; Alitalia was later renamed simply CAI.
- the transfer to Midco SpA, again by Alitalia CAI, of the shareholdings in SAI arising from the transfer of the above business unit,
- the subscription by Etihad, via a cash payment of 387.5 million, of a capital increase of SAI, as a result of which Etihad now holds 49% of SAI (the remaining 51% is held by CAI, through Midco).

Aviva S.p.A.

In 2014 an operation was completed for the strategic repositioning of Aviva S.p.A – a banking and life assurance joint venture held 49% by UniCredit S.p.A. and for the remaining 51% by Aviva Italia Holding S.p.A., directly and indirectly.

In particular, on that occasion, the commercial agreements between UniCredit and Aviva also underwent a revision on the basis of which (from 1 October 2014) UniCredit has stopped placing new Aviva Type 1 (Life) policies (with the exclusion of term life insurance), Type 3, Multi-Type and Pension policies (except for additional payments on existing contracts and/or single operations agreed from time to time between the parties). UniCredit will also continue to distribute, for 5 years, certain types of Aviva insurance products (so-called “Protection”), within a reduced geographical distribution perimeter with respect to the previous one.

Optimization of selected loans in restructuring

During April 2014 Alvarez & Marsal (A&M), Intesa Sanpaolo, KKR and UniCredit have signed a memorandum of understanding to jointly develop and implement an innovative solution to optimize the performance and maximize the value of a selected corporate loan portfolio under restructuring through proactive management and additional funding at the asset level. Discussions related to the formation and operations of the partnership are ongoing. The development activities will continue during 2015.

Pioneer Investments

UniCredit continues to investigate a potential business combination of Pioneer Investments with an industrial partner.

Disposal of now non-strategic shareholdings

The disposal of now non-strategic shareholdings at the Group level also continued during the period.
The most significant included:

Operations in Italy

Sale of the shareholding in Atlantia S.p.A.

In March, UniCredit sold its entire stake (0.67%) in Atlantia S.p.A., with a gross capital gain of about €77 million on a consolidated basis.

Sale of 20.1% of Sia S.p.A.

In December 2013, UniCredit, Intesa Sanpaolo, Banca Monte dei Paschi di Siena and BNL signed, with Fondo Strategico Italiano, F2i SGR and Orizzonte SGR, the agreements for the sale of 59.3% of Sia's share capital, of which 28.9% was held by Intesa Sanpaolo Group, 20.1% by UniCredit, 5.8% by Banca Monte dei Paschi di Siena and 4.5% by BNL.
Following satisfaction of the conditions precedent, the aforementioned sale was completed in May 2014 and resulted in

- the three buyers holding the following investments in Sia: Fondo Strategico Italiano, 42.3%; F2i SGR, 10.3%; and Orizzonte SGR 6.7%;
- UniCredit (and Intesa Sanpaolo) has retained a 4% stake in Sia;
- the other existing shareholders have retained the remaining 32.7% of Sia's share capital.

At the consolidated level, the sale resulted in a net impact on the income statement of approximately €144 million, of which €12 million was booked in the first quarter of 2014 as a result of the application of the equity method to account for the shareholding.

NEEP Roma Holding S.p.A.

In August, UniCredit sold its entire shareholding in NEEP Roma Holding S.p.A. (controlling company A.S. Roma S.p.A.), corresponding to 31% of the capital, to AS Roma SPV LLC for €33 million. At the same time, the shareholder agreement relating to NEEP Roma Holding, signed by UniCredit on 18 August 2011 and subsequently amended and supplemented on 1 August 2013, ceased to be effective.

Operations abroad

DAB Bank AG

In July, UniCredit Bank AG and BNP Paribas reached an agreement for the disposal of their majority shareholding in DAB Bank AG (81.4% of the share capital), at a total price of €354 million (4.78 per share). The sale was completed, upon authorisation from the competent authorities in December, with a positive impact of about 162 million at the consolidated level.

Istraturist Umag d.d.

During the third quarter of 2014 Zagrebacka Banka d.d. (controlled by UniCredit Bank Austria AG) reached an agreement with Plava Laguna (a Croatian tour operator) for the sale of the controlling interest (93.04%) in Istraturist Umag d.d. for €120 million.
The transaction closed on the November 27, 2014 had a positive impact of around €6 million on consolidated net profit.

CA Immobilien Anlagen AG (CAI)

In line with the Group's strategy for the sale of non-strategic assets, in October 2014, UniCredit Bank Austria AG signed a sale agreement and concluded, subject to obtaining the necessary authoridations, the sale of the entire stake in CA Immobilien Anlagen AG, equal to 16.35%, to O1 Group Limited.
The consideration for the sale of CAI, listed on the Vienna Stock Exchange, is equal to about 295 million. The positive impact of the sale on the consolidated net profit of the Group is approximately 20 million.

PJSC Ukrsotsbank

The deterioration of the geopolitical situation has affected the disposal process for the investment in PJSC Ukrsotsbank – the Group's Ukrainian subsidiary held by UniCredit Bank Austria A.G. (with a share of 72.9%) and UniCredit S.p.A. (a share of 26.5%) – which had already been classified as held for sale (in accordance with IFRS 5) in the financial statements at December 31, 2013. In particular, the disposal process has suffered slowdowns with respect to the amount of time initially envisaged.
During 2014, contacts with the counterparts interested in the acquisition continued and UniCredit is still committed to carrying out the initiatives underway for the sale of the asset, already classified as non-strategic. Accordingly, at December 31, 2014, the investment has been classified under assets held for sale (IFRS 5).

Other information

Other aspects

Contributions to guarantee and resolution funds

European Directive 49/2014, transposition of which into Italian legislation is expected by the end of July 2015, relating to deposit guarantee systems, introduces significant changes for national guarantee funds previously existing in the various countries in which the Group operates. Although it operates in a framework of substantial legal, organisational and operational continuity, the new directive requires the adoption of an “ex ante” contribution mechanism, that is aimed at establishing a target amount of resources by the end of 2024 of 0.8% of guaranteed deposits. The previous guarantee systems operating up to now in an “ex post” regime (meaning that they provided for payment of contributions to finance the single interventions made in relation to the depositors of a bank in difficulty) must adopt an ex-ante financing scheme. Among these there is also the Interbank Deposit Protection Fund for the Group's Italian entities.

In addition, European Directive 59/2014 on banking recovery and resolution introduced an obligation for banks to make payments in order to establish a European Single Resolution Fund with the aim of establishing a target amount of resources by the end of 2024 of 1% of guaranteed deposits. For 2015 and 2016 these payments will be made to national resolution funds and subsequently directly to the European fund.

In relation to these two contributions, starting from 2015 there will be an increase in recurrent expenses, the amount of which from time to time depends on the specific features defined by the different national transposing laws.

Certifications and other communications

With reference to the “Rules of Markets organized and managed by Borsa Italiana S.p.A.” dated October 3, 2011 (Title 2.6 “Obligations of issuers”, Section 2.6.2. “Disclosure requirements”, paragraph 10) the satisfaction of conditions provided by Section 36 of Consob Regulation No. 16191/2007, letters a), b) and c) is hereby certified.

With reference to paragraph 8 of Art. 5 – “Public information on transactions with related parties" of Consob Regulation containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of March 12, 2010, as subsequently amended by Resolution No. 17389 of June 23, 2010), it should be noted that:

a) during 2014, a transaction of greater importance was conducted with FinecoBank S.p.A – at the transaction date a 100%-owned subsidiary of UniCredit S.p.A. and therefore subject to the exclusions provided for by the Global Policy with respect to intragroup transactions –, anyway subject to the early opinion of the Related-party and Equity Investments Committee and the Board of Directors as part of the activities aimed at the listing of FinecoBank, which, after the listing, has become a related party of the company. Specific disclosure on this transaction was provided in the IPO Prospectus filed with Consob;

b) during 2014, 3 transactions with related parties as defined by Article 2427, paragraph 22-bis of the Civil Code were conducted, under different conditions from normal market conditions. These transactions did not however significantly impact the Group’s Balance Sheet and Income Statement;

c) during 2014, there were no changes or developments in the individual transactions with related parties already described in the latest annual report that had a material effect on the Group’s financial position or results during the reference period.

For more information on related-party transactions please refer to the Consolidated Financial Statements – Notes to the consolidated accounts – Part H.

Capital Strengthening

During the year 2014 UniCredit S.p.A. issued two Additional Tier 1 notes with characteristics compliant with new "CRD IV" regulation, in place starting from January 1, 2014.
On March 27, 2014, with value date April 3, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in USD, for a total of USD 1.25 billion.
The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 10 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 8.00% per annum for the initial 10 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 518 bps.

The transaction represents the inaugural deal for a CRD IV compliant AT1 by an Italian Issuer and the first RegS Perp NC10 USD denominated issue by a European Bank. The offer has encountered exceptional interest from investors, bringing the order book to almost 8 billion USD with approx. 450 investors.
Given the positive feedback, the initial price guidance was set at 8.25% area and has been revised to 8.00%/8.25%. Coupon was finally fixed at 8.00% for the initial 10 years, with an issue price set at 100%. Furthermore, the final size of the deal has increased to USD 1.25 billion from initial target of USD 1 billion.
The Notes were distributed to different institutional investors' categories such as funds (71%), insurance companies/pension funds (10%) and private banks (9%).
The demand was mainly coming from the following regions: UK (39%), Italy (20%), Asia (12%) and Switzerland (8%).
UniCredit Corporate & Investment Banking, together with Citi, HSBC, Societe Generale and UBS, has managed the placement acting as joint bookrunners. The assigned rating from Fitch is "BB-". Bonds are listed on the Luxembourg Stock Exchange.

On September 3, 2014, with value date September 10, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in EUR, for a total of EUR 1 billion with characteristics compliant with new "CRD IV" regulation in place starting from January 1, 2014.
The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 7 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 6.75% per annum for the initial 7 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 610 bps.
The offer has encountered exceptional interest from investors, bringing the order book to almost 2 billion EUR with approx. 180 investors.
The Notes were distributed to different institutional investors' categories such as funds (84%), banks (13%) and insurance companies (2%).
The demand was mainly coming from the following regions: UK (34%), France (20%), Italy (12%) and Switzerland (6.5%).
UniCredit Corporate & Investment Banking, together with Bank of America, Credit Agricole, Credit Suisse, and Deutsche Bank, has managed the placement acting as joint bookrunners. The assigned rating from Fitch is "BB-". Also in this case bonds are listed on the Luxembourg Stock Exchange.

Additional Tier 1 contribute to strengthening the Tier 1 ratio of UniCredit S.p.A. In line with the regulatory requirements, the coupon payments are fully discretionary for both instruments.
Both the Notes have a 5.125% Common Equity Tier 1 (CET1) trigger - if the Group or Issuer CET1 at any time falls below the trigger level, the instrument will be temporarily written down to cure the breach, taking into consideration other instruments with similar write down triggers.

Please note that on March 11, 2014 UniCredit's Board of Directors, pursuant to the powers conferred by the Extraordinary Shareholders' Meeting of April 29, 2011 and the Extraordinary Shareholders' Meeting of May 11, 2012, resolved to increase the share capital by €28,143,498.84 by issuing 8,498,340 ordinary shares to be granted to the employees of UniCredit and of Group banks and companies.

It should also be noted that, following the scrip dividend scheme approved by the Extraordinary Shareholders' Meeting of May 13, 2014, under which newly-issued ordinary and savings shares of the Company were allocated to the shareholders entitled to receive a dividend who did not opt for a cash payout, the share capital increased by €222,774,043.97. Therefore, the share capital of the Bank is now €19,905,773,742.24.

Subsequent Events and Outlook

Subsequent Events [2]

The structure of non-performing loans and the strategy implemented to manage them are currently undergoing a reorganization process in which:

- the partial spin off took effect on January 1, 2015 in favor of UniCredit (i) of the non-core business unit of the subsidiary UCCMB and (ii) of the business unit related to the real estate portfolio originating from the operations of the former Capitalia of UCCMI (100% UCCMB), as per the spin off deed signed on December 23, 2014 and following the Bank of Italy authorization issued on October 24, 2014 pursuant to Article 57 of the Banking Act;
- on February 11, 2015, UniCredit signed an agreement with the affiliates of Fortress Investment Group LLC ("Fortress") for:
  - the sale of UCCMB (post spin off) including a portfolio of non-performing loans of around €2.4 billion (gross value);
  - the definition of the main terms and conditions of a long-term agreement for the management of already existing and future small and medium-sized impaired loans of the Italian legal entities of the Group.

The transaction, which is part of the reorganization plan for UniCredit's loan recovery activities, has a strong strategic basis and allows the Group to benefit from:

- access to a specialized loan recovery platform, which will be strengthened by the significant know-how of a number of affiliates Fortress and Prelios in the management of impaired loans;
- better management accountability and process monitoring; and
- possible improvement in the Group's future income thanks to an expected increase in the recovery performance for small- and medium-size loans.

The transaction, which is subject to regulatory authorizations and standard conditions for this type of transaction, is expected to be completed by the second quarter of 2015.
It is estimated that for UniCredit the impact of the transaction on the regulatory capital and on the income statement is substantially neutral, taking into account also the value adjustment recognised in the 2014 financial statements.

On 18 February 2015, the German Federal Labour Court (Bundesarbeitsgericht – BAG) published an explanation of its ruling relating to a court decision of 30 September 2014. This decision could result in an obligation for the subsidiary UniCredit Bank AG with reference to employee benefits for which the extent and amount have still to be assessed. The explanation has in fact been published by the Court only recently and the detailed effects are still unclear; accordingly the ensuing potential obligations cannot be reliably determined at this time.

In particular, the Court decided that, if an employer has made a pension commitment to its employees by way of a pension fund and the fund reduces the retirement benefits due to economic difficulties, the employer is obliged to compensate the employees for the reduction. Within the scope of the ruling, the Court also commented at length on the employer’s obligation to adjust the pension. According to Section 16 of the German Occupational Pensions Act (Betriebsrentengesetz – BetrAVG), the employer is normally obliged to assess a potential increase of its commitment under occupational pensions every three years and has to make a decision at its own discretion.
Contrary to the largely prevailing opinion in the literature, the Court has now determined that the escape clause concerning the pension adjustment obligation incorporated in Section 16 (3) No. 2 BetrAVG is not applicable for occupational pensions originated before the German Actuarial Reserve Regulation (Deckungsrückstellungsverordnung – DeckRV) that came into force in 1996. This opinion expressed by the Court in respect of the pension adjustment obligation may also be applicable to the occupational pension commitments undertaken by UniCredit Bank AG by way of Versorgungskasse des Bankgewerbes e.V. (BVV).

The developments in progress with reference to the Ukrainian political crisis and the devaluation of the local currency above all starting from February 2015 have led to a weaker financial and capital situation of the subsidiary Ukrosotsbank. In relation to these developments in February 2015 the Ukrainian National Bank asked the UniCredit group to assess a number of options to increase the bank's capital ratio.
Taking into account the volatility of the exchange rate and the changing geopolitical situation the initiatives to strengthen the capital most suited to this context are currently in progress.
The UniCredit group has confirmed to the Ukrainian National Bank its commitment to ensure that the subsidiary continues as a going concern for the period necessary to complete the planned sale of the same.
For further detais refer to Part E – Section 5 – Other risks – Selected emerging risks.

During the first part of 2015, with value date March 3, 2015, UniCredit S.p.A. has distributed on the Italian network Tier 2 bond with maturity 3 May, 2025, callable on May 3, 2020, denominated in EUR, for a total of EUR 2.5 billion. The bond pays a quarterly floating rate coupon equal to Euribor 3 months + 2.75%; if not called, the bond does not foresee any step up clause.

[2] Up to the date of approval by the Board of Directors' Meeting of March 12, 2015.

Outlook

Global growth and world trade expanded at a moderate pace in 2014 and prospects for 2015 indicate a slow acceleration. This pick-up is likely to be driven by a gradual recovery in advanced economies and some improvement in emerging markets after the recent weakness. The large drop in oil prices should support global growth, also implying a meaningful redistribution of income from oil exporters to oil importers. In this context, the US economy is going to expand at a solid 3% pace in 2015, mainly thanks to the impulse from recovering labor market and private consumption
After having disappointed last year, GDP growth in Japan should benefit from lower oil prices and renewed monetary easing. The rebalancing of the Chinese economy will probably continue, with GDP growth set to slow further, although remaining close to 7%.

Eurozone GDP growth probably averaged 0.8% in 2014, following -0.4% in 2013. On balance, 2014 saw some strengthening of domestic demand, although not to the extent needed to generate a self-sustaining recovery. The support of the external sector and business confidence with respect to the geopolitical outlook remain key for companies to unload pent-up demand for fixed investment, with positive spillover on the labor market and private consumption. Therefore, the fairly disappointing performance of global trade – predominantly reflecting weakness in EM countries – and, since summer, the escalation of tensions between Russia and Ukraine played a crucial role in damaging eurozone growth prospects, leaving the 2014 GDP performance below expectations.

We think 2015 will be a better year in yearly average terms, GDP will probably expand 1.0%, marginally stronger than in 2014. However, this unimpressive improvement in the yearly average hides a more meaningful gain of momentum. Basing on our 2015 projections, the quarterly Eurozone GDP growth will be double in comparison to 2014, supported by the weaker currency, by much lower oil prices, by a more neutral fiscal stance and a decline in lending rates in peripheral countries, which, for the first time since the intensification of the sovereign debt crisis, show signs of responsiveness to ECB policy easing.

At the country level, we see Germany (1.2%) continuing to outperform the eurozone, while Italy will probably growth 0.5%, the first positive reading after three years of contraction. Growth in Germany will probably confirm the signs of broadening recorded in 2014, with private consumption benefiting from higher employment, rising real wages and a decline in the savings ratio. However, the strength of the export impulse will continue to hold the key to the capex dynamic, and will ultimately drive the pace of the recovery. The recovery in Italy is likely to be partially influenced by comparatively subdued domestic demand, with weak firms' profitability limiting the upside potential for investment, employment and, in turn, private consumption. Within the eurozone, Germany and Italy are among the main beneficiaries of a weaker currency and lower energy prices.

In January, the ECB launched a large-scale asset purchase program which includes also government bonds and aims at pushing the size of the central bank's balance sheet towards EUR 3 trillion. The move is intended to counter the rising risk of a de-anchoring of inflation expectations in the medium term. *Quantitative Easing* is going to support the real economy mainly through currency depreciation, while the growth impulse from lower market interest rates is likely to be limited.

In 2015 the Group results should benefit from the expected recovery of the international macroeconomic outlook. The scenario for the Italian economy is still uncertain, even if it is better than in recent years, and Group revenues will keep on benefitting from geographic diversification. Even though interest rates are forecasted to remain at low levels, the bank is aiming for an improvement in revenues through both an increase in volumes and commissions from services, also leveraging on a further increase of the asset management after the record flows observed in 2014. The recent ECB monetary policy measures will contribute to contain the funding costs. The Group will keep on working on its already strong capital position, confirmed by the recent successful results of the ECB stress test. Coherently with the multi-year plan guidelines, the group will closely monitor its liquidity position and the cost rationalization program.

Milan – March 12, 2015

THE BOARD OF DIRECTORS

CHAIRMAN
GIUSEPPE VITA

CEO
FEDERICO GHIZZONI

Corporate Governance

Governance organizational structure

Introduction

UniCredit's overall corporate governance framework, i.e. the system of rules and procedures that its corporate bodies refer to to steer the principles of their behaviour and fulfil their various responsibilities towards the group's stakeholders, has been defined in the light of current provisions and of the recommendations contained in the Corporate Governance Code for listed companies (the "Code"). The Code, according to the major international markets' experience, identifies the corporate governance best practices for listed companies recommended by the Corporate Governance Committee, to be applied according to the "comply or explain" principle that requires the explanation of the reasons of failure to comply with one or more recommendations contained in its principles or criteria.
Moreover, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by Banca d'Italia and, in detail, with regards to *corporate governance* issues, to the Supervisory Regulations on banks' corporate governance in being(Circular no. 285/2013, Part I, Title IV, Chapter 1). In compliance with the aforementioned Supervisory Regulations UniCredit, as significant bank subject to the direct prudential supervision of the ECB, as well as as a listed bank, is qualifiable as bank of a major size or operational complexity and consequently complies with the provisions applicable to such kind of bank.

Since 2001, UniCredit has adopted the Code which is available to the public on the Corporate Governance Committee website (http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014cleaneng.en.pdf). UniCredit yearly draws up a corporate governance report meant for its shareholders, institutional and non-institutional investors and the market. The report supplies suitable information on UniCredit's own Corporate Governance system.

Consistently with the relevant legal and regulatory obligations, as well as in line with the provisions of the Code, the Report on corporate governance and ownership structure has been drafted in accordance with Section 123/bis of the Legislative Decree no. 58 dated February 24, 1998 (the "TUF").

The Report on corporate governance and ownership structure approved by the Board of Directors (on March 12, 2015) is published at the same time as the Report on Operations on the Issuer's website (http://www.unicreditgroup.eu/en/governance/system-policies/corporate-governance-report.html). For further information on the UniCredit Corporate Governance system please see the first of the above document.

UniCredit, as issuer of shares also listed on the Frankfurt and Warsaw regulated markets, also fulfils the legal and regulatory obligations related to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange.

The information provided, unless otherwise specified, refers to the financial year January 1/December 31, 2014.

Since its establishment, UniCredit has adopted the so-called traditional management and control system.

The distinctive feature of this model is that the strategic supervision and the management of the company, the overseeing of its management and the legal accounting supervision are separated. The Board of Directors is solely responsible for the strategic supervision and the management of the concern, while the Board of Statutory Auditors is entrusted with supervising its management. Legal accounting supervision on the company is entrusted to an external audit firm by the Shareholders' Meeting on the basis of a proposal from the Board of Statutory Auditors, in compliance with relevant current laws.

This governance model was chosen because it has proven, over time, to make it possible to manage the business efficiently, while ensuring effective controls. That is, it creates the necessary conditions for UniCredit S.p.A. to be able to guarantee the sound and prudent management of a complex and global banking group, such as the UniCredit Group.

Moreover, the traditional management ascribes certain aspects to the sole responsibility of the Shareholders' Meeting, creating this way an opportunity for dialogue and debate between management and shareholders about fundamental elements of governance. These include the appointment and dismissal of directors, the appointment of the Board of Statutory Auditors members, the granting of a mandate for the external auditing to an audit firm, the setting of the related remuneration, as well as the approval of the financial statements, the profit allocations and the resolutions on the remuneration and incentive policies and practices provided for by the current provisions.

Shareholders' Meeting

The Ordinary Shareholders' Meeting of UniCredit is convened at least once a year within 180 days of the end of the financial year, in order to resolve upon the issues that current laws and the Articles of Association make it responsible for. An Extraordinary Shareholders' Meeting is convened, instead, whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by current laws.

The Agenda of the Shareholders' Meeting is established pursuant to legal requirements and to UniCredit's Articles of Association by whoever exercises the power to call a meeting.

The Ordinary Shareholders' Meeting has adopted Regulations governing Ordinary and Extraordinary Meetings in a functional and regular way. The Regulations are available on the Governance/Shareholders Meeting section of the UniCredit website.

Board of Directors

The Board of Directors of UniCredit may be comprised of between a minimum of 9 up to a maximum of 24 members. As at March 12, 2015, UniCredit has 19 Directors.

Their term in office is 3 financial years, unless a shorter term is established at the time they are appointed, and ends on the date of the Shareholders' Meeting called upon to approve the financial statements relating to the latest year in which they were in office.

The term in office of the current Board of Directors, which was appointed by the Shareholders' Meeting of May 11, 2012, will expire on the date of the Shareholders' Meeting called upon to approve the 2014 financial statements, convened on May 13, 2015.
The UniCredit Directors shall be appointed, according to the current provisions, on the basis of a proportional representation mechanism (*voto di lista*) abiding by the membership criteria concerning minority and independent Directors, apart from abiding by the rules on the balance between genders envisaged by Law no. 120/2011, pursuant to the procedures specified in Clause 20 of UniCredit's Articles of Association.

The Board of Directors has adopted its own Regulations governing its powers, working and jurisdiction. The Board establishes its qualitative and quantitative composition deemed most suitable for achieving the correct performance of the functions assigned to the Board of Directors and expresses its opinion on the maximum number of offices that UniCredit Directors may hold, in abidance by the current provisions of laws and regulations.

Moreover, Directors must take into account the provisions of Section 36 of Law no. 214/2011 which establishes that holders of a seat in managerial, supervisory and control bodies, as well as top management officers in companies or group of companies active in banking, insurance and financial markets are forbidden to hold, or to exercise, similar offices in competing companies or groups of companies.

Independence of Directors

According to the Enforcement Criteria envisaged by the Code and pursuant to Section 148 of the TUF, the Directors' independence shall be assessed by the Board of Directors after their appointment and, subsequently, every year, on the basis of the information provided by the director him/herself or, however, available to the Issuer. The outcome of the assessments of the Board shall be notified to the market.

The Corporate Governance, HR and Nomination Committee and the Board of Directors, the latter on March 12, 2015, carried out the assessment of the Directors' independence requirements based on the statements made by those concerned and of the information available to the Company. In that regard, the professional, commercial and financial relationships entertained by them (the credit relationships included too) were taken into account. Such relationships have been examined taking also into account the following criteria: i) the nature and the characteristics of the relationship, ii) the amount of the transactions both generally and relatively speaking, iii) the subjective profile of the relationship.

As a result of such assessment, the number of independent Directors according to the provisions of the Code is equal to 12.
The outcome disclosed to the market through a press release was the following:

- o "Independent" Directors pursuant to Section 3 of the Code:
  Mr. Cordero di Montezemolo, Mr. Al Fahim, Mr. Bischoff, Ms. Bochniarz, Mr. Caltagirone, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi, Mr. Wolfgring and Mr. Wyand;.
- o "Independent" Directors pursuant to Section 148 of the TUF: Mr. Vita, Mr. Fois, Mr. Calandra Buonaura, Mr. Cordero di Montezemolo, Mr. Palenzona, Mr. Al Fahim, Mr. Bischoff, Ms. Bochniarz, Mr. Caltagirone, Mr. Giacomin, Ms. Li Calzi, Mr. Maramotti, Mr. Quaglia, Ms. Reichlin, Mr. Sassoli de Bianchi, Mr. Wolfgring and Mr. Wyand.

In its March 12 and April 1, 2015, meetings the Board of Statutory Auditors ascertained, with a positive outcome, the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of its own members.

Governance organizational structure

Status and activities of the Directors

Position	Members	In office since	In office until	Slate (M/m) *	Executive	Non-executive	Independent as per Code	Independent as per TUF	Board meetings attendance % **	Number of other positions ***
Chairman	Vita Giuseppe	11-05-2012	13-05-2015	M		X		X	100	1
Senior Vice Chairman	Fois Candido	11-05-2012	13-05-2015	M		X		X	84.62	2
Vice Chairman	Calandra Buonaura Vincenzo	11-05-2012	13-05-2015	M		X		X	100	-
Vice Chairman	Cordero di Montezemolo Luca	11-05-2012 (1)	13-05-2015	M		X	X	X	76.92	10
Vice Chairman	Palenzona Fabrizio	11-05-2012	13-05-2015	M		X		X	100	4
CEO	Ghizzoni Federico	11-05-2012	13-05-2015	M	X				100	1
Director	Al Fahim Mohamed Ali	18-10-2012 (2)	13-05-2015	--		X	X	X	100	8
Director	Bischoff Manfred	11-05-2012	13-05-2015	M		X	X	X	76.92	2
Director	Bochniarz Henryka	11-05-2012	13-05-2015	M		X	X	X	69.23	2
Director	Caltagirone Alessandro	11-05-2012	13-05-2015	M		X	X	X	76.92	14
Director	Giacomin Francesco	11-05-2012	13-05-2015	M		X		X	100	1
Director	Jung Helga	11-05-2012	13-05-2015	M		X			84.62	5
Director	Li Calzi Marianna	11-05-2012	13-05-2015	M		X	X	X	100	1
Director	Maramotti Luigi	11-05-2012	13-05-2015	M		X	X	X	84.62	6
Director	Quaglia Giovanni	18-12-2012 (3)	13-05-2015	--		X	X	X	100	6
Director	Reichlin Lucrezia	11-05-2012	13-05-2015	m		X	X	X	92.31	3
Director	Sassoli de Bianchi Lorenzo	11-05-2012	13-05-2015	M		X	X	X	92.31	1
Director	Wolfgring Alexander	11-05-2013 (4)	13-05-2015	--		X	X	X	100	4
Director	Wyand Anthony	11-05-2012	13-05-2015	M		X	X	X	92.31	3
Directors that left off during the Period										

***Quorum* required for the submission of the slates for the latest appointment: 0.5%**										
Number of meetings held during the financial year: 13										

NOTE:

*	**M** = Member elected from the slate that obtained the relative majority of the Shareholders' votes
	m = Member elected from the slate voted by the minority
**	Number of meeting attended / number of meetings held during the concerned party's term of office with regard to the Period
***	Number of positions as Director or Auditor held in other companies listed on regulated markets (both in Italy and abroad), including financial services companies, banks, insurance companies or other large companies. There is a list of such companies for each Director attached to the Report
(1)	Appointed as Vice Chairman on October 18, 2012
(2)	Co-opted on October 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013
(3)	Co-opted on December 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013
(4)	Appointed by the Shareholders' Meeting on May 11, 2013

Committees of the Board of Directors

In order to support the Directors with an efficient information and consultancy system, able to assure the capability of the Board of Directors to properly assess all the specific matters falling within its jurisdiction, the following five committees have been created with the power to provide advice and make proposals; the committees focus on separate issues: Permanent Strategic Committee; Internal Controls & Risks Committee; Corporate Governance, HR and Nomination Committee, Remuneration Committee and Related Parties and Equity Investments Committee. The Permanent Strategic Committee has been voluntarily set up; the Internal Controls & Risks Committee, the Corporate Governance, HR and Nomination Committee and the Remuneration Committee have been set up pursuant to the Code while the Related-Parties and Equity Investments Committee has been set up in compliance with the CONSOB regulatory provisions and the Banca d'Italia Supervisory Regulations.
As regards the Committees set up pursuant to the Code, none of the functions of one or more Board Committees envisaged by the Code has been reserved to the Board of Directors. Moreover, none of the abovementioned Committees, per se, performs the multiple functions of two or more committees as envisaged by the Code. The committee functions have not been allocated amongst the various committees in a manner different vis-à-vis the provisions of the Code.
The Committees may operate according to procedures considered appropriate and may inter alia split into Sub-Committees.

Permanent Strategic Committee

The Permanent Strategic Committee is comprised of 9 directors, the majority of whom shall be non-executive. The Chairman of the Board and Chief Executive Officer are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board. In principle, the meetings of the Permanent Strategic Committee shall be scheduled on a monthly basis but could be convened whenever necessary to discuss a topic that falls within the scope of the Committee's duties. The meetings will normally be called by the Chairman; however, any two or more Members or two Statutory Auditors can also call a meeting. In this latter case, all the Statutory Auditors are entitled to attend.

In 2014, the Permanent Strategic Committee held no. 11 meetings.

Duties

The Committee's role is to provide advice and make proposals. The main task of the Permanent Strategic Committee is to provide the Board of Directors with opinions concerning proposals formulated by the CEO to the Board concerning:

a) the Group 3 Year Plan;

b) the Group yearly budget;

c) the Group yearly capital allocation;

d) the Group yearly strategy related to transactions involving shareholdings (M&A/reorganizations);

e) the approval of transactions on shareholdings above a certain limit (€300 million for transactions in high-risk countries, and €500 million for transactions in low-risk countries);

f) extraordinary capital allocations and dividend policy, both for the Holding Company and the Group Companies, unless already included in the annual general Capital Allocation guidelines indicated under para. c) above;

g) other transactions/initiatives of strategic relevance to the Group, such as: decisions to enter new geographical and business markets, high-profile joint ventures with industrial and/or financial Groups.

Internal Controls & Risks Committee

The Internal Controls & Risks Committee is comprised of 9 non-executive directors, who are independent pursuant to Section 148, paragraph 3, of the TUF. Moreover, the majority of the members (6 out of 9) meet the independence requirements prescribed by the Code. The Chairman of the Committee is independent pursuant to Section 148, paragraph 3, of the TUF and according to the Code. The Chairman and the Senior Vice Chairman of the Board of Directors are members by right. At least one member of the Committee shall be chosen from the directors that were candidates on minority slates - if presented - in order to ensure greater transparency, responsibility and participation by the various components of the corporate structure. Committee members shall be chosen on the basis of their expertise and willingness to accept the office and some of them having specific experience in accounting, fiscal, financial and risk-related areas. The Chairman of the Internal Controls & Risks Committee shall be elected from among the members other than those that are members by right.

The Committee, which has consultative and proposal-making functions, carries out its duties in a plenary session or with limited membership in two Sub-Committees:
- the Internal Controls Sub-Committee; and
- the Risks Sub-Committee.

The Internal Controls Sub-Committee and the Risks Sub-Committee shall each comprise 6 directors and shall be chaired by the Internal Controls & Risks Committee Chairman, who shall be a member by right of each Sub-Committee together with the Chairman of the Board of Directors and the Senior Vice Chairman.

The current composition of the Sub-Committees is the following:

- Internal Controls Sub-Committee: Mr. Wyand (Chairman), Mr. Fois, Mr. Giacomin, Ms. Li Calzi, Mr. Sassoli de Bianchi and Mr. Vita;
- Risks Sub-Committee: Mr Wyand (Chairman), Mr. Fois, Mr. Maramotti, Ms. Reichlin, Mr. Wolfgring and Mr. Vita.

Meetings of the Internal Controls & Risks Committee are usually called monthly on the basis of an annual planning:

- at least twice annually in plenary session; and
- in limited session as either Internal Controls Sub-Committee or Risks Sub-Committee.

In any event meetings - whether plenary or of the Internal Controls and the Risks Sub-Committees - shall normally be called by the Internal Controls & Risks Committee Chairman; however, any 2 or more Members or 2 Statutory Auditors may also call a meeting. In this latter case, all the Statutory Auditors are entitled to attend.

The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the Chairman of the Board of Statutory Auditors shall attend the meetings of the Internal Controls & Risks Committee and the Internal Controls and the Risks Sub-Committees. Other Statutory Auditors may be invited to attend, along with members of the external auditing firm.

Committee meetings, whether plenary or of the Internal Controls and the Risks Sub-Committees, shall be attended by the CEO, the General Manager, the Head of Internal Audit and the Head of Compliance, the Chief Risk Officer and the Chief Financial Officer, as standing invitees.

In 2014, the Internal Controls & Risks Committee held no. 12 meeting, no. 6 plenary sessions, 3 meetings of its Internal Controls Sub-Committee and 3 meetings of its Risks Sub-Committee.

Duties

The duties of the Internal Controls & Risks Committee shall in any case cover all the risk and control matters within the competence of the Board of Directors.

1. Plenary meetings: Duties of the Committee

The Internal Controls & Risks Committee shall, in its plenary meetings:

a) support the Board of Directors in defining the guidelines for the internal control system and periodically in assessing the adequacy, efficiency and effectiveness of the system, by ensuring that all the main corporate risks are being correctly identified and adequately measured, managed and monitored;

b) examine the half-yearly situations and the annual accounts (both of UniCredit S.p.A. stand-alone and consolidated), based on the reports received from the Manager in charge of drafting the corporate and financial statements, also to verify the proper application and consistency of accounting standards for the purposes of the consolidated financial statements;

c) examine the guidelines for drawing up the annual budget prepared by the competent function;

d) support the Board of Directors in determining criteria for ensuring the compatibility of corporate risks with sound and proper management of the Company (risk appetite);

e) support the Board of Directors in formalising policies for the management of the risks to which the Group is exposed and periodically reviewing them to ensure their long-term effectiveness;

f) analyse periodical reports prepared by control functions in respect of compliance with regulatory and legal requirements;

g) assess the work carried out by the Group's external auditing firm(s) and the results set out in their report(s) and Management letter(s);

h) analyse the reports on their activities made by the management control coordination committees;

i) establish functional links with similar committees Groupwide.

The Internal Controls & Risks Committee shall report on its activities to the Board after each meeting, and at least every six months, when it meets to approve the financial statements and the interim reports, on the adequacy of the internal control system.

2.1 Duties of the Internal Controls Sub-Committee

The Internal Controls Sub-Committee shall cover all control matters, by:

j) overseeing the Compliance function to ensure that it implements the compliance risk management policies defined by the Board, and that the Internal Audit function implements the Board's guidelines in respect of conducting third level controls;

k) assessing any remarks contained in the reports received from the Internal Audit and Compliance functions, or from the Board of Statutory Auditors of the companies belonging to the Group, or from third party investigations and/or analyses;

l) analysing Group guidelines for Audit activity, assessing the adequacy of the annual audit plan prepared by the Head of Internal Audit and, where necessary, requesting that specific audits be performed;

m) analysing Group guidelines on the matters within the competence of Compliance and monitoring their adoption and implementation;

n) analysing the periodical reports produced by the control functions Internal Audit and Compliance, however not with reference to legal and regulatory requirements;

o) assessing the qualitative and quantitative adequacy of the organizational structure of the Compliance and Internal Audit functions and requesting the head of each function to propose changes to their respective organizations, to be implemented, for Compliance, by the CEO and for Internal Audit by the Head of Internal Audit, the latter's proposals to be accompanied by a non-binding opinion of the CEO;

p) advising on the proposals made by the Chairman of the Board of Directors on the appointment or replacement of the heads of the Internal Audit and Compliance, as well as the variable component of their compensation;

q) examine the quarterly situations.

2.2 Duties of the Risks Sub-Committee

The Risks Sub-Committee shall cover all risk matters, by:

r) examining the Group risk assessment;

s) supporting the Board of Directors in its oversight of the actual functioning of the risk management and control processes (in respect of credit risk, market risk, liquidity risk and operational risk) in compliance with legal and regulatory requirements; and, with regard to credit risk, assisting the Board of Directors in monitoring concentration risk, by industry and individual names;

t) analyzing the periodical reports produced by the Risk Management function, however not with reference to legal and regulatory requirements.

Related-Parties and Equity Investments Committee

The Related-Parties and Equity Investments Committee shall comprise 3 members having the requisites of independence as defined by the Corporate Governance Code for listed companies and shall appoint a Chairman from among them.

The Related-Parties and Equity Investments Committee shall be called by its Chairman whenever deemed necessary.

The membership of the Committee is the following: Ms.Marianna Li Calzi (Chairman), Mr. Giovanni Quaglia and Mr. Lorenzo Sassoli de Bianchi.

All the members of the Committee are independent pursuant to Section 148, paragraph 3 of the Legislative Decree no. 58 dated February 24, 1998, and fulfil all the independency requirements established by the Corporate Governance Code.

In 2014 the Related-Parties and Equity Investments Committee held no. 16 meetings.

Duties

The Committee's role is to provide advice and make proposals. This Committee shall cover all related parties transaction matters according to CONSOB Regulation no. 17221/2010 and connected subjects transaction matters according to the Bank of Italy Circular 263/2006 (Title V, Chapter 5), as well as non-financial equity investments in compliance with the aforementioned Circular (Title V, Chapter IV) within the role allotted to the Independent Directors by the aforesaid rules.

As far as the related parties and connected subjects transactions are concerned, in particular:

- the Committee provides preventive opinions (as the case may be, binding opinions) on procedures whereby related parties and/or connected subjects transactions are identified and managed in UniCredit and Group Companies as well as on the relevant changes thereof;

- the Committee provides preventive and grounded opinions, when explicitly required, also on the interest for the carrying out of the transaction with related parties and/or connected subjects to be completed by UniCredit and/or by Group Companies as well as on their profitability and the intrinsic correctness of their terms and conditions;

- when there are transactions of a greater relevance with related parties and/or connected subjects, the Committee is involved - if deemed advisable by the Committee itself, through one or more members appointed for the task - during the negotiation and the preliminary phase by receiving a complete and timely information flow, with the option to request information and express comments to the delegated bodies and to the persons charged with carrying on the negotiations or the preliminary investigations.

A continuous monitoring of the procedures whereby related parties and/or connected subjects transactions are identified and managed must be ensured to the Committee also in order for it to propose possible corrective actions.

As far as the non-financial equity investments are concerned, the Committee performs the role of assessing, supporting and advising on matters of organization and on the exercise of internal controls over the total activity of acquiring and managing shareholdings in non-financial companies, as well as general verification that the activities carried out within the departments for such shareholdings comply with strategic and management directives.

a) Temporary replacement in case of conflict of interest

In respect of each individual transaction, Committee members must be different from the counterparty, his/her related parties and/or his/her connected subjects.

Should one Committee member be the counterparty (or related/connected to the counterparty), he/she shall promptly inform the Chairman of the Board of Directors and the Committee Chairman and refrain from taking part in the further business of the Committee in respect of the relevant transaction. In this event the Chairman of the Board of Directors, having gathered the opinion of the Committee Chairman, shall replace the member who is in conflict of interest without delay indicating, after having contacted him/her, another member of the Board of Directors in possession of the independence requirements mentioned by the Corporate Governance Code for listed companies, such that the Related-Parties and Equity Investments Committee shall again be made up by three non-related and non-connected as well as independent members.

b) Temporary replacement, for unavailability of the members, in case of urgent transactions

In case of transactions whose execution is urgent and for which the intervention of the Related-Parties and Equity Investments Committee in the negotiation phase and the initial inquiry as well as in the granting of the opinion is required, the Committee Chairman – after having acknowledged the urgency status of the transaction and ascertained the unavailability of the majority or all the members of the Committee to meet or, anyhow, to carry out the activity required in time for the clinching of the operation – promptly gives notice to the Chairman of the Board of Directors of said unavailability.

In any case, the notification to the Chairman of the Board of Directors must be made no later than the day following that on which the Committee Chairman has received notice of the unavailability of all or the majority of the members.

The Chairman of the Board of Directors – after having heard the opinion of the Chief Executive Officer about the urgency status of the transaction – acts immediately to reintroduce in the Committee the presence of three independent Directors, following the same procedure established with reference to temporary replacement in case of a conflict of interest.

\- - -

Referring to paragraphs a) and b), it is specified that:

- the substitutes must receive all the information available in time ahead of the Committee meeting called to express its opinion on the transaction in question;
- the substitutes perform the duties assigned to them until the approval procedure of the transaction in which they have been involved is completed and the relevant decisions taken within the Committee shall be attributable to them.

Corporate Governance, HR and Nomination Committee

The Corporate Governance, HR and Nomination Committee is comprised of 9 directors, the majority of whom shall be non-executive and independent. The Chairman of the Board and Chief Executive Officer are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board. In principle, Committee meetings shall be scheduled on a monthly basis but may be called whenever it is necessary to discuss a topic that falls within the scope of the Committee's duties. Committee meetings shall be called by the Chairman.

In 2014, the Corporate Governance, HR and Nomination Committee held no.9 meetings.

Duties

The Committee's role is to provide advice and make proposals. In particular, the Committee shall provide the Board of Directors with opinions concerning proposals formulated by the Chairman/CEO to the Board concerning:

a) the definition of UniCredit's corporate governance system, the corporate structure and governance models/guidelines of the Group;

b) the definition of policies for appointing UniCredit Directors and policies for the evaluation that the Board of Directors must undertake at least once a year on the size, composition and working of the Board itself and its committees;

c) the appointment of the Chief Executive Officer, General Manager, Deputy General Managers and other Directors holding strategic responsibilities, Senior Executive Vice Presidents, as well as other Heads of Department reporting directly to the Chief Executive Officer;

d) the definition of policies concerning the appointment and succession planning of the Chief Executive Officer, General Manager, Deputy General Managers and other Directors holding strategic responsibilities, Senior Executive Vice Presidents, Group Management Team (Executive Vice Presidents) and Leadership Team (Senior Vice Presidents);

e) the definition of policies for appointing corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group Companies);

f) the appointment of corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board) of the Main Group Companies (UniCredit Bank AG, UniCredit Bank Austria, Bank Pekao, Mediobanca, Associazione Bancaria Italiana, UniCredit Foundation and UniCredit & Universities);

g) the designation of candidates to the position of director of UniCredit in the event of cooptation, and of candidates to the position of independent director to be submitted to the approval of the UniCredit shareholders' meeting, based also on recommendations received from shareholders;

h) the appointment of members of the UniCredit Board Committees, upon the proposal of the Chairman.

The Corporate Governance, HR and Nomination Committee shall also provide its advice on the compatibility of the appointment of a Director of UniCredit as director, manager or member of controlling bodies in a banking, insurance or financial company (outside the UniCredit Group) with his/her office held in UniCredit, also when the fixed threshold to the maximum number of offices determined by the Board of Directors is exceeded.

Furthermore, the Committee provides the Board with its opinion - concerning proposals formulated by the Chairman/CEO to the Board itself - concerning the designation of candidates to the position of Director of UniCredit in the event of co-optation, and candidates to the position of independent Director to be submitted to the approval of the UniCredit Shareholders' Meeting, also keeping account of any recommendations received from shareholders.

Remuneration Committee

The Remuneration Committee is comprised of 5 non-executive directors, the majority of whom shall be independent. The Chairman and Senior Vice Chairman of the Board of Directors are members by right. The other members shall be chosen based upon their expertise and willingness to accept the office. The Chairman of the Committee is the Chairman of the Board. In principle, Committee meetings shall be scheduled on a quarterly basis, but may be called whenever it is necessary to discuss a topic that falls within the scope of the Committee's duties. Committee meetings shall be called by the Chairman.

In 2014, the Remuneration Committee held no. 6 meetings.

Duties

The Committee's role is to provide advice and make proposals. The main task of the Remuneration Committee is to provide the Board of Directors with opinions concerning proposals formulated by the CEO to the Board concerning:

a) the remuneration of UniCredit Directors who hold specific duties, and especially the remuneration of the CEO;

b) the remuneration of UniCredit's Managing Director, in the event that the Managing Director is also the CEO;

c) the remuneration structure of the CEO, General Manager and Deputy General Managers;

d) the remuneration policy for the Senior Executive Vice Presidents, Group Management Team (Executive Vice Presidents), Leadership Team (Senior Vice Presidents) and Heads of Department reporting directly to the Chief Executive Officer;

e) the approval of Group incentive plans based on financial instruments;

f) the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors, and Supervisory Board of Group Companies);

The proposals concerning the Chief Executive Officer that the Committee will be called upon to express its opinion on will be formulated by the Chairman.

The Committee members about whose remuneration the Chairman must express his opinion in respect of their specific positions, shall not attend meetings scheduled to discuss the proposal concerning the aforesaid remuneration.

Board Committees

Members	Exec.	Non exec.	Indep. as per Code	IC&RC ◊ (attendance in plenary session) (°)		Remuneration Committee		CGHR&N Committee		Related-Parties and Equity Investments Committee		Permanent Strategic Committee	
				*	**	*	**	*	**	*	**	*	**
Vita Giseppe		X		M	100%	C	100%	C	100%			C	100%
Fois Candido		X		M	83.33%	M	83.33%					M	100%
Calandra Buonaura Vincenzo		X						M	100%			M	100%
Cordero di Montezemolo Luca		X	X					M	33.33%			M	27.27%
Palenzona Fabrizio		X						M	100%			M	100%
Ghizzoni Federico	X							M	88.89%			M	100%
Al Fahim Mohamed Ali		X	X										
Bischoff Manfred		X	X									M	72.73%
Bochniarz Henryka		X	X			M	83.33%						
Caltagirone Alessandro		X	X			M	66.67%	M	44.44%				
Giacomin Francesco		X		M	100%								
Jung Helga		X											
Li Calzi Marianna		X	X	M	100%					C	100%		
Maramotti Luigi		X	X	M	100%			M	88.89%			M	90.91%
Quaglia Giovanni		X	X					M	100%	M	100%		
Reichlin Lucrezia		X	X	M	66.67%							M	72.73%
Sassoli de Bianchi Lorenzo		X	X	M	100%					M	100%		
Wolfgring Alexander [1]		X	X	M	100%	M	100%						
Wyand Anthony		X	X	C	100%			M	88.89%				
----- Members that left off during the Period -----													

No. of meetings held during the Period				***IC&RC: 12◊ (see for details the "NOTE")***		***RC: 6***		***CGHR&NC: 9***		***RP&EIC:16***		***PSC: 11***	

NOTE:

◊ The Internal Controls & Risks Committee carries out its duties either in plenary session or through (i) the Internal Controls Sub-Committee, (ii) the Risks Sub-Committee. The Committee held no. 6 plenary sessions, 3 meetings of its Internal Controls Sub-Committee and 3 meetings of its Risks Sub-Committee.

(°) The percentage of the Directors' attendance of the meetings of the Internal Controls and Risks Sub-Committees during the Period was respectively as follows:

- Internal Controls Sub-Committee: Mr. Wyand (C) 100%, Mr. Vita 100%, Mr. Fois 66.67%, Mr. Giacomin 100%, Ms. Li Calzi 100%, Mr. Sassoli de Bianchi 100%;
- Risks Sub-Committee: Mr. Wyand (C) 100%; Mr. Vita 100%; Mr. Fois 100%; Mr. Maramotti 100%; Ms. Reichlin 100%; Mr. Wolfgring (100%).

Governance organizational structure

*	A "C" (Chairman) or an "M" (Member) in this column shows that the member of the Board of Directors belongs to the Committee and also indicates his/her position
**	Meetings' attendance percentage (number of meetings attended / number of meetings during the concerned party's term of office with regard to the Period)
(1)	Appointed by the Shareholders' Meeting on May 11, 2013

Board of Statutory Auditors

Pursuant to the UniCredit Articles of Association the Ordinary Shareholders' Meeting appoints 5 Statutory Auditors, among whom the Chairman, and 4 stand-in Statutory Auditors. Both the Statutory Auditors and stand-in Statutory Auditors may be re-elected.

Effective and stand-in members of the Board of Statutory Auditors are appointed on the basis of a proportional representation mechanism (*voto di lista*) in abidance by the composition criteria regarding the appointment of the Chairman of the Board by the minority shareholders and according to the rules on the balance of genders envisaged by Law no. 120/2011, as established by the UniCredit Articles of Association, and in compliance with current legal provisions. In detail, the candidate who has obtained the highest share of votes among the candidates belonging to the slate that obtained the highest number of votes among the minority slates shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors.
Their term in office is three financial years and ends on the date of the Shareholders' Meeting called upon to approve the financial statements for the third year of office.

Members of the Board of Statutory Auditors shall meet the professional experience, integrity and independence requirements laid down by law and they can hold administrative and control appointments with other companies within the limits set by current laws and regulations.

The Board of Statutory Auditors appointed by the Shareholders' Meeting on May 11, 2013, for the financial years 2013 - 2015, and in office until the date of the Shareholders' Meeting called upon to approve the 2015 financial statements, consists of Mr. Maurizio Lauri (Chairman), Mr. Giovanni Battista Alberti, Mr. Cesare Bisoni, Mr. Enrico Laghi and Ms. Maria Enrica Spinardi (Statutory Auditors). Therefore, the Ordinary Shareholders' Meeting of May 11, 2013 has appointed Ms. Federica Bonato, Mr. Paolo Domenico Sfameni, Mr. Marco Lacchini and Ms. Beatrice Lombardini stand-in Statutory Auditors. Mr. Marco Lacchini resigned from his office as stand-in Statutory Auditors as of June 7, 2013 and afterwards the Ordinary Shareholders' Meeting held on May 13, 2014 appointed as stand-in Statutory Auditor, Mr. Pierpaolo Singer. The appointment of Mr. Singer, has been resolved with the majorities required by law, without applying the list vote system, in any case abiding by the principles of the minority representation and gender balance required by current provisions, also of a regulatory nature

Board of Statutory Auditors

Position	Members	In office		Slate (M/m) *	Independent as per Code	% **	Number of others positions ***
		since	until				
Chairman	Lauri Maurizio	11-5-2013	Approval of 2015 financial statements	m	X	100%	
Statutory Auditor	Alberti Giovanni Battista	11-5-2013	Approval of 2015 financial statements	M	X	100%	
Statutory Auditor	Bisoni Cesare	11-5-2013	Approval of 2015 financial statements	M	X	100%	
Statutory Auditor	Laghi Enrico	11-5-2013	Approval of 2015 financial statements	M	X	72%	4
Statutory Auditor	Spinardi Maria Enrica	11-5-2013	Approval of 2015 financial statements	m	X	100%	1
Stand-in Statutory Auditor	Bonato Federica	11-5-2013	Approval of 2015 financial statements	M			
Stand-in Statutory Auditor	Sfameni Paolo Domenico	11-5-2013	Approval of 2015 financial statements	M			1
Stand-in Statutory Auditor	Lombardini Beatrice	11-5-2013	Approval of 2015 financial statements	m			
Stand-in Statutory Auditor	Singer Pierpaolo	13-5-2014 (1)	Approval of 2015 financial statements	--			
----- Statutory Auditors that left off during the Period ----							
Quorum **required for the submission of the slates for the latest appointment: 0.5%**							
Number of meetings held during the financial year: 44							

NOTE
- * **M =** Member elected from the slate obtaining the relative majority of the Shareholders' votes
  m = Member elected from the slate voted by a minority
- ** Meetings' attendance percentage (number of meetings attended / number of meetings during the concerned party's term of office with regard to the Period)
- *** Number of positions as Director or Auditor held by the interested party pursuant to Section 148/*bis* of the TUF. A complete list of such positions is published by the CONSOB on its website pursuant to Section 144/*quinquiesdecies* of the CONSOB Issuers Rules.

(1) Appointed by the Shareholders' Meeting on May 13, 2014

Major Shareholders

On the basis of the results from the Shareholders Register, completed with the communications received according to Section 120 of the TUF and other information known to the Company, updated to December 31, 2014, the UniCredit major shareholders (shareholders owning more than 2%) were as follows:

DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
International Petroleum Investment Company	**Aabar Luxembourg S.a.r.l.**	**5.024%**	**5.024%**
BlackRock Inc.		**4.668%**	**4.668%**
	BlackRock Institutional Trust Company, National Association	*0.962*%	*0.962*%
	BlackRock Asset Management Ireland Ltd	*0.835%*	*0.835%*
	BlackRock Fund Advisors	*0.788%*	*0.788%*
	BlackRock (Luxembourg) S.A.	*0.537%*	*0.537%*
	BlackRock Asset Management Deutschland AG	*0.526%*	*0.526%*
	BlackRock Life Limited	*0.223%*	*0.223%*
	BlackRock Advisors, LLC	*0.220%*	*0.220%*
	BlackRock Investment Management, LLC	*0.126%*	*0.126%*
	BlackRock Japan Co., Ltd	*0.108%*	*0.108%*
	BlackRock Fund Managers Limited	*0.074%*	*0.074%*
	BlackRock Investment Management (UK) Limited	*0.074%*	*0.074%*
	Ishares (DE) Invag Mit Teilgesellschftsvermogen	*0.036%*	*0.036%*
	BlackRock Advisors (UK) Limited	*0.034%*	*0.034%*
	BlackRock Asset Management Canada Limited	*0.032%*	*0.032%*
	BlackRock Investment Management (Australia) Limited	*0.029%*	*0.029%*
	BlackRock International Limited	*0.023%*	*0.023%*
	BlackRock (Netherlands) B.V.	*0.022%*	*0.022%*
	BlackRock Financial Management, Inc.	*0.016%*	*0.016%*
	BlackRock Capital Management Inc.	*0.003%*	*0.003%*
	BlackRock Asset Management North Asia Ltd	*0.0004%*	*0.0004%*
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	**Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona**	**3.459%**	**3.459%**
Del Vecchio Leonardo	**Delfin S.a.r.l.**	**3.012%**	**3.012%**

Central Bank of Libya		**2.922%**	**2.922%**
	Central Bank of Libya	*2.639%*	*2.639%*
	Libyan Foreign Bank	*0.283%*	*0.283%*
Fondazione Cassa di Risparmio di Torino	**Fondazione Cassa di Risparmio di Torino**	**2.516**%	**2.516**%
Carimonte Holding S.p.A.	**Carimonte Holding S.p.A.**	**2.115%**	**2.115%**

SHARE CAPITAL (AS AT DECEMBER 31, 2014)	SHARES	EURO
Total shares	5,865,778,463	19,905,773,742.24
Ordinary shares	5,863,329,150	19,897,461,892.29
Savings shares	2,449,313	8,311,849.95

Participation Rights

Eligible to attend Shareholders' Meetings are those who hold voting rights and in respect of whom the Company has received, from the broker holding the relevant securities account, the notification within the deadline set forth by applicable law (record date, i.e. seven market trading days before the Shareholders' Meeting date).

Those who hold voting rights may arrange to be represented in the Shareholders' Meeting, in compliance with the provisions of the prevailing law.

UniCredit has always encouraged its shareholders to exercise their participation and voting rights and; for that reason, some time ago it adopted the Regulations governing Shareholders' Meetings to ensure their regular conduct.

Executive Management Committee

FEDERICO GHIZZONI
Chief Executive Officer

ROBERTO NICASTRO
General Manager

PAOLO FIORENTINO
Deputy General Manager
Chief Operating Officer

GIANNI FRANCO PAPA
Deputy General Manager
Head of CIB Division

ALESSANDRO MARIA DECIO
Group Chief Risk Officer

ALESSANDRO FOTI
Head of Asset Gathering

LUIGI LOVAGLIO
Country Chairman Poland

MARINA NATALE
Chief Financial Officer

CARLO APPETITI
Group Compliance Officer

WILLIBALD CERNKO
Country Chairman Austria

PAOLO CORNETTA
Group Head of Human Resources

GABRIELE PICCINI
Country Chairman Italy

CARLO VIVALDI
Head of Central and Eastern Europe Division

THEODOR WEIMER
Country Chairman Germany

Group Management Team

List of other members of Group Management Team*

SENIOR EXECUTIVE VICE PRESIDENT

Helmut Bernkopf
Head of Commercial Banking - UniCredit Bank Austria AG

Ranieri de Marchis
Head of Internal Audit

EXECUTIVE VICE PRESIDENT

GENERAL MANAGER AREA
Carlo Marini
Head of Group Clients Internationalization

Maria Antonella Massari
Head of Group Stakeholder & Service Intelligence

Alberto Naef
Head of Global Marketing

ASSET GATHERING
Mauro Albanese
Head of Commercial PFA Network - Finecobank

Paolo Di Grazia
Head of Direct Bank - Finecobank

Fabio Milanesi
Head of GBS - Finecobank

COUNTRY ITALY
Giampiero Bergami
Regional Manager Centro Nord

Ferdinando Brandi
Head of Special Network Italy

Giovanni Buson
Head of Organization Italy

Alessandro Cataldo
Head of Corporate Sales & Marketing

Monica Cellerino
Regional Manager Lombardia

Giovanni Chelo
Regional Manager Sicilia

Felice Delle Femine
Regional Manager Sud

Diego Donisi
Head of GBS UniCredit Leasing

Gianluca Finistauri
Head of Multichannel Distribution Integrated Strategy and Head of Global Multichannel & Business Innovation

Giovanni Forestiero
Regional Manager Nord Ovest

Frederik Geertman
Regional Manager Centro

Lucio Izzi
Regional Manager Nord Est

Renato Martini
Chief Executive Officer - UniCredit Factoring

Rodolfo Ortolani
Head of Business Support and Value Optimization

Corrado Piazzalunga
Chief Executive Officer - UniCredit Leasing

Dario Prunotto
Head of Private Banking Italy Network

Remo Taricani
Head of Individuals & Small Business Sales & Marketing

COUNTRY AUSTRIA
Robert Zadrazil
Head of Private Banking - UniCredit Bank Austria

COUNTRY GERMANY
Bernhard Brinker
Head of Private Banking - UniCredit Bank AG

Peter Buschbeck
Head of Private Clients Bank- UniCredit Bank AG

Lutz Diederichs
Head of Unternehmer (Corporate) Bank - UniCredit Bank AG

COUNTRY POLAND
Andrzej Kopyrski
Head of Corporate Banking and Markets Investment Banking Division - Bank Pekao

Grzegorz Piwowar
Head of Retail Banking Division - Bank Pekao

CORPORATE & INVESTMENT BANKING
Andreas Bohn
Head of CIB Germany

Richard Burton
co-Head Global Financing & Advisory (F&A)

Claudio Camozzo
co-Head Global Transaction Banking (GTB)

Dieter Hengl
Head of CIB Austria

Olivier Khayat
Deputy Head of CIB Division

Thiam J Lim
Head of Markets

Andreas Mayer
co-Head Global Financing & Advisory (F&A) and Head of F&A Germany

Vittorio Ogliengo
Head of CIB Italy and Head of CIB Americas, Asia-Pacific Region and Mena

Ernst Ohnmayer
co-Head Global Transaction Banking (GTB)

Patrick Soulard
Country Head France

ASSET MANAGEMENT
Jon Bailie
Head of Western Europe and Latin America

Werner Kretschmer
Chief Executive Officer - Pioneer Investment Austria

Giordano Lombardo
Chief Executive Officer - Pioneer Global Asset Management

CENTRAL EASTERN EUROPE
Mikhail Alekseev
Chief Executive Officer - Russia

Gianfranco Bisagni
Head of CIB CEE

Graziano Cameli
Chief Executive Officer - Ukraine

Andrea Casini
Chief Operating Officer - Bulgaria

Claudio Cesario
Chief Executive Officer - Serbia

Romeo Collina
General Manager - Croatia

Marco Cravario
General Manager - Romania

Levon Hampartzoumian
Chief Executive Officer - Bulgaria

Paolo Iannone
Chief Operating Officer - Czech Republic

Jiri Kunert
Chief Executive Officer - Czech Republic

Mauro Maschio
Head of CEE Retail

Mihaly Patai
Chief Executive Officer - Hungary

Klaus Priverschek
General Manager - Russia

Rasvan Radu
Chief Executive Officer - Romania

Niccolò Ubertalli
Deputy Chief Executive Officer - Turkey

Miljenko Zivaljic
Chief Executive Officer - Croatia

COMPETENCE LINES

AUDIT
Giuseppe Aquaro
Head of Internal Audit - UniCredit Bank Austria

Serenella De Candia
Head of Group Audit

Jurgen Dennert
Head of Audit Advisory, Quality Assurance & Operations

CFO
Mirko Davide Georg Bianchi
Head of Group Finance

Stefano Ceccacci
Head of Group Tax Affairs

Joachim Dobrikat
Head of Accounting, Tax & Shareholdings - UniCredit Bank AG

Francesco Giordano
Chief Financial Officer - UniCredit Bank Austria

Peter Hofbauer
Chief Financial Officer - UniCredit Bank AG

Marco Iannaccone
Chief Financial Officer - Turkey

Andrea Francesco Maffezzoni
Head of Planning, Strategy and Capital Management

Oreste Massolini
Head of Planning, Finance & Administration (CFO) - UniCredit Business Integrated Solutions (UBIS)

Lorena Pelliciari
Chief Financial Officer - Fineco bank

Arcangelo M. Vassallo
Head of Accounting

RISK MANAGEMENT
Diego Biondo
Chief Risk Officer - Bank Pekao

Massimiliano Fossati
CRO Italy

Maurizio Mario Franceschetti
Group Financial Risk

Juergen Kullnigg
Chief Risk Officer - UniCredit Bank Austria

Andrea Varese
Chief Risk Officer - UniCredit Bank AG

Guglielmo Zadra
Head of Group Credit & Integrated Risks

GROUP IDENTITY & COMMUNICATIONS
Maurizio Beretta
Head of Group Identity & Communications

Silvio Santini
Head of Group Brand Management

HUMAN RESOURCES
Angelo Carletta
Head of HR Holding

Michael Hinssen
Head of HR CIB Division and Head of HR Germany - UniCredit Bank AG

Luigi Lociani
Head of HR Italy

Ivan Tardivo
Head of Human Capital Development

Doris Tomanek
Head of HR Austria & CEE - UniCredit Bank Austria

Michele Ungaro
Head of HR - UniCredit Business Integrated Solutions (UBIS)

LEGAL & COMPLIANCE
Gianpaolo Alessandro
Co-Head of Group Legal

Andreas Frueh
Head of Legal, Corporate Affairs & Documentation - UniCredit Bank AG

Carlo Kostka
Co-Head of Group Legal

ORGA
Sandra Betocchi
Head of CIB Organization

Giandomenico Miceli
Risk and Compliance Organization & Processes

Paolo Tripodi
Head of Group Organization and Logistics

HEAD OFFICE FUNCTIONS
Omar Collavizza
Head of Executive Management Committee Staff

Aurelio Maccario
Head of Group Regulatory Affairs

Laura Stefania Penna
Head of Management Consultancy

Giuseppe Scognamiglio
Head of Group Institutional & Regulatory Affairs

COO AREA
Danilo Augugliaro
Banking Service Lines Management - UniCredit Business Integrated Solutions (UBIS)

Paolo Cederle
Chief Executive Officer - UniCredit Business Integrated Solutions (UBIS)

Paolo Chiaverini
Head of Business Line Commercial Banking MM - UniCredit Business Integrated Solutions (UBIS)

Paolo Gencarelli
Head of Infrastructural Service Lines Management - UniCredit Business Integrated Solutions (UBIS)

Lissimahos Hatzidimoulas
Head of UBIS Branch Germany and Chief Executive Officer UniCredit Business Partner

Heinz Laber
Head of Human Resources Management and GBS Division - UniCredit Bank AG

Massimo Milanta
Head of Group Chief Information Office (CIO)

Pierangelo Mortara
Head of Business Line Management - UniCredit Business Integrated Solutions (UBIS)

Roberto Vergnano
Head of GBS - Bank Pekao

Marian Wazynski
Head of Logistics & Procurement - Bank Pekao

* Data as at February 16, 2015

Consolidated Financial Statements

In addition to what has already been specified in the Notes at the bottom of the Contents, please note that:

- "X" indicates an item not to be completed (under Banca d'Italia instructions);
- unless otherwise indicated, all amounts are in **thousands of euros**.

The world moves fast.

Anticipation makes a world of difference.

Serving talent.

In a world that is always on the move, UniCredit saw the need for a network of high-tech services.
UniCredit Start Lab is our accelerator for innovative startups. From mentoring and network development to managerial coaching, we've got it covered.
MyZabaStart is a platform, lauched in Croazia da Zagrebačka Banca BB, that provides support for deserving business ideas in the green, creative and innovative sectors, to help drive their business growth.

Consolidated Accounts

Consolidated Balance Sheet

Consolidated Balance Sheet

(€ '000)

	AMOUNTS AS AT	
BALANCE SHEET - ASSETS	**12.31.2014**	**12.31.2013**
10. Cash and cash balances	8,051,122	10,520,172
20. Financial assets held for trading	101,225,546	80,700,678
30. Financial assets at fair value through profit or loss	31,803,397	30,492,559
40. Available-for-sale financial assets	97,636,497	84,511,974
50. Held-to-maturity investments	2,583,911	4,353,105
60. Loans and receivables with banks	68,730,127	63,310,191
70. Loans and receivables with customers	470,568,766	483,684,047
80. Hedging derivatives	9,114,167	9,574,937
90. Changes in fair value of portfolio hedged items (+/-)	2,873,397	2,815,054
100. Investments in associates and joint ventures	6,479,456	6,481,855
110. Insurance reserves attributable to reinsures	-	-
120. Property, plant and equipment	10,276,994	10,817,785
130. Intangible assets	5,561,533	5,326,550
of which: - goodwill	*3,561,531*	*3,533,100*
140. Tax assets	15,771,739	18,215,136
a) current tax assets	*1,472,027*	*1,329,195*
b) deferred tax assets	*14,299,712*	*16,885,941*
out of which for purposes of L. 214/2011	*11,182,084*	*13,145,129*
150. Non-current assets and disposal groups classified as held for sale	3,599,748	3,928,350
160. Other assets	9,940,990	11,186,752
Total assets	**844,217,390**	**825,919,145**

Note:
The comparative figures as at December 31, 2013 were restated, compared to what had been recorded on that date:
- due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters;
- due to the offsetting of the deferred tax assets, item 140 "Deferred tax assets" under Balance Sheet – Assets, with the relevant deferred tax liabilities, item 80. b) "Deferred tax liabilities" under Balance Sheet – Liabilities;
- due to the change with one counterparty falling under a different sector, from the items "Loans and receivables with banks" to "Loans and receivables with customers".

Continued: Consolidated Balance Sheet

(€ '000)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
10. Deposits from banks	106,036,913	107,829,653
20. Deposits from customers	410,411,985	393,113,026
30. Debt securities in issue	150,275,804	164,266,452
40. Financial liabilities held for trading	77,134,715	63,799,483
50. Financial liabilities at fair value through profit or loss	566,967	710,703
60. Hedging derivatives	8,621,943	8,629,006
70. Changes in fair value of portfolio hedged items (+/-)	6,528,527	4,116,322
80. Tax liabilities	1,750,457	2,281,288
a) current tax liabilities	*1,129,850*	*1,254,697*
b) deferred tax liabilities	*620,607*	*1,026,591*
90. Liabilities included in disposal groups classified as held for sale	1,650,458	2,128,617
100.Other liabilities	16,600,851	18,481,124
110. Provision for employee severance pay	1,180,206	1,080,778
120. Provisions for risks and charges	10,623,012	9,427,008
a) post retirement benefit obligations	*7,293,416*	*5,711,306*
b) other reserves	*3,329,596*	*3,715,702*
130. Insurance reserves	-	-
140. Revaluation reserves	(4,134,549)	(2,449,077)
160. Equity instruments	1,888,463	-
170. Reserves	13,748,408	19,605,469
180. Share premium	15,976,604	23,879,202
190. Issued capital	19,905,774	19,654,856
200. Treasury shares (-)	(2,795)	(3,755)
210. Minorities (+/-)	3,445,819	3,333,822
220. Net profit (loss) for the year (+/-)	2,007,828	(13,964,832)
Total liabilities and Shareholders' Equity	**844,217,390**	**825,919,145**

Note:

The comparative figures as at December 31, 2013 were restated, compared to what had been recorded on that date:

- due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised, from the item 120. b) "Provisions for risks and charges - Other reserves" to item 100 "Other liabilities" of the Balance Sheet – Liabilities;
- due to the offsetting of the deferred tax assets, item 140 "Deferred tax assets" under Balance Sheet – Assets, with the relevant deferred tax liabilities, item 80. b) "Deferred tax liabilities" under Balance Sheet – Liabilities;
- due to the change with one counterparty falling under a different sector, from the items "Deposits from banks" to "Deposits from customers".

Consolidated Income Statement

Consolidated Income Statement

(€ '000)

ITEM	YEAR 2014	YEAR 2013
10. Interest income and similar revenues	21,741,871	22,647,214
20. Interest expenses and similar charges	(9,680,036)	(10,729,408)
30. Net interest margin	**12,061,835**	**11,917,806**
40. Fee and commission income	9,070,316	8,808,521
50. Fee and commission expense	(1,585,239)	(1,582,794)
60. Net fees and commissions	**7,485,077**	**7,225,727**
70. Dividend income and similar revenue	402,484	260,916
80. Gains and losses on financial assets and liabilities held for trading	635,516	1,227,638
90. Fair value adjustments in hedge accounting	(9,046)	(17,127)
100. Gains (Losses) on disposal and repurchase of:	686,260	2,369,973
a) loans	*16,953*	*(3,194)*
b) available-for-sale financial assets	*622,536*	*1,927,397*
c) held-to-maturity investments	*4,114*	*3,618*
d) financial liabilities	*42,657*	*442,152*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	58,073	211,273
120. Operating income	**21,320,199**	**23,196,206**
130. Net losses/recoveries on impairment:	(4,520,392)	(13,643,631)
a) loans	*(4,178,413)*	*(13,621,465)*
b) available-for-sale financial assets	*(248,594)*	*(146,600)*
c) held-to-maturity investments	*(242)*	*(466)*
d) other financial assets	*(93,143)*	*124,900*
140. Net profit from financial activities	**16,799,807**	**9,552,575**
150. Premiums earned (net)	-	246
160. Other income (net) from insurance activities	-	(2,430)
170. Net profit from financial and insurance activities	**16,799,807**	**9,550,391**
180. Administrative costs:	(13,772,539)	(14,386,080)
a) staff expense	*(8,203,792)*	*(9,005,384)*
b) other administrative expense	*(5,568,747)*	*(5,380,696)*
190. Net provisions for risks and charges	(384,385)	(817,804)
200. Impairment/write-backs on property, plant and equipment	(762,916)	(842,434)
210. Impairment/write-backs on intangible assets	(430,574)	(2,693,712)
220. Other net operating income	1,224,845	1,129,529
230. Operating costs	**(14,125,569)**	**(17,610,501)**
240. Profit (loss) of associates	682,307	518,862
250. Gains and losses on tangible and intangible assets measured at fair value	3,491	(2,509)
260. Impairment of goodwill	-	(7,766,940)
270. Gains and losses on disposal of investments	319,359	(7,404)
280. Total profit or loss before tax from continuing operations	**3,679,395**	**(15,318,101)**
290. Tax expense (income) related to profit or loss from continuing operations	(1,167,242)	2,495,402
300. Total profit or loss after tax from continuing operations	**2,512,153**	**(12,822,699)**
310. Profit (Loss) after tax from discontinued operations	(124,126)	(760,471)
320. Net profit or loss for the year	**2,388,027**	**(13,583,170)**
330. Minorities	(380,199)	(381,662)
340. Profit (Loss) for the year attributable to the Parent Company	**2,007,828**	**(13,964,832)**

Earnings per share (€)	0.344	(2.47)
Diluted earnings per share (€)	0.343	(2.46)

Note:
The comparative figures at December 31, 2013 have been restated:
- due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters;
- due to the reclassification of the contribution made to the Italian Interbank Deposit Protection Fund (FITD), relating to movements that had already been authorised, from item 190 "Net provisions for risks and charges" and from item 220 "Other net operating income" to item 130.d) "Impairment losses on other financial transactions".

Consolidated Statement of Comprehensive Income

(€ '000)

ITEMS	YEAR 2014	YEAR 2013
10. Net profit (loss) for the year	**2,388,027**	**(13,583,170)**
Other comprehensive income not reclassified to profit or loss		
20. Property, plant and equipment	-	-
30. Intangible assets	-	-
40. Defined benefit plans	(1,471,052)	(210,915)
50. Non-current assets classified as held for sale	-	-
60. Portion of revaluation reserves from investments valued at equity	(2,943)	-
Other comprehensive income after tax that may be reclassified to profit or loss		
70. Hedges of foreign investments	-	-
80. Exchange differences	(1,660,581)	(161,022)
90. Cash flow hedges	106,205	(313,197)
100. Available-for-sale financial assets	1,071,362	704,114
110. Non-current assets classified as held for sale	1,458	(4,877)
120. Valuation reserves from investments accounted for using the equity method	272,385	(687,949)
130. Total other comprehensive income after tax	**(1,683,166)**	**(673,846)**
140. Comprehensive income (Item 10+130)	**704,861**	**(14,257,016)**
150. Consolidated comprehensive income attributable to minorities	(365,820)	(355,340)
160. Consolidated comprehensive income attributable to the Parent Company	**339,041**	**(14,612,356)**

Note:
Comprehensive income for 2013 differs from the figure disclosed in 2013 as a result of the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013 as noted in Part A – Accounting Policies – Section 5 – Other Matters.

Statement of Changes in Shareholders' Equity

Consolidated Statement of Comprehensive Income include Group portion and minorities.

Statement of changes in Shareholders' Equity as at December 31, 2014

	BALANCE AS AT 12.31.2013	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2014	ALLOCATION OF PROFIT FROM PREVIOUS YEAR	
				RESERVES	DIVIDENDS
Issued capital:					
a) ordinary shares	20,050,370	-	20,050,370	-	-
b) othe shares	8,226	-	8,226	-	-
Share premiums	25,153,166	-	25,153,166	(7,782,902)	-
Reserves:					
a) from profits	14,470,061	-	14,470,061	(6,141,811)	-
b) other	6,385,609	-	6,385,609	-	-
Revaluation reserves	(2,424,618)	-	(2,424,618)	-	-
Advanced dividends	-	-	-	-	-
Equity instruments	-	-	-	-	-
Treasury shares	(3,959)	-	(3,959)	-	-
Net profit or Loss for the period	(13,583,170)	-	(13,583,170)	13,924,713	(341,543)
Total Shareholders' Equity	**50,055,685**	**-**	**50,055,685**	**-**	**(341,543)**
Shareholders' Equity Group	46,721,863	-	46,721,863	-	(4,043)
Shareholders' Equity minorities	3,333,822	-	3,333,822	-	(337,500)

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

(1) The amounts disclosed in column "Stock Options" represent the effects of the delivery of shares (Stock Options, Performance Shares, Discount and Matching Shares connected with the ESOP Plans and other Group Executive Incentive Plans).

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

The changes in equity interests refer to the effects deriving from the sale of 34.5% of FinecoBank S.p.A., which UniCredit continues to control.

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

(€ '000)

CHANGES DURING THE YEAR										TOTAL SHAREHOLDERS' EQUITY AS AT 12.31.2014	SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2014	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2014
CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS								COMPREHENSIVE INCOME 2014			
	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	ADVANCED DIVIDENDS	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS	CHANGES IN SHAREHOLDINGS				
62,836	250,832	-	-	-	-	-	-	69,024	-	20,433,062	19,897,462	535,600
-	86	-	-	-	-	-	-	-	-	8,312	8,312	-
(147,563)	-	-	-	-	-	-	-	667	-	17,223,368	15,976,604	1,246,764
(66,021)	(250,918)	-	-	(176,392)	-	-	-	688,306	-	8,523,226	7,371,314	1,151,912
54,188	-	-	-	-	-	-	63,199	969	-	6,503,965	6,377,094	126,871
(22,242)	-	-	-	-	-	-	-	-	(1,683,166)	(4,130,026)	(4,134,549)	4,523
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,888,463	-	-	-	-	1,888,463	1,888,463	-
1,114	-	-	-	-	-	-	-	-	-	(2,845)	(2,795)	(50)
-	-	-	-	-	-	-	-	-	2,388,027	2,388,027	2,007,828	380,199
(117,687)	**-**	**-**	**-**	**(176,392)**	**1,888,463**	**-**	**63,199**	**758,966**	**704,861**	**52,835,552**	**49,389,733**	**3,445,819**
(68,092)	-	-	-	(176,392)	1,888,463	-	63,199	625,694	339,041	49,389,733		
(49,595)	-	-	-	-	-	-	-	133,272	365,820	3,445,819		

Statement of Changes in Shareholders' Equity

Statement of changes in Shareholders' Equity as at December 31, 2013

	BALANCE AS AT 12.31.2012	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2013	ALLOCATION OF PROFIT FROM PREVIOUS YEAR	
				RESERVES	DIVIDENDS
Issued capital:					
a) ordinary shares	20,052,977	-	20,052,977	-	-
b) othe shares	8,226	-	8,226	-	-
Share premiums	34,649,500	-	34,649,500	(219,783)	-
Reserves:					
a) from profits	11,002,058	(144,707)	10,857,351	1,131,106	-
b) other	84,882	-	84,882	-	-
Revaluation reserves	(1,767,269)	19,266	(1,748,003)	-	-
Advanced dividends	-	-	-	-	-
Treasury shares	(5,255)	-	(5,255)	-	-
Net profit or Loss for the period	1,222,532	-	1,222,532	(911,323)	(311,209)
Total Shareholders' Equity	**65,247,651**	**(125,441)**	**65,122,210**	**-**	**(311,209)**
Shareholders' Equity Group	61,578,652	(125,441)	61,453,211	-	(3,213)
Shareholders' Equity minorities	3,668,999	-	3,668,999	-	(307,996)

Balances as at December 31, 2012 differ from the amounts disclosed at that date as a result of the introduction of the new IAS 19R, which had a negative impact on the Shareholders' Equity as at December 31, 2012 (restated) amounting to €1,205 million following the classification of net actuarial losses (net of deferred tax items connected with them) in the revaluation reserves, as noted in Part A - Accounting Policies - Section 2 – Preparation Criteria.
The "Change in opening balance" column includes the effects of the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013 as noted in Part A - Accounting Policies - Section 5 - Other Matters.
The amounts disclosed in the "Comprehensive income" column include the effects of the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013 as noted in Part A - Accounting Policies - Section 5 - Other Matters.

The amounts disclosed in column "Stock Options" represent the effects of the delivery of shares (Stock Options, Performance Shares, Discount and Matching Shares connected with the ESOP Plans and other Group Executive Incentive Plans).

The changes in equity interests refer to the effects deriving from the sale of 9.1% of Pekao S.A. S.p.A., which UniCredit continues to control.

(€ '000)

CHANGES DURING THE YEAR												
	SHAREHOLDERS' EQUITY TRANSACTIONS											
CHANGES IN RESERVES	ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	ADVANCED DIVIDENDS	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGE IN EQUITY INSTRUMENTS	OWN SHARE DERIVATIVES	STOCK OPTIONS (1)	CHANGES IN SHAREHOLDINGS	COMPREHENSIVE INCOME 2013	TOTAL SHAREHOLDERS' EQUITY AS AT 12.31.2013	SHAREHOLDERS' EQUITY GROUP AS AT 12.31.2013	SHAREHOLDERS' EQUITY MINORITIES AS AT 12.31.2013
(15,011)	6,907	-	-	-	-	-		5,497	-	20,050,370	19,646,630	403,740
-	-	-	-	-	-	-		-	-	8,226	8,226	-
(9,486,404)	-	-	-	-	-	-		209,854	-	25,153,166	23,879,202	1,273,964
2,323,397	(6,907)	-	-	(512,535)	-	-	-	677,649	-	14,470,061	13,338,601	1,131,460
6,277,694	-	-	-	-	-	-	23,032	-	-	6,385,609	6,266,868	118,741
(2,769)	-	-	-	-	-	-	-	-	(673,846)	(2,424,618)	(2,449,077)	24,459
-	-	-	-	-	-	-	-	-	-	-	-	-
1,296	-	-	-	-	-	-	-	-	-	(3,959)	(3,755)	(204)
-	-	-	-	-	-	-	-	-	(13,583,170)	(13,583,170)	(13,964,832)	381,662
(901,797)	**-**	**-**	**-**	**(512,535)**	**-**	**-**	**23,032**	**893,000**	**(14,257,016)**	**50,055,685**	**46,721,863**	**3,333,822**
(13,626)	-	-	-	(512,535)	-	-	23,032	387,350	(14,612,356)	46,721,863		
(888,171)	-	-	-	-	-	-	-	505,650	355,340	3,333,822		

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (indirect method)

(€ '000)

	YEAR	
	2014	**2013**
A. OPERATING ACTIVITIES		
1. Operations	**9,204,509**	**11,067,953**
- profit and loss of the period (+/-)	2,007,828	(13,964,832)
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-)	(2,111,247)	(808,012)
- capital gains/losses on hedging operations (+/-)	9,046	17,127
- net losses/recoveries on impairment (+/-)	6,767,084	23,438,018
- net write-offs/write-backs on tangible and intangible assets (+/-)	1,189,999	3,538,655
- provisions and other incomes/expenses (+/-)	(332,574)	380,874
- uncollected net premiums (-)	-	-
- other uncollected incomes and expenses from insurance activities (+/-)	-	2,430
- unpaid taxes and tax credits (+/-)	953,392	(3,161,679)
- Impairment/write-backs on discontinued operations, net of tax (-/+)	278,494	940,246
- other adjustments (+)	442,487	685,126
2. Liquidity generated/absorbed by financial assets	**(40,411,379)**	**43,515,214**
- financial assets held for trading	(19,215,676)	26,678,426
- financial assets at fair value	(1,209,169)	(5,349,632)
- available-for-sale financial assets	(16,302,233)	(13,548,330)
- loans and receivables with banks	(10,226,724)	11,407,113
- loans and receivables with customers	(524,112)	21,102,369
- other assets	7,066,535	3,225,268
3. Liquidity generated/absorbed by financial liabilities	**25,932,304**	**(50,448,740)**
- deposits from banks	383,559	(7,136,141)
- deposits from customers	29,050,602	7,063,684
- debt certificates including bonds	(10,714,141)	(10,794,409)
- financial liabilities held for trading	14,010,609	(35,915,114)
- financial liabilities designated at fair value	(168,516)	(151,011)
- other liabilities	(6,629,809)	(3,515,749)
Net liquidity generated/absorbed by operating activities	**(5,274,566)**	**4,134,427**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**15,053,994**	**13,211,096**
- sales of equity investments	833,054	261,009
- collected dividends on equity investments	193,310	240,066
- sales of financial assets held to maturity	13,043,371	11,898,909
- sales of tangible assets	380,850	238,726
- sales of intangible assets	1,255	2,414
- sales of subsidiaries and divisions	602,154	569,972
2. Liquidity absorbed by:	**(13,136,445)**	**(13,060,546)**
- purchases of equity investments	(139,458)	(438,895)
- purchases of financial assets held to maturity	(11,378,664)	(11,051,938)
- purchases of tangible assets	(867,234)	(929,234)
- purchases of intangible assets	(682,089)	(640,479)
- purchases of sales/purchases of subsidiaries and divisions	(69,000)	-
Net liquidity generated/absorbed by investment activities	**1,917,549**	**150,550**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	1,888,463	-
- distribution of dividends and other scopes	(611,623)	(934,010)
Net liquidity generated/absorbed by funding activities	**1,276,840**	**(934,010)**
NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD	**(2,080,177)**	**3,350,967**

Continued: Consolidated Cash Flow Statement (indirect method)

Reconciliation

(€ '000)

	YEAR	
	2014	2013
Cash and cash equivalents at the beginning of the period	**10,520,172**	**7,274,429**
Net liquidity generated/absorbed during the period	(2,080,177)	3,350,967
Cash and cash equivalents: effect of exchange rate variations	(388,873)	(105,224)
Cash and cash equivalents at the end of the period	**8,051,122**	**10,520,172**

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

Item "Cash and cash equivalents" as at the beginning of 2013 differs by €295,569 thousand from the figure disclosed in December 2013 as a result of both the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013

Item "Cash and cash equivalents" as at the beginning of 2014 differs by €287,730 thousand from the figure disclosed in December 2013 as a result of the introduction, on January 1, 2014, of the new IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013.

Notes to the Consolidated Accounts

Part A – Accounting Policies

Part A – Accounting Policies

A.1 – General

Section 1 – Statement of Compliance with IFRSs

These Consolidated Accounts have been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB), including the interpretation documents issued by the SIC and the IFRIC, and endorsed by the European Commission up to December 31, 2014, pursuant to EU Regulation 1606/2002 which was incorporated into Italian legislation through the Legislative Decree no. 38 of February 28, 2005 (see Section 5 – Other matters).

They are an integral part of the Annual Financial Statements as required by art. 154-ter, paragraph 1, of the Single Finance Act (TUF Legislative Decree no. 58 of February 24, 1998).

In its circular 262 of December 22, 2005 and subsequent amendments the Bank of Italy – whose powers regarding the accounts of banks and regulated financial companies, previously established under Legislative Decree 87/92, were confirmed in the above mentioned Legislative Decree 58/98 – laid down the formats for the financial statements and explanatory notes used to prepare these Accounts.

In addition, on December 22, 2014 the Bank of Italy issued a third revision to this circular incorporating the amendments to IAS/IFRS, as endorsed by the European Commission, effective for reporting periods beginning on or after December 31, 2014. For further information see Section 2 – Preparation Criteria and Part A.2 concerning the main items in the accounts.

Section 2 – Preparation Criteria

As mentioned above, these Consolidated Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents have been used to interpret and support the application of IFRS, even though not all of them have been endorsed by the European Commission:

- The Conceptual Framework for Financial Reporting;
- Implementation Guidance, Basis for Conclusions, IFRICs and any other documents prepared by the IASB or International Financial Reporting Interpretations Committee (IFRIC) supplementing the IFRS;
- Interpretative documents on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (OIC) and Associazione Bancaria Italiana (ABI);
- ESMA (European Securities and Markets Authority) and Consob documents on the application of specific IFRS provisions.

The Consolidated Accounts comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement (compiled using the indirect method) and the Notes to the Accounts, together with the Directors' Report on Operations and Annexes.

Pursuant to Art. 123-bis par. 3 of TUF, as noted in the Report on Operations, the Report on Corporate Governance and Ownership Structures is available in the "Governance" section of the UniCredit website (**https://www.unicreditgroup.eu/it/governance/system-policies/corporate-governance-report.html** - Italian version and **https://www.unicreditgroup.eu/en/governance/system-policies/corporate-governance-report.html** - English version).

Figures in the financial statements and Notes to the Accounts are given in **thousands of euros**, unless otherwise specified.

In their joint Document no. 4 of March 3, 2010, the Bank of Italy, Consob and Isvap made a few observations on the current situation of the markets and businesses and requested that information essential for a better understanding of business trends and outlook be disclosed in financial reports.
In this regard, the Directors, in light of the positive result of the year and not having identified symptoms in the capital and financial structure that could indicate uncertainty about the entity's ability to continue as a going concern, believe with reasonable certainty that the Group will continue to operate profitably in the foreseeable future; as a result, in accordance with the provisions of IAS 1, the consolidated accounts as at December 31, 2014 were prepared on a going concern basis.

The measurement criteria adopted are therefore consistent with the above mentioned assumption and with the principles of accrual based accounting, the relevance and materiality of accounting information, and the prevalence of economic substance over legal form. These criteria have not changed with respect to the previous year, except for the modifications described in section A.2 "The Main Items of the Accounts" relating to the introduction of new standards and interpretations.

Third revision of December 22, 2014 to Bank of Italy circular 262/2005

In application of the above-mentioned third revision to Bank of Italy circular 262/2005, the financial statements and the tables included in the Notes to the accounts have incorporated the new aspects concerning disclosure, introduced by International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities". Additionally, disclosure pursuant to Part F of the Notes, " Shareholders' Equity", Section 2 "Own funds and regulatory ratios" was modified to take into consideration the new aspects introduced by Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the "CRR") and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (the "CRD IV").
As concerns IFRS 12, the main innovations introduced relate to disclosure of:

- the "significant judgements and assumptions" used to determine whether an entity has exclusive control, joint control or significant influence over another entity;
- the group structure;
- the subsidiaries with significant minority interests;
- the significant restrictions to the possible use of assets or of liquidating the liabilities of the subsidiaries;
- the nature and risks connected with consolidated structured entities (such as special purpose vehicles);
- the consequences of changes in interests with regard to subsidiaries that may or may not entail a loss of control;
- joint ventures or companies subject to a significant influence, important for the intermediary preparing the financial statements;
- the nature and extent of interests in unconsolidated structured entities and on the related risks.

Details are also requested of the performing loans which banking intermediaries agree to renegotiate for customers experiencing financial difficulties, in addition to further information on the liquidity risk and fair value of derivatives.

Risk and uncertainty related to the use of estimates

Under the IFRS, management must make judgments, estimates and assumptions that affect the application of accounting principles and the amounts of assets and liabilities and income and expenses reported in the accounts, as well as the disclosure concerning potential assets and liabilities. Estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances and have been used to estimate the carrying values of assets and liabilities not readily available from other sources.

Estimated figures have been used for the recognition of some of the largest value-based items in the Consolidated Accounts at December 31, 2014, as required by the accounting policies and regulations described above. These estimates are largely based on calculations of future recoverability of the values recognized in the accounts according to the rules laid down in current legislation and have been made on the assumption of a going concern, i.e. without contemplating the possibility of the forced sale of the estimated items.

The processes adopted confirm the carrying values at December 31, 2014. Valuation is particularly difficult because of the uncertainty in the macroeconomic and market environment.

The parameters and information used to check the above-mentioned values were therefore significantly affected by such factors, which could change rapidly in ways that are currently unforeseeable, such that further effects on future carrying values cannot be ruled out.

Estimates and assumptions are regularly reviewed. Any changes resulting from these reviews are recognized in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognized accordingly in both current and future periods.

Uncertainty affecting estimates is generally inherent in the measurement of:
- fair value of financial instruments not listed in active markets;
- loans and receivables, investments and, in general, any other financial assets/liabilities;
- severance pay (Italy) and other employee benefits;
- provisions for risks and charges and contingent assets (for more information on legal risks see Part E – Section 4) ;
- goodwill and other intangible assets;
- assets and liabilities related to insurance contracts;
- deferred tax assets;
- property held for investment

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

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

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

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

Section 3 – Consolidation Procedures and Scope

The consolidation criteria and principles used to prepare the consolidated accounts at December 31, 2014 are described below.

Consolidated Accounts

For the preparation of the Consolidated Accounts the following sources have been used:

- UniCredit S.p.A. Accounts (draft) at December 31, 2014;
- the accounts as at December 31, 2014, approved by the competent bodies and functions, of the other fully consolidated subsidiaries, duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated Accounts of Compagnia Italpetroli Group including Compagnia Italpetroli S.p.A. and its direct and indirect subsidiaries, at December 31, 2014.

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

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

Subsidiaries

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

In order to verify the existence of control, the Group considers the following factors:

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

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

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

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

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

Part A – Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

Any changes in the revaluation reserves of associates or joint arrangements, which are recorded as a contra item to changes in value of the phenomena relevant to this purpose, are reported separately in the Statement of Comprehensive Income.

The following table shows the companies included in the scope of consolidation.

1. Investments in Subsidiaries

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
					HELD BY	HOLDING %	
1	**UNICREDIT SPA** Issued capital EUR 19,905,773,742.24	**MILAN**	**ROME**		**HOLDING**		
2	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG Issued capital EUR 613,550	MUNICH	MUNICH	1	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	100.00	
3	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
					SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
4	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
					ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
5	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
					HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
6	ACTIVE ASSET MANAGEMENT GMBH Issued capital EUR 50,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
7	AGROB IMMOBILIEN AG Issued capital EUR 10,000,000	ISMANING	ISMANING	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	52.72	75.02
8	AI BETEILIGUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
9	ALEXANDA GV GMBH & Co. VERMIETUNGS KG Issued capital EUR 5,000	WIESBADEN	WIESBADEN	4	BARD ENGINEERING GMBH	..	(3)
10	ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued capital EUR 25,565	BAD HOMBURG	HAMBURG	1	UNICREDIT LEASING S.P.A.	100.00	
11	ALLEGRO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 3,576,202	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
12	ALLIB LEASING S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
13	ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA Issued capital HRK 20,000	ZAGREB	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
14	ALLIB ROM S.R.L. Issued capital RON 680,000	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.02	
					UNICREDIT LEASING CORPORATION IFN S.A.	99.98	
15	ALMS LEASING GMBH. Issued capital EUR 36,337	SALZBURG	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
16	ALPINE CAYMAN ISLANDS LTD. Issued capital EUR 798	GEORGE TOWN	GEORGE TOWN	1	UNICREDIT BANK AUSTRIA AG	100.00	
17	ALTUS ALPHA PLC	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
18	ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
19	AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD Issued capital RSD 2,715,063	BELGRADE	BELGRADE	1	UCTAM D.O.O. BEOGRAD	100.00	
20	ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
21	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	90.00	
22	AO UNICREDIT BANK Issued capital RUR 41,787,805,174	MOSCOW	MOSCOW	1	UNICREDIT BANK AUSTRIA AG	100.00	
23	ARABELLA FINANCE LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
24	ARANY PENZUEGYI LIZING ZRT. Issued capital HUF 60,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
25	ARENA NPL ONE S.R.L. (CARTOLARIZZAZIONE 2014)	VERONA	VERONA	4	UNICREDIT CREDIT MANAGEMENT BANK SPA	..	(3)
26	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 511,300	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
27	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
28	ARRONDA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 511,500	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
29	ARTIST MARKETING ENTERTAINMENT GMBH Issued capital EUR 50,000	VIENNA	VIENNA	1	MY BETEILIGUNGS GMBH	100.00	
30	ATLANTERRA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	90.00	
31	AUFBAU DRESDEN GMBH Issued capital EUR 260,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
32	AUSTRIA LEASING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
					GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	99.60
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
33	AWT HANDELS GESELLSCHAFT M.B.H. Issued capital EUR 2,906,913	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
34	B 03 IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
					VECTIGAL IMMOBILIEN GMBH	..	
35	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH Issued capital EUR 730,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.25	
					IMMOBILIEN HOLDING GMBH	99.75	
36	B.I. INTERNATIONAL LIMITED Issued capital EUR 792	GEORGE TOWN	GEORGE TOWN	1	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00	
37	BA ALPINE HOLDINGS, INC. Issued capital USD 74,435,918	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AUSTRIA AG	100.00	
38	BA BETRIEBSOBJEKTE GMBH Issued capital EUR 5,630,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
39	BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG Issued capital EUR 1,000	VIENNA	VIENNA	1	BA BETRIEBSOBJEKTE GMBH	99.90	
					MY DREI HANDELS GMBH	0.10	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
40	BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	BA BETRIEBSOBJEKTE GMBH	100.00	
41	BA CA LEASING (DEUTSCHLAND) GMBH Issued capital EUR 153,388	BAD HOMBURG	BAD HOMBURG	1	UNICREDIT LEASING S.P.A.	94.90	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	5.10	(4)
42	BA CA SECUND LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
43	BA CREDITANSTALT BULUS EOOD Issued capital BGN 6,250,000	SOFIA	SOFIA	1	HVB LEASING EOOD	100.00	
44	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 363,364	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
45	BA GEBAEUDEVERMIETUNGSGMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	BA GVG-HOLDING GMBH	70.00	
46	BA GVG-HOLDING GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
47	BA IMMO GEWINNSCHEIN FONDS1	VIENNA	VIENNA	4	UNICREDIT BANK AUSTRIA AG	..	(3)
48	BA PRIVATE EQUITY GMBH IN LIQU. Issued capital EUR 1,200,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
49	BA-CA ANDANTE LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
50	BA-CA FINANCE (CAYMAN) II LIMITED Issued capital EUR 15,000	GEORGE TOWN	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
51	BA-CA FINANCE (CAYMAN) LIMITED Issued capital EUR 15,000	GEORGE TOWN	GEORGE TOWN	1	ALPINE CAYMAN ISLANDS LTD.	100.00	
52	BA-CA LEASING DREI GARAGEN GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
53	BA-CA LEASING MAR IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
54	BA-CA LEASING MODERATO D.O.O. Issued capital EUR 8,763	LJUBLJANA	LJUBLJANA	1	UNICREDIT LEASING S.P.A.	100.00	
55	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. Issued capital EUR 127,177	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
56	BA-CA PRESTO LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
57	BA-CA WIEN MITTE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
58	BA/CA-LEASING BETEILIGUNGEN GMBH Issued capital EUR 454,000	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
59	BACA CENA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
60	BACA CHEOPS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
61	BACA HYDRA LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
62	BACA KOMMUNALLEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued capital EUR 36,500						
63	BACA LEASING ALFA S.R.O.	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
	Issued capital CZK 110,000						
64	BACA LEASING CARMEN GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
65	BACA LEASING GAMA S.R.O.	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
	Issued capital CZK 110,000						
66	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	98.80	99.00
	Issued capital EUR 21,936,492				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
67	BACA NEKRETNINE DRUSTVO SA OGRANICENOM ODGOVORNOSCU	BANJA LUKA	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital BAM 31,263						
68	BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
	Issued capital HUF 3,000,000						
69	BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
	Issued capital HUF 3,000,000						
70	BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
	Issued capital HUF 3,000,000						
71	BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA	ZAGREB	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital HRK 20,000						
72	BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital HRK 100,000						
73	BAI WOHNUNGSEIGENTUMSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	99.90	
	Issued capital EUR 73,000				BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.10	
74	BAL CARINA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
75	BAL DEMETER IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
76	BAL HESTIA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
77	BAL HORUS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
78	BAL HYPNOS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
79	BAL LETO IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
80	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
81	BAL SOBEK IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
82	BALEA SOFT GMBH & CO. KG Issued capital EUR 500,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
83	BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH Issued capital EUR 50,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
84	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
85	BANK AUSTRIA FINANZSERVICE GMBH Issued capital EUR 490,542	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
86	BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
87	BANK AUSTRIA IMMOBILIENSERVICE GMBH Issued capital EUR 70,000	VIENNA	VIENNA	1	PLANETHOME AG	100.00	
88	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
89	BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,337				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
90	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
91	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
92	BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH Issued capital EUR 145,500	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
93	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH Issued capital EUR 5,000,000	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
94	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH Issued capital EUR 10,900,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	94.95	
95	BANK AUSTRIA WOHNBAUBANK AG Issued capital EUR 18,765,944	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
96	BANK PEKAO SA Issued capital PLN 262,470,034	WARSAW	WARSAW	1	UNICREDIT SPA	50.10	
97	BANKHAUS NEELMEYER AG Issued capital EUR 12,800,000	BREMEN	BREMEN	1	UNICREDIT BANK AG	100.00	
98	BARD ENGINEERING GMBH Issued capital EUR 100,098	EMDEN	EMDEN	4	BARD HOLDING GMBH	..	(3)
99	BARD HOLDING GMBH Issued capital EUR 25,000	EMDEN	EMDEN	4	UNICREDIT BANK AG	..	(3)
100	BAREAL IMMOBILIENTREUHAND GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	50.00	
					UNICREDIT BANK AUSTRIA AG	50.00	
101	BARODA PIONEER ASSET MANAGEMENT COMPANY LTD Issued capital INR 880,440,640	MUMBAI	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
102	BARODA PIONEER TRUSTEEE COMPANY PVT LTD Issued capital INR 500,000	MUMBAI	MUMBAI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
103	BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	1.00	
					CALG IMMOBILIEN LEASING GMBH	99.00	
104	BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA. Issued capital BRL 351,531	SAO PAULO	SAO PAULO	1	UNICREDIT DELAWARE INC	0.47	
					UNICREDIT SPA	99.53	
105	BDK CONSULTING LLC Issued capital UAH 0	LUCK	LUCK	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00	
106	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
107	BF NINE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
108	BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG Issued capital EUR 5,125,701	MUNICH	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	94.78	93.87
					WEALTHCAP LEASING GMBH	5.22	5.14
109	BIL LEASING-FONDS GMBH & CO VELUM KG Issued capital EUR 2,556	MUNICH	MUNICH	1	BIL LEASING-FONDS VERWALTUNGS-GMBH	..	33.33
					UNICREDIT BANK AG	100.00	33.33
110	BIL LEASING-FONDS VERWALTUNGS-GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
111	BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROSSBRITANNIEN KG Issued capital EUR 5,500	HAMBURG	HAMBURG	1	WEALTHCAP FONDS GMBH	90.91	
					WEALTHCAP INVESTORENBETREUUNG GMBH	9.09	
112	BORGO DI PEROLLA SRL Issued capital EUR 2,043,952	MASSA MARITTIMA	MASSA MARITTIMA	1	FONDIARIA LASA SPA	100.00	
113	BREWO GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
114	BUCHSTEIN IMMOBILIENVERWALTUNG GMBH UND CO OG Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
115	BUITENGAATS HOLDING B.V. Issued capital EUR 18,000	EEMSHAVEN	EEMSHAVEN	4	BARD ENGINEERING GMBH	..	(3)
116	BULBANK LEASING EAD Issued capital BGN 2,050,000	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
117	BV GRUNDSTUCKSENTWICKLUNGS-GMBH Issued capital EUR 511,300	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
118	BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG Issued capital EUR 511,292	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
119	CA-LEASING DELTA INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
120	CA-LEASING EPSILON INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
121	CA-LEASING EURO, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
122	CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
123	CA-LEASING OMEGA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
124	CA-LEASING OVUS S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
125	CA-LEASING SENIOREN PARK GMBH	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
126	CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
127	CABET-HOLDING GMBH Issued capital EUR 290,909	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
128	CABO BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 35,000	VIENNA	VIENNA	1	CABET-HOLDING GMBH	100.00	
129	CAC REAL ESTATE, S.R.O. Issued capital CZK 110,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
130	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG Issued capital EUR 6,719,227	VIENNA	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
131	CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
132	CALG 307 MOBILIEN LEASING GMBH	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued capital EUR 90,959				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
133	CALG 443 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued capital EUR 36,336				CALG IMMOBILIEN LEASING GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
134	CALG 445 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.60	100.00
	Issued capital EUR 18,168				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.40	(4)

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
135	CALG 451 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
136	CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
137	CALG ANLAGEN LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 55,945,753				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
138	CALG ANLAGEN LEASING GMBH & CO GRUNDSTUECKVERMIETUNG UND -VERWALTUNG KG	MUNICH	MUNICH	1	CALG ANLAGEN LEASING GMBH	99.90	
	Issued capital EUR 2,326,378						
139	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued capital EUR 13,318,789				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
140	CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 36,337				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
141	CALG GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
142	CALG IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued capital EUR 41,384,084				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
143	CALG IMMOBILIEN LEASING GMBH & CO. 1050 WIEN, SIENBENBRUNNENGASSE 19-21 OG	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 300				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
144	CALG IMMOBILIEN LEASING GMBH & CO. 1120 WIEN, SCHOENBRUNNER SCHLOSSSTRASSE 38-42 OG	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 300				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
145	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT ACHT OG	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 300				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
146	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT VIER OG	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 300				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
147	CALG MINAL GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
	Issued capital EUR 18,286				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
148	CAMPO DI FIORI S.R.L.	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
	Issued capital EUR 50,000						
149	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : BIPCA CORDUSIO RMBS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
150	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : CAPITAL MORTGAGE 2007 - 1)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
151	CARD COMPLETE SERVICE BANK AG Issued capital EUR 6,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	50.10	
152	CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH Issued capital EUR 75,000	VIENNA	VIENNA	1	CARD COMPLETE SERVICE BANK AG	5.00	
					DC BANK AG	1.00	
					UNICREDIT BANK AUSTRIA AG	52.00	
153	CDM CENTRALNY DOM MAKLERSKI PEKAO SA Issued capital PLN 56,331,898	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
154	CEAKSCH VERWALTUNGS G.M.B.H. Issued capital EUR 35,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	100.00	
155	CENTAR KAPTOL DOO Issued capital HRK 46,830,400	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
156	CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG	VIENNA	VIENNA	4	BA IMMO GEWINNSCHEIN FONDS1	..	(3)
157	CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC Issued capital PLN 500,000	KRAKOW	KRAKOW	1	BANK PEKAO SA	100.00	
158	CENTRUM KART SA Issued capital PLN 26,782,648	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
159	CHARADE LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
160	CHEFREN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
161	CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
162	COFIRI S.P.A. IN LIQUIDAZIONE Issued capital EUR 6,910,151	ROME	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
163	COMMUNA - LEASING GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
164	COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONDABILITA' LIMITATA Issued capital EUR 103,400	ROME	ROME	1	IMMOBILIARE PATETTA SRL	87.50	
					SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	12.50	
165	COMPAGNIA ITALPETROLI S.P.A. Issued capital EUR 200,000	ROME	ROME	1	UNICREDIT SPA	100.00	
166	CONSORZIO QUENIT Issued capital EUR 10,000	VERONA	VERONA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	55.00	
167	CONSUMER ONE SRL (CARTOLARIZZAZIONE : CONSUMER ONE)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)

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	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
168	CONSUMER TWO SRL (CARTOLARIZZAZIONE : CONSUMER TWO)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
169	CONTRA LEASING-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
170	CORDUSIO RMBS - UCFIN SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS UCFIN - SERIE 2006)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
171	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2006)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
172	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2007)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
173	CORDUSIO RMBS SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
174	CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA Issued capital EUR 120,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
175	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI Issued capital EUR 520,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
176	CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE Issued capital EUR 1,243,732	ROME	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	60.00	
177	CRIVELLI SRL Issued capital EUR 10,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
178	CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued capital EUR 26,000				UNICREDIT BANK AG	6.15	
179	CUXHAVEN STEEL CONSTRUCTION GMBH Issued capital EUR 25,000	CUXHAVEN	CUXHAVEN	4	BARD ENGINEERING GMBH	..	(3)
180	DBC SP.Z O.O. Issued capital PLN 50,000	WARSAW	WARSAW	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
181	DC BANK AG Issued capital EUR 5,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.94	
182	DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	100.00	
183	DEBO LEASING IFN S.A.	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.01	
	Issued capital RON 724,400				UNICREDIT LEASING CORPORATION IFN S.A.	99.99	
184	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
185	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
186	DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
187	DINERS CLUB CS, S.R.O. Issued capital EUR 829,848	BRATISLAVA	BRATISLAVA	1	DC BANK AG	100.00	
188	DINERS CLUB POLSKA SP.Z.O.O. Issued capital PLN 7,500,000	WARSAW	WARSAW	1	DC BANK AG	100.00	
189	DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 17,500	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
190	DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
191	DOBLERHOF IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
192	DOM INWESTYCYJNY XELION SP. Z O.O. Issued capital PLN 60,050,000	WARSAW	WARSAW	1	BANK PEKAO SA	50.00	
					UNICREDIT SPA	50.00	
193	DOMUS CLEAN REINIGUNGS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	100.00	
194	DONAUMARINA PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
195	DONAUTURM AUSSICHTSTURM-UND RESTAURANT-BETRIEBSGESELLSCHAFT M.B.H. Issued capital EUR 880,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	95.00	
196	DONAUTURM LIEGENSCHAFTSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 1,820,000	VIENNA	VIENNA	1	EKAZENT REALITAETENGESELLSCHAFT M.B.H.	94.85	
197	DR. W. W. DONATH IMMOBILIENVERWALTUNG GMBH Issued capital EUR 37,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
198	DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
199	DV ALPHA GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
200	DV BETEILIGUNGSVERWALTUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PIRTA VERWALTUNGS GMBH	100.00	
201	EKAZENT GEBAEUDEVERMIETUNG GMBH Issued capital EUR 1,310,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.06	
					EKAZENT REALITAETENGESELLSCHAFT M.B.H.	99.94	
202	EKAZENT IMMOBILIEN MANAGEMENT GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
203	EKAZENT REALITAETENGESELLSCHAFT M.B.H. Issued capital EUR 4,370,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	..	
					IMMOBILIEN HOLDING GMBH	99.99	
204	ELEKTRA PURCHASE NO. 32 S.A.	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
205	ELEKTRA PURCHASE NO. 33 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
206	ELEKTRA PURCHASE NO. 34 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
207	ELEKTRA PURCHASE NO. 35 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
208	ELEKTRA PURCHASE NO. 36 LIMITED	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
209	ELEKTRA PURCHASE No. 17 S.A. - COMPARTMENT 2	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
210	ELEKTRA PURCHASE No. 28 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
211	ELEKTRA PURCHASE No. 31 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
212	ELEKTRA PURCHASE No. 911 LTD	ST. HELIER	ST. HELIER	4	UNICREDIT BANK AG	..	(3)
213	ENDERLEIN & CO. GMBH Issued capital EUR 27,000	BIELEFELD	BIELEFELD	1	PLANETHOME AG	100.00	
214	ENTASI SRL Issued capital EUR 10,200	ROME	ROME	1	UNICREDIT SPA	100.00	
215	ENTASI SRL (CARTOLARIZZAZIONE : ENTASI)	ROME	ROME	4	UNICREDIT SPA	..	(3)
216	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.07	
	Issued capital EUR 1,043,889				WEALTHCAP PEIA MANAGEMENT GMBH	68.45	68.20
217	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	
	Issued capital EUR 1,393,806				WEALTHCAP PEIA MANAGEMENT GMBH	68.49	68.24
218	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG	OLDENBURG	OLDENBURG	1	WEALTHCAP INVESTORENBETREUUNG GMBH	0.05	0.06
	Issued capital EUR 1,270,305				WEALTHCAP PEIA MANAGEMENT GMBH	68.48	68.23
219	EUROGATE BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	PRO WOHNBAU AG	100.00	
220	EUROGATE PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	100.00	
221	EUROGATE PROJEKTENTWICKLUNG GMBH & CO AREA BETA KG Issued capital EUR 35,000	VIENNA	VIENNA	1	EUROGATE BETEILIGUNGSVERWALTUNG GMBH	100.00	
222	EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
223	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
224	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
225	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
226	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
227	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 14,398,879				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
228	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
229	EUROPE REAL-ESTATE INVESTMENT FUND	BUDAPEST	BUDAPEST	4	UNICREDIT BANK HUNGARY ZRT.	..	(3)
230	EUROPEAN-OFFICE-FONDS	MUNICH	MUNICH	4	UNICREDIT BANK AG	..	(3)
231	EUROPEYE SRL Issued capital EUR 100,000	ROME	ROME	1	UNICREDIT SPA	80.00	
232	EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	CABET-HOLDING GMBH	100.00	
233	EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
234	F-E GOLD SRL (CARTOLARIZZAZIONE : F-E GOLD)	MILAN	MILAN	4	UNICREDIT LEASING S.P.A.	..	(3)
235	F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES 2005)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
236	F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES SERIES 1 - 2003)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
237	FACTORBANK AKTIENGESELLSCHAFT Issued capital EUR 3,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
238	FCT UCG TIKEHAU Issued capital EUR 50,000,000	PARIS	PARIS	4	UNICREDIT SPA	..	(3)
239	FINECO VERWALTUNG AG (IN LIQUIDATION) Issued capital EUR 50,000	MUNICH	MUNICH	1	UNICREDIT SPA	100.00	
240	FINECOBANK SPA Issued capital EUR 200,070,431	REGGIO EMILIA	MILAN	1	UNICREDIT SPA	65.50	
241	FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
242	FMZ SAVARIA SZOLGALTATO KORLATOLT FELELOESSEG TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT LEASING KFT	75.00	
243	FMZ SIGMA PROJEKTENTWICKLUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
244	FOLIA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 1,981,769	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
245	FONDIARIA LASA SPA Issued capital EUR 3,102,000	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
246	FOOD & MORE GMBH Issued capital EUR 100,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
247	FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. Issued capital PLN 13,758,000	WARSAW	WARSAW	1	PEKAO PROPERTY SA	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
248	FUGATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
249	G.N.E. GLOBAL GRUNDSTUECKSVERWERTUNG GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,337				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
250	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
	Issued capital EUR 21,872,755				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
251	GARAGE AM HOF GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	90.60	
	Issued capital EUR 220,000				SCHOELLERBANK AKTIENGESELLSCHAFT	2.00	
252	GBS GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.00	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	1.00	(4)
253	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
254	GELDILUX-TS-2013 SA Issued capital EUR 31,000	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT LUXEMBOURG S.A.	..	(3)
255	GEMEINDELEASING GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	37.30	37.50
	Issued capital EUR 18,333				CALG IMMOBILIEN LEASING GMBH	37.50	
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
256	GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	PULLACH	PULLACH	4	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	6.13	(3)
257	GENERAL LOGISTIC SOLUTIONS LLC Issued capital RUB 142,309,444	MOSCOW	MOSCOW	1	UCTAM RU LIMITED LIABILITY COMPANY	100.00	
258	GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	
259	GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH	MUNICH	MUNICH	1	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	6.00	
	Issued capital EUR 52,500				HVB PROJEKT GMBH	94.00	
260	GRAND CENTRAL FUNDING CORPORATION Issued capital USD 1,000	NEW YORK	NEW YORK	4	UNICREDIT BANK AG	..	(3)
261	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) Issued capital EUR 4,086,245	MUNICH	MUNICH	1	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
262	GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAF Issued capital EUR 51,500	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
263	GRUNDSTUECKSVERWALTUNG LINZ-MITTE GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 35,000				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
264	GUS CONSULTING GMBH IN LIQUIDATION Issued capital EUR 30,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
265	H & B IMMOBILIEN GMBH & CO. OBJEKTE KG Issued capital EUR 5,000	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
266	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	MUNICH	MUNICH	1	UNICREDIT BANK AG	10.00	
	Issued capital EUR 4,000,000				WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
267	H.F.S. IMMOBILIENFONDS GMBH Issued capital EUR 25,565	EBERSBERG	EBERSBERG	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
268	H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING)	MUNICH	MUNICH	4	HVB IMMOBILIEN AG	..	(3)
					WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
269	H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG	MUNICH	MUNICH	4	HVB PROJEKT GMBH	0.02	(3)
					WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
270	HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
	Issued capital EUR 276,200				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
271	HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
	Issued capital EUR 54,300				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
272	HBF PROJEKTENTWICKLUNG ZWEI GMBH & CO KG	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	0.00
	Issued capital EUR 1,000				EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	100.00
273	HBF PROJEKTENTWICKLUNG DREI GMBH & CO KG	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	0.00
	Issued capital EUR 1,000				EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	100.00
274	HBF PROJEKTENTWICKLUNG EINS GMBH & CO KG	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	95.00	0.00
	Issued capital EUR 1,000				EUROGATE BETEILIGUNGSVERWALTUNG GMBH	5.00	100.00
275	HELICONUS SRL (CARTOLARIZZAZIONE : HELICONUS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
276	HERKU LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
277	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH Issued capital EUR 25,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
278	HONEU LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,336				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

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279	HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
280	HVB ASSET LEASING LIMITED Issued capital USD 1	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
281	HVB ASSET MANAGEMENT HOLDING GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
282	HVB AUTO LEASING EOOD Issued capital BGN 8,073,320	SOFIA	SOFIA	1	HVB LEASING EOOD	100.00	
283	HVB CAPITAL LLC Issued capital USD 10,000	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
284	HVB CAPITAL LLC II Issued capital USD 16	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
285	HVB CAPITAL LLC III Issued capital USD 10,000	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
286	HVB CAPITAL PARTNERS AG Issued capital EUR 2,500,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
287	HVB EXPORT LEASING GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
288	HVB FUNDING TRUST	WILMINGTON	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
289	HVB FUNDING TRUST II Issued capital USD 2,800	WILMINGTON	WILMINGTON	1	UNICREDIT BANK AG	100.00	
290	HVB FUNDING TRUST III	WILMINGTON	WILMINGTON	4	UNICREDIT BANK AG	..	(3)
291	HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
292	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG Issued capital EUR 10,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	(8)
293	HVB HONG KONG LIMITED Issued capital USD 129	HONG KONG	HONG KONG	1	UNICREDIT BANK AG	100.00	
294	HVB IMMOBILIEN AG Issued capital EUR 520,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
295	HVB INVESTMENTS (UK) LIMITED Issued capital GBP 2	GEORGE TOWN	GEORGE TOWN	1	UNICREDIT BANK AG	100.00	
296	HVB LEASING CZECH REPUBLIC S.R.O. Issued capital CZK 49,632,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
297	HVB LEASING EOOD Issued capital BGN 9,353,510	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
298	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG Issued capital EUR 1,025,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
299	HVB LONDON INVESTMENTS (AVON) LIMITED Issued capital GBP 2	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
300	HVB PRINCIPAL EQUITY GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
301	HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
302	HVB PROJEKT GMBH Issued capital EUR 24,543,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
303	HVB REALTY CAPITAL INC. Issued capital USD 0	NEW YORK	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
304	HVB SECUR GMBH Issued capital EUR 50,000	MUNICH	MUNICH	1	UNICREDIT GLOBAL BUSINESS SERVICES GMBH	100.00	
305	HVB TECTA GMBH Issued capital EUR 1,534,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
306	HVB VERWA 1 GMBH Issued capital EUR 51,200	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
307	HVB VERWA 4 GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
308	HVB VERWA 4.4 GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB VERWA 4 GMBH	100.00	
309	HVB-LEASING AIDA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
310	HVB-LEASING ATLANTIS INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
311	HVB-LEASING FIDELIO INGATLANHASNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
312	HVB-LEASING FORTE INGATLANHASNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
313	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
314	HVB-LEASING HAMLET INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
315	HVB-LEASING JUPITER INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
316	HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT LEASING S.P.A.	100.00	
317	HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
318	HVB-LEASING NANO INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
319	HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
320	HVB-LEASING RUBIN KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
321	HVB-LEASING SMARAGD KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
322	HVB-LEASING SPORT INGATLANHASZNOSITO KORLATOLT FELELOEOASSEGUE TARSASAG Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
323	HVBFF INTERNATIONAL GREECE GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVBFF INTERNATIONALE LEASING GMBH	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
324	HVBFF INTERNATIONALE LEASING GMBH	MUNICH	MUNICH	1	HVBFF OBJEKT BETEILIGUNGS GMBH	10.00	
	Issued capital EUR 26,000				WEALTHCAP PEIA MANAGEMENT GMBH	90.00	
325	HVBFF OBJEKT BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
326	HVBFF PRODUKTIONSHALLE GMBH I.L. Issued capital EUR 26,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
327	HVZ GMBH & CO. OBJEKT KG Issued capital EUR 148,090,766	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
328	HYPO-BANK VERWALTUNGSZENTRUM GMBH Issued capital EUR 25,600	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
329	HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE Issued capital EUR 25,600	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
330	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN-VERMIETUNGS KG Issued capital EUR 7,669,500	MUNICH	MUNICH	1	HVB PROJEKT GMBH	80.00	
331	HYPOVEREINS IMMOBILIEN EOOD Issued capital BGN 100,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
332	HYPOVEREINSFINANCE N.V. Issued capital EUR 181,512	AMSTERDAM	AMSTERDAM	1	UNICREDIT BANK AG	100.00	
333	I-FABER SPA Issued capital EUR 5,652,174	MILAN	MILAN	1	UNICREDIT SPA	65.32	
334	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE Issued capital EUR 180,100,960	ROME	ROME	4	UNICREDIT SPA	..	(3)
335	IMMOBILIARE PATETTA SRL Issued capital EUR 103,400	ROME	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
336	IMMOBILIEN HOLDING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	ZETA FUENF HANDELS GMBH	100.00	
337	IMMOBILIEN RATING GMBH	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	61.00	
	Issued capital EUR 50,000				UNICREDIT BANK AUSTRIA AG	19.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	19.00	
338	IMMOBILIENLEASING GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
339	IMPRESA ONE SRL (CARTOLARIZZAZIONE : IMPRESA ONE)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
340	IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH & CO KG Issued capital EUR 2,500	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	60.00	
341	INPROX CHOMUTOV, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
342	INPROX KLADNO, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
343	INPROX POPRAD, SPOL. S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
344	INPROX SR I., SPOL. S R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
345	INTERKONZUM DOO SARAJEVO Issued capital BAM 11,942,563	SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
346	INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
347	INTRO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
348	INV TOTALUNTERNEHMER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	EUROGATE PROJEKTENTWICKLUNG GMBH	100.00	
349	IPSE 2000 S.P.A. (IN LIQUIDAZIONE) Issued capital EUR 12,500,000	ROME	ROME	1	UNICREDIT SPA	50.00	
350	ISB UNIVERSALE BAU GMBH Issued capital EUR 6,288,890	BRANDENBURG	BRANDENBURG	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
351	IVONA BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	BA IMMO GEWINNSCHEIN FONDS1	100.00	
352	JAUSERN-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 2,802,537	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
353	JOHA GEBAEUDE- ERRICHTUNGS- UND VERMIETUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	1	UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H.	99.03	
354	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG Issued capital EUR 36,336	VIENNA	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	..	100.00
					UNICREDIT BANK AUSTRIA AG	99.80	0.00
355	KELLER CROSSING TEXAS L.P. Issued capital USD 7,086,872	ATLANTA	WILMINGTON	1	US PROPERTY INVESTMENTS INC.	100.00	
356	KINABALU FINANCIAL PRODUCTS LLP Issued capital GBP 2,509,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	99.90
					VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	0.00	0.10
357	KINABALU FINANCIAL SOLUTIONS LTD Issued capital GBP 1,700,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
358	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	..	
					IMMOBILIEN HOLDING GMBH	100.00	
359	KLEA WOHNBAU GESELLSCHAFT GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
360	KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
361	KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	100.00
362	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. Issued capital EUR 44,000	VIENNA	VIENNA	1	CARD COMPLETE SERVICE BANK AG	100.00	
363	KUNSTHAUS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
364	KUR- UND SPORTHOTEL GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	KITZBUHEL	KITZBUHEL	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	..	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
365	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,337				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
366	LAGERMAX LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
367	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
368	LARGE CORPORATE ONE SRL (CARTOLARIZZAZIONE: LARGE CORPORATE ONE)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
369	LARGO LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
	Issued capital EUR 36,500				VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80	99.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
370	LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.00	100.00
	Issued capital EUR 36,336						
371	LBC UNTERNEHMENSBETEILIGUNGSGES. M.B.H.	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	100.00	
	Issued capital EUR 37,000						
372	LEASFINANZ BANK GMBH	VIENNA	VIENNA	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00	
	Issued capital EUR 5,136,500						
373	LEASFINANZ GMBH	VIENNA	VIENNA	1	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00	
	Issued capital EUR 672,053						
374	LEGATO LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
375	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
376	LIFE MANAGEMENT ERSTE GMBH	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
	Issued capital EUR 25,000						
377	LIFE MANAGEMENT ZWEITE GMBH	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
	Issued capital EUR 26,000						
378	LIFE SCIENCE I BETEILIGUNGS GMBH	MUNICH	MUNICH	1	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	100.00	
	Issued capital EUR 25,000						
379	LINDENGASSE BUROHAUSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.20	
	Issued capital EUR 37,000				KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	99.80	
380	LINO HOTEL-LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
381	LIPARK LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
382	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 38,731				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
383	LLC UKROTSBUD	KIEV	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.00	
	Issued capital UAH 31,000						
384	LOCAT CROATIA DOO	ZAGREB	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital HRK 39,000,000						
385	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2005)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
386	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2006)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
387	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2011)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
388	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2014)	CONEGLIANO	CONEGLIANO	4	UNICREDIT LEASING S.P.A.	..	(3)
389	LTD SI&C AMC UKRSOTS REAL ESTATE	KIEV	KIEV	1	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	99.99	
	Issued capital UAH 7,000,000						
390	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO.OG.	VIENNA	VIENNA	1	UNICREDIT LUNA LEASING GMBH	98.04	
	Issued capital EUR 3,707				VIA A TRUST COMPANY OUTSIDE THE GROUP	1.96	(4)
391	M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. & CO. MCL THETA KG	VIENNA	VIENNA	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	0.00
	Issued capital EUR 1,000				TREUCONSULT PROPERTY BETA GMBH	0.00	100.00
392	MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA	PUERTO DE LA CRUZ	PUERTO DE LA CRUZ	1	BF NINE HOLDING GMBH	99.96	
393	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
394	MC MARKETING GMBH	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued capital EUR 300,000						
395	MC RETAIL GMBH	VIENNA	VIENNA	1	MC MARKETING GMBH	100.00	
	Issued capital EUR 35,000						
396	MENUETT GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,337				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
397	MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
	Issued capital EUR 5,112,919						
398	MIK 2012 KARLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
	Issued capital HUF 3,000,000						
399	MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
	Issued capital EUR 25,000						

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	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
400	MM OMEGA PROJEKTENTWICKLUNGS GMBH	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 35,000				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
401	MOBILITY CONCEPT GMBH Issued capital EUR 4,000,000	OBERHACHING	OBERHACHING	1	UNICREDIT LEASING GMBH	60.00	
402	MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG	MUNICH	MUNICH	4	HVB PROJEKT GMBH	23.00	(3)
403	MOEGRA LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
404	MOVIE MARKET BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
405	MY BETEILIGUNGS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
406	NAGE LOKALVERMIETUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
407	NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
	Issued capital EUR 18,200				UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
408	NEWSTONE MORTGAGE SECURITIES No.1 PLC	LONDON	LONDON	4	REDSTONE MORTGAGES LIMITED	..	(3)
409	NF OBJEKT FFM GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
410	NF OBJEKT MUNCHEN GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
411	NF OBJEKTE BERLIN GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	100.00	
412	NOE HYPO LEASING ASTRICTA GRUNDSTUECKVERMIETUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
413	NORDBAHNHOF BAUFELD 39 PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
	Issued capital EUR 1,000				UNICREDIT BANK AUSTRIA AG	93.00	
414	NORDBAHNHOF BAUFELD ACHT PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
415	NORDBAHNHOF BAUFELD FUENF PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
416	NORDBAHNHOF BAUFELD SECHS PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
	Issued capital EUR 1,000				UNICREDIT BANK AUSTRIA AG	93.00	
417	NORDBAHNHOF BAUFELD SIEBEN PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
418	NORDBAHNHOF PROJEKTE HOLDING GMBH	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
	Issued capital EUR 35,000				UNICREDIT BANK AUSTRIA AG	93.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
419	OCEAN BREEZE ASSET GMBH & CO. KG Issued capital EUR 2,000	BREMEN	BREMEN	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
420	OCEAN BREEZE ENERGY GMBH & CO. KG Issued capital EUR 2,000	BREMEN	BREMEN	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
421	OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1	LUXEMBOURG	LUXEMBOURG	4	UNICREDIT BANK AG	..	(3)
422	OCEAN BREEZE GMBH Issued capital EUR 25,000	BREMEN	BREMEN	1	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
423	OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
424	OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
425	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
426	OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	94.00	
					UNICREDIT BANK AG	6.00	
427	OOO UNICREDIT LEASING Issued capital RUR 149,160,248	MOSCOW	MOSCOW	1	AO UNICREDIT BANK	100.00	
428	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH Issued capital EUR 10,149,150	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
429	OSI OFF-SHORE SERVICE INVEST GMBH	HAMBURG	HAMBURG	4	UNICREDIT BANK AG	..	(3)
430	OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	1	HVB PROJEKT GMBH	10.00	
					T & P FRANKFURT DEVELOPMENT B.V.	30.00	
					T & P VASTGOED STUTTGART B.V.	60.00	
431	OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	1	HVB PROJEKT GMBH	10.00	
					T & P FRANKFURT DEVELOPMENT B.V.	30.00	
					T & P VASTGOED STUTTGART B.V.	60.00	
432	OWS LOGISTIK GMBH Issued capital EUR 12,500	EMDEN	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
433	OWS NATALIA BEKKER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
434	OWS OCEAN ZEPHYR GMBH & Co. KG Issued capital EUR 6,000	EMDEN	EMDEN	4	OWS OFF-SHORE WIND SOLUTIONS GMBH	..	(3)
435	OWS OFF-SHORE WIND SOLUTIONS GMBH Issued capital EUR 25,000	EMDEN	EMDEN	4	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
436	OWS WINDLIFT 1 CHARTER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	4	OWS LOGISTIK GMBH	..	(3)
437	PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG Issued capital EUR 2,180,185	VIENNA	VIENNA	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
438	PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.60	99.80
					UNICREDIT LEASING (AUSTRIA) GMBH	0.20	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
439	PEKAO BANK HIPOTECZNY S.A. Issued capital PLN 223,000,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
440	PEKAO FAKTORING SP. ZOO Issued capital PLN 50,587,900	LUBLIN	LUBLIN	1	BANK PEKAO SA	100.00	
441	PEKAO FINANCIAL SERVICES SP. ZOO Issued capital PLN 4,500,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
442	PEKAO FUNDUSZ KAPITALOWY SP. ZOO Issued capital PLN 51,380,000	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
443	PEKAO LEASING HOLDING S.A. Issued capital PLN 207,671,225	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
444	PEKAO LEASING SP ZO.O. Issued capital PLN 241,588,600	WARSAW	WARSAW	1	BANK PEKAO SA	36.49	
					PEKAO LEASING HOLDING S.A.	63.51	
445	PEKAO PIONEER P.T.E. SA Issued capital PLN 20,760,000	WARSAW	WARSAW	1	BANK PEKAO SA	65.00	
					PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
446	PEKAO PROPERTY SA Issued capital PLN 51,346,400	WARSAW	WARSAW	1	BANK PEKAO SA	100.00	
447	PEKAO TELECENTRUM SP. ZOO IN LIQUIDATION Issued capital PLN 10,429,152	ZAMOSC	WARSAW	1	BANK PEKAO SA	100.00	
448	PELOPS LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
449	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	MUNICH	4	UNICREDIT BANK AG	..	(3)
450	PERIKLES 20092 VERMOGENSVERWALTUNG GMBH Issued capital EUR 25,000	BREMEN	BREMEN	1	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
451	PESTSZENTIMREI SZAKORVOSI RENDELOE KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
452	PIANA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
453	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED Issued capital USD 12,000	HAMILTON	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
454	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD Issued capital EUR 1,032,000	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
455	PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD Issued capital ILS 50,000	RAMAT GAN.	RAMAT GAN.	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
456	PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD Issued capital USD 1	NEW YORK	DOVER	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
457	PIONEER ASSET MANAGEMENT AS Issued capital CZK 27,000,000	PRAGUE	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
458	PIONEER ASSET MANAGEMENT S.A.I. S.A. Issued capital RON 3,022,000	BUCHAREST	BUCHAREST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	97.42	
					UNICREDIT TIRIAC BANK S.A.	2.58	
459	PIONEER ASSET MANAGEMENT SA Issued capital EUR 10,000,000	LUXEMBOURG	LUXEMBOURG	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
460	PIONEER FUNDS DISTRIBUTOR INC Issued capital USD 2,060	BOSTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT INC	100.00	
461	PIONEER GLOBAL ASSET MANAGEMENT SPA Issued capital EUR 1,219,463,434	MILAN	MILAN	1	UNICREDIT SPA	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
462	PIONEER GLOBAL FUNDS DISTRIBUTOR LTD Issued capital EUR 12,900	HAMILTON	HAMILTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
463	PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED Issued capital AUD 3,980,000	SYDNEY	SYDNEY	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
464	PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD. Issued capital TWD 70,000,000	TAIPEI	TAIPEI	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
465	PIONEER GLOBAL INVESTMENTS LIMITED Issued capital EUR 752,500	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
466	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC Issued capital USD 1,000	BOSTON	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
467	PIONEER INVESTMENT COMPANY AS Issued capital CZK 61,000,000	PRAGUE	PRAGUE	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
468	PIONEER INVESTMENT FUND MANAGEMENT LIMITED Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
469	PIONEER INVESTMENT MANAGEMENT INC Issued capital USD 20,990	BOSTON	WILMINGTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
470	PIONEER INVESTMENT MANAGEMENT LIMITED Issued capital EUR 1,032,912	DUBLIN	DUBLIN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
471	PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC. Issued capital USD 1,000	BOSTON	BOSTON	1	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
472	PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ Issued capital EUR 51,340,995	MILAN	MILAN	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
473	PIONEER INVESTMENT MANAGEMENT USA INC. Issued capital USD 1	BOSTON	WILMINGTON	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
474	PIONEER INVESTMENTS (SCHWEIZ) GMBH Issued capital CHF 20,000	ZURICH	ZURICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
475	PIONEER INVESTMENTS AUSTRIA GMBH Issued capital EUR 5,000,000	VIENNA	VIENNA	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
476	PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH Issued capital EUR 6,500,000	MUNICH	MUNICH	1	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
477	PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) Issued capital PLN 37,804,000	WARSAW	WARSAW	1	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
478	PIONEER PEKAO INVESTMENT MANAGEMENT SA Issued capital PLN 28,914,000	WARSAW	WARSAW	1	BANK PEKAO SA	49.00	
					PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
479	PIRTA VERWALTUNGS GMBH Issued capital EUR 2,067,138	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
480	PLANETHOME AG Issued capital EUR 5,000,000	MUNICH	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
481	PLANETHOME GMBH Issued capital EUR 235,800	MANNHEIM	MANNHEIM	1	PLANETHOME AG	100.00	
482	POLLUX IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
483	POMINVEST DD Issued capital HRK 17,434,000	SPLIT	SPLIT	1	ZAGREBACKA BANKA D.D.	88.66	88.95

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
484	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG Issued capital EUR 500,013,550	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
485	PORTIA GRUNDSTUCKSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 25,600	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
486	POSATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
487	PRELUDE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
					UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
488	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL Issued capital UAH 877,000,000	KIEV	KIEV	1	UNICREDIT BANK AUSTRIA AG	100.00	
489	PRO WOHNBAU AG Issued capital EUR 23,621,113	VIENNA	VIENNA	1	IMMOBILIEN HOLDING GMBH	99.69	
					KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	0.31	
490	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
491	PRVA STAMBENA STEDIONICA DD ZAGREB Issued capital HRK 80,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
492	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK Issued capital UAH 2,594,671,442	KIEV	KIEV	1	PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL	35.58	35.59
					UNICREDIT BANK AUSTRIA AG	37.33	37.34
					UNICREDIT SPA	26.48	
493	PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	KIEV	KIEV		UNICREDIT SPA		(7)
494	PURE FUNDING No. 10 LTD	DUBLIN	DUBLIN	4	UNICREDIT BANK AG	..	(3)
495	QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
496	QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
497	QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
498	RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG Issued capital EUR 36,500	VIENNA	VIENNA	1	RAMSES-IMMOBILIENHOLDING GMBH	0.20	
					UNICREDIT BANK AUSTRIA AG	99.30	
499	RANA-LIEGENSCHAFTSVERWERTUNG GMBH Issued capital EUR 72,700	VIENNA	VIENNA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	

	NAME	ADMINISTRA TIVE OFFICE	MAIN OFFICE	TYPE OF RELA TION SHIP (1)	OWNERSHIP RELATIONSHIP		VOTIN G RIGHTS % (2)
					HELD BY	HOLDIN G %	
500	REAL ESTATE MANAGEMENT POLAND SP. Z O.O. Issued capital PLN 124,500	WARSAW	WARSAW	1	UNICREDIT LEASING S.P.A.	100.00	
501	REAL INVEST EUROPE D BA RI KAG	AUSTRIA	AUSTRIA	4	UNICREDIT BANK AUSTRIA AG	..	(3)
502	REAL INVEST IMMOBILIEN GMBH Issued capital EUR 36,400	VIENNA	VIENNA	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.00	
503	REAL-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
504	REAL-RENT LEASING GESELLSCHAFT M.B.H. Issued capital EUR 73,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
505	REDSTONE MORTGAGES LIMITED Issued capital GBP 100,000	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
506	REGEV REALITAETENVERWERTUNGSGESEL LSCHAFT M.B.H. Issued capital EUR 726,728	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
507	RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
					UNICREDIT BANK AG	6.15	
508	RIGEL IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
509	ROMA 2000 SRL IN LIQUIDAZIONE Issued capital EUR 50,000	ROME	ROME	1	COMPAGNIA ITALPETROLI S.P.A.	100.00	
510	RONCASA IMMOBILIEN-VERWALTUNGS GMBH Issued capital EUR 256,000	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
511	RONDO LEASING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	1	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
512	ROSENKAVALIER 2008 GMBH	FRANKFURT	FRANKFURT	4	UNICREDIT BANK AG	..	(3)
513	ROYSTON LEASING LIMITED	GRAND CAYMAN	GRAND CAYMAN	4	UNICREDIT BANK AG	..	(3)
514	RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
515	RVT BAUTRAEGER GESELLSCHAFT M.B.H. Issued capital EUR 37,000	VIENNA	VIENNA	1	LBC UNTERNEHMENSBETEILIGUNGSGES. M.B.H.	100.00	
516	SALONE N. 1 SPA Issued capital EUR 100,000	CONEGLIAN O	TREVISO	4	UNICREDIT SPA	..	(3)
517	SALONE N. 2 SPA Issued capital EUR 100,000	CONEGLIAN O	TREVISO	4	UNICREDIT SPA	..	(3)
518	SALONE N. 3 SPA Issued capital EUR 100,000	CONEGLIAN O	TREVISO	4	UNICREDIT SPA	..	(3)
519	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH Issued capital EUR 511,300	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
520	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND Issued capital EUR 1,533,900	MUNICH	MUNICH	1	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
521	SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
	Issued capital EUR 2,300,850				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	2.22	
522	SANITA' - S.R.L. IN LIQUIDAZIONE Issued capital EUR 5,164,333	ROME	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	99.60	
523	SANTA ROSA S.R.L. Issued capital EUR 50,000	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
524	SAS-REAL INGATLANUEZEMELTETOE ES KEZELOE KFT. (ENGLISH :SAS-REAL KFT) Issued capital HUF 750,000,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
525	SCHOELLERBANK AKTIENGESELLSCHAFT Issued capital EUR 20,000,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
526	SCHOELLERBANK INVEST AG Issued capital EUR 2,543,549	SALZBURG	SALZBURG	1	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
527	SCHOTTENGASSE 6-8 IMMOBILIEN GMBH Issued capital EUR 10,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
528	SECA-LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	74.80	
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
529	SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
530	SELFOSS BETEILIGUNGSGESELLSCHAFT MBH Issued capital EUR 25,000	MUNICH	GRUNWALD	1	HVB PROJEKT GMBH	100.00	
531	SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
532	SIA UNICREDIT INSURANCE BROKER Issued capital EUR 15,082	RIGA	RIGA	1	SIA UNICREDIT LEASING	100.00	
533	SIA UNICREDIT LEASING Issued capital EUR 15,569,120	RIGA	RIGA	1	UNICREDIT BANK AUSTRIA AG	100.00	
534	SIGMA LEASING GMBH	VIENNA	VIENNA	1	CALG ANLAGEN LEASING GMBH	99.40	99.60
	Issued capital EUR 18,286				UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
535	SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. Issued capital EUR 2,556,459	MUNICH	MUNICH	1	UNICREDIT BANK AG	99.98	
536	SIRIUS IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	99.80	
537	SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	MUNICH	MUNICH	1	HVB PROJEKT GMBH	5.00	
	Issued capital EUR 30,000				SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
538	SOCIETA' DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ. Issued capital EUR 36,151,500	PALERMO	PALERMO	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	80.00	
539	SOCIETA' ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE Issued capital EUR 341,916	ROME	ROME	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
540	SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L. Issued capital EUR 108,500	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
541	SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE Issued capital EUR 40,000	PARIS	PARIS	1	UNICREDIT SPA	100.00	
542	SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG Issued capital EUR 35,800	MUNICH	MUNICH	1	HVB PROJEKT GMBH	100.00	
543	SONATA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	1.00	
					UNICREDIT LEASING (AUSTRIA) GMBH	98.80	99.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
544	SPECTRUM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	1	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
545	SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH Issued capital EUR 511,300	MUNICH	MUNICH	1	ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH	100.00	
546	STATUS VERMOGENSVERWALTUNG GMBH Issued capital EUR 102,258	STRESENDORF	SCHWERIN	1	UNICREDIT BANK AG	100.00	
547	STEWE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	1	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	24.00	
					UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
548	STRUCTURED INVEST SOCIETE ANONYME Issued capital EUR 125,500	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	
549	STRUCTURED LEASE GMBH Issued capital EUR 250,000	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
550	SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O Issued capital HRK 1,110,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
551	SVIF UKRSOTSBUD	KIEV	KIEV	4	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	..	(3)
552	T & P FRANKFURT DEVELOPMENT B.V. Issued capital EUR 4,938,271	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	
553	T & P VASTGOED STUTTGART B.V. Issued capital EUR 10,769,773	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	87.50	
554	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG Issued capital EUR 920,400	MUNICH	MUNICH	1	HVB TECTA GMBH	75.00	
555	TERRONDA DEVELOPMENT B.V. Issued capital EUR 1,252,433	AMSTERDAM	AMSTERDAM	1	HVB PROJEKT GMBH	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
556	TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
557	TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	MUNICH	MUNICH	1	PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
	Issued capital EUR 6,240,000						
558	TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	93.85	
	Issued capital EUR 26,000				UNICREDIT BANK AG	6.15	
559	TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
560	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
	Issued capital EUR 365,000						
561	TREVI FINANCE N 3 SRL (CARTOLARIZZAZIONE : TREVI FINANCE 3)	CONEGLIANO	CONEGLIANO	4	UNICREDIT SPA	..	(3)
562	TREVI FINANCE N. 2 S.R.L.	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	80.00	
	Issued capital EUR 10,000						
563	TREVI FINANCE N. 3 S.R.L.	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	60.00	
	Issued capital EUR 10,000						
564	TREVI FINANCE S.R.L.	CONEGLIANO	CONEGLIANO	1	UNICREDIT SPA	80.00	
	Issued capital EUR 10,000						
565	TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG	MUNICH	MUNICH	1	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH	0.00	..
	Issued capital EUR 6,979,476				ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
566	TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1	MUNICH	MUNICH	1	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	100.00	
	Issued capital EUR 13,687,272						
567	TRIESTE ADRIATIC MARITIME INITIATIVES SRL	TRIESTE	TRIESTE	3	UNICREDIT SPA	35.19	
	Issued capital EUR 3,300,000						
568	TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
	Issued capital EUR 102,300						
569	UCL NEKRETNINE D.O.O.	SARAJEVO	SARAJEVO	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
	Issued capital BAM 10,000				UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
570	UCTAM BALTICS SIA	RIGA	RIGA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
	Issued capital EUR 4,265,585						
571	UCTAM BULGARIA EOOD	SOFIA	SOFIA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
	Issued capital BGN 20,000						
572	UCTAM CZECH REPUBLIC SRO	PRAGUE	PRAGUE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.96	
	Issued capital CZK 45,500,000				UNICREDIT TURN-AROUND MANAGEMENT GMBH	0.04	
573	UCTAM D.O.O. BEOGRAD	BELGRADE	BELGRADE	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
	Issued capital RSD 564,070,470						

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
574	UCTAM HUNGARY KFT	BUDAPEST	BUDAPEST	1	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.)	0.33	1.00
	Issued capital HUF 10,100,000				UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.67	99.00
575	UCTAM RO S.R.L.	BUCHAREST	BUCHAREST	1	UCTAM BALTICS SIA	..	
	Issued capital RON 17,806,000				UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
576	UCTAM RU LIMITED LIABILITY COMPANY	MOSCOW	MOSCOW	1	AO UNICREDIT BANK	..	
	Issued capital RUB 4,000,000				UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
577	UCTAM UKRAINE LLC Issued capital UAH 1,013,324	KIEV	KIEV	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.99	
578	UCTAM UPRAVLJANJE D.O.O. Issued capital EUR 7,500	LJUBLJANA	LJUBLJANA	1	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
579	UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	KUTRA GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	5.00	
	Issued capital EUR 36,337				UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
580	UNI IT SRL Issued capital EUR 1,000,000	TRENTO	TRENTO	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	51.00	
581	UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
582	UNICREDIT (CHINA) ADVISORY LIMITED Issued capital CNY 826,410	BEIJING	BEIJING	1	UNICREDIT BANK AG	100.00	
583	UNICREDIT AURORA LEASING GMBH Issued capital EUR 219,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
584	UNICREDIT AUTO LEASING E.O.O.D. Issued capital BGN 2,205,830	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
585	UNICREDIT BANK A.D. BANJA LUKA Issued capital BAM 97,055,000	BANJA LUKA	BANJA LUKA	1	UNICREDIT BANK AUSTRIA AG	98.39	
586	UNICREDIT BANK AG Issued capital EUR 2,407,151,016	MUNICH	MUNICH	1	UNICREDIT SPA	100.00	
587	UNICREDIT BANK AUSTRIA AG Issued capital EUR 1,681,033,521	VIENNA	VIENNA	1	UNICREDIT SPA	99.99	
588	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. Issued capital CZK 8,754,617,898	PRAGUE	PRAGUE	1	UNICREDIT BANK AUSTRIA AG	99.94	
589	UNICREDIT BANK D.D.	MOSTAR	MOSTAR	1	UNICREDIT BANK AUSTRIA AG	30.14	24.29 (5)
	Issued capital BAM 119,195,000				UNICREDIT SPA	3.27	3.28
					ZAGREBACKA BANKA D.D.	65.59	65.69
590	UNICREDIT BANK HUNGARY ZRT. Issued capital HUF 24,118,220,000	BUDAPEST	BUDAPEST	1	UNICREDIT BANK AUSTRIA AG	100.00	
591	UNICREDIT BANK IRELAND PLC Issued capital EUR 1,343,118,650	DUBLIN	DUBLIN	1	UNICREDIT SPA	100.00	
592	UNICREDIT BANK SERBIA JSC Issued capital RSD 23,607,620,000	BELGRADE	BELGRADE	1	UNICREDIT BANK AUSTRIA AG	100.00	
593	UNICREDIT BANKA SLOVENIJA D.D. Issued capital EUR 20,383,765	LJUBLJANA	LJUBLJANA	1	UNICREDIT BANK AUSTRIA AG	99.99	
594	UNICREDIT BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
595	UNICREDIT BPC MORTAGE SRL (COVERED BONDS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
596	UNICREDIT BPC MORTGAGE S.R.L. Issued capital EUR 12,000	VERONA	VERONA	1	UNICREDIT SPA	60.00	
597	UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU Issued capital BAM 7,823	SARAJEVO	SARAJEVO	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
598	UNICREDIT BROKER S.R.O. Issued capital EUR 8,266	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
599	UNICREDIT BULBANK AD Issued capital BGN 285,776,674	SOFIA	SOFIA	1	UNICREDIT BANK AUSTRIA AG	99.45	
					UNICREDIT SPA	..	
600	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH Issued capital EUR 1,200,000	VIENNA	VIENNA	1	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
601	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI Issued capital EUR 237,523,160	MILAN	MILAN	1	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	..	
					FINECOBANK SPA	..	
					PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	..	
					UNICREDIT BANK AG	..	
					UNICREDIT FACTORING SPA	..	
					UNICREDIT SPA	100.00	
602	UNICREDIT CAIB POLAND S.A. Issued capital PLN 225,141,851	WARSAW	WARSAW	1	UNICREDIT BANK AUSTRIA AG	100.00	
603	UNICREDIT CAIB SECURITIES UK LTD. Issued capital GBP 1	LONDON	LONDON	1	UNICREDIT BANK AG	100.00	
604	UNICREDIT CAPITAL MARKETS LLC Issued capital USD 100,100	NEW YORK	NEW YORK	1	UNICREDIT U.S. FINANCE LLC	100.00	
605	UNICREDIT CENTER AM KAISERWASSER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
606	UNICREDIT CONSUMER FINANCING EAD Issued capital BGN 2,800,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
607	UNICREDIT CONSUMER FINANCING IFN S.A. Issued capital RON 103,269,200	BUCHAREST	BUCHAREST	1	UNICREDIT SPA	49.90	
					UNICREDIT TIRIAC BANK S.A.	50.10	
608	UNICREDIT CREDIT MANAGEMENT BANK SPA Issued capital EUR 41,280,000	VERONA	VERONA	1	UNICREDIT SPA	100.00	
609	UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A. Issued capital EUR 1,000,000	VERONA	VERONA	1	UNICREDIT CREDIT MANAGEMENT BANK SPA	100.00	
610	UNICREDIT DELAWARE INC Issued capital USD 1,000	DOVER	DOVER	1	UNICREDIT SPA	100.00	
611	UNICREDIT DIRECT SERVICES GMBH Issued capital EUR 767,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
612	UNICREDIT FACTORING EAD Issued capital BGN 1,000,000	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
613	UNICREDIT FACTORING SPA Issued capital EUR 414,348,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
614	UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital CZK 5,000,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
615	UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	

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616	UNICREDIT FUGGETLEN BIZTOSITASKOEZVETITOE SZOLGALTATO KFT.	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	25.20	
	Issued capital HUF 5,000,000				UNICREDIT LEASING KFT	74.80	
617	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	VIENNA	VIENNA	1	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 14,383,206				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
618	UNICREDIT GLOBAL BUSINESS SERVICES GMBH	MUNICH	UNTERFOHRING	1	UNICREDIT BANK AG	100.00	
	Issued capital EUR 1,525,600						
619	UNICREDIT GLOBAL LEASING EXPORT GMBH	VIENNA	VIENNA	1	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
	Issued capital EUR 11,745,607						
620	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital EUR 7,476,432						
621	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	VIENNA	VIENNA	1	DV ALPHA GMBH	100.00	
	Issued capital EUR 156,905						
622	UNICREDIT INGATLANLIZING ZRT	BUDAPEST	BUDAPEST	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued capital HUF 81,000,000						
623	UNICREDIT INSURANCE BROKER EOOD	SOFIA	SOFIA	1	UNICREDIT LEASING EAD	100.00	
	Issued capital BGN 5,000						
624	UNICREDIT INSURANCE BROKER SRL	BUCHAREST	BUCHAREST	1	UNICREDIT LEASING CORPORATION IFN S.A.	100.00	
	Issued capital RON 25,000						
625	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT SPA	100.00	
	Issued capital EUR 10,000,000						
626	UNICREDIT JELZALOGBANK ZRT.	BUDAPEST	BUDAPEST	1	UNICREDIT BANK HUNGARY ZRT.	100.00	
	Issued capital HUF 3,000,000,000						
627	UNICREDIT KFZ LEASING GMBH	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
	Issued capital EUR 648,265						
628	UNICREDIT LEASING (AUSTRIA) GMBH	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
	Issued capital EUR 93,510,420				UNICREDIT BANK AUSTRIA AG	89.98	90.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.02	(4)
629	UNICREDIT LEASING AVIATION GMBH	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
	Issued capital EUR 1,600,000						
630	UNICREDIT LEASING CORPORATION IFN S.A.	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	0.10	
	Issued capital RON 41,144,990				UNICREDIT TIRIAC BANK S.A.	99.90	
631	UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	ZAGREB	ZAGREB	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital HRK 28,741,800						
632	UNICREDIT LEASING CZ, A.S.	PRAGUE	PRAGUE	1	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
	Issued capital CZK 981,452,000						
633	UNICREDIT LEASING D.O.O.	SARAJEVO	SARAJEVO	1	UNICREDIT LEASING S.P.A.	100.00	
	Issued capital BAM 2,120,953						
634	UNICREDIT LEASING EAD	SOFIA	SOFIA	1	UNICREDIT BULBANK AD	100.00	
	Issued capital BGN 2,605,000						
635	UNICREDIT LEASING FINANCE GMBH	HAMBURG	HAMBURG	1	UNICREDIT LEASING GMBH	100.00	
	Issued capital EUR 17,580,000						
636	UNICREDIT LEASING FLEET MANAGEMENT S.R.L.	BUCHAREST	BUCHAREST	1	DV ALPHA GMBH	90.02	
	Issued capital RON 680,000				UNICREDIT LEASING CORPORATION IFN S.A.	9.98	

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	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
637	UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH Issued capital EUR 364,000	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
638	UNICREDIT LEASING GMBH Issued capital EUR 15,000,000	HAMBURG	HAMBURG	1	UNICREDIT BANK AG	100.00	
639	UNICREDIT LEASING HUNGARY ZRT	BUDAPEST	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	5.00	
	Issued capital HUF 350,000,000				UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
640	UNICREDIT LEASING IMMOTRUCK ZRT.	BUDAPEST	BUDAPEST	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	28.57	
	Issued capital HUF 100,000,000				UNICREDIT LEASING (AUSTRIA) GMBH	71.43	
641	UNICREDIT LEASING KFT Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
642	UNICREDIT LEASING LUNA KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
643	UNICREDIT LEASING MARS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
644	UNICREDIT LEASING REAL ESTATE S.R.O. Issued capital EUR 106,221	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
645	UNICREDIT LEASING ROMANIA S.A.	BUCHAREST	BUCHAREST	1	UNICREDIT CONSUMER FINANCING IFN S.A.	..	
	Issued capital RON 880,000				UNICREDIT TIRIAC BANK S.A.	100.00	
646	UNICREDIT LEASING S.P.A. Issued capital EUR 410,131,062	MILAN	MILAN	1	UNICREDIT SPA	100.00	
647	UNICREDIT LEASING SLOVAKIA A.S. Issued capital EUR 26,560,000	BRATISLAVA	BRATISLAVA	1	UNICREDIT LEASING CZ, A.S.	100.00	
648	UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD Issued capital RSD 693,877,000	BELGRADE	BELGRADE	1	UNICREDIT LEASING S.P.A.	100.00	
649	UNICREDIT LEASING TECHNIKUM GMBH	VIENNA	VIENNA	1	LEASFINANZ GMBH	99.80	100.00
	Issued capital EUR 1,435,000				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
650	UNICREDIT LEASING TOB Issued capital UAH 5,083,582	KIEV	KIEV	1	UNICREDIT LEASING S.P.A.	100.00	
651	UNICREDIT LEASING URANUS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	80.00	
652	UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG Issued capital EUR 36,500	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
653	UNICREDIT LEASING, LEASING, D.O.O.	LJUBLJANA	LJUBLJANA	1	UNICREDIT BANKA SLOVENIJA D.D.	0.62	
	Issued capital EUR 12,699,658				UNICREDIT LEASING S.P.A.	99.38	
654	UNICREDIT LUNA LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
655	UNICREDIT LUXEMBOURG FINANCE SA Issued capital EUR 350,000	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
656	UNICREDIT LUXEMBOURG S.A. Issued capital EUR 238,000,000	LUXEMBOURG	LUXEMBOURG	1	UNICREDIT BANK AG	100.00	

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
657	UNICREDIT MOBILIEN UND KFZ LEASING GMBH	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	99.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
658	UNICREDIT OBG S.R.L. Issued capital EUR 10,000	VERONA	VERONA	1	UNICREDIT SPA	60.00	
659	UNICREDIT OBG SRL (COVERED BONDS)	VERONA	VERONA	4	UNICREDIT SPA	..	(3)
660	UNICREDIT PARTNER D.O.O. BEOGRAD Issued capital RSD 2,001,875	BELGRADE	BELGRADE	1	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
661	UNICREDIT PARTNER D.O.O.ZA POSREDOVANJE U OSIGURANJU	ZAGREB	ZAGREB	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	20.00	
	Issued capital HRK 200,000				UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
662	UNICREDIT PARTNER LLC Issued capital UAH 53,557	KIEV	KIEV	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
663	UNICREDIT PEGASUS LEASING GMBH	VIENNA	VIENNA	1	CALG IMMOBILIEN LEASING GMBH	74.80	75.00
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
664	UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O. Issued capital CZK 510,000	PRAGUE	PRAGUE	1	UNICREDIT LEASING CZ, A.S.	100.00	
665	UNICREDIT POLARIS LEASING GMBH	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
666	UNICREDIT RENT D.O.O. BEOGRAD Issued capital RSD 43,500	BELGRADE	BELGRADE	1	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
667	UNICREDIT SUBITO CASA SPA Issued capital EUR 500,000	MILAN	MILAN	1	UNICREDIT SPA	100.00	
668	UNICREDIT TECHRENT LEASING GMBH	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
	Issued capital EUR 36,336				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
669	UNICREDIT TIRIAC BANK S.A.	BUCHAREST	BUCHAREST	1	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	0.01	
	Issued capital RON 1,101,604,066				BANK AUSTRIA-CEE BETEILIGUNGSGMBH	0.01	
					BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.01	
					UNICREDIT BANK AUSTRIA AG	95.52	50.56 (6)
					UNICREDIT LEASING (AUSTRIA) GMBH	0.01	
					UNICREDIT LEASING ROMANIA S.A.	..	
670	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH Issued capital EUR 750,000	VIENNA	VIENNA	1	UNICREDIT TURN-AROUND MANAGEMENT GMBH	100.00	
671	UNICREDIT TURN-AROUND MANAGEMENT GMBH Issued capital EUR 72,673	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
672	UNICREDIT U.S. FINANCE LLC Issued capital USD 130	NEW YORK	WILMINGTON	1	UNICREDIT BANK AG	100.00	

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	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
673	UNICREDIT ZAVAROVALNO ZASTOPINSKA DRUZBA D.O.O. Issued capital EUR 40,000	LJUBLJANA	LJUBLJANA	1	UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH	100.00	
674	UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	100.00
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
675	UNICREDIT ZWEITE BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
676	UNICREDIT-LEASING HOSPES KFT Issued capital HUF 1,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
677	UNICREDIT-LEASING NEPTUNUS KFT Issued capital HUF 3,010,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	96.35	
678	UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	1	AWT HANDELS GESELLSCHAFT M.B.H.	100.00	
679	UNICREDITO ITALIANO CAPITAL TRUST III Issued capital EUR 1,000	NEWARK	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC III	100.00	
680	UNICREDITO ITALIANO CAPITAL TRUST IV Issued capital GBP 1,000	NEWARK	NEWARK	1	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
681	UNICREDITO ITALIANO FUNDING LLC III Issued capital EUR 1,000	WILMINGTON	WILMINGTON	1	UNICREDIT SPA	100.00	
682	UNICREDITO ITALIANO FUNDING LLC IV Issued capital GBP 1,000	WILMINGTON	WILMINGTON	1	UNICREDIT SPA	100.00	
683	UNIVERSALE INTERNATIONAL REALITAETEN GMBH Issued capital EUR 32,715,000	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
684	UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	1	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
685	US PROPERTY INVESTMENTS INC. Issued capital USD 100,000	DALLAS	DALLAS	1	UNICREDIT BANK AG	100.00	
686	V.M.G. VERMIETUNGSGESELLSCHAFT MBH Issued capital EUR 25,565	MUNICH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
687	VANDERBILT CAPITAL ADVISORS LLC	CHICAGO	WILMINGTON	1	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
688	VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. Issued capital EUR 431,630	VIENNA	VIENNA	1	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	75.00
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
					VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
689	VECTIGAL IMMOBILIEN GMBH & CO KG Issued capital EUR 2,470,930	VIENNA	VIENNA	1	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	100.00	
690	VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 1,023,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
691	VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG Issued capital EUR 48,728,161	MUNICH	MUNICH	1	HVB IMMOBILIEN AG	88.08	88.03
					LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	0.06

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
692	VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH Issued capital EUR 511,292	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
693	VIENNA DC BAUTRAEGER GMBH Issued capital EUR 18,168	VIENNA	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
694	VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
695	VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
696	VILLINO PACELLI SRL Issued capital EUR 41,600	ROME	ROME	1	IMMOBILIARE PATETTA SRL	100.00	
697	VISCONTI SRL Issued capital EUR 11,000,000	MILAN	MILAN	1	UNICREDIT SPA	76.00	
698	VUWB INVESTMENTS INC. Issued capital USD 10,000	ATLANTA	ATLANTA	1	WEALTHCAP FONDS GMBH	100.00	
699	WEALTH MANAGEMENT CAPITAL HOLDING GMBH Issued capital EUR 26,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	100.00	
700	WEALTHCAP EQUITY GMBH Issued capital EUR 500,000	MUNICH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
701	WEALTHCAP EQUITY MANAGEMENT GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP EQUITY GMBH	100.00	
702	WEALTHCAP FONDS GMBH Issued capital EUR 512,000	MUNICH	MUNICH	1	WEALTHCAP INITIATOREN GMBH	100.00	
703	WEALTHCAP INITIATOREN GMBH Issued capital EUR 1,533,876	MUNICH	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
704	WEALTHCAP INVESTMENTS INC. Issued capital USD 312,000	COUNTRY OF NEW CASTLE	WILMINGTON	1	WEALTHCAP FONDS GMBH	100.00	
705	WEALTHCAP INVESTORENBETREUUNG GMBH Issued capital EUR 60,000	MUNICH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
706	WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH Issued capital EUR 125,000	MUNICH	MUNICH	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
707	WEALTHCAP LEASING GMBH Issued capital EUR 25,000	MUNICH	GRUNWALD	1	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
708	WEALTHCAP PEIA KOMPLEMENTAR GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	1	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
709	WEALTHCAP PEIA MANAGEMENT GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	1	UNICREDIT BANK AG	6.00	
					WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
710	WEALTHCAP REAL ESTATE MANAGEMENT GMBH Issued capital EUR 60,000	MUNICH	MUNICH	1	H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH	100.00	
711	WEALTHCAP STIFTUNGSTREUHAND GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
712	WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	1	WEALTHCAP FONDS GMBH	100.00	
713	WED DONAU-CITY GESELLSCHAFT M.B.H. Issued capital EUR 726,728	VIENNA	VIENNA	1	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	

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	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
714	WED HOLDING GESELLSCHAFT M.B.H. Issued capital EUR 72,673	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	53.83	
715	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	38.00	
	Issued capital EUR 3,634,368				WED HOLDING GESELLSCHAFT M.B.H.	62.00	
716	WIEN MITTE IMMOBILIEN GMBH	VIENNA	VIENNA	1	B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	50.00	
	Issued capital EUR 17,500				BA-CA WIEN MITTE HOLDING GMBH	50.00	
717	WOEM GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 3,322,141				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
718	WOHNBAUERRICHTUNGS-UND-VERWERTUNGS-GMBH	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.28	
	Issued capital EUR 6,615,700				IMMOBILIEN HOLDING GMBH	99.72	
719	WOHNPARK BRANDENBURG-GORDEN GMBH	BRANDENBURG	BRANDENBURG	1	IMMOBILIEN HOLDING GMBH	5.18	
	Issued capital EUR 51,150				KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	94.82	
720	Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
721	Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
722	Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
723	Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
724	Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
725	Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
726	Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
727	Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
728	Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GEBAEUDELEASING GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
729	Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	HOLDING %	VOTING RIGHTS % (2)
730	Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
731	Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
732	Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
733	Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 263,958				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
734	Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
735	Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
736	Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
737	Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
738	Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 16,134,987	VIENNA	VIENNA	1	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	100.00	
739	Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
740	Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	100.00
	Issued capital EUR 73,000				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
741	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
742	Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	1	UNICREDIT LEASING (AUSTRIA) GMBH	99.80	100.00
	Issued capital EUR 36,500				VIA A TRUST COMPANY OUTSIDE THE GROUP	0.20	(4)
743	ZABA PARTNER DOO ZA POSREDOVANJE U OSIGURANJU I REOSIGURANJU Issued capital HRK 1,500,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
744	ZAGREB NEKRETNINE DOO Issued capital HRK 5,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
745	ZAGREBACKA BANKA D.D. Issued capital HRK 6,404,839,100	ZAGREB	ZAGREB	1	UNICREDIT BANK AUSTRIA AG	84.48	
746	ZANE BH DOO Issued capital BAM 131,529	SARAJEVO	SARAJEVO	1	ZAGREB NEKRETNINE DOO	100.00	
747	ZAO LOCAT LEASING RUSSIA Issued capital RUR 107,000,000	MOSCOW	MOSCOW	1	OOO UNICREDIT LEASING	100.00	
748	ZAPADNI TRGOVACKI CENTAR D.O.O. Issued capital HRK 20,000	RIJEKA	RIJEKA	1	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	

Part A – Accounting Policies

	NAME	ADMINISTRATIVE OFFICE	MAIN OFFICE	TYPE OF RELATIONSHIP (1)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
749	ZB INVEST DOO Issued capital HRK 4,000,000	ZAGREB	ZAGREB	1	ZAGREBACKA BANKA D.D.	100.00	
750	ZETA FUENF HANDELS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	1	UNICREDIT BANK AUSTRIA AG	100.00	
751	ZM REVITALISIERUNGS-UND VERMIETUNGS-GMBH	VIENNA	VIENNA	1	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.04	
	Issued capital EUR 2,056,561				EKAZENT REALITAETENGESELLSCHAFT M.B.H.	99.96	

Notes to the table that shows the companies included in the scope of consolidation line-by-line:

(1) Type of relationship:
- 1 = majority of voting rights at ordinary shareholders' meeting;
- 2 = dominant influence at ordinary shareholders' meeting;
- 3 = agreements with other shareholders;
- 4 = other types of control;
- 5 = centralized management pursuant to paragraph 1 of art. 26 of "Legislative decree 87/92";
- 6 = centralized management pursuant to paragraph 2 of art. 26 of "Legislative decree 87/92";

(2) Voting rights available in general meeting. Voting rights are disclosed only if different from the percentage of ownership.

(3) Entities consolidatedline by line under IFRS 10 as a result of the simultaneous availability of power to govern the relevant activities and exposures to variability of related returns.

(4) In the consolidated financial statements the Group's stake is 100% as the trust company does not share in the profits. The voting rights are held by the grantor, a Group company.

(5) The equity investment in Unicredit Bank D.D. is consolidated at 99% by virtue of UniCredit S.p.A.'s and Zagrebacka Banka D.D's.direct shareholdings, Unicredit Bank Austria AG's direct shareholding of 24.40% and its option on minority interests representing 5.74% of the share capital.

(6) The equity investment in Unicredit Tiriac Bank S.A. is consolidated at 95.56% by virtue of a direct investment equal to 50.60% and an option on minority interests representing 44.96% of share capital.

(7) To be struck off the Register of Companies.

(8) One borrower has also been consolidated through HVB Gesellschaft Für Gebäude MbH & Co KG in accordance with IFRS 10. The borrower has the German legal form of GmbH & Co. KG (a type of limited partnership), the only asset of which is a property over which HVB gained economic ownership during the course of restructuring. Under the provisions set forth in IFRS 10, this leads to an obligation on the part of HVB to consolidate the borrower. The Company shareholders' equity of €28 million that is held by third parties is shown in the consolidated balance sheet under minority interest. For data protection reasons, no further details, including the name of the company involved, are provided.

Changes in the scope of consolidation

Companies consolidated line by line, including the Parent Company, increased by 19 entities compared with December 31, 2013 (76 inclusions, of which 27 following the introduction of IFRS 10 and 49 acquisitions and newly-formed entities, and 57 exclusions as a result of disposals and mergers) from 732 as at December 31, 2013 – 759 under the new IFRS 10 – to 751 as at December 31, 2014.

Companies consolidated proportionately, which numbered 26 at the end of December 2013, amounted to 0 following the introduction of IFRS 11: 18 were consolidated at equity method; since January 1, 2014, 8 minor entities in which the Group has indirect shareholdings have been consolidated synthetically through the consolidation at equity method of the direct investment.

Wholly-owned subsidiaries

The following table shows the changes in equity investments in wholly-owned subsidiaries (consolidated line by line).

Equity investments in wholly-owned subsidiaries (consolidated line by line): annual changes

	Number of companies
A. Opening balance 2013	**732**
A. New entities consolidated in accordance with the Principles IFRS 10	**27**
A. Opening balance 2014 with the Principles IFRS 10	**759**
B. Increased by	**49**
B.1 Newly established companies	2
B.2 Change of the consolidation method	4
B.3 Entities consolidated for the first time in 2014	43
C. Reduced by	**57**
C.1 Disposal	42
C.2 Change of the consolidation method	-
C.3 Absorption by other Group entities	15
D. Closing balance	**751**

Part A – Accounting Policies

The table below shows the entities consolidated for the first time following the adoption of the new IFRS 10:

Entities consolidated for the first time in 2014 in accordance with the Principles IFRS 10

COMPANY NAME	MAIN OFFICE
LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2005)	CONEGLIANO
LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2006)	CONEGLIANO
TREVI FINANCE SPA (CARTOLARIZZAZIONE : TREVI FINANCE)	TREVISO
TREVI FINANCE N 2 SPA (CARTOLARIZZAZIONE : TREVI FINANCE 2)	TREVISO
TREVI FINANCE N 3 SRL (CARTOLARIZZAZIONE : TREVI FINANCE 3)	TREVISO
ENTASI SRL (CARTOLARIZZAZIONE : ENTASI)	ROME
UNICREDIT BPC MORTAGE SRL (CARTOLARIZZAZIONE)	VERONA
UNICREDIT OBG SRL (CARTOLARIZZAZIONE)	VERONA
IMPRESA ONE SRL (CARTOLARIZZAZIONE : IMPRESA ONE)	VERONA
CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : BIPCA CORDUSIO RMBS)	VERONA
CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : CAPITAL MORTGAGE 2007 - 1)	VERONA
CONSUMER ONE SRL (CARTOLARIZZAZIONE : CONSUMER ONE)	VERONA
F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES 2005)	VERONA
REAL INVEST EUROPE D BA RI KAG	AUSTRIA

COMPANY NAME	MAIN OFFICE
F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES SERIES 1 - 2003)	VERONA
HELICONUS SRL (CARTOLARIZZAZIONE : HELICONUS)	VERONA
CORDUSIO RMBS SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS)	VERONA
CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2007)	VERONA
CORDUSIO RMBS - UCFIN SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS UCFIN - SERIE 2006)	VERONA
CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2006)	VERONA
LARGE CORPORATE ONE SRL (CARTOLARIZZAZIONE : LARGE CORPORATE)	VERONA
CONSUMER TWO SRL (CARTOLARIZZAZIONE : CONSUMER TWO)	VERONA
LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2011)	CONEGLIANO
F-E GOLD SRL (CARTOLARIZZAZIONE : F-E GOLD)	MILAN
SALONE N. 1 SPA	TREVISO
SALONE N. 2 SPA	TREVISO
SALONE N. 3 SPA	TREVISO

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

Increases

Newly established companies

COMPANY NAME	MAIN OFFICE
UNICREDIT SUBITO CASA SPA	MILAN

COMPANY NAME	MAIN OFFICE
UCTAM HUNGARY KFT	BUDAPEST

These are companies attributable to Unicredit SpA and to the sub-group Bank Austria.

Change of the consolidation method

COMPANY NAME	MAIN OFFICE
UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H.	LEONDING
BAREAL IMMOBILIENTREUHAND GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
WIEN MITTE IMMOBILIEN GMBH	VIENNA
GARAGE AM HOF GESELLSCHAFT M.B.H.	VIENNA

The changes in the consolidation method can be summarised as:

- transfer from item 100) Investments in entities subject to significant influence valued at Net Equity of the company WIEN MITTE IMMOBILIEN GMBH
- transfer from item 100) Investments in non-consolidated subsidiaries of the company UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H.
- transfer from item 100) Equity investment subject to significant influence valued at cost of the company BAREAL IMMOBILIENTREUHAND GMBH
- transfer from item 40) Available for sale financial assets, Investments valued at cost of the company GARAGE AM HOF GESELLSCHAFT M.B.H.

Entities consolidated for the first time in 2014

COMPANY NAME	MAIN OFFICE
NEWSTONE MORTGAGE SECURITIES No.1 PLC	LONDON
NORDBAHNHOF BAUFELD SECHS PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA
KLEA WOHNBAU GESELLSCHAFT GMBH	VIENNA
KUR- UND SPORTHOTEL GESELLSCHAFT M.B.H.	KITZBUHEL
LINDENGASSE BUROHAUSGESELLSCHAFT M.B.H.	VIENNA
VECTIGAL IMMOBILIEN GMBH & CO KG	VIENNA
B 03 IMMOBILIEN GMBH & CO KG	VIENNA
B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH	VIENNA
BAI WOHNUNGSEIGENTUMSGESELLSCHAFT M.B.H.	VIENNA
DOBLERHOF IMMOBILIEN GMBH & CO KG	VIENNA
DONAUTURM LIEGENSCHAFTSVERWALTUNGS-GESELLSCHAFT M.B.H.	VIENNA
DONAUTURM AUSSICHTSTURM-UND RESTAURANT-BETRIEBSGESELLSCHAFT M.B.H.	VIENNA
DONAUMARINA PROJEKTENTWICKLUNG GMBH	VIENNA
DR. W. W. DONATH IMMOBILIENVERWALTUNG GMBH	VIENNA
EKAZENT GEBAEUDEVERMIETUNG GMBH	VIENNA
EKAZENT IMMOBILIEN MANAGEMENT GMBH	VIENNA
EKAZENT REALITAETENGESELLSCHAFT M.B.H.	VIENNA
EUROGATE BETEILIGUNGSVERWALTUNG GMBH	VIENNA
ELEKTRA PURCHASE NO. 35 LIMITED	DUBLIN
ELEKTRA PURCHASE NO. 33 LIMITED	DUBLIN
UNICREDIT ZWEITE BETEILIGUNGS GMBH	MUNICH
LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2014)	CONEGLIANO

COMPANY NAME	MAIN OFFICE
WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	MUNICH
NORDBAHNHOF BAUFELD 39 PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA
EUROGATE PROJEKTENTWICKLUNG GMBH	VIENNA
EUROGATE PROJEKTENTWICKLUNG GMBH & CO AREA BETA KG	VIENNA
HBF PROJEKTENTWICKLUNG DREI GMBH & CO KG	VIENNA
HBF PROJEKTENTWICKLUNG EINS GMBH & CO KG	VIENNA
HBF PROJEKTENTWICKLUNG ZWEI GMBH & CO KG	VIENNA
IMMOBILIEN HOLDING GMBH	VIENNA
IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH & CO KG	VIENNA
INV TOTALUNTERNEHMER GMBH	VIENNA
KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	VIENNA
LBC UNTERNEHMENSBETEILIGUNGSGES.M.B.H.	VIENNA
PRO WOHNBAU AG	VIENNA
RVT BAUTRAEGER GESELLSCHAFT M.B.H.	VIENNA
WOHNBAUERRICHTUNGS-UND-VERWERTUNGS-GMBH	VIENNA
WOHNPARK BRANDENBURG-GORDEN GMBH	BRANDENBURG
ZM REVITALISIERUNGS-UND VERMIETUNGS-GMBH	VIENNA
ELEKTRA PURCHASE N. 32 S.A.	LUXEMBOURG
ELEKTRA PURCHASE NO. 36 LIMITED	DUBLIN
ELEKTRA PURCHASE NO. 34 LIMITED	DUBLIN
ARENA NPL ONE S.R.L. (CARTOLARIZZAZIONE 2014)	VERONA

The entities included in the first consolidation are basically the 31 companies deriving from the purchase of 100% of the equity interest in Immobilien Holding in which the Bank Austria Group already held a right to a share of the economic results for 88% and 8 SPVs consolidated on the basis of IFRS 10.

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
CA-LEASING TERRA POSLOVANJE Z NEPREMICNINAMI D.O.O.	LJUBLJANA
PIONEER INVESTMENT MANAGEMENT LLC - UNDER LIQUIDATION	MOSCOW
SCHOTTENGASSE 6-8 IMMOBILIEN GMBH UND CO OG	VIENNA
HVB ASIA LIMITED (IN LIQUIDATION)	SINGAPORE
UNICREDIT CAIB ROMANIA SRL (IN LIQUIDAZIONE)	BUCAREST
UNICREDIT LONDON INVESTMENTS LIMITED	LONDON
HVB LONDON INVESTMENTS (CAM) LIMITED	LONDON
BAL PAN IMMOBILIEN LEASING GMBH	VIENNA
ELEKTRA PURCHASE No. 24 LTD	DUBLIN
GRAND CENTRAL RE LIMITED IN LIQ	HAMILTON
GELDILUX-TS-2010 SA	LUXEMBOURG
ELEKTRA PURCHASE No. 23 LTD	DUBLIN
CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. IN LIQU.	VIENNA
TREVI FINANCE N 2 SPA (CARTOLARIZZAZIONE : TREVI FINANCE 2)	CONEGLIANO
ISTRATURIST UMAG, HOTELIJERSTVO TURIZAM I TURISTICKA AGENCIJA DD	UMAG
UNICREDIT BUSINESS PARTNER S.R.O. IN LIQUIDATION	PRAGA
DAB BANK AG	MUNICH
LOCALMIND SPA IN LIQUIDAZIONE	MILAN
BARD PHONIX VERWALTUNGS GMBH	EMDEN
SOCIETA' PETROLIFERA GIOIA TAURO SRL	REGGIO CALABRIA
PETROLI INVESTIMENTI SPA	CIVITAVECCHIA

COMPANY NAME	MAIN OFFICE
EUROFINANCE 2000 SRL (IN LIQUIDAZIONE)	ROME
MEZZANIN FINANZIERUNGS AG	VIENNA
UCTAM RK LIMITED LIABILITY COMPANY	ALMATY CITY
CA-LEASING ALPHA INGATLANHASZNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
HVB-LEASING OTHELLO INGATLANHASNOSITO KORLATOLT FELELOSSEGU TARSASAG	BUDAPEST
HVB FINANCE LONDON LIMITED	LONDON
UNICREDIT CAIB SECURITIES ROMANIA SA	BUCAREST
GELDILUX-PP-2011 SA	LUXEMBOURG
SALOME FUNDING PLC	DUBLIN
BANDON LEASING LIMITED	DUBLIN
GELDILUX-TS-2011 SA	LUXEMBOURG
HOKA LEASING-GESELLSCHAFT M.B.H.	VIENNA
TREVI FINANCE SPA (CARTOLARIZZAZIONE : TREVI FINANCE)	CONEGLIANO
PRIM Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA
ISTRA D.M.C. DOO	UMAG
HVB GLOBAL ASSETS COMPANY (GP), LLC IN LIQ. (ex. HVB GLOBAL ASSETS COMPANY (GP), LLC)	NEW YORK
DIREKTANLAGE.AT AG	SALZBURG
CHIYODA FUDOSAN GK	TOKYO
MERIDIONALE PETROLI SRL	VIBO VALENTIA
SOCIETA' DEPOSITI COSTIERI - SO.DE.CO. SRL	ROME
NXP CO-INVESTMENT PARTNERS VIII L.P.	LONDON

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

Absorption by other Group entities				
COMPANY NAME OF THE MERGED ENTITY	MAIN OFFICE		COMPANY NAME OF THE SURVIVING ENTITY	MAIN OFFICE
M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H.	VIENNA	>>>	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	VIENNA
AWT INTERNATIONAL TRADE GMBH	VIENNA	>>>	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	VIENNA
FINECO LEASING S.P.A	BRESCIA	>>>	UNICREDIT LEASING S.P.A.	MILAN
AS UNICREDIT FINANCE	RIGA	>>>	SIA UNICREDIT LEASING	RIGA
PROPERTY SP. Z.O.O. (IN LIQUIDAZIONE)	WARSAW	>>>	PEKAO PROPERTY SA	WARSAW
IMMOBILIEN HOLDING GMBH	VIENNA	>>>	BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH	VIENNA
CAC-IMMO SRO	PRAGA	>>>	HVB LEASING CZECH REPUBLIC S.R.O.	PRAGA
CA-LEASING PRAHA S.R.O.	PRAGA	>>>	HVB LEASING CZECH REPUBLIC S.R.O.	PRAGA
SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG	MUNICH	>>>	ORESTOS IMMOBILIEN-VERWALTUNGS GMBH	MUNICH
BARD EMDEN ENERGY GMBH & Co. KG	EMDEN	>>>	BARD HOLDING GMBH	EMDEN
BARD BUILDING GMBH & Co. KG	EMDEN	>>>	BARD HOLDING GMBH	EMDEN
BARD SERVICE GMBH	EMDEN	>>>	BARD HOLDING GMBH	EMDEN
BARD LOGISTIK GMBH	EMDEN	>>>	BARD ENGINEERING GMBH	EMDEN
BARD NEARSHORE HOOKSIEL GMBH	EMDEN	>>>	BARD HOLDING GMBH	EMDEN
BARD SCHIFFSBETRIEBSGESELLSCHAT MBH & Co. NATALIE KG	EMDEN	>>>	BARD LOGISTIK GMBH	EMDEN

The following table shows the Entities which changed their company name during the period:

Entities line by line which changed the company name during 2014			
COMPANY NAME	MAIN OFFICE	COMPANY NAME	MAIN OFFICE
AS UNICREDIT FINANCE (ex. AS UNICREDIT BANK, LATVIA)	RIGA	ROMA 2000 SRL IN LIQUIDAZIONE (ex. ROMA 2000 SRL)	ROME
CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. IN LIQ (ex. CHRISTOPH REISEGGER GESELLSCHAFT M.B.H.)	VIENNA	UNICREDIT BUSINESS PARTNER S.R.O. IN LIQUIDATION (ex. UNICREDIT BUSINESS PARTNER S.R.O.)	PRAGUE
BACA NEKRETNINE DRUSTVO SA OGRANICENOM ODGOVORNOSCU (ex. BACA NEKRETNINE DOO)	SARAJEVO	GRAND CENTRAL RE LIMITED IN LIQ (ex. GRAND CENTRAL RE LIMITED)	HAMILTON
UNICREDIT FUGGETLEN BIZTOSITASKOEZVETITOE SZOLGALTATO KFT. (ex. UNICREDIT FUGGETLEN BIZTOSITASKOZVETITO KFT)	BUDAPEST	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG (ex. HVB-LEASING GARO KFT)	BUDAPEST
HVB-LEASING JUPITER INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG (ex. HVB-LEASING JUPITER KFT)	BUDAPEST	HVB-LEASING NANO INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG (ex. HVB-LEASING NANO KFT)	BUDAPEST
FMZ SAVARIA SZOLGALTATO KORLATOLT FELELOESSEG TARSASAG (ex. FMZ SAVARIA SZOLGALTATO KFT)	BUDAPEST	UNICREDIT PARTNER D.O.O.ZA POSREDOVANJE U OSIGURANJU (ex. UNICREDIT PARTNER D.O.O)	ZAGREB
IMMOBILIEN HOLDING GMBH (ex. BA-CA INFRASTRUCTURE FINANCE ADVISORY GMBH)	VIENNA	GUS CONSULTING GMBH IN LIQUIDATION (ex. GUS CONSULTING GMBH)	VIENNA
TREVI FINANCE N. 2 S.R.L. (ex. TREVI FINANCE N. 2 S.P.A.)	CONEGLIANO (TREVISO)	TREVI FINANCE S.R.L. (ex. TREVI FINANCE S.P.A.)	CONEGLIANO (TREVISO)
WEALTHCAP INVESTMENTS INC. (ex. BLUE CAPITAL INVESTMENT INC.)	WILMINGTON	HVB GLOBAL ASSETS COMPANY (GP), LLC IN LIQ. (ex. HVB GLOBAL ASSETS COMPANY (GP), LLC)	NEW YORK
AO UNICREDIT BANK (ex. ZAO UNICREDIT BANK)	MOSCOW	BA PRIVATE EQUITY GMBH IN LIQU. (ex. BA PRIVATE EQUITY GMBH)	VIENNA
WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH (ex. WMC MANAGEMENT GMBH)	MUNICH		

Part A – Accounting Policies

Proportionately consolidated companies

The 26 joint ventures that had been consolidated proportionately until December 2013 amounted to 0 as a result of the introduction of IFRS 11, under which it is no longer possible to adopt proportionate consolidation, replaced by the equity method.

Investments in joint ventures (recognized using proportionate consolidation): annual changes

	Number of companies
A. Opening balance 2013	**26**
A. Entities that have changed of the consolidation method in accordance with the IFRS 11: consolidated at equity method	**(18)**
A. Entities that have changed of the consolidation method in accordance with the IFRS 11: since January 1, 2014 consolidated synthetically through the consolidation at equity method of the direct investment	**(8)**
A. Opening balance 2014 with the IFRS 11	**-**

The table below shows the entities no longer consolidated proportionately under the new IFRS 11:

Change of the consolidation method under IFRS11

COMPANY NAME	MAIN OFFICE
YAPI KREDI BANK NEDERLAND N.V.	AMSTERDAM
YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	BAKU
YAPI VE KREDI BANKASI AS	ISTANBUL
YAPI KREDI BANK MOSCOW	MOSCOW
KOC FINANSAL HIZMETLER AS	ISTANBUL
STICHTING CUSTODY SERVICES YKB	AMSTERDAM
SYNERGA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNIN-AMA	ZAGREB
HYPO-BA PROJEKT, FINANCIRANJE D.O.O.	LJUBLJANA
INPROX LEASING, NEPREMICNINE, D.O.O.	LJUBLJANA
BA HYPO FINANCIRANJE D.O.O. ZA POSLOVANJE NEKRET- NINAMA	ZAGREB
HYPO-BA ZAGREB D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB
MONTREAL NEKRETNINE D.O.O.	ZAGREB
ORBIT ASSET MANAGEMENT LIMITED	HAMILTON
HYPO-BA LEASING SUD GMBH	KLAGENFURT
INPROX OSIJEK D.O.O.	ZAGREB
YAPI KREDI HOLDING BV	AMSTERDAM
YAPI KREDI FAKTORING AS	ISTANBUL
YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL
HYBA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRTNINAMA	ZAGREB
YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL
UNICREDIT MENKUL DEGERLER AS	ISTANBUL
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU
TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.	ISTANBUL
YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	GEORGE TOWN
FIDES LEASING GMBH	VIENNA

2. Significant assumptions and assessment in determining the consolidation scope

The Group determines the existence of control and, consequently, the consolidation scope, checking, with reference to the entities in which it holds exposures:

- the existence of power over the relevant activities;
- the exposure to the variability of returns;
- the ability to use the power exercised in order to influence the returns to which it is exposed.

The factors that have been considered for the purposes of this assessment depend on the entity's governance methods, purposes and equity structure. On this point, the Group differentiates between entities governed through voting rights, i.e. operating entities, and entities not governed through voting rights, which comprise special purpose entities (SPEs) and investment funds.

In the case of operating entities, the following factors provide evidence of control:

- more than half of the company's voting rights are held, directly or indirectly through subsidiaries, unless, in rare cases, it can be clearly demonstrated that this possess does not constitute control;
- half, or a lower proportion, of the votes exercisable in the shareholders' meeting are held and it is possible to govern the relevant activities unilaterally through:
  - o the control of more than half of the voting rights in force of an agreement with other investors;
  - o the power to determine the entity's financial and operating policies in force of a contract or a statutory clause;
  - o the power to appoint or remove the majority of the members of the Board of Directors or the equivalent governing body, and that board or body is responsible for managing the company;
  - o the power to exercise the majority of voting rights in meetings of the Board of Directors or the equivalent governing body, and that board or body is responsible for managing the company.

The existence and effect of potential voting rights, including those incorporated in options, way-out clauses, or instruments convertible into shares, are taken into consideration when assessing the existence of control, in case they are substantial.
In particular, potential voting rights are considered substantial if all the following conditions are met:

- they can be exercised either immediately or at least in good time for the company's shareholders' meeting;
- there are no legal or economic barriers to exercising them;
- exercising them is economically convenient.

At 31 December, the Group holds the majority of the voting rights in all the operating entities subject to consolidation, with the exception of five companies for which the Group, although not holding the majority of voting rights, (i) has signed shareholders' agreements which enable it to appoint the majority of members of the governing body, or contractual agreements which determine the possibility of managing the company's business unilaterally, and (ii) is exposed to the variability of the said company's returns.
At the same date, two companies in which the Group, although holding the majority of shares, has signed shareholders' agreements which mean that the majority of voting rights have been transferred to third parties, were excluded from the consolidation scope.
It should also be noted that there are no cases in which control derives from holding potential voting rights.

Special purpose entities are considered controlled if the Group is, at one and the same time:

- exposed to a significant extent to the variability of returns, as a result of exposures in securities, of disbursing loans or of providing guarantees. In this regard it is assumed as a rebuttable presumption that the exposure to variability of returns is significant if the Group has at least 30% of the most subordinated exposure, and
- capable of governing the relevant activities, also in a de facto manner. Examples of the power to govern on this point are performing the role of sponsor or servicer appointed to recover underlying receivables, or managing the company's business.

In particular, consolidated special purpose entities include:

- Conduits in which the Group performs the role of sponsor and is exposed to the variability of returns, as a result of subscribing Asset Backed Commercial Paper issued by them and/or of providing guarantees in the form of letters of credit or liquidity lines;
- vehicles used to carry out securitisation transactions in which the Group is the originator as a result of subscribing the subordinated tranches;
- vehicles financed by the Group and established for the sole purpose of performing financial or operating leasing in favour of customers that are financed by the Group;
- vehicles in which, as a result of deteriorating market conditions, the Group has found itself holding the majority of financial exposure and, at the same time, managing the underlying assets or the related collections.

It should be noted that, in the case of special purpose entities set up as part of securitisation transactions pursuant to Italian Law 130/99, the segregated assets are analysed separately with respect to the analysis of the SPE. For the latter, control is assessed on the basis of possession of the voting rights attributed to the company's shares.

Investment funds managed by Group companies are considered controlled if the Group is significantly exposed to the variability of returns and if the third-party investors have no rights to remove the management company.

In this regard it is assumed as a rebuttable presumption that the exposure to the variability of returns is significant if the Group has at least 30% as a result of subscription of the units and commissions received for the management of the fund's assets.

Funds managed by Group companies that are in seed/warehousing phases are not considered controlled.
In this phase, in fact, the aim of the fund is to invest, in accordance with fund's regulation, in financial and non financial assets with the aim to allot the quotas to third party investors. Consequently it has been evaluated that the management company is not able to exercise power due to its limited decision power

Investment funds managed by third-party companies are considered controlled if the Group is significantly exposed to the variability of returns and at the same time, has the unilateral right to remove the management company. In this regard it is assumed as a rebuttable presumption that the exposure to the variability of returns is significant if the Group has subscribed at least 30% of the fund's units.

With reference to December 31, 2014, it can be noted that 200 investees controlled under the terms of IFRS 10 were not consolidated. Their consolidation would result in an increase of Group equity for € 32,159 thousand.

These 200 investee are composed by:

- 185 Operating entities
- 10 Investiment funds
- 5 Special Purpose entities

The 185 operating entities are constituted by:

- 16 entities for which a liquidation process is on-going. Their consolidation would determine a change in Group equity for € 643 thousand;
- 161 entities whose total assets are below 1 million. Their consolidation would determine a change in Group equity for €3,946 thousand;
- 8 entities for which the diposal of their assets is expected in 2015 or that have not an operating structure that may allow them to prepare IAS/IFRS Financial statements and that the Group has decided not to consolidate on a cost/benefit basis. Consolidation of these entities would determine a change in Group equity for - € 3,373 thousand

The 10 investment funds are constituted by:

- 6 investment funds whose total assets is below € 600 thousand
- 3 investment funds whose quotas are entirely subscribed by the Group and for which consolidation would not determine neither an increase in Group asset neither a change in Group equity. We note that for one of these funds the disposal of the underlyings is on-going.
- 1 real estate, closed ended investment fund whose control has been acquired in the context of the recovery of impaired loans. Its consolidation would determine an increase in the Group equity for € 22,824 thousand.

The 5 special purpose entities are entities whose control arises from the subscription of the most senior tranche and the deterioration of the most subordinated tranche that was acquired by third party investors. This circumstance has determined the exposure of the Group to the variability of returns of these entities and its ability to manage the underlying assets.
In this context we note that the loans provided to these entities are measured in accordance with the performance of underlying assets. Their consolidation would determine a change in Group equity for € 8,119 thousand.

3. Equity investments in wholly-owned subsidiaries with significant non-controlling interests

3.1 Non-controlling interests, availability of votes of NCIs and dividends distributed to NCIs

€'000

NAME	MINORITIES EQUITY RATIOS %	MINORITIES VOTING RIGHTS %	DIVIDENDS TO MINORITIES
FINECOBANK SPA	34.50	34.50	
BANK PEKAO SA	49.90	49.90	315,139
ZAGREBACKA BANKA D.D.	15.52	15.52	9,453

a. Equity investments with significant non-controlling interests: accounting information

Legal Entities	Total Assets	Cash and Cash equivalents	Financial assets	Tangible and intangible assets	Financial liabilities	Net Equity	Net interest margin
BANK PEKAO SA	39,282,540	796,838	36,980,265	597,456	32,921,481	5,655,228	1,066,004
FINECOBANK SPA	16,835,996	5	16,310,674	180,010	15,817,346	592,887	228,246
ZAGREBACKA BANKA D.D.	13,408,537	368,856	12,780,776	167,728	11,072,460	2,198,786	329,753

Legal Entities	Operating income	Operating costs	Profit (Loss) before tax from continuing operations	Profit (Loss) after tax from continuing operations	Profit (Loss) after tax from discontinued operations	Profit (Loss) (1)	Other comprehensive income after tax (2)	Comprehensive income (3) (1) + (2)
BANK PEKAO SA	1,734,032	(819,161)	784,042	635,646	-	635,646	114,164	749,810
FINECOBANK SPA	453,727	(219,398)	229,730	149,907	-	149,907	(1,953)	147,954
ZAGREBACKA BANKA D.D.	482,965	(221,664)	182,367	143,863	-	143,863	1,276	145,139

The data for Bank Pekao SA are the figure of the Pekao Sub-group, net of intercompany transactions between companies in the sub-group and include the impacts related to the Purchase Price Allocation allocated to the Company. Net Equity, Profit (Loss), Comprehensive Income include the amount related to the minorities of the Subgroup Pekao.
The data for Fineco Bank SpA include the impacts related to the Purchase Price Allocation allocated to the Company

4. Significant restrictions

Shareholder agreements, regulatory requirements and contractual agreements can limit the ability of the Group to access the assets or settle the liabilities of its subsidiaries or restrict the latter from distribution of capital or dividends.

With reference to shareholder agreements, it should be noted that, with reference to consolidated companies UniCredit BPC Mortgages S.r.l., UniCredit OBG S.r.l. and Trevi Finance 2 S.r.l., companies set up according to law 130/99 for the execution of securitization transactions or the issuance of covered bonds (*Obbligazioni Bancarie Garantite*), shareholder agreements are in place that allow the distribution of dividends only when the credit claims of guaranteed lenders and bearer of covered bonds are satisfied. On 31 December 2014 the retained earnings of these companies amount to 158 thousand.

With reference to regulatory requirements, it should be noted, that UniCredit Group is a banking group that is subject to the rules provided by Directive 2013/36/EU on “access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms” (CRD) and by Regulation (EU) No 575/2013 on “prudential requirements for credit institutions and investment firms” (CRR) and that controls financial institutions subject to the same regulation.
The ability of the controlled banks to distribute capital or dividends may be restricted to the fulfilment of these requirements in terms of both capital ratios and Maximum Distributable Amount.
The capital ratios requested for UniCredit S.p.A., with particular reference to the consolidated ones, and agreed upon with compentent Regulators (ECB) might be higher than the minimum requirements set by the mentioned regulations.
With reference to subsidiaries, commitments to maintain local supervisory capital higher than regulatory thresholds exist in some jurisdictions and for some foreign entities of the Group.

With reference to contractual agreements, UniCredit group has also issued financial liabilities whose redemption, as required by the already mentioned CRR, is subordinated to the consent by the authorization of competent authority. The value of these instruments as of December 31, 2014 is equal to 17,187,735 thousand.

Finally, for information on encumbered assets either recognized or not recognized in financial statements please refer to Part – E Information on risks and related risk management policies, Section 3 - Liquidity Risk.

Part A – Accounting Policies

5. Other information

Please note that, as described in Section 3 – Consolidation Procedures and Scope, for the preparation of the Consolidated Accounts the following sources have been used:

- UniCredit S.p.A. Accounts (draft) at December 31, 2014;
- the accounts as at December 31, 2014, approved by the competent bodies and functions, of the other fully consolidated subsidiaries, duly reclassified and adjusted to take account of consolidation needs and, where necessary, to align them to the Group accounting principles;
- the sub-consolidated Accounts of Compagnia Italpetroli Group including Compagnia Italpetroli S.p.A. and its direct and indirect subsidiaries, at December 31, 2014.

Section 4 – Subsequent Events

No material events have occurred after the balance sheet date that would make it necessary to change any of the information given in the Consolidated Accounts as of December 31, 2014. For a description of the significant events after year end see the specific paragraph of the Report on Operations.

Section 5 – Other Matters

Since 2014 the following principles or accounting interpretations have become effective:

- IAS 27 revised – Separate Financial Statements (EU Regulation 1254/2012);
- IAS 28 revised – Investments in Associates and Joint Ventures (EU Regulation 1254/2012);
- IFRS 10 – Consolidated Financial Statements (EU Regulation 1254/2012);
- IFRS 11 – Joint Arrangements (EU Regulation 1254/2012);
- IFRS 12 – Disclosure of interests in Other Entities (EU Regulation 1254/2012);
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (EU Regulation 1374/2013);
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (EU Regulation 1375/2013);
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance (EU Regulation 313/2013);
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (EU Regulation 1174/2013);
- IFRIC 21 – Levies (EU Regulation 634/2014).

With regard to the entry into force of accounting principles IFRS 10 and IFRS 11 reference should be made to the specific paragraph.
With regard to the entry into force of accounting principle IFRS 12 please note that it has been incorporated in the third revision to Bank of Italy circular 262.

On 9 January 2015, the European Commission has approved the technical standards on harmonized statistical consolidated regulatory reporting defined by European Banking Association (EBA) in draft on July 2014 (FINREP) concerning Non Performing Exposures (NPE) and Forbearance and applied, on the base of these technical standards, already for the quarterly FINREP reporting as of 30 September 2014.
The perimeter of impaired exposures following the instructions of Bank of Italy is substantially equivalent to the perimeter of NPE EBA. Subsidiaries subject to regulatory supervision by authorities different from Bank of Italy shall apply local rules and regulations for the classification of Non Performing exposures in the different risk classes. In order to prepare Consolidated Financial statements according to the instruction provided by Italian regulatory authority, adjustments have been made to the classification between risk classes that, otherwise, would have not been completely homogeneous.
For further information on the new EBA definitions of NPE and Forbearance please refer to Part E – Section 1 – Credit Risk
In this context please note that starting from January 1, 2015, Bank of Italy has updated the methodology of classification of impaired financial positions (please refer to seventh revision of July 30, 2008 to Bank of Italy circular 272/2008 – "Matrice dei conti" issued by Bank of Italy on January 20, 2015), in order to harmonize them to the definition of Non Performing Exposures and Forbearance introduced by European Banking Authority through the document "Final draft Implementing Technical Standards on Supervisory reporting on forbearance and non performing exposures" (EBA/ITS/2013/03/rev1 24/7/2014).
Even though no significant effects are expected from the application of the new Circular 272 on the overall amount of impaired exposures, the changes in the monitoring processes requested by new EBA definition might determine a different dynamic in the volumes of Forborne and Non performing, from the one that would have resulted following application of the previous risk classes, reflecting the differences with respect to the detailed criteria for classification of the Restructured exposures previously in force.
On 31 January 2015 EBA consultation concerning materiality thresholds for the measurements of Past due exposures has ended ("Regulatory Technical Standards on materiality threshold of past due credit obligations"). Following this consultation, it is expected that the criteria for classification of impaired exposures may be further modified. The effects of these changes can be defined once the final version of this RTS will be issued.

The European Commission endorsed the following accounting principles and interpretations that will be applicable starting from 2015 financial statements:

- Annual Improvements to IFRSs 2011-2013 Cycle (EU Regulation 1361/2014);
- Annual Improvements to IFRSs 2010-2012 Cycle (EU Regulation 28/2015);
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (EU Regulation 29/2015).

As of December 31, 2014 the IASB issued the following standards, amendments, interpretations or revisions:

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

However, the application of these principles by the Group is subject to their transposition by the European Commission.

We must specify that starting from January 1, 2014, as part of the periodic revision of the useful life of property, plant and equipment and intangible assets, the subsidiary UBIS S.C.p.A. revised upwards the useful lives used for the amortisation of certain software platforms recognised among intangible assets. This revision is justified by the historical experience of using these items which show longer time horizons of use than those used previously. As required by the accounting standard IAS 8 the revision of the useful life was applied prospectively and determined the recognition of lower amortisation in the year for an amount of € 42 million.

The Consolidated Accounts and the Parent Company Accounts are audited by Deloitte & Touche S.p.A. pursuant to Legislative Decree no. 39 of January 27, 2010 and to the resolution passed by the Shareholders' Meeting on May 11, 2012.

The UniCredit group prepared and published its Consolidated First Half Financial Report as at June 30, 2014, subject to limited scope audit, as well as the Consolidated Interim Reports as at March 31 and September 30, 2014, within the time limits set by law and in manner required by Consob.

The Parent Company Accounts and the Consolidated Accounts were approved by the Board of Directors meeting of March 12, 2015, which authorized their publication, also pursuant to IAS 10.

The entire document has been filed with the competent offices and entities as required by law.

IFRS 10, IFRS 11, IAS 27 and IAS 28

With specific reference to the introduction, on January 1, 2014, of IFRS 10, IFRS 11 and the revised versions of IAS 27 and IAS 28, applicable retroactively to January 1, 2013, the following should be noted.
IFRS 10 partially replaces IAS 27, “Consolidated and Separate Financial Statements” and totally replaces SIC 12, “Consolidation - Special Purpose Entities”, and establishes a single control model that applies to all entities, including those that were previously considered special purpose entities under SIC 12. According to the new definition of “control” an investor controls an investee when it has power over the relevant activities, exposure to variable returns from the investee, and the ability to affect those returns through its power over the investee.
The application of this new standard resulted into first time consolidation of a real estate investment fund and 26 vehicles, of which 21 securitization SPVs having UniCredit group as originator, 2 covered bond (Obbligazioni Bancarie Garantite) SPVs and 3 real estate SPVs. Control according to IFRS 10 made effect due to the fact that the Group has subscribed financial instruments issued by the above mentioned entities, therefore being significantly exposed to the variability of their returns, and is either servicer or manager of the underlying asset’s portfolio.
Please note that the underlying securitized assets of 17 of the 21 securitization SPVs and the 2 OBG SPVs mentioned above consist of “assets sold not derecognized” from the originators’ financial statements that, as such, had already been recorded in the Group’s consolidated accounts of the previous years.
Following the first time adoption of the new standards, the Group recorded a net negative change in Shareholders’ equity of €125.4 million as at January 1, 2013.
IFRS 11 supersedes IAS 31, “Interests in Joint Ventures” and SIC 13, “Jointly-controlled Entities - Non-monetary Contributions by Venturers” and has eliminated the option to adopt proportional consolidation method, requiring the switch to the equity method for the consolidation of joint controlled entities. A total of 26 companies, of which 15 belonging to the Koc/Yapi Kredi group, were deconsolidated: 18 entities have been accounted for using the equity method and 8 minor entities, indirectly participated, have been accounted for by applying the the equity method to the entity directly participated.
This resulted in a reduction in assets and liabilities (approximately €18.4 billion) with reference to the sole IFRS 11.
Lastly, please note that with reference to the foregoing changes as required by IAS 8, comparative information was restated accordingly.

Part A – Accounting Policies

The following tables report as of 31 December 2013, the changes recognized in balance sheet, respectively for assets and liabilities, due to the adoption of the new standards.
Column "Other Adjustments" reports the re-classifications performed as of December 31, 2013 of:

- a counterparty reclassified from item Loans and receivables with customers to Loans and receivables with banks;
- the offsetting of deferred tax assets and deferred tax liabilities performed according to IAS 12;
- some balance sheet items relating to the National Interbank Deposit Guarantee Fund.

Following these changes, the data present in the tables of the consolidated Notes to the Accounts at December 31, 2013 have been restated and differ from the published figures for the previous year.
In particular, as regards the movement tables, we can note that the changes related only to "Other Adjustments" determined differences between the closing balance at December 31, 2013 and the opening balance at January 1, 2014.

Consolidated Balance Sheet - Assets

	ORIGINALLY REPORTED	IFRS 10 AND IFRS 11 ADJUSTMENTS	OTHER ADJUSTMENTS	RESTATED
	12.31.2013			12.31.2013
10. Cash and cash balances	10,807,902	(287,730)	-	10,520,172
20. Financial assets held for trading	80,909,856	(209,178)	-	80,700,678
30. Financial assets at fair value through profit or loss	30,492,558	1	-	30,492,559
40. Available-for-sale financial assets	85,874,071	(1,362,097)	-	84,511,974
50. Held-to-maturity investments	5,305,424	(952,319)	-	4,353,105
60. Loans and receivables with banks	61,118,875	1,566,316	625,000	63,310,191
70. Loans and receivables with customers	503,142,266	(18,833,219)	(625,000)	483,684,047
80. Hedging derivatives	9,648,577	(73,640)	-	9,574,937
90. Changes in fair value of portfolio hedged items (+/-)	2,815,054	-	-	2,815,054
100. Investments in associates and joint ventures	4,050,089	2,431,766	-	6,481,855
110. Insurance reserves attributable to reinsurers	-	-	-	-
120. Property, plant and equipment	10,950,133	(132,348)	-	10,817,785
130. Intangible assets	5,383,782	(57,232)	-	5,326,550
- of which goodwill	3,533,100	-	-	3,533,100
140. Tax assets	19,950,592	(116,518)	(1,618,938)	18,215,136
a) current tax assets	*1,329,721*	*(526)*	-	*1,329,195*
b) deferred tax assets	*18,620,871*	*(115,992)*	*(1,618,938)*	*16,885,941*
- of which law 214/2011	*13,145,129*	-	-	*13,145,129*
150. Non-current assets and disposal groups classified as held for sale	3,928,502	(152)	-	3,928,350
160. Other assets	11,460,763	(274,011)	-	11,186,752
Total assets	**845,838,444**	**(18,300,361)**	**(1,618,938)**	**825,919,145**

Consolidated Balance Sheet - Liabilities and Equity

	ORIGINALLY REPORTED 12.31.2013	IFRS 10 AND IFRS 11 ADJUSTMENTS	OTHER ADJUSTMENTS	RESTATED 12.31.2013
10. Deposits from banks	110,222,387	(2,777,734)	385,000	107,829,653
20. Deposits from customers	410,929,970	(17,431,944)	(385,000)	393,113,026
30. Debt securities in issue	160,093,779	4,172,673	-	164,266,452
40. Financial liabilities held for trading	63,168,605	630,878	-	63,799,483
50. Financial liabilities at fair value through profit or loss	701,723	8,980	-	710,703
60. Hedging derivatives	8,682,387	(53,381)	-	8,629,006
70. Changes in fair value of portfolio hedged items (+/-)	4,116,322	-	-	4,116,322
80. Tax liabilities	3,971,739	(71,513)	(1,618,938)	2,281,288
a) current tax liabilities	*1,257,191*	*(2,494)*	-	*1,254,697*
d) deferred tax liabilities	*2,714,548*	*(69,019)*	*(1,618,938)*	*1,026,591*
90. Liabilities included in disposal groups classified as held for sale	2,128,617	-	-	2,128,617
100. Other liabilities	20,938,492	(2,489,667)	32,299	18,481,124
110. Provision for employee severance pay	1,080,778	-	-	1,080,778
120. Provisions for risks and charges	9,628,878	(169,571)	(32,299)	9,427,008
a) post retirement benefit obligations	*5,728,312*	*(17,006)*	-	*5,711,306*
b) other provisions	*3,900,566*	*(152,565)*	*(32,299)*	*3,715,702*
130. Insurance reserves	-	-	-	-
140. Revaluation reserves	(2,474,772)	25,695	-	(2,449,077)
150. Share capital repayable on demand	-	-	-	-
160. Equity instruments	-	-	-	-
170. Reserves	19,750,176	(144,707)	-	19,605,469
180. Share premium	23,879,202	-	-	23,879,202
190. Issued capital	19,654,856	-	-	19,654,856
200. Treasury shares (-)	(3,755)	-	-	(3,755)
210. Minorities (+/-)	3,333,892	(70)	-	3,333,822
220. Net Profit or Loss (+/-)	(13,964,832)	-	-	(13,964,832)
Total liabilities and shareholders' equity	**845,838,444**	**(18,300,361)**	**(1,618,938)**	**825,919,145**

The following table reports the changes recognized in consolidated income statement as of December 31, 2013, due to the adoption of the new standards.

Part A – Accounting Policies

Consolidated Income Statement

	ORIGINALLY REPORTED	IFRS 10 AND IFRS 11 ADJUSTMENTS	OTHER ADJUSTMENTS	RESTATED
	12.31.2013			12.31.2013
10. Interest income and similar revenues	24,210,043	(1,562,829)	-	22,647,214
20. Interest expense and similar charges	(11,604,699)	875,291	-	(10,729,408)
30. Net interest margin	**12,605,344**	**(687,538)**	**-**	**11,917,806**
40. Fee and commission income	9,261,626	(453,105)	-	8,808,521
50. Fee and commission expense	(1,668,014)	85,220	-	(1,582,794)
60. Net fees and commissions	**7,593,612**	**(367,885)**	**-**	**7,225,727**
70. Dividend income and similar revenue	262,059	(1,143)	-	260,916
80. Gains and losses on financial assets and liabilities held for trading	1,305,016	(77,378)	-	1,227,638
90. Fair value adjustments in hedge accounting	(15,099)	(2,028)	-	(17,127)
100. Gains and losses on disposal of:	**2,439,964**	**(69,991)**	**-**	**2,369,973**
a) loans	*(5,735)*	*2,541*	-	*(3,194)*
b) available-for-sale financial assets	*1,999,929*	*(72,532)*	-	*1,927,397*
c) held-to-maturity investments	*3,618*	-	-	*3,618*
d) financial liabilities	*442,152*	-	-	*442,152*
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	211,273	-	-	211,273
120. Operating income	**24,402,169**	**(1,205,963)**	**-**	**23,196,206**
130. Impairment losses on:	(13,758,324)	162,930	(48,237)	(13,643,631)
a) loans	*(13,795,152)*	*173,687*	-	*(13,621,465)*
b) available-for-sale financial assets	*(146,600)*	-	-	*(146,600)*
c) held-to-maturity investments	*(466)*	-	-	*(466)*
d) other financial assets	*183,894*	*(10,757)*	*(48,237)*	*124,900*
140. Net profit from financial activities	**10,643,845**	**(1,043,033)**	**(48,237)**	**9,552,575**
150. Premiums earned (net)	83,251	(83,005)	-	246
160. Other income (net) from insurance activities	(67,669)	65,239	-	(2,430)
170. Net profit from financial and insurance activities	**10,659,427**	**(1,060,799)**	**(48,237)**	**9,550,391**
180. Administrative costs:	(14,845,228)	459,148	-	(14,386,080)
a) staff expense	*(9,272,544)*	*267,160*	-	*(9,005,384)*
b) other administrative expense	*(5,572,684)*	*191,988*	-	*(5,380,696)*
190. Net provisions for risks and charges	(879,343)	29,319	32,220	(817,804)
200. Impairment/write-backs on property, plant and equipment	(870,297)	27,863	-	(842,434)
210. Impairment/write-backs on intangible assets	(2,707,211)	13,499	-	(2,693,712)
220. Other net operating income	1,111,541	1,971	16,017	1,129,529
230. Operating costs	**(18,190,538)**	**531,800**	**48,237**	**(17,610,501)**
240. Profit (loss) of associates	103,499	415,363	-	518,862
250. Gains and losses on tangible and intangible assets measured at fair value	(726)	(1,783)	-	(2,509)
260. Impairment of goodwill	(7,989,792)	222,852	-	(7,766,940)
270. Gains and losses on disposal of investments	217,919	(225,323)	-	(7,404)
280. Total profit or loss before tax from continuing operations	**(15,200,211)**	**(117,890)**	-	**(15,318,101)**
290. Tax expense (income) related to profit or loss from continuing operations	2,377,512	117,890	-	2,495,402
300. Total profit or loss after tax from continuing operations	**(12,822,699)**	**-**	-	**(12,822,699)**
310. Total profit or loss after tax from discontinued operations	(760,471)	-	-	(760,471)
320. Net Profit or Loss for the year	**(13,583,170)**	**-**	-	**(13,583,170)**
330. Minorities	(381,662)	-	-	(381,662)
340. Holdings Income (Loss) of the year	**(13,964,832)**	**-**	-	**(13,964,832)**

Please note that the adoption of the new accounting standards has determined a change in Comprehensive income after tax as of December 31, 2013 of 6,430 thousand (from -14,263,446 thousand to -14,257,016 thousand) entirely attributable to the change in the Total Comprehensive income after tax.

A.2 – The Main Items of the Accounts

1 – Held-for-Trading Financial Assets (HfT)

A financial asset is classified as held for trading if it is:
- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for derivatives which constitute financial guarantees, see Section 18 – Other Information, and derivatives designated as hedging instruments - see Section 6 – Hedge Accounting).

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognized in profit and loss even when directly attributable to the financial assets. Trading book derivatives are recognized at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss. An exception is represented by derivatives settled by delivery of an unlisted equity instrument whose fair value cannot be reliably measured, and which are therefore measured at cost.

A gain or loss arising from sale or redemption or a change in the fair value of a HfT financial asset is recognized in profit or loss in item 80. “Gains (losses) on financial assets and liabilities held for trading”, with the exception of financial derivatives relating to a fair value option of whose gains and losses, whether realised or unrealized, are booked in item 110. “Gains (losses) on financial assets/liabilities at fair value through profit and loss" (see Section 5 – Financial Instruments at Fair Value through Profit and Loss). If the fair value of a financial instrument falls below zero, which may happen with derivative contracts, it is recognized in item 40. “Financial liabilities held for trading”.

A derivative is a financial instrument or other contract that presents all three of the following characteristics:
- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the ‘underlying’);
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from the host contract and recognized as a derivative if:
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

If it is necessary to separate an embedded derivative from its host contract, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognized according to its accounting classification.

A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

2 – Available-for-sale Financial Assets (AfS)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments, financial assets held for trading or financial assets at fair value through profit or loss. These assets are held for an indefinite period of time and can meet the need to ensure liquidity and face changes in interest rates, exchange rates and prices.

AfS financial assets are money market instruments, other debt instruments (included host contract of hybrid instruments from which embedded derivative has been bifurcated) or equity instruments; they include shares held as minority stakes where these do not constitute controlling or associate interests, or joint control.

On initial recognition, at settlement date, an AfS financial asset is measured at fair value, which is usually equal to the consideration of the transaction, plus transaction costs and income directly attributable to the instrument.

In subsequent periods AfS assets are measured at fair value, the interest on interest-bearing instruments being recognized at amortized cost in the income statement. Gains or losses arising out of changes in fair value are recognized in equity item 140. “Revaluation reserves” – except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognized under item 130.b) “Impairment losses on AfS available for sale financial assets” and item 80. “Gains (losses) on financial assets and liabilities held for trading” respectively - until the financial asset is sold, at which time cumulative gains and losses presented in Revaluation reserves are recognized in profit or loss in item 100.b) “Gains (losses) on disposal or repurchase of AfS financial assets”.

The fair value changes are recorded in the Statement of Comprehensive Income and disclosed in item 140. "Revaluation reserves".

Equity instruments (shares) not listed in an active market and whose fair value cannot be reliably determined due to lack or unreliability of information for the fair value measurement are valued at cost, equivalent to the last fair value reliably measured.

If there is objective evidence of an impairment loss on an available-for-sale financial asset, the cumulative loss that had been recognized directly in equity item 140. “Revaluation reserves”, is removed from equity and recognized in profit or loss under item 130 b) “Impairment losses (b) Available for sale financial assets”.

In respect of debt instruments, any circumstances indicating that the borrower/issuer is experiencing financial difficulties which could prejudice the collection of the principal or interest, represent an impairment loss.

Lasting loss of value of equity instruments is assessed on the basis of indicators such as fair value below cost and adverse changes in the environment in which the company operates, as well as the issuer’s debt service difficulties.

The loss of value is normally considered lasting if fair value falls to less than 50% of cost or lasts for more than 18 months.
If however the fall in the fair value of the instrument is over 20% but less than or equal to 50% or continues for no less than 9 but no longer than 18 months, UniCredit reviews further income and market indicators.
If the results of the review are such as to prejudice the recovery of the amount originally invested, a lasting loss of value is recognized.
The amount taken to profit and loss is the difference between the carrying amount (value of initial recognition less any impairment loss already recognized in profit or loss) and current fair value.

Where instruments are valued at cost, the amount of the loss is determined as the difference between their carrying value and the present value of estimated future cash flows, discounted at the current market yield on similar financial assets (the recoverable amount).

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed and the amount of the reversal is recognized in the same profit or loss item. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized.

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, but recognized at equity.

3 – Held to Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity different from those that may be classified in Loans and receivables for which there is the positive intention and ability to hold them to maturity (included host contract of hybrid instruments from which embedded derivative has been bifurcated).

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets shall be reclassified as available-for-sale and no financial assets shall be classified as HtM investments for the two following financial years, unless the sales or reclassifications:

- are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the reporting entity's control, is non-recurring and could not have been reasonably anticipated.

After initial recognition at its fair value, which will usually be the price paid including transaction costs and income directly attributable to the acquisition or provision of the financial asset (even if not yet settled), a held-to-maturity financial asset is measured at amortized cost using the effective interest method. The difference between the carrying value of the asset and the amount received is taken to profit and loss under item 100 c) “Gains (losses) on disposal of HtM financial assets” when the financial asset is derecognized.

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognized in profit or loss under item 130(c) “Impairment losses (c) held-to-maturity investments”.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event such as an improvement in the debtor's credit worthiness occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds the amortized cost would have been had the impairment not been recognized. The amount of the reversal is recognized in the same profit or loss item.
Held-to-maturity investments cannot be hedged for other than credit risk and currency risk.

4 – Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognized on the date of contract signing, which normally coincides with the date of disbursement to the borrower.

These items include debt instruments with the above characteristics (included host contract of hybrid instruments from which an embedded derivative has been bifurcated) or those subject to portfolio reclassification in accordance with the rules of IAS 39 (see Part A.3.1 below – Transfers between portfolios) and the net value of finance leases of assets under construction or awaiting lease, provided the leases have the characteristics of contracts entailing the transfer of risk.

After initial recognition at fair value, which is usually the price paid including transaction costs and income directly attributable to the acquisition or issuance of the financial asset (even if not yet paid), a loan or receivable is measured at amortized cost, which can be adjusted to take account of any write-downs/write-backs resulting from the valuation process.

A gain or loss on loans and receivables is recognized in profit or loss:

- when a loan or receivable is derecognized: in item 100 (a) “Gains (losses) on disposal”;

or:

- when a loan or receivable is impaired (or the impairment loss previously recognized is reversed): in item 130 (a) “Net losses/recoveries on impairment (a) loans and receivables”.

Interest on loans and receivables is recognized in profit or loss on an accrual basis by using the effective interest rate method under item 10. “Interest income and similar revenue”.

Delay interest is taken to the income statement on collection or receipt.

Loans and receivables are reviewed in order to identify those that, following events occurring after initial recognition, show objective evidence of possible impairment. These impaired loans are reviewed and analyzed periodically at least once a year.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the contractual terms, or equivalent value.

Allowances for impairment of loans and receivables are based on the present value of expected cash flows of principal and interest; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the rate used.

The amount of the loss on impaired exposure classified as non-performing, doubtful or restructured according to the categories specified below, is the difference between the carrying value and the present value of estimated cash flows discounted at the original interest rate of the financial asset. If the original rate is not directly available, or if obtaining it is too burdensome, its best approximation will be applied.

For all fixed rate positions the interest rate so determined is kept constant also in subsequent financial years, while for floating rate positions the interest rate is updated with respect to the floating component used as a reference while keeping the spread originally set constant.

Recovery times are estimated on the basis of business plans or forecasts based on historical recovery experience observed for similar classes of loans, taking into account the segment of the customers, the type of loan, the type of security and any other factors considered relevant.

Any subsequent change vis-à-vis initial expectations of the amount or timing of expected cash flows of principal and interest causes a change in allowances for impairment and is recognized in profit or loss in item 130(a) “Impairment losses (a) loans and receivables”.

In the Notes to the Accounts, write-downs of impaired loans are classified as specific in the relevant income statement item even when the calculation is flat-rate or statistical, as indicated below.

When the reasons for the impairment no longer exist, and this assessment is objectively attributable to an event such as an improvement in the debtor’s credit worthiness occurred after the impairment, a reversal is made in the same profit or loss item, within the amount of the amortized cost that there would have been if there had been no impairments.

Derecognition of a loan or receivable in its entirety (write-off) is made when the legal rights on the loan have failed or the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognized directly in profit or loss under item 130(a) "Net losses/recoveries on impairment (a) loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of amounts previously written off are recognized in the same item.

According to Bank of Italy regulations, as defined in circular 272 of July 30, 2008 and subsequent amendments, impaired exposures, those that present the characteristics listed in paragraphs 58-62 of IAS 39, are classified into the following categories:

- **Non-performing loans** – formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognized in a court of law, or borrowers in a similar situation. Measurement is generally on a loan-by-loan basis (coverage ratios statistically and automatically determined for some loan portfolios below a predefined threshold are also checked), for loans singularly not significant, on a portfolio basis for homogeneous categories of loans;
- **Doubtful loans** – exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period of time. Doubtful loans also include loans not classified as non-performing granted to borrowers other than government entities where the following conditions are met:
  - They have fallen due and remained unpaid for more than 270 days (or for more than 150 or 180 days for consumer credit exposure with an original term of less than 36 months, or 36 months or over, respectively);
  - The amount of the above exposure to the same borrower and other defaulted payments that are less than 270 days overdue, is at least 10% of the total exposure to that borrower. Doubtful loans are valued analytically when special elements make this advisable or by applying analytically flat percentages on a historical or stochastic basis in the remaining cases.
- **Restructured loans** – exposure to borrowers with whom a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market or the conversion of part of a loan into shares ("debt to equity swap") and/or any reduction of principal; measurement is on a loan-by-loan basis, including discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate. Restructured exposures can be reclassified under unimpaired loans only after two years have passed from the date of signing of the restructuring agreement and a resolution has been adopted by the competent corporate bodies declaring that the debtor's full solvency has been restored and that there are no outstanding balances on all existing lines of credit. Loans under renegotiation involving a debt/equity swap are valued, pending swap finalization, on the basis of the conversion agreements entered into on the balance-sheet date. Any differences between the value of the loans and the fair value of the shares at the initial recognition are taken to profit and loss as write-downs;
- **past-due Impaired loans** – total exposure to any borrower not included in the other categories, which at the balance-sheet date has expired facilities or unauthorized overdrafts that are more than 90 days past due and meet the requirements set out by supervisory regulations for their classification under the "past due exposures" category (TSA banks) or under the "defaulted exposures" category (IRB banks). Total exposure is recognized in this category if, at the balance-sheet date, either:
  - the expired or unauthorized borrowing;
    or:
  - the average daily amount of expired or unauthorized borrowings during the last preceding quarter, is equal to or exceeds 5% of total exposure.

  Overdue exposures are valued using a statistical approach based on historical data, applying where available the degree of risk as measured by the risk factor used for Regulation (EU) n. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms reporting (LGD – Loss given default).

Collective assessment is used for groups of loans for which individually there are no indicators of impairment: to these portfolios a latent impairment can be attributed, according to the method described below, inter alia on the basis of the risk factors used under supervisory regulations CRR.

Each loan with similar characteristics in terms of credit risk – in relation to loan type, the borrower's sector of economic activity, geographical location, type of security or other relevant factors – is assessed in terms of its probability of default and a loss given default; these are uniform for each class of loan.

The methods used combine supervisory regulations CRR recommendation and IFRS. The latter exclude future loan losses not yet sustained, but include losses already sustained even if they were not manifest at the time of measurement, on the basis of past experience of losses on assets having a similar risk profile to the assets being measured.

The average time elapsed from deterioration of borrowers' financial condition to the recognition of impairment losses, in relation to any homogeneous group of exposures, is the loss confirmation period.

The portfolio valuation is the product of the risk factors derived from the parameters used under supervisory regulations CRR requirements (with a one-year time horizon) and the above loss confirmation periods expressed as part of a year and diversified according to Loan classes on the basis of the characteristics of the customer's segment / portfolios.

If these indicators are not available, estimated value and standard loss percentages, based on internal historical series and sectorial studies, shall be used.

Allowances for unsecured loans to residents of countries experiencing debt service difficulties, where the transfer risk is not included in the rating system applied, are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters.

Allowances for impairment reduce the loan or receivable's carrying amount. The risk inherent in off-balance-sheet items, such as loan commitments, losses due to impairment of guarantees and comparable credit derivatives under IAS 39, is recognized in profit or loss under item 130(d) "Impairment losses (d) other financial assets" offsetting , offsetting item 100. "Other liabilities").

Loan Securitizations
Loans and receivables also include according to the applicable product breakdown, loans securitized after January 1, 2002 which cannot be derecognized under IAS 39 (see Section 18 – Other Information - Derecognition).

Corresponding amounts received for the sale of securitized loans net of the amount of any issued securities and any other type of credit enhancement held in portfolio (retained risk) are recognized in liability items 10. "Deposits from banks" and 20. "Deposits from customers".

Both assets and liabilities are measured at amortized cost and interest received is recognized through profit or loss.

Impairment losses on securitized assets sold but not derecognized are reported in item 130(a) "Impairment losses (a) loans and receivables".

5 – Financial Instruments at Fair Value through Profit and Loss (FIaFV)

Any financial asset may be designated, in accordance with the provisions of IAS 39 as a financial instrument measured at fair value through profit and loss on initial recognition, except for the following:

- investments in equity instruments for which there is no price quoted in active markets and whose fair value cannot be reliably determined;
- derivatives.

FIaFV includes financial assets:
(i) not belonging to regulatory trading book, whose risk is:

- connected with debt positions measured at fair value (see also Section 15 – "Financial liabilities at fair value through profit and loss");
- and managed by the use of derivatives not treatable as accounting hedges.

(ii) represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

FIaFV are accounted for in a similar manner to HfT financial assets (see Section 1 – Held-for-Trading Financial Assets), however gains and losses, whether realised or unrealized, are recognized in item 110. "Gains (losses) on financial assets and liabilities measured at fair value".

6 – Hedge Accounting

Hedging instruments are those created to hedge market risks (interest-rate, currency and price) to which the hedged positions are exposed. They may be described as follows:

- Fair value hedge: a hedge of the exposure to changes in fair value of a recognized asset or liability, or an identifiable portion of such an asset or liability;
- Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction which could affect profit or loss in future periods;
- Hedge of a net investment in a foreign entity whose operations are presented in a currency other than euro.

Hedging derivatives are initially recognized on trade date and are valued at their fair value.

A hedging relationship qualifies for hedge accounting if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's prospective and retrospective effectiveness will be assessed. It is necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at the inception of the hedge and in subsequent periods, it is determined prospectively to remain highly effective, and the retrospectively verified that the hedge ratio (ie. the changes in fair value of hedged items and hedging instruments) is within a range of 80-125 per cent. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge has been designated.

The assessment of effectiveness is made at each balance-sheet date or other reporting date.
If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued in respect of the hedge and the hedging derivative is reclassified as a held-for-trading instrument.

In addition, the hedging relationship ceases when the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, expires or is repaid; or it is no longer highly probable that the forecast transaction will occur.

Hedging instruments are so designated when identifiable with an ultimate counterparty outside the Group.

Part A – Accounting Policies

Hedging derivatives are measured at fair value. Specifically:

- **Fair Value Hedging** – an effective fair value hedge is accounted for as follows: the gain or loss from remeasuring the hedging instrument at fair value is recognized through profit or loss in item 90. "Fair value adjustments in hedge accounting"; the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized through profit or loss in the same item. Hedging ineffectiveness is represented by the difference between the change in the fair value of hedging instruments and the change in the fair value of hedged item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, this is measured according to the original criterion dictated by the accounting standard applied to the relevant portfolio. In the case of interest-bearing instruments, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognized through profit or loss in interest receivable or payable over the residual life of the original hedge. If the hedged item is sold or repaid, the portion of fair value which is still unamortized is at once recognized through profit or loss in the item 100. "Gains (losses) on disposal or repurchase". The difference in fair value of the hedging derivative since the latest effectiveness testing date is recognized in profit or loss under item 90. "Fair value adjustments in hedge accounting";
- **Cash Flow Hedging** – hedging instruments are valued at fair value. Change in the fair value of a hedging instrument that is considered effective is recognized in equity item 140. "Revaluation reserves". The ineffective portion of the gain or loss is recognized through profit or loss in item 90. "Fair value adjustments in hedge accounting". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument that remains recognized in "Revaluation reserves" from the period when the hedge was effective remains separately recognized in "Revaluation reserves" until the forecast hedged transaction occurs or is determined to be no longer possible; in the latter case gains or losses are transferred through profit or loss to 90 "Fair value adjustments in hedge accounting". The fair value changes are recorded in the Statement of Comprehensive Income and disclosed in item 140. "Revaluation reserves".
- **Hedging a Net Investment in a Foreign Entity** – hedges of a net investment in a foreign entity are accounted for similarly to cash flow hedges. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized directly in equity is recognized through profit or loss on disposal of the foreign entity. The fair value changes are recorded in the Statement of Comprehensive Income and disclosed in item 140. "Revaluation reserves"; the ineffective portion of the gain or loss is recognized through profit or loss in item 90 "Fair value adjustments in hedge accounting".
- **Macro-hedged Financial Assets (Liabilities)** – IAS 39 allows a fair-value item hedged against interest rate fluctuations to be not only a single asset or liability but also a monetary position contained in a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro hedging may not be used for net positions resulting from the offsetting of assets and liabilities. As for fair value micro hedging, macrohedging is considered highly effective if, at the inception of the hedge and in subsequent periods, changes in the fair value attributable to the hedged position are offset by changes in fair value of the hedging instrument and if the hedge ratio is retrospectively assessed falling within the range of 80-125 per cent. Net changes – gains or losses – in the fair value of the macro-hedged assets and liabilities attributable to the hedged risk are recognized in asset item 90. and liability item 70. respectively and offset the profit and loss item 90. "Fair value adjustments in hedge accounting". The ineffectiveness of the hedging arises to the extent that the change in the fair value of the hedging item differs from the change in the fair value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognized in profit and loss item 90 "Fair value adjustments in hedge accounting". If the hedging relationship is terminated, for reasons other than the sale of the hedged items, cumulative gain or loss in items 90. (Assets) and 70. (Liabilities) is recognized through profit or loss in interest income or expenses, along the residual life of the hedged financial assets or liabilities. If the latter are sold or repaid, unamortized fair value is at once recognized through profit and loss in item 100. "Gains (losses) on disposal or repurchase".

7 – Equity Investments

The principles governing the recognition and measurement of equity investments under IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements are provided in detail in Part A.1, Section 3 – Consolidation Procedures and Scope, where disclosure on the evaluation processes and key assumptions used to assess the existence of control, joint control or significant influence in accordance with IFRS 12 (paragraph 7-9) is given.

Remaining interests other than subsidiaries, associates and joint ventures, and interests recognized in items 150. "Non-current assets and disposal groups classified as held for sale" and 90. "Liabilities included in disposal groups classified as held for sale" (see Section 10 – Non-Current assets and disposal groups classified as Held for Sale) are classified as AfS financial assets or financial assets at fair value through profit and loss and treated accordingly (see Sections 2 – Available-for-sale Financial Assets and 5 – Financial Instruments at Fair Value through Profit and Loss).

8 – Property, Plant and Equipment (Tangible Assets)

The item includes:

- land;
- buildings;
- furniture and fixtures;
- plant and machinery;
- other machinery and equipment;

and is divided between:

- assets used in the business;
- assets held as investments.

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period. This category also (conventionally) includes assets to be let or under construction and to be leased under a finance lease, only for those finance leases which provide for retention of risk by the lessor until the acceptance of the asset by the lessee and the start of rentals under the finance lease (see also Section 4 – Loans and Receivables for finance leases with risk transfer).

The item includes assets used by the Group as lessee under a finance lease, or let/hired out by the Group as lessor under an operating lease.

Property, plant and equipment also include leasehold improvements relating to assets which can be separately identified. They are classified according to the specific sub-items relating to the asset type (e.g. plants).

Leasehold improvements are usually borne in order to make leased premises fit for the expected use.
Improvements and additional expenses relating to property, plant and equipment identifiable but not separable are recognized in item 160. “Other assets”.

Assets held for investment purposes are properties covered by IAS 40, i.e. properties held (owned or under a finance lease) in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognized at cost including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognized as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured. Other expenses borne at a later time (e.g. normal maintenance costs) are recognized in the year they are incurred in profit and loss items:

- 180.b) “General and administrative expenses”, if they refer to assets used in the business;

or:

- 220. “Other net operating income”, if they refer to property held for investment.

After being recognized as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

Exceptions are made for property investments underlying liabilities whose yield is linked to their fair value. For these latter assets the fair value model as per IAS 40 paragraph 32A is used.

An item with a finite useful life is subject to straight-line depreciation.

Residual useful life is usually assessed as follows:

Buildings	max. 50 years;
Movables	max. 25 years;
Electronic equipment	max. 15 years;
Other	max. 10 years;
Leasehold Improvements	max. 25 years.

An item with an indefinite useful life is not depreciated.

Land and buildings are recognized separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The estimate of the useful life of an asset is reviewed at least at each accounting period-end on the basis inter alia of the conditions of use of the asset, of maintenance conditions and expected obsolescence, and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is objective evidence that an asset has been impaired the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e., the present value of future cash flow expected to originate from the asset. Any value adjustment is recognized in profit and loss item 200. “Impairment/write-backs on property, plant and equipment”.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognized on the prior-year impairment.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds or recoverable value and carrying value is recognized in profit and loss item 270. “Gains (losses) on disposal of investments”.

9 – Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance which is expected to be used during more than one period, controlled by the Group and from which future economic benefits are probable.

Intangible assets are principally goodwill, software, brands and patents.

This item also includes intangible assets used by the Group as lessee under finance leases or as lessor under operating leases (rental/hire).

Intangible assets other than goodwill are recognized at purchase cost, i.e. including cost incurred to bring the asset into use, less accumulated amortization and impairment losses.

In case of internally generated software the expenses incurred to develop the project are recognized under intangible assets only if the following elements are demonstrated: the technical feasibility of the project, the intention to complete the intangible asset, its future usefulness, the availability of adequate technical, financial and other resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.
An intangible asset with a finite life is subject to straight-line amortization over its estimated useful life.

Residual useful life is usually assessed as follows:

Software	max. 10 years;
Other intangible assets	max. 20 years.

Intangible assets with an indefinite life are not amortized.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment loss is recognized in profit and loss item 210. “Impairment/ write-backs on intangible assets”.

For an intangible asset with indefinite life even if there are no indications of impairment, the carrying amount is compared annually with its recoverable value. If the carrying amount is greater than the recoverable value, the difference is recognized in profit and loss item 210. “Impairment/write-backs on intangible assets”.

If the value of a previously impaired intangible asset, other than goodwill is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there were no losses recognized on the prior-year impairment.

An intangible asset is derecognized on disposal or when any further future economic benefits are expected from its use or sale in the future and any difference between sale proceeds or recoverable value and carrying value is recognized in the profit and loss item 270. “Gains (losses) on disposal of investments”.

Goodwill

In accordance with IFRS 3, goodwill is the excess of the cost of a business combination over the interest acquired in the net fair value of the assets and liabilities acquired at the acquisition date.

Goodwill arising from the acquisition of subsidiaries and joint ventures (consolidated proportionately) is recognized as an intangible asset, whereas goodwill arising from the acquisition of associates is included in the carrying amount of the investments in associates.

At a subsequent financial reporting date, goodwill is recognized net of any cumulative impairment losses and is not amortised.

Goodwill is tested for impairment annually, as for other intangible assets with an indefinite useful life. To this end it is allocated to the Group's business areas identified as the Cash Generating Units (CGUs). Goodwill is monitored by the CGUs at the lowest level in line with its business model.

Impairment losses on goodwill are recognized in profit and loss item 260. "Impairment losses on goodwill". In respect of goodwill, no write-backs are allowed.

Please see Section B 13.3 Intangible Assets – Further Information below for further information on intangibles, goodwill, the CGUs and impairment testing for these.

10 – Non-Current assets and disposal groups classified as Held for Sale

These categories include individual assets held for disposal (tangible, intangible and financial assets) or groups of assets held for sale, with the related liabilities, as required by IFRS 5.
Individual assets (or groups of assets held for sale) are recognized in item 150. "Non-current assets and disposal groups classified as held for sale" and item 90. "Liabilities included in disposal groups classified as held for sale", respectively, at the lower of their carrying amounts and fair values less costs to sell.

The revaluation reserves relating to Non-current assets held for sale, which are recorded as a contra item to changes in value relevant for this purpose, are reported separately in the Statement of Comprehensive Income (see Part D – Consolidated Comprehensive Income).

The net balance of profits (dividends, interest income, etc.) and losses (interest expense, etc.) attributable to groups of assets or liabilities held for sale are recognized in the income statement under item 310. "Profit (Loss) after tax from discontinued operations". Profits and losses attributable to individual assets held for disposal are recognized in the income statement under the most appropriate item.

11 – Current and Deferred Tax

Tax assets and tax liabilities are recognized in the Consolidated Balance Sheet respectively in item 140. of assets ("Tax assets") and item 80. of liabilities ("Tax liabilities").

In compliance with the «Balance sheet liability method», current and deferred tax items are:

- current tax assets, i.e. amount of tax paid in excess of income tax due in accordance with local tax regulations;
- current tax liabilities, i.e. amount of corporate tax due in accordance with local tax regulations;
- deferred tax assets, i.e. amounts of income tax recoverable in future fiscal years and attributable to:
  - deductible temporary differences;
  - the carryforward of unused tax losses; and
  - the carryforward of unused tax credits;
- deferred tax liabilities, i.e. the amounts of income tax due in future fiscal years in respect of taxable temporary differences.

Current and deferred tax assets and tax liabilities are calculated in accordance with local tax regulations and are recognized in profit or loss on an accrual basis.

In general, deferred tax assets and liabilities arise when there is a difference between the accounting treatment and the tax treatment of the carrying amount of an asset or liability.

Deferred tax assets and liabilities are recognized applying tax rates that at the balance sheet date are expected to apply in the period when the carrying amount of the asset will be recovered or the liability will be settled on the basis of tax regulations in force, and are periodically reviewed in order to reflect any changes in regulations.

Furthermore, deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be generated by the entity. In accordance with the provisions of IAS 12, the probability that sufficient future taxable profit against which the deferred tax assets can be utilized will be available is reviewed periodically. The carrying amount of deferred tax assets should be reduced to the extent that it is not probable that sufficient taxable profit will be available.

Current and deferred taxes are recognized in profit and loss item 290. “Tax expense (income) related to profit or loss from continuing operations”, except for tax referred to items that in the same or in another fiscal year are credited or charged directly to equity, such as those relating to gains or losses on available-for-sale financial assets and those relating to changes in the fair value of cash flow hedging instruments, whose changes in value are recognized, net of tax, directly in the Statement of Comprehensive Income – Revaluation reserves.

Current tax assets and liabilities are presented on the Balance Sheet net of the related current tax liabilities if the following requirements are met:

- existence of an enforceable right to offset the amounts recognised; and
- the intention to extinguish for the remaining net, or realise the asset and at the same time extinguish the liability.

Deferred tax assets are presented on the Balance Sheet net of the related deferred tax liabilities if the following requirements are met:

- existence of a legally enforceable right to offset current tax assets with current tax liabilities; and
- the deferred tax assets and liabilities must relate to income taxes applied to the same tax authority on the same taxable entity or on different taxable entities that intend to settle the current tax liabilities and assets on a net basis.

12 – Provisions for Risks and Charges

Retirement Payments and Similar Obligations

Retirement provisions – i.e. provisions for employee benefits payable after the completion of employment – are defined as contribution plans or defined-benefit plans according to the economic nature of the plan.

In detail:

- Defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation policies. Under this type of plan actuarial and investment risks are borne by the company;
- Defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer bears no actuarial and/or investment risks connected with this type of plans as it has no legal or implicit obligation to make further contributions, shoud the plan not be sufficient to provide benefit to all employes.

Defined-benefit plans are present-valued by an external actuary using the unit credit projection method.

This method distributes the cost of benefits uniformly over the employee’s working life. Obligations are the present value of average future benefits pro rata to the ratio of years of service to theoretical seniority at the time of benefit payment.

More specifically, the amount recognized according to IAS 19 Revised as a net liability/asset in item 120. Provisions for risks and charges – a) Post retirement benefit obligations is the present value of the obligation at the balance sheet date, less any pension charges relating to benefits already provided but not yet recognized, less the fair value at the balance sheet date of plan assets other than those due to directly settle the obligations adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. Actuarial gains or losses are recored in the Statement of Comprehensive Income and disclosed in item 140 “Revaluation reserves”.

The discount rate used to discount obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the currency of denomination and country where the liabilities are allocated and is determined on the basis of market yield at the balance sheet date of prime issuers’ bonds with an average life in keeping with that of the relevant liability.

Other Provisions

Provisions for risks and charges are recognized when:

- the entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amounts recognized as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

Where the effect of the time value of money is significant, the amount of the provision should be the present value of the best estimate of the cost required to settle the obligation. The discount rate used reflects the current market assessments.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognized. Allocations made in the year are recognized in profit and loss item 190. “Provisions for risks and charges” and include increases due to the passage of time; they are also net of any reversal.

“Other provisions” also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments, merit payments, contractual payments and payments under non-competition agreements, which are measured as per defined benefit plans; accordingly these obligations are calculated using the unit credit projection method (see above under Retirement Payments and Similar Obligations).

In certain cases, provisions for risks and charges (e.g. fiscal charges or charges relating to payroll costs) have been classified under their own Profit and Loss item to better reflect their nature.

13 – Liabilities, Securities in Issue and Subordinated Loans

The items Deposits with banks, Deposits with customers and Securities in issue are used for all forms of third-party funding other than trading liabilities or those valued at fair value through profit and loss.

These financial liabilities are recognized on the settlement date principle initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortized cost using the effective interest method.

Hybrid debt instruments relating to equity instruments, foreign exchange, credit instruments or indexes, are treated as structured instruments. The embedded derivative is separated from the host contract and recognized as a derivative, provided that separation requirements are met, and recognized at fair value. Any subsequent changes in fair value are recognized in profit and loss item 80. “Gains (losses) on financial assets and liabilities held for trading”.

The difference between the total amount received and the initial fair value of the embedded derivative is attributed to the host contract.

Instruments convertible into treasury shares imply recognition, at the issuing date, of a financial liability and of the equity part, recognized in item 160. “Equity instruments”, any time contractual terms provide for physical deliverysettlement.

The equity part is initially measured at the residual value, i.e., the overall value of the instrument less the separately determined value of a financial liability with no conversion clause and the same cash flow.

The financial liability is initially recognized at amortized cost using the effective interest method.

Securities in issue are recognized net of repurchased amounts; the difference between the carrying value of the liability and the amount paid to buy it in is taken to profit and loss under item 100.d) “Gains (losses) on buy-ins of financial liabilities”. Subsequent disposal by the issuer is considered as a new issue which doesn’t produce gains or losses.

Group debts do not include covenants (q.v. in the appended Glossary) that would cause default or restructuring events. There are no debt instruments involving convertibility to equity instruments (under IASB IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

14 – Financial Liabilities Held for Trading

Financial liabilities held for trading include:

- derivatives that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (ie, an entity that sells financial assets it does not yet own);
- financial liabilities issued with an intention to repurchase them in the near term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

An HfT liability, including a derivative, is measured at fair value initially and for the life of the transaction, except for a derivative liability settled by delivery of an unlisted equity instrument whose fair value cannot reliably be measured, and which is therefore measured at cost.

15 – Financial Liabilities at Fair Value through Profit and Loss

According to IAS 39, financial liabilities, as well as financial assets, may also be designated on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces the discrepancy that could arise from the application of different methods of measurement of assets and liabilities and related gains or losses;

or:

- a group of financial assets, financial liabilities or both are managed and measured at fair value under risk management or investment strategy which is internally documented with the entity's Board of Directors or equivalent body.

This category may also include financial liabilities represented by hybrid (combined) instruments containing embedded derivatives that otherwise should have been separated from the host contract.

These transactions are recognized as per HfT financial liabilities, gains and losses, whether realised or not, being recognized in item 110. "Gains (losses) on financial assets and liabilities at fair value through profit and loss".

16 – Foreign Currency Transactions

A foreign currency transaction is recognized at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from settlement of monetary items at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognized in profit and loss item 80. "Gains and losses on financial assets and liabilities held for trading".

Exchange rate differences arising on a monetary item that forms part of an entity's net investment in a foreign operation whose assets are located or managed in a country or currency other than the euro are initially recognized in the entity's equity, and recognized in profit or loss on disposal of the net investment.

Non-monetary assets and liabilities recognized at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated at the closing rate. The exchange differences are recognized:

- in profit and loss if the financial asset is HfT; or
- in revaluation reserves if the financial asset is AfS.

Hedges of a net investment in a foreign operation are recognized similarly to cash flow hedges.

The assets and liabilities of fully consolidated foreign entities are translated at the closing exchange rate of each period. Gains and losses are translated at the average exchange rate for the period. Differences arising from the use of spot and weighted average exchange rates and from the remeasurement of a foreign operation's net assets at the closing rate of the period are recorded the Statement of Comprehensive Income and disclosed in item 140 "Revaluation reserves".

Any goodwill arising on the acquisition of a foreign operation realised after IAS First Time Adoption (i.e., 1/1/2004) whose assets are located or managed in a currency other than the euro, and any fair value adjustments of the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign operation, expressed in the functional currency of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation, the cumulative amount of the exchange rate differences, classified in an Equity reserve, is reclassified in profit or loss.

17 – Insurance Assets and Liabilities

IFRS 4 defines an insurance contract as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

These policies are recognized briefly as follows:

- in profit and loss item 160. "Other income (net) from insurance activities": gross premium including all amounts due during the year under insurance contracts, net of cancellations. Premium transferred to reinsurers during the year is also recognized in this item;
- in the liability item 130. "Insurance reserves": contractual obligations to policyholders, calculated analytically contract by contract using the prospective method, on the basis of demographic and financial projections currently used by the market;
- in the asset item 110. "Insurance reserves attributable to reinsurers": reinsurers' liabilities.

18 – Other Information

Business Combinations

A business combination is a transaction through which an entity obtains control of a company or of a business segment, thus bringing together different businesses into one reporting entity.
A business combination may result in a Parent-subsidiary relationship in which the acquirer is the Parent and the acquiree a subsidiary of the acquirer. A business combination may involve the purchase of the net assets of another entity – in which case goodwill can arise – or the purchase of the equity of the other entity (mergers).

IFRS 3 requires that all business combinations shall be accounted for by applying the purchase method, that involves the following steps:

- identifying an acquirer;
- measuring the cost of the business combination;

and:

- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for control of the acquiree.
The acquisition date is the date on which the acquirer effectively obtains control of the acquiree. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.
A business combination may involve more than one exchange transaction; nevertheless, the cost of the business combination remains equal to the fair value of the total shareholding acquired.
This involves the revaluation at fair value – and the recognition of the effects in the Income Statement – of the equity investments previously held in the acquired entity.
The cost of a business combination is allocated by recognizing the assets, the liabilities and the identifiable contingent liabilities of the acquired company at their acquisition-date fair value.
Exceptions to this principle are deferred income tax assets and liabilities, employee benefits, indemnification assets, reacquired rights, non-current assets held for sale, and share-based payment transactions that are subject to review in accordance with the principle applicable to them.
Positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities so recognized is accounted for as goodwill.
After initial recognition, goodwill is tested for impairment at least annually.
If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall reassess the fair values and recognize immediately any excess remaining after that reassessment in profit or loss.
If the acquisition concerns a percentage less than 100% of the assets of the acquired company, minorities are recognized.
At the acquisition date, minorities are valued:

- at fair value, or
- as a proportion of minority interests in the assets, liabilities and identifiable contingent liabilities of the acquired company.

Derecognition of financial assets

Derecognition is the removal of a previously recognized financial asset or financial liability from an entity's balance sheet.

Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety or to a part of a financial asset. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:

- the part comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
- the part comprises a clearly identified percentage of the cash flows from a financial asset, e.g., a 90 per cent share of all cash flows from an asset;
- the part comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. 90 per cent share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).
An entity shall derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows of the financial asset to a non-Group counterparty.
Rights to cash flow are considered to be transferred even if contractual rights to receive the asset's cash flow are retained but there is an obligation to pay this cash flow to one or more entities and all the following conditions are fulfilled (pass-through agreement):

- there is no obligation on the Group to pay amounts not received from the original asset;
- sale or pledge of the original asset is not allowed, unless it secures the obligation to pay cash flow;
- the Group is obliged to transfer forthwith all cash flows received and may not invest them, except for liquidity invested for the short period between the date of receipt and that of payment, provided that the interest accrued in that period is paid on.

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the asset (or group of assets) and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
Conversely, if the entity substantially retains all the risks and rewards of ownership of the asset (or group of assets), the entity shall continue to recognize the transferred asset(s). In this case it is necessary to recognize a liability corresponding to the amount received under the transfer and subsequently recognize all income accruing on the asset or expense accruing on the liability.
The main transactions that do not allow, under the above rules, total derecognition of a financial asset are securitizations, repurchase (sell and buy-backs) and stock lending transactions.
In the case of securitizations the Group does not derecognize the financial asset on purchase of the equity tranche or provision of other forms of support of the structure which result in the Group retaining the credit risk of the securitised portfolio.
In the case of repurchase transactions and stock lending, the assets transacted are not derecognized since the terms of the transaction entail the retention of all their risks and rewards.
Lastly, it should be noted that securities lending transactions collateralized by other securities or not collateralized were recorded as off-balance sheet items.

Repo Transactions and securities lending

Securities received in a transaction that entails a contractual obligation to sell them at a later date or delivered under a contractual obligation to repurchase are neither recognized nor derecognized. In respect of securities purchased under an agreement to resell, the consideration is recognized as a loan to customers or banks, or as an asset held for trading. In respect of securities held in a repurchase agreement, the liability is recognized as due to banks or customers, or as an HfT financial liability. Revenue from these loans, being the coupons accrued on the securities and the difference between the sale/purchase and resale/repurchase prices, is recognized in profit or loss through interest income and expenses on an accruals basis.
These transactions can only be offset if, and only if, they are carried out with the same counterparty and provided that such offset is provided for in the underlying contracts.
The same rules apply to securities lending transactions collateralized by cash fully available to the lender.
The P&L items connected with these transactions are booked respectively:

- in item Interest, with respect to the positive item (borrower) and the negative item (lender) related to the return on cash paid to the lender;
- in item Fees and commissions, with respect to the negative item (borrower) and the positive item (lender) related to the service provided by the lender by making the security available.

With reference to securities lending transactions collateralized by other securities, or not collateralized, the security lent or the security put up as collateral are still recognized as assets in the balance sheet, depending on the role – lender or borrower, respectively – played in the transaction.

Counterparty risk related to the latter securities lending or borrowing transactions is shown under the off-balance sheet exposures in the tables of Part E – Section 1.1 – Credit risk – A. Credit quality.

Equity instruments

Equity instruments are instruments that represent a residual interest in Group's assets net of its liabilities.
Classification of an issued instrument as equity is possible only absent contractual obligation to make payments in form of capital redemptions, interest or other kinds of returns.

In particular the Group classifies as equity instruments those instruments that have the following features:

- the instrument is perpetual or has a maturity equal to duration of the entity;
- full discretion of the issuer in coupon payments and redemptions, also advanced, of the principal outstanding.

Additional Tier 1 instruments are included in this category, in coherence with the provisions of the Regulation (EU) n. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms, if, in addition to the characteristics described above:

(i) maintain within the full discretion of the issuer the possibility to perform a write-up of the nominal value after the occurrence of a capital event that has determined a write-down;
(ii) do not incorporate previsions that force the issuer to provide for payments (must pay clauses) following genuine events under direct control of the parties.

Equity instruments, different from common or saving shares, are presented in item 160 "Equity instruments" for the consideration received including transaction costs directly attributable to the instruments.
Any coupon paid, net of related taxes, reduces item 170. "Reserves".
Any difference between the amounts paid for the redemption or repurchase of these instruments and their carrying value is recognized in item 170. "Reserves".

Treasury Shares

Changes in treasury shares are reported as a direct contra item to shareholders' equity, i.e. as a reduction to the latter in the amount of any purchases, and as an increase in the amount of any sales proceeds.
This entails that, if treasury shares are subsequently sold, the difference between the sale price and the related post-tax repurchase cost is recognized entirely as a contra item to shareholders' equity.

Finance Leases

Finance leases effectively transfer all the risks and benefits of ownership of an asset to the lessee; ownership of the asset is transferred to the lessee, however not necessarily at contractual maturity.

The lessee acquires the economic benefit of the use of the leased asset for most of its useful life, in exchange for a commitment to pay to the lessor an amount approximately equivalent to the fair value of the asset and related finance costs. Recognition in the lessor's accounts is as follows:

- in assets, the value of the loan, less the principal of lease payments due and paid by the lessee;
- in profit or loss, interest received.

See Sections 8 – Property, Plant and Equipment and 9 – Intangible Assets below for treatment of the lessee's assets.

Factoring

Loans acquired in factoring transactions with recourse are recognized to the extent of the advances granted to customers on their consideration. Loans acquired without recourse are recognized as such once it has been established that there are no contractual clauses that would invalidate the transfer of all risks and benefits to the factor.

Italian Staff Severance Pay (Trattamento di fine rapporto – "TFR")

The "TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognized on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Section 12 – Provisions for Risks and Charges – Retirement Payments and Similar Obligations). This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Following pension reform by Law 252/2005, TFR installments accrued to 31.12.2006 (or to the date between 01.01.2007 and 30.06.2007 on which the employee opted to devolve their TFR to a supplementary pension fund) stay in the employer and are considered a post-employment defined benefit plan therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e., forecast future pay rises are not considered.

TFR installments accrued since 01.01.2007 (date of Law 252's coming into effect) (or since the date between 01.01.2007 and 30.06.2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are assimilated to a defined-contribution plan.

Costs relating to TFR are recognized in the Income Statement in item 180.a) "Administrative costs: staff expense" and include, for the part of obligations already exiting at the date of the reform (assimilated to a defined benefit plan) (i) service costs for companies with less than 50 employees, (ii) interest cost accrued in the year; for the part of plan considered defined contribution plan (iii) the accrued installments for the year paid into the complementary pension scheme or to the Treasury fund of INPS.

Actuarial gains (losses), i.e., the difference between the liabilities' carrying value and the present value of the obligation at the end of the period are recorded in the Statement of Comprehensive Income and disclosed in item 140"Revaluation reserves" according to IAS 19R.

Share-Based Payment

Equity-settled payments made to employees or other staff in consideration of goods received or services rendered, using equity instruments comprise:

- Stock options;
- Performance shares (i.e. awarded on attainment of certain objectives);
- Restricted shares (i.e. subject to a lock-up period).

Considering the difficulty of reliably measuring the fair value of the services rendered against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of the allocation.

This fair value is recognized as cost in profit and loss item 180. a) "Administrative costs – staff expense" offsetting the Shareholders' Equity item 170. "Reserves", on an accruals basis over the period in which the services are acquired.

The fair value of a cash-settled share-based payment, the services acquired and the liability incurred are measured at the fair value of the liability, recognized in item 100. "Other liabilities". The fair value of the liability, as long as it remains unsettled, is remeasured at each balance sheet date and all changes in fair value are recognized in profit and loss item 180. "Administrative costs".

Other Long-term Employee Benefits

Long-term employee benefits – e.g. long-service bonuses, paid on reaching a predefined number of years' service – are recognized in item 100. "Other liabilities" on the basis of the measurement of the liability at the balance sheet date, also in this case determined by an external actuary using the unit credit projection method (see Section 12 – Provisions for risks and charges – retirement payments and similar obligations). Actuarial gains (losses) on this type of benefit are recognized immediately in the Income Statement.

Guarantees and Credit Derivatives in the Same Class

Guarantees and credit derivatives in the same class measured under IAS 39 (i.e. contracts under which the issuer makes pre-established payments in order to compensate the guaranteed party or buyer of protection for losses sustained due to default by a debtor on the maturity of a debt instrument) are initially and subsequently (on remeasurement following impairment losses) recognized in item 100. "Other liabilities".

On first recognition guarantees given are recognized at fair value, which usually corresponds to the amount received when the guarantee is issued.

After initial recognition, guarantees given are recognized at the greater of the initially recognized value, net of any amortized portion, and the estimated amount required to meet the obligation.

The effects of valuation, related to any impairment of the underlying, are recognized in the same balance-sheet item contra item 130.d "Write-downs and write-backs due to impairment of other financial transactions" in the income statement.

Offsetting Financial assets and Financial liabilities

The accounting offsetting of assets and liabilities items has been performed according to IAS 32, assessing the fulfillment of the following requirements:

- current legal enforceable right to set off the recognised amounts;
- intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accordance with IFRS 7, further information have been included in the table of Note to the accounts, in Part B – Other information.

In the new tables, in particular, following information have to be reported:

- balance-sheet values, before and after the accounting offsetting effects, related to the assets and liabilities which meet the criteria for applying those effects;
- values of the exposures which do not meet the above mentioned criteria, but are included in Master Netting Agreements, or similar agreements, which create the right to set-off only following specified circumstances (ie default events);
- figures of related collaterals.

RECOGNITION OF INCOME AND EXPENSES

Interest Income and Expense

Interest income and expense and similar income and expense items relate to monetary items – ie, liquidity and debt , financial instruments held for trading, measured at fair value through profit or loss or available for sale-, HtM financial assets, loans and receivables, deposits, and securities in issue.

Interest income and expense are recognized through profit or loss with respect to all instruments measured at amortized cost, using the effective interest method.

Interest also includes the net credit or debit balance of differentials and margins on financial derivatives:

- hedging interest-bearing assets and liabilities;
- HfT but linked for business purposes to assets and liabilities designated as measured at fair value (fair value option);
- linked for business purposes to HfT assets and liabilities paying differentials or margins on different maturities.

Fees and Commissions

Fees and commissions are recognized according to the provision of the services from which they have arisen.

Securities trading commission is recognized at the time the service is rendered. Investment portfolio management fees, advisory fees and investment fund management fees are recognized on a pro-rata temporis basis.

Fees included in amortized cost used to calculate effective interest rates are not included under fees and commissions, since they are part of the effective interest rate.

Dividends

Dividends are recognized in profit or loss in the financial year in which their distribution has been approved.

RELEVANT IFRS DEFINITIONS

The main definitions introduced by IFRS are described below, other than those dealt with in previous sections.

Amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at fair value, e.g., fees received as compensation for the assessment of the issuer's or borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction (management fees).

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Impairment of financial assets

At each balance sheet date an entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment.

Losses expected as a result of future events, no matter how likely, are not recognized.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - adverse changes in the payment status of borrowers in the group; or
  - national or local economic conditions that correlate with defaults on the assets in the group.

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss is recognized in profit and loss item 130. "Impairment losses" and the asset's carrying value is reduced.

With respect to instruments classified as available-for-sale financial assets, this amount is equal to the balance of the negative Revaluation reserve (see Section 2 – Available-for-sale Financial Assets).

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

A reduction in the fair value of a financial asset below its cost or amortized cost is not necessarily an indication of impairment (e.g. reduction in the fair value of an investment in a debt instrument resulting from an increase due only to the riskfree interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the time value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to the group of assets being measured.

The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment

Reversals of impairment losses

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit worthiness), the previously recognized impairment loss is reversed and the amount of the reversal is recognized in profit and loss item 130. “Impairment losses” except in the case of AfS equity instruments (see Section 2 – Available-for-sale Financial Assets above).

The reversal shall not result – at the date the impairment is reversed – in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized.

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

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

In particular, the following may be reclassified:

- those HfT or AfS financial assets that would have satisfied the definition specified by the international accounting standards for the loan portfolio (if such assets were not classified as HfT or AfS respectively on initial recognition) if the entity intends, and is able, to hold them for the foreseeable future or until maturity;
- "only in rare circumstances" those HfT financial assets which, at the time of their recording, did not satisfy the definition of loans.

The following table provides the book value and the fair value as at December 31, 2014 (broken down by type of underlying asset and portfolio) of assets which were reclassified in the second half of 2008 and in the first half of 2009.
The income/expenses that would have been recognized if such reclassifications had not occurred, as well as those effectively recognized through profit or loss or at equity, are also provided.

These income/expenses before tax are broken down into two categories: those arising “from measurement” (including any write-downs) and “other” (including interest and gains/losses on the disposal of the transferred assets).

As a result, the overall impact before tax that would have been recognized in the income statement as of December 31, 2014, if these assets had not been reclassified, would have been a gain of €407,460 thousand, while the impact actually recognized was a gain of €133,080 thousand.

Part A – Accounting Policies

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

(€ '000)

INSTRUMENTS TYPE (1)	ACCOUNTING PORTFOLIO BEFORE RECLASSIFICATION (2)	ACCOUNTING PORTFOLIO AFTER RECLASSIFICATION (3)	BOOK VALUE AS AT 12.31.2014 (4)	FAIR VALUE AS AT 12.31.2014 (5)	INCOME/EXPENSES ABSENT RECLASSIFICATION (BEFORE TAX)		INCOME/EXPENSE RECOGNIZED DURING THE PERIOD (BEFORE TAX)	
					FROM MEASUREMENT (6)	OTHER (7)	FROM MEASUREMENT (8)	OTHER (9)
A. Debt securities			**4,144,923**	**4,371,098**	**263,535**	**135,179**	**5,085**	**138,338**
	Held for trading	Available for sale	5,263	5,263	338	437	338	495
	Held for trading	Held to maturity	177,716	180,947	(233)	5,206	-	4,746
	Held for trading	Loans to Banks	1,173,893	1,266,455	(7,751)	36,850	(42,545)	46,485
	Held for trading	Loans to Customers	2,661,156	2,792,282	263,699	90,840	47,292	84,595
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	126,895	126,151	7,482	1,846	-	2,017
B. Equity instruments			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
C. Loans			**270,194**	**307,723**	**(7,920)**	**16,666**	**(26,766)**	**16,423**
	Held for trading	Available for sale	-	-	-	-	-	-
	Held for trading	Held to maturity	-	-	-	-	-	-
	Held for trading	Loans to Banks	61,843	67,275	(9,206)	3,487	(11,886)	3,696
	Held for trading	Loans to Customers	208,351	240,448	1,286	13,179	(14,880)	12,727
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	-	-	-	-	-	-
D. Units in investment funds			**-**	**-**	**-**	**-**	**-**	**-**
	Held for trading	Available for sale	-	-	-	-	-	-
Total			**4,415,117**	**4,678,821**	**255,615**	**151,845**	**(21,681)**	**154,761**

Debt securities reclassified in the loan with customers portfolio include structured credit products (other than derivative contracts and financial instruments with incorporated derivatives) for an amount of €2,169,979 thousand at December 31, 2014.

A.4 – Information on fair value

QUALITATIVE INFORMATION

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

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

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

For financial instruments listed in active markets, fair value is determined on the basis of official prices in the principal market to which the Group has access (Mark to Market).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, fair value can be determined on the basis of the relevant market prices for the component parts.

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

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

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

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

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

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

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

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

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

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis, not measured at fair value, or measured at fair value on a non-recurring basis.

Assets and Liabilities measured at fair value on a recurring basis

Fixed Income Securities
Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments in active markets are marked to market and consequently positions in these instruments are disclosed in reference to Fair Value Hierarchy under Level 1[3]. In order to assess it, within the global bond Independent Price Verification (IPV) process a daily Liquidity Indicator is defined taking into account: the number of executable bid/ask quotes, their relative sizes and spreads. Such indicator is tracked over a 20 business days time window in order to obtain a stable monthly indicator.
Instruments not traded in active markets are marked to model based on implied credit spread curves derived from the former Level 1 instruments. The model maximizes the use of observable input and minimizes the use of unobservable inputs. With this respect, depending on the proximity of the credit spread curve applied, the bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case credit spread curves used are significantly unobservable. Under fair value accounting, fair value adjustments for liquidity and model deficiencies compensate for the lack of market observables for the Level 2 and Level 3 positions.
In the global bond IPV process market prices of Level 1 bonds and pricing models for illiquid bonds are regularly verified for accuracy.

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

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

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

According to the IPV process the quality of a price is assessed based upon the availability of quotes of independent market players for identical assets.
The process relies in the first instance on *consensus data provider* as reliable collector of market quotes.
As a second step, prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach consists in evaluating the instrument through the use of quantitative pricing models, which are applicable every time that information regarding market participants assumptions on model parameters are reasonably made available without excessive costs or efforts.

Derivatives
Fair value of derivatives not traded in an active market is determined using a mark to model valuation technique. In such cases, where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts.
Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity Instruments
Equity Instruments are assigned to Level 1 when a quoted price is available on a liquid market and to Level 3 when no quotations are available or quotations have been suspended indefinitely. These instruments are classifies as Level 2 only when trading volume on the market where the instrument is quoted has decreased significantly.
For equity instruments measured at cost an impairment is given, if the carrying amount exceeds the recoverable amount significantly and/or over a prolonged period of time.

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

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

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

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

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

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

Fair Value Adjustments (FVA)

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

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

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

As of 31st of December 2014, net CVA/DVA cumulative adjustment, related to performing counterparts, amounts to 430 €/Mln negative.
The part related to own credit spread evolution, which is filtered out from regulatory capital (accordingly to CRDIV), amounts to 201 €/mln positive.

Model Risk
Financial models are used for the valuation of the financial instruments if the direct market quotes are not readily available. In general the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustment refers to the risk that the actual fair value of the instrument differs from the value produced by the model.

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

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

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

Financial instrument not carried at fair value, for example retail loans and deposit, and credit facilities extended to corporate clients are not managed on a fair value basis.
For these instruments fair value are calculated for disclosure purposes only and do not impact the balance sheet or the profit or loss. Additionally, since these instruments generally do not trade, there is significant management judgment required to determine their fair values as defined by IFRS 13.

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

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

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

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

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

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

Description of the valuation techniques

Specific valuation techniques are used to value positions for which a market price is not directly observable from market sources. The Group uses well known valuation techniques for determining fair values of financial and non-financial instruments that are not actively traded and quoted. The valuation techniques used for Level 2 and 3 assets and liabilities, are described as follows:

Option Pricing Model
Option model valuation techniques are generally used for instruments in which the holder has a contingent right or obligation based on the occurrence of a future event, such as the price of a referenced asset going above or below a predetermined strike price. Option models estimate the likelihood of the specified event occurring by incorporating assumptions such as volatility estimates, price of the underlying instrument and expected rate of return.

Discounted cash flow
Discounted cash flow valuation techniques generally consist of developing an estimate of future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a "present value". The fair value of the contract is given by the sum of the present values of future cash flows.

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

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

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

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

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

Description of the inputs used to measure the fair value of items categorized in Level 2 and 3

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

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

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

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

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

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

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

Loss Given Default (LGD)/Recovery Rate
LGD also known as loss severity (the inverse concept is the recovery rate) represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relative to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Price
Where market prices are not observable, comparison via proxy is used to measure a fair value.

Prepayment Rate (PR)
The PR is the estimated rate at which forecasted prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security.
In general as prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending upon the nature of the security and the direction of the change in the weighted average life.

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

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

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

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

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

Part A – Accounting Policies

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

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

(€ million)

PRODUCT CATEGORIES			FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUES	UNOBSERVABLE PARAMETERS	RANGE	
Derivatives	Financial							
		Commodities	16.99	36.77	Discounted Cash Flows	Swap Rate (% of used value)	70%	130%
					Option Pricing Model	Volatility	20%	120%
						Correlation	-100%	100%
		Equity	116.82	340.02	Option Pricing Model	Volatility	15%	120%
						Correlation	-100%	100%
					Option Pricing Model Discounted Cash Flows	Dividends Yield	0%	20%
		Foreign Exchange	256.36	150.08	Option Pricing Model	Volatility	1%	40%
					Discounted Cash Flows	Interest rate	1 bps	1000 bps
		Interest Rate	1,867.51	84.46	Discounted Cash Flows	Swap Rate (bps)	0 bps	1500 bps
						Inflation Swap Rate	120 bps	230 bps
					Option Pricing Model	Inflation Volatility	1%	10%
						Interest Rate Volatility	5%	100%
						Correlation	20%	100%
		Hybrid	0.30	17.64	Option Pricing Model	Volatility	15%	120%
						Correlation	-100%	100%
	Credit		162.36	186.57	Hazard Rate Model	Credit Spread	116 bps	331%
						LGD	5%	95%
						Correlation	25%	85%
					Option Pricing Model	Volatility	35%	50%
Debt Securities and Loans		Corporate/ Government/Other	1,722.56	308.99	Market Approach	Price (% of used value)	95%	110%
		Mortgage & Asset Backed Securities	26.49		Discounted Cash Flows	Credit Spread (% of used value)	0bps	30%
						LGD	25%	100%
						Default Rate	1%	12.0%
						Prepayment Rate	0%	35%
Equity Securities		Unlisted Equity & Holdings	2,842.14	0.00	Market Approach	Price (% of used value)	0%	100%
					Gordon Growth Model	Ke	8.0%	11.2%
						Growth Rate	2.5%	3.5%
					Dividend Discount Model	Beta	0.35	2.45
						Risk Premium	5.5%	6.0%
Units in Investment Funds		Real Estate & Other Funds	219.36		Adjusted Nav	PD	1%	30%
						LGD	30%	40%

Unlisted equity securities classified as Level 3 and valued using a model include the shareholdings in the Bank of Italy (worth €1,659 million as at December 31, 2014 – unchanged over the previous period); for further information see Part B – Available for sale financial assets – Item 40.

A.4.2 Valuations processes and sensitivities

The Group verifies that the value attributed to each position reflects the current fair value in an appropriate way. Assets and liabilities subject to fair value measurements are determined using different techniques, among which (but not only) models such as discounted cash flow and internal models. On the basis of the observability of the input used, all the measurements are classified as Level 1, Level 2 or Level 3 of the fair value hierarchy.
When a financial instrument, measured at fair value, is valued through the use of one or more significant inputs not directly observable on the market, a further procedure for the price verification is implemented. These procedures include the revision of relevant historical data, the analysis of profits and losses, the individual valuation of each component for structural products and benchmarking. This approach uses subjective opinions and judgments based on experience and, therefore, it could require valuation adjustments which take into account the bid/ask spread, liquidity and counterparty risk, in addition to the valuation model type adopted.
According to Group Market Risk Governance guidelines, in order to ensure the right separateness of the functions in charge of the model development and those in charge of the validation processes, all valuation models developed by Group companies' front offices are independently tested centrally and validated by the Group Internal Validation functions. The aim of this independent control structure is of evaluating the model risk from a theoretical solidity, calibration techniques eventually applied and appropriateness of the model for a specific product in a defined market point of views.
In addition to the daily mark to market or mark to model valuation, the Independent Price Verification (IPV) is applied with the aim of guaranteeing a fair value which is independent from Market Risk perspective for all illiquid instruments.

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

The direction of sensitivity for instruments categorized at level 3 of fair value hierarchy to variations in significant unobservable inputs is supplied in the following table. For fair value computations where significant unobservable input are employed (Level 3), the sensitivity analysis is performed using a range of reasonable alternatives for the unobservable parameters.
The Group takes into account that the impact of unobservable inputs in the fair value computation of level 3 financial instruments, depends on the correlation among different inputs used in the valuation technique. Furthermore, the effect of unobservable input variation has an impact on the amount and the direction of fair value measurement, also according to the instrument nature and sign.

(€ million)

PRODUCT CATEGORIES				FAIR VALUE MOVEMENTS GIVEN REASONABLE POSSIBLE ALTERNATIVES
Derivatives				
	Financial			
		Commodities	+/-	0.71
		Equity	+/-	78.79
		Foreign Exchange	+/-	3.09
		Interest Rate	+/-	8.75
		Hybrid	+/-	0.20
	Credit		+/-	22.81
Debt Securities and Loans				
		Corporate/Government/Other	+/-	43.06
		Mortgage & Asset Backed Securities	+/-	1.04
Equity Securities				
		Unlisted Equity &Holdings	+/-	386.96
Units in Investment Funds				
		Real Estate & Other Funds	+/-	6.53

A.4.3 Fair value hierarchy

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

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

In particular, three levels are considered:

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

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

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

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

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

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

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

Transfers between hierarchy levels

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

A.4.4 Other information

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

QUANTITATIVE INFORMATION

A.4.5 Fair Value Hierarchy

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

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

(€ '000)

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	25,775,109	73,091,798	2,358,639	22,531,453	56,663,458	1,505,767
2. Financial assets at fair value through P&L	14,654,988	16,770,278	378,131	15,322,273	14,472,644	697,642
3. Available for sale financial assets	85,779,651	7,680,520	3,475,120	68,900,155	10,722,090	3,632,473
4. Hedging derivatives	-	9,101,384	12,783	-	9,574,936	1
5. Property, plant and equipment	-	-	70,457	-	-	68,717
6. Intangible assets	-	-	-	-	-	-
Total	**126,209,748**	**106,643,980**	**6,295,130**	**106,753,881**	**91,433,128**	**5,904,600**
1. Financial liabilities held for Trading	8,096,066	67,921,489	1,117,160	6,879,959	55,467,630	1,451,894
2. Financial liabilities at fair value through P&L	-	562,269	4,698	-	701,723	8,980
3. Hedging derivatives	-	8,620,667	1,276	-	8,628,458	548
Total	**8,096,066**	**77,104,425**	**1,123,134**	**6,879,959**	**64,797,811**	**1,461,422**

Transfers between level of fair value occurring between December 31, 2013 and December 31, 2014 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities.

Figures relating to December 31, 2013 may differ from those disclosed in the “2013 Consolidated Reports and Accounts” as a result of the introduction, on January 1, 2014, of IFRS 10 and IFRS 11, applicable retroactively to January 1, 2013.

The sub-item 3. Available-for-sale financial assets at level 3 as of December 31, 2014, does not include €701 million measured at cost (€1,257 million as of December 31, 2013). Comparative amounts have been restated accordingly.

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

- from level 1 to level 2 owing to a worsening of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit & loss (financial assets held for trading and carried at fair value) for approximately €596 million
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €355 million
  - of financial liabilities measured at fair value through profit & loss (financial liabilities held for trading and carried at fair value) for approximately €2 million

- from level 2 to level 1 owing to an improvement of the liquidity and price reliability indicators (based on the bid-ask spread, relative size and applicability of the published prices) collected by third parties as calculated and recorded in the context of the Global Bond IPV process:
  - of financial assets measured at fair value through profit & loss (financial assets held for trading and carried at fair value) for approximately €778 million
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €110 million
  - of financial liabilities measured at fair value through profit & loss (financial liabilities held for trading and carried at fair value) for approximately €13 million

Part A – Accounting Policies

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

(€ '000)

	CHANGES IN 2014					
	HELD FOR TRADING FINANCIAL ASSETS	AT FAIR VALUE TROUGH P&L FINANCIAL ASSETS	AVAILABLE FOR SALE FINANCIAL ASSETS	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
1. Opening balances	**1,505,767**	**697,642**	**3,632,473**	**1**	**68,717**	-
2. Increases	**6,072,407**	**307,808**	**1,109,247**	**12,790**	**8,517**	-
2.1 Purchases	4,543,876	3,755	797,311	7,304	-	-
2.2 Profits recognized in:	919,967	6,537	98,064	5,478	6,098	-
2.2.1 Income Statement	919,967	6,537	64,952	5,478	6,098	-
- of which Unrealized gains	*889,490*	*4,537*	*33,960*	*5,478*	*6,098*	-
2.2.2 Equity	X	X	33,112	-	-	-
2.3 Transfers from other levels	537,211	293,261	135,487	-	-	-
2.4 Other increases	71,353	4,255	78,385	8	2,419	-
3. Decreases	**5,219,535**	**627,319**	**1,266,600**	**8**	**6,777**	-
3.1 Sales	4,075,186	254,912	452,036	-	1,785	-
3.2 Redemptions	464,614	72,029	119,059	-	-	-
3.3 Losses recognized in:	149,722	12,203	92,819	-	2,607	-
3.3.1 Income Statement	149,722	12,203	37,413	-	2,607	-
- of which Unrealized losses	*148,539*	*10,819*	*26,312*	-	*2,607*	-
3.3.2 Equity	X	X	55,406	-	-	-
3.4 Transfers to other levels	405,025	286,497	226,639	-	-	-
3.5 Other decreases	124,988	1,678	376,047	8	2,385	-
4. Closing balances	**2,358,639**	**378,131**	**3,475,120**	**12,783**	**70,457**	-

The sub-item 2 increases and 3 decreases in financial assets are included in the Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

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

Transfers between level of fair value occurring between December 31, 2013 and December 31, 2014 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

Opening balances may differ from closing balances disclosed in the “2013 Consolidated Reports and Accounts” as a result of the introduction, on January 1, 2014, of IFRS 10 and IFRS 11, applicable retroactively to January 1, 2013.

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

(€ '000)

	CHANGES IN 2014		
	FINANCIAL LIABILITIES HELD FOR TRADING	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P&L**	**HEDGING DERIVATIVES**
1. Opening balances	**1,451,894**	**8,980**	**548**
2. Increases	**2,320,710**	**23,964**	**1,290**
2.1 Issuance	1,047,592	-	-
2.2 Losses recognized in:	569,716	-	1,289
2.2.1 Income Statement	569,716	-	1,289
- of which Unrealized losses	*529,143*	-	*1,275*
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	645,652	-	-
2.4 Other increases	57,750	23,964	1
3. Decreases	**2,655,444**	**28,246**	**562**
3.1 Redemptions	44,871	-	561
3.2 Purchases	531,201	-	-
3.3 Profits recognized in:	152,634	-	-
3.3.1 Income Statement	152,634	-	-
- of which Unrealized gains	*151,841*	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	1,908,752	-	-
3.5 Other decreases	17,986	28,246	1
4. Closing balances	**1,117,160**	**4,698**	**1,276**

The sub-item 2 increases and 3 decreases in financial liabilities are included in the Profit and Loss in the following items:

- Item 80: Gains and losses on financial assets and liabilities held for trading;
- Item 110: Gains and losses on financial assets/liabilities at fair value through profit or loss;
- Item 90: Fair value adjustments in hedge accounting.

Transfers between level of fair value occurring between December 31, 2013 and December 31, 2014 mainly reflect the evolution of market of reference in the period and the enhancement of processes for fair value level attribution in some Group entities and mostly refer to exposure held by UniCredit Bank AG.

Opening balances may differ from closing balances disclosed in the “2013 Consolidated Reports and Accounts” as a result of the introduction, on January 1, 2014, of IFRS 10 and IFRS 11, applicable retroactively to January 1, 2013.

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

(€ '000)

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS: BREAKDOWN BY FAIR VALUE LEVEL	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
1. Held-to-maturity investments	2,583,911	1,115,852	1,312,122	188,727	4,353,105	3,605,758	571,683	185,977
2. Loans and receivables with banks	68,730,127	3,403,995	41,657,630	28,675,591	63,310,191	648,858	33,113,365	28,357,196
3. Loans and receivables with customers	470,568,766	1,795,399	173,150,278	315,828,151	483,684,047	610,366	181,976,825	313,115,635
4. Property, plant and equipment held for investment	3,012,079	-	163,329	3,544,851	3,301,779	-	133,494	3,633,005
5. Non-current assets and disposal groups classified as held for sale	3,599,748	-	24,949	3,540,895	3,928,350	-	3,467,371	131,294
Total	**548,494,631**	**6,315,246**	**216,308,308**	**351,778,215**	**558,577,472**	**4,864,982**	**219,262,738**	**345,423,107**
1. Deposits from banks	106,036,913	-	55,497,214	52,192,998	107,829,653	-	66,053,133	42,134,359
2. Deposits from customers	410,411,985	-	134,231,255	277,831,237	393,113,026	-	174,683,953	219,693,262
3. Debt securities in issue	150,275,804	60,500,691	76,624,212	22,440,725	164,266,452	71,263,977	76,314,211	21,149,453
4. Liabilities included in disposal groups classified as held for sale	1,650,458	-	-	1,648,175	2,128,617	-	2,085,236	37,936
Total	**668,375,160**	**60,500,691**	**266,352,681**	**354,113,135**	**667,337,748**	**71,263,977**	**319,136,533**	**283,015,010**

Between December 31, 2013 and December 31, 2014 changes in the ratio between fair value and book value for loans and receivables to banks and customers reflect the enhancement of the methodology and the parameters adopted for the fair value calculation for disclosure and may be mainly due to the reduction in the benchmark short and medium/long term interest rate observed in the markets, to the reduction of the market risk premia and to the fine tuning of the methodology for the collateral valuation.

Between December 31, 2013 and December 31, 2014 changes in the fair value hierarchy composition for loans and receivables to banks and customers reflect the enhancement of the valuation methodology mainly oriented to the use of market parameters.

Sub item 5. Non-current assets and disposal groups classified as held for sale also contains €33,908 thousand measured at cost (see Part B Section 15, table 15.1).

Sub item 4. Liabilities included in disposal groups classified as held for sale also contains €2,283 thousand measured at cost (see Part B Section 15, table 15.1).

Figures relating to December 31, 2013 may differ from those disclosed in the “2013 Consolidated Reports and Accounts” as a result of the introduction, on January 1, 2014, of IFRS 10 and IFRS 11, applicable retroactively to January 1, 2013.

A.5 – Day One Profit/Loss

The value at which financial instruments are recognized is equal to their fair value on the same date.

The fair value of financial instruments, other than those designated at fair value through profit or loss, at their recognition date is usually assumed to be equal to the amount collected or paid.

For financial instruments held for trading (see sections 1 and 14 of Part A.2 above) and instruments designated at fair value (see sections 5 and 15 of Part A.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

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

More specifically, the calculation of fair value adjustments to reflect model risk ensures that the fair value portion of these instruments relating to the use of subjective parameters is not recognized in the profit and loss account, but changes the balance sheet value of these instruments.
Recognition of this portion in the profit and loss account is then made only when objective parameters are applied and therefore the adjustments are derecognized.

The balance of value adjustments to reflect model risk (amount not recognized in the Income Statement) changed from €141,572 thousand at December 31, 2013 to €95,937 thousand at December 31, 2014.

Part B – Consolidated Balance Sheet

Part B – Consolidated Balance Sheet - Assets

Assets

Section 1 - Cash and cash balances - Item 10

At December 31, 2014 the item cash and cash balances amounted to €8,051 million, a decrease of €2,469 million (-23%) from 2013 (€10,520 million).
The decrease was due to the sub-item "b) Demand deposits with Central Banks" which totaled €6,684 million at end 2013 and €3,936 million at December 31, 2014 (-€2,748 million, -41%).

1.1 Cash and cash balances: breakdown

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
a) Cash	4,115,236	3,836,070
b) Demand deposits with Central banks	3,935,886	6,684,102
Total	**8,051,122**	**10,520,172**

Section 2 - Financial assets held for trading – Item 20

As at December 31, 2014 financial assets held for trading amounted to €101,226 million, increased of €20,525 million (+25%) over 2013 (€80,701 million).

This increase is attributable to derivative instruments (€15,125 million), while financial assets (non-derivatives) were up €5,400 million.

In detail, derivative instruments increased from €49,210 million to €64,335 million.
This change refers to:

- banks: +€16,647 million (from €23,025 million in 2013 to €39,672 million in 2014), mainly due to change in market conditions with respect to all the agreements entered into;
- customers: -€1,523 million (from €26,185 million in 2013 to €24,662 million in 2014).

Financial assets (non-derivatives) increased from €31,491 in 2013 to €36,891 million in 2014.
The increase in financial assets (non-derivatives) was mainly due to:

- an increase in equity instruments (+€2,466 million, +36%), from 6,913 million in 2013 to €9,379 million in 2014;
- an increase of loans (+€2,270 million or +29%), from 7,859 in 2013 to 10,129 in 2014.

2.1 Financial assets held for trading: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
ITEM/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A) Financial assets (non-derivatives)						
1. Debt securities	**13,455,132**	**2,010,639**	**124,509**	**12,393,859**	**2,272,431**	**313,838**
1.1 Structured securities	49,913	581,331	53,916	41,185	440,896	180,712
1.2 Other debt securities	13,405,219	1,429,308	70,593	12,352,674	1,831,535	133,126
2. Equity instruments	**9,362,794**	**3,568**	**12,867**	**6,901,034**	**6,390**	**5,461**
3. Units in investment funds	**1,247,926**	**526,073**	**18,067**	**1,241,990**	**452,785**	**44,140**
4. Loans	**3**	**10,129,226**	**-**	**1**	**7,858,767**	**-**
4.1 Reverse Repos	-	9,868,950	-	-	7,841,045	-
4.2 Other	3	260,276	-	1	17,722	-
Total (A)	**24,065,855**	**12,669,506**	**155,443**	**20,536,884**	**10,590,373**	**363,439**
B) Derivative instruments						
1. Financial derivatives	**1,488,253**	**59,767,529**	**2,042,013**	**1,599,568**	**45,666,232**	**1,066,097**
1.1 Trading	1,488,253	57,961,655	1,144,645	1,599,568	44,677,259	583,165
1.2 Related to fair value option	-	61,615	1,900	-	39,101	-
1.3 Other	-	1,744,259	895,468	-	949,872	482,932
2. Credit derivatives	**221,001**	**654,763**	**161,183**	**395,001**	**406,853**	**76,231**
2.1 Trading	221,001	654,303	161,183	395,001	405,729	76,231
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	460	-	-	1,124	-
Total (B)	**1,709,254**	**60,422,292**	**2,203,196**	**1,994,569**	**46,073,085**	**1,142,328**
Total (A+B)	**25,775,109**	**73,091,798**	**2,358,639**	**22,531,453**	**56,663,458**	**1,505,767**
Total Level 1, Level 2 and Level 3			**101,225,546**			**80,700,678**

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A – Accounting Policies – A.4 Information on fair value.

The financial assets and liabilities relating to OTC Derivatives managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 – Offsetting, in order to improve the presentation of the liquidity profile and counterparty risk connected with them.

The effect as at December 31, 2014, already included in the net presentation of these transactions, totaled €18,448,893 (€10,806,472 as at December 31, 2013).

Part B – Consolidated Balance Sheet - Assets

2.2 Financial assets held for trading: breakdown by issuer/borrower

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2014	12.31.2013
A. Financial assets (non-derivateves)		
1. Debt securities	**15,590,280**	**14,980,128**
a) Governments and Central Banks	9,983,079	6,679,519
b) Other public-sector entities	365,102	1,675,634
c) Banks	3,119,752	4,363,618
d) Other issuers	2,122,347	2,261,357
2. Equity instruments	**9,379,229**	**6,912,885**
a) Banks	817,037	530,648
b) Other issuers	8,562,192	6,382,237
- insurance companies	*485,223*	*357,779*
- financial companies	*301,735*	*297,426*
- non-financial companies	*7,775,234*	*5,727,032*
- other	-	-
3. Units in investment funds	**1,792,066**	**1,738,915**
4. Loans	**10,129,229**	**7,858,768**
a) Governments and Central Banks	201,119	262
b) Other public-sector entities	43,614	17,460
c) Banks	943,104	1,604,346
d) Other issuers	8,941,392	6,236,700
Total A	**36,890,804**	**31,490,696**
B. Derivative instruments		
a) Banks	39,672,259	23,024,778
- fair value	39,672,259	23,024,778
b) Customers	24,662,483	26,185,204
- fair value	24,662,483	26,185,204
Total B	**64,334,742**	**49,209,982**
Total (A+B)	**101,225,546**	**80,700,678**

2.3 Financial assets held for trading: annual changes

(€ '000)

	CHANGES IN 2014 DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**14,980,128**	**6,912,885**	**1,738,915**	**7,858,768**	**31,490,696**
B. Increases	**494,639,080**	**188,561,630**	**36,737,067**	**157,182,911**	**877,120,688**
B.1 Purchases	489,671,891	186,724,881	36,360,579	157,045,502	869,802,853
B.2 Positive changes in fair value	292,035	122,710	75,454	55,492	545,691
B.3 Other changes	4,675,154	1,714,039	301,034	81,917	6,772,144
C. Decreases	**494,028,928**	**186,095,286**	**36,683,916**	**154,912,450**	**871,720,580**
C.1 Sales	486,892,735	184,241,638	36,523,851	1,912,952	709,571,176
C.2 Redemptions	3,618,758	-	-	152,861,441	156,480,199
C.3 Negative changes in fair value	184,282	491,553	58,854	54,388	789,077
C.4 Tranfers to other portfolios	-	-	-	-	-
C.5 Other changes	3,333,153	1,362,095	101,211	83,669	4,880,128
D. Closing balance	**15,590,280**	**9,379,229**	**1,792,066**	**10,129,229**	**36,890,804**

Section 3 - Financial assets at fair value through profit or loss - Item 30

At December 31, 2014 financial assets at fair value were €31,803 million, an increase of €1,310 million (+4%) over €30,493 million of end 2013.
This increase was mainly due to debt securities (+1,324 million, +5%).

Assets are recognized in this item to reduce the accounting mismatch arising from financial instruments measured (with changes in fair value) in the income statement in order to manage the risk profile.

3.1 Financial assets at fair value through profit or loss: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
ITEM/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**14,538,031**	**15,188,777**	**322,349**	**15,229,703**	**12,908,468**	**586,573**
1.1 Structured securities	-	1	-	844	-	-
1.2 Other debt securities	14,538,031	15,188,776	322,349	15,228,859	12,908,468	586,573
2. Equity instruments	**12**	**-**	**37,092**	**1,234**	**-**	**35,443**
3. Units in investment funds	**116,945**	**311,739**	**18,690**	**91,336**	**353,185**	**54,777**
4. Loans	**-**	**1,269,762**	**-**	**-**	**1,210,991**	**20,849**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	1,269,762	-	-	1,210,991	20,849
Total	**14,654,988**	**16,770,278**	**378,131**	**15,322,273**	**14,472,644**	**697,642**
Cost	**14,540,083**	**16,364,113**	**369,814**	**15,345,613**	**14,351,855**	**662,254**
Total Level 1, Level 2 and Level 3			**31,803,397**			**30,492,559**

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies – A.4 Information on fair value.

3.2 Financial assets at fair value through profit or loss: breakdown by issuer/borrower

(€ '000)

	AMOUNTS AS AT	
ITEM/VALUES	12.31.2014	12.31.2013
1. Debt securities	**30,049,157**	**28,724,744**
a) Governments and central banks	4,942,689	461,897
b) Other public-sector entities	17,617,617	17,077,929
c) Banks	6,488,107	7,121,539
d) Other issuers	1,000,744	4,063,379
2. Equity instruments	**37,104**	**36,677**
a) Banks	3	180
b) Other issuers:	37,101	36,497
- insurance companies	-	*23*
- financial companies	-	*182*
- non-financial companies	*37,089*	*36,267*
- other	*12*	*25*
3. Units in investment funds	**447,374**	**499,298**
4. Loans	**1,269,762**	**1,231,840**
a) Governments and central banks	270,337	221,566
b) Other public-sector entities	818,734	851,250
c) Banks	160,037	137,837
d) Other entities	20,654	21,187
Total	**31,803,397**	**30,492,559**

Part B – Consolidated Balance Sheet - Assets

3.3 Financial assets at fair value through profit or loss: annual changes

(€ '000)

	CHANGES IN 2014				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMENT FUNDS	LOANS	TOTAL
A. Opening balance	**28,724,744**	**36,677**	**499,298**	**1,231,840**	**30,492,559**
B. Increases	**15,652,653**	**1,709**	**93,621**	**149,069**	**15,897,052**
B.1 Purchases	15,091,971	-	46,095	33,283	15,171,349
B.2 Positive changes in fair value	401,950	1,670	20,114	114,847	538,581
B.3 Other increases	158,732	39	27,412	939	187,122
C. Decreases	**14,328,240**	**1,282**	**145,545**	**111,147**	**14,586,214**
C.1 Sales	11,431,283	219	99,606	-	11,531,108
C.2 Redemptions	2,550,612	1,058	30,596	95,000	2,677,266
C.3 Negative changes in fair value	110,166	3	13,566	10,394	134,129
C.4 Other decreases	236,179	2	1,777	5,753	243,711
D. Closing balance	**30,049,157**	**37,104**	**447,374**	**1,269,762**	**31,803,397**

Section 4 - Available for sale financial assets - Item 40

As at December 31, 2014, available-for-sale financial assets were €97,636 million, up by 16% (+€13,124 million) compared with December 31, 2013 (€84,512 million).
This increase is mainly attributable to trend in bonds investments that come from €79,895 million in 2013 to €94,226 million in 2014, mainly due to increase in values and volumes of Sovereign bonds (please refer to Section E – Information on Sovereign Exposures for further details) partially compensated by trend in Equity Investments that come from €3,389 million in 2013 to €2,587 million in 2014.

4.1 Available for sale financial assets: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**85,295,756**	**7,617,712**	**1,312,950**	**68,319,867**	**10,614,998**	**960,268**
1.1 Structured securities	-	1	18,885	28,759	2,663	18,885
1.2 Other	85,295,756	7,617,711	1,294,065	68,291,108	10,612,335	941,383
2. Equity instruments	**220,756**	**35,287**	**2,330,664**	**303,226**	**6,953**	**3,079,020**
2.1 Measured at fair value	220,756	35,287	1,992,078	303,226	6,953	2,421,147
2.2 Carried at cost	-	-	338,586	-	-	657,873
3. Units in investment funds	**240,321**	**27,521**	**532,712**	**248,533**	**100,139**	**850,441**
4. Loans	**22,818**	**-**	**-**	**28,529**	**-**	**-**
Total	**85,779,651**	**7,680,520**	**4,176,326**	**68,900,155**	**10,722,090**	**4,889,729**
Total Level 1, Level 2 and Level 3			**97,636,497**			**84,511,974**

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies, A.4 Information on fair value.

Sub-item 1.1 “Structured securities” includes also structured credit securities composed of *Asset Backed Securities* (ABS – see also Definition of Terms and Acronyms).

The reduction in the sub-item 2.1 Equity instruments - Measured at fair value of level 3 for an amount of approximately €429 million was substantially due to the companies of the Immobilien Holding group, which came into the consolidation scope on 30 September 2014 and were purchased for the purpose of selling them. For more information please refer to Section 15 - Non-current assets and disposal groups classified as held for sale and associated liabilities - Item 150 of the Assets and 90 of the Liabilities.
The decrease in sub-item 2.2 Equity instruments - Carried at cost was mainly due to the reduction in UniCredit S.p.A.'s equity investments portfolio and in that of Germany private equity.

Information about the shareholding in the Bank of Italy

UniCredit S.p.A. holds 22.114% of the Share Capital of Bank of Italy, recognized under the Balance Sheet Item 40 - Available-for-sale financial assets.

Pursuant to Law no. 5 of January 29, 2014, the Bank of Italy carried out a capital increase of Euro 7.5 billion (using pre-existing reserves), through the issue of new shares to replace the existing shares (which were canceled). Following this transaction, the difference between the fair value of the initial recognition of the new shares (Euro 1,659 million) and the carrying amount of the former canceled shares (Euro 285 million) was recognized through profit or loss in 2013 (Item 100 - Gains on disposal of available-for-sale financial assets). This resulted in a positive effect on the profit for the year 2013 of € 1,190 million (net of Euro 184 million of taxes). This accounting treatment was examined by the IFRS Interpretation Committee, which decided that since the issue related to circumstances that were unique, it was not of general interest, and since it had not caused differences in the accounting approach in the financial statements of the companies involved (prepared on the basis of the same interpretation), it would not be the subject of a technical decision. The taxes had been determined using the 12% tax rate, as set by the Stability Law of December 27, 2013; the transaction did not have any impact on Regulatory Capital at December 31, 2013.

Law Decree No. 66 of April 24, 2014, converted into Law no. 89/2014, established an increase of the tax rate, to be applied at the higher value of the new shares of the Bank of Italy (from 12% to 26%), thus resulting in an increase in costs of Euro 215 million recorded under item Taxes in the income statement for the first half of 2014.

In order to facilitate the balanced distribution of shares between shareholders, the new Bylaws of the Bank of Italy – in force from December 2013 – introduced a limit of 3% for the holding of shares in the capital of the Bank of Italy, establishing that no voting rights or dividend rights would be attached to excess shares, and that there would be an adjustment period (within which to dispose of any surplus shares) of no more than 36 months, during which the excess shares would not have voting rights but would have dividend rights. Although the reform has laid the basis for removing the previous situation of immobilization, as things stand, the Bank of Italy has not made any commitment to the repurchase or intermediate the excess shares, the operating procedures and the conditions for such repurchase have not yet been defined, and initiatives aimed at creating transactions are still at the initial study phase.

At December 31, 2014, investments in the Bank of Italy were measured at fair value, using a fundamentally level 3 measurement process, which confirmed a book value in line with the values of the previous year, without therefore resulting in any measurement impacts in 2014. The measurement, based on a long-term dividend discount model adjusted by a liquidity discount appropriate to reflect a limited circulation of shares, also takes into account the value at which the capital increase was carried out, which in turn reflects the outcome of the measurement process carried out last November 2013 by the committee of high-level experts on behalf of the Bank of Italy.

As is the case for all fair value measurements of unlisted securities performed using models and non-observable variables, there is a certain level of uncertainty and professional judgment. In addition, in the specific case of the investment in question, the observation of effective disposals of the shares, in the coming months, qualifies as a factor of uncertainty for the determination of fair value and its sustainability in the near future.

With regard to the regulatory treatment in 2014 (effects on regulatory capital and capital ratios):

- the value of the investment measured at fair value in the balance sheet, is applied a weighting of 100% (in accordance with Article 133 "Exposures in Equity Instruments" of the CRR);
- the revaluation recognized through profit or loss at December 31, 2013 is not subject to the filter.

Part B – Consolidated Balance Sheet - Assets

4.2 Available-for-sale financial assets: breakdown by issuer/borrower

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Debt securities	**94,226,418**	**79,895,133**
a) Governments and central banks	82,086,050	65,287,037
b) Other public-sector entities	1,192,951	833,376
c) Banks	7,585,993	8,441,148
d) Other issuers	3,361,424	5,333,572
2.Equity instruments	**2,586,707**	**3,389,199**
a) Banks	1,835,262	1,914,476
b) Other issuers:	751,445	1,474,723
- insurance companies	*174,164*	*40,139*
- financial companies	*185,412*	*330,781*
- non-financial companies	*391,092*	*636,447*
- other	*777*	*467,356*
3. Units in investment funds	**800,554**	**1,199,113**
4. Loans	**22,818**	**28,529**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	22,818	28,529
d) Other entities	-	-
Total	**97,636,497**	**84,511,974**

Equity instruments issued by borrowers with exposures classified as non-performing or doubtful are of a non-significant amount.

4.3 Available-for-sale financial assets: subject to micro-hedging

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Financial assets subject to micro-hedging of fair value	**49,935,269**	**37,019,903**
a) Interest rate risk	49,935,269	37,019,903
b) Price risk	-	-
c) Currency risk	-	-
d) Credit risk	-	-
e) Multiple risks	-	-
2. Financial assets subject to micro-hedging of cash flows	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**49,935,269**	**37,019,903**

4.4 Available for-sale financial assets: annual change

(€ '000)

	CHANGES IN 2014				
	DEBT SECURITIES	EQUITY INSTRUMENTS	UNITS IN INVESTMEN FUNDS	LOANS	TOTAL
A. Opening balance	**79,895,133**	**3,389,199**	**1,199,113**	**28,529**	**84,511,974**
B Increases	**503,542,294**	**482,743**	**408,002**	**1,656**	**504,434,695**
B.1 Purchases	497,283,649	258,823	285,219	-	497,827,691
B.2 Positive changes in fair value	3,409,897	20,586	8,115	-	3,438,598
B.3 Write-backs	3,980	-	245	-	4,225
- through profit or loss	*3,968*	*X*	*242*	-	*4,210*
- in equity	*12*	-	*3*	-	*15*
B.4 Transfer from other portfolio	-	-	-	-	-
- Held for trading financial assets	-	-	-	-	-
- HTM financial assets	-	*X*	*X*	-	-
B.5 Other changes	2,844,768	203,334	114,423	1,656	3,164,181
C. Descreases	**489,211,009**	**1,285,235**	**806,561**	**7,367**	**491,310,172**
C.1 Sales	379,841,199	444,047	671,808	-	380,957,054
C.2 Redemptions	103,140,841	8,572	92,354	-	103,241,767
C.3 Negative changes in fair value	610,368	28,196	2,114	-	640,678
C.4 Impairment	15,889	211,734	31,872	-	259,495
- through profit or loss	*15,889*	*211,734*	*31,872*	-	*259,495*
- in equity	-	-	-	-	-
C.5 Transfers to other portfolios	-	-	-	-	-
C.6 Other changes	5,602,712	592,686	8,413	7,367	6,211,178
D. Closing balance	**94,226,418**	**2,586,707**	**800,554**	**22,818**	**97,636,497**

Part B – Consolidated Balance Sheet - Assets

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

Held-to-maturity investments decreased from €4,353 million in 2013 to €2,584 million in 2014, a reduction of €1,769 million (-41%).

5.1 Held-to-maturity investments: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
		FAIR VALUE				FAIR VALUE		
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**2,583,911**	**1,115,852**	**1,312,122**	**188,727**	**4,353,105**	**3,605,758**	**571,683**	**185,977**
- Structured securities	-	-	-	-	-	-	54	-
- Other securities	2,583,911	1,115,852	1,312,122	188,727	4,353,105	3,605,758	571,629	185,977
2. Loans	-	-	-	-	-	-	-	-
Total Level 1, Level 2 and Level 3				**2,616,701**				**4,363,418**

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

Sub-item 1. - “Structured securities” includes also structured credit securities composed of *Asset Backed Securities* (ABS – see also Definition of Terms and Acronyms).

The decrease in the portfolio of €1.769 million was due substantially to the maturity of Italian government bonds held by UniCredit S.p.A. and in the portfolio of DAB Bank AG, a company that was sold during the year.
The increase in fair value of level 2 of the sub-item “Debt securities – Other” was due to an Italian government bond which, on the basis of the measurement methodology adopted, in financial year 2014 was less liquid than in financial year 2013, moving therefore from the previous level 1 to the current level 2.

5.2 Held-to-maturity investments: breakdown by issuer/borrower

(€ '000)

	AMOUNTS AS AT	
TYPE OPERATIONS/VALUES	12.31.2014	12.31.2013
1. Debt securities	**2,583,911**	**4,353,105**
a) Governments and central banks	2,041,821	3,595,445
b) Other public-sector entities	125,023	133,426
c) Banks	27,814	160,122
d) Other issuers	389,253	464,112
2. Loans	**-**	**-**
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
Total	**2,583,911**	**4,353,105**
Total fair value	**2,616,701**	**4,363,418**

5.3 Held-to-maturity investments: Assets subject to micro hedging

There are no HTM assets subject to micro hedging.

5.4 Held-to-maturity investments: annual change

(€ '000)

	CHANGES IN 2014		
	DEBT SECURITIES	LOANS	TOTAL
A. Opening balance	**4,353,105**	**-**	**4,353,105**
B. Increases	**11,495,477**	**-**	**11,495,477**
B.1 Purchases	11,378,664	-	11,378,664
B.2 Write-backs	39	-	39
B.3 Transfers from other portfolios	-	-	-
B.4 Other changes	116,774	-	116,774
C. Decreases	**13,264,671**	**-**	**13,264,671**
C.1 Sales	-	-	-
C.2 Redemptions	13,043,371	-	13,043,371
C.3 Write-downs	281	-	281
C.4 Transfers to other portfolios	-	-	-
C.5 Other changes	221,019	-	221,019
D. Closing balance	**2,583,911**	**-**	**2,583,911**

Part B – Consolidated Balance Sheet - Assets

Section 6 - Loans and receivables with banks - Item 60

At December 31, 2014 loans to banks were €68,730 million, a €5,420 million increase (+9%) from 2013 (€63,310 million).

At December 31, 2014 the net interbank position was -€37,307 million, at end 2013 it was -€44,520 million.

Loans to banks / deposits from banks

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2014	12.31.2013	AMOUNT	%
Loans to banks	68,730	63,310	5,420	8.6%
Deposits from banks	(106,037)	(107,830)	1,793	-1.7%
Changes (negative balance)	**(37,307)**	**(44,520)**	**7,213**	**-16.2%**

6.1 Loans and receivables with banks: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
		FAIR VALUE				FAIR VALUE		
TYPE OF TRANSACTIONS/VALUES	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3
A. Loans to Central Banks	**12,909,320**	**-**	**5,233,593**	**7,632,631**	**14,967,790**	**-**	**5,213,543**	**9,724,402**
1. Time deposits	3,954,954	X	X	X	1,357,892	X	X	X
2. Compulsory reserves	8,941,722	X	X	X	12,781,108	X	X	X
3. Reverse repos	-	X	X	X	825,041	X	X	X
4. Other	12,644	X	X	X	3,749	X	X	X
B. Loans to banks	**55,820,807**	**3,403,995**	**36,424,037**	**21,042,960**	**48,342,401**	**648,858**	**27,899,822**	**18,632,794**
1. Loans	**50,691,203**	**78**	**34,687,787**	**20,880,686**	**42,388,579**	**165**	**22,052,526**	**18,608,859**
1.1 Current accounts and demand deposits	23,958,650	X	X	X	19,103,585	X	X	X
1.2 Time deposits	6,202,567	X	X	X	4,696,938	X	X	X
1.3 Other loans	20,529,986	*X*	*X*	*X*	18,588,056	*X*	*X*	*X*
- Reverse repos	*15,941,846*	*X*	*X*	*X*	*13,361,044*	*X*	*X*	*X*
- Finance leases	*4,506*	*X*	*X*	*X*	*5,179*	*X*	*X*	*X*
- Other	*4,583,634*	*X*	*X*	*X*	*5,221,833*	*X*	*X*	*X*
2. Debt securities	**5,129,604**	**3,403,917**	**1,736,250**	**162,274**	**5,953,822**	**648,693**	**5,847,296**	**23,935**
2.1 Structured	-	*X*	*X*	*X*	-	*X*	*X*	*X*
2.2 Other	*5,129,604*	*X*	*X*	*X*	*5,953,822*	*X*	*X*	*X*
Total	**68,730,127**	**3,403,995**	**41,657,630**	**28,675,591**	**63,310,191**	**648,858**	**33,113,365**	**28,357,196**

The sub-item 3 "Other loans" does not include the type of securities lending transactions collateralized by securities or not collateralized. These transactions are classified under "off-balance sheet" exposures of table A.1.3 of Part E - Section 1 - Credit Risk. See also the section "Other Information" of Part B.
Sub-item 4.1 “Structured” includes also structured credit securities composed of Asset Backed Securities (ABS – see also Definition of Terms and Acronyms).

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

The changes that occurred between December 31, 2013 and December 31, 2014 in the ratio between fair value and book value of loans and receivables with banks reflect the refinement of the methodology and the parameters used to determine the fair value for financial statement purposes and can mainly be attributed to lower short- and medium/long-term reference rates observable on the financial markets and to the general reduction in the risk premium required by the market.

The changes that occurred between December 31, 2013 and December 31, 2014 in the composition of the Fair Value levels mainly reflect the refinement of the measurement methodology more oriented to using market parameters.

6.2 Loans and receivables with banks subject to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Loans and receivables subject to micro-hedging of fair value	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Credit risk	-	-
d) Multiple risks	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**78**	**44,908**
a) Interest rate risk	-	44,908
b) Currency risk	-	-
c) Other	78	-
Total	**78**	**44,908**

6.3 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts receivable under finance leases:				
Up to 12 months	2,507	1,019	1,689	1,251
From 1 to 5 years	3,998	2,680	3,687	3,036
Later than 5 years	891	807	994	891
Total gross/net investment value	**7,396**	**4,506**	**6,370**	**5,178**
of which: - Unguaranteed residual values of assets leased under finance leases	*997*	*991*	*985*	*980*
Less: Unearned finance income (by remaining maturity)	**(2,890)**	**X**	**(1,191)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**4,506**	**4,506**	**5,179**	**5,178**

Part B – Consolidated Balance Sheet - Assets

Section 7 - Loans and receivables with customers - Item 70

As at December 31, 2014 loans and receivables with customers amounted to €470,569 million, down €13,115 million over 2013 (€483,684 million).

This change was due to the combination of:

- a €3,056 million decrease in current accounts;
- a €4,731 million decrease in repos;
- a €1,144 million decrease in mortgages;
- a decline in credit cards and personal loans, including wage assignment loans (€1,474 million);
- a €1,546 million decrease in finance leases;
- a €20 million light increase in factoring;
- a decrease in other loans (€935 million);
- a €250 million decrease in debt securities.

7.1 Loans and receivables with customers: product breakdown

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2014						AMOUNTS AS AT 12.31.2013					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	PERFORMING	IMPAIRED		LEVEL 1	LEVEL 2	LEVEL 3	PERFORMING	IMPAIRED		LEVEL 1	LEVEL 2	LEVEL 3
		PURCHASED	OTHERS					PURCHASED	OTHERS			
Loans	**419,059,419**	**58,906**	**40,866,169**	**-**	**165,682,804**	**314,190,684**	**433,162,631**	**122,022**	**39,564,892**	**163**	**173,371,710**	**311,409,844**
1. Current accounts	42,769,091	25,074	7,693,580	X	X	X	46,319,009	19,858	7,204,850	X	X	X
2. Reverse repos	27,609,835	-	27	X	X	X	32,340,692	-	56	X	X	X
3. Mortgages	151,112,245	16,291	16,779,637	X	X	X	152,377,361	63,835	16,610,526	X	X	X
4. Credit cards and personal loans, including wage	15,167,515	6	488,198	X	X	X	16,539,116	31	590,469	X	X	X
5. Finance leases	24,175,452	-	4,117,171	X	X	X	25,769,218	-	4,069,370	X	X	X
6. Factoring	9,836,032	233	488,462	X	X	X	9,942,052	6	362,861	X	X	X
7. Other loans	148,389,249	17,302	11,299,094	X	X	X	149,875,183	38,292	10,726,760	X	X	X
Debt securities	**10,417,675**	**-**	**166,597**	**1,795,399**	**7,467,474**	**1,637,467**	**10,775,924**	**-**	**58,578**	**610,203**	**8,605,115**	**1,705,791**
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	10,417,675	-	166,597	X	X	X	10,775,924	-	58,578	X	X	X
Total	**429,477,094**	**58,906**	**41,032,766**	**1,795,399**	**173,150,278**	**315,828,151**	**443,938,555**	**122,022**	**39,623,470**	**610,366**	**181,976,825**	**313,115,635**
Total carrying amount Performing and Impaired			**470,568,766**						**483,684,047**			

Notes to the table in the previous page:

The column “Impaired – purchased” includes impaired loans purchased as part of disposals other than business combinations.

The sub-items 2 "Reverse repos" and 7. “Other transactions” did not include the type of securities lending transactions collateralized by securities or not collateralized. These transactions were classified under "off-balance sheet" exposures of table A.1.6 of Part E – Section 1 – Credit Risk. See also the section "Other Information" of Part B.

Sub-item 8.1 “Structured securities” includes also structured credit securities composed of *Asset Backed Securities* (ABS – see also Definition of Terms and Acronyms).

The sub-item “7. Other loans” includes:

- €50,320 million for other non-current account loans (€55,498 million as at December 31, 2013);
- €21,658 million for pooled transaction (€23,420 million as at December 31, 2013);
- €11,441 million advances to customers for import/export (€12,148 million as at December 31, 2013);
- €9,688 million for advances to ordinary customers (€9,146 million as at December 31, 2013);
- €8,724 million “hot money” transactions (€7,938 million as at December 31, 2013).

Please note that, as of January 1, 2014, pursuant to IFRS 10 “Consolidated Financial Statements”, the segregated funds of the “Trevi Finance”, “Trevi Finance 2”, “Trevi Finance 3” and “Entasi” securitization transactions will be consolidated line by line in the UniCredit group’s accounts. During the period between the date of the first application of the International Accounting Standards and December 31, 2013, the underlying assets of these securitization transactions were not recognized again in the financial statements by virtue of the option introduced by IFRS 1 applicable to the transactions conducted before January 1, 2004.
Until December 31, 2013, the exposures to the above-mentioned SPVs, now subject to intragroup elimination as part of the consolidation process, were therefore included in sub-items 7. “Other loans” and 8.2 “Other Debt Securities” of the consolidated financial statements.
For this reason, comparative figures as at December 31, 2013 were restated accordingly to increase comparability.
In addition, in June 2014, “Trevi Finance” and “Trevi Finance 2” sold non-performing loans, which represented their segregated funds, to two other securitization SPVs not belonging to the UniCredit group named “Aurora SPV S.r.L.” and “Augustus SPV S.r.L.”.
During the second half of 2014, therefore, the exposures to "Trevi Finance" and "Trevi Finance 2" have been reimbursed, according to the "cascade of payments" provided by these operations.

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

The changes that occurred between December 31, 2013 and December 31, 2014 in the ratio between fair value and book value of loans and receivables with banks reflect the refinement of the methodology and the parameters used to determine the fair value for financial statement purposes and can mainly be attributed to lower short- and medium/long-term reference rates observable on the financial markets and to the general reduction in the risk premium required by the market.

The changes that occurred between December 31, 2013 and December 31, 2014 in the composition of the Fair Value levels mainly reflect the refinement of the measurement methodology more oriented to using market parameters

The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS 7.29 . According to this assumption, demand items were classified as level 3 in the fair value hierarchy.

The fair value of impaired loans was estimated to be equal to their net book value by considering the analytical realizable value the best estimate of the future expected cash flows discounted at the valuation date. According to this assumption, impaired loans were classified as level 3 in the fair value hierarchy.

Part B – Consolidated Balance Sheet - Assets

7.2 Loans and receivables with customers: breakdown by issuer/borrower

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
	PERFORMING	IMPAIRED		PERFORMING	IMPAIRED	
		PURCHASED	OTHERS		PURCHASED	OTHERS
1. Debt securities:	**10,417,675**	**-**	**166,597**	**10,775,924**	**-**	**58,578**
a) Governments	98,074	-	-	95,217	-	-
b) Other public-sector entities	2,932,716	-	-	3,604,451	-	-
c) Other issuers	7,386,885	-	166,597	7,076,256	-	58,578
- non-financial companies	*1,378,630*	-	*441*	*1,053,171*	-	*914*
- financial companies	*5,578,756*	-	*166,156*	*5,528,278*	-	*57,664*
- insurance companies	*429,499*	-	-	*443,547*	-	-
- other	-	-	-	*51,260*	-	-
2. Loans to	**419,059,419**	**58,906**	**40,866,169**	**433,162,631**	**122,022**	**39,564,892**
a) Governments	8,102,980	-	4,842	6,589,734	-	4,019
b) Other public-sector entities	17,231,537	-	175,645	18,665,335	-	151,338
c) Other entities	393,724,902	58,906	40,685,682	407,907,562	122,022	39,409,535
- non-financial companies	*226,627,473*	*38,838*	*30,806,195*	*223,416,135*	*58,671*	*30,111,649*
- financial companies	*45,719,741*	-	*1,005,393*	*51,280,256*	-	*364,097*
- Insurance companies	*706,037*	-	*10,191*	*682,275*	-	*13,298*
- other	*120,671,651*	*20,068*	*8,863,903*	*132,528,896*	*63,351*	*8,920,491*
Total	**429,477,094**	**58,906**	**41,032,766**	**443,938,555**	**122,022**	**39,623,470**
Total Performing and Impaired			**470,568,766**			**483,684,047**

For further details see the Report on operations or Part E) Risk and related risk management policies – Credit quality.

During 2014, checks were carried out regarding the breakdown of issuers of debt securities in the portfolio, and this allowed a more precise classification of the same. This is the reason for items 1. Debt securities: c) Other issuers – financial companies and 1. Debt securities: c) Other issuers.

The column "Impaired – purchased" includes impaired loans purchased as part of disposals other than business combinations.

7.3 Loans and receivables with customers: hedged assets

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Loans and receivables subject to micro-hedging of fair value	**365,027**	**232,790**
a) interest rate risk	191,445	218,807
b) currency risk	-	-
c) credit risk	173,582	13,983
d) multiple risk	-	-
2. Loans and receivables subject to micro-hedging of cash flows	**1,791**	**1,364**
a) interest rate risk	1,791	1,364
b) currency risk	-	-
c) other	-	-
Total	**366,818**	**234,154**

7.4 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2014 MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2014 PRESENT VALUE OF MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2013 MINIMUM LEASE PAYMENTS	AMOUNTS AS AT 12.31.2013 PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts receivable under finance leases				
Up to 12 months	5,858,337	5,039,627	6,363,710	5,482,015
From 1 to 5 years	12,006,291	9,917,629	13,615,958	11,281,320
Later than 5 years	15,115,798	13,335,367	15,151,785	13,075,253
Total gross/net investment value	**32,980,426**	**28,292,623**	**35,131,453**	**29,838,588**
of which: - Unguaranteed residual values of assets leased under finance leases	*6,156,157*	*6,132,045*	*3,759,481*	*3,742,897*
Less: Unearned finance income (by remaining maturity)	**(4,687,803)**	**X**	**(5,292,865)**	**X**
Present value of minimum lease payments receivable (net investment in the lease)	**28,292,623**	**28,292,623**	**29,838,588**	**29,838,588**

Section 8 - Hedging derivatives - Item 80

8.1 Hedging derivatives: breakdown by hedged risk and fair value hierarchy

(€ '000)

	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**9,101,384**	**12,782**	**176,701,607**	**-**	**9,574,936**	**-**	**155,623,033**
1) Fair value	-	8,107,651	7,304	161,514,868	-	6,307,539	-	142,027,411
2) Cash flows	-	993,733	5,478	15,186,739	-	3,267,397	-	13,595,622
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**1**	**-**	**-**	**-**	**1**	**155,000**
1) Fair value	-	-	1	-	-	-	1	155,000
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**9,101,384**	**12,783**	**176,701,607**	**-**	**9,574,936**	**1**	**155,778,033**
Total Level 1, Level 2 e Level 3			**9,114,167**				**9,574,937**	

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies.

8.2 Hedging derivatives: breakdown by hedged assets and risk (book value)

(€ '000)

	AMOUNTS AS AT 12.31.2014								
	FAIR VALUE HEDGES						CASH-FLOW HEDGES		
	MICRO-HEDGE								
TRANSACTIONS/TYPE OF HEDGES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	TOTAL NET INVEST. ON FOREIGN INVESTM.
1. Available-for-sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	1,215	-	-	X	-	X	17,059	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	3,731,418	X	970,796	X
5. Other investments	-	-	-	-	-	X	2,359	X	-
Total assets	**1,215**	**-**	**-**	**-**	**-**	**3,731,418**	**19,418**	**970,796**	**-**
1. Financial liabilities	879,288	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	3,503,035	X	3,180	X
Total liabilities	**879,288**	**-**	**-**	**-**	**-**	**3,503,035**	**-**	**3,180**	**-**
1. Expected transactions	X	X	X	X	X	X	5,817	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

Section 9 - Changes in fair value of portfolio hedged items - Item 90

9.1 Changes to macro-hedged financial assets: breakdown by hedged

(€ '000)

CHANGES TO HEDGED ASSETS/GROUPS COMPONENTS	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Positive changes	**5,196,085**	**4,001,128**
1.1 of specific portfolios:	377,708	406,812
a) loans and receivables	377,708	*406,812*
b) available-for-sale financial assets	-	-
1.2 overall	4,818,377	3,594,316
2. Negative changes	**2,322,688**	**1,186,074**
2.1 of specific portfolios:	36,868	75,761
a) loans and receivables	*36,868*	*75,761*
b) available-for-sale financial assets	-	-
2.2 overall	2,285,820	1,110,313
Total	**2,873,397**	**2,815,054**

9.2 Banking group assets subject to macro-hedging of interest-rate risk: breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Loans and receivables	92,959,257	6,163,665
2. Available-for-sale financial assets	-	-
3. Portfolio	37,205,642	34,798,297
Total	**130,164,899**	**40,961,962**

Section 10 - Investments in associates and joint ventures – Item 100

As at December 2014, investments in associates and joint ventures amounted to €6,479 million, down €3 million from €6,482 million at the end of 2013.

10.1 Equity investments: information on shareholders' equity

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
	A. Investments in joint ventures							
1	FIDES LEASING GMBH Issued capital EUR 57,229	VIENNA	VIENNA	7	2	CALG ANLAGEN LEASING GMBH	50.00	
2	HYPO-BA LEASING SUED GMBH Issued capital EUR 36,500	KLAGENFURT	KLAGENFURT	7	2	UNICREDIT LEASING S.P.A.	50.00	
3	KOC FINANSAL HIZMETLER AS Issued capital TRY 3,093,741,012	ISTANBUL	ISTANBUL	7	2	UNICREDIT BANK AUSTRIA AG	50.00	
4	STICHTING CUSTODY SERVICES YKB Issued capital EUR 125,000	AMSTERDAM	AMSTERDAM	7	2	YAPI KREDI BANK NEDERLAND N.V.	40.90	
5	TASFIYE HALINDE UNICREDIT MENKUL DEGERLER AS (IN LIQUIDATION) Issued capital TRY 10,603,279	ISTANBUL	ISTANBUL	7	2	KOC FINANSAL HIZMETLER AS	50.00	
						YAPI KREDI FINANSAL KIRALAMA AO	..	
6	YAPI KREDI BANK MALTA LTD. Issued capital EUR 60,000,000	ST. JULIAN'S	ST. JULIAN'S	7	1	YAPI KREDI HOLDING BV	40.90	
						KOC FINANSAL HIZMETLER AS	..	
7	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY Issued capital AZN 47,325,904	BAKU	BAKU	7	1	YAPI KREDI FINANSAL KIRALAMA AO	0.04	
						YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
						YAPI VE KREDI BANKASI AS	40.82	
8	YAPI KREDI BANK MOSCOW Issued capital USD 30,760,000	MOSCOW	MOSCOW	7	1	YAPI KREDI FINANSAL KIRALAMA AO	0.07	
						YAPI VE KREDI BANKASI AS	40.83	
9	YAPI KREDI BANK NEDERLAND N.V. Issued capital EUR 48,589,110	AMSTERDAM	AMSTERDAM	7	1	YAPI KREDI HOLDING BV	13.40	
						YAPI VE KREDI BANKASI AS	27.50	
10	YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE Issued capital USD 1,000	GEORGE TOWN	GEORGE TOWN	7	2	YAPI VE KREDI BANKASI AS	40.90	(4)
11	YAPI KREDI FAKTORING AS Issued capital TRY 75,183,837	ISTANBUL	ISTAMBUL	7	2	YAPI KREDI FINANSAL KIRALAMA AO	0.01	
						YAPI VE KREDI BANKASI AS	40.88	
						ENTERNASYONAL TURIZM YATIRIM A.S.	..	
12	YAPI KREDI FINANSAL KIRALAMA AO Issued capital TRY 389,927,705	ISTANBUL	ISTANBUL	7	2	YAPI VE KREDI BANKASI AS	40.90	
13	YAPI KREDI HOLDING BV Issued capital EUR 102,000,000	AMSTERDAM	AMSTERDAM	7	2	YAPI VE KREDI BANKASI AS	40.90	
14	YAPI KREDI INVEST LIMITED LIABILITY COMPANY Issued capital AZN 75,000	BAKU	BAKU	7	2	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	40.90	
15	YAPI KREDI PORTFOEY YOENETIMI AS Issued capital TRY 5,860,131	ISTANBUL	ISTANBUL	7	2	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.71	
						YAPI VE KREDI BANKASI AS	5.17	

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
						HELD BY	HOLDING %	
16	YAPI KREDI YATIRIM MENKUL DEGERLER AS Issued capital TRY 197,682,787	ISTANBUL	ISTANBUL	7	2	YAPI KREDI FINANSAL KIRALAMA AO	..	
						YAPI VE KREDI BANKASI AS	40.89	
17	YAPI VE KREDI BANKASI AS Issued capital TRY 4,298,165,828	ISTANBUL	ISTANBUL	7	1	KOC FINANSAL HIZMETLER AS	40.90	
	B. Companies under significant influence							
1	ADLER FUNDING LLC Issued capital USD 2,142,857	DOVER	NEW YORK	8	5	UNICREDIT BANK AG	32.81	
2	ALITALIA - COMPAGNIA AEREA ITALIANA S.P.A. Issued capital EUR 334,944,206	FIUMICINO (ROME)	FIUMICINO (ROME)	8	5	UNICREDIT SPA	33.50	
3	ALLIANZ YASAM VE EMEKLILIK AS Issued capital TRY 139,037,203	ISTANBUL	ISTANBUL	8	2	YAPI KREDI FAKTORING AS	0.04	
						YAPI KREDI FINANSAL KIRALAMA AO	19.93	
						YAPI KREDI YATIRIM MENKUL DEGERLER AS	0.04	
						YAPI VE KREDI BANKASI AS	..	
4	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM Issued capital HRK 15,000,000	ZAGREB	ZAGREB	8	2	ZAGREBACKA BANKA D.D.	49.00	
5	ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM Issued capital HRK 90,000,000	ZAGREB	ZAGREB	8	4	ZAGREBACKA BANKA D.D.	49.00	
6	ASSET BANCARI II Issued capital EUR 15,663,103	MILAN	MILAN	8	5	UNICREDIT CREDIT MANAGEMENT BANK SPA	39.06	
7	AVIVA SPA Issued capital EUR 247,000,387	MILAN	MILAN	8	4	UNICREDIT SPA	49.00	
8	BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT Issued capital EUR 50,000,000	INNSBRUCK	INNSBRUCK	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	37.53	41.70
						UNICREDIT BANK AUSTRIA AG	9.85	4.93
9	BANQUE DE COMMERCE ET DE PLACEMENTS SA Issued capital CHF 75,000,000	GENEVA	GENEVA	8	1	YAPI VE KREDI BANKASI AS	30.67	
10	BARN BV Issued capital EUR 195,020,000	AMSTERDAM	AMSTERDAM	8	2	UNICREDIT BANK AUSTRIA AG	40.00	
11	BKS BANK AG Issued capital EUR 72,072,000	KLAGENFURT	KLAGENFURT	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	25.47	26.81
						UNICREDIT BANK AUSTRIA AG	7.29	6.74
12	BLUVACANZE SPA	ROZZANO	ROZZANO	8	5	UNICREDIT SPA	42.85	
13	BULKMAX HOLDING LTD Issued capital USD 2,600	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00	
14	BV-BGPB BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN FUR INTERNET - UND MOBILE BEZAHLUNGEN MBH Issued capital EUR 83,332	BERLIN	BERLIN	8	5	UNICREDIT BANK AG	30.00	
15	CASH SERVICE COMPANY AD Issued capital BGN 12,500,000	SOFIA	SOFIA	8	5	UNICREDIT BULBANK AD	20.00	

Part B – Consolidated Balance Sheet - Assets

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
						HELD BY	HOLDING %	
16	CBD INTERNATIONAL SP.ZO.O. Issued capital PLN 100,500	WARSAW	WARSAW	8	2	ISB UNIVERSALE BAU GMBH	49.75	
17	CNP UNICREDIT VITA S.P.A. Issued capital EUR 381,698,528	MILAN	MILAN	8	4	UNICREDIT SPA	38.80	
18	COINV S.P.A. Issued capital EUR 167,767,089	MILAN	MILAN	8	5	UNICREDIT SPA	12.00	
19	COMTRADE GROUP B.V. Issued capital EUR 4,522,000	AMSTERDAM	AMSTERDAM	8	5	HVB CAPITAL PARTNERS AG	21.05	
20	CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE Issued capital EUR 4,647	NAPLES	NAPLES	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	33.33	
21	CREDITRAS ASSICURAZIONI SPA Issued capital EUR 12,000,000	MILAN	MILAN	8	4	UNICREDIT SPA	50.00	
22	CREDITRAS VITA SPA Issued capital EUR 112,200,000	MILAN	MILAN	8	4	UNICREDIT SPA	50.00	
23	DA VINCI S.R.L. Issued capital EUR 100,000	ROME	ROME	8	5	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	25.00	(3)
24	ES SHARED SERVICE CENTER SOCIETA' PER AZIONI Issued capital EUR 120,000	CERNUSCO SUL NAVIGLIO	CERNUSCO SUL NAVIGLIO	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	49.00	
25	EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE Issued capital EUR 5,636,400	ROME	ROME	8	2	UNICREDIT SPA	39.79	
26	FENICE HOLDING S.P.A. Issued capital EUR 25,682,932	CALENZANO	CALENZANO	8	5	UNICREDIT SPA	25.91	
27	FIDIA SPA IN LIQUIDAZIONE Issued capital EUR 4,860,960	MILAN	MILAN	8	2	UNICREDIT SPA	50.00	
28	INCONTRA ASSICURAZIONI S.P.A. Issued capital EUR 5,200,000	MILAN	MILAN	8	4	UNICREDIT SPA	49.00	
29	KRAJOWA IZBA ROZLICZENIOWA SA Issued capital PLN 5,445,000	WARSAW	WARSAW	8	2	BANK PEKAO SA	34.44	
30	MARINA CITY ENTWICKLUNGS GMBH Issued capital EUR 120,000	VIENNA	VIENNA	8	2	CABET-HOLDING GMBH	25.00	
31	MARINA TOWER HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	8	5	CABET-HOLDING GMBH	25.00	
32	MARTUR SUNGER VE KOLTUK TESISLERI TICARET VE SANAYI A. S. Issued capital TRY 114,124,218	ISTANBUL	ISTAMBUL	8	5	HVB CAPITAL PARTNERS AG	20.00	
33	MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA Issued capital EUR 430,800,000	MILAN	MILAN	8	1	UNICREDIT SPA	8.63	
34	MEGAPARK OOD Issued capital BGN 5,000	SOFIA	SOFIA	8	5	AWT HANDELS GESELLSCHAFT M.B.H.	43.50	
35	MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE Issued capital HRK 5,000,000	ZAGREB	ZAGREB	8	2	SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O	75.00	25.00

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % (2)
						HELD BY	HOLDING %	
36	NAUTILUS TANKERS LIMITED Issued capital USD 2,000	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00	
37	NOTARTREUHANDBANK AG Issued capital EUR 8,030,000	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	25.00	
38	OBERBANK AG Issued capital EUR 85,635,000	LINZ	LINZ	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	29.14	32.54
						UNICREDIT BANK AUSTRIA AG	4.19	1.65
39	OBJEKT-LEASE GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 107,912	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	49.23	
						UNICREDIT LEASING (AUSTRIA) GMBH	0.77	
40	OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H. Issued capital EUR 11,628,000	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	50.00	
41	OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT Issued capital EUR 130,000,000	VIENNA	VIENNA	8	1	CABET-HOLDING GMBH	24.75	
						SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
						UNICREDIT BANK AUSTRIA AG	16.14	
42	OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH Issued capital EUR 36,336	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	29.30	
43	PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,336	STOCKERAU	STOCKERAU	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
44	PSA PAYMENT SERVICE AUSTRIA GMBH Issued capital EUR 285,000	VIENNA	VIENNA	8	2	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG	4.50	
						UNICREDIT BANK AUSTRIA AG	19.36	
45	PURGE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGSGESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	50.00	
46	RCI FINANCIAL SERVICES S.R.O. Issued capital CZK 70,000,000	PRAGUE	PRAGUE	8	2	UNICREDIT LEASING CZ, A.S.	50.00	49.86
47	REMBRA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 886,336	VIENNA	VIENNA	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
48	SCHULERRICHTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,340	VIENNA	VIENNA	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
49	SMIA SPA Issued capital EUR 1,473,229	ROME	ROME	8	5	UNICREDIT SPA	26.38	
50	SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG Issued capital EUR 102,258	SCHOENEFELD	STUTTGART	8	5	UNICREDIT BANK AUSTRIA AG	50.00	
51	SVILUPPO GLOBALE GEIE Issued capital EUR 45,000	ROME	ROME	8	5	UNICREDIT SPA	33.33	
52	SWANCAP PARTNERS GMBH Issued capital EUR 1,010,000	MUNICH	MUNICH	8	2	UNICREDIT BANK AG	75.25	49.00
53	TORRE SGR S.P.A. Issued capital EUR 3,200,000	ROME	ROME	8	2	UNICREDIT SPA	37.50	

Part B – Consolidated Balance Sheet - Assets

	NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP (1)	NATURE OF RELATIONSHIP (5)	OWNERSHIP RELATIONSHIP HELD BY	OWNERSHIP RELATIONSHIP HOLDING %	VOTING RIGHTS % (2)
54	UNI GEBAEUDEMANAGEMENT GMBH Issued capital EUR 18,168	LINZ	LINZ	8	2	BA GVG-HOLDING GMBH	50.00	
55	WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG Issued capital EUR 15,065,745	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	22.73	
56	YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS Issued capital TRY 40.000.000	ISTANBUL	ISTANBUL	8	2	YAPI VE KREDI BANKASI AS	30.45	

Notes to the table 10.1 - Equity investments in joint ventures (valued at equity) and in companies under significant influence:
(1) Type of relationship:
7 = joint control
8 = associates
(2) Voting rights available at the general meeting. Voting rights are disclosed only if different from the percentage of ownership
(3) Company owned by an entity fully consolidated under IFRS 10
(4) SPV consolidated IFRS11
(5) Nature of relationship:
1= Banks
2= Financial entities
3= Ancillary banking entities services
4= Insurance enterprises
5= Non financial enterprises
6= Other equity investments

See Section 3 of Part A – Accounting Policies for a description of the consolidation procedures and scope.

Companies consolidated at equity increased from 59 at the end of December 2013 to 73 at the end of December 2014. This overall increase of 14 entities is the result of 22 inclusions, of which 18 entities previously consolidated proportionately, 6 disposal and 2 exclusions due to the change of consolidation method.

The following table shows the changes in associates (consolidated at net equity).

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

	Number of companies
A. Opening balance 2013	**59**
A. Entities consolidated for the first time in 2014 in accordance with the Principles IFRS 11	**18**
A. Opening balance 2013 with the Principles IFRS 11	**77**
B. Increased by	**4**
B.1 Newly established companies	-
B.2 Change of the consolidation method	1
B.3 Entities consolidated for the first time in 2014	3
C. Reduced by	**8**
C.1 Disposal	6
C.2 Change of the consolidation method	2
C.3 Absorption by other entities	-
D. Closing balance	**73**

The table below presents the entities previously consolidated proportionately that following the adoption of the new IFRS 11 are now accounted for using the equity method:

Change of the consolidation method under IFRS11

COMPANY NAME	MAIN OFFICE
ORBIT ASSET MANAGEMENT LIMITED	HAMILTON
YAPI KREDI BANK NEDERLAND N.V.	AMSTERDAM
YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	BAKU
YAPI VE KREDI BANKASI AS	ISTANBUL
YAPI KREDI BANK MOSCOW	MOSCOW
KOC FINANSAL HIZMETLER AS	ISTANBUL
STICHTING CUSTODY SERVICES YKB	AMSTERDAM
TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.	ISTANBUL
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	GEORGE TOWN
FIDES LEASING GMBH	VIENNA
HYPO-BA LEASING SUD GMBH	KLAGENFURT
YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL
YAPI KREDI HOLDING BV	AMSTERDAM
YAPI KREDI FAKTORING AS	ISTANBUL
YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL
UNICREDIT MENKUL DEGERLER AS	ISTANBUL
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU
YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL

Increases

The increase in 2014 year refers to the application of the equity method to account for the company COINV S.P.A. (EX LAURO SESSANTUNO S.p.A.).

Entities consolidated for the first time in 2014

COMPANY NAME	MAIN OFFICE
YAPI KREDI BANK MALTA LTD.	ST. JULIAN'S
ALITALIA - COMPAGNIA AEREA ITALIANA S.P.A.	FIUMICINO (ROME)
BV-BGPB BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN FUR INTERNET - UND MOBILE BEZAHLUNGEN MBH	BERLIN

These are new companies incorporated or acquired during 2014.

Reductions

Disposal

COMPANY NAME	MAIN OFFICE
SW HOLDING SPA	ROME
NEEP ROMA HOLDING SPA	ROME
OAK RIDGE INVESTMENT LLC	CHICAGO
TASFIYE HALINDE YAPI KREDI B TIPI YATIRIM ORTAKLIGI A.S.	ISTANBUL
CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT	VIENNA
ORBIT ASSET MANAGEMENT LIMITED	HAMILTON

The above table shows disposals and liquidations of inactive companies.

Part B – Consolidated Balance Sheet - Assets

Change of the consolidation method	
COMPANY NAME	**MAIN OFFICE**
SIA SPA	MILAN
WIEN MITTE IMMOBILIEN GMBH	VIENNA

The changes in the consolidation method refer to the transfer to:

- financial assets available for sale of equity investments at fair value of Sia SpA
- wholly controlled equity investments of Wien Mitte Immobilien GMBH

The table below shows the joint ventures and the companies under significant influence that changed their names during the 2014.

Entities at equity which changed the company name during 2014	
COMPANY NAME	**MAIN OFFICE**
TASFIYE HALINDE UNICREDIT MENKUL DEGERLER AS (IN LIQUIDATION) (ex. UNICREDIT MENKUL DEGERLER AS)	ISTANBUL
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM (ex.ALLIANZ ZB DRUSTVO ZA UPRAVLJANJIE OBVEZNIM MIROVINSKIM FONDOM D.O.O.)	ZAGREB
ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM (ex. ALLIANZ ZB DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM D.O.O.)	ZAGREB

Following table shows the breakdown of item 100.Investments in associates and joint ventures reporting the adopted accounting method.

	Number of entity	Carrying Value
Joint ventures accounted for under equity method	17	2,933,922
Associates accounted for under equity method	56	3,508,505
Entities controlled either directly or through consolidated subsidiaries held at cost	160	15,820
Joint Venture held either directly or through consolidated subsidiaries at cost	6	865
Associates held either directly or through consolidated subsidiaries at cost	38	20,344
Total	**277**	**6,479,456**

10.2 Significant Shareholdings: book value, fair value and dividends received

NAME	Balance sheet value	Fair value *	Dividends received **	Notes
A. Companies under joint control				
KOC FINANSAL HIZMETLER AS	2,932,503		53,969	(1) (3)
B. Companies subject to significant influence				
AVIVA SPA	226,717		14,816	(3)
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	483,734	248,382	3,554	(1) (2)
BKS BANK AG	228,979	203,558	2,951	(2)
CNP UNICREDIT VITA S.P.A.	371,132		7,690	(1) (3)
CREDITRAS VITA SPA	324,716		23,100	(3)
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	683,291	504,580	11,180	(2)
OBERBANK AG	509,338	473,306	4,797	(2)
Total	**5,760,410**	**1,429,827**	**122,057**	

Notes to table 10.2 - Significant equity investments book value, fair value and dividends received:
(1) Includes “positive differences in net equity”.
(2) Please note that on the basis of the international accounting standards, equity investments in associates listed on regulated markets with a fair value (price) lower than consolidated book value are impairment tested by calculating recoverable value, understood as the greater of fair value net of costs to sell and value in use, and an impairment loss is recognised when the said recoverable value is lower than the book value.
At December 31, 2014 the recoverable value of the equity investments in associates listed on regulated markets, restated, was higher than the book value after impairment, with the exception of the company BKS BANK AG for which a write-down was recognised (for more details see Section 16 of Part C. For the other companies, therefore, no write-downs were recognised in addition to those previously recognised.
(3) Data taken from the 2014 draft financial statements approved by the competent corporate bodies. If not available, they are taken from the latest approved financial statements or statement of financial position.
* It should be noted that all investments in listed associates show a fair value at level 1 (L1).
** Dividends received by the investor company.

Part B – Consolidated Balance Sheet - Assets

10.3 Significant equity investments: accounting information

The information of an accounting nature indicated in the financial statements of the investee companies used for the purposes of measurement with the net equity method is presented below. These figures include any adjustments made on measuring the equity investment. As regards the KOC FINANSAL HIZMETLER AS equity investment the figures refer to the data of the related sub-group for the stake in the equity held.

NAME	Cash and liquid assets	Financial Asset	Non - financial Asset	Financial Liabilies	Non - financial Liabilities	Total revenues	The interest margin
A. Companies under joint control							
KOC FINANSAL HIZMETLER AS	354,260	26,844,320	748,584	22,999,489	2,015,183	2,362,092	724,703
B. Companies subject to significant influence							
AVIVA SPA	X	10,483,800	255,200	9,850,300	604,615	2,235,100	X
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	X	8,941,271	388,758	8,145,260	267,494	222,423	X
BKS BANK AG	X	6,607,675	145,514	5,966,448	99,319	206,948	X
CNP UNICREDIT VITA S.P.A.	X	16,227	12,366,645	1,467,755	10,391,114	2,561,693	X
CREDITRAS VITA SPA	X	21,092,242	876,787	11,580,303	9,866,588	398,649	X
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	X	63,813,000	5,070,200	59,345,300	1,662,463	3,930,758	X
OBERBANK AG	X	17,281,157	636,838	15,892,236	618,375	464,586	X

NAME	Adjustments to the backs on tangible and intagible assets	Profit (Loss) from continuing operations before taxes	Profit (Loss) from continuing operations, net of tax	Profit (Loss) from group of assets held for sale net of tax	Net profitt (loss) (1)	Other comprehensive income, net of tax (2)	Comprehensive income (3) (1) + (2)
A. Companies under joint control							
KOC FINANSAL HIZMETLER AS	(39,263)	420,978	335,983	-	335,983	43,818	379,801
B. Companies subject to significant influence							
AVIVA SPA	X	30,400	15,100	-	15,100	-	15,100
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	X	90,569	71,857	-	71,857	54,908	126,765
BKS BANK AG	X	49,585	43,006	-	43,006	(6,353)	36,653
CNP UNICREDIT VITA S.P.A.	X	61,353	44,131	-	44,131	113,624	157,755
CREDITRAS VITA SPA	X	72,523	52,997	-	52,997	36,302	89,299
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	X	515,147	453,577	-	453,577	579,198	1,032,775
OBERBANK AG	X	153,702	132,626	-	132,626	8,707	141,333

For each significant equity investments the reconciliation between the book value of the equity investment and the information of an accounting nature presented in the company's financial statements is presented below.

NAME	Balance sheet value	Equity proquota	Goodwill on consolidation
A. Companies under joint control			
KOC FINANSAL HIZMETLER AS	2,932,503	2,911,469	21,034
B. Companies subject to significant influence			
AVIVA SPA	226,717	226,717	-
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	483,734	462,454	21,280
BKS BANK AG	228,979	259,932	-
CNP UNICREDIT VITA S.P.A.	371,132	345,329	25,803
CREDITRAS VITA SPA	324,716	324,716	-
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	683,291	683,291	-
OBERBANK AG	509,338	509,338	-

With reference to the nature of the relationships see Section 10.1.

10.4 Non-significant equity investments: accounting information

The information of an accounting nature presented in the company's financial statements shown for the related stake in the equity held is presented below. These figures include any adjustments made on measuring the equity investment.

NAME	Balance sheet value of shareholdings	Total asset	Total liabilities	Total revenues	Profit (Loss) from continuing operations, net of tax	Profit (Loss) from groups held for sale, net of tax	Net profitt (loss) (1)	Other comprehensive income, net of tax (2)	Comprehensive income (3) = (1) + (2)	Notes
Companies under joint control	1,419	26,424	25,005	364	(53)	-	(53)	-	(53)	
Companies subject to significant influence	680,598	16,729,112	16,115,585	1,446,159	(203,589)	-	(203,589)	(22,366)	(225,956)	(1)

Notes to table 10.4 - Non-significant equity investments; accounting information:

(1) For the following companies, BLUVACANZE S.P.A, ES SHARED SERVICE CENTER SOCIETA' PER AZIONI, ALITALIA –COMPAGNIA AEREA ITALIANA S.P.A, the consolidated book value refers to the valuation.
Among companies subject to significant influence the most significant is OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT which has a book value of €362,850 thousand. This value includes positive consolidation differences. The main accounting information for the related equity interest is presented below, in thousands of euro: Total assets €13,744,798, Total revenues €51,214, Net profit €32,085, Shareholders' equity €349,109.

Part B – Consolidated Balance Sheet - Assets

10.5 Equity instruments: annual changes

(€ '000)

	CHANGES IN	
	2014	2013
A. Opening balance	**6,481,855**	**6,807,048**
B. Increases	**1,268,302**	**3,274,914**
B.1 Purchases	139,458	438,895
B.2 Write-backs	-	151
B.3 Revaluation	-	-
B.4 Other changes	1,128,844	2,835,868
C. Decreases	**1,270,701**	**3,600,107**
C.1 Sales	833,054	261,009
C.2 Write-downs	67,416	299,674
C.3 Other changes	370,231	3,039,424
D. Closing balance	**6,479,456**	**6,481,855**
E. Total revaluation	**-**	**-**
F. Total write-downs	**827,418**	**787,719**

10.6 Valuation and significant assumptions to establish the existence of joint control or significant influence

The Group has classified among associates the entities governed through voting rights with reference to which it can participate in defining the operating or financial policies through possession of at least 20% of the voting rights or the possibility of appointing members of the governing body.
In particular, as shown in Table "10.1 Equity investments: information on shareholding relationships", we can note that the investees Mediobanca and COINV are classified among associates, although we do not have 20% of the voting rights, in virtue of the possibility of appointing members of the governing body.

The Group has classified its investees among jointly-controlled equity investments in the presence of agreements that state that decisions on significant activities are taken with the unanimous consent of all parties that share control.
These agreements, in particular, attribute to the Group rights related only to the net assets and not rights to the assets and obligations on the liabilities of the investee.

We can note that at December 31, 2014 the following were carried at cost:

- 37 equity investments in associates with a book value of € 23,352 thousand;
- 21 equity investments in jointly-controlled companies with a book value of € 1,560 thousand;

10.7 Commitments related to equity investments in jointly-controlled companies

There are no commitments related to jointly-controlled companies.

10.8 Commitments related to equity investments in companies subject to significant influence

At December 31, 2014, we can note

- the commitment to subscribe the recapitalisation of Compagnia Aerea Italiana S.p.A. (formerly Alitalia–Compagnia Aerea Italiana S.p.A.) with an expense of € 29.7 million;
- the commitment to subscribe the recapitalisation of OGR-CRT-S.c.p.A. with an expense of € 3 million.

10.9 Significant restrictions

At December 31, 2014, we can note the following:

- **Accenture Back Office And Administration Services S.p.A.**: existence of a shareholders' agreement on the basis of which the Group did not participate in financial year 2014 in the company's profits or losses. Starting from financial year 2015 the Group's participation in the profits, in the form of dividend distribution, and the obligations to make good any losses of the company are limited to €100,000;
- **Value Transformation Services S.p.A.**: existence of a shareholders' agreement which limits the Group's possibility to participate in the profits, in the form of dividend distribution, and in the losses to a maximum amount of €300,000;
- **ES Shared Service Center S.p.A.**: existence of a shareholders' agreement which limits the Group's possibility to participate in the profits, in the form of dividend distribution, and the obligations to make good any losses to a maximum amount of 5% of the said profits or losses.

10.10 Other information

With reference to significant equity investments in associates and jointly-controlled companies, the net equity method was applied starting from the 2014 draft financial statements approved by the competent corporate bodies or from the reports approved in the three previous months.

With reference to non-significant equity investments in associates and jointly-controlled companies, in limited cases financial statements or reports with a date prior to 3 months from December 31, 2014 were used, if no more up-to-date reports were available.

However, if financial statements or reports with a date other than December 31, 2014 were used no subsequent transactions or events emerged such as to require an adjustment of the results contained therein.

Section 11 - Insurance reserves attributable to reinsurers - Item 110

There are no amounts to be shown.

Section 12 - Property, plant and equipment - Item 120

Property, plant and equipment, which include land, buildings used in the business, real estate investments, technical furniture and fittings, amounted to €10,277 million at end 2014, down by €541 million over the end of 2013 (€10,818 million).

12.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Owned assets	**7,135,467**	**7,320,710**
a) land	1,299,401	1,290,963
b) buildings	2,683,635	2,890,335
c) office furniture and fitting	294,197	273,355
d) electronic systems	544,851	551,883
e) other	2,313,383	2,314,174
1.2 Leased assets	**58,991**	**126,579**
a) land	14,697	44,362
b) buildings	33,859	74,654
c) office furniture and fitting	-	-
d) electronic systems	-	-
e) other	10,435	7,563
Total	**7,194,458**	**7,447,289**

As of December 31, 2014 the assets for operational use "other" include €1.5 billion related to a windmill park owned by Ocean Breeze Energy GmbH & Co. KG, for more qualitative and quantitative information please refer to the Part E.

12.2 Property, plant and equipment held for investment: breakdown of assets carried at cost

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2014 BOOK VALUE	12.31.2014 FAIR VALUE LEVEL 1	12.31.2014 FAIR VALUE LEVEL 2	12.31.2014 FAIR VALUE LEVEL 3	AMOUNTS AS AT 12.31.2013 BOOK VALUE	12.31.2013 FAIR VALUE LEVEL 1	12.31.2013 FAIR VALUE LEVEL 2	12.31.2013 FAIR VALUE LEVEL 3
1. Owned assets	**3,001,784**	**-**	**163,329**	**3,534,555**	**3,219,871**	**-**	**133,494**	**3,551,097**
a) land	1,120,313	-	37,727	1,233,123	1,218,971	-	19,406	1,254,998
b) buildings	1,881,471	-	125,602	2,301,432	2,000,900	-	114,088	2,296,099
2. Leased assets	**10,295**	**-**	**-**	**10,296**	**81,908**	**-**	**-**	**81,908**
a) land	10,000	-	-	10,000	12,531	-	-	12,531
b) buildings	295	-	-	296	69,377	-	-	69,377
Total	**3,012,079**	**-**	**163,329**	**3,544,851**	**3,301,779**	**-**	**133,494**	**3,633,005**
Total Level 1, Level 2 and Level 3				**3,708,180**				**3,766,499**

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

12.3 Property, plant and equipment used in the business: breakdown of revalued assets

There are no revalueted property, plant and equipment used in the business.

12.4 Property, plant and equipment held for investment: breakdown of assets designated at fair value

(€'000)

	AMOUNTS AS AT 12.31.2014			AMOUNTS AS AT 12.31.2013		
ASSETS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Owned assets	**-**	**-**	**70,457**	**-**	**-**	**68,717**
a) land	-	-	267	-	-	294
b) buildings	-	-	70,190	-	-	68,423
2. Leased assets	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	**-**	**-**	**70,457**	**-**	**-**	**68,717**
Total Level 1, Level 2 and Level 3			**70,457**			**68,717**

Under IAS 40.32A the Group uses the revaluation model (fair value) to measure investment properties linked with liabilities which pay a return linked to the fair value of the investments in question.

Part B – Consolidated Balance Sheet - Assets

12.5 Property, plant and equipment used in the business: annual changes

(€'000)

	CHANGES IN 2014					
	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
A. Gross opening balance	**1,335,325**	**5,525,499**	**1,537,128**	**2,889,290**	**3,569,323**	**14,856,565**
A.1 Total net reduction in value	-	(2,560,510)	(1,263,773)	(2,337,407)	(1,247,586)	(7,409,276)
A.2 Net opening balance	**1,335,325**	**2,964,989**	**273,355**	**551,883**	**2,321,737**	**7,447,289**
B Increases	**56,908**	**271,321**	**86,350**	**208,792**	**412,542**	**1,035,913**
B.1 Purchases	7	116,324	75,721	183,539	363,065	738,656
B.2 Capitalised expenditure on improvements	-	43,954	-	-	-	43,954
B.3 Write-backs	3,053	13,002	399	385	114	16,953
B.4 Increases in fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive Exchange differences	16	401	237	242	86	982
B.6 Transfer from properties held for investment	24,842	21,448	-	-	-	46,290
B.7 Other changes	28,990	76,192	9,993	24,626	49,277	189,078
C. Reductions	**78,135**	**518,816**	**65,508**	**215,824**	**410,461**	**1,288,744**
C.1 Disposals	12,784	191,104	1,426	1,742	59,653	266,709
C.2 Depreciation	-	138,983	49,379	176,717	246,995	612,074
C.3 Impairment losses	2,864	12,761	2,715	2,729	1,414	22,483
a) in equity	-	-	-	-	-	-
b) through profit or loss	*2,864*	*12,761*	*2,715*	*2,729*	*1,414*	*22,483*
C.4 Reduction of fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	2,723	59,905	885	9,286	6,157	78,956
C.6 Transfer to:	29,247	31,776	1	43	2,577	63,644
a) property, plant and equipment held for investment	*16,737*	*26,584*	-	-	-	*43,321*
b) assets held for sale	*12,510*	*5,192*	*1*	*43*	*2,577*	*20,323*
C.7 Other changes	30,517	84,287	11,102	25,307	93,665	244,878
D. Net final balance	**1,314,098**	**2,717,494**	**294,197**	**544,851**	**2,323,818**	**7,194,458**
D.1 Total net reduction in value	-	(2,509,110)	(1,229,579)	(2,383,785)	(1,245,284)	(7,367,758)
D.2 Gross closing balance	**1,314,098**	**5,226,604**	**1,523,776**	**2,928,636**	**3,569,102**	**14,562,216**
E. Carried at cost (*)	**-**	**-**	**-**	**-**	**-**	**-**

12.6 Property, plant and equipment held for investment: annual changes

(€'000)

	CHANGES IN 2014	
	LAND	BUILDINGS
A. Opening balances	**1,231,796**	**2,138,700**
B. Increases	**42,847**	**137,658**
B.1 Purchases	13,297	70,346
B.2 Capitalised expenditure on improvements	-	2,083
B.3 Increases in fair value	-	6,098
B.4 Write backs	4,741	7,010
B.5 Positive exchange differences	83	5,574
B.6 Transfer from properties used in the business	16,737	26,584
B.7 Other changes	7,989	19,963
C. Reductions	**144,063**	**324,402**
C.1 Disposals	66,351	47,789
C.2 Depreciation	-	73,638
C.3 Reductions in fair value	10	2,597
C.4 Impairment losses	10,345	50,674
C.5 Negative exchange differences	3,717	14,748
C.6 Transfer to:	53,192	41,309
a) Properties used in the business	*24,842*	*21,448*
b) Non-current assets classified as held for sale	*28,350*	*19,861*
C.7 Other changes	10,448	93,647
D. Closing balances	**1,130,580**	**1,951,956**
E. Measured at fair value	**1,280,850**	**2,427,330**

12.7 Commitments to purchase property, plant and equipment

(€'000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
A. Contractual commitments	39,731	18,744

Outstanding commitments refer to the purchase of property, plant and equipment.

Section 13 - Intangible assets – Item 130

An **Intangible asset** is an identifiable non-monetary asset without physical substance, to be used for several years. Intangible assets include goodwill and, among "other intangible assets", brands, core deposits, customer relationships and software.
Goodwill is the excess of the cost of a business combination over the net fair value of the assets and liabilities of companies or businesses at the acquisition date.
At December 31, 2014 this item was €5,562 million broadly in line with €5,327 million at December 31, 2013.

13.1 Intangible assets: breakdown

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
A.1 Goodwill	**X**	**3,561,531**	**X**	**3,533,100**
A.1.1 attributable to the Group	X	3,561,531	X	3,533,100
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	**1,907,045**	**92,957**	**1,700,493**	**92,957**
A.2.1 Assets carried at cost:	1,907,045	92,957	1,700,493	92,957
a) Intangible assets generated internally	*1,218,073*	-	*967,475*	-
b) Other assets	*688,972*	*92,957*	*733,018*	*92,957*
A.2.2 Assets valued at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**1,907,045**	**3,654,488**	**1,700,493**	**3,626,057**
Total finite and indefinite life		**5,561,533**		**5,326,550**

The Group does not use the revaluation model (fair value) to measure intangible assets.
Intangible Assets – Other - Indefinite life include trademarks (brands).
Intangible Assets - Other - Definite life include:

- Customer Relationships and Core Deposits of €92 million;
- Software of €436 million;
- Licenses, patents and similar rights of €111 million.

13.2 Intangible assets: annual changes

(€'000)

		CHANGES IN 2014 OTHER INTANGIBLE ASSETS				
		GENERATED INTERNALLY		OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross opening balance	**20,018,609**	**1,906,356**	**-**	**7,329,632**	**994,734**	**30,249,331**
A.1 Total net reduction in value	(16,485,509)	(938,881)	-	(6,596,614)	(901,777)	(24,922,781)
A.2 Net opening balance	**3,533,100**	**967,475**	**-**	**733,018**	**92,957**	**5,326,550**
B Increases	**62,218**	**471,459**	**-**	**258,216**	**-**	**791,893**
B.1 Purchases	7,057	25,201	-	214,487	-	246,745
B.2 Increases in intangible assets generated internally	X	442,348	-	-	-	442,348
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value		-	-	-	-	-
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
B.5 Positive exchange differences	55,161	2	-	22,850	-	78,013
B.6 Other changes	-	3,908	-	20,879	-	24,787
C. Reduction	**33,787**	**220,861**	**-**	**302,262**	**-**	**556,910**
C.1 Disposals	-	89	-	1,166	-	1,255
C.2 Write-downs	-	204,164	-	206,410	-	410,574
- amortization	X	204,164	-	199,240	-	403,404
- write-downs	-	-	-	7,170	-	7,170
+ in equity	*X*	-	-	-	-	-
+ through profit or loss	-	-	-	*7,170*	-	*7,170*
C.3 Reduction in fair value						
- in equity	*X*	-	-	-	-	-
- through profit or loss	*X*	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative exchange differences	33,562	7,105	-	48,240	-	88,907
C.6 Other changes	225	9,503	-	46,446	-	56,174
D. Net Closing Balance	**3,561,531**	**1,218,073**	**-**	**688,972**	**92,957**	**5,561,533**
D.1 Total net write-down	(16,346,540)	(1,122,354)	-	(6,470,234)	(901,777)	(24,840,905)
E. Gross closing balance	**19,908,071**	**2,340,427**	**-**	**7,159,206**	**994,734**	**30,402,438**
F. Carried at cost	**-**	**-**	**-**	**-**	**-**	**-**

The purchases of the period is related to the initial recognition of the goodwill recognized in Poland.
The Goodwill book value as at December 31, 2014 (€3,562 million) has negative exchange differences for €34 million and positive exchange differences for €55 million related to the change occurred during the period of the original currencies in which the Goodwill was recognized. The negative variations mainly refer to the companies operating in Poland while the positive variations manly refer to the companies operating in USA.
For further details of impairment test on goodwill and other intangible assets with definite and indefinite life, noted during business combinations, please refer to the following pages.

13.3 Other information

Information on intangible assets noted during business combinations
The application of IFRS 3 to the accounting for business combinations revealed in the course of time significant amounts of intangible assets and goodwill. The following table shows the change in the values posted for the various intangible assets identified during the period, including the valuation effects described below.

					(€ million)
Intangible assets (except software)	**TOTAL 12.31.2013**	**Amortization**	**Impairment**	**(*) Other changes**	**TOTAL 12.31.2014**
Trademarks	93	-	-	-	93
Core deposits and customer relationships	108	(17)	-	1	92
Goodwill	3,533	-	-	29	3,562
TOTAL	**3,733**	**(17)**	**-**	**30**	**3,747**

(*) mainly due to exchange rate effect related to intangible assets in foreign currency
Any discrepancies in this table and between data shown in it and other information in the Notes to the Accounts are solely due to the effect of rounding.

Trademarks and goodwill are considered indefinite-life intangible assets. They are expected to contribute indefinitely to income flows.
The other intangible assets noted have finite useful lives, originally valued by discounting financial flows over the residual lifetime of the relationships in place on the date of the business combination from which they derive. Finite-life intangible assets are subject to amortization based on the associated useful life.
The types of intangible assets noted as a result of business combinations and the methods used to determine their associated fair value on the acquisition date are indicated below.

Trademarks
The fair value of initial recognition of trademarks is determined using the "relief from royalty" method, which estimates their value based on the payments received for granting their use to third parties. Royalties are calculated by applying the royalty rate to the income flows (operating income adjusted for the items not associated with the trademarks themselves).

In summary, the method consists of three stages:
- determination of the royalty rate (based on a comparison with similar cases or calculated analytically);
- application of the royalty rate to income flows;
- determination of the present value of royalties after tax, calculated by applying a discount rate that takes into account the risk context of the trademark being valued.

The residual value of intangible assets with an indefinite useful life (trademarks) refers only to Fineco Bank as to €93 million.

Core Deposits
The value of the Core Deposit comes from the fact that part of the short-term deposits of a bank (current accounts and savings deposits) and current account overdrafts remains deposited in the accounts for significant periods of time.
The useful life of the relationship is longer than the contract duration. The spread between the actual cost of deposits by means of Core Deposits and the cost of deposits at interbank market rates (the markdown) represents the most significant value component associated with this intangible asset. The income planning used to determine the fair value of Core Deposits also takes into account the fee component, which contributes to the total income from these relationships.

The determination of the fair value of this asset is based on the discounting of cash flows that represent the income margins generated by the deposits over the residual duration of the relationships in place on the date of acquisition. Inasmuch as these are finite-life assets, the associated value is amortized on a straight line over the expected duration of their economic benefit.
As of December 31, 2014, the residual value of the Core Deposits is equal to zero due to fully write-off as of December 31, 2013.

Customer Relationships

Assets under Management (AuM)
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products that are related to the assets managed with its own customers.
The income flows used to value this asset when first posted are:

- for the placement banks, the fees granted by the producers;
- for the producers, the fees received from the customers, net of fees paid, mainly to the placement banks.

These fees are considered recurring, because they are tied to managed assets held by customers.
As of December 31, 2014, the residual value of Assets under Management is equal to zero due to fully write-off as of December 31, 2013.

Assets under Custody (AuC)
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from customer assets under administration.
The income flows used to value this asset when first posted consist of the fees received for the work associated with assets under administration. These fees are considered recurring, because they are generated by the normal activity of customers acting on their own portfolios.
As of December 31, 2014, the residual value of the Assets under custody is equal to zero due to fully write-off as of December 31, 2013.

Life Insurance
The value of this intangible asset comes mainly from the ability of the company to obtain a profit from the placement of products related to the "bancassurance" business with its own customers.
The income flows used to value this asset when first posted consist of the fees received for the work associated with the bancassurance business. These fees are considered recurrent because, from the point of view of the investor, they are similar to the products of managed/administered deposits.
As of December 31, 2014, the residual value of the Life insurance is equal to zero due to fully write-off as of December 31, 2013.

Products
This intangible asset relates to the profitability generated by trading on behalf of the asset management companies of the Group. The income flows used to evaluate this asset when first posted consist of the fees received for the brokerage work on behalf of the asset management companies themselves. These fees are considered recurring, because they are generated by the normal activity of the funds in which customers' deposits have been invested. Furthermore, in some cases, the value of the asset is related to fees received for the disbursement of regional incentives.
As of December 31, 2014, the residual value of the Products is equal to zero due to fully write-off as of December 31, 2013.

Other
This intangible asset includes all other types of so-called customer relationships, including by way of example those deriving from the ability of the company to obtain placement fees on third-party bonds and from securities auctions.
The average residual useful life of Other Customer Relationship is 13 years.

The Group does not hold intangible assets acquired through public grants or intangible assets pledged against liabilities.

Impairment testing of intangible assets during business combinations

In accordance with IAS 36, impairment testing of all indefinite-useful-life intangible assets, including goodwill must be performed at least annually and, in any case, whenever there is objective evidence of the occurrence of events that may have reduced their value (trigger events). For UniCredit the trigger event is a market capitalization lower than Shareholders' Equity.

Recoverable value is the greater of the value in use (present value of future cash flows generated by the asset being valued) and the associated fair value, less costs to sell.

Part B – Consolidated Balance Sheet - Assets

The recoverable value of intangible assets subject to impairment testing must be determined for the individual assets, unless both the following conditions exist:

- the value in use of the asset is not estimated to be close to the fair value, net of sales costs;
- the asset does not generate incoming cash flows largely independent of those coming from other assets.

If these conditions exist, the impairment test is conducted at the level of the Cash Generating Unit (CGU), as required by the cited accounting principle.
It should be noted that the impairment testing performed by the UniCredit group by way of the determination of the value in use of the Cash Generating Units (CGU), as described below, includes both indefinite-useful-life intangible assets (goodwill and trademarks) and finite-useful-life intangible assets (core deposits and customer relationships), whenever the loss indicators provided for by the accounting principle occur.
We believe that core deposits and customer relationships cannot be subjected to separate impairment testing, because these assets do not generate cash flows independent of the cash flows from other assets.
It should be noted that intangible assets and Cash Generating Units are subjected to impairment testing with reference to their current state, without taking account of the effects of restructuring plans/programs not yet approved by the competent bodies.
With reference to the positive fair value adjustments on loans to customers, recorded according to the purchase method, it should be noted that their sustainability is tested within the overall carrying value of the Group as part of the impairment test of the intangible assets as the performance of an analytical impairment test would be excessively burdensome. To this regard the adjustment to amortized cost of the loans associated with these positive fair value adjustments is deducted from the Group's income flows of the period.
For the purposes of the impairment testing, the value in use of the so-called Cash Generating Units (CGUs) to which these intangible assets are allocated must be calculated taking into account the cash flows for all assets and liabilities included in the CGUs and not only those for which goodwill and/or the intangible asset were recorded when applying IFRS 3.
Finally, please note that the impairment test performed by the UniCredit group consists of two stages:

- the first stage compares the recoverable amount and the carrying amount of each CGU;
- the second stage compares the recoverable amount and the carrying amount of the Group as a whole in order to include in the analysis the negative income flows and the positive carrying amount of assets that cannot be allocated ("corporate center") in accordance with IAS 36.

Definition of Cash Generating Units (CGU)

Estimating the value in use for the purposes of any impairment testing of intangible assets, including goodwill, which does not generate cash flows except in conjunction with other business assets, requires that these assets first be attributed to operating units that are relatively autonomous in the business context (from the points of view of independent cash flows generated and of internal planning and reporting). These operating units are defined as Cash Generating Units (CGU).
In accordance with the provisions of IFRS 3 and IAS 36, for the purposes of impairment testing, goodwill has been allocated to the following operational Divisions of the Group, identified as CGUs for which the main profitability determinants are also reported:

Commercial Banking Italy
Commercial Banking Italy is composed by UniCredit SpA commercial network related to Core clients (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) Leasing (excluding Non-Core clients), Factoring product factories and local Corporate Center with supporting functions for the Italian business.
In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking Italy' s goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on about 3650 branches and multichannel services provided by new technologies.
In relation to corporate customers, Commercial Banking Italy operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio. The current Corporate Channel is organized on the territory with about 770 Managers divided in 127 Corporate centers.
The territorial organization promotes a Bank closer to customers and faster decision-making processes, while the belonging to UniCredit Group allows to support companies in developing International attitudes.

Commercial Banking Germany
Commercial Banking Germany provides all German customers - except CIB clients (Large Corporate and Multinational clients) - with a complete range of banking products and services through a network of around 797 branches.
Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).
Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, commercial real estate customers, and Wealth Management customers. In detail the corporates segment employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. The private clients segment serves retail customers and private banking customers with banking and insurance solutions across all areas of demand. The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering.
The Segment also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Commercial Banking Austria
Commercial Banking Austria provides all Austrian customers – except CIB clients (Large Corporate and Multinational clients) – with a complete range of banking products and services. It is composed of: Retail, Corporate (excluding CIB clients), Private Banking (with its two well-known brands Bank Austria Private Banking and Schoellerbank AG), the product factories Factoring and Leasing and the local Corporate Center which also performs tasks in connection with UniCredit Bank Austria's sub-holding function.
Retail covers business with private individuals, ranging from mass-market to affluent customers. Corporates covers the entire range of business customers, SMEs and medium-sized and large companies which do not access capital markets (including Real Estate and Public Sector).
A broad coverage of the Retail and Corporate business lines is ensured through a network of about 250 branches.
The goal of Commercial banking Austria is to strengthen regional responsibility, to increase synergies, effectiveness and to improve time-to-market; therefore customer service teams can now adjust more quickly to local market changes.
Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.
In response to changing customer needs and behaviors, Commercial Banking Austria has launched Smart Banking Solutions, an integrated new service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches, new formats of advisory service centres and modern self-service branches with internet solutions, Mobile Banking with innovative apps and video-telephony.

Poland
The segment Poland manages the UniCredit Group's operations within the Bank Pekao S.A. Group in Poland.
Bank Pekao S.A. Group includes financial institutions operating in banking, asset management, pension funds, brokerage services, leasing and factoring markets.
Bank Pekao S.A. operates for 85 years and is one of the largest financial institutions in Central and Eastern Europe.
In particular, Bank Pekao is a universal commercial bank providing a full range of banking services to individual and institutional clients.
The Bank offers to its clients a broad distribution network with ATMs and one thousand branches conveniently located throughout Poland. In relation to individual customers, the Bank is focused on the strengthening the position on consumer goods financing market and mortgage loans market while maintaining a prudent credit risk policy. The advantages of the Bank's mortgage loans offer are first of all fast credit decision, attractive financing conditions and competent advisors supporting customers in loans granting process.
The Bank actively promotes innovative solutions and modernity and provides clients with state-of-the art and user-friendly solutions in the area of mobile banking, which are top rated for high quality of service and innovativeness by several Polish institutions. In relation to corporate and institutional clients, Bank Pekao S.A. is the leader in servicing large and medium-sized companies and has one of the widest product offer for corporate clients on the market. The Bank offers a wide range of products of money markets and currency exchange, both within the scope of current operations and long-term hedging structures of client's exposures such as currency risk and interest rate risk. Bank Pekao S.A. is a leading organizer of investment project financing, mergers and acquisitions and debt securities issues. The Bank's product offer for corporate clients also includes financial services such as granting guarantees in national and international turnover and financial services provided through leasing and factoring subsidiaries.
In 2014 Bank's activities continuously focused on acquisition of new customers and strengthening of relationships with existing customers which results in a further growth in number of customers.

Corporate & Investment Banking ("CIB")
The CIB division targets multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 50 countries and supports such clients in their growth, internationalization projects and restructuring phases.
The organizational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks (Italy, Germany and Austria)) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).
The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany and CIB Network Austria) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.
The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:
Financing and Advisory ("F&A")
F&A is the centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a wide variety of services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance, Structured Trade and Export Finance and Principal Investments.
Markets
Markets is the centre specialized for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralized "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.

Part B – Consolidated Balance Sheet - Assets

Global Transaction Banking ("GTB")
GTB is the centre for Cash Management and e-banking products, Supply Chain Finance and Trade Finance products and global securities services.

Asset Management
Asset Management business segment operates through Pioneer Investments, the company within the UniCredit Group specializing in the management of customer investments worldwide.
The business segment acts as a centralized product factory and, in addition, directs, supports and supervises the development of local business at regional level.

Leveraging on different investment partnerships with third-party financial institutions at international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Central and Eastern Europe ("CEE")
The Group operates, through the CEE business segment, in 13 Central and Eastern Europe countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine; having, in addition, Leasing activities in the 3 Baltic countries. The CEE business segment operates through approximately 2,500 branches (including approx.1,000 branches of the Turkish subsidiaries which are consolidated at equity) and offers a wide range of products and services to retail, corporate and institutional clients in these countries. UniCredit Bank Austria manages this segment and acts as sub-holding for the banking operations in the CEE countries.
The UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.
With respect to corporate clients, the UniCredit Group is constantly engaged in standardizing the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Asset Gathering
Asset gathering is a business segment specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
Asset Gathering operates through Fineco Bank, UniCredit Group's direct multichannel bank, with one of the largest advisory networks in Italy and is the first broker in Italy for equity trades in terms of volume of orders and in Europe for executed orders. Fineco Bank offers an integrated business model combining direct banking and financial advice, offering a single free-of-charge account with a wide selection of global investment products, high quality advisory services, banking, trading and credit services that are available through applications for smartphone and tablet. With its fully integrated platform, Fineco Bank is a benchmark for modern investors.

Group Corporate Center
The Group Corporate Center includes:
Global Banking Services ("GBS")
The mission of the GBS area is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. GBS falls within the scope of the Chief Operating Officer ('COO'), whose main areas of responsibility are: ICT, Operations, Workout Germany, Real Estate, Global Sourcing, Security and Organization
Corporate Center
The Corporate Center's objective is to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

Non-Core
Starting from the first quarter 2014 the Group decided to introduce a clear distinction between activities defined as "core" segment, meaning strategic business segments and in line with risk strategies, above described, and activities defined as "non-core" segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile. Specifically, the "non-core" segment includes selected assets of Commercial Banking Italy (identified on a single client basis) to be managed with a risk mitigation approach, the activities of the workout company UniCredit Credit Management Bank and some special vehicles for securitization operations.

The CGU is the lowest level at which goodwill is monitored at Group level. The CGUs identified correspond to the organizational business units through which the Group develops its activity.

The book value of the CGUs
The book value of the CGUs is determined in accordance with the criterion used to determine their recoverable value. The recoverable value of the CGUs includes flows from their respective financial assets and liabilities, so the book value must also include the financial assets and liabilities generating those flows.
The book value of each CGU is determined based on its contribution to consolidated shareholders' equity, including minority interests. Specifically, the book value of Poland and of the CEE CGU, excluding CEE Leasing and CEE Consumer Finance (IFN Romania and AD Bulgaria), is determined via the summation of the individual book values of each company in the consolidated

financial statements (corresponding to their book Shareholders' Equity), taking into account any intangible assets recognized at the time of purchase (net of later amortization and impairment) and the consolidation entries.
Since it would be excessively complex to determine the carrying amount of the other CGUs on the basis of book values, it was necessary to use operational factors to break them down correctly. Specifically, the operational driver that is used is allocated capital, which is calculated as the Risk-Weighted Assets absorption of the single CGU. In any case, intangible assets are attributed to the CGUs in accordance with the available accounting information.

The carrying amounts of the CGUs as at December 31, 2014, determined as described above, and the portions of goodwill and other intangible assets allocated to each of them are shown below.

(€ million)

Cash Generating Unit (CGU)	Value as at 12.31.2014	of which Goodwill (Group Share)	of which Other Intangible Asset (*)
Commercial Banking Italy	6,883	-	-
Commercial Banking Germany	3,276	261	-
Commercial Banking Austria	2,250	-	-
Poland	7,196	1,034	-
CIB Global	7,007	879	-
Asset Management	943	791	-
Asset Gathering	816	597	62
CEE	13,657	-	-
Non Core	3,517	-	-
GBS	844	-	-
Governance	3,915	-	-
Totale	**50,304**	**3,562**	**62**

Any discrepancies in this table and between data given in the above table and other information in the Notes to the Accounts are solely due to the effect of rounding.
(*) Stated amounts are net of deferred taxes.

Estimating cash flows to determine the value in use of the CGUs

In accordance with IAS 36, the impairment test for indefinite-life intangible assets must be performed at least annually and in any case whenever there is any indication that their value may be impaired. The referenced accounting principles require that the impairment test is carried out by comparing the book value of each CGU with its recoverable value. When the latter proves to be less than the book value, a write-down must be recorded in the financial statement. The recoverable amount of the CGU is the greater of its fair value (net of costs to sell) and the related value in use.

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

Pursuant to IAS 36.44, for the purposes of the goodwill impairment test the following effects – included in the data of the Strategic Plan –, which could have led to a higher residual value of the CGUs and the Group, were not taken into account:

- the positive economic effect deriving from some of the managerial objectives of cost reduction embedded in the Strategic Plan. Despite the management commitment to pursue such objectives within the Strategic Plan horizon, the identification of some specific initiatives underlying the cost reduction target is still under definition and there is no evidence, as of today, of the operative details for the incorporation of such initiatives;
- the optimization effect of the Risk Weighted Assets (RWAs) arising from revisions to the models for assessing risk, planned but not yet finalized and subject to future validation and approval procedures by the relevant Authorities and the results of the validation process is still uncertain.

With regard to the scope for the purposes of the impairment test, it should be noted that the organizational structure of the Cash Generating Units reflects the organizational structure of the Group as of December 31st 2014, and was unchanged compared to December 31st 2013, except for the exclusion of DAB entity which sale has been completed before the financial statements year end closure and creation of Non Core CGU as per Strategic Plan approved in March 2014.

Macroeconomic scenario
The following tables show the forecasts concerning the main macroeconomic indicators, related to the markets in which the Group operates, which are underlying to Budget 2015 and the latest Strategic Plan, of which projections have been used for December 2014 Impairment Test purposes.

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Italy	2014F	2015F	2016F	2017F	2018F
y/y % changes					
GDP	-0,2	0,7	0,9	0,8	0,8
Inflation (CPI)	0,3	0,8	1,6	1,7	1,8
Unemployment rate	12,6	12,7			

Germany	2014F	2015F	2016F	2017F	2018F
y/y % changes					
GDP	1,5	1,6	1,6	1,6	1,4
Inflation (CPI)	1,0	1,6	1,6	1,4	1,7
Unemployment rate	6,7	6,7			

Austria	2014F	2015F	2016F	2017F	2018F
y/y % changes					
GDP	0,6	1,6	1,4	1,5	1,3
Inflation (CPI)	1,7	1,9	1,8	1,8	1,8
Unemployment rate	5,0	4,9			

Financial indicators

	2014F	2015F	2016F	2017F	2018F
Euribor 3m avg	0,2	0,1	0,8	1,5	2,0
BTP - Bund spread (10y, eop)	120,0	80	140	130	120

CENTRAL EASTERN EUROPE (CEE)

	Real GDP Growth		Inflation (CPI) yoy, avg	
	2015	2018	2015	2018
Poland	3,2	3,6	1,0	2,5
Hungary	2,1	2,2	3,2	2,9
Czech Rep.	2,4	2,5	2,1	2,2
Slovenia	1,9	1,3	1,5	2,1
Bulgaria	1,9	3,5	1,2	3,5
Romania	2,6	3,5	2,9	3,0
Croatia	-0,2	3,0	0,5	2,5
Bosnia-H.	2,0	3,0	1,6	2,2
Serbia	0,6	2,6	4,8	4,0
Turkey	4,0	4,9	7,5	5,4
Russia	-0,1	3,5	5,3	4,7

	Interbank rates, avg		Exchange rates, avg	
	2015	2018	2015	2018
Poland	2,0	3,8	4,1	3,8
Hungary	2,6	4,5	315,0	327,5
Czech Rep.	0,4	3,3	27,5	26,6
Slovenia	EUR	EUR	EUR	EUR
Bulgaria	0,0	2,3	2,0	2,0
Romania	1,8	3,8	4,4	4,2
Croatia	0,7	4,5	7,7	7,5
Bosnia-H.	EUR	EUR	2,0	2,0
Serbia	7,5	9,0	123,0	124,5
Turkey	8,8	7,1	2,7	2,4
Russia	8,5	5,3	53,8	51,0

Part B – Consolidated Balance Sheet - Assets

For a comparative purpose only are reported below the Forecasts on main macroeconomic indicators published in October 2014 by IMF:

IMF Forecasts Real GDP Growth	2014F	2015F	2016F	2017F	2018F
Italy	-0,2	0,9	1,3	1,3	1,1
Germany	1,4	1,5	1,8	1,6	1,4
Austria	1,0	1,9	1,7	1,6	1,5

IMF Forecasts Inflation	2014F	2015F	2016F	2017F	2018F
Italy	0,1	0,5	1,1	1,2	1,4
Germany	0,9	1,2	1,5	1,7	1,7
Austria	1,7	1,7	1,7	1,7	1,7

Impairment test model
The calculation of the value in use for impairment testing purposes was conducted using a Discounted Cash Flow model (DCF). The cash flows were determined by subtracting from net profit (gross of minority interests) the annual capital requirement generated by changes in risk-weighted assets. This capital requirement is defined as the level of capitalization that the Group aspires to achieve in the long term, also in light of the minimum regulatory capital requirements.

The Discounted Cash Flow model used by the Group is based on three stages:

- first period from 2015 to 2018, which uses the Budget 2015 and the Strategic Plan approved by the Board of Directors on March 11, 2014, properly adjusted, as described above, in accordance with IAS 36.44;
- intermediate period from 2019 to 2023, for which the cash flows projections are extrapolated by applying, as from the last explicit forecast period (2018), growth rates decreasing to those of the "Terminal value";
- "Terminal value" determined with nominal growth rates of 2%. The average nominal growth rate of GDP in the eurozone from 1996 to 2013 was 3.0% (of which 1.4% real growth). The nominal rate of 2%, corresponding to approximately 0% in real terms, was chosen for prudential reasons.

The application of an intermediate period is due to allow a normalization in parameters used (i.e. cost of equity and nominal growth rate) before the convergence to the Terminal Value, since the Group operates in different regions and business segments characterized by different risk profile and growth prospects. The growth rates for the intermediated period are defined in such a way that the weighted average of the intermediate period and the terminal value are not higher than a maximum limit, defined by applying a difference to the historical average of long-term growth of the respective areas or business segments. Group assets or shared assets (corporate assets) are allocated to the CGUs to which they refer, where applicable. For the portion not allocable of these assets, the recoverable amount is verified at overall Group level (so-called "corporate center").

The sustainability of the cash flows projections that have been used in the impairment test was valued in the light of the macroeconomic scenario updates at its approval date, with the assumptions underlying the latest 2013-2018 Strategic Plan outlined below for the specific CGU:

Commercial Banking
In Retail Banking the Group has started to transform its delivery model, reshaping the branches in a flexible way creating synergies between physical and digital network.
Innovation and digitalization are the key drivers of the strategic plan, where UCG is going to invest €1 billion.
The investments will enable remote sales and advisory further supporting UCG future profitability.
The strategy aims at fueling revenue growth through strengthened sales effectiveness and exploiting also multichannel sales, while reducing the cost to serve, with a 16 percent reduction of cost/income and a 17 percentage points reduction in the number of branches.

UCG envisages different transformation approaches in each market: while global trends in retail banking are the same, our starting position is quite different in the Western European markets.

Italy

With reference to the *Commercial Banking Italy* the Strategic Plan envisions a further reduction in the cost/ income ratio through the implementation of our multi-channel distribution model. This initiative is aimed at increasing UniCredit's market share in consumer credit, and going back to our historical market share on mortgages.

As for Corporate Banking, the Group plans to enhance the business by leveraging on cross-selling and international capabilities.

Profitability expressed as a percentage of RWAs is expected to significantly increase from 3.9 percent to 4.8 percent. The growth will be achieved focusing on Italian corporates active in international markets.

Actually, there is an untapped potential of valuable, growing, international enterprises in Italy that UCG aims to attract in order to grow without taking undesired risks.

In Private Banking, the Group's ambition is to capture market growth by enhancing business model and leveraging on synergies across the bank.

Germany

With reference to *Commercial Banking Germany*, the Strategic Plan envisions the refocusing of the business model towards the affluent and private banking segment, dramatically reducing the cost base of physical branch network by 50%. This will allow UniCredit to restore profitability also in this market bringing cost to income ratio down by almost 27 percentage points.

In Corporate Banking, the Group aims to leverage on current strong positioning to accelerate loan growth while keeping the cost of risk at a very low level.

Austria

With reference to *Commercial Banking Austria*, the Strategic Plan envisions the repositioning of the bank as a multichannel bank through development of a fully integrated multichannel distribution, introduction of remote advisory and specialists, branch footprint optimization and re-design.

The service model will be re-oriented to fit with the multichannel offering, differentiating the bank by offering fully-fledged advisory service bank and maintaining premium offering for valuable clientele.

Poland

The Strategic Plan in Poland aims to create a new bank, digital and leaner.

There will be a huge effort in simplifying the organization in terms of processes, structures and branch footprint, as well in expanding all multichannel activities and enhancing payment platforms.

Bank Pekao will focus on client acquisition through active customer lifecycle management and customer centric branch formats. These initiatives are aimed at capturing the strong demand for retail lending (mortgages and consumer loans) and new clients in the dynamic SME segment, supported by technological innovations and new products. Enhancement of payment solutions will further sustain the new bank positioning.

CEE

With reference to the CEE the Strategic Plan envisions initiatives aimed at fuelling growth in the most attractive markets and businesses.

The CEE market will continue to be the Group growth engine, and the Group is planning to rebalance capital allocation towards CEE markets over the next five years.

In this respect, the following should be noted:

- CEE is still growing faster than Western Europe, showing a higher level of profitability;
- the market, still underpenetrated for traditional bank products, is characterized by increasing demand for more value added products such as trade finance and capital markets;
- UniCredit is the best positioned bank in CEE (thanks to the combination of its local presence, international network and global platforms). Such an international and diversified presence enables UniCredit to get a high potential from cross border business and to exploit Debt Capital Markets.

Asset Management and Asset Gathering

UniCredit will continue to grow capital light businesses, scaling-up Asset management, and boosting client acquisition in Asset Gathering.

Assets under management by Pioneer Investments are expected to grow from €174 billion to approximately €263 billion, mainly driven by growth in non-captive flows.

On the other hand, Asset Gathering growth will be driven mainly by strong Financial Advisors recruitment, leveraging on a superior platform.

CIB

A key priority for the Group is to consolidate CIB's leadership and its competitive advantage.

In this regard, the return on allocated capital is expected to further grow (from the current 14% to 17.6% by 2018).

The business will be further rebalanced towards developing client related revenues, reducing risky sources of value generation.

In addition, synergies with CEE will be strengthened.

Part B – Consolidated Balance Sheet - Assets

CIB role in enabling client access to international infrastructure and superior product capabilities will be further consolidated strengthening its core offer:

- Corporate banking and transaction services;
- Structured finance and capital markets;
- Access to Western, Eastern and Central Europe.

Non-Core
As communicated in the Strategic Plan starting from 2014, the non-strategic assets and those with a poor fit to Group's risk-adjusted return framework, have been included in a separate organizational structure already up and running. This portfolio is subject to a run-down schedule to accelerate the de-risking, whilst maintaining a solid level of coverage.

<u>Discount rates of cash flows and Capital Targets</u>
The main assumptions used by Management to calculate the CGUs' recoverable amount were as follows:

CGU	Initial discount rate net of tax (Ke)	Final discount rate net of tax (Ke)	Nominal growth rate used to calculate Terminal Value
Commercial Banking Italy	11,6%	10,0%	2,0%
Commercial Banking Germany	9,6%	10,0%	2,0%
Commercial Banking Austria	10,0%	10,0%	2,0%
Poland (1)	14,2%	10,5%	2,0%
CIB	11,2%	10,0%	2,0%
Asset Management	9,6%	10,0%	2,0%
Asset Gathering	8,2%	10,0%	2,0%
Central Eastern Europe (CEE) (1)	17,4%	11,6%	2,0%
Non Core	11,6%	10,0%	2,0%

[2] The discount rate used for Poland and Central Eastern Europe CGUs are the weighted arithmetic mean of the discount rates in local currency used for individual countries belonging to the individual business sector.

As shown in the above table, future financial flows were discounted using a conservative estimate of the discount rate, incorporating the various risk factors linked to the business sector into the cost of equity (Ke). The discount rate is a nominal rate, net of taxes.

In particular, the cost of equity for the CGUs is the sum of the following:

- Country rate: whose calculation method is different depending on whether the CGU is global (operating in various countries) or relating to a single region:
  - Global CGUs: Country rate is the sum of:
    - Risk-free rate: the average over the last six years of the five-year Bund. The six-year horizon was adopted in line with the average economic cycle in the eurozone;
    - Debt risk premium: the average over the last six years of the Credit Default Swap paid by UniCredit.
  - Commercial Banking: due to the high regional specificity, rather than the risk-free rate and the debt risk premium, the Country rate is the government rate of the Country and, in particular:
    - for Commercial Banking Italy the last six years average of the 5-year BTP;
    - for Commercial Banking Austria the last six years average of the 5-year Austrian government rate;
    - for Commercial Banking Germany the last six years average of the 5-year Bund.
- Equity Risk Premium: calculated using the Option Price Based Model, based on the volatility of UniCredit's share price over the last six years. For global CGUs, the last six years' average volatility of the shares of banks operating in the same sector was used.

The cost of equity for CEE is differentiated by single country and it is the sum of the following:

- Risk-free rate: the average over the last six years of the five-year local currency swap rate. If no swap rate was available, the most liquid and representative interbank rate was taken;
- Country risk premium: the average Credit Default Swap paid by the country over the last six years (in some countries, if a sufficiently long historical series is not available, a shorter period or the asset swap spread paid by a benchmark Government bond with the same maturity issued by the country in question is considered);
- Equity Risk Premium: calculated using the Option Price Based Model, based on the volatility of UniCredit's share price over the last six years.

The cost of equity as defined above converges in a linear way to the cost of equity of the Terminal Value, over the 9 years considered in the model.

The cost of equity used in discounting cash flows converges to a specific value for each CGU. This value is determined taking into account the market's risk perception concerning the ability of the banking sector to generate returns in the long-term and the level of capitalization that the Group hopes to achieve in the long term. The terminal value cost of equity used differed depending on whether the CGU was located in Western Europe, in an Eastern European country that is expected to enter the euro zone, or in another country.

Another parameter used by the model to calculate the initial allocated capital and its evolution over time is the Common Equity Tier 1 ratio target.

For Western Europe Businesses, the target Core Equity Tier 1 ratio is 9% for 2014, in line with the expectations following the introduction of the new regulatory framework. Basel 3 rules have introduced a new target of 7% for Core Equity Tier 1 which is equal to the sum of the new minimum and the conservation buffer. The additional 2% arises from the Group being designated as Systemically Important Financial Institution (SIFI) and the possible introduction by national banking regulators of additional buffers.

For CEE countries the initial values correspond to the actual regulatory ratios.

The Core Equity Tier 1 ratio as defined above, converges linearly to 10% in 2018 (as for the previous impairment test) in line with the long term strategic target set in the Strategic Plan approved in March 2014, as a consequence of the increasingly challenging Regulatory Framework (Basel 3, ECB Comprehensive Assessment of the European Banking Sector, Bail-in rules, new Basel proposals on trading book, securitization and investment funds). For Poland, Croatia, Bulgaria and Czech Republic the local regulator required additional buffers, thus 2018 target rate was increased respectively to 12%, 10,5% for the second and third and 10,25% for the latter.

Results of the impairment test

The impairment test result as at December 31, 2014 confirms the sustainability of the goodwill with no need for an impairment on the consolidated accounts of the UniCredit group.

The main reasons leading to this significant buffer in the impairment test performed on December 31, 2014 are related to the Group's new 2015 Budget and the latest Strategic Plan approved in March 2014. With reference to the macroeconomic environment, the current scenario has deteriorated slightly for the short term (versus Strategic Plan assumptions) but for the medium/ long term, the projections remain aligned as the recovery is expected to strengthen in Western Europe and most of the CEE countries except for Russia. On top of that also the decrease in Cost of Equity and time value of future cash flows, has been a key determinant in current results of goodwill impairment test.

It must be emphasized that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various CGU, and the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject, to currently unpredictable changes. In the coming reporting periods, the effect of these changes – and of changes in the corporate strategies – could therefore lead to a revision of the estimated cash flows of the various CGUs and of the assumptions about the main financial measures (discount rates, expected growth rates, Common Equity Tier 1 ratio, etc.) that could impact the results of the future impairment tests.

Sensitivity analysis

Since this assessment is made particularly complex by the current macroeconomic and market environment affecting the financial sector and the resulting difficulty in making predictions about future long-term profitability, sensitivity analyses were conducted, assuming changes to the main parameters used in the impairment test.

The table below summarizes (for the CGUs which still have goodwill) the percentage deviations of the basic assumptions (cost of equity, capital ratio, long-term growth rate and streams of income used for the estimation of cash flows) adopted for the different CGUs, needed to make the recoverable amount of the CGU equal to its book value:

CGUs €/mn	Increase in the discount rate after tax (Ke)	Increase in the 2018 Core Tier 1 ratio target	Decrease in the nominal growth rate for the calculation of Terminal Value	Decrease in annual earnings
	Absolute change	Absolute change	Absolute change	% change
Commercial Banking Germany	2,1%	3,1%	-16,7%	-20,1%
Poland	0,6%	1,1%	-1,7%	-6,5%
CIB	2,6%	3,8%	-19,5%	-20,4%
Asset Management	16,1%	95,4%	n.m.	-67,4%
Asset Gathering	16,1%	n.m.	n.m.	-69,5%

The table below shows the variation of the total value in use of the Group resulting from a variation of the main parameters used in the DCF model.

Group Level €/mn	Increase in the discount rate after tax (Ke) (1)	Increase in the 2018 Core Tier 1 ratio target	Decrease in the nominal growth rate for the calculation of Terminal Value	Decrease in annual earnings
Sensitivity Factor [%]	*+1%*	*+1%*	*-1%*	*-5%*
Change of Group value in use	-12%	-8%	-7%	-6%

1 The increase of 1% in the discount rate is applied to the whole stream from 2015 to Terminal value.

The parameters and information used to verify the sustainability of goodwill (in particular the financial projections used) are significantly influenced by the macroeconomic environment and the market conditions. If the deterioration of the macroeconomic situation should continue in the coming years, the results of the next sustainability tests on goodwill could show a recoverable amount less than the carrying value and therefore highlight the need to perform a goodwill impairment.

Comparison with market capitalization

The Group's total value in use resulting from the impairment test is higher than the current market capitalization of the Parent Company. This difference is largely explained by the short-term prospects implicit in the current market price, which is influenced by expectations of moderate profit in the short term and the continuing uncertainty surrounding the outlook for GDP growth in the global economy.

By contrast, the value in use takes account of mid- to long-term revenue prospects that are implicit in the financial projections used.

Section 14 - Tax assets and tax liabilities - Item 140 (assets) and 80 (liabilities)

14.1 Deferred tax assets: breakdown

(€'000)

	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
Deferred tax assets related to:		
Assets/liabilities held for trading	499,016	292,694
Other financial instruments	4,301,234	3,205,615
Property, plant and equipment / Intangible assets	2,676,842	4,013,268
Provisions	2,059,502	1,668,927
Write-downs on loans	6,259,053	7,645,561
Other assets / liabilities	285,727	251,852
Loans and receivables with banks and customers	161,346	294,559
Tax losses carried forward	383,118	548,099
Other	608,961	584,304
Effect of netting gross deferred tax position	(2,935,087)	(1,618,938)
Total	**14,299,712**	**16,885,941**

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

With particular reference to UniCredit S.p.A., to which most of the Group's deferred tax assets are ascribable (€11,962 million before offsetting against the corresponding deferred tax liabilities, of which €10,508 million convertible into tax credits), the recoverability test takes into account, besides the economic projections, the forecasts for the transformability of deferred tax assets into tax credits under the terms of Italian Law No. 214/2011.

14.2 Deferred tax liabilities: breakdown

(€'000)

	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
Deffered tax liabilities related to:		
Loans and receivables with Banks and Customers	345,562	333,535
Assets/liabilities held for trading	395,748	158,248
Other financial instruments	1,648,573	1,050,481
Property, plant and equipment / intangible assets	484,516	522,946
Other assets / liabilities	417,575	282,973
Deposits from Banks and Customers	14,013	3,169
Other	249,719	294,177
Effect of netting gross deferred tax position	(2,935,099)	(1,618,938)
Total	**620,607**	**1,026,591**

Part B – Consolidated Balance Sheet - Assets

14.3 Deferred tax assets: annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2014	2013
1. Opening balance	**17,372,493**	**15,522,163**
2. Increases	**2,235,220**	**4,333,296**
2.1 Deferred tax assets arising during the year	1,969,383	4,303,953
a) relating to previous years	*163,438*	*84,265*
b) due to change in accounting policies	-	*348*
c) write-backs	*822*	*80,478*
d) other	*1,805,123*	*4,138,862*
2.2 New taxes or increases in tax rates	2,851	4,413
2.3 Other increases	262,986	24,930
3. Decreases	**6,520,429**	**3,538,483**
3.1 Deferred tax assets derecognised during the year	1,186,586	2,174,757
a) reversals of temporary differences	*968,815*	*2,066,477*
b) write-downs of non-recoverable items	*9,013*	*18,081*
c) change in accounting policies	-	-
d) other	*208,758*	*90,199*
3.2 Reduction in tax rates	375	6,160
3.3 Other decreases	5,333,468	1,357,566
a) conversion into tax credit under L. 214/2011	2,608,894	35,600
b) other	2,724,574	1,321,966
4. Final amount	**13,087,284**	**16,316,976**

14.3.1 Deferred tax assets (L. 214/2011): annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2014	2013
1. Opening balance	**13,145,129**	**9,444,621**
2. Increases	**867,314**	**3,893,548**
3. Decreases	**2,830,359**	**193,040**
3.1 Reversal	39,822	147,627
3.2 Conversion into tax credits	2,738,395	45,025
a) due to loss positions arising from P&L	*2,643,022*	*45,025*
b) due to tax losses	*95,373*	-
3.3 Other decreases	52,142	388
4. Final amount	**11,182,084**	**13,145,129**

14.4 Deferred tax liabilities: annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2014	**2013**
1. Opening balance	**1,908,113**	**3,506,183**
2. Increases	**1,068,266**	**205,696**
2.1 Deferred tax liabilities arising during the year	935,466	146,412
a) relating to previous years	*24,077*	*3,825*
b) due to change in accounting policies	*539*	*-*
c) other	*910,850*	*142,587*
2.2 New taxes or increases in tax rates	439	1,196
2.3 Other increases	132,361	58,088
3. Decreases	**2,491,734**	**2,859,283**
3.1 Deferred tax liabilities derecognised during the year	491,339	1,768,109
a) reversals of temporary differences	*374,371*	*1,141,984*
b) due to change in accounting policies	*-*	*763*
c) other	*116,968*	*625,362*
3.2 Reduction in tax rates	-	949
3.3 Other decreases	2,000,395	1,090,225
4. Final amount	**484,645**	**852,596**

14.5 Deferred tax assets: annual changes (balancing Net Equity)

(€'000)

	CHANGES IN	
	2014	**2013**
1. Opening balance	**1,132,386**	**842,373**
2. Increases	**634,239**	**634,510**
2.1 Deferred tax assets arising during the year	599,340	92,029
a) relating to previous years	*5,059*	*3,149*
b) due to change in accounting policies	*-*	*421*
c) other	*594,281*	*88,459*
2.2 New taxes or increase in tax rates	-	210
2.3 Other increases	34,899	542,271
3. Decreases	**554,197**	**907,918**
3.1 Deferred tax assets derecognised during the year	56,851	342,655
a) reversals of temporary differences	*40,662*	*51,082*
b) writedowns of non-recoverable items	*-*	*-*
c) due to change in accounting policies	*97*	*11*
d) other	*16,092*	*291,562*
3.2 Reduction in tax rates	-	139
3.3 Other decreases	497,346	565,124
4. Final amount	**1,212,428**	**568,965**

Part B – Consolidated Balance Sheet - Assets

14.6 Deferred tax liabilities: annual changes (balancing Net Equity)

(€'000)

	CHANGES IN	
	2014	2013
1. Opening balance	**737,416**	**1,011,211**
2. Increases	**549,670**	**107,659**
2.1 Deferred tax liabilities arising during the year	532,511	105,415
a) relating to previous years	*5,041*	*365*
b) due to change in accounting policies	-	*10*
c) other	*527,470*	*105,040*
2.2 New taxes or increase in tax rates	519	166
2.3 Other increases	16,640	2,078
3. Decreases	**1,151,124**	**944,875**
3.1 Deferred tax liabilities derecognised during the year	98,139	325,612
a) reversal of temporary differences	*93,878*	*254,166*
b) due to change in accounting policies	-	-
c) Other	*4,261*	*71,446*
3.2 Reduction in tax rates	-	-
3.3 Other decreases	1,052,985	619,263
4. Final amount	**135,962**	**173,995**

14.7 Other information

It should be noted that, - pursuant to Law 10/2011, formerly Law Decree 225/2010, so-called Milleproroghe 2011, as amended and supplemented -, in 2014, with reference to the financial statements 2013 of UniCredit S.p.A., UniCredit Leasing S.p.A. and UniCredit Credit Management Bank S.p.A., approved by the relevant Shareholders' Meetings, and with reference to the income tax returns of the respective companies referred to financial year 2013, the conversion of deferred tax assets, IRES and IRAP, into tax credits has been perfected for an amount of € 2,788.6 million.
With reference to the financial statements 2014, currently under approval from the respective Sharehodlers' Meetings of UniCredit Leasing S.p.A. and UniCredit Credit Management Bank S.p.A, deferred tax assets amounting to about € 95 million will be converted into tax credits pursuant to and for the purpose of law.

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

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

In the balance sheet at December 31, 2014, compared with December 31, 2013, we can note the sale of the companies Mezzanin Finanzierungs AG and Schottengasse 6-8 Immobilien Gmbh Und CO OG, of the associate SIA SpA for 20.07%, of the project rights of the BARD Group and of properties held by the Group.

The data at December 31, 2014 refer mainly, as regards the single assets and liabilities held for sale, to the real estate properties held by UniCredit S.p.A. and by Fondo Sigma, to the real estate properties of the BARD Group and to the company Vienna Dc Tower 2 Liegenschaftsbesitz GMBH, which belongs to the UniCredit Bank Austria AG Group.
As regards the data relating to groups of assets held for sale and associated liabilities , the figure at December 31, 2014 refers:

- to the companies of the Ukrainian Group (BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), already present in the consolidated accounting statement at December 31, 2013, accounted for on the basis of the accounting standard IFRS5;
- to the companies of the Immobilien Holding Group, which came into the consolidation scope at September 30, 2014.

Part B – Consolidated Balance Sheet - Assets

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

(€'000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
A. Individual assets		
A.1 Financial assets	-	7,736
A.2 Equity investments	-	31,894
A.3 Property, Plant and Equipment	86,121	415,185
A.4 Intangible assets	-	50,000
A.5 Other non-current assets	5,913	17,815
Total A	**92,034**	**522,630**
of which carried at cost	33,904	329,685
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	24,949	61,651
of which designated at fair value – level 3	33,181	131,294
B. Assets groups classified as held for sale		
B.1 Financial assets held for trading	64,850	38,086
B.2 Financial assets at fair value through profit or loss	-	-
B.3 Available for sale financial assets	76,273	198,516
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	174,999	195,984
B.6 Loans and receivables with customers	1,698,998	2,476,786
B.7 Equity investments	60,061	3
B.8 Property, Plant and Equipment	169,561	316,433
B.9 Intangible assets	45,147	67,332
B.10 Other assets	1,217,825	112,580
Total B	**3,507,714**	**3,405,720**
of which carried at cost	-	-
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	3,405,720
of which designated at fair value – level 3	3,507,714	-
Total A+B	**3,599,748**	**3,928,350**
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	1,305	12,551
C.2 Securities	-	-
C.3 Other liabilities	978	31,034
Total C	**2,283**	**43,585**
of which carried at cost	2,283	5,445
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	204
of which designated at fair value – level 3	-	37,936
D. Liabilities included in disposal groups classified as held for sale		
D.1 Deposits from banks	124,227	163,719
D.2 Deposits from customers	1,204,245	1,896,187
D.3 Debt securities in issue	3,365	3,924
D.4 Financial liabilities held for trading	263	555
D.5 Financial liabilities at fair value through profit or loss	-	-
D.6 Provisions	467	398
D.7 Other liabilities	315,608	20,249
Total D	**1,648,175**	**2,085,032**
of which carried at cost	-	-
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	2,085,032
of which designated at fair value – level 3	1,648,175	-
Total C+D	**1,650,458**	**2,128,617**

Fair value measurements, made for disclosure purposes only, are classified into a fair value hierarchy that reflects the significance of inputs used in the valuations. For further information see Part A – Accounting Policies – A.4 Information on fair value.

With reference to the fair value levels we must specify that the figures referred to companies of the Ukrainian group are presented at December 31, 2014 among level 3 assets and liabilities, reflecting their measurement using a valuation model.

15.2 Other information

There is no significant information to be reported.

15.3 Details of investments in companies subject to significant influence not valued at net equity

At December 31, 2014 there were no significant equity investments in associates not measured with the net equity method among Non-current assets and disposal groups classified as held for sale.

Section 16 - Other assets - Item 160

At December 31, 2014 other assets were €9,941 million, down by €1,246 million over 2013 (€11,187 million).

16.1 Other assets: breakdown

(€'000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
Margin with derivatives clearers (non-interest bearing)	6,109	5,333
Gold, silver and precious metals	17,976	12,357
Accrued income other capitalised income	665,738	639,738
Cash and other valuables held by cashier:	305,940	334,880
- current account cheques being settled, drawn on third parties	*287,389*	*322,217*
- current account cheques payable by group banks, cleared and in the process of being debited	*416*	*545*
- money orders, bank drafts and equivalent securities	*18,099*	*12,081*
- coupons, securities due on demand, revenue stamps and miscellaneous valuables	*36*	*37*
Interest and changes to be debited to:	110,754	119,441
- customers	*107,067*	*116,744*
- banks	*3,687*	*2,697*
Items in transit between branches not yet allocated to destination accounts	24,122	108,582
Items in processing	1,364,351	2,330,376
Items deemed definitive but not-attributable to other items:	2,184,383	2,925,782
- securities and coupons to be settled	*132,309*	*70,852*
- other transactions	*2,052,074*	*2,854,930*
Adjustments for unpaid bills and notes	162,844	38,594
Tax items other than those included in item 140	2,438,590	2,383,039
Other items	2,660,183	2,288,630
Total	**9,940,990**	**11,186,752**

As at December 31, 2014 "Other items" included €480 million relating to Property, Plant and Equipment, deriving from repossessing and lease, classified as inventories pursuant to IAS 2, €226 million in 2013.

Part B – Consolidated Balance Sheet - Liabilities

Liabilities

Section 1 - Deposits from banks - Item 10

Deposits from banks decreased from €107,830 million at the end of December 2013 to €106,037 million at December 31, 2014.

The decrease in deposits from banks (-€1,793 million) was due to the combined effect of:

- reduction in deposits from central banks (-€5,601 million; -18%);
- increase in deposits from banks (€3,808 million; +5%), and in particular in Current accounts and demand deposits (€2,601 million, +20%) and in Loans (2,052 million, +5%).

1.1 Deposits from banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Deposits from central banks	**26,090,360**	**31,690,891**
2. Deposits from banks	**79,946,553**	**76,138,762**
2.1 Current accounts and demand deposits	15,798,564	13,197,983
2.2 Time deposits	11,773,289	12,978,505
2.3 Loans	45,545,017	43,492,716
2.3.1 repos	*26,772,247*	*25,501,305*
2.3.2 other	*18,772,770*	*17,991,411*
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	6,829,683	6,469,558
Total	**106,036,913**	**107,829,653**
Fair value - level 1	-	-
Fair value - level 2	55,497,214	66,053,133
Fair value - level 3	52,192,998	42,134,359
Total fair value	**107,690,212**	**108,187,492**

Sub-item 2.3 Loans includes repos executed using proprietary securities issued by Group companies, which were eliminated from assets on consolidation.

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

The changes that occurred between December 31, 2013 and December 31, 2014 in the ratio between fair value and book value of amounts due to banks reflect the refinement of the methodology and the parameters used to determine the fair value for financial-statement purposes and can mainly be attributed to lower short- and medium/long-term reference rates observable on the financial markets and to the reduction in the risk premium required by the market on the debt issued by the bank.

1.2 Breakdown of item 10: "Deposits from banks": subordinated debts

There were no deposits from banks: subordinated debts.

1.3 Breakdown of item 10 “Deposits from banks”: structured debts

There were no deposits from banks: structured debts.

1.4 Deposits from banks: liability items subjected to micro-hedging

There are no amounts from banks: liability items subjected to micro-hedging.

1.5 Amounts payable under finance leases

There are no amounts payable to banks under finance leases.

Section 2 - Deposits from customers - Item 20

Deposits from customers amounted to €410,412 million (€393,113 million in 2013) and increased by €17,299 million.

2.1 Deposits from customers: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
1. Current accounts and demand deposits	258,307,109	241,473,046
2. Time deposits	89,760,649	94,670,090
3. Loans	55,673,038	51,692,592
3.1 repos	*49,430,961*	*43,793,888*
3.2 other	*6,242,077*	*7,898,704*
4. Liabilities in respect of commitments to repurchase treasury shares	744,267	695,200
5. Other liabilities	5,926,922	4,582,098
Total	**410,411,985**	**393,113,026**
Fair value - level 1	-	-
Fair value - level 2	134,231,255	174,683,953
Fair value - level 3	277,831,237	219,693,262
Total fair value	**412,062,492**	**394,377,215**

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

The changes that occurred between December 31, 2013 and December 31, 2014 in the ratio between fair value and book value reflect the refinement of the methodology and the parameters used to determine the fair value for financial statement purposes and can mainly be attributed to lower short- and medium/long-term reference rates observable on the financial markets and to the general reduction in the risk premium required by the market on the debt issued by the bank.

The fair value of demand items was estimated to be equal to their net book value by exercising the option provided for by IFRS 7.29 . According to this assumption, demand items were classified as level 3 in the fair value hierarchy.

Part B – Consolidated Balance Sheet - Liabilities

2.2 Breakdown of item 20 "Deposits from customers": subordinated debts

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Deposits from customers: subordinated debts	327,234	371,031

2.3 Breakdown of item 20 "Deposits from customers": structured debts

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Deposits from customers: structured debts	22,941	22,783

2.4 Deposits from customers: liability items subject to micro-hedging

(€ '000)

	AMOUNTS AS AT	
TYPE OF TRANSACTIONS/VALUES	12.31.2014	12.31.2013
1. Liability items subject to micro-hedging of fair value	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
2. Liability items subject to micro-hedging of cash flows	**402**	**499**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	402	499
Total	**402**	**499**

2.5 Amounts payable under finance leases

(€ '000)

	AMOUNTS AS AT	12.31.2014
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
Amounts payable under finance leases:		
Up to 12 months	12,399	12,087
From 1 to 5 years	51,521	46,977
Over 5 years	171,960	149,873
Total value of minimum lease payments	**235,880**	**208,937**
Time value effect	**(26,941)**	**X**
Present value of minimum payment obligation	**208,939**	**208,937**

Section 3 - Debt securities in issue - Item 30

At December 31, 2014 debt securities in issue were €150,276million, down by €13,991 million (-9%) from 2013.

3.1 Debt securities in issue: product breakdown

(€ '000)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
A. Listed securities								
1. Bonds	136,645,200	60,446,833	68,254,942	17,168,136	146,202,019	71,006,122	61,170,373	18,256,729
1.1 structured	11,418,271	927,116	10,733,511	-	16,176,020	2,599,487	13,737,785	-
1.2 other	125,226,929	59,519,717	57,521,431	17,168,136	130,025,999	68,406,635	47,432,588	18,256,729
2. Other securities	13,630,604	53,858	8,369,270	5,272,589	18,064,433	257,855	15,143,838	2,892,724
2.1 structured	448,501	-	479,255	-	401,144	-	404,871	-
2.2 other	13,182,103	53,858	7,890,015	5,272,589	17,663,289	257,855	14,738,967	2,892,724
Total	**150,275,804**	**60,500,691**	**76,624,212**	**22,440,725**	**164,266,452**	**71,263,977**	**76,314,211**	**21,149,453**
Total Level 1, Level 2 and Level 3				**159,565,628**				**168,727,641**

Fair value measurements, solely for the purpose of fulfilling financial disclosure requirements, are classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A. Accounting Policies – A.4. Information on fair value.

The sum of the sub-items 1.1 “Structured bonds” and 2.1 “Other structured securities” was equal to €11,867 million and accounted for 8% of total debt securities.They mainly refer to interest-rate linked instruments with closely related embedded derivatives identified according to Mifid ”structured instruments” definition. To that effect, the comparison amounts from the previous year were also rendered uniform.

The fair value of derivatives embedded in structured securities, presented in Line 20 of Assets and Line 40 of Liabilities and included in Trading derivatives – Others, amounted to a net balance of €96 million negative.

3.2 Breakdown of item 30 "Debt securities in issue": subordinated securities

(€'000)

	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
Debt securities in issue: subordinated securities	18,414,565	20,054,100

3.3 Breakdown of item 30 "Debt securities in issue": securities subject to micro-hedging

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNTS AS AT	
	12.31.2014	**12.31.2013**
1. Securities subject to micro-hedging of fair value	**305,947**	**275,198**
a) Interest rate risk	305,947	275,198
b) Currency risk	-	-
c) Multiple risks	-	-
2. Securities subject to micro-hedging of cash flows	**-**	**-**
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
Total	**305,947**	**275,198**

Part B – Consolidated Balance Sheet - Liabilities

Section 4 - Financial liabilities held for trading - Item 40

Financial liabilities held for trading, which amounted to €77,135 million as at December 31, 2014, increased of 13,336 million (+21%) over 2013 (€63,799 million).
The increase is attributable to derivative instruments(+€13,387 million), mainly due to change in market conditions with respect to all the agreements entered into.

4.1 Financial liabilities held for trading: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2014					AMOUNTS AS AT 12.31.2013				
		FAIR VALUE					FAIR VALUE			
	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*
A. Financial liabilities										
1. Deposits from banks	4,006	219,099	101,761	1,187	322,047	5	386,337	22,565	12,410	421,311
2. Deposits from customers	2,233,214	5,942,873	2,494,380	11,291	8,420,037	3,443,491	4,755,134	3,559,341	46,080	8,328,992
3. Debt securities	6,090,901	-	6,135,498	290,751	6,454,517	9,631,424	75,716	5,748,131	643,108	6,497,969
3.1 Bonds	4,932,570	-	4,980,418	184,376	5,193,062	5,134,616	75,716	4,729,230	487,403	5,323,363
3.1.1 Structured	*4,484,164*	-	*4,516,260*	*184,376*	X	*4,309,664*	*1,157*	*3,970,063*	*474,857*	X
3.1.2 Other	*448,406*	-	*464,158*	-	X	*824,952*	*74,559*	*759,167*	*12,546*	X
3.2 Other securities	1,158,331	-	1,155,080	106,375	1,261,455	4,496,808	-	1,018,901	155,705	1,174,606
3.2.1 Structured	*1,158,331*	-	*1,155,080*	*106,375*	X	*4,496,808*	-	*1,018,901*	*155,705*	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	**8,328,121**	**6,161,972**	**8,731,639**	**303,229**	**15,196,601**	**13,074,920**	**5,217,187**	**9,330,037**	**701,598**	**15,248,272**
B. Derivatives instruments										
1. Financial derivatives	X	1,632,770	58,598,692	638,052	X	X	1,226,966	45,660,224	666,825	X
1.1 Trading	X	1,632,751	57,277,948	545,343	X	X	1,226,966	43,738,894	586,065	X
1.2 Related to fair value option	X	-	379,954	1,585	X	X	-	161,044	-	X
1.3 Other	X	19	940,790	91,124	X	X	-	1,760,286	80,760	X
2. Credit derivatives	X	301,324	591,158	175,879	X	X	435,806	477,369	83,471	X
2.1 Trading derivatives	X	301,324	586,661	175,879	X	X	435,806	471,324	83,458	X
2.2 Related to fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	4,497	-	X	X	-	6,045	13	X
Total B	**-**	**1,934,094**	**59,189,850**	**813,931**	**-**	**-**	**1,662,772**	**46,137,593**	**750,296**	**-**
Total A+B	**8,328,121**	**8,096,066**	**67,921,489**	**1,117,160**	**15,196,601**	**13,074,920**	**6,879,959**	**55,467,630**	**1,451,894**	**15,248,272**
Total Level 1, Level 2 and Level 3				**77,134,715**					**63,799,483**	

*Fair value: calculated excluding value adjustments due to changes in credit rating of the issuer since the issue date.
Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A. Accounting Policies – A.4.Information on Fair Value.

The financial assets and liabilities relating to OTC Derivatives managed through Central Counterparty Clearing Houses (CCPs) are offset when (i) the clearing systems of CCPs guarantee the elimination or reduce to immaterial the credit and liquidity risks of these contracts and (ii) the entity intends to settle these contracts on a net basis, in accordance with IAS32 – Offsetting, in order to improve the presentation of the liquidity profile and counterparty risk connected with them.

The effect as at December 31, 2014, already included in the net presentation of these transactions, totaled €21,230,036 (€13,070,723 as at December 31, 2013).

"Deposits from banks" and "Deposits from customers" include technical overdrafts totaling € 6,509 million as at 2014 and €5,324 million as at 2013, in respect of which no nominal amount was attributed.

4.2 Breakdown of item 40 "Financial liabilities held for trading": subordinanted liabilities

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Financial liabilities held for trading: subordinated liabilities	157,892	376,408

4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts

There were no financial liabilities held for trading: structured debts.

4.4 Financial liabilities (other than "short selling") held for trading: annual changes

(€ '000)

	CHANGES IN 2014			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**5**	**3,457,498**	**6,466,955**	**9,924,458**
B. Increases	**4,490**	**561,657,456**	**12,177,882**	**573,839,828**
B.1 Issues	4,000	47,482	4,732,749	4,784,231
B.2 Sales	1	561,584,000	4,010,428	565,594,429
B.3 Increases in fair value	305	14,306	1,040,423	1,055,034
B.4 Other changes	184	11,668	2,394,282	2,406,134
C. Decreases	**178**	**562,858,080**	**12,218,588**	**575,076,846**
C.1 Purchases	-	1,511	6,606,018	6,607,529
C.2 Redemptions	-	562,837,008	2,200,531	565,037,539
C.3 Reductions of fair value	32	6,854	964,792	971,678
C.4 Other changes	146	12,707	2,447,247	2,460,100
D. Closing balance	**4,317**	**2,256,874**	**6,426,249**	**8,687,440**

Section 5 - Financial liabilities at fair value through profit or loss - Item 50

As at December 31, 2014 financial liabilities at fair value through profit or loss amounted to €567 million, down €144 million compared with the previous year.

5.1 Financial liabilities at fair value through profit or loss: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2014					AMOUNTS AS AT 12.31.2013				
		FAIR VALUE					*FAIR VALUE*			
TYPE OF OPERATIONS / GROUP COMPONENTS	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*	NOMINAL VALUE	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE*
1. Deposits from banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
2. Deposits from customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
3. Debt securities	**508,066**	**-**	**562,269**	**4,698**	**577,150**	**673,216**	**-**	**701,723**	**8,980**	**727,583**
3.1 Structured	503,368	-	562,269	-	X	664,236	-	701,723	-	X
3.2 Other	4,698	-	-	4,698	X	8,980	-	-	8,980	X
Total	**508,066**	**-**	**562,269**	**4,698**	**577,150**	**673,216**	**-**	**701,723**	**8,980**	**727,583**
Total Level 1, Level 2 and Level 3				**566,967**					**710,703**	

*Fair value: calculated excluding value adjustments due to changes in credit rating of the issuer since the issue date.
Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A. Accounting Policies – A.4. Information on Fair Value.

5.2 Breakdown of item 50 "Financial liabilities at fair value through profit or loss": subordinated liabilities

There were no subordinated liabilities.

5.3 Financial liabilities at fair value through profit or loss: annual changes

(€ '000)

	CHANGES IN 2014			
	DEPOSITS FROM BANKS	DEPOSITS FROM CUSTOMERS	DEBT SECURITIES IN ISSUE	TOTAL
A. Opening balance	**-**	**-**	**710,703**	**710,703**
B. Increases	**-**	**-**	**33,655**	**33,655**
B.1 Issues	-	-	-	-
B.2 Sales	-	-	58	58
B.3 Increases in fair value	-	-	9,609	9,609
B.4 Other changes	-	-	23,988	23,988
C. Decreases	**-**	**-**	**177,391**	**177,391**
C.1 Purchases	-	-	22,237	22,237
C.2 Redemptions	-	-	122,067	122,067
C.3 Reductions of fair value	-	-	4,342	4,342
C.4 Other changes	-	-	28,745	28,745
D. Closing balance	**-**	**-**	**566,967**	**566,967**

Section 6 - Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by type of hedging and by levels

(€ '000)

	AMOUNTS AS AT 12.31.2014				AMOUNTS AS AT 12.31.2013			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
A. Financial derivatives	**-**	**8,615,274**	**1,275**	**157,883,758**	**-**	**8,627,715**	**547**	**149,675,228**
1) Fair value	-	7,262,035	-	144,308,162	-	5,865,137	-	137,018,479
2) Cash flows	-	1,353,239	1,275	13,575,596	-	2,762,578	547	12,656,749
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**5,393**	**1**	**180,708**	**-**	**743**	**1**	**279,000**
1) Fair value	-	5,393	-	180,708	-	743	-	279,000
2) Cash flows	-	-	1	-	-	-	1	-
Total	**-**	**8,620,667**	**1,276**	**158,064,466**	**-**	**8,628,458**	**548**	**149,954,228**

	12.31.2014		12.31.2013
Total Level 1, Level 2 e Level 3	**8,621,943**		**8,629,006**

Valuations at fair value were classified according to a hierarchy of levels reflecting the significance of the valuations input. For further information see Part A - Accounting Policies.

6.2 Hedging derivatives: brekdown by hedged items and risk type

(€ '000)

	AMOUNTS AS AT 12.31.2014								
	FAIR VALUE						CASH FLOWS		
	MICRO-HEDGE								
TRANSACTIONS/HEDGE TYPES	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	FOREIGN INVESTMENTS
1. Available-for-sale financial assets	309,141	-	-	-	-	X	-	X	X
2. Loans and receivables	2,328	-	5,393	X	-	X	100	X	X
3. Held to maturity investments	X	-	-	X	-	X	-	X	X
4. Portafoglio	X	X	X	X	X	3,541,681	X	598,570	X
5. Others	-	-	-	-	-	X	-	X	-
Total assets	**311,469**	**-**	**5,393**	**-**	**-**	**3,541,681**	**100**	**598,570**	**-**
1. Financial liabilities	395,706	-	-	X	-	X	14,011	X	X
2. Portfolio	X	X	X	X	X	3,013,179	X	739,009	X
Total liabilities	**395,706**	**-**	**-**	**-**	**-**	**3,013,179**	**14,011**	**739,009**	**-**
1. Highly probable transactions (CFH)	X	X	X	X	X	X	2,824	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	1

Section 7 - Changes in fair value of portfolio hedged items - Item 70

7.1 Changes to macro-hedged liabilities

(€ '000)

CHANGES TO MACRO-HEDGED FINANCIAL LIABILITIES/ GROUP COMPONENTS	AMOUNTS AS AT	
	12.31.2014	12.31.2013
1. Positive changes to financial liabilities	7,206,134	4,624,284
2. Negative changes to financial liabilities	(677,607)	(507,962)
Total	**6,528,527**	**4,116,322**

7.2 Liabilities subject to macro-hedging of interest rate risk: breakdown

(€ '000)

HEDGED LIABILITIES	AMOUNTS AS AT	
	12.31.2014	12.31.2013
1. Deposits	99,000,911	1,003,487
2. Debt securities in issue	3,226,371	2,511,865
3. Portfolio	110,518,165	96,955,924
Total	**212,745,447**	**100,471,276**

Section 8 - Tax liabilities - Item 80

See Section 14 of Assets.

Section 9 - Liabilities included in disposal groups classified as held for sale - Item 90

See Section 15 of Assets.

Section 10 - Other liabilities - Item 100

As at December 31, 2014 other liabilities amounted to €16,601 million showing a decrease of €1,880 million compared to 2013 year end (€18,481 million).

10.1 Other liabilities: breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
Liabilities in respect of financial guarantees issued	13,014	34,064
Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds	1,275,629	1,112,986
Obligations for irrevocable commitments to distribute funds	-	-
Accrued expenses other than those to be capitalized for the financial liabilities	795,733	807,578
Share Based Payment classified as liabilities under IFRS 2	45,779	20,335
Other liabilities due to employees	1,195,629	1,094,472
Other liabilities due to other staff	17,295	17,643
Other liabilities due to Directors and Statutory Auditors	5,623	5,604
Interest and amounts to be credited to:	326,222	320,175
- customers	*259,466*	*243,515*
- banks	*66,756*	*76,660*
Items in transit between branches and not yet allocated to destination accounts	198,856	250,288
Available amounts to be paid to others	2,159,540	2,750,774
Items in processing	1,574,340	1,385,778
Entries related to securities transactions	176,381	201,293
Items deemed definitive but not attributable to other lines:	3,115,399	4,190,954
- accounts payable - suppliers	*966,198*	*1,031,847*
- provisions for tax withholding on accrued interest, bond coupon payments or dividends	*2,572*	*1,756*
- other entries	*2,146,629*	*3,157,351*
Liabilities for miscellaneous entries related to tax collection service	313	566
Adjustments for unpaid portfolio entries	728,433	455,133
Tax items different from those included in item 80	1,277,617	1,300,855
Other entries	3,695,048	4,532,626
Total	**16,600,851**	**18,481,124**

Please note that, since January 1, 2014, pursuant to IFRS 10 “Consolidated Financial Statements”, the segregated funds of the “Trevi Finance”, “Trevi Finance 2”, “Trevi Finance 3” and “Entasi” securitization transactions have been consolidated line by line in the UniCredit group’s accounts. Until December 31, 2013, “Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds” included €951 million relating to the impairment of the guarantee issued as part of the “Trevi Finance 3” securitization transaction, now subject to intragroup elimination as part of the consolidation process.
For this reason, comparative figures as at December 31, 2013 were restated accordingly to increase comparability.

Section 11 - Provision for employee severance pay- Item 110

The **"**TFR" provision for Italy-based employee benefits is to be construed as a "post-retirement defined benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit is calculated by an external actuary using the unit credit projection method (see Part A.2 – The Main Items of the Accounts).

11.1 Provision for employee severance pay: annual change

(€ '000)

	CHANGES IN	
	2014	2013
A. Opening balances	**1,080,778**	**1,176,953**
B. Increases	**170,145**	**49,919**
B.1 Provisions for the year	34,797	38,074
B.2 Other increases	135,348	11,845
C. Reductions	**70,717**	**146,094**
C.1 Severance payments	34,364	85,368
C.2 Other decreases	36,353	60,726
D. Closing balance	**1,180,206**	**1,080,778**

Provisions for employee severance pay: other information

(€ '000)

	CHANGES IN	
	2014	2013
Cost Recognised in P&L:	**34,797**	**38,074**
- Current Service Cost	775	-
- Interest Cost on the DBO	34,022	38,074
- Settlement (Gain)/Loss	-	-
- Past Service Cost	-	-
Remeasurement Effects (Gains) Losses Recognised in OCI	**98,720**	**(42,873)**

Description of the main actuarial assumptions	December 31, 2014	December 31, 2013
Discount rate	1.60%	3.30%
Expected inflation rate	1.10%	1.80%

Duration of defined benefit obligation equals to 9.6 years; Valuation Reserve negative balance (net of tax) move from -67 euro million as at 31 December 2013 to -138 euro million as at 31 December 2014.
A change of -25 basis points of Discount Rate would result in an increase of the liability of 28,757 euro thousands (+2.44%); a correspondant increase would result in a reduction in the liability of 27,767 euro thousands (-2.35%). A change of -25 basis points of Price inflation rate would result in a reduction of the liability of 16,761 euro thousands (-1.42%); a correspondant increase would result in an increase of the liability of 17,071 euro thousands (+1.45%).

Section 12 - Provisions for risks and charges - Item 120

As at December 31, 2014, p**rovisions for risks and charges** amounted to €10,623 million, in increase of €1,196 million over end 2013 (€9,427 million).
The sub-item “1. Pensions and other post-retirement benefit obligations”, which essentially contains defined-benefit funds described in 12.3 below, amounted to €7,293 million at December 31, 2014, as against €5,711 million in 2013.
The sub-item “2. Other provisions for risks and charges”, which amounted to €3,330 million at end 2014, as against €3,716 million in 2013), contains:

- Legal disputes: provisions for legal disputes, cases in which the Group is a defendant and post-insolvency clawback petitions. See Part E – Section 4 “Operational Risk” – item B – “Legal risk” for further information concerning legal disputes;
- Staff expenses: sundry HR costs;
- Other: provisions for risks and charges not attributable to the above items. See the table 12.4 below for details.

12.1 Provisions for risks and charges: breakdown

(€ '000)

ITEMS/COMPONENTS	AMOUNTS AS AT 12.31.2014	12.31.2013
1. Pensions and other post retirement benefit obligations	**7,293,416**	**5,711,306**
2. Other provisions for risks and charges	**3,329,596**	**3,715,702**
2.1 Legal disputes	684,540	1,034,052
2.2 Staff expenses	982,650	1,021,019
2.3 Other	1,662,406	1,660,631
Total	**10,623,012**	**9,427,008**

12.2 Provisions for risks and charges: annual changes

(€ '000)

ITEMS/COMPONENTS	CHANGES IN 2014 PENSION AND POST RETIREMENT BENEFIT OBLIGATIONS	OTHER PROVISIONS
A. Opening balance	**5,711,306**	**3,748,001**
B. Increases	**2,302,538**	**1,120,262**
B.1 Provisions for the year	143,346	657,558
B.2 Changes due to the passing time	201,093	18,703
B.3 Differences due to discount-rate changes against P&L	-	6,765
B.4 Other adjustments	1,958,099	437,236
C. Decreases	**720,428**	**1,538,667**
C.1 Use during the year	327,956	1,027,923
C.2 Differences due to discount-rate changes against P&L	-	488
C.3 Other decreases	392,472	510,256
D. Closing balance	**7,293,416**	**3,329,596**

More details about annual changes for Pension and post-retirement benefit obligation are presented in Section 12.3 -Pension and other post retirement defined benefit obligations.

12.3 Pensions and other post-retirement defined-benefit obligations

1. DESCRIPTION OF THE CHARACTERISTICS OF THE FUNDS AND RELATED RISKS

There are several defined-benefit plans within the Group, i.e., plans whose benefit is linked to salary and employee length of service both in Italy and abroad. The Austrian, German and Italian plans account for over 90% of the Group's pension obligations.

Most of the Group's plans are not financed with segregated assets. The most notable exceptions, with respect to the defined-benefits plans in Germany, are the "Direct Pension Plan" (an external fund managed by independent trustees), the "HVB Trust Pensionfonds AG" and the Pensionskasse der "HypoVereinsbank WaG", all set up by UCB AG, and by UniCredit S.p.A. with respect to the UK defined-benefit plans.

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

The obligations arising from defined-benefit plans are determined using the "projected unit credit method". The assets of financed plans are measured at fair value at the balance sheet date. The balance sheet is the result of the deficit or surplus (i.e., the difference between obligations and assets) net of any impacts of the limit on assets. Actuarial gains and losses are recognized in Shareholders' Equity and shown in a specific item of Revaluation reserves in the financial year in which they are recorded.

The actuarial assumptions used to determine obligations vary from country to country and from plan to plan in accordance with IAS 19. The discount rate is determined, depending on the currency of denomination of the commitments and the maturity of the liability, by reference to market yields at the balance sheet date on a basket of high quality corporate bonds.

In the light of evolving common interpretation about "high quality corporate bonds" identification and persisting interest rates decreasing trend, UCG refined its Discount Rate setting methodology by limiting the number of "investment grade" bonds whose rating is lower than AA (i.e. only no. 6 securities ranging in 15-20y maturity), for which an adjustment is made to reduce the excess-return.

In addition, a Nelson Siegel methodology has been applied in modelling the yield-curve expressed by the basket of securities (adjusted above 25y in order to stick the long-term maturity segments of the curve to the Euribor implied-forward rate).

Since January 1, 2013, following the entry into force of the amendments to IAS 19 ('IAS 19R'), the elimination of the "corridor" method has resulted in an impact on the Group's net equity related to the recognition in the "revaluation reserves" of actuarial gains or losses not previously recognized in line with this "method".

Valuation reserve negative balance (net of tax) move from -€1,349 million as at December 31, 2013 to -€2.739 million as at December 31, 2014.

2. BREAKDOWN OF NET DEFINED BENEFIT LIABILITY/ASSET AND ANY REIMBURSEMENT RIGHTS AS OF THE PERIOD END DATE		
NET DEFINED BENEFIT LIABILITY/ASSET AS OF THE PERIOD END DATE	**12.31.2014**	**12.31.2013**
Defined benefit obligation	11,503,596	9,459,664
Fair value of assets	(4,261,165)	(3,807,057)
Deficit/(Surplus)	**7,242,431**	**5,652,607**
Irrecoverable surplus (effect of asset ceiling)	-	-
Net defined benefit liability/(asset) as of the period end date	**7,242,431**	**5,652,607**

(€ '000)

2.1 CHANGES IN DEFINED BENEFIT OBLIGATIONS	12.31.2014	12.31.2013
Defined benefit obligation as of the prior period end date	9,459,664	9,116,059
Current service cost	141,220	139,633
Settlement (gain)/loss	108	(466)
Past service cost	(416)	3,433
Interest cost on the defined benefit obligation	342,963	332,371
Net actuarial (gain)/loss	1,993,742	305,466
Plan participants' contributions	5,909	5,063
Disbursements from plan assets	(116,671)	(117,667)
Disbursements directly paid by the employer	(323,119)	(329,158)
Settlements	(1,521)	(5,056)
Other changes on defined benefit obligation	1,717	9,986
Total defined benefit obligations as of the period end date	**11,503,596**	**9,459,664**

(€ '000)

2.2 CHANGES TO PLAN ASSETS	12.31.2014	12.31.2013
Fair value of plan assets as of the prior period end date	**3,807,057**	**3,710,054**
Interest Income on Plan Assets	141,870	135,269
Return on plan assets greater/(less) than discount rate	51,728	(31,113)
Employer contributions	395,133	432,257
Disbursements from plan assets	(137,683)	(446,892)
Settlements	-	(5,056)
Other changes on plan assets	3,060	12,538
Total fair value of plan assets as of the period end date	**4,261,165**	**3,807,057**

(€ '000)

3. INFORMATION ABOUT PLAN ASSETS	12.31.2014	12.31.2013
1. Equities	61,142	63,016
2. Bonds	276,691	180,512
3. Units in investment funds	3,559,513	3,250,378
4. Properties	222,465	151,343
5. Derivative instruments	-	-
6. Others	141,354	161,808
Total	**4,261,165**	**3,807,057**

4. PRINCIPAL ACTUARIAL ASSUMPTIONS	12.31.2014	12.31.2013
Discount rate	2.25%	3.71%
Expected return on plan assets	2.25%	3.71%
Rate of increase in future compensation and vested rigths	2.61%	2.84%
Rate of increase in pension obligations	1.84%	2.07%
Expected inflation rate	1.59%	1.85%

5. INFORMATION ON AMOUNT, TIMING AND UNCERTAINTY OF CASH FLOWS	12.31.2014
- Impact of changes in financial/demographic assumptions on DBOs:	
a. Discount rate	
a1. -25 basis points	501,640
	4.36%
a2. +25 basis points	(469,338)
	-4.08%
b. Pensions increase rate	
b1. -25 basis points	(335,151)
	-2.91%
b2. +25 basis points	351,168
	3.05%
c. Mortality	
c1. Survival rate +1 year	316,218
	2.75%
- Weighted average duration (years)	17

Part B – Consolidated Balance Sheet - Liabilities

12.4 Provisions for risks and charges - other provisions

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
2.3 Other provisions for risks and charges - other		
- Real estate risks and costs	79,982	110,757
- Restructuring costs	118,455	87,372
- Out-of-court settlements and legal costs	30,385	30,068
- Allowances payable to agents	125,386	127,946
- Disputes regarding financial instruments and derivatives	127,893	229,198
- Tax Disputes	198,978	201,989
- Costs for liabilities arising from equity investment disposals	124,572	108,728
- Other	856,755	764,573
Total	**1,662,406**	**1,660,631**

The decrease in sub-item “Disputes regarding financial instruments and derivatives” is mainly attributable to the release of the Lehman Brothers provision (€61 million) by the subsidiary UniCredit Bank AG.

As at December 31, 2014, the sub-item “Other” included €107 million in accordance with the new regulations providing for the abolition of the bid/ask spreads (forex) applied to retail loans in foreign currency in Hungary.

Section 13 - Insurance reserves - Item 130

There are no amounts to be shown.

Section 14 - Redeemable shares - Item 150

There are no amounts to be shown.

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

As at December 31, 2014 the Group Shareholders' Equity, including the profit for the period of € 2.008 million, amounted to €49,390 million, as against €46,722 million at end 2013.
The following table shows the breakdown of Group Equity and the changes over the previous year:

Group capital: breakdown (€ '000)

	AMOUNTS AS AT		CHANGES	
	12.31.2014	12.31.2013	AMOUNT	%
1. Share capital	19,905,774	19,654,856	250,918	1.3%
2. Share premium reserve	15,976,604	23,879,202	(7,902,598)	-33.1%
3. Reserves	13,748,408	19,605,469	(5,857,061)	-29.9%
4. Treasury shares	(2,795)	(3,755)	960	25.6%
a. Parent Company	(2,440)	(2,440)	-	-
b. Subsidiaries	(355)	(1,315)	960	73.0%
5. Revaluation reserve	(4,134,549)	(2,449,077)	(1,685,472)	-68.8%
6. Equity instruments	1,888,463	-	1,888,463	-
7. Net profit (loss)	2,007,828	(13,964,832)	15,972,660	n.s.
Total	**49,389,733**	**46,721,863**	**2,667,870**	**5.7%**

Inventories at December 31, 2013 differ from what was published on that date as a result of the entry into force of the new standards IFRS10 and IFRS11, and of the revisions of IAS 27 and IAS 28 starting from January 1, 2014 with effect retroactive to January 1, 2013, which determined a negative impact on the Group's shareholders' equity at December 31, 2013 (restated) of € 119 million, as described in Part A – Accounting Policies – Section 5 – Other Matters.

The €2.668 million increase in Group Equity resulted from:

An increase in the free capital ("Scrip dividend" €228 million) as resolved by the Shareholders' Meeting of May 13, 2014 and an increase (€23 million) deriving from the issue of performance shares associated with the personnel incentive plan taking the amount from the Reserve set aside for the purpose	251 million
A decrease in the share premium to supplement the legal reserve (€ 120 million) and to cover the loss of financial year 2013 (€ 7,783 million), as resolved by the Ordinary Shareholders' Meeting of May 13, 2014	(7,903 million)
A decrease in the reserves, including the change in treasury shares owing to:	
• attribution to the reserve of the result of the previous year;	(6,186 million)
• a decrease deriving from the use of reserves for the purposes of increasing the free capital and from the use of the reserve set aside specifically for the purpose of the issue of performance shares associated with the personnel incentive plan;	(251) million
• an increase of the "Legal reserve" with the use of "Share premium reserve";	120 million
• use of the reserve for the usufruct fee associated with the "Cashes";	(35) million
• a decrease in the reserve for the extraordinary distribution of dividends;	(176) million
• an increase in the reserve connected with Share Based Payments;	63 million
• an increase in profit reserves owing to a change in equity interests following the sale of 34.5% of FinecoBank S.p.A., which UniCredit continues to control;	626 million
• other decreases.	(17) million
A change in valuation reserves owing to:	
• decrease in exchange rate differences;	(1,588) million
• increase in the value of financial assets available for sale;	1,009 million
• increase in the value of hedging for financial risks and of assets held for sale;	93 million
• decrease in the value of the reserve on actuarial gains (losses) on defined-benefit plans;	(1,468) million
• increase in the value of the valuation reserve of companies carried at equity.	269 million
An increase in "Equity instruments" relating to the issue of Additional Tier 1 instruments for USD 1,250 million and EUR 991 million, recognised net of the related transition costs	1,888 million
Increase in the profit for the period compared with that of December 31, 2013	15,973 million

Part B – Consolidated Balance Sheet - Liabilities

15.1 "Share capital" and "treasury shares" - breakdown

(€ '000)

	12.31.2014		12.31.2013	
	ISSUED SHARES	UNDERWRITTEN SHARES	ISSUED SHARES	UNDERWRITTEN SHARES
A. Share Capital				
A.1 ordinary shares	19,897,462	-	19,646,630	-
A.2 savings shares	8,312	-	8,226	-
Total A	**19,905,774**	**-**	19,654,856	-
B. Treasury Shares	**(2,795)**	**-**	**(3,755)**	-

During 2014, the share capital – which at December 31, 2013 was represented by 5,789,209,719 ordinary shares and 2,423,898 savings shares, both categories with no face value – changed for the reasons illustrated in the paragraph "Capital Strengthening" of the "Report on Operations".

In particular, the capital went up from € 19,654,856 thousand at the end of 2013 to € 19,905,774 thousand following the free increases of:

- € 28,144 thousand, resolved by the Board of Directors of March 11, 2014, on the basis of the delegated power conferred by the Extraordinary Shareholder's Meeting of April 29, 2011 and by the Extraordinary Shareholder's Meeting of May 11, 2012, for the assignment of 8,498,340 ordinary shares to be assigned to personnel of UniCredit, the Group Banks and Companies, carried out with withdrawal at the same time from the pre-constituted "Reserve associated with the medium-term incentive system for the Group Personnel";
- 222,774 thousand, resolved by the Extraordinary Shareholders' Meeting of May 13, 2014 against payment of the "Scrip dividend" relating to financial year 2013, carried out with withdrawal at the same time from the pre-existing "Reserve for allocating profits to Shareholders through the issuance of new free shares" which determined the issue of 65,621,091 ordinary shares and 25,415 savings shares.

At December 31, 2014, the share capital was consequently represented by 5,863,329,150 ordinary shares and 2,449,313 savings shares.

At the end of December 2014, the number of Parent Company treasury shares held was 47,600 ordinary shares, unchanged compared with the end of 2013, as no transactions were made during the year.

The Shareholder's Meeting, on approval of the financial statements of UniCredit S.p.A. at December 31, 2013, resolved to distribute to the shareholders a dividend of € 570,332,795.10 taking the amount from reserves from profits. In particular, the Shareholder's Meeting approved payment of the dividend in the form of a "scrip dividend" to be carried out by issuing shares to be assigned to shareholders who hold ordinary shares and holders of savings shares of the Company at the respective assignment ratios: 1:60 and 1:84, without affecting the right to request, in lieu of assignment of shares, payment of the dividend in cash.
The settlement, which occurred on June 6, 2014, determined:

- for rightholders who exercised the cash option, payment of a dividend in cash of a total of € 176,392,131.40;
- for rightholders who did not exercise the cash option, the issue of 65,621,091 new ordinary shares and 25,415 new savings shares on the basis of the assignment ratios indicated above. The unit book value of recognition in the share capital of the new shares issued was approximately 3.39 for each ordinary and savings share.

The Group Net Equity at December 31, 2014 also reflects, among other things, the changes consequent to the resolutions of the Shareholders' Meeting of May 13, 2014 which entailed:

- coverage of the loss for financial year 2013 resulting from the separate financial statements of UniCredit S.p.A. of € 7,782,902 thousand through use of the "Share premium reserve";
- an increase in the "Legal reserve" of € 119,695 thousand through use of the "Share premium reserve".

During the year 2014 UniCredit S.p.A. issued two Additional Tier 1 notes with characteristics compliant with new "CRD IV" regulation, in place starting from January 1, 2014.

On March 27, 2014, with value date April 3, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in USD, for a total of USD 1.25 billion.

The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 10 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 8.00% per annum for the initial 10 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 518 bps.

On September 3, 2014, with value date September 10, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in EUR, for a total of EUR 1 billion.
The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 7 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 6.75% per annum for the initial 7 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 610 bps.

In line with the regulatory requirements, the coupon payments for both instruments are fully discretionary; disbursements are recorded, at settlement date, to reduce the Group Shareholders' Equity – sub item Reserves – Other Reserves. Both the Notes have a 5.125% Common Equity Tier 1 (CET1) trigger - if the Group or Issuer CET1 at any time falls below the trigger level, instruments will be temporarily written down to cure the breach, taking into consideration other instruments with similar write down triggers (retaining the full discretion to perform the write back).
As at December 31, 2014 item 160. of liabilities "Equity instruments" included €1,888,463 thousand, net of transaction costs, relating to these instruments.

15.2 Share capital - number of shares owned by the Parent

	CHANGES IN 2014	
ITEMS/TYPE	ORDINARY	OTHER (SAVINGS)
A. Issued shares as at the beginning of the year	**5,789,209,719**	**2,423,898**
- Fully paid	5,789,209,719	2,423,898
- not fully paid	-	-
A.1 Treasury shares (-)	(47,600)	-
A.2 Shares outstanding: opening balance	5,789,162,119	2,423,898
B. Increases	**74,119,431**	**25,415**
B.1 New issues	74,119,431	25,415
- against payment	-	-
- business combinations	-	-
- bonds converted	-	-
- warrants exercised	-	-
- other	-	-
- free	74,119,431	25,415
- to employees	*8,498,340*	-
- to Directors	-	-
- other	*65,621,091*	*25,415*
B.2 Sales of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business tranferred	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	**5,863,281,550**	**2,449,313**
D.1 Treasury Shares (+)	47,600	-
D.2 Shares outstanding as at the end of the year	5,863,329,150	2,449,313
- Fully paid	5,863,329,150	2,449,313
- not fully paid	-	-

The provisions of the usufruct contract relating to 96,756,406 shares (issued as part of the capital increase of January 2009) entail discretionary payments linked to the Euribor rate and subordinated to payment of dividends on ordinary and/or savings shares. The voting rights on these shares are suspended.

15.3 Share capital: other information

	12.31.2014	12.31.2013
Par value per share	-	-
Share reserved for issue on exercise of options	-	-
Agreed sales of shares	-	-

Following the resolution of the Extraordinary Shareholders' Meeting of December 15, 2011, the ordinary and savings shares have no par value.
As regards, in particular, the information relating to savings shares, see Arts 5, 7 and 32 of the Articles of Association of UniCredit S.p.A.

Part B – Consolidated Balance Sheet - Liabilities

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

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Legal Reserve	1,517,514	1,517,514
Statutory Reserve	1,195,845	1,195,845
Other Reserves	4,657,955	10,625,242
Total	**7,371,314**	**13,338,601**

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

(**) The reduction in "Other Reserves" is attributable to the residual allocation of the consolidated loss exceeding the loss recognised in the separate financial statements of the Parent Company UniCredit S.p.A.

15.5 Other Information

Revaluation reserve: breakdown

(€ '000)

	AMOUNTS AS AT	
ITEM/TYPES	12.31.2014	12.31.2013
1. Available-for-sale financial assets	1,570,748	562,178
2. Property, plant and equipment	-	-
3. Intangible assets	-	-
4. Hedges of foreign investments	-	-
5. Cash-flow hedges	626,727	535,806
6. Exchange differences	(3,011,344)	(1,423,673)
7. Non-current assets classified as held for sale	(3,081)	(4,934)
8. Actuarial gains (losses) on defined benefit plans	(2,880,910)	(1,412,985)
9. Revaluation reserves of investments valued at net equity	(713,709)	(982,489)
10. Special revaluation laws	277,020	277,020
Total	**(4,134,549)**	**(2,449,077)**

The amounts of the valuation reserves at December 31, 2013 differ from what was published on that date as a result of the entry into force of the new accounting standards IFRS10 and IFRS11, and of the revisions of IAS 27 and IAS 28 starting from January 1, 2014 with effect retroactive to January 1, 2013 which entailed a positive impact on the Group's shareholders' equity (restated) of €26 million, as described in Part A – Accounting Policies in Section 5 – Other Matters.

The main reserves for exchange rate gains (losses) at December 31, 2014 are referable to the following currencies:
- Turkish Lira: 954 million (negative) included in the share of revaluation reserves of the investments valued at equity in accordance with IFRS 11;
- Ruble: 1,864 million (negative);
- UAH (Ukraine): 587 million (negative).

With reference to UAH exchange rate (Ukraina) the negative reserve existing as of December 31, 2014 does not include the negative exchange rate differences already recycled to profit or loss in 2013 (€380 million).

Section 16 - Minorities - Item 210

The table below shows a breakdown of minorities as at December 31, 2014.

16.1 Breakdown of item 210 "Shareholders' equity: minorities" (€ '000)

	2014	2013
Equity investments in consolidated companies with significant minority interests	**3,495,134**	**3,348,548**
Bank Pekao SA Group	2,817,651	2,836,605
UniCredit Bank AG Group	30,889	46,806
UniCredit Bank Austria AG Group	445,418	463,651
Unicredit Leasing S.p.A. Group	(2)	1,487
Fineco Bank S.p.A	201,178	(1)
Other equity investments	**(69,690)**	**(34,927)**
Other consolidation adjustments	**20,375**	**20,201**
Total	**3,445,819**	**3,333,822**

The shareholders' equity **attributable to minority interests** for 2014 amounted to € 3,446 million.

Among the largest contributions we can note that attributable to the minority shareholders of the Bank Pekao S.A. Group, the contribution of the UniCredit Bank Austria AG Group, that of the UniCredit Bank AG Group and that of FinecoBank S.p.A. following the sale of 34.5% of the company, of which UniCredit continues to hold control.

In financial year 2013, minority interests were € 3,334 million. The amounts at December 31, 2013 differ from what was published on that date as a result of the entry into force of the new accounting standards IFRS 10 and IFRS 11, and of the revisions of IAS 27 and IAS 28 starting from January 1, 2014 with effect retroactive to January 1, 2013 which determined a negative impact on the shareholders' equity of minority interests at December 31, 2013 (restated) of € 70 thousand, as described in Part A – Accounting Policies in Section 5 – Other Matters.

16.2 Capital instruments: breakdown and annual changes

There are no equity instruments.

Part B – Consolidated Balance Sheet - Liabilities

Other information

1. Guarantees given and commitments

(€ '000)

TRANSACTIONS	AMOUNTS AS AT 12.31.2014	12.31.2013
1) Financial guarantees given to	**23,738,034**	**16,375,702**
a) Banks	9,847,608	1,765,883
b) Customers	13,890,426	14,609,819
2) Commercial guarantees given to	**50,489,332**	**44,487,587**
a) Banks	8,710,727	5,838,631
b) Customers	41,778,605	38,648,956
3) Other irrevocable commitments to disburse funds	**99,086,141**	**96,042,368**
a) banks:	5,006,287	5,255,065
i) usage certain	*3,174,353*	*3,590,820*
ii) usage uncertain	*1,831,934*	*1,664,245*
b) customers:	94,079,854	90,787,303
i) usage certain	*25,104,357*	*25,808,354*
ii) usage uncertain	*68,975,497*	*64,978,949*
4) Underlying obligations for credit derivatives: sales of protection	**-**	**-**
5) Assets used to guarantee others' obligations	**12,227**	**2,046**
6) Other commitments	**5,537,869**	**7,069,049**
Total	**178,863,603**	**163,976,752**

2. Assets used to guarantee own liabilities and commitments

(€ '000)

PORTFOLIOS	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
1. Financial assets held for trading	22,902,564	17,993,936
2. Financial assets designated at fair value	19,359,603	14,405,404
3. Financial assets available for sale	48,325,533	35,093,482
4. Financial assets held to maturity	1,981,554	2,925,472
5. Loans and receivables with banks	2,675,809	2,146,039
6. Loans and receivables with customers	73,540,014	71,755,686
7. Property, plant and equipment	-	-

Deposits from Banks include €23,139 million related to Central Banks' refinancing operations collateralized by securities nominal worth €25,038 million. Of these, the securities not recognized on balance-sheet – since they represent repurchased or retained Group's financial liabilities – amount to nominal €10,056 million.

Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

LENDER BREAKDOWN	AMOUNTS AS AT 12.31.2014			
	AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSE			
	GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS	SOLD	SOLD IN REPO TRANSACTIONS	OTHER PURPOSES
A. Banks	688,240	187,541	12,675,770	2,637,411
B. Financial companies	50,198	153,397	2,278,440	400,499
C. Insurance companies	-	-	-	-
D. Non-Financial companies	98,191	111,633	2,120,128	484,273
E. Others	-	576	1,181,144	60
Total	**836,629**	**453,147**	**18,255,482**	**3,522,243**

Part B – Consolidated Balance Sheet - Liabilities

3. Operating leases

(€ '000)

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Lessee information		
Operating leases		
Future minimum non-cancellable lease payments:		
- up to twelve months	152,714	134,283
- from one to five years	327,963	312,175
- over five years	109,632	141,106
Total amounts	**590,309**	**587,564**
Future minimum non-cancellable lease payments (to be received)		
Total payments	**9,999**	**11,619**
Lessor information		
Operating leases		
Future minimum non-cancellable lease payments (to be received):		
- up to twelve months	102,267	125,794
- from one to five years	333,718	303,012
- over five years	156,359	152,180
Total amounts	**592,344**	**580,986**

4. Breakdown of investments relating to unit-linked and index-linked policies

There were no transactions concerning unit-linked and index-linked policies.

5. Asset management and trading on behalf of others

(€ '000)

TYPE OF SERVICES	12.31.2014
1. Management and trading on behalf of third parties	**898,864,991**
a) purchases	449,004,553
1. Settled	*448,573,415*
2. Unsettled	*431,138*
b) sales	449,860,438
1. Settled	*449,426,215*
2. Unsettled	*434,223*
2. Portfolio management	**226,660,609**
a) Individual	87,753,253
b) Collective	138,907,356
3. Custody and administration of securities	**572,938,978**
a) third party securities on deposits: relating to depositary bank activities (excluding portfolio management)	7,406,509
1. Securities issued by companies included in consolidation	*635*
2. Other securities	*7,405,874*
b) third party securities held in deposits (excluding portfolio management): other	281,986,085
1. Securities issued by companies included in consolidation	*36,552,715*
2. Other securities	*245,433,370*
c) Third party securities deposited with third parties	184,964,540
d) Property securities deposited with third parties	98,581,844
4. Other	**14,976,914**

6. Assets subject to accounting offsetting or under master netting agreements and similar ones

(€ '000)

INSTRUMENT TYPE		GROSS AMOUNTS OF FINANCIAL ASSETS (a)	FINANCIAL LIABILITIES OFFSET IN BALANCE SHEET (b)	NET BALANCE SHEET VALUES OF FINANCIAL ASSETS (c=a-b)	RELATED AMOUNTS NOT RECOGNIZED IN BALANCE SHEET		NET AMOUNTS AT 12.31.2014 (f=c-d-e)	NET AMOUNTS AT 12.31.2013
					FINANCIAL INSTRUMENTS (d)	CASH COLLATERAL RECEIVED (e)		
1. Derivatives		88,955,269	22,648,050	66,307,219	43,822,792	11,541,921	10,942,506	10,416,743
2. Reverse repos		19,264,317	1,412,235	17,852,082	17,612,768	90	239,224	507,304
3. Securities lending		-	-	-	-	-	-	-
4. Others		23,471,198	1,111,597	22,359,601	-	-	22,359,601	21,083,000
Total	**12.31.2014**	**131,690,784**	**25,171,882**	**106,518,902**	**61,435,560**	**11,542,011**	**33,541,331**	**X**
Total	**12.31.2013**	**117,339,894**	**17,663,000**	**99,676,894**	**60,284,855**	**7,384,992**	**X**	**32,007,047**

7. Liabilities subject to accounting offsetting or under master netting agreements and similar ones

(€ '000)

INSTRUMENT TYPE		GROSS AMOUNTS OF FINANCIAL LIABILITIES (a)	FINANCIAL ASSETS OFFSET IN BALANCE SHEET (b)	NET BALANCE SHEET VALUES OF FINANCIAL LIABILITIES (c=a-b)	RELATED AMOUNTS NOT RECOGNIZED IN BALANCE SHEET		NET AMOUNTS AT 12.31.2014 (f=c-d-e)	NET AMOUNTS AT 12.31.2013
					FINANCIAL INSTRUMENTS (d)	CASH COLLATERAL PLEDGED (e)		
1. Derivatives		87,725,932	23,054,041	64,671,891	44,101,499	12,925,410	7,644,982	7,256,510
2. Repos		28,900,433	1,412,235	27,488,198	24,116,289	-	3,371,909	943,000
3. Securities lending		-	-	-	-	-	-	-
4. Others		70,078,492	1,111,597	68,966,895	-	-	68,966,895	67,656,000
Total	**12.31.2014**	**186,704,857**	**25,577,873**	**161,126,984**	**68,217,788**	**12,925,410**	**79,983,786**	**X**
Total	**12.31.2013**	**173,509,720**	**17,663,000**	**155,846,720**	**70,461,278**	**9,529,932**	**X**	**75,855,510**

Part C – Consolidated Income Statement

Part C – Consolidated Income Statement

Section 1 - Interest income and expense - Items 10 and 20

In 2014, interest income and similar revenues were €21,742 million, a decrease over the previous year.
“Interest income from financial assets denominated in currency”, which was 27% of item 10 (26% in 2013) is aligned with previous year and equal to €5,914 million against €5,844 million in 2013.

1.1 Interest income and similar revenues: breakdown

(€ '000)

ITEMS/TYPE	YEAR 2014 DEBT SECURITIES	YEAR 2014 LOANS	YEAR 2014 OTHER TRANSACTIONS	YEAR 2014 TOTAL	YEAR 2013 TOTAL
1. Financial assets held for trading	295,990	18,917	521,336	836,243	385,320
2. Financial assets at fair value through profit or loss	367,239	43,340	-	410,579	481,914
3. Available-for-sale financial assets	2,250,480	-	-	2,250,480	2,201,386
4. Held-to-maturity investments	75,876	-	-	75,876	98,871
5. Loans and receivables with banks	115,716	455,166	-	570,882	494,621
6. Loans and receivables with customers	312,763	15,314,956	-	15,627,719	16,810,279
7. Hedging derivatives	X	X	1,834,616	1,834,616	2,028,006
8. Other assets	X	X	135,476	135,476	146,817
Total	**3,418,064**	**15,832,379**	**2,491,428**	**21,741,871**	**22,647,214**

1.2 and 1.5 Interest income/expense and similar revenues/charges: hedging differentials

(€ '000)

ITEMS	2014	2013
A. Positive differentials relating to hedging operations	7,386,462	8,453,491
B. Negative differentials relating to hedging operations	(5,551,846)	(6,425,485)
C. Net differential	**1,834,616**	**2,028,006**

For the sake of comparability, the table 1.2 “Interest income and similar revenues” also includes the figures of the table 1.5 “Interest expense and similar costs”.

1.3 Interest income and similar revenues: other information

1.3.1 Interest income from financial assets denominated in currency

(€ '000)

ITEMS	2014	2013
a) Assets denominated in currency	5,913,951	5,844,358

1.3.2 Interest income from finance leases

(€ '000)

ITEMS	2014	2013
a) Financial transactions: contingent rents recognised as income in the period	640,185	588,795

In 2014, interest expense and similar charges were €9,680 million, a decrease over the previous year.
"Interest expense on liabilities denominated in currency" were 23% of item 20 in 2014, are aligned against previous year.

1.4 Interest expense and similar charges: breakdown

(€ '000)

ITEMS/TYPE	YEAR 2014 DEBTS	YEAR 2014 SECURITIES	YEAR 2014 OTHER TRANSACTIONS	YEAR 2014 TOTAL	YEAR 2013 TOTAL
1. Deposits from Central banks	(167,097)	X	-	(167,097)	(211,055)
2. Deposits from banks	(657,167)	X	-	(657,167)	(660,952)
3. Deposits from customers	(2,400,341)	X	-	(2,400,341)	(3,181,588)
4. Debt securities in issue	X	(5,148,150)	-	(5,148,150)	(5,853,739)
5. Financial liabilities held for trading	(13,550)	(114,331)	(920,300)	(1,048,181)	(771,931)
6. Financial liabilities at fair value through profit or loss	-	(5,575)	-	(5,575)	(7,995)
7. Other liabilities and funds	X	X	(253,525)	(253,525)	(42,148)
8. Hedging derivatives	X	X	-	-	-
TOTAL	**(3,238,155)**	**(5,268,056)**	**(1,173,825)**	**(9,680,036)**	**(10,729,408)**

1.5 Interest expense and similar charges: hedging differentials

For the sake of comparability, information on hedging differentials is provided in Table 1.2.

1.6 Interest expense and similar charges: other information

1.6.1 Interest expense on liabilities in currency

(€ '000)

ITEMS	2014	2013
a) Liabilities denominated in currency	(2,246,610)	(2,057,589)

1.6.2 Interest expense on finance leases

(€ '000)

ITEMS	2014	2013
a) Financial leasing transaction: contingent rents recognised as expense in the period	(4,789)	(52,471)

Section 2 - Fee and commission income and expense - Items 40 and 50

In 2014 fee and commission income totaled €9,070 million, a increase over the previous year (€8,809 million).

2.1 Fee and commission income: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	YEAR 2014	YEAR 2013
a) guarantees given	**564,868**	**562,445**
b) credit derivatives	**3,010**	**1**
c) management, brokerage and consultancy services:	**4,311,690**	**3,965,614**
1. securities trading	233,633	251,119
2. currency trading	167,597	173,731
3. portfolio management	1,755,550	1,622,252
3.1 individual	*194,475*	*197,390*
3.2 collective	*1,561,075*	*1,424,862*
4. custody and administration of securities	178,207	174,471
5. custodian bank	38,843	38,077
6. placement of securities	622,743	552,220
7. reception and transmission of orders	175,900	183,605
8. advisory services	114,510	94,978
8.1 related to investments	*42,598*	*33,003*
8.2 related to financial structure	*71,912*	*61,975*
9. distribution of third party services	1,024,707	875,161
9.1 portfolio management	333,307	278,092
9.1.1 individual	*1,144*	*1,737*
9.1.2 collective	*332,163*	*276,355*
9.2 insurance products	628,752	520,643
9.3 Other products	62,648	76,426
d) collection and payment services	**1,783,569**	**1,818,808**
e) securitization servicing	**10,835**	**13,766**
f) factoring	**89,808**	**95,167**
g) tax collection services	**-**	**-**
h) management of multilateral trading facilities	**-**	**-**
i) management of current accounts	**1,346,413**	**1,316,997**
j) other services	**942,193**	**1,015,857**
k) security lending	**17,930**	**19,866**
Total	**9,070,316**	**8,808,521**

Item “j) other services” mainly comprises:

- fees on loans granted: €541 million in 2014, €586 million in 2013 (-8%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.): €96 million in 2014 and in 2013;
- fees on ATM and credit card services not included in collection and payment services: €50 million in 2014, €51 million in 2013 (-2%);
- fees on foreign transactions and services: €79 million in 2014, €85 million in 2013 (-7%).

Fee and commission expense was €1,585 million, basically aligned with 2013 (€1,583 million).

2.2 Fee and commission expense: breakdown

(€ '000)

SERVICES/VALUES	YEAR 2014	YEAR 2013
a) guarantees received	**(91,070)**	**(102,766)**
b) credit derivatives	**(9,348)**	**(14,402)**
c) management,brokerage and consultancy services:	**(828,432)**	**(756,070)**
1. trading financial instruments	(73,777)	(73,673)
2. currency trading	(16,961)	(17,004)
3. portfolio management	(185,338)	(158,657)
3.1 own portfolio	*(152,466)*	*(126,532)*
3.2 third party portfolio	*(32,872)*	*(32,125)*
4. custody and administration of securities	(185,290)	(170,613)
5. placement of financial instruments	(84,544)	(84,700)
6. off-site distribution of financial instruments, products and services	(282,522)	(251,423)
d) collection and payment services	**(490,407)**	**(484,854)**
e) other services	**(136,164)**	**(188,226)**
f) security borrowing	**(29,818)**	**(36,476)**
Total	**(1,585,239)**	**(1,582,794)**

Section 3 - Dividend income and similar revenue - Item 70

In 2014 dividend income, which is recognized in the accounts in the year in which their distribution is approved, totaled €320 million, or €402 million if income from units in investment funds is also considered, as against €261 million in 2013.

3.1 Dividend income and similar revenue: breakdown

(€ '000)

ITEMS/REVENUES	YEAR 2014		YEAR 2013	
	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	195,411	7,564	74,068	9,909
B. Available for sale financial assets	119,071	73,159	66,843	100,104
C. Financial assets at fair value through profit or loss	42	1,690	53	1,015
D. Investments	5,547	X	8,924	X
Total	**320,071**	**82,413**	**149,888**	**111,028**
Total dividends and income from units in investment funds		**402,484**		**260,916**

Sub-item "B. Available for sale financial assets" includes €84 million in dividends received relating to the shareholding in the Bank of Italy (€15.5 million in 2013).

Section 4 - Gains and losses on financial assets and liabilities held for trading - Item 80

2014 trading income, comprising income from the sale and valuation of trading assets and liabilities, trading gains (losses) on derivatives and exchange differences, was €635 million – a decrease from the 2013 figure (€1,228 million gains).

This table summarizes trading income for 201 and 2013 with y/y changes.

Gains and losses on financial assets and liabilities held for trading (€ million)

TRANSACTIONS/P&L ITEMS	YEAR 2014	YEAR 2013	CHANGE
Financial assets held for trading	968	1,263	-295
Financial liabilities held for trading	(110)	(476)	366
Financial assets and liabilities in currency: exchange differences	555	239	316
Financial and credit derivatives	(778)	202	-980
Total	**635**	**1,228**	**-593**

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

(€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2014				
	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets held for trading	**812,122**	**2,198,029**	**(743,854)**	**(1,297,963)**	**968,334**
1.1 Debt securities	309,086	659,550	(189,216)	(343,894)	435,526
1.2 Equity instruments	232,599	1,175,762	(495,583)	(771,822)	140,956
1.3 Units in investment funds	67,071	158,814	(58,874)	(64,923)	102,088
1.4 Loans	201,123	7,361	(181)	(117,024)	91,279
1.5 Other	2,243	196,542	-	(300)	198,485
2. Financial liabilities held for trading	**412,762**	**489,030**	**(537,516)**	**(474,088)**	**(109,812)**
2.1 Debt securities	359,458	231,533	(445,190)	(316,754)	(170,953)
2.2 Deposits	-	-	(6)	(3,333)	(3,339)
2.3 Other	53,304	257,497	(92,320)	(154,001)	64,480
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**554,799**
4. Derivatives	**128,017,362**	**62,210,894**	**(125,944,131)**	**(64,746,656)**	**(777,805)**
4.1 Financial derivatives:	123,457,211	58,551,525	(121,493,237)	(61,016,788)	(816,563)
- on debt securities and interest rates	*95,808,152*	*53,731,740*	*(93,971,224)*	*(55,540,396)*	*28,272*
- on equity securities and share indices	*26,981,195*	*4,283,740*	*(26,943,061)*	*(4,709,182)*	*(387,308)*
- on currency and gold	*X*	*X*	*X*	*X*	*(315,274)*
- other	*667,864*	*536,045*	*(578,952)*	*(767,210)*	*(142,253)*
4.2 Credit derivatives	4,560,151	3,659,369	(4,450,894)	(3,729,868)	38,758
Total	**129,242,246**	**64,897,953**	**(127,225,501)**	**(66,518,707)**	**635,516**

Section 5 - Fair value adjustments in hedge accounting - Item 90

In 2014 the item "Fair value adjustments in hedge accounting" amounted to -€9.0 million (-€17.1 million in 2013), which was the result of €25,143 million gains and €25,152 million losses.

5.1 Fair value adjustments in hedge accounting: breakdown

(€ '000)

P&L COMPONENT/VALUES	YEAR 2014	YEAR 2013
A. Gains on:		
A.1 Fair value hedging instruments	22,442,622	9,286,646
A.2 Hedged asset items (in fair value hedge relationship)	2,596,539	237,026
A.3 Hedged liability items (in fair value hedge relationship)	74,252	2,555,833
A.4 Cash-flow hedging derivatives	29,493	12,029
A.5 Assets and liabilities denominated in currency	284	2,425
Total gains on hedging activities	**25,143,190**	**12,093,959**
B. Losses on:		
B.1 Fair value hedging instruments	(21,129,587)	(10,745,655)
B.2 Hedged asset items (in fair value hedge relationship)	(1,168,527)	(1,081,101)
B.3 Hedged liability items (in fair value hedge relationship)	(2,831,751)	(280,249)
B.4 Cash-flow hedging derivatives	(22,320)	(1,184)
B.5 Assets and liabilities denominated in currency	(51)	(2,897)
Total losses on hedging activities	**(25,152,236)**	**(12,111,086)**
C. Net hedging result	**(9,046)**	**(17,127)**

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

In 2014 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of +€686 million (+€2,370 million in 2013), of which +€643 million on assets and +€43 million on liabilities.
2014 net result recognized under sub-item “3. Available-for-sale financial assets – 3.1 Debt securities” was +€319 million and comprised gains on disposal of UniCredit S.p.A. (+€121 million, mainly due to disposal of Italian Government securities), Bank Pekao Sa (+€58 million, mainly due to disposal of Polish Government securities), UniCredit Bank Austria Ag (+€56 million, of which +€27 million due to disposal of Italian Government securities), UniCredit Bank Hungary Zrt. (+€39 million, mainly due to disposal of Hungarian Government securities).
Net results of sub-item “3. Available-for-sale financial assets – 3.2 Equity Instruments” equal to +€291 million and includes gain on disposal of Private Equity for €138 million (of which Alliance Boots for +€84 million). Net result also includes gains on disposal deriving from exercising the convertible option on equity securities for +€27 million (Risanamento S.p.A.) and on disposal of equity investment in Atlantia S.p.A. for +€77 million and Carlo Tassara S.p.A. for +€32 million.
The net profit on repurchase of financial liabilities principally relates to debt securities in issue for +€52 million, of which €49 million relating to the offer for the partial repurchase of Senior Notes issued by UniCredit S.p.A. launched in the second quarter of 2014.

6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

	YEAR 2014			YEAR 2013		
ITEMS/P&L ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
Financial assets						
1. Loans and receivables with banks	**4,325**	**(94)**	**4,231**	**2,042**	**(2,890)**	**(848)**
2. Loans and receivables with customers	**129,035**	**(116,313)**	**12,722**	**92,519**	**(94,865)**	**(2,346)**
3. Available-for-sale financial assets	**801,439**	**(178,903)**	**622,536**	**2,067,932**	**(140,535)**	**1,927,397**
3.1 Debt securities	454,515	(135,636)	318,879	314,036	(109,542)	204,494
3.2 Equity instruments	298,317	(7,729)	290,588	1,699,350	(5,953)	1,693,397
3.3 Units in Investment funds	48,606	(35,538)	13,068	54,546	(24,889)	29,657
3.4 Loans	1	-	1	-	(151)	(151)
4. Held-to-maturity investments	**4,114**	**-**	**4,114**	**3,618**	**-**	**3,618**
Total assets	**938,913**	**(295,310)**	**643,603**	**2,166,111**	**(238,290)**	**1,927,821**
Financial liabilities						
1. Deposits with banks	**8**	**(5)**	**3**	**76**	**(7,631)**	**(7,555)**
2. Deposits with customers	**3,544**	**(13,025)**	**(9,481)**	**6,993**	**(16,536)**	**(9,543)**
3. Debt securities in issue	**151,168**	**(99,033)**	**52,135**	**499,478**	**(40,228)**	**459,250**
Total liabilities	**154,720**	**(112,063)**	**42,657**	**506,547**	**(64,395)**	**442,152**
Total financial assets and liabilities			**686,260**			**2,369,973**

In 2013 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of €2,370 million.
2013 net result recognized under sub-item “3. Available-for-sale financial assets – 3.1 Debt securities” was €204 million and mainly comprised gains on disposal of Polish and American Government securities of €73 million, Italian Government securities of €40 million.
Net results of sub-item “3. Available-for-sale financial assets – 3.2 Equity Instruments” was equal to euro 1.693 million and included gain on disposal mainly due to Bank of Italy stake (€1.374 million) following the Capital Increase executed by issuing New Shares replacing Old Shares being cancelled (for further information please refer to Part B - Section 4.1).
Net result includes gains on disposal arising from:

- OJSC Micex - RTS: €145 million;
- Private Equity €98 million (of which Alliance Boots €41 million);
- Fondiaria SAI S.p.A.: €48 million;
- NXP Co-Investment Partners VIII L.P. €11 million;
- RCG Holdings LLC: €7 million.

The net profit on repurchase of financial liabilities (€442 million) principally related to the repurchase of debt securities, of which €254 million relating to the tender offer concerning senior securities launched in the second quarter of 2013 and to the extinction of other liabilities as to €189 million.

Section 7 - Gains and losses on financial assets/liabilities at fair value through profit or loss - Item 110

Gains and losses on financial assets/liabilities at fair value comprise net gains arising from the valuation of financial assets and liabilities recognized in the accounts, as well as credit and financial derivatives economically associated with them and already recognized under Financial assets/liabilities held for trading (sub-Items: “1. Financial derivatives – 1.2 Related to fair value option” and “2. Credit derivatives – 2.2 Related to fair value option”).

At end 2014 this item showed a profit of €58 million (€211 million profit in 2013).

This table summarizes the net result of assets and liabilities valued at fair value for 2014 and 2013, with y/y changes.

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

(€ million)

TRANSACTIONS/P&L ITEMS	YEAR 2014	YEAR 2013	CHANGE
Financial assets	357	(295)	652
Financial liabilities	(6)	(33)	27
Financial assets and liabilities in currency: exchange differences	-	-	-
Financial and credit derivatives	(293)	539	-832
Total	**58**	**211**	**-153**

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

(€ '000)

	YEAR 2014				
TRANSACTIONS/P&L ITEMS	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	NET PROFIT
1. Financial assets	**525,603**	**99,540**	**(132,781)**	**(135,169)**	**357,193**
1.1 Debt securities	388,944	75,204	(106,054)	(130,319)	227,775
1.2 Equity securities	1,669	362	-	-	2,031
1.3 Units in investment funds	20,143	23,152	(16,333)	(62)	26,900
1.4 Loans	114,847	822	(10,394)	(4,788)	100,487
2. Financial liabilities	**11,977**	**711**	**(19,014)**	**(3)**	**(6,329)**
2.1 Debt securities	11,977	711	(19,014)	(3)	(6,329)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
4. Credit and financial derivatives	**459,298**	**-**	**(750,581)**	**(1,508)**	**(292,791)**
Total	**996,878**	**100,251**	**(902,376)**	**(136,680)**	**58,073**

Section 8 - Impairment losses - Item 130

2014 loan loss provisions were €4,178 million, in decrease of €9,443 million over the previous year (€13,621 million).

Note that the accounts for 2013 were significantly influenced by the modification to the parameters used for the valuation of impaired and performing loans, qualified as “change in accounting estimates” and carried out by the Parent Company UniCredit S.p.A. and the subsidiaries UniCredit Credit Management Bank S.p.A. and UniCredit Leasing S.p.A.
For more information, please see the 2013 Consolidated Accounts – Part E – Information on risks and related risk management policies – A. Credit quality.

8.1 Impairment losses on loans and receivables: breakdown

(€ '000)

	YEAR 2014								YEAR 2013
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Loans and receivables with banks	**(388)**	**(14,831)**	**(24,848)**	**298**	**29,132**	**-**	**3,681**	**(6,956)**	**13,170**
- Loans	(388)	(14,831)	(24,635)	298	29,132	-	3,681	(6,743)	13,172
- Debt securities	-	-	(213)	-	-	-	-	(213)	(2)
B. Loans and receivables with customers	**(679,720)**	**(7,562,600)**	**(784,703)**	**603,122**	**3,336,040**	**703**	**915,701**	**(4,171,457)**	**(13,634,635)**
Impaired related to purchase agreements	**(1,575)**	**(28,449)**	**-**	**1,235**	**12,065**	**-**	**-**	**(16,724)**	**(58,749)**
- Loans	(1,575)	(28,449)	X	1,235	12,065	X	X	(16,724)	(58,749)
- Debt securities	-	-	X	-	-	X	X	-	-
Other loans	(678,145)	(7,534,151)	(784,703)	601,887	3,323,975	703	915,701	(4,154,733)	(13,575,886)
- Loans	(651,569)	(7,516,119)	(782,684)	601,887	3,318,684	703	868,572	(4,160,526)	(13,583,703)
- Debt securities	(26,576)	(18,032)	(2,019)	-	5,291	-	47,129	5,793	7,817
C. Total	**(680,108)**	**(7,577,431)**	**(809,551)**	**603,420**	**3,365,172**	**703**	**919,382**	**(4,178,413)**	**(13,621,465)**

The columns “Write-backs: interest” disclose any increase in the presumed recovery value of impaired positions arising from interest accrued in the year on the basis of the original effective interest rate used to calculate write-downs.

Sub-item B. Loans and receivables with customers – Impaired related to purchase includes write-downs and write-backs related to impaired loans acquired as part of disposals other than business combinations.

It should be noticed that the provisions for credit risk benefitted from a change in valuation methodology of doubtful loans operated by UniCredit S.p.A. This change, resulted in third quarter 2014 in a release of credit allowance for about 775 million (gross nominal value at 30 September 2014 of the specific portfolio affected by the change €18.1 billion). As a result of the underlying portfolio trend during fourth quarter 2014, the overall Profit & Loss benefit has been reduced to €560 million, highlighted also by the overall reduction of doubtful loans coverage ratio in comparison to the same data of 2013.
The valuation methodology has been revised in order to reflect a change in the underlying credit management process, which is more focused now to recovering activities in the stage before revocation of the credit line and from which higher cash flows are expected. The change in valuation methodology has been accounted as change in accounting estimate, according to IAS 8.35.

Part C – Consolidated Income Statement

8.2 Impairment losses on available for sale financial assets: breakdown

(€ '000)

	2014					2013
	WRITE-DOWNS		WRITE-BACKS			
	SPECIFIC		SPECIFIC			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Debt securities	-	(15,889)	-	10,913	(4,976)	(12,868)
B. Equity instruments	(3)	(211,985)	X	X	(211,988)	(94,325)
C. Units in investment funds	(1)	(31,871)	X	242	(31,630)	(39,407)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
F. Total	**(4)**	**(259,745)**	**-**	**11,155**	**(248,594)**	**(146,600)**

In 2014 impairment losses on available-for-sale financial assets were -€249 million, principally equity instruments (-€212 million), mainly attributable to: Istituto Per Il Credito Sportivo Edp (-€71 million, against which the respective provision for risk previously allocated was released), Alitalia - Compagnia Aerea Italiana S.p.A. (-€61 milion), Prelios S.p.A. (-€24 million), Risanamento S.p.A. (-€20 million) and Burgo Group S.p.A. (-€11 million).
In 2014 impairment losses on units in investment funds were -€32 million, largely attributable to private equity funds.

In 2013 impairment losses on available-for-sale financial assets were -€147 million, principally equity instruments (-€94 million), mainly attributable to: Private equity (-€19 million), BWA Beteiligungs- und Verwaltungs-Aktiengesellschaft (-€24 million), Poslovni Sistem Mercator D.D. (Mercator D.D.) (-€19 million).
In 2013 impairment losses on units in investment funds were -€39 million, largely attributable to private equity funds.

8.3 Impairment losses on held-to-maturity investments: breakdown

(€ '000)

	2014								2013
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Debt securities	-	(241)	(40)	-	39	-	-	(242)	(466)
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
D. Total	**-**	**(241)**	**(40)**	**-**	**39**	**-**	**-**	**(242)**	**(466)**

8.4 Impairment losses on other financial transactions: breakdown

(€ '000)

	2014								2013
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC			SPECIFIC		PORTFOLIO			
TRANSACTIONS/P&L ITEMS	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER	TOTAL	TOTAL
A. Guarantees given	-	(221,358)	(116,369)	570	208,235	-	69,870	(59,052)	(96,911)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	(93,087)	(22,483)	3	79,890	-	2,490	(33,187)	219,397
D. Other transactions	-	(280)	(5,869)	-	19	-	5,226	(904)	2,414
E. Total	**-**	**(314,725)**	**(144,721)**	**573**	**288,144**	**-**	**77,586**	**(93,143)**	**124,900**

Section 9 - Premiums earned (net) - Item 150

Net premium earned on insurance business was €246 thousand in 2013. As at December 31, 2014 the balance is zero.

9.1 Premium earned (net) - breakdown

(€ '000)

PREMIUMS COMING FROM INSURANCE BUSINESS	2014 DIRECT BUSINESS	2014 INDIRECT BUSINESS	2014 TOTAL	2013 TOTAL
A. Life business				
A.1 Gross premiums written (+)	-	-	-	246
A.2 Reinsurance premiums paid (-)	-	X	-	-
A.3 Total	**-**	**-**	**-**	**246**
B. Non-life business				
B.1 Gross premiums written (+)	-	-	-	-
B.2 Reinsurance premiums paid (-)	-	X	-	-
B.3 Change in gross value of premium reserve (+/-)	-	-	-	-
B.4 Change in provision for unearned premiums ceded to reinsurers (-/+)	-	-	-	-
B.5 Total	**-**	**-**	**-**	**-**
C. Total net premiums	**-**	**-**	**-**	**246**

Part C – Consolidated Income Statement

Section 10 - Other income (net) from insurance activities - Item 160

In 2014, the "Other income (net) from insurance activities" item was zero, compared to the loss of €2 million in 2013.

10.1 Other income (net) from insurance business: breakdown

(€ '000)

ITEMS	2014	2013
1. Net change in insurance provisions	-	(2,430)
2. Claims paid pertaining to the year	-	-
3. Other income and expense from insurance business	-	-
Total	**-**	**(2,430)**

10.2 Net change in insurance provisions: breakdown

(€ '000)

ITEMS	2014	2013
1. Life business		
A. Actuarial provisions	**-**	**-**
A.1 Gross amount for the year	-	-
A.2 (-) Amount attributable to reinsurers	-	-
B. Other insurance provisions	**-**	**(2,430)**
B.1 Gross amount for the year	-	-
B.2 (-) Amount attributable to reinsurers	-	(2,430)
C. Insurance reserves when investments risk is born by the insured party	**-**	**-**
C.1 Gross amount for the year	-	-
C.2 (-) Amount attributable to reinsurers	-	-
Total "Life business provisions"	**-**	**(2,430)**
2. Non-life business		
Change in provisions for non-life business other than claim provisions, net of amounts ceded to reinsurers	-	-

10.3 Claims settled during the year: breakdown

(€ '000)

CLAIMS EXPENSE	2014	2013
Life business: expense relating to claims, net of reinsures portions		
A. Amounts paid out	**-**	**-**
A.1 Gross annual amount	-	-
A.2 (-) Amount attributable to reinsurers	-	-
B. Change in provisions for amounts payable	**-**	**-**
B.1 Gross annual amount	-	-
B.2 (-) Amount attributable to reinsurers	-	-
Total life business claims	**-**	**-**
Non-life business: expense relating to claims, net of amounts recovered from reinsures		
C. Claims paid	**-**	**-**
C.1 Gross annual amount	-	-
C.2 (-) Amount attributable to reinsurers	-	-
D. Change in recoveries net of reinsurers' portion	**-**	**-**
E. Change in claims reserve	**-**	**-**
E.1 Gross annual amount	-	-
E.2 (-) Amount attributable to reinsurers	-	-
Total non-life business claims	**-**	**-**
Total claims of the year	**-**	**-**

10.4 Other income and expense from insurance activities: breakdown

(€ '000)

	2014		
	OTHER INCOME	OTHER EXPENSES	TOTAL
10.4.1 Life business	-	-	-
10.4.2 Property business	-	-	-
Total	**-**	**-**	**-**

Net result of the insurance business

The net result of the insurance business was €0 million against a loss of €2 million in 2013.

Net result of the insurance business

(€ '000)

P&L ITEMS/VALUES	2014	2013
Item 150 - Premiums earned (net)	-	246
Item 160 - Other income (net) from insurance activities	-	(2,430)
Total	**-**	**(2,184)**

Section 11 - Administrative costs - Item 180

2014 administrative costs were €13,773 million, down 4.3% over 2013 (€14,386 million).
Specifically:

- **payroll expense** was €8,204 million, down €801 million over 2013;
- **other administrative costs** were €5,569 million, up 188 million over 2013.

11.1 Payroll: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	YEAR 2014	YEAR 2013
1) Employees	**(8,114,451)**	**(8,903,736)**
a) wages and salaries	(5,772,490)	(5,877,256)
b) social charges	(1,304,004)	(1,329,492)
c) severance pay	(41,077)	(37,874)
d) social security costs	-	-
e) allocation to employee severance pay provision	(37,139)	(41,151)
f) provision for retirements and similar provisions:	(344,407)	(342,828)
- defined contribution	*(2,434)*	*(3,127)*
- defined benefit	*(341,973)*	*(339,701)*
g) payments to external pension funds:	(264,542)	(284,829)
- defined contribution	*(263,251)*	*(282,751)*
- defined benefit	*(1,291)*	*(2,078)*
h) costs related to share-based payments	(97,240)	(41,373)
i) other employee benefits	(286,618)	(969,969)
l) recovery payments seconded employees	33,066	21,036
2) Other staff	**(74,436)**	**(86,860)**
3) Directors and Statutory Auditors	**(14,905)**	**(14,788)**
4) Early retirement costs	**-**	**-**
Total	**(8,203,792)**	**(9,005,384)**

See Table 11.3 for details of sub-item f) provision for retirement payments and similar provisions - defined benefit.

See Table 11.4 for details of sub-item i) other employee benefits.

See Part I for details of sub-item h) costs related to share-based payments.

11.2 Average number of employees by category

	2014	2013
Employees:	**142,142**	**147,536**
a) Senior managers	2,353	2,346
b) Managers	33,767	35,257
c) Remaining employees staff	106,022	109,933
Other Staff	**2,830**	**3,551**
Total	**144,972**	**151,087**

Employees by category at year end

	AMOUNTS AS AT	
	12.31.2014	12.31.2013
Employees:	**140,917**	**143,365**
a) Senior managers	2,078	2,627
b) Managers	33,623	33,911
c) Remaining employees staff	105,216	106,827
Other Staff	**2,603**	**3,056**
Total	**143,520**	**146,421**

11.3 Defined benefit company retirement funds: total costs and revenues

(€ '000)

	2014	2013
Current service cost	(141,217)	(139,713)
Settlement gains (losses)	(107)	467
Past service cost	416	(3,353)
Interest cost on the DBO	(342,925)	(332,371)
Interst income on plan assets	141,860	135,269
Total recognized in profit or loss	**(341,973)**	**(339,701)**

11.4 Other employee benefits

(€ '000)

	2014	2013
- Seniority premiums	(34,555)	(45,028)
- Leaving incentives	4,789	(647,619)
- Other	(256,852)	(277,322)
Total	**(286,618)**	**(969,969)**

Part C – Consolidated Income Statement

11.5 Other administrative expenses: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	YEAR 2014	YEAR 2013
1) Indirect taxes and duties	**(866,390)**	**(777,088)**
1a. Settled	(864,654)	(772,593)
1b. Unsettled	(1,736)	(4,495)
2) Miscellaneous costs and expenses	**(4,702,357)**	**(4,603,608)**
a) advertising marketing and communication	(353,221)	(347,046)
b) expenses related to credit risk	(236,450)	(252,346)
c) expenses related to personnel	(242,430)	(234,395)
d) Information & Communication Technology expenses	**(1,291,161)**	**(1,123,148)**
Lease of ICT equipment and software	(106,179)	(152,965)
Software expenses: lease and maintenance	(228,620)	(304,287)
ICT communication systems	(94,183)	(127,990)
Services ICT in outsourcing	(715,675)	(398,806)
Financial information providers	(146,504)	(139,100)
e) consulting and professionals services	**(479,900)**	**(482,868)**
Consulting	(310,343)	(289,653)
Legal expenses	(169,557)	(193,215)
f) real estate expenses	**(1,109,100)**	**(1,153,472)**
Premises rentals	(623,181)	(664,844)
Utilities	(201,942)	(223,875)
Other real estate expenses	(283,977)	(264,753)
g) operative costs	**(990,095)**	**(1,010,333)**
Surveillance and security services	(60,807)	(62,537)
Money counting services and transport	(74,529)	(76,806)
Printing and stationery	(61,636)	(63,359)
Postage and transport of documents	(125,366)	(130,105)
Administrative and logistic services	(264,058)	(311,406)
Insurance	(85,948)	(78,178)
Association dues and fees	(237,190)	(220,791)
Other administrative expenses - Other	(80,561)	(67,151)
Total (1+2)	**(5,568,747)**	**(5,380,696)**

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

The increase of outsourced ICT fees was largely due to services outsourced to the associate Value Transformation Services S.p.A. (VTS), to which the subsidiary UBIS S.C.p.A. transferred the “information technology” business unit in September 2013.

Pursuant to article 2427, first paragraph of the Italian Civil Code, the fees paid to the auditing firm Deloitte & Touche S.p.A. (and firms in its network) by UniCredit S.p.A and the Italian entities of the UniCredit group relating to FY 2014 were as follows:

- legal audit of annual accounts (including the audit of the first half financial report): €4,317 thousand;
- other checks: €1,073 thousand;
- tax advisory: €55 thousand;
- other non-audit services: €8,366 thousand.

The above amounts are net of VAT and expenses and do not include the audit fees for the annual statements of the investment funds.

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

In 2014 net provisions for risks and charges, which amounted to -€384 million (-€818 million in 2013), were due to expected charges deriving from post-insolvency clawback petitions, claims for damages, litigation and disputes of other nature. This item is updated according to litigation undergoing and its expected outcome.

12.1 Net provisions for risks and charges: breakdown

(€ '000)

ASSETS/P&L ITEMS	YEAR 2014 PROVISIONS	YEAR 2014 REALLOCATION SURPLUS	YEAR 2014 TOTAL	YEAR 2013 TOTAL
1. Other provisions				
1.1 legal disputes	(236,951)	112,068	(124,883)	(329,773)
1.2 staff costs	(116)	1,001	885	(128)
1.3 other	(685,177)	424,790	(260,387)	(487,903)
Total	**(922,244)**	**537,859**	**(384,385)**	**(817,804)**

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

As at December 31, 2014, the balance of the sub-item 1.3 other included €107 million in accordance with the new regulations providing for the abolition of the bid/ask spreads (forex) applied to retail loans in foreign currency in Hungary. Further the sub-item includes the cost related to the Leasing commercial network restructuring.

Section 13 - Impairments/write-backs on property, plant and equipment - Item 200

In 2014 impairment/write-backs on property, plant and equipment amounted to -€763 million (as against -€842 million in 2013). This amount includes €22 million thousand impairment losses on tangible assets held for sale. The breakdown is provided in the table below:

13.1 Impairment on property, plant and equipment: breakdown

(€ '000)

ASSETS/P&L ITEMS	2014 DEPRECIATION	2014 IMPAIRMENT LOSSES	2014 WRITE-BACKS	2014 NET PROFIT
A. Property, plant and equipment				
A.1 Owned	**(681,235)**	**(83,502)**	**28,704**	**(736,033)**
- used in the business	(607,684)	(22,483)	16,953	(613,214)
- held for investment	(73,551)	(61,019)	11,751	(122,819)
A.2 Finance lease	**(4,477)**	**-**	**-**	**(4,477)**
- used in the business	(4,390)	-	-	(4,390)
- held for investment	(87)	-	-	(87)
Total	**(685,712)**	**(83,502)**	**28,704**	**(740,510)**
B. Tangible assets classified as held for sale	**X**	**(22,407)**	**1**	**(22,406)**
- used in the business	X	(13,976)	-	(13,976)
- held for investment	X	(8,431)	1	(8,430)
Total A+B	**(685,712)**	**(105,909)**	**28,705**	**(762,916)**

Section 14 - Impairments/write-backs on intangible assets - Item 210

In 2014 impairments/write-backs on intangible assets were -€430,574 thousand, against -€2,693,712 thousand in the previous year (restated following the introduction of IFRS 10 and IFRS 11).

Apart from depreciation (approximately -€ 0.6 billion) in previous 2013 the impairment of the other intangible assets with finite life was approximately €2 billion and was due to Customer Relationships and Core Deposits with the exception of subsidiaries in Poland (€1.9 billion) and software no more used by the Group (€0.1 billion).

At December 31, 2014 item 210 included -€20,000 thousand impairment losses on intangible assets classified as held for sale. The breakdown is set out in the table below:

14.1 Impairment on intangible assets: breakdown

(€ '000)

	2014			
ASSETS/P&L ITEMS	AMORTISATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET PROFIT
A. Intangible assets				
A.1 Owned	**(403,404)**	**(7,170)**	**-**	**(410,574)**
- generated internally by the company	(204,164)	-	-	(204,164)
- other	(199,240)	(7,170)	-	(206,410)
A.2 Finance leases	**-**	**-**	**-**	**-**
B. Non-current assets classified as held for sale	**X**	**(20,000)**	**-**	**(20,000)**
Total A+B	**(403,404)**	**(27,170)**	**-**	**(430,574)**

With reference to the intangible asset – other, see Part B – Consolidated Balance Sheet – Asset - Section 13 – Intangible Assets.

Section 15 - Other net operating income - Item 220

Other net operating income is a residual item comprising sundry gains and expenses not attributable to other income statement items.

Other net operating income: breakdown

(€ '000)

P&L ITEMS/VALUE	YEAR 2014	YEAR 2013
Total other operating expense	(866,130)	(772,693)
Total other operating revenues	2,090,975	1,902,222
Other net operating income	**1,224,845**	**1,129,529**

15.1 Other operating expense: breakdown

(€ '000)

TYPE OF EXPENSE/VALUE	YEAR 2014	YEAR 2013
Costs for operating leases	(5,019)	(5,118)
Non-deductible tax and other fiscal charges	(4,884)	(5,280)
Write-downs on leasehold improvements	(55,755)	(62,251)
Costs related to the specific service of financial leasing	(130,476)	(134,509)
Other	(669,996)	(565,535)
Total other operating expenses	**(866,130)**	**(772,693)**

The sub-item "Other" includes:

- various settlements and indemnities of €104 million, €133 million in 2013;
- additional costs for the leasing business of €40 million, €54 million in 2013;
- non-banking business costs € 156 million, € 39 million in 2013;
- charges relating to Group property of € 34 million, € 14 million in 2013;
- various payments relating to prior years of € 9 million, € 13 million in 2013;
- additional costs relating to customer accounts of € 12 million, € 16 million in 2013;
- new bank levy of € 39 million, € 100 million in 2013.

15.2 Other operating revenues: breakdown

(€ '000)

TYPE OF REVENUE/VALUES	YEAR 2014	YEAR 2013
A) Recovery of costs	**811,791**	**803,217**
B) Other Revenues	**1,279,184**	**1,099,005**
Revenues from administrative services	68,998	77,874
Revenues on rentals Real Estate investments (net of operating direct costs)	112,122	128,553
Revenues from operating leases	143,452	133,507
Recovery of miscellaneous costs paid in previous years	18,856	16,894
Revenues on Financial Leases activities	152,997	159,328
Others	782,759	582,849
Total operating revenues (A+B)	**2,090,975**	**1,902,222**

The sub-item *Other* includes:

- additional income received from leasing business of €27 million, €39 million in 2013;
- income from non-banking business of €356 million, €178 million in 2013;
- various income from Group property of €45 million, €13 million in 2013;
- payments of indemnities and compensation of €35 million, €45 million in 2013.

The increase of the item "Other revenues" reflects the services rendered, starting from September 2013, by the subsidiary UBIS SCpA to the associate V-TServices on real estate (Data Centers rental fees) and on software (right of use on SW licenses).

Section 16 - Profit (loss) of associates - Item 240

In 2014 profit (loss) of associates amounted to +€682 million (+€519 million in 2013), attributable to companies subject to significant influence for €346 million and to jointly owned companies for +€336 million.
This result consists of **A. Income** of +€853 million and **B. Expense** of -€171 million. In more detail:

- sub-item **A. Income** includes:
  - +€616 million **revaluations** related to gains on companies valued at Equity method: Koc Finansal Hizmetler As consolidato (€336 million), Oberbank AG (€44 million), Mediobanca Banca di Credito Finanziario S.p.A. (€39 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (€34 million), Oesterreichische Kontrollbank Aktiengesellschaft (€32 million), Creditras Vita S.p.A. (€26 million), Ca Immobilien Anlagen Aktiengesellschaft (€26 million), CNP Unicredit Vita S.p.A. (€17 million), BKS Bank AG (€15 million), Sia S.p.A. (€12 million);
  - **gains on disposal** of €237 million, arising from the disposal of the investments in the companies Sia S.p.A. (€132 million), Coinv S.p.A. (€58 million), Ca Immobilien Anlagen Aktiengesellschaft (€20 million), Neep Roma Holding S.p.A. (€19 million), Sw Holding S.p.A. (€5 million).
- sub-item **B. Expense** includes:
  - -€78 million **write-downs** largely referred to losses on companies valued at Equity method: Fenice Holding S.p.A. (-€56 million), Neep Roma Holding S.p.A. (-€9 million), Barn Bv (-€6 million);
  - - €67 million impairment losses, mainly attributable to write-downs on investments measured using the Equity method, including Bks Bank AG (-€31 million) as resulted by impairment test procedure, Aviva Vita S.p.A. (-€22 million, against which we proceeded to release the respective provisions for risks previously set aside), Fenice S.r.l. (-€10 million);
  - -€26 million **loss on disposal**, mainly attributable to the impact arising from the decrease of holding percentace of both Ca Immobilien Anlagen Aktiengesellschaft (-€17 million) before the date of sale and Bks Bank AG (-€7 million).

We can note that the portion of gains and losses on disposal attributable to measurement at fair value of any equity interests retained at the date of losing control amounted to +€22 million and refers to measurement at fair value of 4% of the equity investment in Sia S.p.A., classified in the “Financial assets available for sale” portfolio.

16.1 Profit (Loss) of associates: breakdown

(€ '000)

P&L ITEMS/SECTORS	2014	2013
1) Jointly owned companies - Equity		
A. Income	**335,983**	**635,689**
1. Revaluations	335,983	635,689
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
B. Expense	**(52)**	**(222,853)**
1. Writedowns	(52)	-
2. Impairment losses	-	(222,853)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net profit	**335,931**	**412,836**
2) Companies subject to significant influence		
A. Income	**517,448**	**239,699**
1. Revaluations	280,290	191,591
2. Gains on disposal	237,158	47,958
3. Writebacks	-	150
4. Other gains	-	-
B. Expense	**(171,072)**	**(133,673)**
1. Writedowns	(77,655)	(42,910)
2. Impairment losses	(67,484)	(89,541)
3. Losses on disposal	(25,933)	(1,222)
4. Other expenses	-	-
Net profit	**346,376**	**106,026**
Total	**682,307**	**518,862**

In 2013 profit (loss) of associates amounted to +€519 million, attributable to jointly owned companies for +€413 million and to companies subject to significant influence for €106 million.
This result consists of **A. Income** of +€875 million and **B. Expense** of -€356 million. In more detail:

- sub-item **A. Income** included:
  - +€827 million **revaluations** related to gains on companies valued at Equity method: Koc Finansal Hizmetler As consolidato (€637 million), Oberbank AG (€39 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (€31 million), Oesterreichische Kontrollbank Aktiengesellschaft (€23 million), Creditras Vita S.p.A. (€18 million), Cnp Unicredit Vita S.p.A. (€17 million), Bks Bank AG (€15 million), Sia S.p.A. (€10 million), Sw Holding S.p.A. (€8 million), Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A. S. (€4 million);
  - **gains on disposal** of €48 million, arising from the investments in the companies Eurotlx Sim S.p.A. (€14 million), Europay Hrvatska d.o.o. (€10 million), Neep Roma Holding S.p.A. (€9 million), Accenture Back Office And Administration Services S.p.A. (€7 million), Centrale Dei Bilanci Srl Soc Studi Finanziari (€7 million).
- sub-item **B. Expense** included:
  - -€43 million **write-downs** largely referred to losses on companies valued at Equity method: Wien Mitte Immobilien GMBH (-€12 million), Mediobanca Banca Di Credito Finanziario S.p.A. (-€10 million), Aviva S.p.A. (-€5 million);
  - -€313 million **impairment losses**, mainly attributable to permanent write-downs on positive differences in net equity, principally related to Koc Finansal Hizmetler As consolidato (-€223 million), Oberbank AG (-€52 million) and Fenice Holding S.p.A. (-€8 million), and to write-downs of -€14 million on investments valued at Equity method, including Real Invest Property GMBH & Co Spb Jota KG (-€4 million) and ASC Logistik GMBH (-€3 million).

Section 17 - Gains and losses on tangible and intangible assets measured at fair value - Item 250

17.1 Net gains (losses) on property, plant and equipment and intangible assets measured at fair value: breakdown

(€ '000)

	2014				
			EXCHANGE DIFFERENCES		
ASSETS/P&L COMPONENTS	REVALUATIONS	WRITEDOWNS	POSITIVE	NEGATIVE	NET PROFIT
A. Property, plant and equipment	**6,098**	**(2,607)**	**-**	**-**	**3,491**
A.1 Owned:	6,098	(2,607)	-	-	3,491
- used in the business	-	-	-	-	-
- held for investment	*6,098*	*(2,607)*	-	-	*3,491*
A.2 Held by finance leases:	-	-	-	-	-
- used in the business	-	-	-	-	-
- held for investment	-	-	-	-	-
B. Intangible assets	**-**	**-**	**-**	**-**	**-**
B.1 Owned:	-	-	-	-	-
B.1.1 generated internally by the company	-	-	-	-	-
B.1.2 other	-	-	-	-	-
B.2 Held by finance leases	-	-	-	-	-
Total	**6,098**	**(2,607)**	**-**	**-**	**3,491**

Part C – Consolidated Income Statement

Section 18 - Impairment of goodwill - Item 260

There is no impairment of goodwill in 2014.

In 2013 the impairment of goodwill through Profit and Loss was approximately €8 billion.

18.1 Impairment of goodwill: breakdowns

(€ '000)

P&L COMPONENTS	2014	2013
Impairment of goodwill	-	(7,766,940)

See Part A – Accounting Policies for a description of the methods used to measure impairment of goodwill.

See Part B – Consolidated Balance Sheet – Section 13 Intangibles assets for a description of goodwill impairment testing procedures and results.

Section 19 - Gains (losses) on disposals of investments - Item 270

At December 31, 2014 **gains (losses) on disposals of investments** were €319 million (-€7 million in 2013) and comprised:

A. Property
Net gains of €80 million (€54 million in 2013). This item includes the results of the property rationalization carried out by companies of subgroup Baca including Rigel Immobilien Gmbh (€34 million, relating to the sale of the property Mariahilferstr), 5 companies of group Nordbahnhof Holding (€13 million), Universale International Realitaeten Gmbh (€9 million, relating to the sale of landplots), UniCredit Bank Austria Ag (€5 million) and by a company of subgroup HVB, Terreno Grundstucksverwaltung Gmbh & Co. Entwicklungs- Und Finanzierungsvermittlungs-Kg (€17 million, ralating tot he sale of a land).

B. Other assets
Net gains of €239 million (-€61 million in 2013). This item includes:

- €227 million net gains on disposal of equity investments, mainly relating to the disposal of Dab Bank Ag and Direktanlage.At Ag (€162 million), Schottengasse 6-8 Immobilien Gmbh Und Co Og (€38 million), Neep Roma Holding S.p.A. (€28 million), Istraturist Umag, Hotelijerstvo Turizam I Turisticka Agencija Dd (€6 million), Mezzanin Finanzierungs Ag (€2 million), Chiyoda Fudosan Gk (-€8 million), UniCredit Caib Securities Uk Ltd. (-€3 million);
- €12 million net gains on disposal of other assets, mainly relating to gain of di UniCredit Tiriac Bank S.A. relating to the sale of RBS portfolio (€5 million) gain relating to the sale of other assets of Mobility Concept Gmbh (€3 million).

We can note that during 2014 no transactions were carried out that would have entailed significant recognitions of gains and losses attributable to measurement at fair value of any equity interests retained at the date of losing control.

19.1 Gains and losses on disposal of investments: breakdown

(€ '000)

P&L COMPONENTS/SECTOR	2014	2013
A. Property		
- gains on disposal	126,455	57,853
- losses on disposal	(45,809)	(4,300)
B. Other assets		
- gains on disposal	262,188	35,464
- losses on disposal	(23,475)	(96,421)
Net Profit	**319,359**	**(7,404)**

At December 31, 2013 **gains (losses) on disposals of investments** were -€7 million and comprised:

A. Property
Net gains of €54 million. This item included the results of the property rationalization carried out by HVB Bank AG (€30 million), UniCredit (€11 million, including net gains on the disposal of a building of the London branch) and subgroup PEKAO (€5 million).

B. Other assets
Net lossess of -€61 million. This item included:

- net gains on disposal of equity investments, mainly relating to the disposal of a portion of the shareholdings in the companies BNP Paribas Real Estate Investment Management Germany GMBH (€20 million) and Neep Roma Holding S.p.A. (€8million);
- -€71 million net losses on disposal of other assets, mainly relating to the recycling through profit and loss of a portion of revaluation reserve on exchange differences of Cayman subsidiaries (-€60 million) and the write-down of Compagnia Italpetroli S.p.A.'s oil business (-€11 million).

Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290

Each Country has its own tax system, therefore the determination of the taxable base and tax rates and the nature, type and timing of formal requirements differ, sometimes considerably. These differences also exist within EU Member States.

In respect of the Countries where the UniCredit group operates, Italy, Germany, Austria and the United States, all have domestic tax consolidation regimes. The United Kingdom does not have a domestic tax consolidation regime, however tax losses can be transferred to entities of the same Group.
Tax consolidation rules also differ from Country to Country, sometimes markedly. Generally speaking, the main and common benefit of a domestic tax consolidation regime is the offsetting of profits and losses of companies and entities belonging to the same perimeter of tax consolidation.
Requirements which need to be fulfilled in order to apply for a domestic tax consolidation regime can be very different from those set for a banking group for the purpose of accounting consolidation according to the IAS/IFRS or local accounting standards. In addition, offsetting intercompany transactions in consolidated accounting is different from income tax rules.

As for tax rates, and with reference to the Group's key Countries, the nominal corporate income tax rate is 31.4% in Germany (taking also into account the "solidarity surcharge" and the municipal trade tax), 25% in Austria, 19% in Poland, 10% in Bulgaria, 16% in Romania, 20% in Turkey, 19% in the Czech Republic, 20% in Russia, while in Hungary a progressive rate (10%-19%) is applied according to the taxable base. In addition, the corporate income tax rate is 21% in the United Kingdom, 12.5% in Ireland, 29.22% in Luxembourg, 35% in the United States and 25% in China.

The Italian nominal corporate income tax (IRES) rate is 27.5%, and the Italian Regional Tax on Productive Activities (IRAP) rate is 4.65% for the banking sector (IRAP can be autonomously increased by a surcharge of 0.92% up to a maximum nominal rate of 5.57%, plus an additional surcharge of 0.15% provided for Regions with an healthcare deficit status); IRAP has a different taxable base from the one provided for in respect of IRES.

As for the Holding Company, with respect to financial year 2014, please note that:

- The substitute tax rate on the mandatory revaluation of shareholdings held in the Bank of Italy has been increased (Law. 29 Jan. 2014 n. 5 – previously Law Decree 30 Nov. 2013 n. 2013). As clarified by the Revenue circular letter n. 4 of 24 Feb. 2014 , said substitute tax applies on the delta between the revaluated book value and the lower tax value. The tax rate was initially set at 12% by Art. 1, Paragraph 143 and 148, Law 27 Dec. 2013 n. 147 (Stability Law 2014) which led to book a provision in 2013 financial statements for an amount of € 184.4 million in respect of payment to be made in June 2014. Art. 4, Paragraph 12, Law Decree 24 Apr. 2014 n. 66 (converted into Law 23 Jun. 2014 n. 89) increased to 26% the above mentioned rate therefore leading to an additional tax amount of € 215.2 million in the 2014 financial statements;
- Pursuant to Art. 2, Paragraphs 55-58, Law Decree 29 Dec. 2010 n. 225, and (i) having the financial year 2013 registered a financial loss of € 11,601.1 million and (ii) having the corporate income tax return for 2013 (submitted in 2014) reported a tax loss corresponding to a convertible amount of € 94.4 million under the above mentioned provision, deferred tax assets accrued in previous years on loan loss provisions and goodwill have been converted into tax credit, as established by relevant law provisions, for a total amount of 2,557.7 million. This amount had no impact on the 2014 profit and loss account;
- Law Decree 24 Apr. 2014 n. 66 (converted into Law 23 Jun 2014 n. 89) provided for a reduction of all the IRAP rates equal to 0.45%; this provision was repealed afterwards by Art. 1, Paragraph 22, Law 23 Dec 2014 n. 190 (Stability Law 2015) therefore without any tax impact.

The tax expense for the year 2014 amounted to -€1,167 million.

20.1 Tax expense (income) related to profit or loss from continuing operations: breakdown

(€ '000)

P&L COMPONENTS/SECTOR	2014	2013
1. Current tax (-)	(1,903,397)	(1,367,671)
2. Adjustment to current tax of prior years (+/-)	250,405	84,139
3. Reduction of current tax for the year (+)	55,735	20,544
3. bis Reduction in current tax for the year due tax credit under L. 214/2011 (+)	2,647,472	45,025
4. Changes to deferred tax assets (+/-)	(1,772,891)	2,091,850
5. Changes to deferred tax liabilities (+/-)	(444,566)	1,621,515
6. Tax expense for the year (-)	**(1,167,242)**	**2,495,402**

20.2 Reconciliation of theoretical tax charge to actual tax charge

(€ '000)

	2014	2013
Total profit or loss before tax from continuing operations (item 280)	**3,679,395**	**(15,318,101)**
Theoretical tax rate	27.5%	27.5%
Theoretical computed taxes on income	**(1,011,834)**	**4,212,478**
1. Different tax rates	216,606	(18,936)
2. Non-taxable income - permanent differences	581,385	547,831
3. Non-deductible expenses - permanent differences	(394,129)	(2,433,966)
4. Different fiscal laws/IRAP	(186,512)	283,609
a) IRAP (italian companies)	(207,768)	311,465
b) other taxes (foreign companies)	21,257	(27,855)
5. Prior years and changes in tax rates	150,792	(21,913)
a) effects on current taxes	195,492	82,823
- tax loss carryforward/unused tax credit	*55,568*	*114,231*
- other effects of previous periods	*139,924*	*(31,408)*
b) effects on deferred taxes	(44,700)	(104,736)
- changes in tax rates	*792*	*(3,141)*
- new taxes incurred (+) previous taxes revocation (-)	*1,244*	*-*
- true-ups/ adjustments of the calculated deferred taxes	*(46,736)*	*(101,595)*
6. Valuation adjustments and non-recognition of deferred taxes	(314,604)	(210,533)
a) deferred tax assets write-down	(35,919)	(219,794)
b) deferred tax assets recognition	25,666	195,104
c) deferred tax assets non recognition	(54,458)	(53,550)
d) deferred tax assets non-recognition according to IAS 12.39 and 12.44	(260,995)	(139,130)
e) other	11,102	6,837
7. Amortization of goodwill	-	-
8. Non-taxable foreign income	10,748	(23,567)
9. Other differences	(219,694)	160,400
Recognized taxes on income	**(1,167,242)**	**2,495,402**

The comparative figures as at December 31, 2013 were restated, compared to what had been recorded on that date due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters.

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

Part C – Consolidated Income Statement

Section 21 – Profit (Loss) after tax from discontinued operations – Item 310

21.1 Profit (Loss) after tax from discontinued operations: breakdown

(€ '000)

P&L ITEMS/SECTORS	2014	2013
1. Income	440,632	591,259
2. Expenses	(585,661)	(663,582)
3. Valuation of discontinued operations and related liabilities	-	(579,876)
4. Profit (Loss) on disposal	-	(120,455)
5. Tax	20,903	12,183
Profit (Loss)	**(124,126)**	**(760,471)**

In 2014 two groups were recognized in item 310. "Profit (loss) after tax from discontinued operations". Specifically, these groups refer to the Ukrainian subsidiaries, which contributed to the item during the whole year of 2014, and Immobilien Holding group companies which entered into the scope of consolidation since September 30, 2014.

21.2 Breakdown of tax on discontinued operations

(€ '000)

	2014	2013
1. Current tax (-)	(3,522)	(356)
2. Changes in deferred tax assets (+/-)	35,514	13,572
3. Changes in deferred tax liabilities (+/-)	(11,089)	(1,033)
4. Income tax (-1+/-2+/-3)	**20,903**	**12,183**

Section 22 - Minorities - Item 330

The profit for 2014 attributable to minority interests amounted to €380 million.
Among the largest contributions we can note that attributable to the minority shareholders of the Bank Pekao S.A. Group, the contribution of the UniCredit Bank Austria AG Group, that of the UniCredit Bank AG Group and that of FinecoBank S.p.A. following the sale of 34.5% of the company, of which UniCredit continues to hold control.
In financial year 2013, minority interests were €382 million.

22.1 Breakdown of item 330 "Minority gains (losses)" (€ '000)

	2014	2013
Consolidated equity investments with significant minority interests	**404,385**	**390,716**
Bank Pekao SA Group	316,546	326,687
UniCredit Bank AG Group	11,290	41,173
UniCredit Bank Austria AG Group	24,837	22,937
Unicredit Leasing S.p.A. Group	-	(81)
Fineco Bank S.p.A	51,712	-
Other equity investments	**(24,474)**	**(502)**
Other consolidation adjustments	**288**	**(8,552)**
Total	**380,199**	**381,662**

Section 23 - Other information

There is no information to be disclosed in this section.

Section 24 - Earnings per share

24.1 and 24.2 Average number of diluted shares and other information

	2014	2013
Net profit for the period attributable to the Group (thousands of euros)	1,972,362	(14,070,029)
Average number of outstanding shares (*)	5,740,053,411	5,694,410,094
Average number of potential dilutive shares	8,446,613	27,109,723
Average number of diluted shares	5,748,500,025	5,721,519,817
Earnings per share (€)	**0.34**	**(2.47)**
Diluted earnings per share (€)	**0.34**	**(2.46)**

€35,466 thousand was deducted from 2014 net profit of €2,007,828 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the ‘cashes’ transaction.

€105,197 thousand was added to 2013 net loss of -€13,964,832 thousand due to due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the ‘cashes’ transaction.

(*) Net of average number of treasury shares and of further 96,756,406 shares held under a contract of usufruct.

Part D – Consolidated Comprehensive Income

Part D – Consolidated Comprehensive Income

Comprehensive income is disclosed in the table below as per IAS 1.
This table shows comprehensive income not recognized in the profit (loss) for the period in accordance with IFRS, divided into:

- “comprehensive income that may be reclassified to profit or loss”: including income and expense items whose reserves may be reclassified to profit or loss under IFRS in case of disposal/impairment loss;
- “comprehensive income not reclassified to profit or loss”: including income and expense items whose reserves are not reclassified to profit or loss under IFRS in case of disposal/impairment loss;

The following are included to this end:

- changes in value recognized in the period contra revaluation reserves relating to:
    - available-for-sale financial assets;
    - property, plant and equipment;
    - intangible assets;
    - foreign investment hedges;
    - cash flow hedges;
    - exchange differences;
    - actuarial gains (losses) on employee defined-benefit plans;
- with respect to comprehensive income that may be reclassified to profit or loss, reclassification adjustments, i.e. amounts reclassified in the profit (loss) of the current financial year already recognized as comprehensive income for the same year or previous years.

The above changes in value relating to non-current assets held for disposal and shareholdings valued at net equity are disclosed separately.

Consolidated Analytical Statement of Comprehensive Income

(€ '000)

ITEMS	YEAR 2014 BEFORE TAX EFFECT	TAX EFFECT	AFTER TAX EFFECT
10. Net profit (loss) for the year	X	X	**2,388,027**
Other comprehensive income not reclassified to profit or loss			
20. Property, plant and equipment	**-**	**-**	**-**
30. Intangible assets	**-**	**-**	**-**
40. Defined benefit plans	**(2,046,092)**	**575,040**	**(1,471,052)**
50. Non-current assets classified as held for sale	**-**	**-**	**-**
60. Portion of revaluation reserves from investments valued at equity	**(2,943)**	**-**	**(2,943)**
Other comprehensive income after tax that may be reclassified to profit or loss			**-**
70. Hedges of foreign investments:	**-**	**-**	**-**
a) fair value changes	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	-	-	-
80. Exchange differences:	**(1,660,581)**	**-**	**(1,660,581)**
a) changes in value	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	(1,660,581)	-	(1,660,581)
90. Cash flow hedges:	**118,756**	**(12,551)**	**106,205**
a) fair value changes	(30,675)	22,393	(8,282)
b) reclassification to profit or loss	14,001	(2,907)	11,094
c) other changes	135,430	(32,037)	103,393
100. Available-for-sale financial assets:	**1,553,240**	**(481,878)**	**1,071,362**
a) fair value changes	1,889,266	(557,322)	1,331,944
b) reclassification to profit or loss	(334,919)	75,203	(259,716)
- impairment losses	(20,468)	3,498	(16,970)
- gains/losses on disposals	(314,451)	71,705	(242,746)
c) other changes	(1,107)	241	(866)
110. Non-current assets classified as held for sale:	**1,090**	**368**	**1,458**
a) fair value changes	21,377	(5,461)	15,916
b) reclassification to profit or loss	(26,884)	7,064	(19,820)
c) other changes	6,597	(1,235)	5,362
120. Portion of revaluation reserves from investments valued at equity:	**294,044**	**(21,659)**	**272,385**
a) fair value changes	218,375	(20,770)	197,605
b) reclassification to profit or loss	(7,380)	(135)	(7,515)
- impairment losses	-	-	-
- gains/losses on disposals	(7,380)	(135)	(7,515)
c) other changes	83,049	(754)	82,295
130. Total other comprehensive income	**(1,742,486)**	**59,320**	**(1,683,166)**
140. Comprehensive income (Item 10+130)	**(1,742,486)**	**59,320**	**704,861**
150. Consolidated comprehensive income attributable to minorities	(382)	(13,995)	(365,820)
160. Consolidated comprehensive income attributable to the Parent Company	**(1,742,868)**	**45,325**	**339,041**

Part E – Information on risks and related risk management policies

Note:
As required by regulations (Banca d'Italia Circular letter no. 263 issued on December 27, 2006, Title 4 and subsequent updates), the disclosure (Pillar 3 of Basel 2) is published on UniCredit group's website (www.unicreditgrou.eu).

Part E – Information on risks and related risk management policies

The information provided in Part E refers to the Banking Group, with the exception of Tables A.1.1, A.1.2 and the table showing a breakdown of the exposures renegotiated under collective agreements.
In this regard, please note that the Banking Group includes the banking, financial and support companies that form the Group registered under Art. 64 of the Consolidated Law on Banking and, conventionally, the banking, financial and support companies consolidated proportionately for regulatory purposes.
The information presented in the aforementioned Tables A.1.1, A.1.2 and in the table showing a breakdown of the exposures renegotiated under collective agreements refers to the Scope of Consolidation, which differs from the Banking Group as a result of:

- the inclusion of subsidiaries consolidated line by line not belonging to the Banking Group;
- the adoption of the equity method, in accordance with IFRS 11, to account for jointly owned entities consolidated proportionately for regulatory purposes.

Since insurance companies and other companies don't represent a significant business – if compared to banking group – there is no specific section of this document on their risks and related risk management policies.

Risk Management in UniCredit group

UniCredit Group monitors and manages its risks through rigorous methodologies and procedures proving to be effective through all phases of the economic cycle.

The control and steering of the Group's risks are exerted by the Parent Company's Risk Management function which pursues its own steering, coordination and control role in particular through the "Portfolio Risk Managers" which are responsible for the relevant risks, from a Group perspective. Furthermore, the model considers a specific point of reference for Italy through the "CRO Italy" function, to which the responsibilities related to credit, operational and reputational risks of the Italian perimeter, as well as the managerial coordination of Risk Management functions in the Italian Legal Entities, have been assigned.

In particular, the Risk Management function is responsible for the following tasks:

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

Consistently with the Risk Management function architecture and in order to strengthen the capacity of independent steering, coordination and control of Group risks, improving the efficiency and the flexibility on the risk decision process and addressing the interaction among the relevant risk stakeholders, three distinct levels of Risk Committees are in place:

- the "Group Risk Committee" responsible for the Group strategic risk decisions: establishing policies, guidelines, operational limits and the methodologies for the measurement, management and control of risks. It is, moreover, responsible for the methodologies for the measurement and control of internal capital, the evaluation of risks reporting, for the evaluation of the estimates of provisions on risks; during the year 2014 the committee held twenty meetings;
- the "Group Portfolio Risks Committees", tasked with addressing, controlling and managing the different portfolio risks;
- the "Transactional Committees" in charge of evaluating the single counterparties / transactions impacting the overall portfolio risk profile.

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

Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite
Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel Pillar II.

The Group's approach to ICAAP relies on the definition of the "Risk Governance", as a preliminary requirement, while the process consists of the following phases:

- perimeter definition and risk identification;
- risk profile measurement;
- risk appetite setting and capital allocation; and
- monitoring and reporting.

Capital adequacy is assessed considering the balance between the assumed risks, both Pillar I and Pillar II, and the available capital.
With respect to Pillar II, the relevant metric is the Risk Taking Capacity, which is the ratio between available capital (Available Financial Resources, AFR) and Internal Capital.

A milestone of the ICAAP is the Risk Appetite which defines the level of risk that UniCredit Group is prepared to accept in pursuit of its strategic objectives and business plan, taking into account the interest of its customers and shareholders as well as capital and other requirements.

The structure of the Group Risk Appetite includes qualitative and quantitative items which are included in the Risk Appetite Statement and in the Risk Appetite KPIs, respectively.

The Risk Appetite Statement defines the positioning of the bank in terms of strategic targets and related risk profiles to address stakeholders expectations and includes:

- a guidance on the overall key boundaries for the Group in terms of focus of activity, which are closely related to the risk ownership;
- a definition of the desired risk-return profile, in coherence with the Group's overall strategy;
- an assessment of the risks the bank accepts taking or should avoid both in normal and in stressed conditions;
- an indication on strategies to manage key risks in the perimeter of the Group;
- qualitative statements for risks that are not easy to measure (e.g. strategic, reputational, compliance) in order to ensure prevention/early intervention on emerging risks;
- a description of the key roles and responsibilities in the approval, cascading to Group Legal Entities, monitoring, reporting and escalation process of Risk Appetite.

The Risk Appetite KPIs are based on the analysis of the expectations of UniCredit Group internal and external stakeholders, which leads to the identification of the following risk dimensions relevant for the Group:

- risk ownership and positioning to explicitly indicate main focus activities of the bank and overall risk positioning;
- regulatory requirements to ensure compliance on capital and liquidity position ;
- profitability and risk to steer the business towards an healthy growth ;
- control on specific risk types to set boundaries for management decision .

The Risk Appetite is approved by the Board of Directors on an annual basis and is regularly monitored and reported, at least quarterly, to the relevant committees.

Moreover, a yearly consolidated report on capital adequacy in accordance with Banca d'Italia guidelines and including an overview of the main Group companies is prepared and sent to the Regulator. The Board of Directors that authorizes the sending of this report to the Authorities, also acknowledges that the risk governance of the Group is deemed adequate, guaranteeing that the risk management system in place is in line with the risk profile and strategy of the Group.

Part E – Information on risks and related risk management policies

Section 1 – Credit Risk

QUALITATIVE INFORMATION

1. General Aspects
With reference to the risk management model, the risk governance has two levels of control: the Group Risk Governance functions and the Risk functions by Country. The Group Risks Governance functions perform a managerial coordination in respect of the relevant Group Legal Entities' functions which perform the control and the management of the risks portfolio at country level.

The Group continues to invest in a strong implementation of Basel principles in the entire perimeter. With reference to credit risk, the Group has been authorized to use internal PD, LGD and EAD calculations for Group wide credit portfolios (Sovereign, Banks, Multinationals and Global Project Finance) and for credit portfolios of the relevant subsidiaries (corporate and retail). With reference to the Italian mid-corporate and small business portfolios, the EAD foundation values are currently being used.

In the first stage, the Advanced Method has been adopted for the relevant portfolios (Corporate, Retail, Institutions, Sovereign) by the Parent Company and by some Italian subsidiaries, subsequently merged in UniCredit S.p.A. (UCI) due to the "One4C" reorganization in 2010, by UniCredit Bank AG (UCB AG) and UniCredit Bank Austria (BA AG). According to the Roll-out plan for progressive extension of the IRB rating system approved by the Group and shared with the Regulator, starting from 2008 these methods have been extended to UniCredit Credit Management Bank S.p.A., UniCredit Bank Luxembourg S.A. and UniCredit Leasing Finance GmbH (and its subsidiaries) as well as to UniCredit Bank Ireland p.l.c, UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia a.s., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s. and ZAO UniCredit Bank through the adoption of the IRB Foundation method.
During 2014, UniCredit Bank Czech Republic and Slovakia a.s., with reference to the portfolio in the Czech Republic, has received authorization for the regulatory use of the LGD and EAD parameters for Banks, Corporates and Sovereigns and for the IRB approach for Retail.

Subsequently it is expected that other Group entities will adopt IRB systems following the above mentioned Roll-out plan.

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

2. Credit Risk Management Policies
2.1 Organizational Aspects
The credit risk organization in Parent Company breaks down into two levels:
- functions with responsibilities at Group level;
- functions with responsibilities at Country level.

Functions with responsibilities at Group level include:
- the "Group Credit & Integrated Risks" department, responsible, at Group level, for governing and controlling the credit risk of the Group portfolio as well as ensuring an integrated view across Pillar I and II risks to Top Management. It has the following structures:
    - "Group Risk Strategies & Monitoring" department responsible for providing top management with an integrated vision (current and looking-forward) of risks affecting the Group and acting as point of reference and coordination towards Supervisor Authorities and major external stakeholders for issues within the its perimeter of competence. It is composed of:
        - "Risk Appetite & Credit Strategies" unit, responsible for defining the proposal of Group Risk Appetite and detailing it both in operational terms and at local level, the Group credit strategies, the Internal Capital Adequacy Assessment Process (ICAAP) and preparing the Group Recovery and Resolution Plan (RRP). Moreover, it is the reference point for requests from Supervisory Authorities for issues credit risk related or covering all risks;
        - "Risks Assessment & Monitoring" unit responsible for analysing and monitoring the composition and risk of credit portfolio at Group/Legal Entities/Division level, by main credit risk metrics, highlighting any gaps against budget/forecast and underlying drivers. The unit is also responsible of producing periodic analysis aiming at providing top management with an integrated view of risks affecting the Group, as well as the analysis for Rating Agencies, Investors and "ad hoc" requests from external organizations/bodies;
    - "Group Internal Validation" department responsible for validating, at Group level, the measurement methodologies, the related processes, the IT components and the data quality, for Pillar I and Pillar II risks, providing adequate reporting for Company Bodies and the Supervisory Authority. The department includes the following structures: ""Group Wide Credit Risk & Architecture Validation", "Local Credit Risk Validation", "Market, Operational & Pillar II Risks Validation";

- “Group Credit Rules Standards & Reporting” department, responsible for preparing the Global Rules, defining the credit risk reporting framework and producing standard reports on credit risk. Moreover, it is responsible for mapping the Economic Groups, as well as coordinating and monitoring the progress of the initiatives of “Group Risk Management” department. The departments is composed of:
    - “Group Credit Rules” unit, responsible for preparing the Global Rules within its perimeter of competence and checking their approval and implementation by Legal Entities. Moreover, with regard to the Group Wide credit processes, the unit is responsible for setting up the concept of target process in cooperation with Organization function;
    - “Group Risk Reporting, Standards & Initiatives” department, responsible for defining the Group risk reporting framework, producing standard/periodic reports on credit risk as well as defining the reporting taxonomy and mapping of Economic Groups. Moreover, the department is responsible for coordinating and/or monitoring the progress of special initiatives credit risk related and covering all risks;
- “Group Risks Modeling & Governance” department responsible for developing and managing models and methodologies for measuring Pillar II risks and their aggregation for the determination of the economic capital. Moreover, it is responsible for defining the methodologies for the management of credit risk, assigning and certifying the rating of counterparties in the perimeter of competence, as well as the coordination of the implementation activities regarding Basel regulation on credit risk. It has the following structure:
    - “Risks Integration & Economic Capital” unit responsible for developing, managing and maintaining methods and models for measuring Pillar II risks and their aggregation for the determination of the economic capital;
    - “Group Wide Rating Modeling & Governance” unit responsible for developing, maintaining and governing IRB models for Probability of Default, Loss Given Default, Exposure at Default measurement related to Group Wide portfolios as well as for defining the Group guidelines for credit risk measurement of local portfolios ensuring their implementation;
    - “Group Rating Desk” unit responsible for overseeing the activities for the assignment and certification of ratings to the counterparties in its area of responsibility, for the rating override process, and for monitoring rating ageing and related corrective measures;
    - “Group Basel Program Management” team responsible for coordinating and monitoring the activities related to Basel regulation;

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

At Country level, steering and credit risk control activities, as well as the conducting of “operational” activities (e. g. loans disbursement, monitoring, etc.) falls under the responsibility of controlled subsidiaries CRO.

In UniCredit S.p.A., these functions are undertaken by organizational structures of “CRO Italy”, reporting to “Group CRO” and in particular:

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

Part E – Information on risks and related risk management policies

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

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

department for defining the guidelines for maximizing the efficiency and the effectiveness of the monitoring operating model, in line with the strategic guidelines and credit policies;
   - "Central Credit Risk Monitoring Italy" responsible for coordinating and guiding the monitoring activities conducted by the local structures, making decisions based on applicable legislation, for the perimeter of UniCredit S.p.A.;
   - "Territorial Credit Risk Monitoring" responsible for coordinating and managing credit monitoring for the Italian perimeter of UniCredit S.p.A. through the performance monitoring of positions, defining corrective measures in coordination with the "Central Credit Risk Monitoring Italy" department;
   - "Customer Recovery" (Cu. Re.) department, is responsible for managing and supporting processes and strategies of monitoring, credit collection and classification of customers to impaired loans portfolio for Individuals and Enterprises customers, as identified by the current regulation, including all the assessments and decisions concerning possible settlements or renegotiations and/or rehabilitation solutions (e.g. suspension of the installment), ensuring their operational effectiveness and efficiency). Furthermore the department is responsible to manage the relations with external credit collections servicers and with credit protection Associations (e.g. Unirec, Ebitec), as well as to promote the operative commercial relations aimed to ensure the collection results.

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

2.2 Factors that generate Credit Risk
In the course of its credit business activities the Group is exposed to the risk that its loans may, due to the deterioration of the debtor's financial condition, not be repaid at maturity, and thus resulting in a partial or full write-off. This risk is always inherent in traditional lending operations regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.).

The main reasons for default lie in the borrower's lacking the autonomous ability to service and repay the debt (due to a lack of liquidity, insolvency, etc.), as well as the occurrence of events that are unrelated to the debtor's operating and financial condition, such as Country risk or the impact of operational risk. Other banking operations, in addition to traditional lending and deposit activities, can expose the Group to other credit risks. For example, 'non-traditional' credit risk may arise from:
- entering into derivative contracts;
- purchasing and selling securities, futures, currencies or commodities;
- holding third-party securities.

The counterparties in these transactions or issuers of securities held by Group Legal Entities could default as a result of insolvency, political and economic events, lack of liquidity, operating problems or other reasons. Defaults in relation to a large number of transactions, or one or more large transactions, could have a material adverse impact on the Group's operations, financial condition and operating results.

The Group monitors and manages the specific risk of each counterparty and the overall risk of loan portfolios through procedures, structures and rules, that steer, govern and standardize the assessment and management of credit risk, in line with the Group principles and best practice, and which are capable of extending their effectiveness to all phases of the economic cycle.

Part E – Information on risks and related risk management policies

2.2.1 Country risk

Country risk is defined as the risk of losses of exposures caused by events in a specific Country which may be under the control of the government but not under the control of a private enterprise or individuals. This may imply that the repayment of assets within a specific Country will be ultimately prevented by actions of the Country's government (e.g. transfer risk, expropriation risk, legal risk, tax risk, security risk, delivery risk) or by a deterioration of the economic and/or political environment (e.g. a sharp recession, currency and/or banking crisis, disaster, war, civil war, social unrest) of a Country. Country risk is managed by determining the appropriate maximum risk levels (country limits), that can be assumed by the various Legal Entities belonging to the Group vis-à-vis all counterparties (sovereigns, government entities, banks, financial institutions, corporate customers, small businesses, individuals, project finance, etc.) residing in or related to the Country, for cross-border transactions (from the standpoint of the Entity providing the loan) in foreign currency (from the standpoint of the borrower). In order to continue in the implementation of the policy (i.e. inclusion also of cross border transaction in local currency) we are working on designing automated procedures of collection of single transaction, identified according to defined characteristics (in local vs. foreign currency).

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

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

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

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

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

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

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

2.3 Credit Risk Management, Measurement and Control

2.3.1 Reporting and Monitoring Activities

The fundamental objective of the reporting and monitoring activities performed by the Group Risk Management function is the analysis of the main drivers and parameters of credit risk (exposure, portfolio mix, asset quality, cost of risk, etc.) in order to promptly initiate any countermeasures on portfolios, sub-portfolios or individual counterparties.

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

Portfolio reporting activities at Group level are performed in close collaboration with the Chief Risk Officers at Legal Entities level and Credit Risk Portfolio Managers who, within their respective perimeters, implement specific reporting activities.
At Group level, Reporting and Monitoring activities are assigned to two different Units within the “Group Credit and Integrated Risks” Department.

The “Group Credit Risk MIS & Reporting” Unit, is responsible for defining the Group framework in terms of reporting on risks and for producing standard/ad hoc reports for Credit Risks, representing the organizational interface with Planning, Finance & Administration (“PF&A) for second level controls in terms of regulatory reporting.
Moreover it is responsible of defining analysis and reporting requirements for Credit Risk implementing strategies for MIS Platforms merge, as well as for promoting business intelligence tools usage at Group Level.

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

Already starting from 2011 and 2012 reporting activities had been additionally refined through the intensive fine-tuning activity of data collection and consolidation processes. This led to a significant improvement in terms of quality of the information reported in consolidated reports such as, for example, the ERM - Enterprise Risk Management Report, as well as the “Risk Assessment” addressed to Top Management. Furthermore, portfolio and business segment reporting units also helped to monitor credit risk exposure within their areas of responsibility.

All monitoring activities that aim at identifying and reacting in a timely manner to possible deterioration in the asset quality of the Group’s counterparties, instead, were further enhanced with dedicated functions of the Group Risk Management that deal with the reporting activities aimed at analyzing the main components of this risk and their temporal evolution, in order to be able to detect promptly any symptoms of deterioration and, therefore, take appropriate corrective actions.

2.3.2 Governance and policies
Relationships between the Parent Company and Group Legal Entities carrying out credit-related businesses are defined by specific governance rules, assigning the role of guidance, support and control to the Parent Company, in respect of the following areas: credit policies, credit strategies, models development, rating systems validation, credit concentration risk, the issuance of credit products, monitoring and reporting portfolio credit risk.

In particular, Group Legal Entities are required to request the Group Risk Management function’s opinion before granting or reviewing credit lines to individual borrowers or economic groups, whenever they exceed defined thresholds, also with reference to the obligation of compliance with the credit risk concentration limits that have to be measured with respect to the regulatory capital.

According to the role assigned to the Parent Company, specifically to the Group Risk Management function under Group governance, “General Group Credit Policies” define group-wide rules and principles for guiding, governing and standardizing the credit risk assessment and management, in line with the regulatory requirements and Group best practice.
The general rules are supplemented by policies governing defined subjects (business areas, segment activities, type of counterpart / transaction, etc.). Such documents are divided in two categories:

- policies on Group-wide topics, developed by the Parent Company and sent to all the Legal Entities. Some examples are the policies on FIBS customers (Financial Institutions, Banks and Sovereigns), on Country Limits, on Project Finance and Acquisition & Leveraged Finance transactions, on assessment, monitoring and management of underwriting risk limits for the syndicated loan, on “Commercial Real Estate Financing (CREF)” and on “Structured Trade and Export Finance (STEF)”;
- policies developed locally by single Legal Entitles. Such documents provide detailed credit rules for specific regions, subsidiaries, etc., if required by local market peculiarities, and are applicable only within the specific Legal Entity perimeter.

At both Legal Entity and Parent Company (if necessary) level, the policies are further detailed through Operative Instructions, describing specific rules and instructions for the day-by-day activity.

Credit Policies have generally a static approach and are revised when necessary. Therefore they need to be supplemented with Credit Risk Strategies that are updated at least annually and define customers / products, industry segments and geographical areas that will form the target of the Legal Entity / the Group’s relevant credit business.

2.3.3 Management and Measurement Methods
Credit Risk generally represents the risk of losses of the value of a credit exposure arising from an unexpected worsening of the counterparty's credit quality.

For the purpose of credit risk measurement, credit risk is defined as the risk of incurring losses arising from the possibility that a counterparty, a borrower or an issuer of a financial obligation (bond, note, etc.) is not able to repay interest and/or principal or any other amount due (Default Risk). In a broader sense, credit risk can also be defined as potential losses arising either from a default of the borrower / issuer or a decrease of the market value of a financial obligation due to a deterioration in its credit quality. On this topic the Group is exploring new approaches to cover also the market value component of banking book credit risk.

Credit risk is measured by single borrower / transaction and for the whole portfolio. The tools and processes used for lending to single borrowers during both the approval and monitoring phases include a credit rating process, which is differentiated by customer segment / product to ensure maximum effectiveness.

The assessment of a counterpart's creditworthiness, within the credit proposal evaluation, begins with an analysis of the financial statements and the qualitative data (competitive positioning, corporate and organizational structure, etc.), regional and industry factors and counterpart behavior within the Legal Entity and the banking system (e.g., “Centrale dei Rischi”), and results in a rating, i.e. the counterpart's probability of default (PD) on a one-year time horizon.

Regular monitoring focuses on the borrower's performance management, using all available internal and external information in order to arrive at a score representing a synthetic assessment of the risk associated to each monitored customer. This score is obtained using a statistical function that summarizes available information using a set of proven significant variables that are predictors of an event of default within a 12 months horizon.

The internal rating, or risk level assigned to the customer / transaction, forms a part of the lending decision calculation. In other words, at a constant credit amount the approval powers granted to the competent Bodies are gradually reduced in proportion to an increased borrower-related risk level. The organizational model in use includes also a dedicated function, which is separated from loan approval and business functions and is responsible for the management of the so-called rating overrides, i.e. any changes to the automatic rating calculated by the model.

Each borrower's credit rating is reviewed at least annually on the basis of new information acquired. Each borrower is also assessed in the context of any economic group with which it is affiliated by, as a general rule, taking into account the theoretical maximum risk for the entire economic group.
In addition to one year horizon risk parameters, multi period risk parameters are estimated to provide a more robust risk adjusted performance evaluation and for compliance with the recent updates of accounting principles (IFRS 13).

Besides the methodologies summarized in the rating systems, the Risk Management function uses portfolio models enabled to measure credit risk on an aggregated portfolio basis and, at the same time, to identify sub-portfolio, or single obligor contributions to the overall risk position.

There are three fundamental portfolio credit risk measures that are calculated and are evaluated on a one year time horizon:
- Expected Loss (EL);
- Credit Value at Risk (Credit VaR), and
- Expected Shortfall (ES).

In order to derive the Credit VaR of the portfolio, the portfolio loss distribution is specified; it is represented by the probabilities of getting different values of the portfolio loss on the given time horizon (“discrete loss case”). The loss associated to a specific probability is the product of the percentage of losses given default (LGD) and exposures at default (EAD) considering the correlations among the defaults.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.4 Credit Risk Mitigation Techniques
UniCredit Group uses various credit risk mitigation techniques to reduce potential credit losses in case of the obligor default. Consistently with the Basel framework, the Group is firmly committed to satisfy the requirements for recognition of Credit Risk Mitigation techniques for regulatory capital purposes, according to the different approaches adopted (Standardized, Foundation IRB or Advanced IRB) both for internal use in operations and for the purposes of calculating the credit risk capital requirement.

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

Part E – Information on risks and related risk management policies

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

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

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

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

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

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

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

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

2.5 Impaired Loans

With reference to the *"non-performing"* portfolio, the Group's activities are mainly focused on the following:

- prompt action. With a solid and effective monitoring and reporting process, the early identification of possible credit quality deterioration allows the Group to perform the necessary restrictive management measures aimed at risk reduction in the early phases prior to the potential default;
- proper assessment of the impaired loans, in order to define the strategies/actions to be taken and the applicable default classification;
- initiating recovery procedures on the basis of the type and amount of exposure and the specific borrower involved;
- appropriate provisioning through profit and loss in line with the relevant recovery strategies and plans as well as the type of exposure. Provisioning is carried out in line with the principles of IAS 39 and Basel rules;
- accurate and regular reporting in order to monitor aggregate portfolio risk over time.

Each Legal Entity's classification of positions into the various default categories must comply with local legal and regulatory dispositions issued by the respective Supervisory Authority.

Since UniCredit, in its role as Holding Company, is required to comply with instructions issued by the Italian Supervisory Authority, suitable measures are taken vis-à-vis the Group's foreign Legal Entities to link and align classifications which would otherwise not be consistent with the appropriate default categories.

In general, as for the guidance and coordination of the management of *"performing"* high risk customers , the main objective is to improve the quality of risk profile through actions which foster the risk mitigation not only by aiming at the sole exposure reduction.

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

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

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

QUANTITATIVE INFORMATION

A. Credit quality

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

For the purposes of the disclosure of quantitative information about credit quality, the term "credit exposures" does not include equity instruments and units in investment funds except for table A.2.1 – Banking group – Balance Sheet and off-Balance Sheet credit exposure by external rating class, in which units in investment funds are included.

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)

(€ '000)

	BANKING GROUP						OTHER COMPANIES		
PORTFOLIO/QUALITY	NON-PERFORMING LOANS	DOUBTFUL ASSETS	RESTRUCTURED EXPOSURES	IMPAIRED PAST-DUE	NOT IMPAIRED PAST DUE	OTHER ASSETS	IMPAIRED	OTHERS	TOTAL
1. Financial assets held for trading	4,809	154,174	9,043	11,585	61,168	89,813,413	-	59	90,054,251
2. Available-for-sale financial assets	6,973	-	4,829	6,556	-	94,230,429	-	449	94,249,236
3. Held-to-maturity financial instruments	238	-	6,200	-	-	2,577,473	-	-	2,583,911
4. Loans and receivables with banks	42,613	7,251	9,295	12	175,069	68,445,915	-	49,972	68,730,127
5. Loans and receivables with customers	19,697,718	15,198,645	4,205,250	1,982,922	11,281,078	415,983,666	7,137	2,212,350	470,568,766
6. Financial assets at fair value through profit or loss	-	-	3,349	-	-	31,315,570	-	-	31,318,919
7. Financial instruments classified as held for sale	436,939	80,461	196,636	210,136	-	1,090,948	-	-	2,015,120
8. Hedging instruments	-	-	-	-	-	9,114,167	-	-	9,114,167
Total 12.31.2014	**20,189,290**	**15,440,531**	**4,434,602**	**2,211,211**	**11,517,315**	**712,571,581**	**7,137**	**2,262,830**	**768,634,497**
Total 12.31.2013	**18,673,324**	**15,332,568**	**4,187,087**	**2,722,579**	**11,241,478**	**691,393,679**	**4,601**	**1,507,993**	**745,063,309**

The banking group portion does not include intercompany accounts (including those with companies which are not consolidated).
Figures provided in line "5. Loans and receivables with customers" correspond to the table "Loans and receivables with customers - Asset quality" in the Report on Operations.
The amount of item 7 corresponds to total financial assets of the table 15.1 "Non-current assets and disposal groups classified as held for sale" in Part B - Consolidated Balance Sheet – Assets.

A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)

(€ '000)

PORTFOLIO/QUALITY	IMPAIRED ASSETS			PERFORMING			TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
A. Banking group							
1. Financial assets held for trading	263,846	84,235	179,611	X	X	89,874,581	90,054,192
2. Available-for-sale financial assets	59,017	40,659	18,358	94,230,624	195	94,230,429	94,248,787
3. Held-to-maturity financial instruments	8,917	2,479	6,438	2,577,911	438	2,577,473	2,583,911
4. Loans and receivables with banks	163,797	104,626	59,171	68,652,208	31,224	68,620,984	68,680,155
5. Loans and receivables with customers	84,309,777	43,225,242	41,084,535	429,768,947	2,504,203	427,264,744	468,349,279
6. Financial assets at fair value through profit or loss	3,349	-	3,349	X	X	31,315,570	31,318,919
7. Financial instruments classified as held for sale	1,623,050	698,878	924,172	1,105,899	14,951	1,090,948	2,015,120
8. Hedging instruments	-	-	-	X	X	9,114,167	9,114,167
Total A	**86,431,753**	**44,156,119**	**42,275,634**	**596,335,589**	**2,551,011**	**724,088,896**	**766,364,530**
B. Other consolidated companies							
1. Financial assets held for trading	-	-	-	X	X	59	59
2. Available-for-sale financial assets	-	-	-	449	-	449	449
3. Held-to-maturity financial instruments	-	-	-	-	-	-	-
4. Loans and receivables with banks	-	-	-	49,972	-	49,972	49,972
5. Loans and receivables with customers	50,065	42,928	7,137	2,212,860	510	2,212,350	2,219,487
6. Financial assets at fair value through profit or loss	-	-	-	X	X	-	-
7. Financial instruments classified as held for sale	-	-	-	-	-	-	-
8. Hedging instruments	-	-	-	X	X	-	-
Total B	**50,065**	**42,928**	**7,137**	**2,263,281**	**510**	**2,262,830**	**2,269,967**
Total 12.31.2014	**86,481,818**	**44,199,047**	**42,282,771**	**598,598,870**	**2,551,521**	**726,351,726**	**768,634,497**
Total 12.31.2013	**85,791,934**	**44,871,775**	**40,920,159**	**595,688,439**	**2,948,237**	**704,143,150**	**745,063,309**

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

As at December 31, 2014 the partial write-offs of impaired assets amounted to €40 million on exposures towards banks and to €22,869 million on exposures towards customers, all attributable to the Banking group.

It should be noticed that the provisions for credit risk benefitted from a change in valuation methodology of doubtful loans operated by UniCredit S.p.A. This change, resulted in third quarter 2014 in a release of credit allowance for about 775 million (gross nominal value at 30 September 2014 of the specific portfolio affected by the change €18.1 billion). As a result of the underlying portfolio trend during fourth quarter 2014, the overall Profit & Loss benefit has been reduced to €560 million, highlighted also by the overall reduction of doubtful loans coverage ratio in comparison to the same data of 2013. The valuation methodology has been revised in order to reflect a change in the underlying credit management process, which is more focused now to recovering activities in the stage before revocation of the credit line and from which higher cash flows are expected. The change in valuation methodology has been accounted as change in accounting estimate, according to IAS 8.35.

Part E – Information on risks and related risk management policies

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

For information on EBA Forbearance, please refer to the next section E - Information on forborne exposures and new EBA definitions of non performing exposures.

Customer Loans - Performing forborne exposures

(€ '000)

PORTFOLIO/QUALITY	PERFORMING									TOTAL (NET EXPOSURE)
	OTHER PERFORMING			PAST-DUE 1/90 DAYS			PAST-DUE OVER 90 DAYS			
BANKING GROUP AND OTHER CONSOLIDATED COMPANIES	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	12.31.2014
5. Loans and receivables with customers (item 70 BS)	**420,336,973**	**2,141,073**	**418,195,900**	**7,780,834**	**175,323**	**7,605,511**	**3,864,000**	**188,317**	**3,675,683**	**429,477,094**
- Exposures renegotiated in application of collective agreements (*)	746,633	16,247	730,386	64,833	3,080	61,753	74,525	3,612	70,913	863,052
- Exposures renegotiated under single initiatives of the bank (*)	3,317,086	67,536	3,249,550	483,940	15,635	468,305	1,068,007	56,671	1,011,336	4,729,191
- Other exposures	416,273,254	2,057,290	414,215,964	7,232,061	156,608	7,075,453	2,721,468	128,034	2,593,434	423,884,851

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

Exposures subject to renegotiation measures indicated in the table (€5,592 million) differ from the total for forborne performing exposures (€5,831 million) shown in section E below - "Information relating to renegotiated credit exposures and new EBA definitions relating to impaired loans" because they refer to the Consolidation Scope as the result:

- the inclusion of subsidiaries consolidated line by line not belonging to the Banking Group;
- the adoption of the equity method, in accordance with IFRS11, to account for jointly owned entities consolidated proportionately for regulatory purposes.

A.1.3 Banking group - On- and off - Balance Sheet credit exposure to banks: gross and net values

(€ '000)

EXPOSURE TYPES/AMOUNTS	AMOUNTS AS AT 12.31.2014 GROSS EXPOSURE	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. On-Balance Sheet exposure				
a) Non-performing loans	143,789	101,171	X	42,618
b) Doubtful loans	10,025	2,774	X	7,251
c) Restructured exposures	10,342	636	X	9,706
d) Past due	57	45	X	12
e) Other assets	92,056,138	X	31,419	92,024,719
Total A	**92,220,351**	**104,626**	**31,419**	**92,084,306**
B. Off-Balance Sheet exposure				
a) Impaired	542,407	526,265	X	16,142
b) Other	48,998,991	X	17,368	48,981,623
Total B	**49,541,398**	**526,265**	**17,368**	**48,997,765**
Total (A+B)	**141,761,749**	**630,891**	**48,787**	**141,082,071**

This table includes also exposures to banks classified in financial assets portfolios other than Loans and Receivables.

A.1.4 Banking group - On-Balance Sheet credit exposures with banks: gross change in impaired exposures

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2014 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening balance - gross exposure	**295,627**	**32,842**	**-**	**170**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**56,282**	**17,491**	**11,494**	**19,861**
B.1 transfers from performing loans	726	-	11,118	-
B.2 transfer from other impaired exposure categories	3,945	17,107	-	19,319
B.3 other increases	51,611	384	376	542
C. Reductions	**208,120**	**40,308**	**1,152**	**19,974**
C.1 transfers to performing loans	-	-	-	-
C.2 derecognised items	36,466	-	-	-
C.3 recoveries	169,157	5,723	1,152	-
C.4 sales proceeds	2,238	-	-	-
C.4 bis Losses on disposals	-	-	-	-
C.5 transfer from other impaired exposure categories	-	23,263	-	17,108
C.6 other reductions	259	11,322	-	2,866
D. Gross exposure closing balance	**143,789**	**10,025**	**10,342**	**57**
- of which: assets sold but not derecognised	-	-	-	-

A.1.5 Banking group - Balance Sheet credit exposures to banks: change in overall impairments

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2014 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening gross write-downs	**144,350**	**3,053**	**-**	**157**
- of which: assets sold but not derecognised	-	-	-	-
B. Increases	**20,170**	**2,094**	**636**	**7**
B.1 writedowns	12,609	1,970	636	4
B.1 bis losses on disposal	-	-	-	-
B.2 transfer from other impaired exposure categories	-	119	-	3
B.3 other increases	7,561	5	-	-
C. Reductions	**63,349**	**2,373**	**-**	**119**
C.1 write-backs from assessments	1,836	151	-	-
C.2 write-backs from recoveries	23,829	2,217	-	-
C.2 bis gains on disposal	-	-	-	-
C.3 write-offs	36,466	-	-	-
C.4 transfer from other impaired exposure categories	-	3	-	119
C.5 other reductions	1,218	2	-	-
D. Final gross write-downs	**101,171**	**2,774**	**636**	**45**
- of which: assets sold but not derecognised	-	-	-	-

A.1.6 Banking Group - On and off - Balance sheet credit exposure to customers: gross and net values

(€ '000)

EXPOSURE TYPES/AMOUNTS	AMOUNTS AS AT 12.31.2014 GROSS EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
A. On-Balance Sheet exposure				
a) Non-performing loans	53,856,608	33,475,943	X	20,380,665
b) Doubtful loans	23,556,375	8,216,774	X	15,339,601
c) Restructured exposures	6,666,268	2,173,789	X	4,492,479
d) Impaired past due	3,085,386	703,898	X	2,381,488
e) Other assets	591,817,249	X	2,623,124	589,194,125
Total A	**678,981,886**	**44,570,404**	**2,623,124**	**631,788,358**
B. Off-Balance Sheet exposure				
a) Impaired	2,973,256	544,632	X	2,428,624
b) Other	203,562,443	X	1,276,632	202,285,811
Total B	**206,535,699**	**544,632**	**1,276,632**	**204,714,435**
Total (A+B)	**885,517,585**	**45,115,036**	**3,899,756**	**836,502,793**

Data relating to the Banking Group include positions with the other entities included in the scope of consolidation.
This table includes also exposures to customers classified in financial assets portfolios other than Loans and Receivables.

On-balance sheet impaired gross exposures connected to the proposals for recourse to an arrangement with creditors made by the debtor – for the positions that have been converted into a Debt restructuring agreement pursuant to Article 182-bis of the Bankruptcy Law or continuity of business, as well as the positions not yet assigned or with liquidatory purposes, amounted to a total €4,850 million at December 31, 2014, against which specific impairments have been made for €2,555 million, with a total coverage level of 52.7%.

A.1.7 Banking group - Balance Sheet credit exposure to customers: gross change in impaired exposures

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2014 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Opening balance - gross exposure	**50,835,717**	**25,270,958**	**7,600,313**	**3,582,707**
- of which: assets sold but not derecognised	*539,491*	*268,642*	*17,103*	*62,602*
B. Increases	**13,036,145**	**14,915,649**	**4,817,794**	**8,114,743**
B.1 transfers from performing loans	2,102,167	5,818,508	1,603,470	6,805,858
B.2 transfer from other impaired exposure	8,582,249	5,881,552	1,322,766	774,499
B.3 other increases	2,351,729	3,215,589	1,891,558	534,386
C. Reductions	**10,015,254**	**16,630,232**	**5,751,839**	**8,612,064**
C.1 transfers to performing loans	523,990	1,540,985	447,665	2,605,100
C.2 derecognised items	4,769,859	614,987	1,329,186	9,502
C.3 recoveries	2,592,230	3,917,647	676,190	597,785
C.4 sales proceeds	386,433	206,367	165,023	10,417
C.4 bis losses on disposals	65,199	26	45,493	-
C.5 transfer to other impaired exposure	487,975	9,971,654	1,276,634	4,824,803
C.6 other reductions	1,189,568	378,566	1,811,648	564,457
D. Closing balance-gross exposure	**53,856,608**	**23,556,375**	**6,666,268**	**3,085,386**
- of which: assets sold but not derecognised	*6,927,190*	*287,771*	*9,165*	*63,602*

Sub-items B.3 “other increases”and C.3 “recoveries” include amounts recovered during the year concerning impaired exposures which were derecognized in their entirety.

A.1.8 Banking group - Balance Sheet credit exposures to customers: changes in overall impairment

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2014 NON-PERFORMING LOANS	DOUBTFUL LOANS	RESTRUCTURED EXPOSURES	PAST DUE EXPOSURES
A. Total opening write-downs	**31,944,460**	**10,070,488**	**3,190,616**	**794,381**
- of which: assets sold but not derecognised	*196,334*	*52,742*	*1,470*	*11,320*
B. Increases	**9,456,859**	**4,318,329**	**1,419,988**	**1,097,083**
B.1 writedowns	4,853,814	2,751,979	761,303	573,172
B.1 bis Losses on disposal	59,158	855	45,512	82
B.2 transfer from other impaired exposure	3,511,693	1,161,042	376,647	143,791
B.3 other increases	1,032,194	404,453	236,526	380,038
C. Reductions	**7,925,376**	**6,172,043**	**2,436,815**	**1,187,566**
C.1 write-backs from assessments	1,071,748	552,519	117,710	48,270
C.2 write-backs from recoveries	1,277,507	674,156	307,448	84,940
C.2 bis Gains on disposal	44,579	33,737	5,341	-
C.3 write-offs	4,769,859	614,987	1,329,186	9,502
C.4 transfer to other impaired exposure	207,670	3,807,373	422,280	755,850
C.5 other reductions	554,013	489,271	254,850	289,004
D. Final gross write-downs	**33,475,943**	**8,216,774**	**2,173,789**	**703,898**
- of which: assets sold but not derecognised	*5,528,056*	*49,630*	*1,021*	*11,383*

Sub-items B.3 “other increases”and C.2 “write-backs from recoveries” include amounts recovered during the year concerning impaired exposures which were derecognized in their entirety.

A.2 Internal and external ratings

A.2.1 Banking group - Balance Sheet and off-Balance Sheet credit exposure by external rating class (book values)

(€ '000)

	AMOUNTS AS AT 12.31.2014							
	EXTERNAL RATING CLASSES							
EXPOSURES	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	TOTAL
A. On-Balance Sheet exposures	**82,684,099**	**44,764,349**	**112,897,821**	**51,434,214**	**10,064,216**	**45,020,476**	**380,123,319**	**726,988,494**
B. Derivative contracts	**12,798,821**	**30,536,201**	**3,820,869**	**2,088,509**	**851,228**	**367,140**	**7,969,520**	**58,432,288**
B.1 Financial derivative contracts	12,360,193	30,214,609	3,777,193	2,086,775	851,228	367,074	7,736,205	57,393,277
B.2 Credit derivative contracts	438,628	321,592	43,676	1,734	-	66	233,315	1,039,011
C. Guarantees given	**4,905,705**	**7,991,039**	**15,997,712**	**4,968,276**	**1,659,153**	**2,317,698**	**43,145,211**	**80,984,794**
D. Other commitments to disburse funds	**2,264,401**	**9,912,397**	**14,873,429**	**4,885,594**	**1,271,368**	**869,484**	**77,544,350**	**111,621,023**
E. Other	**-**	**9,739**	**2,157,476**	**22,512**	**-**	**-**	**484,368**	**2,674,095**
Total	**102,653,026**	**93,213,725**	**149,747,307**	**63,399,105**	**13,845,965**	**48,574,798**	**509,266,768**	**980,700,694**

Item A. On-Balance Sheet includes €3,115,830 thousands of units in investment funds.

Impaired exposures are included in class “6“.

The table details on- and off-balance sheet credits granted to counterparties rated by external rating agencies, which provide brief assessments of the creditworthiness of different classes of borrowers such as Sovereigns, Banks, Public-Sector Entities, Insurance Companies and (usually large) Enterprises.

The table refers to classification of 262/2005 Bank of Italy Circular (3rd update dated December 22, 2014); then it provides, for external ratings, 6 classes of creditworthiness.
Rating Agencies utilized to fill the table are: Moody's, S&Ps, Fitch and DBRS.

Where more than one agency rating is available, the most prudential rating is assigned.
The 73.3% of rated counterparties were investment grade (from Class 1 to Class 3), referring to highly-rated borrowers.

Unrated exposures, i.e. those with no external rating, were 51.9%of the portfolio, due to the fact that a considerable proportion of borrowers were private individuals or SMEs, which are not externally rated.

Details of securitized exposures not derecognized for accounting purposes (but derecognized at the origination for prudential purposes) are provided below:

Securitization name	Originator	Asset class	Amounts as at 12.31.2014 (€ million)
Cordusio RMBS 3 - UBCASA 1	UniCredit S.p.A.	RMBS	859
CORDUSIO RMBS	UniCredit S.p.A.	RMBS	411
CORDUSIO RMBS SECURITISATION - SERIE 2006 (ex CORDUSIO RMBS2)	UniCredit S.p.A.	RMBS	633
CORDUSIO RMBS SECURITISATION - SERIE 2007	UniCredit S.p.A.	RMBS	1,560
F-E Mortgages 2003-1	UniCredit S.p.A.	RMBS	196
F-E Mortgages 2005-1	UniCredit S.p.A.	RMBS	307
Heliconus	UniCredit S.p.A.	RMBS	99
CAPITAL MORTGAGE	UniCredit S.p.A.	RMBS	1,121
Locat SV S.r.l. Serie 2005	UniCredit Leasing S.p.A.	Leasing	179
Locat SV S.r.l. Serie 2006	UniCredit Leasing S.p.A.	Leasing	353
Locat SV - Serie 2014	UniCredit Leasing S.p.A.	Leasing	1,266
F-E Gold Srl	UniCredit Leasing S.p.A.	Leasing	162
Geldilux TS 2013	UniCredit Bank AG	CLO	853
NEWSTONE MORTGAGE SECURITIES No.1	Redstone Mortgages Ltd	RMBS	286
Total			**8,285**

A.2.2 Banking Group - Balance Sheet and off-Balance Sheet exposure by internal rating class (book values)

(€ '000)

	AMOUNTS AS AT 12.31.2014											
	INTERNAL RATING CLASSES											
EXPOSURES	1	2	3	4	5	6	7	8	9	IMPAIRED EXPOSURES	NO RATING	TOTAL
A. On-Balance Sheet exposures	**47,845,844**	**26,704,333**	**168,785,891**	**151,143,710**	**81,590,084**	**62,228,500**	**36,891,304**	**15,186,520**	**8,602,981**	**42,517,186**	**82,376,311**	**723,872,664**
B. Derivative contracts	**7,555,445**	**4,616,751**	**28,817,190**	**7,707,199**	**1,596,560**	**1,160,396**	**3,287,426**	**733,052**	**156,710**	**179,148**	**2,622,411**	**58,432,288**
B.1 Financial derivative contracts	7,553,691	4,407,803	28,274,873	7,652,415	1,595,697	1,159,524	3,287,426	733,052	156,644	179,148	2,393,004	57,393,277
B.2 Credit derivative contracts	1,754	208,948	542,317	54,784	863	872	-	-	66	-	229,407	1,039,011
C. Guarantees given	**310,280**	**3,229,535**	**16,719,644**	**27,053,065**	**6,493,191**	**12,370,932**	**4,052,799**	**1,503,982**	**548,037**	**1,462,861**	**7,240,468**	**80,984,794**
D. Other commitments to disburse funds	**504,377**	**6,152,165**	**32,642,548**	**20,291,432**	**6,350,212**	**4,651,287**	**2,016,785**	**650,190**	**559,330**	**802,756**	**36,999,941**	**111,621,023**
E. Other	**-**	**-**	**2,156,920**	**156**	**21,943**	**33**	**-**	**-**	**-**	**-**	**495,043**	**2,674,095**
Total	**56,215,946**	**40,702,784**	**249,122,193**	**206,195,562**	**96,051,990**	**80,411,148**	**46,248,314**	**18,073,744**	**9,867,058**	**44,961,951**	**129,734,174**	**977,584,864**

Internal rating classes	PD range				
1	0.0000%	<=	PD	<=	0.0036%
2	0.0036%	<	PD	<=	0.0208%
3	0.0208%	<	PD	<=	0.1185%
4	0.1185%	<	PD	<=	0.5824%
5	0.5824%	<	PD	<=	1.3693%
6	1.3693%	<	PD	<=	3.2198%
7	3.2198%	<	PD	<=	7.5710%
8	7.5710%	<	PD	<=	17.8023%
9	17.8023%	<	PD	<=	99.9999%

The table contains on- and off-balance sheet exposures grouped according to the counterparties' internal rating.
Ratings are assigned to individual counterparties using Group banks' internally-developed models included in their credit risk management processes. The internal models validated by the regulators are either 'Group-wide' (e.g. for banks, multinationals and sovereigns) or bank-specific, by segment (e.g. retail or corporate).

The various rating scales of these models are mapped onto a single master-scale of 9 classes based on Probability of Default (PD).
68.8% of internally-rated exposures were investment grade (classes 1 to 4), while exposures towards unrated counterparties were 13.3% of the total. No rating is assigned to these counterparties as either they belong to a segment not yet covered by the models, or the appropriate model is still in the roll-out phase.

Internal Ratings are used for Capital Requirements calculation by the Legal Entities / portfolios that were authorized for the IRB approach from Central bank. Legal Entities currently authorized are: UniCredit S.p.A, UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Credit Management Bank S.p.A, UniCredit Bank Ireland p.l.c., UniCredit Bank Luxembourg S.A., UniCredit Banka Slovenija d.d., UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia.a.s., UniCredit Bank Hungary, UniCredit Tiriac Bank a.s., UniCredit Bank ZAO Russia and UniCredit Leasing GmbH and related subsidiaries UniCredit Leasing Finance GMBH, Structured Lease GMBH, UniCredit Leasing Aviation GMBH.

Part E – Information on risks and related risk management policies

A.3 Distribution of secured credit exposures by type of security

A.3.1 Bankig group - Secured credit exposures with banks

(€ '000)

	AMOUNTS AS AT 12.31.2014														
		COLLATERAL (1)				GUARANTEES (2)									
		PROPERTY				CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
							OTHER CREDIT DERVATIVES								
	NET EXPOSURES	MORTGAGES	FINANCE LEASES	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured On-Balance Sheet credit exposures:															
1.1 totally secured	6,985,549	6,019	-	6,883,015	1,499,539	-	-	-	-	-	1,131,874	53,141	3,227,404	11,361	12,812,353
- of which impaired	26,444	1,029	-	-	-	-	-	-	-	-	29,448	-	230	4,667	35,374
1.2 partially secured	10,716,114	-	-	-	5,213,507	-	-	-	-	-	436,161	-	165,310	28,086	5,843,064
- of which impaired	16,515	-	-	-	-	-	-	-	-	-	12,728	-	75	2,086	14,889
2. Secured Off-Balance Sheet credit exposures:															
2.1 totally secured	910,854	-	-	140,697	524,706	1,567	-	-	-	-	14,777	-	148,632	222,273	1,052,652
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	1,906,509	-	-	-	637,517	-	-	-	-	-	495	-	450,789	50,687	1,139,488
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Classification of exposures as “totally secured” or “partially secured” is made by comparing the gross exposure with the amount of the contractually agreed security.

A.3.2 Banking group - Secured credit exposures with customers

(€ '000)

	AMOUNTS AS AT 12.31.2014														
		COLLATERAL (1)				GUARANTEES (2)									
		PROPERTY				CREDIT DERIVATIVES					SIGNATURE LOANS (LOANS GUARANTIES)				
							OTHER CREDIT DERVATIVES								
	NET EXPOSURES	MORTGAGES	FINANCE LEASES	SECURITIES	OTHER ASSETS	CREDIT LINK NOTES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	TOTAL (1)+(2)
1. Secured On-Balance Sheet credit exposures:															
1.1 totally secured	216,183,133	301,187,057	14,637,401	28,969,175	35,658,427	-	-	-	52,686	-	2,884,113	1,413,526	4,835,860	23,426,595	413,064,840
- of which impaired	25,993,524	44,237,084	2,838,651	104,414	7,031,285	-	-	-	-	-	74,378	41,713	112,145	5,263,581	59,703,251
1.2 partially secured	107,542,368	34,249,123	-	2,674,802	29,867,105	-	-	-	10,443	-	4,484,307	1,140,854	2,412,711	2,383,704	77,223,049
- of which impaired	5,433,974	2,524,391	-	260,114	480,916	-	-	-	-	-	135,271	31,988	168,343	727,840	4,328,863
2. Secured Off- Balance Sheet credit exposures:															
2.1 totally secured	36,374,676	5,439,972	-	9,805,795	5,040,410	6,089	-	-	4,017	-	165,697	12,406	5,345,397	17,657,784	43,477,567
- of which impaired	828,059	784,388	-	14,872	741,794	1,467	-	-	-	-	170	2,533	95,216	248,499	1,888,939
2.2 partially secured	11,534,611	397,178	-	336,551	808,096	41,163	-	-	-	-	152,157	13,573	2,419,813	857,450	5,025,981
- of which impaired	294,702	48,333	-	10,967	40,482	75	-	-	-	-	13,054	1,663	30,409	6,484	151,467

Classification of exposures as “totally secured” or “partially secured” is made by comparing the gross exposure with the amount of the contractually agreed security.

B. Distribution and concentration of credit exposures

B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures to customers (book value)

(€ '000)

COUNTERPARTS/EXPOSURES		GOVERNMENTS			OTHER PUBLIC ENTITIES			FINANCIAL COMPANIES		
		NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS
A. On-Balance Sheet exposures										
A.1 Non-performing loans		456	841	X	139,791	61,457	X	486,861	539,761	X
A.2 Doubful loans		1,997	783	X	20,955	12,602	X	352,852	213,952	X
A.3 Restructured exposures		757	1	X	6,150	2,139	X	122,992	73,101	X
A.4 Past due		307	97	X	25,325	31,463	X	64,458	29,637	X
A.5 Other exposures		105,928,486	X	5,385	40,822,511	X	89,252	61,842,531	X	138,785
Total A		**105,932,003**	**1,722**	**5,385**	**41,014,732**	**107,661**	**89,252**	**62,869,694**	**856,451**	**138,785**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans		-	-	X	18,665	-	X	5,357	2,026	X
B.2 Doubful loans		-	-	X	-	-	X	18,830	-	X
B.3 Other impaired assets		10	-	X	11	2	X	3,122	11	X
B.4 Other exposures		8,621,530	X	406	8,622,732	X	2,157	37,109,077	X	1,021,262
Total B		**8,621,540**	**-**	**406**	**8,641,408**	**2**	**2,157**	**37,136,386**	**2,037**	**1,021,262**
TOTAL (A+B)	**12.31.2014**	**114,553,543**	**1,722**	**5,791**	**49,656,140**	**107,663**	**91,409**	**100,006,080**	**858,488**	**1,160,047**
TOTAL (A+B)	**12.31.2013**	**82,171,471**	**11,807**	**6,057**	**56,805,066**	**92,312**	**128,446**	**105,473,755**	**807,498**	**1,064,827**

Continued: B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures to customers (book value)

(€ '000)

COUNTERPARTS/EXPOSURES		INSURANCE COMPANIES			NON-FINANCIAL COMPANIES			OTHER ENTITIES		
		NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	SPECIFIC WRITE-DOWNS	PORTFOLIO ADJUSTMENTS
A. On-Balance Sheet exposures										
A.1 Non-performing loans		8,421	9,445	X	13,893,635	24,639,116	X	5,851,501	8,225,323	X
A.2 Doubful loans		817	61	X	12,196,538	6,829,152	X	2,766,442	1,160,224	X
A.3 Restructured exposures		948	106	X	4,161,532	2,008,525	X	200,100	89,917	X
A.4 Past due		4	6	X	1,504,209	403,613	X	787,185	239,082	X
A.5 Other exposures		1,265,317	X	16,883	240,806,065	X	1,751,481	138,529,215	X	621,338
Total A		**1,275,507**	**9,618**	**16,883**	**272,561,979**	**33,880,406**	**1,751,481**	**148,134,443**	**9,714,546**	**621,338**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans		94	22	X	460,389	221,367	X	50,475	39,166	X
B.2 Doubful loans		29	-	X	1,102,638	152,136	X	34,062	20,861	X
B.3 Other impaired assets		-	-	X	673,942	85,015	X	61,000	24,026	X
B.4 Other exposures		1,187,592	X	791	123,273,023	X	196,022	22,965,440	X	55,994
Total B		**1,187,715**	**22**	**791**	**125,509,992**	**458,518**	**196,022**	**23,110,977**	**84,053**	**55,994**
TOTAL (A+B)	**12.31.2014**	**2,463,222**	**9,640**	**17,674**	**398,071,971**	**34,338,924**	**1,947,503**	**171,245,420**	**9,798,599**	**677,332**
TOTAL (A+B)	**12.31.2013**	**2,481,125**	**11,060**	**4,131**	**383,654,322**	**35,522,901**	**2,160,288**	**177,334,843**	**10,232,357**	**788,105**

B.2 Banking group - Distribution of On-Balance Sheet and Off-Balance Sheet exposures to by geographic area (book value)

(€ '000)

EXPOSURES/GEOGRAPHIC AREA	AMOUNT AS AT 12.31.2014									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. On-Balance Sheet exposures										
A.1 Non-performing loans	14,584,799	24,732,038	5,352,229	8,147,414	75,707	42,167	59,953	69,812	307,977	484,512
A.2 Doubful loans	12,638,347	6,927,352	2,635,373	1,198,326	7,425	2,992	1,132	984	57,324	87,120
A.3 Restructured exposures	2,535,016	969,862	1,864,309	1,070,914	7,244	22,324	77	398	85,833	110,291
A.4 Impaired pastdue exposures	1,505,482	428,568	673,023	215,186	1,781	81	57	28	201,145	60,035
A.5 Other exposures	261,805,488	1,314,752	293,839,282	1,076,305	5,622,852	39,833	3,250,859	34,551	24,675,644	157,683
Total A	**293,069,132**	**34,372,572**	**304,364,216**	**11,708,145**	**5,715,009**	**107,397**	**3,312,078**	**105,773**	**25,327,923**	**899,641**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans	172,471	46,241	309,115	215,192	11	-	10,684	1,082	42,699	66
B.2 Doubful loans	991,824	98,056	150,833	67,615	6,426	7,326	-	-	6,476	-
B.3 Other impairedpast dueexposures	590,696	29,754	110,591	73,262	979	-	-	-	35,819	6,038
B.4 Other exposures	58,546,694	1,137,560	118,450,673	90,407	9,625,189	610	906,368	1,537	14,250,470	46,518
Total B	**60,301,685**	**1,311,611**	**119,021,212**	**446,476**	**9,632,605**	**7,936**	**917,052**	**2,619**	**14,335,464**	**52,622**
TOTAL (A+B) 12.31.2014	**353,370,817**	**35,684,183**	**423,385,428**	**12,154,621**	**15,347,614**	**115,333**	**4,229,130**	**108,392**	**39,663,387**	**952,263**
TOTAL (A+B) 12.31.2013	**359,653,264**	**36,095,195**	**403,060,416**	**12,902,264**	**8,498,742**	**373,296**	**4,605,054**	**161,633**	**32,103,106**	**1,297,401**

B.3 Banking Group - Distribution of On-Balance Sheet and Off-Balance Sheet credit exposures to banks by geographic area (book value)

(€ '000)

EXPOSURES/GEOGRAPHIC AREA	AMOUNT AS AT 12.31.2014									
	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS	NET EXPOSURE	TOTAL WRITE-DOWNS
A. On-Balance Sheet exposures										
A.1 Non-performing loans	-	-	15,266	55,523	939	7,991	22,469	37,656	3,944	1
A.2 Doubtful exposures	-	7	883	-	-	-	5,771	2,767	597	-
A.3 Restructured exposures	-	-	9,706	636	-	-	-	-	-	-
A.4 Impaired past due exposures	-	-	-	-	-	-	12	45	-	-
A.5 Other exposures	15,747,919	-	63,567,236	25,122	4,767,001	798	2,411,803	4,781	5,530,760	718
Total A	**15,747,919**	**7**	**63,593,091**	**81,281**	**4,767,940**	**8,789**	**2,440,055**	**45,249**	**5,535,301**	**719**
B. Off-Balance Sheet exposures										
B.1 Non-performing Loans	-	-	2,063	6,561	-	-	869	-	-	-
B.2 Doubtful loans	-	-	-	-	-	-	-	-	-	-
B.3 Other impaired past due exposures	-	-	13,176	519,704	34	-	-	-	-	-
B.4 Other exposures	1,809,890	5,184	36,232,755	10,247	5,349,568	47	1,823,728	1,112	1,598,004	778
Total B	**1,809,890**	**5,184**	**36,247,994**	**536,512**	**5,349,602**	**47**	**1,824,597**	**1,112**	**1,598,004**	**778**
TOTAL (A+B) 12.31.2014	**17,557,809**	**5,191**	**99,841,085**	**617,793**	**10,117,542**	**8,836**	**4,264,652**	**46,361**	**7,133,305**	**1,497**
TOTAL (A+B) 12.31.2013	**15,770,905**	**2,126**	**90,008,741**	**545,530**	**4,353,379**	**25,765**	**3,987,648**	**58,829**	**5,898,602**	**976**

B.4 Large exposures

	12.31.2014
a) Amount book value (€ million)	223,933
b) Amount weighted value (€ million)	18,325
c) Number	10

In compliance with Article 4.1 39 of Regulation (EU) n. 575/2013 (CRR), in case of exposures towards a group of connected clients formed by a Central Government and other groups of connected clients, such exposure towards the Central Government is reported for each group of connected clients when remitting regulatory reporting; despite the regulatory approach above mentioned, the amounts shown in the table below disclose only once the exposure towards the Central Government.
Please also note that deferred tax assets towards Italian Central Government were considered as fully exempted and, as a consequence, the weighted amount reported is null.

C. Securitization transactions

C.1 Securitization transactions

QUALITATIVE INFORMATION

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

The Group as originator

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

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

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

The Group makes limited use of this type of transactions. The amount of securitized loans[5], net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 2.44% of the Group's credit portfolio. Self-securitizations in turn account for 2.59% of the loan portfolio.

Under traditional securitizations the Group retains the first loss in the form of junior bonds or similar exposure and in some cases provides further credit enhancement as described above. This enables the Group to benefit from the portion of the sold receivables' yield in excess of the yield due to the senior and mezzanine tranches.

Retention by the Group of the first loss risk and the corresponding yield means that most of the risk and return on the portfolio is retained. Consequently these transactions are recognized in the accounts as loans and no profits arising out of the transfer of the assets are recognized and the sold receivables are not derecognized.

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

Synthetic securitizations also entail retention of the receivables subject to credit default protection on the balance sheet. The swap is recognized in the accounts, as well as any other retained interest.

The Group's main objectives in its securitization transactions (whether traditional or synthetic) are the optimization of the loan portfolio by freeing up regulatory and economic capital and obtaining fresh liquidity together with greater diversification of its sources of funding.
The crisis in the markets experienced since the second half of 2007 made it advisable to use securitization as a means of increasing counterbalancing capacity, i.e. the availability of assets that can readily be used to create liquidity, by retaining the securities issued by the vehicle within the Group.
During financial year 2014 the market for traditional securitisations continued to show some signs of recovery also in Italy. The Group in fact carried out a securitisation of financial leasing operations placed with leading institutional investors.

[5]We refer to loans sold, also synthetically, but not derecognized from balance sheet.

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

In 2014 the Group carried out four traditional transactions (of which one self-securitization) and three synthetic transactions:
UniCredit S.p.A.

- Danubio (traditional, where UniCredit S.p.A. has the role of seller of underlying assets)
- Confidimpresa Trentino e Cooperativa Artigiana di Garanzia della Provincia di Trento (synthetic)
- UniCredit MidCap 2014 (synthetic)
- Veneto Sviluppo 2014 (synthetic)

UniCredit Leasing S.p.A.

- Locat SV – Serie 2014 (traditional)

UniCredit Credit Management Bank S.p.A.

- Arena NPL One (traditional)

Redstone Mortgages Limited

- Newstone Mortgage Securities No. 1 (traditional)

Details are given in the following tables, which also describe transactions – traditional and synthetic – carried out in previous financial years.

It should also be noted that in 2014 the securitisation transactions "Trevi Finance" and "Trevi Finance 2" proceeded to the sale of a further two securitisation vehicles, not belonging to the UniCredit Group and named "Aurora SPV S.r.L." and "Augustus SPV S.r.L.", of non-performing loans that constituted their separate assets, going on therefore to terminate the securitisation transactions.

In 2014, finally, the call option clauses of the Euroconnect SME 2008, Geldilux TS 2010 and Geldilux TS 2011 transactions were exercised. For these last two, these were traditional transactions, through acquisition by the respective originators of the remaining portfolios from the Vehicle Companies.

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

The Group as sponsor

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

The Group acts as sponsor of asset backed commercial paper vehicles (i.e. commercial paper issuing conduits) set up in order to allow customers the access to the securitizations' market (multi-seller Customer conduits).
Customer conduits require the formation and management of a bankruptcy-remote company (i.e., one that would be immune from any financial difficulties of the originator) which directly or indirectly buys receivables created by companies outside the Group.
The receivables underlying these transactions are not bought directly by the conduit set up by the Group, but by a purchase company which in turn is wholly funded by the conduit by means of commercial paper or medium term notes.
In some circumstances purchase companies fund further SPVs which buy loan portfolio.

The main purpose of these transactions is to give corporate customers access to the securitization market and thus to lower funding costs than would be borne with direct funding.
The conduits' purchase of assets is financed by short-term commercial paper and medium-term note issues.

Payment of interest and redemption of the securities issued by the conduit therefore depends on cash flow from the receivables purchased (credit risk) and the ability of the conduit to roll over or replace its market funding on maturity (liquidity risk).

Part E – Information on risks and related risk management policies

To guarantee prompt redemption of the securities issued by the conduit, these transactions are guaranteed by a standby letter of credit covering the risk of default both of specific assets and of the whole program.
The underwriters of issued securities also benefit from security provided by specific liquidity lines which the conduit may use if it unable to place new commercial paper to repay maturing paper, e.g. during market turmoil.

These liquidity lines may not however be used to guarantee redemption of securities issued by the conduit in the event of default by the underlying assets.

In its role as sponsor, the Group selects the asset portfolios purchased by conduits or purchase companies, provides administration of the assets and both standby letters of credit and liquidity lines.

For these services the Group receives fees and also benefits from the spread between the return on the assets purchased by the SPV and the securities issued.

These circumstances put the Group in the condition of having the power over the assets of the conduits and being at the same time exposed to the variability deriving from such assets. Therefore the conduits sponsored by the Group have come within the perimeter of consolidation starting from 2007, in application of the conditions provided for in IFRS 10 and previously by SIC 12.

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

The Group as investor

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

These exposures are mainly held on the books of the Corporate and Investment Banking Division (CIB) and Unicredit Bank Ireland.

This business was particularly affected by the difficult situation on the financial markets, which began in 2007 and resulted in a transformation of the structured credit product market into an illiquid market.
Against this background, these securities were reclassified from trading to banking portfolio.

This strategy has been reflected in the accounts through the reclassification of most of these positions in the item “loans and receivables to customers” occurred for the most part in the second half of 2008 and, for the remaining, in the first half 2009.

Since then, this type of asset portfolio has been managed with a view to gradually reduce its amount (i.e. de-risking/de-leveraging strategy) in order to lower the associated capital requirement, while seeking to ensure the contribution to net interest income over time (especially in a market environment characterized by low interest rates) in a context of overall sustainability of the associated risk profile. Since early 2012, based on the expertise gained in the management of this portfolio, it was decided to keep the amount stable in notional terms, while replacing, as far as possible given volatile markets, the positions reaching maturity with new ones of adequate quality and profitability. These positions are subject to continuous monitoring by Risk Management which, on the one hand, constantly monitors their evolution and composition while on the other, for the purposes of internal monitoring and overall disclosure, it regularly evaluates their market value.

In line with the above management principles, risk monitoring and maximizing profit on securitization transactions is achieved by:

- analyzing the monthly or quarterly investor reports produced by the Trustee, paying special attention to the performance of the collateral;
- monitoring similar transactions' collateral performance and issues of similar paper;
- watching the market fundamentals of the underlying credit;
- staying in constant contact with the investors and, where collateral is managed, with the managers and analysts of the Collateral Manager.

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

ORIGINATOR: UniCredit S.p.A.

New transactions 2014

NAME:	DANUBIO	
Type of securitization:	Traditional	
Seller of underlying assets:	UniCredit S.p.A.	
Sponsor:	Credito Fondiario S.p.A.	
Issuer:	Danubio S.r.l.	
Servicer:	Credito Fondiario S.p.A.	
Arranger:	-	
Target transaction:	Derecognition of the transferred portfolio by the transferor	
Type of asset:	Consumer and personal loans	
Quality of Asset:	Non performing	
Closing date:	04/11/2014	
Nominal Value of reference portfolio:	932,941,760 €	
Net amount of preexisting w ritedow n/w ritebacks:	-	
Disposal Profit & Loss realized:	-	
Portfolio disposal price [1]:	49,459,403 €	
Issue guarantees by the Bank:	-	
Issue guarantees by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	-	
Rating Agencies:	-	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of *tranching*:		
. ISIN	IT0005009060	IT0005009078
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	-	-
. Quotation	-	-
. Issue date	04/11/2014	04/11/2014
. Legal maturity	10/21/2022	10/21/2022
. Call option	-	-
. Expected duration	3 years	n.a.
. Rate	Euribor 3M + 4%	Euribor 3M + 4%
. Subordinated level	-	Sub A1
. Reference Position	19,800,000 €	9,900,000 €
. Reference Position at the end of accounting period	19,800,000 €	9,900,000 €
. Security subscribers	UniCredit S.p.A.	Credito Fondiario S.p.A. and Cerberus Italy Investor LP
. ISIN	IT0005009094	
. Type of security	Junior	
. Class	B	
. Rating	n.r.	
. Quotation	not listed	
. Issue date	04/11/2014	
. Legal maturity	10/21/2030	
. Call option	-	
. Expected duration	n.a.	
. Rate	Variable	
. Subordinated level	Sub A1, A2	
. Reference Position	19,759,406 €	
. Reference Position at the end of accounting period	19,759,406 €	
. Security subscribers	Credito Fondiario S.p.A. and Cerberus Italy Investor LP	
Distribution of securitised assets by area:		
Italy - Northw est	212,068,740 €	
- Northeast	184,951,362 €	
- Central	172,349,459 €	
- South and Islands	362,223,300 €	
Other European Countries - U.E. countries	-	
- not U.E. countries	-	
America	-	
Rest of the World	-	
TOTAL	**931,592,860 €**	
Distribution of securitised assets by business sector of the borrower:		
Governments	-	
Other governments agencies	-	
Banks	-	
Finance Companies	-	
Insurance Companies	-	
Non-financial companies	-	
Other entities	931,592,860 €	
TOTAL	**931,592,860 €**	

Part E – Information on risks and related risk management policies

NAME:	Confidimpresa Trentino e Cooperativa Artigiana di Garanzia della Provincia di Trento	
Type of securitisation:	Tranched Cover	
Originator:	UniCredit S.p.A.	
Issuer:	UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction :	Capital Relief and risk transfer	
Type of asset:	Small and Medium Enterprises Receivables, guaranteed in erogation phase by Consortia	
Quality of Asset:	Performing	
Closing date:	06/30/2014	
Nominal Value of reference portfolio :	10,540,000 €	
Issue guarantees by the Bank:	-	
Issued guarantees by third parties:	Financial Guarantee to hedge the junior tranche in the form of a lien on fixed deposit account;	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	The Consortia guarantee hedges the 95% of the Junior tranche and the tranche is equal to € 665,694.00	
Rating Agencies:	No rating agency, use of Standardized Approach **(*)**	
Amount of CDS or other risk transferred:	-	
Amount and Conditions of tranching:		
. ISIN	n.a	n.a
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Quotation	not listed	not listed
. Issue date	06/30/2014	06/30/2014
. Legal maturity	03/31/2020	03/31/2020
. Call option	Clean-up call, Regulatory Call	
. Expected duration	0.00	0.00
. Rate	n.a	n.a
. Subordinated level	-	Sub A
. Reference Position	9,874,316 €	665,694 €
. Reference Position at the end of accounting period	8,326,605 €	665,694 €
. Security subscribers	UniCredit S.p.A.	Covered by protection seller

Distribution of securitised assets by area:	
Italy - Northwest	800,000 €
- Northeast	9,820,000 €
- Central	-
- South and Islands	-
Other European Countries - U.E. countries	-
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**10,620,000 €**

Distribution of securitised assets by business sector of the borrower:	
Governments	-
Other governments agencies	-
Banks	-
Finance Companies	-
Insurance Companies	-
Non-financial companies	10,109,000 €
Other entities	511,000 €
TOTAL	**10,620,000 €**

(*) Synthetic securitizations carried out used the Supervisory Formula Approach as required by Italian Regulator (Bank of Italy - Circular 263/2006).
Where there is no eligible external rating, this approach requires the calculation of the regulatory capital requirement for each tranche of a securitization should use the following five elements:
1. The capital requirement on the securitized assets calculated using the IRB approach (kIRB);
2. The level of credit support of the tranche in question;
3. The thickness of the tranche;
4. The number of securitized assets;
5. Average LGD.
Using the Supervisory Formula Approach it is possible to calculate the amount of risk equivalent to the rating of a senior tranche, the remainder being subordinated and classified as junior.

NAME:	UniCredit MidCap 2014		Veneto Sviluppo 2014	
Type of securitisation:	Tranched Cover		Tranched Cover	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	UniCredit S.p.A.		UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.		UniCredit S.p.A.	
Target transaction :	Capital Relief and risk transfer		Capital Relief and risk transfer	
Type of asset:	Highly diversified and granular pool of UniCredit's SME loans, guaranteed in erogation phase by CRC European Loan Origination Platform, Areo Sarl.		Highly diversified and granular pool of UniCredit's SME loans, guaranteed in erogation phase by NEA FIDI and VENETO SVILUPPO S.p.A.	
Quality of Asset:	Performing		Performing	
Closing date:	12/16/2014		10/27/2014	
Nominal Value of reference portfolio :	1,864,170,543 €		28,785,600 €	
Issue guarantees by the Bank:	-		-	
Issued guarantees by third parties:	Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of personal guarantee		Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of personal guarantee	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	-		-	
Rating Agencies:	No rating agency, use of Standardized Approach **(*)**		No rating agency, use of Standardized Approach **(*)**	
Amount of CDS or other risk transferred:	-		-	
Amount and Conditions of tranching:				
. ISIN	n.a	n.a	n.a	n.a
. Type of security	Senior	mezzanine	Senior	mezzanine
. Class	A	B	A	B
. Rating	n.r.	n.r.	n.r.	n.r.
. Quotation	not listed	not listed	not listed	not listed
. Issue date	12/16/2014	12/16/2014	10/27/2014	10/27/2014
. Legal maturity	12/31/2026	12/31/2026	06/30/2017	06/30/2017
. Call option	Clean-up call, Regulatory Call		Clean-up call, Regulatory Call	
. Expected duration	2.43	2.43	0.97	0.97
. Rate	n.a	n.a	n.a	n.a
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	1,715,036,900 €	37,133,644 €	28,266,860 €	1,259,370 €
. Reference Position at the end of accounting period	1,666,082,772 €	37,133,644 €	19,290,027 €	1,259,370 €
. Security subscribers	Unicredit S.p.A.	Covered by Protection Seller	Unicredit S.p.A.	Covered by Protection Seller
. ISIN	n.a		n.a	
. Type of security	Junior		Junior	
. Class	C		C	
. Rating	n.r.		n.r.	
. Quotation	not listed		not listed	
. Issue date	12/16/2014		10/27/2014	
. Legal maturity	12/31/2014		06/30/2017	
. Expected duration	2.43		0.97	
. Rate	n.a		n.a	
. Subordinated level	Sub A, B		Sub A, B	
. Reference Position	112,000,000 €		1,259,370 €	
. Reference Position at the end of accounting period	112,000,000 €		1,259,370 €	
. Security subscribers	Covered by Protection Seller		Covered by Protection Seller	
Distribution of securitised assets by area:				
Italy - Northwest	630,548,260 €		-	
- Northeast	689,743,634 €		28,625,600 €	
- Central	279,877,467 €		160,000 €	
- South and Islands	264,001,182 €		-	
Other European Countries - U.E. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
TOTAL	**1,864,170,543 €**		**28,785,600 €**	
Distribution of securitised assets by business sector of the borrower:				
Governments	-		-	
Other governments agencies	-		-	
Banks	-		-	
Finance Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	10,225,929 €		28,528,000 €	
Other entities	1,853,944,614 €		257,600 €	
TOTAL	**1,864,170,543 €**		**28,785,600 €**	

(*) Synthetic securitizations carried out used the Supervisory Formula Approach as required by Italian Regulator (Bank of Italy - Circular 263/2006).
Where there is no eligible external rating, this approach requires the calculation of the regulatory capital requirement for each tranche of a securitization should use the following five elements:
1. The capital requirement on the securitized assets calculated using the IRB approach (kIRB);
2. The level of credit support of the tranche in question;
3. The thickness of the tranche;
4. The number of securitized assets;
5. Average LGD.
Using the Supervisory Formula Approach it is possible to calculate the amount of risk equivalent to the rating of a senior tranche, the remainder being subordinated and classified as junior.

Part E – Information on risks and related risk management policies

STRATEGIES, PROCESSES AND GOALS:	The initiatives are a part of the Group's strategies, one of the objectives of which is to finance, at competitive rates (and in large amounts), the development of medium and long-term performing loan portfolios through the structuring of such portfolios and the resulting release of financial resources for new investments. The main advantages of the transactions can be summarized as follows: - improvement in the matching of asset maturities; - diversification of sources of financing; - broadening of investor base and resulting optimization of funding cost.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	UniCredit S.p.A. acts as "Servicer" for all transactions concerned. As per the agreements entered into with issuing companies (special purpose vehicles - SPV), servicing consists of performing, on behalf of these companies, administrative, collection and securitized loan collection activities as well as the management of any recovery procedures for impaired loans. Thus, as Servicer, UniCredit S.p.A. is charged with continually tracking cash flows from securitized loans and constantly monitoring their collection, with the assistance of third party companies of the Group. (especially for the recovery of impaired loans; the company involved is UniCredit Credit Management Bank S.p.A., which operates as an assistant to the Servicer, governed by a special agreement). The Service provides the Special Purpose Vehicle (and other counterparties indicated in the servicing agreements) information on the activity performed by, periodically reports that indicate, among other things, the collection and transfer of the income stream sold, the amount of default positions and recoveries completed, overdue installments, etc., with all information broken down in relation to specific transactions. These reports (which are usually quarterly) are periodically checked (if contractually required) by an auditing firm.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	From a strategic point of view, the ABS & Covered Bond Unit established within the Group Finance Department is responsible for central coordination. In this context, ABS & Covered Bond unit also plays the role of proposer and provides support to the Bank's Divisions and to the individual Legal Entities in conducting transactions, cooperating with all the other departments (Planning & Control, Group Credit Treasury, Capital Management, Group Risk Management, etc..) in identifying the characteristics and the distinctive features of "true sale" securitizations of originally performing loans in order to achieve the targets set in the Group's Funding Plan, approved by the Board of Directors. Specific transactions are subject to prior approval by the competent departments of the Bank (during approval, among other things, the structure, costs and impacts in terms of liquidity and/or any capital relief are discussed and analyzed), and to final approval by the Board of Directors. The Bank has established a special coordination unit (Operative Securitization Management) within the Accounting Department. This unit has been tasked with the coordination and operational performance of the servicer-related duties, and to carry out these duties, it works in close cooperation with specific, qualified areas of the Bank (Group Risk Management, Legal & Compliance, etc.) and the Group (UniCredit Business Integrated Solutions S.C.p.A., UniCredit Credit Management Bank S.p.A., etc.). Operative Securitization Management also provides technical and operational support to network units. The information regarding the monitoring of collections and the performance of the securitized portfolio is periodically submitted to the Servicer's Board of Directors.
HEDGING POLICIES:	By agreement, securitized portfolios are protected from interest rate risk by means of the Special Purpose Vehicle entering into Interest Rate Swap (IRS) agreements to hedge a fixed-rate portfolio, and Basis Swaps to hedge an indexed rate portfolio. In connection with these swaps (with the exclusion of Impresa One, Consumer One, Large Corporate One and Consumer Two transactions), related back-to-back swap contracts are entered into between UniCredit S.p.A. and UniCredit Bank AG - London Branch as the swap counterparty.
OPERATING RESULTS:	At the end of December 2014, the operating results related to existing securitization transactions essentially reflected the performance of underlying portfolios and the resulting cash flows, and obviously are affected by the amount of defaults and prepayments during the period, which, moreover, are in line with the performance seen in other assets of this kind that are not securitized.

Transactions from previous periods

NAME:	CONSUMER TWO	
Type of securitisation:	Traditional	
Originator:	UniCredit S.p.A.	
Issuer:	Consumer TWO S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.	
Target transaction :	Funding / Counterbalancing capacity	
Type of asset:	Personal loans	
Quality of Asset:	Performing	
Closing date:	11/25/2013	
Nominal Value of reference portfolio :	1,234,022,049 €	
Issue guarantees by the Bank:	-	
Issued guarantees by third parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted the SPV, with respect to this transaction, two subordinated loans amounting to €24.68 million (at the end of accounting period is fully reimbursed) and € 5 million (at the end of accounting period was repaid for € 4 million).	
Other relevant information:	In the role of Servicer, UniCredit S.p.A. has had to hedge mingling risk, with a collateral amounting to € 57.57 million at 31st December 2014	
Rating Agencies:	Moody's / Fitch	
Amount of CDS or other risk transferred:	-	
Amount and Condition of tranching:		
. ISIN	IT0004974983	IT0004974777
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	A2/AA+	A2/AA+
. Reference Position	250,000,000 €	490,400,000 €
. Reference Position at the end of accounting period	250,000,000 €	490,400,000 €
. ISIN	IT0004974975	
. Type of security	Junior	
. Class	B	
. Rating	n.r.	
. Reference Position	493,622,030 €	
. Reference Position at the end of accounting period	493,622,030 €	

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E – Information on risks and related risk management policies

NAME:	LARGE CORPORATE ONE	
Type of securitisation:	Traditional	
Originator:	UniCredit S.p.A.	
Issuer:	Large Corporate ONE S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	-	
Target transaction :	Funding / Counterbalancing capacity	
Type of asset:	Large Corporate Loans	
Quality of Asset:	Performing	
Closing date:	08/13/2013	
Nominal Value of reference portfolio :	278,606,012 €	
Issue guarantees by the Bank:	Senior Notes Guarantee € 304,000,000	
Issued guarantees by third parties:	-	
Bank Lines of Credit:	Interest Shortfall Facility € 13,708,996	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	The credit line of Interest Shortfall Facility, of the original value of € 15,000,000 , was used for € 1,291,004	
Rating Agencies:	Standard & Poor's	
Amount of CDS or other risk transferred:	-	
Amount and Condition of tranching:		
. ISIN	IT0004955776	IT0004955479
. Type of security	Senior	Junior
. Class	A	B
. Rating	BBB- from 01.06.2015	--
. Nominal Value Issued	897,000,000 €	103,000,000 €
. Reference Position	250,000,000 €	28,706,800 €
. Reference Position at the end of accounting period	250,000,000 €	28,706,800 €

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

NAME:	CONSUMER ONE		IMPRESA ONE	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	Consumer ONE S.r.l.		Impresa ONE S.r.l.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit Bank AG, London Branch		UniCredit Bank AG, London Branch	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Consumer Loans		CLO SME	
Quality of Asset:	Performing		Performing	
Closing date:	07/29/2011		10/21/2011	
Nominal Value of disposal portfolio:	4,193,357,976 €		9,290,300,919 €	
Guarantees issued by the Bank:	-		-	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	UniCredit S.p.A. - London Branch, in August 2011, has granted the SPV two subordinated loans amounting to € 420 million (at the end of accounting period the principal amount repaid was € 286.10 million) and € 5 million (at the end of accounting period the principal amount repaid was € 4.03 million). UniCredit S.p.A. - London Branch , in May 2012, has granted a new subordinated loan amounting € 102.16 million (at the end of accounting period the principal amount repaid was € 10 million).		UniCredit S.p.A. - London Branch has granted the SPV, with respect to this transaction, two subordinated loans amounting to €232.3 million and €190 million.	
Other relevant information :	Self-securitisation		Self-securitisation	
Rating Agencies:	Moody's / DBRS		DBRS / Moody's	
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Conditions of tranching:				
. ISIN	IT0004752116	IT0004751902	IT0004774433	IT0004774425
. Type of security	Senior	Junior	Senior	Mezzanine
. Class	A	B	A	B
. Rating	A2 / AAA	n.r.	AAA/A2	A/A2
. Nominal value issued	2,956,200,000 €	1,236,943,620 €	5,156,100,000 €	1,207,700,000 €
. Nominal value at the end of accounting period	983,171,222 €	1,236,943,620 €	452,762,297 €	1,207,700,000 €
. ISIN			IT0004774441	IT0004774458
. Type of security			Mezzanine	Junior
. Class			C	D
. Rating			BBB/Baa3	n.r.
. Nominal value issued			836,100,000 €	2,090,400,000 €
. Nominal value at the end of accounting period			836,100,000 €	2,090,400,000 €

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E – Information on risks and related risk management policies

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)

Transactions from previous periods

NAME:	Cordusio RMBS UCFin - Serie 2006 (ex Cordusio RMBS 3 - UBCasa 1)	
Type of securitisation:	Traditional	
Originator:	UniCredit Banca per la Casa S.p.A.	
Issuer:	Cordusio RMBS UCFin S.r.l. (ex Cordusio RMBS 3 - UBCasa 1 S.r.l.)	
Servicer:	UniCredit S.p.A.	
Arranger:	UniCredit Banca Mobiliare S.p.A.	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of Asset:	Performing	
Closing date:	11/16/2006	
Nominal Value of disposal portfolio:	2,495,969,428 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 14.976 million euro, which at the end of accounting period that amount is fully reimbursed	
Other relevant information :	Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €160 million of funds into an eligible entity to maintain its role as an Account Bank.	
Rating Agencies:	Fitch /Moody's / Standard & Poor's	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
. ISIN	IT0004144884	IT0004144892
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	-	AA+/A2/AA-
. Nominal value issued	600,000,000 €	1,735,000,000 €
. Nominal value at the end of accounting period	0 €	622,123,114 €
. ISIN	IT0004144900	IT0004144934
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	AA/Baa2/A	A+/Baa3/A
. Nominal value issued	75,000,000 €	25,000,000 €
. Nominal value at the end of accounting period	75,000,000 €	25,000,000 €
. ISIN	IT0004144959	IT0004144967
. Type of security	Mezzanine	Junior
. Class	D	E
. Rating	BBB-/Ba2/A	n.r.
. Nominal value issued	48,000,000 €	12,969,425 €
. Nominal value at the end of accounting period	48,000,000 €	12,969,425 €

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly UniCredit Banca S.p.A.)

Transactions from previous periods

NAME:	Cordusio RMBS Securitisation - Serie 2007		Cordusio RMBS Securitisation - Serie 2006 (ex Cordusio RMBS 2)		Cordusio RMBS	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	UniCredit Banca S.p.A.		UniCredit Banca S.p.A.		Unicredit Banca S.p.A.	
Issuer:	Cordusio RMBS Securitisation S.r.l.		Cordusio RMBS Securitisation S.r.l. (ex Cordusio RMBS 2 S.r.l.)		Cordusio RMBS S.r.l.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Bayerische Hypo und Vereinsbank AG, London Branch		UniCredit Banca Mobiliare S.p.A		Euro Capital Structures Ltd	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans		Private Mortgage Loans		Private Mortgage Loans	
Quality of Asset:	Performing		Performing		Performing	
Closing date:	05/22/2007		07/06/2006		05/05/2005	
Nominal Value of disposal portfolio:	3,908,102,838 €		2,544,388,351 €		2,990,089,151 €	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties:	-		-		-	
Bank Lines of Credit:	-		-		-	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 6.253 million euro, at the end of accounting period that amount is fully reimbursed		UniCredit S.p.A. has granted SPV a subordinated loan of 6.361 million euro, at the end of accounting period that amount is fully reimboursed		UniCredit S.p.A. has granted SPV a subordinated loan of 6.127 million euro, at the end of accounting period that amount is fully reimboursed	
Other relevant information :	Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €236 million of funds into an eligible entity to maintain its role as an Account Bank.		Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €170 million of funds into an eligible entity to maintain its role as an Account Bank.		Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €176 million of funds into an eligible entity to maintain its role as an Account Bank.	
Rating Agencies:	Fitch /Moody's / Standard & Poor's		Fitch /Moody's / Standard & Poor's		Fitch /Moody's /Standard & Poor's	
Amount of CDS or other supersenior risk transferred :	-		-		-	
Amount and Conditions of tranching:						
. ISIN	IT0004231210	IT0004231236	IT0004087158	IT0004087174	IT0003844930	IT0003844948
. Type of security	Senior	Senior	Senior	Senior	Senior	Senior
. Class	A1	A2	A1	A2	A1	A2
. Rating	-	AA+/A2/AA-	-	AA+/A2/AA-	-	AA+/A2/AA-
. Nominal value issued	703,500,000 €	2,227,600,000 €	500,000,000 €	1,892,000,000 €	750,000,000 €	2,060,000,000 €
. Nominal value at the end of accounting period	0 €	481,617,144 €	0 €	458,962,117 €	0 €	219,656,564 €
. ISIN	IT0004231244	IT0004231285	IT0004087182	IT0004087190	IT0003844955	IT0003844963
. Type of security	Senior	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class	A3	B	B	C	B	C
. Rating	AA+/A2/A	AA-/Baa2/A	AA/Baa1/A	BBB+/Ba3/A	AA+/A2/A	BBB+/Baa3/A
. Nominal value issued	738,600,000 €	71,100,000 €	45,700,000 €	96,000,000 €	52,000,000 €	119,200,000 €
. Nominal value at the end of accounting period	738,600,000 €	71,100,000 €	45,700,000 €	96,000,000 €	52,000,000 €	119,200,000 €
. ISIN	IT0004231293	IT0004231301	IT0004087216		IT0003844971	
. Type of security	Mezzanine	Mezzanine	Junior		Junior	
. Class	C	D	D		D	
. Rating	A/Baa3/A	BB/B1/BBB-	n.r.		n.r.	
. Nominal value issued	43,800,000 €	102,000,000 €	10,688,351 €		8,889,150 €	
. Nominal value at the end of accounting period	43,800,000 €	102,000,000 €	10,688,351 €		8,889,150 €	
. ISIN	IT0004231319	IT0004231327				
. Type of security	Mezzanine	Junior				
. Class	E	F				
. Rating	CCC/Caa1/B-	n.r.				
. Nominal value issued	19,500,000 €	2,002,838 €				
. Nominal value at the end of accounting period	19,500,000 €	2,002,838 €				

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

Part E – Information on risks and related risk management policies

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Bipop-Carire S.p.A.)

Transactions from previous periods

NAME:	BIPCA Cordusio RMBS	
Type of securitisation:	Traditional	
Originator:	Bipop - Carire, Società per Azioni	
Issuer:	Capital Mortgage Srl	
Servicer:	UniCredit S.p.A	
Arranger:	Bayerische Hypo und Vereinsbank AG, London Branch	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of Asset:	Performing	
Closing date:	12/17/2007	
Nominal Value of disposal portfolio:	951,664,009 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 9.514 million euro. At the end of accounting period the amount of capital tranche is equal to 1.5 million euro.	
Other relevant information :	All securities issued outstanding from 12.31.2010 have been retained by UniCredit S.p.A. Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid €59 million of funds into an eligible entity to maintain its role as an Account Bank.	
Rating Agencies:	Standard & Poor's / Moody's	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Conditions of tranching:		
. ISIN	IT0004302730	IT0004302748
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	AA-/A2	A/A2
. Nominal value issued	666,300,000 €	185,500,000 €
. Nominal value at the end of accounting period	184,190,639 €	185,500,000 €
. ISIN	IT0004302755	IT0004302763
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	A/Baa2	BBB-/Ba1
. Nominal value issued	61,800,000 €	14,300,000 €
. Nominal value at the end of accounting period	61,800,000 €	14,300,000 €
. ISIN	IT0004302797	IT0004302854
. Type of security	Mezzanine	Mezzanine
. Class	D	E
. Rating	BB-/B1	CCC/Caa1
. Nominal value issued	18,000,000 €	5,500,000 €
. Nominal value at the end of accounting period	18,000,000 €	5,500,000 €
. ISIN	IT0004302912	
. Type of security	Junior	
. Class	F	
. Rating	n.r.	
. Nominal value issued	250,000 €	
. Nominal value at the end of accounting period	250,000 €	

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Banca di Roma S.p.A.)

Transactions from previous periods

NAME:	CAPITAL MORTGAGE 2007 - 1	
Type of securitisation:	Traditional	
Originator:	Banca di Roma S.p.A.	
Issuer:	Capital Mortgage S.r.l.	
Servicer:	UniCredit S.p.A.	
Arranger:	Capitalia S.p.A.	
Target transaction:	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of Asset:	Performing	
Closing date:	05/14/2007	
Nominal Value of disposal portfolio:	2,183,087,875 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties:	-	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 37.19 million euro (as equity).	
Other relevant information :	Tranching based on an original assets portfolio € 2,479.4 million, reduced to € 2,183.1 million due to checks after closing date. Following its downgrade by debt-rating agencies, UniCredit S.p.A. paid funds into an eligible entity amounting to € 200.05 million at December 31, 2014 to maintain its role as Account Bank.	
Rating Agencies:	S & P / Moody's / Fitch	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Conditions of tranching:		
. ISIN	IT0004222532	IT0004222540
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	AA-/Baa1/BBB-	AA-/Baa1/BBB-
. Nominal value issued	1,736,000,000 €	644,000,000 €
. Nominal value at the end of accounting period	357,171,584 €	543,722,502 €
. ISIN	IT0004222557	IT0004222565
. Type of security	Mezzanine	Junior
. Class	B	C
. Rating	BB/B1/CCC	D/Ca/CC
. Nominal value issued	74,000,000 €	25,350,000 €
. Nominal value at the end of accounting period	74,000,000 €	25,350,000 €

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly FinecoBank S.p.A.)

Transactions from previous periods

NAME:	F-E Mortgages 2005		F-E Mortgages Series 1-2003		Heliconus	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	FinecoBank S.p.A.		Fin-eco Banca ICQ S.p.A.		Fin-eco Banca ICQ S.p.A.	
Issuer:	F-E Mortgages S.r.l.		F-E Mortgages S.r.l.		Heliconus S.r.l	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	MCC S.p.A. - Group Capitalia		MCC S.p.A. - Group Capitalia		MCC S.p.A. - Group Capitalia	
Target transaction:	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans		Private Mortgage Loans		Private Mortgage Loans	
Quality of Asset:	Performing		Performing		Performing	
Closing date:	04/06/2005		11/27/2003		11/08/2002	
Nominal Value of disposal portfolio:	1,028,683,779 €		748,630,649 €		408,790,215 €	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties:	-		-		-	
Bank Lines of Credit:	-		UniCredit S.p.A. issued a credit line for € 20 million (jointly with The Royal Bank of Scotland Milan Branch). The amount of line of credit is totally redeemed.		UniCredit S.p.A. issued a credit line for € 10.22 million. The amount of the credit line is totally redeemed.	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loan of 15.431 million euro (as Equity). At the end of accounting period the amount of capital tranche reimboursed is € 13.20 million.		-		-	
Other relevant information :	-		Following the downgrade of Royal Bank of Scotland Plc by Moody's, on August 3 2012 UniCredit S.p.A. made a reserve of € 20 million for the SPV, corresponding to the liquidity line.		Following its downgrade by Moody's, on January 12 2012 UniCredit S.p.A. made a reserve of € 10.22 million for the SPV, corresponding to the liquidity line.	
Rating Agencies:	S & P / Moody's / Fitch		S & P / Moody's / Fitch		S & P / Moody's / Fitch	
Amount of CDS or other supersenior risk transferred :	-		-		-	
Amount and Conditions of tranching:						
. ISIN	IT0003830418	IT0003830426	IT0003575039	IT0003575070	IT0003383855	IT0003383871
. Type of security	Senior	Mezzanine	Senior	Mezzanine	Senior	Mezzanine
. Class	A	B	A1	B	A	B
. Rating	AA-/A2/AA+	A/A2/A+	AA-/A2/AA+	A/A2/A	AA-/A2/AA+	-- /A2/A+
. Nominal value issued	951,600,000 €	41,100,000 €	682,000,000 €	48,000,000 €	369,000,000 €	30,800,000 €
. Nominal value at the end of accounting period	191,613,034 €	36,863,691 €	95,070,220 €	48,000,000 €	47,468,562 €	30,800,000 €
. ISIN	IT0003830434		IT0003575088	IT0003575096	IT0003383939	
. Type of security	Junior		Mezzanine	Junior	Junior	
. Class	C		C	D	C	
. Rating	BBB-/Baa2/BBB-		A/Baa2/BBB-	n.r.	n.r.	
. Nominal value issued	36,000,000 €		11,000,000 €	7,630,000 €	8,990,200 €	
. Nominal value at the end of accounting period	32,289,365 €		11,000,000 €	7,630,000 €	8,990,200 €	

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

ORIGINATOR: UniCredit S.p.A. (formerly Capitalia S.p.A., formerly Banca di Roma S.p.A.)

STRATEGIES, PROCESSES AND GOALS:	The goals of the transactions were largely to finance non-performing loan portfolios, diversify sources of funding, improve asset quality and enhance the portfolio with management focused on recovery transactions.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis as a part of servicing activities and is recorded in quarterly reports with a breakdown of loan status and the trend of recoveries.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Reporting related to the monitoring of portfolio collections takes the form of a report to senior management and the board of directors.
HEDGING POLICIES:	Special purpose vehicles enter into IRS and interest rate cap contracts in order to hedge structure-related risk and risk due to the difference between the variable-rate return for the securities issued and the return anticipated from recoveries from the portfolio acquired.
OPERATING RESULTS:	At year-end 2014 profits from existing transactions largely reflected the impact of cash flows from collections for the original defaulting loan portfolio. In particular the collections for the year totalled € 13.38 millions for TREVI 3.

Transactions from previous periods

NAME:	TREVI FINANCE 3		ENTASI	
Type of securitisation:	Traditional		Traditional	
Originator:	Banca di Roma S.p.A. 92,2%, Mediocredito Centrale S.p.A. 5,2% Leasing Roma S.p.A. 2,6%		Banca di Roma S.p.A	
Issuer:	Trevi Finance N. 3 Srl		Entasi Srl	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.A. ABN AMRO, MCC S.p.A.		Capitalia S.p.A.	
Target transaction:	Funding		Funding	
Type of asset:	ordinary loans - mortgage loans		Collateralised bond obligation	
Quality of asset:	non performing	special purpose loan	Trevi Finance 3 classes C1 and C2 securitites	
Closing date:	05/25/2001		06/28/2001	
Nominal Value of disposal portfolio:	2,745,000,000 €	102,000,000 €	320,000,000 €	
Guarantees issued by the Bank:	Redemption of mezzanine securities in issue		Commitment of UniCredit S.p.A. (formerly Capitalia S.p.A.) in case of events entitling to early redemption of securities in issue or to the repurchase of Trevi Finance 3 notes at a price sufficient to redeem Entasi securities. The same commitment applies if Trevi Finance 3 exercises the early redemption option of C1 securities.	
Guarantees issued by Third Parties:	-		-	
Bank Lines of Credit	-		-	
Third Parties Lines of Credit	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	The principal amount of the D-class security, underwritten by the Bank, is guaranteed up to its maturity by zero coupon Italian government bonds. The value of these collateral securities as at 12/31/2014 was € 227,729,267.26. The C1 and C2 classes were fully underwritten by the Bank and then restructured for their disposal. These securities were sold (for a nominal of 320 million) to Entasi Srl, which placed them in the market with institutional investors.		As at 12/31/2014 the portfolio of UniCredit S.p.a. includes Entasi securities with a face value of € 110,087,000 .	
Rating Agencies	Moody's / S&P / Fitch		Moody's	
Amount of CDS or other supersenior risk transferred:	-		-	
Amount and conditions of tranching:			ENTASI Series 2001-1	ENTASI Series 2001-2
. ISIN	XS0130116568	XS0130117020	IT0003142996	IT0003143028
. Type of security	Senior	Mezzanine	Senior	Senior
. Class	A	B	Series 1	Series 2
. Rating	Aaa/AAA/AAA	Aa1/AA/AA-	A1	A1
. Nominal value issued	600,000,000 €	150,000,000 €	160,000,000 €	160,000,000 €
. Nominal value at the end of accounting period	0 €	0 €	160,000,000 €	160,000,000 €
. ISIN	XS0130117459	XS0130117616		
. Type of security	Mezzanine	Mezzanine		
. Class	C1	C2		
. Rating	-	-		
. Nominal value issued	160,000,000 €	160,000,000 €		
. Nominal value at the end of accounting period	452,964,186 €	442,826,429 €		
. ISIN	IT0003355911			
. Type of security	Junior			
. Class	D			
. Rating	n.r.			
. Nominal value issued	448,166,000 €			
. Nominal value at the end of accounting period	448,166,000 €			

Part E – Information on risks and related risk management policies

STRATEGIES, PROCESSES AND GOALS:	The goals of the transaction were largely to finance portfolios, diversify sources of funding and improve asset quality.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis by the servicing company and is recorded in quarterly reports with a breakdown of security status and the trend of repayments.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Reporting produced by servicing companies on the monitoring of portfolio collections is forwarded to senior management and the board of directors.
HEDGING POLICIES:	Special purpose vehicles enter into IRS contracts in order to hedge rate risk related to the structure of underlying securities.
OPERATING RESULTS:	The results achieved up to the present are broadly in line with expectations; payments received from the portfolio acquired ensured punctual and full payment to security holders and other parties to the transaction.

NAME:	CAESAR FINANCE	
Type of securitisation:	Traditional	
Originator:	Banca di Roma S.p.A	
Issuer:	Caesar Finance S.A.	
Servicer:	Bank of New York	
Arranger:	Donaldson, Lufkin & Jenrette	
Target transaction :	Funding	
Type of asset:	Collateralised bond obligation	
Quality of asset:	Performing	
Closing date:	11/05/1999	
Nominal Value of disposal portfolio :	360,329,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	Fitch / Moody's	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Conditions of tranching:		
. ISIN	XS0103928452	XS0103929773
. Type of security	Senior	Junior
. Class	A	B
. Rating	AAA/Aaa	n.r.
. Nominal value issued	270,000,000 €	90,329,000 €
. Nominal value at the end of accounting per	0 €	50,123,165 €

ORIGINATOR: UniCredit S.p.A.

Transactions from previous periods

NAME:	U-Propeller 2013-1		FEDERASCOMFIDI		FEDERCONFIDI	
Type of securitisation:	Tranched Cover		Tranched Cover		Tranched Cover	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	U-Propeller 2013 S.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.		UniCredit S.p.A.		UniCredit S.p.A.	
Target transaction :	Capital Relief and risk transfer for concentration risks		Capital Relief and risk transfer		Capital Relief and risk transfer	
Type of asset:	Loans to renew able energy project financiers		Highly diversified and granular pool of UniCredit's SME loans		Highly diversified and granular pool of UniCredit's SME loans	
Quality of Asset:	Performing		Performing		Performing	
Closing date:	12/27/2013		03/25/2013		03/25/2013	
Nominal Value of reference portfolio :	916,000,000 €		64,235,679 €		62,470,203 €	
Issue guarantees by the Bank:	-		-		-	
Issued guarantees by third parties:	cash collateral Mariner Investment Group LLC		Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of a personal guarantee.		Financial guarantee to hedge the junior tranche in the form of a lien on fixed deposit account; financial guarantee to hedge the mezzanine tranche in the form of a personal guarantee.	
Bank Lines of Credit:	-		-		-	
Third Parties Lines of Credit:	-		-		-	
Other Credit Enhancements:	-		-		-	
Other relevant information:	This transaction can be characterized as a partial synthetic securitization of the individual loans included in the portfolio. The guarantee for U-Propeller 2013 S.A. hedges 100% of the Junior tranche, up to a maximum amount equal to 4.75% of the entire securitized portfolio.		Financial guarantee to hedge the junior tranche is issued by a plurality of mutual credit guarantee consortia (confidi) belonging to the Federascom federation and hedges the 80% of the tranche w hich is equal to € 1,122,089.60 . Financial guarantee to hedge the mezzanine is issued by European Investment Fund (EIF), hedges the 95% of the tranche w hich is equals to € 1,332,481.00 .		Federcomfidi's guarantee hedges the 80% of the Junior tranche and the Junior tranche is equal to € 1,973,702.97. EIF's guarantee hedges the 95% of the Junior and the Junior tranche is equal to € 1,338,103.97.	
Rating Agencies:	No Rating Agency , use of Supervisory Formula Approach (*)		No Rating Agency , use of Supervisory Formula Approach (*)		No Rating Agency , use of Supervisory Formula Approach (*)	
Amount of CDS or other risk transferred:	-		-		-	
Amount and Conditions of tranching:						
. ISIN	n.a	CLN	n.a	n.a	n.a	n.a
. Type of security	Senior	Junior	Senior	Mezzanine	Senior	Mezzanine
. Class	A	B	A	B	A	B
. Rating	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.
. Reference Position	762,000,000 €	38,000,000 €	61,430,455 €	1,402,612 €	59,141,910 €	1,344,765 €
. Reference Position at the date of the last servicer report	698,817,595 €	38,000,000 €	33,807,980 €	1,396,135 €	36,136,460 €	1,338,104 €
. Security subscribers	UniCredit S.p.A.	Covered by protection seller	UniCredit S.p.A.	Partially covered by protection seller	UniCredit S.p.A.	Partially covered by protection seller

			Junior		Junior	
			C		C	
			n.r.		n.r.	
			not listed		not listed	
			03/25/02013		03/25/02013	
			05/31/2030		01/31/2030	
			-		-	
			4.2		4.2	
			n.a		n.a	
			Sub A, B		Sub A, B	
			1,402,612 €		1,983,528 €	
			1,396,135 €		1,973,703 €	
			Partially covered by protection seller		Partially covered by protection seller	

(*) Synthetic securitizations carried out used the Supervisory Formula Approach as required by Italian Regulator (Bank of Italy - Circular 263/2006).
Where there is no eligible external rating, this approach requires the calculation of the regulatory capital requirement for each tranche of a securitization should use the follow ing five elements:
1. The capital requirement on the securitized assets calculated using the IRB approach (KIRB);
2. The level of credit support of the tranche in question;
3. The thickness of the tranche;
4. The number of securitized assets;
5. Average LGD.
Using the Supervisory Formula Approach it is possible to calculate the amount of risk equivalent to the rating of a senior tranche, the remainder being subordinated and classified as junior.

Part E – Information on risks and related risk management policies

ORIGINATOR: Trevi Finance S.p.A., Trevi Finance n. 2 S.p.A., Trevi Finance n. 3 S.r.L.

Transactions from previous periods

NAME:	AURORA 1	
Type of securitisation:	Traditional	
Originator:	Trevi Finance S.p.A., Trevi Finance n.2 S.p.A., Trevi Finance n.3 S.r.L.	
Issuer:	Aurora SPV S.r.L.	
Servicer:	UCCMB S.p.A.	
Arranger:	AnaCap Financial Ltd	
Target transaction :	Funding	
Type of asset:	ordinary loans – mortgage loans	
Quality of Asset:	Non performing	
Closing date:	03/25/2013	
Nominal Value of disposal portfolio :	716,531,408 €	
Net amount of preexisting w ritedow ns/w ritebacks :	17,232,216 €	
Disposal Profit & Loss realized :	-732,216 €	
Portfolio disposal price:	16,500,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	No Rating Agency	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0004907272	IT0005003816
. Type of security	Senior	Senior
. Class	A	A2
. Rating	n.r.	n.r.
. Quotation	not listed	not listed
. Issue date	03/26/2013	03/12/2014
. Legal maturity	03/26/2045	12/03/2045
. Call option	Clean-up call	
. Expected duration	2.8	2.8
. Rate	3%	3%
. Subordinated level	-	Sub A
. Reference Position	7,425,000 €	3,150,000 €
. Reference Position at the end of accounting period	412,161 €	3,150,000 €
. Security subscribers:	Prime Credit 3 S.A.R.L., UniCredit Credit Management Bank S.p.A.	Prime Credit 3 S.A.R.L., UniCredit Credit Management Bank S.p.A.
. ISIN	IT0004907348	
. Type of security	Junior	
. Class	B	
. Rating	n.r.	
. Quotation	not listed	
. Issue date	03/26/2013	
. Legal maturity	03/26/2045	
. Call option	Clean-up call	
. Expected duration	2.8	
. Rate	6.5%	
. Subordinated level	Sub A, A2	
. Reference Position	3,525,000 €	
. Reference Position at the end of accounting period	3,525,000 €	
. Security subscribers	Prime Credit 3 S.A.R.L., UniCredit Credit Management Bank S.p.A.	

ORIGINATOR: UniCredit Credit Management Bank S.p.A.

STRATEGIES, PROCESSES AND GOALS:	The initiative is part of the Group's strategy, which is aimed, inter alia, at the improvement in asset quality and the enhancement of the portfolio through management focused on recovery activities. In addition, credit risk and market risk are mitigated through the sale without recourse of non-performing loans to SPVs that transfer the risks associated with the recovery of these loans to the holders of the securities.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	The securitization portfolio is monitored on an ongoing basis as part of the servicing activities carried out by the Group company UniCredit Credit Management Bank S.p.A., specialized in the recovery of non-performing loans. Under the agreements entered into with the Issuer (the Special Purpose Vehicle – SPV), these servicing activities consist in the management, on its behalf, of the procedures for recovering impaired loans. As Servicer, UniCredit Credit Management Bank S.p.A. is therefore tasked with continually tracking the cash flows arising from these loans, constantly monitoring their collection. The Servicer provides the SPV (as well as the other counterparties specified in the servicing agreements) with information on the activities carried out by preparing periodic reports that describe, inter alia, the recovery and closing of the loans sold.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	The transaction was subject to the prior approval of the competent organizational units of UniCredit S.p.A. (which discuss and analyze, inter alia, the structure, costs and impacts in terms of liquidity and capital absorption), and the final approval of the Board of Directors of the Originator. From the operational standpoint, the Legal Entity UniCredit Credit Management Bank S.p.A. also plays the role of "Corporate Servicer Provider", taking care of the administrative and accounting aspects of the SPV.
HEDGING POLICIES:	The portfolio to be securitized was not hedged.
OPERATING RESULTS:	With regard to AURORA 2 the achieved results were broadly in line with expectations. The received payments from the acquired portfolio ensured punctual and full payment to the security holders and other parties involved in the transaction. Regarding AURORA NPL the result associated with the securitization transaction outstanding at December 2014 reflects the effect of cash flows from collections for the loan portfolio in default. In particular, the proceeds of the period were equal to € 15.5 million.

Part E – Information on risks and related risk management policies

New transactions 2014

NAME:	ARENA NPL ONE	
Type of securitisation:	Self-securitisation	
Originator:	UCCMB S.p.A.	
Issuer:	Arena NPL S.r.L.	
Servicer:	UCCMB S.p.A.	
Arranger:	UBS	
Target transaction :	Funding	
Type of asset:	unsecured loans - mortgage loans	
Quality of asset:	Non performing	
Closing date:	12/04/2014	
Nominal Value of disposal portfolio :	8,460,706,273 €	
Net amount of preexisting w ritedow ns/w ritebacks:	8,460,706,273 €	
Disposal Profit & Loss realized:	0 €	
Portfolio disposal price:	1,217,349,311 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	No Rating Agency	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0005070120	IT0005070138
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Quotation	n.r.	n.r.
. Issue date	12/04/2014	12/04/2014
. Legal maturity	12/04/2040	12/04/2040
. Call option	Clean-up call	
. Expected duration	2.4	2.4
. Rate	2%	5.0%
. Subordinated level	-	Sub A
. Reference Position	304,300,000 €	913,049,310 €
. Reference Position at the end of accounting period	304,300,000 €	913,049,310 €
. Security subscribers:	UniCredit Credit Management S.p.A.	UniCredit Credit Management S.p.A.

Distribution of securitised assets by area:	
Italy - Northw est	1,634,320,557 €
- Northeast	1,109,992,392 €
- Central	2,836,894,654 €
- South and Islands	2,834,489,074 €
Other European Countries - U.E. countries	41,219,173 €
- not U.E. countries	-
America	262,572 €
Rest of the World	3,527,851 €
TOTAL	**8,460,706,273 €**

Distribution of securitised assets by business sector of the borrower:	
Governments	-
Other governments agencies	1,771 €
Banks	-
Finance Companies	65,491,485 €
Insurance Companies	-
Non-financial companies	5,891,033,627 €
Other entities	2,504,179,390 €
TOTAL	**8,460,706,273 €**

Transactions from previous periods

NAME:	AURORA 2	
Type of securitisation:	Traditional	
Originator:	UniCredit Credit Management Bank S.p.A.	
Issuer:	Aurora SPV S.r.L.	
Servicer:	UCCMB S.p.A.	
Arranger:	AnaCap Financial Ltd	
Target transaction :	Funding	
Type of asset:	unsecured loans - mortgage loans	
Quality of asset:	Non performing	
Closing date:	12/19/2013	
Nominal Value of disposal portfolio :	699,393,888 €	
Net amount of preexisting w ritedow ns/w ritebacks:	11,269,751 €	
Disposal Profit & Loss realized:	-69,751 €	
Portfolio disposal price:	11,200,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	No Rating Agency	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0004983893	IT0004983885
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Quotation	not listed	not listed
. Issue date	12/19/2013	12/19/2013
. Legal maturity	12/19/2045	12/19/2045
. Call option	Clean-up call	
. Expected duration	2.1	2.1
. Rate	3%	6.5%
. Subordinated level	-	Sub A
. Reference Position	6,562,500 €	2,187,500 €
. Reference Position at the end of accounting period	754,735 €	2,187,500 €
. Security subscribers	Prime Credit 3 S.A.R.L.	Prime Credit 3 S.A.R.L.

Part E – Information on risks and related risk management policies

ORIGINATOR: UniCredit Leasing S.p.A.

STRATEGIES, PROCESSES AND GOALS:	The main reasons for these transactions are: improve asset allocation, diversification of funding sources and improve Regulatory Ratios.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	Each portfolio is monitored on an ongoing basis and is described in monthly and quarterly reports (required by the agreements) with a breakdown of loans by status and the trend of repayments.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	Coordination Structure was set up in the Accounts Department. The Board of Directors is provided with a report with a breakdown of repayments and the status of loans.
HEDGING POLICIES:	The Special Purpose Vehicle bought IRSs as fair value hedge and Basis Swaps as Cash flow hedge (and related back to back between Originator and Counterparty).
OPERATING RESULTS:	Repayments are in line with the schedule provided on issue (business plan) such that the equity tranche yield (including extra spread) is in line with expected yield on investments with similar risk level.

New transactions 2014

NAME:	Locat SV - Serie 2014	
Type of securitisation:	Traditional	
Originator:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)	
Issuer:	Locat SV S.r.l.	
Servicer:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)	
Arranger:	UniCredit Bank AG London Branch	
Target transaction :	Funding	
Type of asset:	Leasing loans bearing car, capital goods and real estate.	
Quality of asset:	Performing	
Closing date:	09/30/2014	
Nominal Value of disposal portfolio :	1,300,000,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	Class A1 securities are guaranteed by the European Fund Investments	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	True sale - Revolving	
Rating Agencies:	Moody's / Fitch	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	IT0005053258	IT0005053266
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	A2(sf)/ AA+(sf)	A2(sf) / AA+(sf)
. Quotation	Dublin	Dublin
. Issue date	09/12/2014	09/12/2014
. Legal maturity	12/12/2036	12/12/2036
. Call option	Clean-up call	
. Expected duration	2.29	3.16
. Rate	3m + 75bp	3m + 113 bp
. Subordinated level		pari passu
. Reference Position	90,000,000 €	400,000,000 €
. Reference Position at the end of accounting period	90,000,000 €	400,000,000 €
. Security subscribers	KFW	BEI
. ISIN	IT0005053274	IT0005053282
. Type of security	Senior	Junior
. Class	A3	B
. Rating	A2(sf) / AA+(sf)	not rated
. Quotation	Dublin	not listed
. Issue date	09/12/2014	09/12/2014
. Legal maturity	12/12/2036	12/12/2036
. Call option	Clean-up call	
. Expected duration	3.16	6
. Rate	3m + 80 bp	3m + 500 bp
. Subordinated level	pari passu	Sub A3, A2, A1
. Reference Position	225,000,000 €	585,000,000 €
. Reference Position at the end of accounting period	225,000,000 €	585,000,000 €
. Security subscribers	Societé Generale, UniCredit	UniCredit Leasing
Distribution of securitised assets by area:		
Italy - Northwest	455,629,074 €	
- Northeast	414,302,551 €	
- Central	256,149,840 €	
- South and Islands	173,918,535 €	
Other European Countries - U.E. countries	-	
- not U.E. countries	-	
America	-	
Rest of the World	-	
TOTAL	**1,300,000,000 €**	
Distribution of securitised assets by business sector of the borrower:		
Governments	-	
Other governments agencies	-	
Banks	-	
Finance Companies	8,523,930 €	
Insurance Companies	-	
Non-financial companies	1,277,808,897 €	
Other entities	13,667,173 €	
TOTAL	**1,300,000,000 €**	

Part E – Information on risks and related risk management policies

ORIGINATOR: UniCredit Leasing S.p.A. (formerly Locat S.p.A.)

Transactions from previous periods

NAME:	Locat SV - Serie 2011		Locat SV - Serie 2006		Locat SV - Serie 2005 (ex Locat Securitisation Vehicle 3)	
Type of securitisation:	Traditional		Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.		Locat S.p.A.	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l.		Locat SV S.r.l. (ex Locat Securitisation Vehicle 3 S.r.l.)	
Servicer:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		Locat S.p.A.		Locat S.p.A.	
Arranger:	UniCredit Bank AG London Branch		UniCredit Banca Mobiliare S.p.A.		UniCredit Banca Mobiliare S.p.A.	
Target transaction :	Funding / Counterbalancing capacity		Capital Relief / Funding		Capital Relief / Funding	
Type of asset:	Leasing loans bearing car, capital goods and real estate.		Leasing loans bearing car, capital goods and real estate.		Leasing loans bearing car, capital goods and real estate.	
Quality of asset:	Performing		Performing		Performing	
Closing date:	02/11/2011		11/14/2006		10/14/2005	
Nominal Value of disposal portfolio :	5,150,822,514 €		€ 1,972,909,866		€ 2,000,000,136	
Guarantees issued by the Bank:	-		-		-	
Guarantees issued by Third Parties :	-		-		-	
Bank Lines of Credit :	-		-		-	
Third Parties Lines of Credit :	-		-		-	
Other Credit Enhancements :	UniCredit S.p.A. has granted SPV a subordinaed loan of 257 million euro.		-		-	
Other relevant information :	Self-securitization		Revolving		Revolving	
Rating Agencies:	S&P / DBRS		S&P / Moody's		S&P / Moody's	
Amount of CDS or other supersenior risk transferred :	-		-		-	
Amount and Conditions of tranching:						
. ISIN	IT0004690753	IT0004690746	IT0004153661	IT0004153679	IT0003951107	IT0003951115
. Type of security	Senior	Junior	Senior	Senior	Senior	Senior
. Class	A	B	A1	A2	A1	A2
. Rating	AA-(sf) / AA (low)(sf)	not rated		AA- (sf) /A2 (sf)		
. Nominal value issued	3,502,500,000 €	1,648,322,514 €	€ 400,000,000	€ 1,348,000,000	€ 451,000,000	€ 1,349,000,000
. Nominal value at the end of accounting period	1,073,327,115 €	1,648,322,514 €	€ 0	€ 43,445,366	€ 0	€ 0
			IT0004153687	IT0004153695	IT0003951123	IT0003951131
			Mezzanine	Mezzanine	Mezzanine	Mezzanine
			B	C	B	C
			BBB-(sf) / Baa3 (sf)	CCC(sf) / Caa2(sf)	BBB+(sf) / Baa2(sf)	B / Caa1(sf)
			€ 152,000,000	€ 64,000,000	€ 160,000,000	€ 33,000,000
			€ 152,000,000	€ 64,000,000	€ 44,694,272	€ 33,000,000
			IT0004153885		IT0003951149	
			Junior		Junior	
			D		D	
			not rated		not rated	
			€ 8,909,866		€ 7,000,136	
			€ 8,909,866		€ 7,000,136	

ORIGINATOR: UniCredit Leasing (properly Fineco Leasing S.p.A.)

Transactions from previous periods

NAME:	F-E Gold	
Type of securitisation:	Traditional	
Originator:	Fineco Leasing S.p.A.	
Issuer:	F-E Gold S.r.l.	
Servicer:	Fineco Leasing S.p.A.	
Arranger:	Capitalia S.p.A.	
Target transaction :	Funding	
Type of asset:	Loans related to leases of property (65.9%), motor vehicles (26.7%) and business assets (7.4%)	
Quality of asset:	Performing	
Closing date:	05/31/2006	
Nominal Value of disposal portfolio :	1,019,029,516 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	Fineco Leasing S.p.A. granted the SPV a subordinated loan of € 31.6 million (as Equity). At the end of accounting period the amount of capital tranche is equal to 15.3 million euro.	
Other relevant information :	Revolving closed in October 2007	
Rating Agencies:	Moody's /Fitch	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Conditions of tranching:		
. ISIN	IT0004068588	IT0004068612
. Type of security	Senior	Senior
. Class	A1	A2
. Rating	-	Baa1 / AAA
. Nominal value issued	203,800,000 €	749,000,000 €
. Nominal value at the end of accounting period	0 €	107,183,548 €
. ISIN	IT0004068620	IT0004068638
. Type of security	Mezzanine	mezzanine
. Class	B	C
. Rating	B1 / BBB	Caa2 / BB
. Nominal value issued	56,000,000 €	10,200,000 €
. Nominal value at the end of accounting period	21,493,965 €	3,914,972 €

ORIGINATOR: UniCredit Bank AG

STRATEGIES, PROCESSES AND GOALS:	The main motivation for the Bank's securitization programs is the Capital relief and Funding for True Sale Transactions.
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	Each portfolio is monitored by the servicing department on an ongoing basis and it is illustrated in the form of quarterly report (investor report), w hich provides a break dow n of the status of loans.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	The Members Board approves each new transactions and any other related decision and it is informed on the expected performances and on those in the final balance. The bank's annual/interim report contains information on the bank's ow n ABS transactions.
HEDGING POLICIES:	For true sale transactions the issuer hedged portfolio's interest rate risks through Interest Rate Sw aps.
OPERATING RESULTS:	The results achieved up to the present are broadly in line w ith expectations; payments received from the portfolio ensured punctual and full payment to security holders and other parties to the transaction.

Transactions from previous periods

NAME:	Geldilux-TS-2013	
Type of securitisation:	Traditional	
Originator:	UniCredit Bank AG	
Issuer:	Geldilux-TS-2013 S.A. (Luxembourg)	
Servicer:	UniCredit Bank AG	
Arranger:	UniCredit Bank AG (Corporate & Investment Banking)	
Target transaction :	Funding	
Type of asset:	EURO Loans	
Quality of Asset:	Performing	
Closing date:	07/30/2013	
Nominal Value of disposal portfolio :	852,400,000 €	
Net amount of preexinting w ritedow n/w ritebacks :	-	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	852,400,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	Replenishing	
Rating Agencies:	Moody´s	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	XS0942202622	XS0942212266
. Type of security	Senior	Senior
. Class	A	Liqudity Note
. Rating	Aaa	A2
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 80 bp	1m EURIBOR + 100 bp
. Subordinated level	-	Sub A
. Reference Position	750,000,000 €	10,700,000 €
. Reference Position at the end of accounting period	750,000,000 €	4,461,904 €
. Security subscribers	sold to an investor	retained by UniCredit Luxembourg S.A.
. ISIN	XS0942205211	XS0942206615
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	A1	Baa2
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 100 bp	1m EURIBOR + 110 bp
. Subordinated level	Sub A, Liquidity Note	Sub A, Liquidity Note, B
. Reference Position	63,100,000 €	11,100,000 €
. Reference Position at the end of accounting period	63,100,000 €	11,100,000 €
. Security subscribers	retained by UniCredit Luxembourg S.A.	retained by UniCredit Luxembourg S.A.
. ISIN	XS0942207936	XS0942209718
. Type of security	Mezzanine	
. Class	D	E
. Rating	Ba2	NR
. Quotation	Luxembourg	Luxembourg
. Issue date	07/30/2013	07/30/2013
. Legal maturity	08/01/2021	08/01/2021
. Call option	Time Call, Clean-up Call, Regulatory Call	
. Expected duration	5.0	5.0
. Rate	1m EURIBOR + 180 bp	1m EURIBOR + 900 bp
. Subordinated level	Sub A, Liquidity Note, B, C	Sub A, Liquidity Note, B, C, D
. Reference Position	12,800,000 €	15,400,000 €
. Reference Position at the end of accounting period	12,800,000 €	15,400,000 €
. Security subscribers	retained by UniCredit Luxembourg S.A.	retained by UniCredit Luxembourg S.A.

Part E – Information on risks and related risk management policies

NAME:	**Rosenkavalier 2008**	
Type of securitisation:	Traditional	
Originator:	Bayerische Hypo-und Vereinsbank AG	
Issuer:	Rosenkavalier 2008 GmbH	
Servicer:	Bayerische Hypo-und Vereinsbank AG	
Arranger:	Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)	
Target transaction :	Liquidity	
Type of asset:	large Corporate and SME corporate loans and mortgage loans	
Quality of Asset:	Performing	
Closing date:	12/12/2008	
Nominal Value of disposal portfolio :	3,140,403,004 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	Transaction executed to create ECB collateral	
Rating Agencies:	S&P	
Amount of CDS or other supersenior risk transferred :	-	
Ammontare e condizioni del *tranching* :		
. ISIN	DE000A0AEDB2	DE000A0AEDC0
. Type of security	Senior	Junior
. Class	A	B
. Rating	A	NR
. Nominal value issued	9,652,700,000 €	2,293,750,000 €
. Nominal value at the end of accounting period	2,445,305,399 €	695,097,605 €

ORIGINATOR: UniCredit Bank AG - UniCredit Bank Austria AG

Transactions from previous periods

NAME:	**EuroConnect Issuer SME 2007**	
Type of securitisation:	Synthetic	
Originator:	Bayerische Hypo- und Vereinsbank AG (66,09%) - Bank Austria Creditanstalt AG (33,91%)	
Issuer:	EuroConnect Issuer SME 2007 Limited, Bayerische Hypo- und Vereinsbank AG	
Servicer:	Bayerische Hypo-und Vereinsbank AG UniCredit Bank Austria AG	
Arranger:	Bayerische Hypo- und Vereinsbank AG (UniCredit Markets & Investment Banking)	
Target transaction :	Capital Relief / Funding and risk transfer for concentration risks	
Type of asset:	Corporate SME loans	
Quality of Asset:	Performing	
Closing date:	12/28/2007	
Nominal Value of disposal portfolio :	3,089,092,361 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	Synthetic Excess Spread + Reserve Ledger	
Other relevant information :	Replenishing	
Rating Agencies:	S & P/ Fitch	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Conditions of tranching:		
. Issuer	**Bayerische Hypo-und Vereinsbank AG**	
. ISIN	n.a	
. Type of security	SuperSenior	
. Class	A	
. Rating	AAA	
. Reference position at the end of accounting period	122,451,615 €	
. ISIN	XS0337935968	XS0337936180
. Type of security	Senior	Mezzanine
. Class	A2	B2
. Rating	BBB+	BBB+
. Nominal value issued	100,000 €	100,000 €
. Nominal value at the end of accounting period	100,000 €	100,000 €
. Reference position at the end of accounting period	20,450,000 €	40,850,000 €
. Issuer	**UniCredit Bank Austria AG**	
. ISIN	XS0337946221	XS0337946650
. Type of security	Senior	Mezzanine
. Class	A2	B2
. Rating	BBB+	BB+
. Nominal value issued	100,000 €	100,000 €
. Nominal value at the end of accounting period	100,000 €	100,000 €
. Reference position at the end of accounting period	10,500,000 €	20,950,000 €
. Issuer	**EuroConnect Issuer SME 2007 Ltd.**	
. ISIN	XS0336039325	XS0336040331
. Type of security	Mezzanine	Mezzanine
. Class	A	B
. Rating	BBB+	BBB+
. Nominal value issued	35,550,000 €	43,250,000 €
. Nominal value at the end of accounting period	35,550,000 €	43,250,000 €
. ISIN	XS0336040505	XS0336041222
. Type of security	Mezzanine	Junior
. Class	C	D
. Rating	BB+/BBB-	n.r. / n.r.
. Nominal value issued	37,100,000 €	100,400,000 €
. Nominal value at the end of accounting period	37,100,000 €	97,690,418 €

ORIGINATOR: Redstone Mortgages Ltd

New transactions 2014

NAME:	NEWSTONE MORTGAGE SECURITIES No.1	
Type of securitisation:	Traditional	
Originator:	Redstone Mortgages Plc	
Issuer:	New stone Mortgage Secuirities No. 1 Plc	
Servicer:	UniCredit Bank AG	
Arranger:	(Corporate & Investment Banking)	
Target transaction :	Funding / Counterbalancing capacity	
Type of asset:	Private Mortgage Loans	
Quality of Asset:	Performing	
Closing date:	05/13/2014	
Nominal Value of disposal portfolio :	€ 311,381,959 *	
Net amount of preexinting w ritedow n/w ritebacks :	-	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	€ 311,381,959 *	
Guarantees issued by the Bank:	Performance guarantee**	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	-	
Rating Agencies:	DBRS/S&P for the ClassA Notes only	
Amount of CDS or other supersenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	XS106072604	N/A
. Type of security	Senior	Junior
. Class	A	Credit enhancement
. Rating	AAA/AAA	NR
. Quotation	Irish Stock Exchange	NA
. Issue date	05/13/2014	05/13/2014
. Legal maturity	03/30/2048	03/30/2048
. Call option	05/13/2019	05/13/2019
. Expected duration	5.0	5.0
. Rate	3m Libor +98bps	3m Libor +175bps
. Subordinated level	Most Senior Piece	Sub A
. Reference Position	€ 267,685,197	€ 43,696,762
. Reference Position at the end of accounting period	€ 267,685,197	€ 43,696,762
. Security subscribers	Placed privately w ith external investors	Redstone loan to New stone

Distribution of securitised assets by area:	
Italy - Northw est	-
- Northeast	-
- Central	-
- South and Islands	-
Other European Countries - E.U. countries	€ 311,381,959
- not U.E. countries	-
America	-
Rest of the World	-
TOTAL	**€311,381,959**
Distribution of securitised assets by business sector of the borrower:	
Governments	-
other governments agencies	-
Banks	-
Finance Companies	-
Insurance Companies	-
Non-financial companies	-
Other entities	€ 311,381,959
TOTAL	**€311,381,959**

* In addition the Liquidity Reserve Fund of £ 4.17 million (equal to € 5.35 million) has to be considered.

**UCB AG issues a guarantee w hereby it w ould repurchase the senior note at expected maturity date.

ORIGINATOR: UniCredit Bulbank AD

Transactions from previous periods

NAME	EIF JEREMIE	
Type of securitisation:	Synthetic - First loss Portfolio Guarantees	
Originator:	UniCredit Bulbank AD	
Issuer:	European Investment Fund (EIF)	
Servicer:	UniCredit Bulbank AD	
Arranger:	UniCredit Bulbank AD	
Target transaction :	Capital Relief and risk transfer	
Type of asset:	Highly diversified and granular pool of UnCredit Bulabank's SME loans.	
Quality of Asset:	Performing	
Closing date:	08/15/2011	
Nominal Value of reference portfolio :	12,112,217 €	
Issue guarantees by the Bank:	-	
Issued guarantees bythird parties:	First loss cash collateral EIF	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	- The portfolio is into the ramp-up period until February 14, 2014. - The agreed portfolio maximum volume is equal to EUR 50,000,000. - The guarantee covers 80% of each outstanding loan up to a total amount equal to 20% of the portfolio volume.	
Rating Agencies:	No rating agency, use of Standardized Approach **(*)**	
Amount of CDS or other risk transferred:		
Amount and Condition of tranching:		
. ISIN	n.a	n.a
. Type of security	Senior	Junior
. Class	A	B
. Rating	n.r.	n.r.
. Reference Position	21,531,186 €	9,493,787 €
. Reference Position at the end of accounting period	19,110,108 €	9,986,055 €

(*) Synthetic securitization carried out used the Standardized Approach as required under Basel II.
Where there is no eligible external rating , the Bank that holds or guarantees such an exposure may determine the risk w eight by applying the "look through" treatment, provided the composition of the underlying pool is know n at all times. The unrated most senior position receives the average risk w eight of the underlying exposures subject to supervisory review . Where Bank is unable to determine the risk w eights assigned to the underlying credit risk exposures, the unrated position must be deducted from regulatory capital.

QUANTITATIVE INFORMATION

The tables below do not include information on the so-called “self-securitizations”, i.e. securitization transactions in which the Group has acquired all the liabilities issued by the SPVs.

C.1 Banking Group - Exposure resulting from securitisation transactions broken down by quality of underlying assets

Quality of underlying assets / Exposures		Balance-sheet exposure					
		Senior		Mezzanine		Junior	
		Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A.	**With own underlying assets:**	**5,473,891**	**2,919,478**	**740,763**	**636,818**	**1,947,776**	**2,318,472**
	a) Impaired	1,470	710	117,845	47,904	700	1,213
	b) Other	5,472,421	2,918,768	622,918	588,914	1,947,076	2,317,259
B.	**With third-party underlying assets:**	**4,853,072**	**4,789,643**	**1,084,418**	**1,132,603**	**67,648**	**57,763**
	a) Impaired	17,165	13,107	-	-	-	-
	b) Other	4,835,907	4,776,536	1,084,418	1,132,603	67,648	57,763

In-house securitizations not involving derecognition of the assets are accounted for as retained risk, i.e. the difference between sold assets and the corresponding liabilities recognized under IAS 39.

C.1 Banking Group - Exposure resulting from securitisation transactions broken down by quality of underlying assets - Continued

Quality of underlying assets / Exposures		Guarantees given					
		Senior		Mezzanine		Junior	
		Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A.	**With own underlying assets:**	**549,446**	**549,446**	**1,012,821**	**-**	**-**	**-**
	a) Impaired	-	-	-	-	-	-
	b) Other	549,446	549,446	1,012,821	-	-	-
B.	**With third-party underlying assets:**	**-**	**-**	**-**	**-**	**-**	**-**
	a) Impaired	-	-	-	-	-	-
	b) Other	-	-	-	-	-	-

C.1 Banking Group - Exposure resulting from securitisation transactions broken down by quality of underlying assets - Continued

Quality of underlying assets / Exposures		Credit Facilities					
		Senior		Mezzanine		Junior	
		Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A.	**With own underlying assets:**	**15,000**	**13,709**	**-**	**-**	**-**	**-**
	a) Impaired	-	-	-	-	-	-
	b) Other	15,000	13,709	-	-	-	-
B.	**With third-party underlying assets:**	**1,932,801**	**1,932,801**	**12,355**	**12,355**	**165**	**165**
	a) Impaired	-	-	-	-	-	-
	b) Other	1,932,801	1,932,801	12,355	12,355	165	165

With reference to transactions with own underlying assets it should be noted that the increase in balance-sheet net exposures relating to transactions not derecognized to €3,877 million as at December 2014 from €3,809 million as at December 2013 was due to three new transactions called Danubio, Locat SV – Serie 2014 and Newstone Mortgage Securities No.1, partially offset by the completion of the Geldilux TS 2010 and Geldilux TS 2011 transactions , and to the changes in portfolio holdings.

Moreover, the decrease in balance-sheet net exposures concerning synthetic transactions from €2,218 million in December 2013 to €1,958 million in December 2014 was due to the completion of the Euroconnect SME 2008 transaction, partially offset by three new transactions called Confidimpresa Trentino e Cooperativa Artigiana di Garanzia della Provincia di Trento, UniCredit MidCap 2014 and Veneto Sviluppo 2014 and the development of the remaining transactions.

The transactions with third-party underlying assets are those in which the group acts as sponsor or investor.

With reference to transactions in which the group acts as sponsor, the total amount of net exposure is equal to €2,476 million (1,822 million as of 31 December 2013), broken down into asset backed commercial paper for 570 million and undrawn credit lines for 1,906 million.
It should be noted that the lines of credit shown are the difference between total credit lines granted and the amount of commercial paper underwritten by the Group. This figure is the additional risk exposure incurred by the Group in addition to the underwritten commercial paper.

With reference to transaction in which the Group acts as investor, please refer to the subsequent tables “Exposures toward third party securitization consolidated SPV” and C.7 Securitization transactions that shows the exposure of the Group toward these SPVs

C.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure

Type of securitised assets / exposure	BALANCE-SHEET EXPOSURE					
	Senior		Mezzanine		Junior	
	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A. Totally derecognised	**118,325**	**-**	**47,904**	**-29,052**	**295,217**	**-**
A.1 CLO/CBO OTHERS	**117,615**	**-**	**-**	**-**	**37,425**	**-**
A.1 1 Caesar Finance	-	-	-	-	37,425	-
A.1 2 Entasi	117,615	-	-	-	-	-
A.2 OTHERS	**710**	**-**	**47,904**	**-29,052**	**257,792**	**-**
A.2 1 Trevi Finance	-	-	47,904	-29,052	256,579	-
A.2 2 Aurora 1	710	-	-	-	1,213	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**2,801,153**	**-**	**588,914**	**-**	**2,023,255**	**-13,076**
C.1 RMBS Prime	**873,392**	**-**	**177,095**	**-**	**606,314**	**11,550**
C.1. 1 Capital Mortgage 2007 - 1	131,697	-	-	-	181,773	2,186
C.1. 2 Cordusio RMBS	65,248	-	31,750	-	15,560	2,391
C.1. 3 Cordusio RMBS UCFin - Serie 2006	157,524	-	32,750	-	108,355	634
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	140,331	-	17,650	-	29,049	1,826
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	318,132	-	60,900	-	99,590	2,802
C.1. 6 F-E Mortgages 2003	16,936	-	-	-	42,894	735
C.1. 7 F-E Mortgages 2005	40,950	-	34,045	-	57,248	644
C.1. 8 Heliconus	2,574	-	-	-	22,857	332
C.1. 9 New stone Mortgage Securities No.1	-	-	-	-	48,988	-
C.2 CLO/SME	**1,766,579**	**-**	**190,674**	**-**	**707**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	32,669	-	70	-	279	-
C.2. 2 CONFIDI FEDERCONFIDI	34,725	-	67	-	395	-
C.2. 3 UniCredit MidCap 2014	1,534,171	-	-	-	-	-
C.2. 4 Provincia Autonoma di Trento 10/2013	7,578	-	-	-	33	-
C.2. 5 Veneto Sviluppo 2014	15,883	-	-	-	-	-
C.2. 6 EuroConnect SME 2007-1	122,452	-	190,537	-	-	-
C.2. 7 JEREMIE BulBank	19,101	-	-	-	-	-
C.3 CLO/CBO Others	**5,071**	**-**	**87,064**	**-**	**45,517**	**254**
C.3. 1 Geldilux TS 2013	5,071	-	87,064	-	15,356	-
C.3. 2 Large Corporate One	-	-	-	-	30,161	254
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**528,112**	**-6,259**
C.4 1 Consumer Tw o	-	-	-	-	528,112	-6,259
C.5 LEASES	**156,111**	**-**	**134,081**	**-**	**842,605**	**-18,621**
C.5. 1 F-E Gold	24,809	-	17,749	-	57,208	-5,567
C.5. 2 Locat SV - Serie 2005	-	-	18,660	-	96,475	-3,724
C.5. 3 Locat SV - Serie 2006	6,244	-	97,672	-	98,314	-1,762
C.5. 4 Locat SV8 - Serie 2014	125,058	-	-	-	590,608	-7,568

The carrying value is the net exposures show n in Table C.1. Write-dow ns and w rite-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2014 only.

Part E – Information on risks and related risk management policies

C.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure Continued

Type of securitised assets / exposure	GUARANTEES GIVEN					
	Senior		Mezzanine		Junior	
	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A. Totally derecognised	**-**	**-**	**-**	**-61,518**	**-**	**-**
A.1 CLO/CBO OTHERS	**-**	**-**	**-**	**-**	**-**	**-**
A.1 1 Caesar Finance	-	-	-	-	-	-
A.1 2 Entasi	-	-	-	-	-	-
A.2 OTHERS	**-**	**-**	**-**	**-61,518**	**-**	**-**
A.2 1 Trevi Finance	-	-	-	-61,518	-	-
A.2 2 Aurora 1	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**549,446**	**-**	**-**	**-**	**-**	**-**
C.1 RMBS Prime	**245,446**	**-**	**-**	**-**	**-**	**-**
C.1. 1 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 2 Cordusio RMBS	-	-	-	-	-	-
C.1. 3 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 6 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 8 Heliconus	-	-	-	-	-	-
C.1. 9 New stone Mortgage Securities No.1	245,446	-	-	-	-	-
C.2 CLO/SME	**-**	**-**	**-**	**-**	**-**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	-	-	-	-	-	-
C.2. 2 CONFIDI FEDERCONFIDI	-	-	-	-	-	-
C.2. 3 UniCredit MidCap 2014	-	-	-	-	-	-
C.2. 4 Provincia Autonoma di Trento 10/2013	-	-	-	-	-	-
C.2. 5 Veneto Sviluppo 2014	-	-	-	-	-	-
C.2. 6 EuroConnect SME 2007-1	-	-	-	-	-	-
C.2. 7 JEREMIE BulBank	-	-	-	-	-	-
C.3 CLO/CBO Others	**304,000**	**-**	**-**	**-**	**-**	**-**
C.3. 1 Geldilux TS 2013	-	-	-	-	-	-
C.3. 2 Large Corporate One	304,000	-	-	-	-	-
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
C.4 1 Consumer Two	-	-	-	-	-	-
C.5 LEASES	**-**	**-**	**-**	**-**	**-**	**-**
C.5. 1 F-E Gold	-	-	-	-	-	-
C.5. 2 Locat SV - Serie 2005	-	-	-	-	-	-
C.5. 3 Locat SV - Serie 2006	-	-	-	-	-	-
C.5. 4 Locat SV8 - Serie 2014	-	-	-	-	-	-

C.2 Banking Group - Exposure from the main "in-house" securitisation transaction broken down by type of securitised asset and by type of exposure Continued

Type of securitised assets / exposure	CREDIT FACILITIES					
	Senior		Mezzanine		Junior	
	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A. Totally derecognised	**-**	**-**	**-**	**-**	**-**	**-**
A.1 CLO/CBO OTHERS	**-**	**-**	**-**	**-**	**-**	**-**
A.1 1 Caesar Finance	-	-	-	-	-	-
A.1 2 Entasi	-	-	-	-	-	-
A.2 OTHERS	**-**	**-**	**-**	**-**	**-**	**-**
A.2 1 Trevi Finance	-	-	-	-	-	-
A.2 2 Aurora 1	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**
C. Not-derecognised	**13,709**	**-**	**-**	**-**	**-**	**-**
C.1 RMBS Prime	**-**	**-**	**-**	**-**	**-**	**-**
C.1. 1 Capital Mortgage 2007 - 1	-	-	-	-	-	-
C.1. 2 Cordusio RMBS	-	-	-	-	-	-
C.1. 3 Cordusio RMBS UCFin - Serie 2006	-	-	-	-	-	-
C.1. 4 Cordusio RMBS Securitisation - Serie 2006	-	-	-	-	-	-
C.1. 5 Cordusio RMBS Securitisation - Serie 2007	-	-	-	-	-	-
C.1. 6 F-E Mortgages 2003	-	-	-	-	-	-
C.1. 7 F-E Mortgages 2005	-	-	-	-	-	-
C.1. 8 Heliconus	-	-	-	-	-	-
C.1. 9 New stone Mortgage Securities No.1	-	-	-	-	-	-
C.2 CLO/SME	**-**	**-**	**-**	**-**	**-**	**-**
C.2. 1 CONFIDI FEDERASCOMFIDI	-	-	-	-	-	-
C.2. 2 CONFIDI FEDERCONFIDI	-	-	-	-	-	-
C.2. 3 UniCredit MidCap 2014	-	-	-	-	-	-
C.2. 4 Provincia Autonoma di Trento 10/2013	-	-	-	-	-	-
C.2. 5 Veneto Sviluppo 2014	-	-	-	-	-	-
C.2. 6 EuroConnect SME 2007-1	-	-	-	-	-	-
C.2. 7 JEREMIE BulBank	-	-	-	-	-	-
C.3 CLO/CBO Others	**13,709**	**-**	**-**	**-**	**-**	**-**
C.3. 1 Geldilux TS 2013	-	-	-	-	-	-
C.3. 2 Large Corporate One	13,709	-	-	-	-	-
C.4 CONSUMER LOANS	**-**	**-**	**-**	**-**	**-**	**-**
C.4 1 Consumer Two	-	-	-	-	-	-
C.5 LEASES	**-**	**-**	**-**	**-**	**-**	**-**
C.5. 1 F-E Gold	-	-	-	-	-	-
C.5. 2 Locat SV - Serie 2005	-	-	-	-	-	-
C.5. 3 Locat SV - Serie 2006	-	-	-	-	-	-
C.5. 4 Locat SV8 - Serie 2014	-	-	-	-	-	-

C.3 Banking Group - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*)

Type of securitised assets / exposure			BALANCE-SHEET EXPOSURE					
			Senior		Mezzanine		Junior	
			Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs	Carrying Value	Write-downs / Write-backs
A.1.		**RMBS PRIME**	**2,546,937**	**-1,233**	**326,310**	**-**	**-**	**-**
A.1.	1	GRANITE MASTER ISSUER PLC	12,899	-	68,331	-	-	-
A.1.	2	MECENATE SRL	71,938	-	-	-	-	-
A.1.	3	SAECURE 12 B.V.	50,159	-	-	-	-	-
A.1.	4	OTHER 195 EXPOSURES	2,411,941	-1,233	257,979	-	-	-
A.2.		**RMBS NON CONFORMING**	**76,589**	**-**	**162,827**	**-**	**-**	**-**
A.2.	1	BLUESTONE SECURITIES PLC	19,430	-	78,214	-	-	-
A.2.	2	OTHER 19 EXPOSURES	57,159	-	84,613	-	-	-
A.3.		**RMBS US SUBPRIME**	**-**	**-**	**383**	**-**	**-**	**-**
A.3.	1	1 EXPOSURES	-	-	383	-	-	-
A.4.		**CMBS**	**540,251**	**229**	**134,482**	**-**	**-**	**-**
A.4.	1	ASAR INTERNATIONAL S.A.	217,792	-	11,476	-	-	-
A.4.	2	OTHER 39 EXPOSURES	322,459	229	123,006	-	-	-
A.5.		**CDO OF ABS**	**10,861**	**-**	**-**	**-**	**1**	**-**
A.5.	1	3 EXPOSURES	10,861	-	-	-	1	-
A.6.		**CDO - BALANCE SHEET**	**19,662**	**-**	**-**	**-**	**-**	**-**
A.6.	1	1 EXPOSURES	19,662	-	-	-	-	-
A.7.		**CDO - PREFERRED STOCK**	**34,429**	**-**	**-**	**-**	**-**	**-**
A.7.	1	5 EXPOSURES	34,429	-	-	-	-	-
A.8.		**CDO OTHER**	**3,829**	**2,082**	**13**	**-**	**-**	**-**
A.8.	1	5 EXPOSURES	3,829	2,082	13	-	-	-
A.9.		**CLO SME**	**10,518**	**-**	**23,497**	**-**	**-**	**-**
A.9.	1	16 EXPOSURES	10,518	-	23,497	-	-	-
A.10.		**CLO ARBITRAGE/BALANCE SHEET**	**18,353**	**-**	**96,449**	**-**	**-**	**-**
A.10.	1	19 EXPOSURES	18,353	-	96,449	-	-	-
A.11.		**CLO OTHER**	**67,210**	**-**	**349,970**	**-**	**-**	**-**
A.11.	1	53 EXPOSURES	67,210	-	349,970	-	-	-
A.12.		**CONSUMER LOANS**	**718,684**	**-**	**10**	**-**	**-**	**-**
A.12.	1	Asset-Backed European Securitisation Transaction Ten S.r.l	82,344	-	-	-	-	-
A.12.	2	Asset Backed European Securitisation Transaction Nine S.r.	51,502	-	-	-	-	-
A.12.	3	Driver UK Multi-Compartment SA	51,354	-	-	-	-	-
A.12.	4	OTHER 29 EXPOSURES	533,484	-	10	-	-	-
A.13.		**STUDENT LOANS**	**21,919**	**-**	**34,174**	**-**	**55,658**	**-**
A.13.	1	Student Loan Asset Funding Inc	-	-	-	-	55,658	-
A.13.	2	OTHER 4 EXPOSURES	21,919	-	34,174	-	-	-
A.14.		**LEASES**	**86,574**	**-**	**145**	**-**	**-**	**-**
A.14.	1	11 EXPOSURES	86,574	-	145	-	-	-
A.15.		**OTHER**	**39,885**	**-**	**4,343**	**-**	**2,022**	**-**
A.15.	1	10 EXPOSURES	39,885	-	4,343	-	2,022	-
A.16.		**ALTRE SPV CONSOLIDATE**	**23,386**	**-**	**-**	**-**	**82**	**-**
A.16.	1	Pure Funding No. 10 Limited (§)	23,386	-	-	-	-	-
A.16.	2	GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	82	-
A.17.		**CONDUITS**	**570,556**	**-**	**-**	**-**	**-**	**-**
A.17.	1	ARABELLA FINANCE LTD. (§)	570,556	-	-	-	-	-

(*) list of details for exposures over € 50 million.

(§) exposure of subsidiaries included in the scope of consolidation, but not belonging to the banking group.

The carrying value is the net exposure shown in Table C.1. Write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2014 only.

C.3 Banking Group - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) Continued

Type of securitised assets / exposure			GUARANTEES GIVEN					
			Senior		Mezzanine		Junior	
			Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
A.1.	**RMBS PRIME**		-	-	-	-	-	-
A.1.	1	GRANITE MASTER ISSUER PLC	-	-	-	-	-	-
A.1.	2	MECENATE SRL	-	-	-	-	-	-
A.1.	3	SAECURE 12 B.V.	-	-	-	-	-	-
A.1.	4	OTHER 195 EXPOSURES	-	-	-	-	-	-
A.2.	**RMBS NON CONFORMING**		-	-	-	-	-	-
A.2.	1	BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2.	2	OTHER 19 EXPOSURES	-	-	-	-	-	-
A.3.	**RMBS US SUBPRIME**		-	-	-	-	-	-
A.3.	1	1 EXPOSURES	-	-	-	-	-	-
A.4.	**CMBS**		-	-	-	-	-	-
A.4.	1	ASAR INTERNATIONAL S.A.	-	-	-	-	-	-
A.4.	2	OTHER 39 EXPOSURES	-	-	-	-	-	-
A.5.	**CDO OF ABS**		-	-	-	-	-	-
A.5.	1	3 EXPOSURES	-	-	-	-	-	-
A.6.	**CDO - BALANCE SHEET**		-	-	-	-	-	-
A.6.	1	1 EXPOSURES	-	-	-	-	-	-
A.7.	**CDO - PREFERRED STOCK**		-	-	-	-	-	-
A.7.	1	5 EXPOSURES	-	-	-	-	-	-
A.8.	**CDO OTHER**		-	-	-	-	-	-
A.8.	1	5 EXPOSURES	-	-	-	-	-	-
A.9.	**CLO SME**		-	-	-	-	-	-
A.9.	1	16 EXPOSURES	-	-	-	-	-	-
A.10.	**CLO ARBITRAGE/BALANCE SHEET**		-	-	-	-	-	-
A.10.	1	19 EXPOSURES	-	-	-	-	-	-
A.11.	**CLO OTHER**		-	-	-	-	-	-
A.11.	1	53 EXPOSURES	-	-	-	-	-	-
A.12.	**CONSUMER LOANS**		-	-	-	-	-	-
A.12.	1	Asset-Backed European Securitisation Transaction Ten S.r.l	-	-	-	-	-	-
A.12.	2	Asset Backed European Securitisation Transaction Nine S.r.	-	-	-	-	-	-
A.12.	3	Driver UK Multi-Compartment SA	-	-	-	-	-	-
A.12.	4	OTHER 29 EXPOSURES	-	-	-	-	-	-
A.13.	**STUDENT LOANS**		-	-	-	-	-	-
A.13.	1	Student Loan Asset Funding Inc	-	-	-	-	-	-
A.13.	2	OTHER 4 EXPOSURES	-	-	-	-	-	-
A.14.	**LEASES**		-	-	-	-	-	-
A.14.	1	11 EXPOSURES	-	-	-	-	-	-
A.15.	**OTHER**		-	-	-	-	-	-
A.15.	1	10 EXPOSURES	-	-	-	-	-	-
A.16.	**ALTRE SPV CONSOLIDATE**		-	-	-	-	-	-
A.16.	1	Pure Funding No. 10 Limited (§)	-	-	-	-	-	-
A.16.	2	GRAND CENTRAL FUNDING CORPORATION (§)	-	-	-	-	-	-
A.17.	**CONDUITS**		-	-	-	-	-	-
A.17.	1	ARABELLA FINANCE LTD. (§)	-	-	-	-	-	-

C.3 Banking Group - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure (*) Continued

		Type of securitised assets / exposure	CREDIT FACILITIES					
			Senior		Mezzanine		Junior	
			Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
A.1.		**RMBS PRIME**	**-**	**-**	**-**	**-**	**-**	**-**
A.1.	1	GRANITE MASTER ISSUER PLC	-	-	-	-	-	-
A.1.	2	MECENATE SRL	-	-	-	-	-	-
A.1.	3	SAECURE 12 B.V.	-	-	-	-	-	-
A.1.	4	OTHER 195 EXPOSURES	-	-	-	-	-	-
A.2.		**RMBS NON CONFORMING**	**-**	**-**	**-**	**-**	**-**	**-**
A.2.	1	BLUESTONE SECURITIES PLC	-	-	-	-	-	-
A.2.	2	OTHER 19 EXPOSURES	-	-	-	-	-	-
A.3.		**RMBS US SUBPRIME**	**-**	**-**	**-**	**-**	**-**	**-**
A.3.	1	1 EXPOSURES	-	-	-	-	-	-
A.4.		**CMBS**	**-**	**-**	**-**	**-**	**-**	**-**
A.4.	1	ASAR INTERNATIONAL S.A.	-	-	-	-	-	-
A.4.	2	OTHER 39 EXPOSURES	-	-	-	-	-	-
A.5.		**CDO OF ABS**	**-**	**-**	**-**	**-**	**-**	**-**
A.5.	1	3 EXPOSURES	-	-	-	-	-	-
A.6.		**CDO - BALANCE SHEET**	**-**	**-**	**-**	**-**	**-**	**-**
A.6.	1	1 EXPOSURES	-	-	-	-	-	-
A.7.		**CDO - PREFERRED STOCK**	**-**	**-**	**-**	**-**	**-**	**-**
A.7.	1	5 EXPOSURES	-	-	-	-	-	-
A.8.		**CDO OTHER**	**-**	**-**	**-**	**-**	**-**	**-**
A.8.	1	5 EXPOSURES	-	-	-	-	-	-
A.9.		**CLO SME**	**-**	**-**	**-**	**-**	**-**	**-**
A.9.	1	16 EXPOSURES	-	-	-	-	-	-
A.10.		**CLO ARBITRAGE/BALANCE SHEET**	**-**	**-**	**-**	**-**	**-**	**-**
A.10.	1	19 EXPOSURES	-	-	-	-	-	-
A.11.		**CLO OTHER**	**-**	**-**	**-**	**-**	**-**	**-**
A.11.	1	53 EXPOSURES	-	-	-	-	-	-
A.12.		**CONSUMER LOANS**	**-**	**-**	**-**	**-**	**-**	**-**
A.12.	1	Asset-Backed European Securitisation Transaction Ten S.r.l	-	-	-	-	-	-
A.12.	2	Asset Backed European Securitisation Transaction Nine S.r.	-	-	-	-	-	-
A.12.	3	Driver UK Multi-Compartment SA	-	-	-	-	-	-
A.12.	4	OTHER 29 EXPOSURES	-	-	-	-	-	-
A.13.		**STUDENT LOANS**	**25,583**	**-**	**-**	**-**	**-**	**-**
A.13.	1	Student Loan Asset Funding Inc	25,583	-	-	-	-	-
A.13.	2	OTHER 4 EXPOSURES	-	-	-	-	-	-
A.14.		**LEASES**	**-**	**-**	**-**	**-**	**-**	**-**
A.14.	1	11 EXPOSURES	-	-	-	-	-	-
A.15.		**OTHER**	**-**	**-**	**-**	**-**	**-**	**-**
A.15.	1	10 EXPOSURES	-	-	-	-	-	-
A.16.		**ALTRE SPV CONSOLIDATE**	**1,614**	**-**	**12,355**	**-**	**165**	**-**
A.16.	1	Pure Funding No. 10 Limited (§)	1,614	-	-	-	-	-
A.16.	2	GRAND CENTRAL FUNDING CORPORATION (§)	-	-	12,355	-	165	-
A.17.		**CONDUITS**	**1,905,604**	**-**	**-**	**-**	**-**	**-**
A.17.	1	ARABELLA FINANCE LTD. (§)	1,905,604	-	-	-	-	-

With reference to sponsor exposures the following table provides information about exposures held toward conduits in which the Group acts as sponsor.

Balance sheet exposures sponsored by the Group		
	Amounts as at 12.31.2014	Amounts as at 12.31.2013
Asset Backed Commercial Paper	**570,556**	**492,717**
- Arabella Finance Ltd	570,556	492,717
- Elektra Purchase No. 17 S.A. - Compartment 2	-	-
- Elektra Purchase No. 23 Ltd	-	-
- Elektra Purchase No. 28 Ltd	-	-
- Elektra Purchase No. 31 Ltd	-	-
- Elektra Purchase No. 32 Ltd - Compartment 1	-	-
- Elektra Purchase No. 35 Ltd	-	-
- Elektra Purchase No. 36 Ltd	-	-
- Elektra Purchase No. 911 Ltd	-	-
Credit facilities	**1,905,604**	**1,329,110**
- Arabella Finance Ltd	410,489	592,289
- Elektra Purchase No. 17 S.A. - Compartment 2	102,000	-
- Elektra Purchase No. 23 Ltd	-	24,047
- Elektra Purchase No. 28 Ltd	187,102	211,943
- Elektra Purchase No. 31 Ltd	84,013	73,961
- Elektra Purchase No. 32 Ltd - Compartment 1	204,000	-
- Elektra Purchase No. 35 Ltd	234,600	-
- Elektra Purchase No. 36 Ltd	306,000	-
- Elektra Purchase No. 911 Ltd	377,400	426,870

The lines of credit shown are the difference between total credit lines granted and the amount of commercial paper underwritten by the Group. This figure is the additional risk exposure incurred by the Group in addition to the underwritten commercial paper.

Consolidated securitization SPVs are those for which the Group exercises power over the SPV's activity being exposed at the same time to the vehicle's variability.

The following table shows the amount of exposures towards third-party securitisation consolidated SPVs.

Exposures towards third-party securitisation consolidated SPVs		
	Amounts as at 12.31.2014	Amounts as at 12.31.2013
Balance sheet exposures	**23,468**	**24,772**
- Grand Central Funding Corp	82	73
- Pure Funding No. 10 Ltd	23,386	24,700
Credit facilities	**14,134**	**16,322**
- Grand Central Funding Corp	12,520	11,022
- Pure Funding No. 10 Ltd	1,614	5,300

Part E – Information on risks and related risk management policies

C.4 Banking Group - Exposure resulting from securitisation transactions broken down by portfolio and type

Exposure / portfolio	Amounts as at 12.31.2014						Amounts as at 12.31.2013
	Trading	Fair value through profit and loss	Available for sale	Held-to-maturity	Loans	Total	Total
1. Balance-sheet exposures	**246,415**	**32,046**	**128,235**	**98,763**	**5,935,997**	**6,441,456**	**6,385,613**
- Senior	235,155	26,927	15,661	56,839	4,573,386	4,907,968	4,605,582
- Mezzanine	11,260	5,119	111,359	41,924	1,010,846	1,180,508	1,432,478
- Junior	-	-	1,215	-	351,765	352,980	347,553
2. Off-balance-sheet exposures	**-**	**-**	**-**	**-**	**1,945,321**	**1,945,321**	**1,136,976**
- Senior	-	-	-	-	1,932,801	1,932,801	1,110,961
- Mezzanine	-	-	-	-	12,355	12,355	25,870
- Junior	-	-	-	-	165	165	145

This table show s the carrying value only of exposures arising from in-house securitization for w hich the assets sold have been derecognized as w ell as securitizations carried out by others.

C.5 Banking Group - Securitised assets underlying junior securities or other forms of credit support

Asset/Securities		Amount	
		Traditional	Synthetic
A.	**Own underlying assets:**	**10,134,848**	**16,348**
A.1	**Totally derecognised**	**430,397**	**X**
	1. Non-performing loans	55,112	X
	2. Doubtful loans	-	X
	3. Restructured exposures	-	X
	4. Past-due exposures	-	X
	5. Other assets	375,285	X
A.2	**Partially derecognised**	**-**	**X**
	1. Non-performing loans	-	X
	2. Doubtful loans	-	X
	3. Restructured exposures	-	X
	4. Past-due exposures	-	X
	5. Other assets	-	X
A.3	**Non-derecognised**	**9,704,450**	**16,348**
	1. Non-performing loans	380,427	-
	2. Doubtful loans	233,868	-
	3. Restructured exposures	8,144	-
	4. Past-due exposures	74,648	-
	5. Other assets	9,007,363	16,348
B.	**Third party underlying assets:**	**2,121**	**-**
B.1	Non-performing loans	5	-
B.2	Doubtful loans	359	-
B.3	Restructured exposures	-	-
B.4	Past-due exposures	372	-
B.5	Other assets	1,385	-

C.6 Banking Group - Interests in SPVs for securitizations

Name of securitization/SPEs	Country of incorporation	Consolidation	Assets			Liabilities (*)		
			Loans and Receivebles	Debt securities	Other	Senior	Mezzanine	Junior
ARABELLA FINANCE LTD.	2nd Floor,11/12 Warrington, Dublin 2, Ireland	Yes	2,171,823	-	-	2,168,512	-	-
Capital Mortgage S.r.l. - 2007	Piazzetta Monte 1 - 37121 Verona	Yes	1,120,865	-	238,492	1,102,445	74,039	67,277
CONSUMER TWO SRL	Piazzetta Monte 1 - 37121 Verona	Yes	1,178,008	-	158,660	797,968	-	494,613
Cordusio RMBS - UCFin S.r.l	Piazzetta Monte 1 - 37121 Verona	Yes	858,593	-	191,936	782,877	148,000	14,535
Cordusio RMBS S.r.l.	Piazzetta Monte 1 - 37121 Verona	Yes	411,252	-	199,552	396,507	171,200	8,890
Cordusio RMBS Securitisation S.r.l. - Serie 2006	Piazzetta Monte 1 - 37121 Verona	Yes	633,025	-	190,868	629,763	141,700	10,683
Cordusio RMBS Securitisation S.r.l. - Serie 2007	Piazzetta Monte 1 - 37121 Verona	Yes	1,560,096	-	267,060	1,457,328	236,400	2,211
ELEKTRA PURCHASE NO. 17 S.A. RE COMPARTMENT 2	52-54 avenue du X Septembre, L-2550 Luxembourg	Yes	80,231	-	-	80,200	-	-
ELEKTRA PURCHASE NO:28 LIMITED	11-12 Warrington Place, Dublin 2, Ireland	Yes	183,436	-	-	183,433	-	-
Elektra Purchase No. 31 Limited	2ND FLOOR, 11-12 WARRINGTON PL, Dublin 2, Ireland	Yes	66,497	-	-	66,354	-	-
Elektra Purchase No. 32 S.A. - Compartment 1	52-54 Avenue du X Septembre, L-2550 Luxembourg	Yes	172,863	-	-	172,748	-	-
Elektra Purchase No. 35 Limited	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2, Ireland	Yes	218,751	-	-	218,750	-	-
Elektra Purchase No. 36 Limited	2nd Floor, Dublin 1, Ireland	Yes	300,024	-	-	300,000	-	-
Elektra Purchase No. 911 Ltd	OGIER HOUSE, ST. HELIER, JERSEY	Yes	362,607	-	-	362,359	-	-
Entasi Srl	Largo Chigi 5 - 00187 Roma	Yes	-	895,552	311	320,000	-	-
F-E Gold S.r.l.	Via Generale Gustavo Fara 26 - 20124 Milano	Yes	161,651	-	29,533	107,224	25,427	57,038
F-E Mortgages S.r.l. - 2003	Piazzetta Monte 1 - 37121 Verona	Yes	195,951	-	28,298	119,614	59,031	7,634
F-E Mortgages S.r.l. - 2005	Piazzetta Monte 1 - 37121 Verona	Yes	307,492	-	14,883	191,675	36,885	34,566
Geldilux TS 2013 S.A.	11, rue Pierre d'Aspelt, 1142 Luxembourg	Yes	874,052	-	204	750,394	-	107,491
GRAND CENTRAL FUNDING CORPORATION	48 WALL STREET, NEW YORK, NY 10005, USA	Yes	4,739	-	10,771	12,425	-	-
Heliconus S.r.l	Piazzetta Monte 1 - 37121 Verona	Yes	98,593	-	13,566	57,721	30,847	8,990
LARGE CORPORATE ONE SRL	Piazzetta Monte 1 - 37121 Verona	Yes	242,471	-	41,131	252,552		30,798
Locat SV S.r.l. - Serie 2005	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	177,183	-	8,263	-	77,694	12,935
Locat SV S.r.l. - Serie 2006	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	351,187	-	26,098	43,445	216,000	16,783
Locat SV S.r.l. - Serie 2014	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	1,266,873	-	48,286	715,000	-	585,000
New stone Mortgage Securities No.1 PLC	Fifth Floor, 100 Wood Street, London, Great Britain	Yes	285,983	-	10,582	245,446	-	49,050
Pure Funding No. 10 Limited	11-12 Warrington Place, Dublin 2, Ireland	Yes	23,446	-	-	23,386	-	-
Trevi Finance N. 3 S.r.l.	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	53,161	227,729	5,868	206,832	895,579	448,166
ASAR INTERNATIONAL S.A.	2 BOULEVARD KONRAD ADENAUER, Luxembourg, 1115	No	-	-	228,656	228,656	-	-
AUGUSTO SRL	Via Pontaccio, 10 - 20121 Milano	No	3,941	-	2,280	6,924	-	8,339
AURORA SPV	Piazzetta Monte 1 - 37121 Verona	No	9,828	-	-	3,562	-	3,525
BLUESTONE SECURITIES PLC	5th Floor, 100 Wood Street, London EC2V 7EX, Great Britain	No	375,428	-	-	253,247	105,808	16,373
Brooke Securitization Company V, LLC	10950 Grandview Drive,, 66210 Overland Park, Kansas, USA	No	1,536	-	-	16,771	-	-
Brooke Securitization VI, LLC	10950 Grandview Dr., S.600,, 66210 Overland Park, Kansas, USA	No	2,398	-	-	19,809	-	-
Caesar Finance S.A.	4 Rue Henry M. Schnadt - 2530 Luxembourg	No	-	36,483	-	-	-	50,123
Carrera Finance S.A. - Compartments 1 and 2	52-54, avenue du X Septembre, L-2550 Luxembourg	No	379,040	-	-	362,400	-	16,640
Celtic Residential Irish Mortgage Securitisation No 11 Plc	5 Harbourmaster Place, Dublin 1, IFSC, Ireland	No	2,095,255	-	-	1,891,162	250,366	-
Celtic Residential Irish Mortgage Securitisation No. 12 PLC	5 Harbourmaster Place, Dublin 1, IFSC, Ireland	No	1,140,382	-	-	1,032,326	126,750	-
Chapel 2007 B.V.	FREDERIK ROESKESTRAAT 123 1076 EE AMSTERDAM NETHERLANDS	No	339,752	-	-	237,519	82,800	6,900
COLOMBO SRL	Via Pontaccio, 10 - 20121 Milano	No	35,527	-	8,926	35,076	-	10,272
DANUBIO S.r.l.	Largo Angelo Fochetti, 30 Roma	No	44,454	-	4,853	29,700	-	19,759
Duke Funding High Grade IV Ltd Duke Funding High Grade IV Inc	c/o Maples Finance Ltd. PO Box 1093GT, Queensgate House, South Church Street, Grand Cayman	No	-	3,003	-	943,931	149,525	14,826
Duke Funding High Grade V,Ltd	c/o Maples Finance Ltd. PO Box 1093GT, Queensgate House, South Church Street, Grand Cayman	No	-	106,401	-	1,018,170	189,542	14,826
Elektra Purchase 17 S.A. RE COMPARTMENT 14	52-54 avenue du X Septembre, L-2550 Luxembourg	No	25,824	-	-	23,500	-	2,324
ELEKTRA PURCHASE NO 25 LIMITED	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2, Ireland	No	94,944	-	-	63,100	-	31,844
Elektra Purchase No 29 Limited	11-12 Warrington Place, Dublin 2, Ireland	No	366,352	-	-	287,000	-	79,352
Elektra Purchase No. 17 S.A. (Re Compartment 18)	52-54 avenue du X Septembre, L-2550 Luxembourg	No	67,111	-	-	62,400	-	4,711
Elektra Purchase No. 3 Limited	OGIER HOUSE, THE ESPLANADE, ST. HELIER, JE4 9WG, JERSEY	No	67,137	-	-	66,600	-	537
Elektra Purchase No. 8 Limited	OGIER HOUSE, THE ESPLANADE, ST. HELIER, JE4 9WG, JERSEY	No	157,711	-	-	140,000	-	17,711
EuroConnect Issuer SME 2007 Limited	8 EXCHANGE PLACE - DUBLIN 1, Ireland	No	213,590	-	-	-	115,900	97,690
Harrier Finance Funding Ltd	PO Box 309GT, Ugland House, George Tow n, Grand Cayman	No	-	197,522	836,405	1,667,482	-	813,772
KILDARE SECURITIES LTD	5 Harbourmaster Place, IFSC, Dublin 1, Ireland	No	1,363,516	-	-	1,142,128	213,950	-
Northw oods Capital VI Ltd. Northw oods Capital VI Corp.	PO Box 1093GT, Georgetow n, Grand Cayman	No	-	6,423	172,932	10,563	100,692	62,392
Perpetual Trustee Company Ltd.Trustee Comp.Ltd. to Trilogy Asset Sec.Trust S.1	Level 12, 123 Pitt St NSW 2000, Sydney, Australia	No	586		129	715	-	-
RENOIR CDO BV	Fred. Roeskestraat 123 1HG, 1076EE Amsterdam, Nederland	No	-	123,091	2,275	64,229	36,692	19,762
SAPPHIRE VALLEY CDO 1, LTD.	87 Mary Street, George Tow n, 9002, Grand Cayman	No	-	332,414	17,585	196,866	103,745	37,064
Student Loan Asset Funding Inc	Delaw are, USA	No	55,658	-	-	55,658	-	-
U-PROPELLER 2013-1 SA	52-54 Avenue Du X Septembre - 2550 Luxembourg	No	-	-	40,576	-	-	38,000

(*) The liabilities do not show the remaining items different from financial instruments issued, including gains (losses) accumulated in the year.

C.7 Banking Group – Non consolidated Securitization Vehicles

As mentioned before in the context of securitization transactions the Group may operate as originator, sponsor and investor. The following table provides indication on assets and liabilities recognized in the balance sheet of the Group toward these vehicles.
The maximum exposure to loss has been calculated by grossing up the difference between assets and liabilities with off balance sheet positions (irrevocable credit lines and financial guarantees) held toward these vehicles.

Exposures to Securitization SPVs not subject to consolidation (€ '000)

Balance sheet item/SPV Type	Amounts as at 12.31.2014						
	Accounting Portfolio (assets)	Total Assets (A)	Accounting Portfolio (liabilities)	Total liabilities (B)	Net accounting value (C=A-B)	Maximum exposure to loss (D)	Difference between maximum exposure to loss and accounting value (E=D-C)
ABS Issuing vehicles		5,408,126		18,004	5,390,122	5,415,705	25,583
	HFT	*268,123*	*Deposits*	*16,347*			
	FVO	*32,047*	*Securities*	-			
	AFS	*126,046*	*HFT*	*1,657*			
	HTM	99,205	*FVO*	-			
	LAR	4,882,705		-			
Commercial Paper Conduits		-		*23,371*	-23,371	733,856	757,227
	HFT	-	*Deposits*	*23,371*			
	FVO	-	*Securities*	-			
	AFS	-	*HFT*	-			
	HTM	-	*FVO*	-			
	LAR	-		-			
Own securitizations		352,336		*155,950*	196,386	196,386	-
	HFT	-	*Deposits*	155,950			
	FVO	-	*Securities*	-			
	AFS	*99,910*	*HFT*	-			
	HTM	-	*FVO*	-			
	LAR	252,426		-			
Totale		5,760,462		197,325	5,563,137	6,345,947	782,810

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

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

Exposures toward ABS Issuing vehicles are constituted for the most part, € 5,327,691 thousand, by exposures in Asset Backed Securities. The remaining part is constituted by loans.
The good credit quality of this portfolio is borne out by the fact that over 79% of these instruments are rated A or better and over 39% of the portfolio is triple-A rated.
At December 31, 2013 over 68% of these exposures were rated A and 30% of the portfolio was rated triple-A.
Over 90% of the exposure was toward countries belonging to European Union.
Exposure to Greece, Ireland, Portugal and Spain accounted for 15.44%, most of which concerns exposures to Spanish underlying assets (9.61%).

Structured credit product exposures broken down by rating class

Exposure type	AAA	AA	A	BBB	BB	B	CCC	CC	C	NR
RMBS	35.22%	6.37%	35.16%	13.69%	5.54%	3.47%	0.55%	0.00%	0.00%	0.00%
CMBS	47.94%	8.34%	11.73%	15.57%	12.76%	3.14%	0.52%	0.00%	0.00%	0.00%
CDO	0.00%	0.00%	31.13%	15.79%	47.49%	0.00%	5.56%	0.00%	0.03%	0.00%
CLO/CBO	22.75%	43.68%	24.20%	8.01%	1.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Other ABS	60.86%	23.26%	8.08%	4.62%	0.51%	0.21%	0.00%	0.00%	0.00%	2.46%
Total	**39.41%**	**13.37%**	**26.37%**	**11.81%**	**5.70%**	**2.46%**	**0.46%**	**0.00%**	**0.00%**	**0.42%**

Structured credit product exposures broken down by geographical area						
Exposure type	Italy	Other UE Countries	Other European Countries (non UE)	Asia	USA	Rest of the world
RMBS	21.09%	76.35%	0.00%	0.00%	0.12%	2.44%
CMBS	5.12%	82.55%	0.00%	0.00%	12.33%	0.00%
CDO	0.00%	21.35%	0.00%	0.00%	50.07%	28.58%
CLO/CBO	0.69%	50.14%	0.00%	0.00%	49.17%	0.00%
Other ABS	27.67%	70.44%	0.00%	0.00%	1.89%	0.00%
Total	**17.75%**	**72.64%**	**0.00%**	**0.00%**	**7.82%**	**1.79%**

The following table summarizes exposure to US Subprime and Alt-A mortgages, which was €3,701 thousand at December 31, 2014, i.e. a reduction from both December 31, 2013 when this figure was €4,793 thousand.

US Subprime and Alt-A exposures			(€ '000)
	Amounts as at 12.31.2014		
Underlying / exposure type	CDO of ABS	RMBS	Total
US Alt-A	-	3,316	3,316
US Subprime	2	383	385
Total	**2**	**3,699**	**3,701**

Instruments with US subprime underlyings have a coverage ratio of 97,3%. Instruments with Alt-A mortgages underlyings have a coverage ratio of 7.8%

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

US Subprime and Alt-A percentage of exposures broken down by vintage			
Underlying / vintage	Before 2005	2005	2006
US Alt-A	27.08%	72.92%	0.00%
US Subprime	100.00%	0.00%	0.00%
Total	**34.67%**	**65.33%**	**0.00%**

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

Exposures toward own securitization comprise securities and off balance sheet exposure toward EuroConnect SME 2007, Aurora 1 and Caesar finance.
These SPV are not consolidated as the conditions required by IFRS 10 are not fulfilled.
For further information on these securitizations please refer to the qualitative templates presented above.

During the period the Group has not provided support to any non - consolidated securitization vehicle in absence of contractual obligation to do so. The Group has not the current intention to provide such support.

The Group does not act as sponsor of Securitization vehicles in which it has not exposures at the end of the reporting period.

Part E – Information on risks and related risk management policies

C.8 Banking Group - Servicer activities – Collections of securitised loans and redemptions of securities issued by the securitisation's vehicle

Servicer	Special Purpose Vehicle	Securitised assets (year end figures)		Loans collected during the year		Percentage of securities redeemed (year end figures)					
						Senior		Mezzanine		Junior	
		Impaired	Performing	Impaired	Performing	Impaired assets	Performing assets	Impaired assets	Performing assets	Impaired assets	Performing assets
UniCredit Bank AG / UniCredit Luxembourg S.A.	Geldilux-TS 2010 S.A.	-	-	-	977,782 (*)	-	100.00%	-	100.00%	-	100%
	Geldilux-TS 2011 S.A.	-	-	-	659,273 (*)	-	100.00%	-	100.00%	-	100%
	Geldilux-TS 2013 S.A.	301	852,543	-	7,220,453 (*)	-	0.82%	-	-	-	-
UniCredit Bank AG / Redstone	New stone	5,958	280,027	19,670	6,358	-	-	-	-	-	-
Fineco Leasing S.p.A.	F-E Gold S.r.L.	44,936	116,633	2,829	45,175	-	88.75%	-	61.62%	-	-
UniCredit Leasing S.p.A.	Locat SV S.r.L. - SERIE 2005	79,348	99,704	10,370	57,890	-	100.00%	-	59.74%	-	-
	Locat SV S.r.L. - SERIE 2006	91,145	261,933	16,557	80,765	-	97.51%	-	-	-	-
	LSV 8 - Serie 2014	4,796	1,260,780	172	246,424	-		-	-	-	-
UniCredit S.p.A.	Capital Mortgage S.r.L.	179,199	1,449,059	5,368	153,754	-	60.68%	-	-	-	-
	Consumer Two S.r.L.	6,666	1,171,342	3	611,867	-	-	-	-	-	-
	Cordusio RMBS S.r.L.	18,437	392,815	3,193	130,039	-	92.18%	-	-	-	-
	Cordusio RMBS Securitisation S.r.L.	143,993	2,049,128	6,084	319,661	-	72.30%	-	-	-	-
	Cordusio RMBS UCFin S.r.L.	78,914	779,679	3,531	112,187	-	73.36%	-	-	-	-
	F-E Mortgage S.r.L.	52,657	450,786	3,348	49,471	-	82.45%	-	4.23%	-	8.50%
	Heliconus S.r.L.	7,196	91,397	977	12,359	-	87.14%	-	-	-	-
	Large Corporate S.r.L.	-	242,471	-	83,401	-	-	-	-	-	-
	Trevi Finance S.p.A.	-	-	8,792	-	100.00%	-	100.00%	-	100.00%	-
	Trevi Finance n. 2 S.p.A.	-	-	4,400	-	100.00%	-	100.00%	-	100.00%	-
	Trevi Finance n. 3 s.p.A.	53,161	338,802	13,378	-	100.00%	-	-	68.08%	-	-
	Entasi S.r.L.	-	895,552	-	3,644	-	-	-	-	-	-
UniCredit Credit Management Bank S.p.A.	Quercia Funding S.r.L.	9,737	-	6,169	-	100.00%	-	100.00%	-	95.00%	-
	AURORA SPV S.r.L. - Aurora 1	9,828	-	3,850	-	66.32%	-	-	-	-	-
	AURORA SPV S.r.L. - Aurora 2	8,064	-	6,646	-	88.50%	-	-	-	-	-
	AURORA SPV S.r.L. - Aurora 3	19,022	-	6,738	-	24.79%	-	-	-	-	-

(*) replenishing of short term portfolio (3-6 months)

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	ARABELLA FINANCE LTD.
Headquarter	2nd Floor,11/12 Warrington, Dublin 2, Ireland

	12/31/14
A. Securitised Assets	2,171,823
A.1 Loans	2,171,823
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+C+D)	**2,171,823**
E. Bond issued	2,168,512
E.1 Senior	2,168,512
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	3,311
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	3,311
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**2,171,823**
H. Interest expense	6,476
H.1 Interest expense on bond issued	6,476
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	8,800
I.1 for servicing	8,800
I.2 for other services	-
J. Other charges	1,792
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	1,792
TOTAL COST (H+I+J)	**17,068**
K. Interest generated by securitised assets	4,629
L. Interest income on derivatives	-
M. Other revenues	12,737
M.1 Additional returns for exposure junior	-
M.2. Other revenues	12,737
TOTAL REVENUES (K+L+M)	**17,366**
PROFIT (LOSS) FOR THE PERIOD	**298**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Capital Mortgage S.r.l. - 2007
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	1,120,865
A.1 Loans	1,120,865
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	221,690
C.1 Loans (including bank current account)	221,690
C.2 Bonds	-
D. Other assets	16,801
D.1 Derivatives	-
D.2 Other assets	16,801
TOTAL ASSETS (A+B+ C+D)	**1,359,356**
E. Bond issued	1,001,050
E.1 Senior	901,289
E.2 Mezzanine	74,039
E.3 Junior	25,722
F. Loans received	242,712
F.1 Senior	201,156
F.2 Mezzanine	-
F.3 Junior	41,556
G. Other liabilities	115,596
G.1 Derivatives	1,008
G.2 Due to originator	114,370
G.3 Other liabilities	218
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**1,359,358**
H. Interest expense	12,160
H.1 Interest expense on bond issued	4,804
H.2 Interest expense on loans received	622
H.3 Interest expense on derivatives	6,734
I. Commissions and fees related to the transaction	814
I.1 for servicing	497
I.2 for other services	317
J. Other charges	15,373
J.1 Additional positive returns for exposure junior	13,729
J.2. Other costs	1,644
TOTAL COST (H+I+J)	**28,347**
K. Interest generated by securitised assets	23,182
L. Interest income on derivatives	-
M. Other revenues	5,165
M.1 Additional returns for exposure junior	-
M.2. Other revenues	5,165
TOTAL REVENUES (K+L+M)	**28,347**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	CONSUMER TWO SRL
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	1,178,008
A.1 Loans	1,178,008
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	148,069
C.1 Loans (including bank current account)	148,069
C.2 Bonds	-
D. Other assets	10,590
D.1 Derivatives	-
D.2 Other assets	10,590
TOTAL ASSETS (A+B+ C+D)	**1,336,667**
E. Bond issued	1,234,013
E.1 Senior	740,400
E.2 Mezzanine	-
E.3 Junior	493,613
F. Loans received	58,568
F.1 Senior	57,568
F.2 Mezzanine	-
F.3 Junior	1,000
G. Other liabilities	44,088
G.1 Derivatives	9,998
G.2 Due to originator	33,321
G.3 Other liabilities	769
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**1,336,669**
H. Interest expense	46,229
H.1 Interest expense on bond issued	37,055
H.2 Interest expense on loans received	4,562
H.3 Interest expense on derivatives	4,612
I. Commissions and fees related to the transaction	2,552
I.1 for servicing	2,187
I.2 for other services	365
J. Other charges	69,678
J.1 Additional positive returns for exposure junior	63,418
J.2. Other costs	6,260
TOTAL COST (H+I+J)	**118,459**
K. Interest generated by securitised assets	115,990
L. Interest income on derivatives	-
M. Other revenues	2,471
M.1 Additional returns for exposure junior	-
M.2. Other revenues	2,471
TOTAL REVENUES (K+L+M)	**118,461**
PROFIT (LOSS) FOR THE PERIOD	**2**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Cordusio RMBS - UCFin S.r.l
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	858,593
A.1 Loans	858,593
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	176,893
C.1 Loans (including bank current account)	176,893
C.2 Bonds	-
D. Other assets	15,043
D.1 Derivatives	-
D.2 Other assets	15,043
TOTAL ASSETS (A+B+ C+D)	**1,050,529**
E. Bond issued	784,658
E.1 Senior	622,123
E.2 Mezzanine	148,000
E.3 Junior	14,535
F. Loans received	160,753
F.1 Senior	160,753
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	105,117
G.1 Derivatives	11,252
G.2 Due to originator	93,653
G.3 Other liabilities	212
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**1,050,528**
H. Interest expense	11,247
H.1 Interest expense on bond issued	4,587
H.2 Interest expense on loans received	406
H.3 Interest expense on derivatives	6,254
I. Commissions and fees related to the transaction	2,535
I.1 for servicing	2,157
I.2 for other services	378
J. Other charges	9,550
J.1 Additional positive returns for exposure junior	8,550
J.2. Other costs	1,000
TOTAL COST (H+I+J)	**23,332**
K. Interest generated by securitised assets	21,361
L. Interest income on derivatives	-
M. Other revenues	1,971
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1,971
TOTAL REVENUES (K+L+M)	**23,332**
PROFIT (LOSS) FOR THE PERIOD	**-**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Cordusio RMBS S.r.l.
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	411,252
A.1 Loans	411,252
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	181,450
C.1 Loans (including bank current account)	181,450
C.2 Bonds	-
D. Other assets	18,101
D.1 Derivatives	-
D.2 Other assets	18,101
TOTAL ASSETS (A+B+ C+D)	**610,803**
E. Bond issued	399,747
E.1 Senior	219,657
E.2 Mezzanine	171,200
E.3 Junior	8,890
F. Loans received	176,851
F.1 Senior	176,851
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	34,206
G.1 Derivatives	10,163
G.2 Due to originator	6,670
G.3 Other liabilities	17,373
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**610,804**
H. Interest expense	9,021
H.1 Interest expense on bond issued	2,830
H.2 Interest expense on loans received	446
H.3 Interest expense on derivatives	5,745
I. Commissions and fees related to the transaction	2,266
I.1 for servicing	1,950
I.2 for other services	316
J. Other charges	7,741
J.1 Additional positive returns for exposure junior	7,500
J.2. Other costs	241
TOTAL COST (H+I+J)	**19,028**
K. Interest generated by securitised assets	15,757
L. Interest income on derivatives	-
M. Other revenues	3,271
M.1 Additional returns for exposure junior	-
M.2. Other revenues	3,271
TOTAL REVENUES (K+L+M)	**19,028**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Cordusio RMBS Securitisation S.r.l. - Serie 2006
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	633,025
A.1 Loans	633,025
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	175,957
C.1 Loans (including bank current account)	175,957
C.2 Bonds	-
D. Other assets	14,911
D.1 Derivatives	-
D.2 Other assets	14,911
TOTAL ASSETS (A+B+ C+D)	**823,893**
E. Bond issued	611,345
E.1 Senior	458,962
E.2 Mezzanine	141,700
E.3 Junior	10,683
F. Loans received	170,800
F.1 Senior	170,800
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	41,747
G.1 Derivatives	7,268
G.2 Due to originator	18,366
G.3 Other liabilities	16,113
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**823,892**
H. Interest expense	8,601
H.1 Interest expense on bond issued	3,883
H.2 Interest expense on loans received	431
H.3 Interest expense on derivatives	4,287
I. Commissions and fees related to the transaction	2,175
I.1 for servicing	1,904
I.2 for other services	271
J. Other charges	6,602
J.1 Additional positive returns for exposure junior	6,335
J.2. Other costs	267
TOTAL COST (H+I+J)	**17,378**
K. Interest generated by securitised assets	14,736
L. Interest income on derivatives	-
M. Other revenues	2,643
M.1 Additional returns for exposure junior	-
M.2. Other revenues	2,643
TOTAL REVENUES (K+L+M)	**17,379**
PROFIT (LOSS) FOR THE PERIOD	**1**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Cordusio RMBS Securitisation S.r.l. - Serie 2007
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	1,560,096
A.1 Loans	1,560,096
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	242,135
C.1 Loans (including bank current account)	242,135
C.2 Bonds	-
D. Other assets	24,925
D.1 Derivatives	-
D.2 Other assets	24,925
TOTAL ASSETS (A+B+ C+D)	**1,827,156**
E. Bond issued	1,458,828
E.1 Senior	1,220,217
E.2 Mezzanine	236,400
E.3 Junior	2,211
F. Loans received	237,111
F.1 Senior	237,111
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	131,217
G.1 Derivatives	13,283
G.2 Due to originator	97,379
G.3 Other liabilities	20,555
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**1,827,156**
H. Interest expense	16,254
H.1 Interest expense on bond issued	8,641
H.2 Interest expense on loans received	598
H.3 Interest expense on derivatives	7,015
I. Commissions and fees related to the transaction	2,879
I.1 for servicing	2,492
I.2 for other services	387
J. Other charges	17,052
J.1 Additional positive returns for exposure junior	16,068
J.2. Other costs	984
TOTAL COST (H+I+J)	**36,185**
K. Interest generated by securitised assets	31,301
L. Interest income on derivatives	-
M. Other revenues	4,885
M.1 Additional returns for exposure junior	-
M.2. Other revenues	4,885
TOTAL REVENUES (K+L+M)	**36,186**
PROFIT (LOSS) FOR THE PERIOD	**1**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	ELEKTRA PURCHASE NO. 17 S.A. RE COMPARTMENT 2
Headquarter	52-54 avenue du X Septembre, L-2550 Luxembourg

	12/31/14
A. Securitised Assets	80,231
A.1 Loans	80,231
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**80,231**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	80,200
F.1 Senior	80,200
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	31
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	31
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**80,231**
H. Interest expense	586
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	586
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	694
I.1 for servicing	694
I.2 for other services	-
J. Other charges	6
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	6
TOTAL COST (H+I+J)	**1,286**
K. Interest generated by securitised assets	1,288
L. Interest income on derivatives	-
M. Other revenues	313
M.1 Additional returns for exposure junior	-
M.2. Other revenues	313
TOTAL REVENUES (K+L+M)	**1,601**
PROFIT (LOSS) FOR THE PERIOD	**315**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	ELEKTRA PURCHASE NO:28 LIMITED
Headquarter	11-12 Warrington Place, Dublin 2, Ireland

	12/31/14
A. Securitised Assets	183,436
A.1 Loans	183,436
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**183,436**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	183,433
F.1 Senior	183,433
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	3
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	3
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**183,436**
H. Interest expense	1,273
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	1,273
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	715
I.1 for servicing	715
I.2 for other services	-
J. Other charges	-
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	-
TOTAL COST (H+I+J)	**1,988**
K. Interest generated by securitised assets	1,988
L. Interest income on derivatives	-
M. Other revenues	1
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1
TOTAL REVENUES (K+L+M)	**1,989**
PROFIT (LOSS) FOR THE PERIOD	**1**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Elektra Purchase No. 31 Limited
Headquarter	2ND FLOOR, 11-12 WARRINGTON PL, Dublin 2, Ireland

	12/31/14
A. Securitised Assets	66,497
A.1 Loans	66,497
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**66,497**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	66,354
F.1 Senior	66,354
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	143
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	143
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**66,497**
H. Interest expense	411
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	411
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	1,080
I.1 for servicing	1,080
I.2 for other services	-
J. Other charges	29
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	29
TOTAL COST (H+I+J)	**1,520**
K. Interest generated by securitised assets	1,520
L. Interest income on derivatives	-
M. Other revenues	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**1,520**
PROFIT (LOSS) FOR THE PERIOD	**-**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Elektra Purchase No. 32 S.A. - Compartment 1
Headquarter	52-54 Avenue du X Septembre, L-2550 Luxembourg

	12/31/14
A. Securitised Assets	172,863
A.1 Loans	172,863
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**172,863**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	172,748
F.1 Senior	172,748
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	115
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	115
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**172,863**
H. Interest expense	441
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	441
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	-
I.1 for servicing	-
I.2 for other services	-
J. Other charges	52
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	52
TOTAL COST (H+I+J)	**493**
K. Interest generated by securitised assets	539
L. Interest income on derivatives	-
M. Other revenues	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**539**
PROFIT (LOSS) FOR THE PERIOD	**46**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Elektra Purchase No. 35 Limited
Headquarter	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2, Ireland

	12/31/14
A. Securitised Assets	218,751
A.1 Loans	218,751
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**218,751**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	218,750
F.1 Senior	218,750
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	1
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	1
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**218,751**
H. Interest expense	230
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	230
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	-
I.1 for servicing	-
I.2 for other services	-
J. Other charges	422
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	422
TOTAL COST (H+I+J)	**652**
K. Interest generated by securitised assets	652
L. Interest income on derivatives	-
M. Other revenues	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**652**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Elektra Purchase No. 36 Limited
Headquarter	2nd Floor, Dublin 1, Ireland

	12/31/14
A. Securitised Assets	300,024
A.1 Loans	300,024
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**300,024**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	300,000
F.1 Senior	300,000
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	24
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	24
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**300,024**
H. Interest expense	243
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	243
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	255
I.1 for servicing	255
I.2 for other services	-
J. Other charges	23
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	23
TOTAL COST (H+I+J)	**521**
K. Interest generated by securitised assets	498
L. Interest income on derivatives	-
M. Other revenues	24
M.1 Additional returns for exposure junior	-
M.2. Other revenues	24
TOTAL REVENUES (K+L+M)	**522**
PROFIT (LOSS) FOR THE PERIOD	**1**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Elektra Purchase No. 911 Ltd
Headquarter	OGIER HOUSE, ST. HELIER, JERSEY

	12/31/14
A. Securitised Assets	362,607
A.1 Loans	362,607
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**362,607**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	362,359
F.1 Senior	362,359
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	248
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	248
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**362,607**
H. Interest expense	2,438
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	2,438
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	1,219
I.1 for servicing	1,219
I.2 for other services	-
J. Other charges	185
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	185
TOTAL COST (H+I+J)	**3,842**
K. Interest generated by securitised assets	3,844
L. Interest income on derivatives	-
M. Other revenues	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**3,844**
PROFIT (LOSS) FOR THE PERIOD	**2**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Entasi Srl
Headquarter	Largo Chigi 5 - 00187 Roma

	12/31/14
A. Securitised Assets	895,552
A.1 Loans	-
A.2 Bonds	895,552
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	1
C.1 Loans (including bank current account)	1
C.2 Bonds	-
D. Other assets	310
D.1 Derivatives	-
D.2 Other assets	310
TOTAL ASSETS (A+B+ C+D)	**895,863**
E. Bond issued	320,000
E.1 Senior	320,000
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	575,864
G.1 Derivatives	575,550
G.2 Due to originator	290
G.3 Other liabilities	346
G.4 Own funds	-322
TOTAL LIABILITIES (E+F+G)	**895,864**
H. Interest expense	74,691
H.1 Interest expense on bond issued	3,644
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	71,047
I. Commissions and fees related to the transaction	133
I.1 for servicing	124
I.2 for other services	9
J. Other charges	27
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	27
TOTAL COST (H+I+J)	**74,851**
K. Interest generated by securitised assets	71,047
L. Interest income on derivatives	-
M. Other revenues	3,720
M.1 Additional returns for exposure junior	-
M.2. Other revenues	3,720
TOTAL REVENUES (K+L+M)	**74,767**
PROFIT (LOSS) FOR THE PERIOD	**-84**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	F-E Gold S.r.l.
Headquarter	Via Generale Gustavo Fara 26 - 20124 Milano

	31/12/14
A. Securitised Assets	161,651
A.1 Loans	161,651
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	29,479
C.1 Loans (including bank current account)	4,652
C.2 Bonds	24,827
D. Other assets	53
D.1 Derivatives	48
D.2 Other assets	5
TOTAL ASSETS (A+B+ C+D)	**191,183**
E. Bond issued	132,651
E.1 Senior	107,224
E.2 Mezzanine	25,427
E.3 Junior	-
F. Loans received	57,038
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	57,038
G. Other liabilities	1,494
G.1 Derivatives	37
G.2 Due to originator	1,405
G.3 Other liabilities	52
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**191,183**
H. Interest expense	1,477
H.1 Interest expense on bond issued	647
H.2 Interest expense on loans received	465
H.3 Interest expense on derivatives	365
I. Commissions and fees related to the transaction	198
I.1 for servicing	28
I.2 for other services	170
J. Other charges	8,604
J.1 Additional positive returns for exposure junior	1,803
J.2. Other costs	6,801
TOTAL COST (H+I+J)	**10,279**
K. Interest generated by securitised assets	7,576
L. Interest income on derivatives	574
M. Other revenues	2,128
M.1 Additional returns for exposure junior	-
M.2. Other revenues	2,128
TOTAL REVENUES (K+L+M)	**10,278**
PROFIT (LOSS) FOR THE PERIOD	**-1**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	F-E Mortgages S.r.l. - 2003
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	195,951
A.1 Loans	195,951
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	28,224
C.1 Loans (including bank current account)	28,224
C.2 Bonds	-
D. Other assets	74
D.1 Derivatives	29
D.2 Other assets	45
TOTAL ASSETS (A+B+ C+D)	**224,249**
E. Bond issued	161,753
E.1 Senior	95,088
E.2 Mezzanine	59,031
E.3 Junior	7,634
F. Loans received	24,527
F.1 Senior	24,527
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	37,970
G.1 Derivatives	-
G.2 Due to originator	35,239
G.3 Other liabilities	2,731
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**224,250**
H. Interest expense	1,512
H.1 Interest expense on bond issued	1,490
H.2 Interest expense on loans received	22
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	455
I.1 for servicing	182
I.2 for other services	273
J. Other charges	3,888
J.1 Additional positive returns for exposure junior	3,651
J.2. Other costs	237
TOTAL COST (H+I+J)	**5,855**
K. Interest generated by securitised assets	3,904
L. Interest income on derivatives	641
M. Other revenues	1,310
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1,310
TOTAL REVENUES (K+L+M)	**5,855**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	F-E Mortgages S.r.l. - 2005
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	307,492
A.1 Loans	307,492
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	14,853
C.1 Loans (including bank current account)	14,853
C.2 Bonds	-
D. Other assets	31
D.1 Derivatives	-
D.2 Other assets	31
TOTAL ASSETS (A+B+ C+D)	**322,376**
E. Bond issued	260,893
E.1 Senior	191,675
E.2 Mezzanine	36,885
E.3 Junior	32,333
F. Loans received	2,233
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	2,233
G. Other liabilities	59,249
G.1 Derivatives	7
G.2 Due to originator	54,964
G.3 Other liabilities	4,278
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**322,375**
H. Interest expense	3,550
H.1 Interest expense on bond issued	1,264
H.2 Interest expense on loans received	25
H.3 Interest expense on derivatives	2,261
I. Commissions and fees related to the transaction	467
I.1 for servicing	261
I.2 for other services	206
J. Other charges	3,860
J.1 Additional positive returns for exposure junior	3,538
J.2. Other costs	322
TOTAL COST (H+I+J)	**7,877**
K. Interest generated by securitised assets	6,574
L. Interest income on derivatives	-
M. Other revenues	1,304
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1,304
TOTAL REVENUES (K+L+M)	**7,878**
PROFIT (LOSS) FOR THE PERIOD	**1**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Geldilux TS 2013 S.A.
Headquarter	11, rue Pierre d'Aspelt, 1142 Luxembourg

	12/31/14
A. Securitised Assets	874,052
A.1 Loans	874,052
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	204
D.1 Derivatives	-
D.2 Other assets	204
TOTAL ASSETS (A+B+ C+D)	**874,256**
E. Bond issued	857,885
E.1 Senior	750,394
E.2 Mezzanine	-
E.3 Junior	107,491
F. Loans received	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	16,370
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	16,370
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**874,255**
H. Interest expense	15,412
H.1 Interest expense on bond issued	15,412
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	1,875
I.1 for servicing	1,875
I.2 for other services	-
J. Other charges	192
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	192
TOTAL COST (H+I+J)	**17,479**
K. Interest generated by securitised assets	17,142
L. Interest income on derivatives	337
M. Other revenues	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**17,479**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	GRAND CENTRAL FUNDING CORPORATION
Headquarter	48 WALL STREET, NEW YORK, NY 10005, USA

	12/31/14
A. Securitised Assets	4,739
A.1 Loans	4,739
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	10,771
D.1 Derivatives	-
D.2 Other assets	10,771
TOTAL ASSETS (A+B+ C+D)	**15,510**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	12,425
F.1 Senior	12,425
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	3,085
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	3,085
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**15,510**
H. Interest expense	568
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	567
H.3 Interest expense on derivatives	1
I. Commissions and fees related to the transaction	251
I.1 for servicing	251
I.2 for other services	-
J. Other charges	256
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	256
TOTAL COST (H+I+J)	**1,075**
K. Interest generated by securitised assets	372
L. Interest income on derivatives	590
M. Other revenues	239
M.1 Additional returns for exposure junior	-
M.2. Other revenues	239
TOTAL REVENUES (K+L+M)	**1,201**
PROFIT (LOSS) FOR THE PERIOD	**126**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Heliconus S.r.l
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	98,593
A.1 Loans	98,593
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	13,541
C.1 Loans (including bank current account)	13,541
C.2 Bonds	-
D. Other assets	25
D.1 Derivatives	-
D.2 Other assets	25
TOTAL ASSETS (A+B+ C+D)	**112,159**
E. Bond issued	87,333
E.1 Senior	47,496
E.2 Mezzanine	30,847
E.3 Junior	8,990
F. Loans received	10,225
F.1 Senior	10,225
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	14,601
G.1 Derivatives	-
G.2 Due to originator	13,837
G.3 Other liabilities	764
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**112,159**
H. Interest expense	935
H.1 Interest expense on bond issued	698
H.2 Interest expense on loans received	61
H.3 Interest expense on derivatives	176
I. Commissions and fees related to the transaction	415
I.1 for servicing	123
I.2 for other services	292
J. Other charges	1,284
J.1 Additional positive returns for exposure junior	1,203
J.2. Other costs	81
TOTAL COST (H+I+J)	**2,634**
K. Interest generated by securitised assets	2,012
L. Interest income on derivatives	-
M. Other revenues	622
M.1 Additional returns for exposure junior	-
M.2. Other revenues	622
TOTAL REVENUES (K+L+M)	**2,634**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	LARGE CORPORATE ONE SRL
Headquarter	Piazzetta Monte 1 - 37121 Verona

	12/31/14
A. Securitised Assets	242,471
A.1 Loans	242,471
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	17,665
C.1 Loans (including bank current account)	17,665
C.2 Bonds	-
D. Other assets	23,466
D.1 Derivatives	613
D.2 Other assets	22,853
TOTAL ASSETS (A+B+ C+D)	**283,602**
E. Bond issued	282,051
E.1 Senior	251,253
E.2 Mezzanine	-
E.3 Junior	30,798
F. Loans received	1,298
F.1 Senior	1,298
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	253
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	253
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**283,602**
H. Interest expense	9,372
H.1 Interest expense on bond issued	9,030
H.2 Interest expense on loans received	342
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	958
I.1 for servicing	612
I.2 for other services	346
J. Other charges	96
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	96
TOTAL COST (H+I+J)	**10,426**
K. Interest generated by securitised assets	5,262
L. Interest income on derivatives	3,239
M. Other revenues	1,925
M.1 Additional returns for exposure junior	1,655
M.2. Other revenues	270
TOTAL REVENUES (K+L+M)	**10,426**
PROFIT (LOSS) FOR THE PERIOD	**-**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Locat SV S.r.l. - Serie 2005
Headquarter	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)

	12/31/14
A. Securitised Assets	177,183
A.1 Loans	177,183
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	8,056
C.1 Loans (including bank current account)	8,056
C.2 Bonds	-
D. Other assets	207
D.1 Derivatives	-
D.2 Other assets	207
TOTAL ASSETS (A+B+ C+D)	**185,446**
E. Bond issued	84,694
E.1 Senior	-
E.2 Mezzanine	77,694
E.3 Junior	7,000
F. Loans received	5,935
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	5,935
G. Other liabilities	94,817
G.1 Derivatives	-
G.2 Due to originator	10,020
G.3 Other liabilities	84,797
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**185,446**
H. Interest expense	**897**
H.1 Interest expense on bond issued	864
H.2 Interest expense on loans received	1
H.3 Interest expense on derivatives	32
I. Commissions and fees related to the transaction	**99**
I.1 for servicing	56
I.2 for other services	43
J. Other charges	**8,589**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	8,589
TOTAL COST (H+I+J)	**9,585**
K. Interest generated by securitised assets	**8,008**
L. Interest income on derivatives	**12**
M. Other revenues	**1,564**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1,564
TOTAL REVENUES (K+L+M)	**9,584**
PROFIT (LOSS) FOR THE PERIOD	**-1**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Locat SV S.r.l. - Serie 2006
Headquarter	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)

	12/31/14
A. Securitised Assets	351,187
A.1 Loans	351,187
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	15,474
C.1 Loans (including bank current account)	15,474
C.2 Bonds	-
D. Other assets	10,624
D.1 Derivatives	-
D.2 Other assets	10,624
TOTAL ASSETS (A+B+ C+D)	**377,285**
E. Bond issued	268,355
E.1 Senior	43,445
E.2 Mezzanine	216,000
E.3 Junior	8,910
F. Loans received	7,873
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	7,873
G. Other liabilities	101,056
G.1 Derivatives	-
G.2 Due to originator	18,281
G.3 Other liabilities	82,775
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**377,284**
H. Interest expense	**2,111**
H.1 Interest expense on bond issued	1,886
H.2 Interest expense on loans received	1
H.3 Interest expense on derivatives	224
I. Commissions and fees related to the transaction	**119**
I.1 for servicing	78
I.2 for other services	41
J. Other charges	**16,424**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	16,424
TOTAL COST (H+I+J)	**18,654**
K. Interest generated by securitised assets	**12,586**
L. Interest income on derivatives	**25**
M. Other revenues	**6,042**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	6,042
TOTAL REVENUES (K+L+M)	**18,653**
PROFIT (LOSS) FOR THE PERIOD	**-1**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Locat SV S.r.l. - Serie 2014
Headquarter	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)

	12/31/14
A. Securitised Assets	1,266,873
A.1 Loans	1,266,873
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	46,125
C.1 Loans (including bank current account)	46,125
C.2 Bonds	-
D. Other assets	2,161
D.1 Derivatives	-
D.2 Other assets	2,161
TOTAL ASSETS (A+B+ C+D)	**1,315,159**
E. Bond issued	1,300,000
E.1 Senior	715,000
E.2 Mezzanine	-
E.3 Junior	585,000
F. Loans received	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	15,159
G.1 Derivatives	-
G.2 Due to originator	8,694
G.3 Other liabilities	6,465
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**1,315,159**
H. Interest expense	**20,704**
H.1 Interest expense on bond issued	20,480
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	224
I. Commissions and fees related to the transaction	**116**
I.1 for servicing	106
I.2 for other services	10
J. Other charges	**14,093**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	14,093
TOTAL COST (H+I+J)	**34,913**
K. Interest generated by securitised assets	**34,138**
L. Interest income on derivatives	**-**
M. Other revenues	**775**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	775
TOTAL REVENUES (K+L+M)	**34,913**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Newstone Mortgage Securities No. 1 PLC
Headquarter	Fifth Floor, 100 Wood Street, London, Great Britain

	12/31/14
A. Securitised Assets	285,983
A.1 Loans	285,983
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	10,582
D.1 Derivatives	-
D.2 Other assets	10,582
TOTAL ASSETS (A+B+ C+D)	**296,565**
E. Bond issued	294,496
E.1 Senior	245,446
E.2 Mezzanine	-
E.3 Junior	49,050
F. Loans received	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	2,069
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	2,069
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**296,565**
H. Interest expense	**6,444**
H.1 Interest expense on bond issued	6,444
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	**347**
I.1 for servicing	347
I.2 for other services	-
J. Other charges	**692**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	692
TOTAL COST (H+I+J)	**7,483**
K. Interest generated by securitised assets	**7,509**
L. Interest income on derivatives	**-**
M. Other revenues	**-**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
TOTAL REVENUES (K+L+M)	**7,509**
PROFIT (LOSS) FOR THE PERIOD	**26**

Part E – Information on risks and related risk management policies

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Pure Funding No. 10 Limited
Headquarter	11-12 Warrington Place, Dublin 2, Ireland

	12/31/14
A. Securitised Assets	23,446
A.1 Loans	23,446
A.2 Bonds	-
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
D. Other assets	-
D.1 Derivatives	-
D.2 Other assets	-
TOTAL ASSETS (A+B+ C+D)	**23,446**
E. Bond issued	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
F. Loans received	23,386
F.1 Senior	23,386
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	61
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	61
G.4 Own funds	-
TOTAL LIABILITIES (E+F+G)	**23,447**
H. Interest expense	**193**
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	193
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	**162**
I.1 for servicing	162
I.2 for other services	-
J. Other charges	**28**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	28
TOTAL COST (H+I+J)	**383**
K. Interest generated by securitised assets	**344**
L. Interest income on derivatives	**-**
M. Other revenues	**39**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	39
TOTAL REVENUES (K+L+M)	**383**
PROFIT (LOSS) FOR THE PERIOD	**-**

C.9 Banking Group - Consolidated SPEs of securitizations

SPV name	Trevi Finance N. 3 S.r.l.
Headquarter	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)

	12/31/14
A. Securitised Assets	280,890
A.1 Loans	53,161
A.2 Bonds	227,729
B. Loans disbursed	-
C. Use of liquid assets resulting from loan operations	5,861
C.1 Loans (including bank current account)	5,861
C.2 Bonds	-
D. Other assets	8
D.1 Derivatives	-
D.2 Other assets	8
TOTAL ASSETS (A+B+ C+D)	**286,759**
E. Bond issued	1,343,745
E.1 Senior	-
E.2 Mezzanine	895,579
E.3 Junior	448,166
F. Loans received	206,832
F.1 Senior	206,832
F.2 Mezzanine	-
F.3 Junior	-
G. Other liabilities	-1,263,820
G.1 Derivatives	-
G.2 Due to originator	172,905
G.3 Other liabilities	7,179
G.4 Own funds	-1,443,904
TOTAL LIABILITIES (E+F+G)	**286,757**
H. Interest expense	**78,921**
H.1 Interest expense on bond issued	77,753
H.2 Interest expense on loans received	1,168
H.3 Interest expense on derivatives	-
I. Commissions and fees related to the transaction	**884**
I.1 for servicing	583
I.2 for other services	301
J. Other charges	**60,448**
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	60,448
TOTAL COST (H+I+J)	**140,253**
K. Interest generated by securitised assets	**8,628**
L. Interest income on derivatives	**-**
M. Other revenues	**25,164**
M.1 Additional returns for exposure junior	-
M.2. Other revenues	25,164
TOTAL REVENUES (K+L+M)	**33,792**
PROFIT (LOSS) FOR THE PERIOD	**-106,461**

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

D.1 Consolidated structured entities

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

The consolidated structured entities of the Group belong to one of the following categories:

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

With reference to these structured entities we note that the Group during the period has written-off its exposure toward Royston, a consolidated structured entity, for an amount equal to € 5,706 thousand in the context of the work – out process.

During 2014, the restructuring of the former BARD group, in which the Group was the only lender and that has been consolidated since 2013, was continued.
The operating activities as a manufacturer of wind farms have been discontinued and the activities associated with the operation and service of wind parks were transferred in 2014 into the new OWS Off-Shore Wind Solutions Group.
The remaining BARD companies are being liquidated. In the course of the liquidation, UniCredit Bank AG has written – off its loans to BARD for a gross amount equal to € 1,070,000 thousand.
The liquidation plan projects that cash-in-flows and cash-out-flows will compensate each other over the term of the liquidation.

During the period the Group has not provided further financial support to consolidated structured entities and it doesn't have current intention to provide such support.

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

Exposure to structured entites different from Securitization SPV not consolidat (€ '000)

Balance sheet item/SPV Type	Total Assets (A)	Off Balance Sheet Exposures
Leasing SPV	3,484,385	64,999
Project Finance SPV	1,741,225	53,818
Real Estate SPV	29,987	35,727
Funding SPV	516,656	-
Investment funds	1,210,723	-
Warehousing	930,573	
Total	**7,913,549**	**154,544**

D.2 Not Consolidated for accounting purposes structured entities

D.2.1 Consolidated for regulatory purposes structured entities
The Group has not exposure toward structured entities consolidated for regulatory purpose but that are not consolidated for accounting purpose

D.2.2 Other structured entities

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

In particular, unconsolidated structured entities in which the Group is exposed to belong to the following categories:

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

QUANTITATIVE INFORMATION

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

Part E – Information on risks and related risk management policies

Exposure to structured entites different from Securitization SPV not consolidated for accounting purposes (€ '000)

Balance sheet item/SPV Type	Amounts as at 12.31.2014						
	Accounting Portfolio (assets)	Total Assets (A)	Accounting Portfolio (liabilities)	Total liabilities (B)	Net accounting value (C=A-B)	Maximum exposure to loss (D)	Difference between maximum exposure to loss and accounting value (E=D-C)
Acquisition and Leverage Finance SPV		**48,875**		**2,200**	**46,675**	**46,675**	**-**
	HFT	-	Deposits	2,200	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	48,875			-	-	-
Leasing SPV		**458,147**		**22,013**	**436,134**	**446,732**	**10,598**
	HFT	-	Deposits	19,392	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	3	HFT	2,621	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	458,144		-	-	-	-
Market Related SPV		**338,317**		**24,466**	**313,851**	**347,133**	**33,282**
	HFT	42,482	Deposits	24,466	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	295,835		-	-	-	-
Notes Issuing Vehicles		**539,966**		**4,283**	**535,683**	**535,683**	**-**
	HFT	713	Deposits	4,283	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	49,822	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	489,431		-	-	-	-
Project Finance SPV		**239,964**		**82,200**	**157,764**	**158,894**	**1,130**
	HFT	-	Deposits	82,200	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	239,964		-	-	-	-
Real Estate SPV		**523,376**		**17,593**	**505,783**	**609,474**	**103,691**
	HFT	-	Deposits	17,593	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	523,376		-	-	-	-
Shipping Aircraft SPV		**129,040**		**138**	**128,902**	**128,902**	**-**
	HFT	-	Deposits	138	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	129,040		-	-	-	-
Investment funds		**8,206,832**		**4,028,086**	**4,178,746**	**5,383,426**	**1,204,680**
	HFT	1,792,066	Deposits	4,028,086	-	-	-
	FVO	447,374	Securities	-	-	-	-
	AFS	800,554	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	5,166,838		-	-	-	-
Totale		**10,484,517**		**4,180,979**	**6,303,538**	**7,656,919**	**1,353,381**

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

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

The Group acts, through its subsidiaries, as manager of investment funds that are considered structured entities and in which it has no exposure at the reporting date.

The following table reports the income recognized during the period on this business.

Nature of income from sponsored unconsolidated Structured Entities (different from securitization and covered bond): breakdown by entity type				
Entity type	31/12/14			
	Interest income	Fees and commissions	Gain (loss) arising from disposal	Other income
Leasing SPVs	0	0	0	0
Investment funds	14	1,664,677	3,286	207
Market Related structuring SPVs	0	0	0	0
Project finance SPVs	0	324	0	0
Shipping/Aircraft SPVs	0	0	0	0
Acquisitions and leveraged finance SPVs	0	0	0	0
Real estate SPVs	0	0	0	0
Total	**14**	**1,665,001**	**3,286**	**207**

Finally, during the period, the Group has not provided financial support absent contractual obligations to do so to any non consolidated structured entity.
In addition it has not current intention to provide financial support.

E. Sales Transactions

A. Financial assets sold and not fully derecognised

E.1 Banking Group - Financial assets sold and not derecognised: carrying value and total value

	AMOUNTS AS AT 12.31.2014								
	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS			AVAILABLE FOR SALE FINANCIAL ASSETS		
TYPE / PORTFOLIO	A	B	C	A	B	C	A	B	C
A. Balance-sheet assets	**2,724,416**	**-**	**-**	**2,045,116**	**-**	**-**	**29,411,624**	**-**	**-**
1. Debt securities	2,724,416	-	-	2,045,116	-	-	29,411,624	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 12.31.2014	**2,724,416**	**-**	**-**	**2,045,116**	**-**	**-**	**29,411,624**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-
Total 12.31.2013	**1,831,742**	**-**	**-**	**1,732,327**	**-**	**-**	**20,463,002**	**-**	**-**
of which impaired	-	-	-	-	-	-	-	-	-

Continued E.1 Banking Group - Financial assets sold and not derecognised: book value and gross value

	AMOUNTS AS AT 12.31.2014										
	HELD-TO-MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS			TOTAL	
TYPE / PORTFOLIO	A	B	C	A	B	C	A	B	C	12.31.2014	12.31.2013
A. Balance-sheet assets	**1,613,201**	**-**	**-**	**864,957**	**-**	**-**	**9,822,958**	**-**	**-**	**46,482,272**	**37,334,905**
1. Debt securities	1,613,201	-	-	864,957	-	-	118,507	-	-	36,777,821	27,363,810
2. Equity securities	-	-	-	-	-	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	9,704,451	-	-	9,704,451	9,971,095
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total 12.31.2014	**1,613,201**	**-**	**-**	**864,957**	**-**	**-**	**9,822,958**	**-**	**-**	**46,482,272**	-
of which impaired	-	-	-	-	-	-	*673,425*	-	-	*673,425*	-
Total 12.31.2013	**2,884,261**	**-**	**-**	**372,746**	**-**	**-**	**10,050,827**	**-**	**-**	-	**37,334,905**
of which impaired	-	-	-	-	-	-	*625,939*	-	-	-	***625,939***

LEGEND:
A = Financial assets sold and fully recognized (carrying value)
B = Financial assets sold and partially recognized (carrying value)
C = Financial assets sold and partially recognized (total value)

Loans (A.4) are assets sold and not derecognized under securitizations (see A.3. Table C.1.5.).
Debt securities (A.1) are underlyings of repos.

E.2 Banking Group - Financial liabilities relating to financial assets sold and not derecognised: carrying value

LIABILITIES/ASSETS PORTFOLIOS	AMOUNTS AS AT 12.31.2014						
	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	AVAILABLE FOR SALE FINANCIAL ASSETS	HELD-TO-MATURITY INVESTMENTS	LOANS AND RECEIVABLES WITH BANKS	LOANS AND RECEIVABLES WITH CUSTOMERS	TOTAL
1. Deposits from customers	**2,505,420**	**-**	**18,922,481**	**347,094**	**113,012**	**25,487**	**21,913,494**
a) relating to fully recognised assets	2,505,420	-	18,922,481	347,094	113,012	25,487	21,913,494
b) relating to partially recognised assets	-	-	-	-	-	-	-
2. Deposits from Banks	**221,882**	**2,036,236**	**9,279,897**	**1,281,046**	**510,455**	**90,675**	**13,420,191**
a) relating to fully recognised assets	221,882	2,036,236	9,279,897	1,281,046	510,455	90,675	13,420,191
b) relating to partially recognised assets	-	-	-	-	-	-	-
3. Debt Securities in issue	**-**	**-**	**-**	**-**	**-**	**6,705,063**	**6,705,063**
a) relating to fully recognised assets	-	-	-	-	-	6,705,063	6,705,063
b) relating to partially recognised assets	-	-	-	-	-	-	-
Total 12.31.2014	**2,727,302**	**2,036,236**	**28,202,378**	**1,628,140**	**623,467**	**6,821,225**	**42,038,748**
Total 12.31.2013	**1,645,335**	**1,715,127**	**19,436,644**	**2,906,043**	**133,058**	**7,419,248**	**33,255,455**

E.3 Banking Group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognized: fair value

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2014					
	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		AVAILABLE FOR SALE FINANCIAL ASSETS	
	A	B	A	B	A	B
A. Balance-sheet assets	**2,724,416**	**-**	**2,045,116**	**-**	**29,411,624**	**-**
1. Debt securities	2,724,416	-	2,045,116	-	29,411,624	-
2. Equity securities	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**2,724,416**	**-**	**2,045,116**	**-**	**29,411,624**	**-**
C. Associated financial liabilities	**2,727,302**	**-**	**2,036,236**	**-**	**28,331,817**	**-**
1. Deposits from customers	2,505,420	-	-	-	18,987,315	-
2. Deposits from banks	221,882	-	2,036,236	-	9,344,502	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities	**2,727,302**	**-**	**2,036,236**	**-**	**28,331,817**	**-**
Total 12.31.2014	**(2,886)**	**-**	**8,880**	**-**	**1,079,807**	**-**
Total 12.31.2013	**(10,444)**	**-**	**17,200**	**-**	**905,482**	**-**

Part E – Information on risks and related risk management policies

Continued E.3 Banking Group - Sales transactions relating to financial liabilities with repayment exclusively based on assets sold and not derecognized: fair value

	AMOUNTS AS AT 12.31.2014						TOTAL	
	HELD-TO-MATURITY INVESTMENTS		LOANS AND RECEIVABLES WITH BANKS		LOANS AND RECEIVABLES WITH CUSTOMERS			
TYPE / PORTFOLIO	A	B	A	B	A	B	12.31.2014	12.31.2013
A. Balance-sheet assets	**1,629,494**	**-**	**864,957**	**-**	**10,252,559**	**-**	**46,928,166**	**37,464,185**
1. Debt securities	1,629,494	-	864,957	-	118,507	-	**36,794,114**	**27,360,043**
2. Equity securities	-	-	-	-	-	-	**-**	**-**
3. UCIS	-	-	-	-	-	-	**-**	**-**
4. Loans	-	-	-	-	10,134,052	-	**10,134,052**	**10,104,142**
B. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**1,629,494**	**-**	**864,957**	**-**	**10,252,559**	**-**	**46,928,166**	**37,464,185**
C. Associated financial liabilities	**1,628,140**	**-**	**623,467**	**-**	**6,357,243**	**-**	**x**	**X**
1. Deposits from customers	347,094	-	113,012	-	25,486	-	**x**	**X**
2. Deposits from banks	1,281,046	-	510,455	-	90,675	-	**x**	**X**
3. Debt securities in issue	-	-	-	-	6,241,082	-	**x**	**X**
Total liabilities	**1,628,140**	**-**	**623,467**	**-**	**6,357,243**	**-**	**41,704,205**	**32,932,263**
Totale 12.31.2014	**1,354**	**-**	**454,547**	**-**	**3,895,316**	**-**	**5,223,961**	**X**
Total 12.31.2013	**(25,549)**	**-**	**241,490**	**-**	**3,405,545**	**-**	**X**	**4,531,922**

B. Financial assets sold and fully derecognised with recognition of continuing involvement

At the end of the year there were no fully derecognised financial asset sale transactions that determined recognition of continuing involvement in the financial statements.

E.4 Banking Group - Covered Bond Transactions

In 2008 the Group initiated a Covered Bond (*OBG* or *Obbligazioni Bancarie Garantite*) Program with residential mortgage loans as the underlying assets, in line with Law 130/99, the MEF decree dated December 14, 2006 and Banca d'Italia instructions dated May 17, 2007 as amended on March 24, 2010.

Under this program:

- UniCredit S.p.A. is issuer and also acts as transferor of suitable assets and servicer;
- UniCredit BpC Mortgage s.r.l. (a special purpose vehicle set up within the banking group as expressly authorized by the Bank of Italy) is guarantor of the OBG holders, within the limits of the cover pool; and
- the auditing firm Mazars S.p.A. is Asset Monitor.

The Group's main aims in issuing OBGs are to diversify its funding sources and fund at competitive rates. As with the securitizations, the difficulties in the markets made it advisable to use securitization as a means of increasing the Group's counterbalancing capacity by retaining with the Group part of the securities issued by the vehicle.

An integral feature of OBG Program management is maintaining a balance between the characteristics of the assets sold and the issues. This is necessary to maintain the efficacy of the guarantee given by the SPV to the bondholders.

Given the complexity of the transaction, a system of first- and second-level controls and procedures has been set up, as required by Banca d'Italia instructions, to identify units, functions, duties and responsibilities, and specific policies have been issued to this end.
The policies were as approved by the competent committees, the Statutory Auditors and the Board of Directors of UniCredit S.p.A.

As required by the Bank of Italy instructions on controls:

- UniCredit's Risk Management function is charged with the management of the issuer's risks and checks:
  - the quality, suitability and integrity of the assets sold to guarantee the OBGs;
  - that the maximum ratio of OBGs issued to assets sold to guarantee them is adhered to;
  - that limits on sales and supplementary sales procedures are followed;
  - the effectiveness and adequacy of the hedges provided by any derivatives contracts entered into in relation to the Program; and
  - the trend in the balance between the cash flow arising from the cover pool and that absorbed by the OBGs in issue;
- the Asset Monitor is an outside independent entity charged with checking at least annually the regularity of the transactions and the integrity of the guarantee to the bondholders;
- UniCredit's internal audit department is responsible for a complete audit (to be conducted at least once a year of the adequacy of the controls performed;
- the results of the audits performed by the Asset Monitor and the issuer's internal audit department are submitted to the governing bodies.

Moreover, in order to create counterbalancing capacity, at the end of January 2012 UniCredit S.p.A. initiated a new Covered Bonds (*OBG* or *Obbligazioni Bancarie Garantite*) program ("New OBG Program"), without specific ratings and having residential mortgage loans and commercial mortgage loans as underlyings. The contractual and supervisory structure and the counterparties of this program are modeled on the pre-existing program, with the exception of references to Ratings Agencies and the use of a new Special Purpose Vehicle, UniCredit OBG S.r.l.. During 2014 the New OBG Programme was restructured after which the method of reimbursing OBGs was converted from Soft-bullet to Conditional Pass-through and a rating of AA+ was assigned by the rating agency Fitch.

At December 31, 2014 the series of covered bonds issued under the two programs totaled 27 and were worth €24,106 million, of which €9,100 million was repurchased by UniCredit S.p.A.. It should be noted that, following the repurchase, €2,267 million was pledged as collateral for repos and, as consequence, recognized in item 30. "Securities in issue" of liabilities.

Part E – Information on risks and related risk management policies

Name	Covered Bonds (Obbligazioni Bancarie Garantite)
Originator:	UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)
Issuer:	UniCredit S.p.A.
Servicer:	UniCredit S.p.A.
Arranger:	UniCredit Bank AG, London Branch
Target transaction :	Funding
Type of asset:	Private Mortgage loans
Quality of Asset:	performing
Book value of the underlying assets at the end of accounting period:	22,165,217,789.89 €
Covered Bonds issued at the end of accounting period:	15,006,000,000 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 24,675,276,946.85 euro.
Rating Agencies:	S & P - Moody's - Fitch
Rating:	A (from 12/18/2014) - Aa2 (from 10/21/2015) - AA- (from 07/01/2014)

Name	Covered Bonds (Obbligazioni Bancarie Garantite) II Program
Originator:	UniCredit S.p.A.
Issuer:	UniCredit S.p.A.
Servicer:	UniCredit S.p.A.
Arranger:	UniCredit Bank AG, London Branch
Target transaction :	Funding - Counterbalancing Capacity
Type of asset:	Private Mortgage loans
Quality of Asset:	performing
Book value of the underlying assets at the end of accounting period:	14,646,621,955.26 €
Covered Bonds issued at the end of accounting period:	9,100,000,000 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 16,051,367,281.17 euro.
Rating Agencies:	Fitch
Rating:	AA+ (from 12/23/2014)

Disclosure related to Forborne exposures and new EBA definition of Non-Performing exposures

On July 24, 2014 the EBA published the "Final Draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures" (EBA/ITS/2013/03/rev1 24/7/2014), approved by the European Commission on January 9, 2015, containing the implementing technical standards relating to consolidated harmonised supervisory statistical reporting (FINREP).

In addition to providing the required reporting, the EBA document explains the guidelines that govern the classification of an exposure as performing, non-performing or forborne.

Non-performing exposures are those that satisfy one or both of the following criteria:

- material exposures past-due by more than 90 days;
- exposures for which the bank considers it unlikely that the debtor can entirely fulfil its credit obligations, without proceeding with the enforcement and realisation of collateral, regardless of whether exposures are past due and/or over the limit and regardless of days past due.

According to the EBA guidelines this classification applies irrespective of the classification of an exposure as in default for regulatory purposes in accordance with Art. 178 of Regulation 575/2013 (CRR) or impaired for accounting purposes.

With reference to December 31, 2014, the rules for classification of loans in risk categories for the purposes of the consolidated financial statements were unchanged compared to December 31, 2013 and reflect the regulations issued by the Bank of Italy in force at as December 31st, 2014. In particular the volume in the financial statements of impaired assets determined according to the Bank of Italy instructions in force (Circular 272 of July 2008 as updated) is substantially in keeping with the overall perimeter of EBA NPE assets. In this regard we can note that for the purposes of classification in the different risk classes, the consolidated companies subject to Supervision by Authorities other than the Bank of Italy are bound to observe the legal and regulatory rules issued by the local Authorities. Therefore, for the purposes of preparing the Consolidated Financial Statements according to the instructions issued by the Italian Supervisory Authority, with reference to the Group's foreign Entities, in continuity with the previous periods, opportune measures were adopted with the aim of reconciling results attributable to risk classes, which are otherwise not altogether uniform.

The EBA guidelines themselves define Forborne as exposures to which tolerance (Forbearance) measures have been agreed. That is to say concessions have been granted to a debtor that has faced - or is about to face - difficulties in observing its financial commitments (financial difficulties).

Under the EBA standards, forbearance is defined as:

- a contractual modification favourable to the debtor, granted solely in view of its financial difficulties;
- refinancing, i.e. granting a new loan to a debtor in financial difficulties, to enable the fulfilment of the existing obligation.

The new definitions came into force for the purpose of consolidated harmonised supervisory statistical quarterly reporting (FINREP), with reference date September 30, 2014.

With effect from January 1, 2015, the criteria for classification of impaired financial assets were revised by the Bank of Italy, in order to align them to the new definitions of Non-Performing Exposures and Forbearance, introduced by the aforementioned EBA ITSs (see 7th update of Circular No. 272 of July 30, 2008 – "Accounts Matrix" issued by the Bank of Italy on January 20, 2015).

These regulatory developments imply in coming periods an adjustment of credit processes, which will allow full compliance with the new classification rules, monitoring of the dynamics of these exposures, as well as preparation of the required reports to the supervisory authority.

In order to implement the classification rules introduced by the EBA in the Group's management and accounting systems, the Group has launched the related implementing activities through two phases.

In the first phase the approach adopted was based on the best approximations obtainable from the existing management systems, for the purposes of producing FINREP reports. This was already used for the data at September 30 and December 31, 2014. Pending the necessary infrastructure changes (processes and related support applications), the database used to define the Forborne perimeter consists in this phase of information already available within the management and accounting systems. These systems already make it possible to place the exposures in the “restructured” risk class under the terms of the Bank of Italy classification. This classification, defines as "restructured loan"[6] a restructuring agreement which provides for a moratorium on loan payments and simultaneous renegotiation at below market interest rates, the conversion of part of the loans into shares and/or any reduction of the principal leading to a loss. In addition, the existing management and accounting systems enable the tracking of an exposure as a concession when:

- the loan has been renegotiated on the basis of collective agreements or on the ground of regulations in force or through initiatives intended to support customers in the wake of calamitous events;
- the loan has been renegotiated through internal initiatives implemented by the single bank to support specific categories of debtors;
- syndicated loans are subject to renegotiation.

In order for these concessions to be included within the forborne perimeter, a condition of financial difficulties must necessarily exist, as defined by the EBA standards. In order to identify the state of financial difficulty of the debtor, a list of parameters has been defined (the “Troubled Debt Test”), used to evaluate the possible inclusion of the exposure within the forborne perimeter.

[6] According to the Bank of Italy classification, a position is classified as a "restructured loan" when a restructuring agreement provides for a moratorium on loan payments and simultaneous renegotiation at below market interest rates, the conversion of part of the loans into shares and/or any reduction of the principal leading to a loss.

Part E – Information on risks and related risk management policies

The intrinsic characteristics of each local system entailed in this phase a number of differences in terms of the type of concessions considered and ways of recognising the state of financial difficulty, in a logic of the best approximation achievable with the existing data in the current systems and processes. As regards the financial difficulty indicators used in the Troubled Debt Test, they may differ according to the different portfolios.

In consideration of the use of an approach based on the best estimates possible, the volumes of exposures identified in this phase as Forborne and those identified as NPEs could differ from those corresponding to a precise application of the new definition when fully implemented. It is worth observing in particular that in this phase it was not practicable to identify refinanced loans precisely over the entire perimeter (even though these are included in the EBA definition of Forbearance). In the same way, the criteria for inclusion in and exclusion from the NPE category may be affected by the differences between what is required by the previous definitions and what is provided for in the new EBA rules.
We must stress that the perimeter of Forborne Non-Performing loans includes both exposures classified as "Restructured" and exposures classified in the other impaired loan categories.
As regards the assessments of Forborne exposures, the accounting policies follow the general criterion in line with the rules of IAS 39.
The above criteria were followed in identifying the Forborne performing and Forborne non-performing exposures at December 31, 2014. The final results are below (in millions of Euro).

FORBORNE EXPOSURES - Loans and receivable with customers (1) (€ million)

	Amounts as at 12.31.2014					
	PERFORMING	NON-PERFORMING		TOTAL		
	Net exposure	Net exposure		Gross exposure	Write-downs	Net exposure
		Past due	Others			
Total	**5,831**	**314**	**9,287**	**21,048**	**5,616**	**15,432**
of which:						
Italy	2,750	201	4,153	9,308	2,204	7,104
Germany	1,584	7	2,826	6,041	1,624	4,417
Austria	579	7	459	1,575	530	1,045
CEE	816	97	1,445	3,338	980	2,358
Poland	102	2	404	786	278	508
					Coverage ratio	**26.7%**
					% Forborne on customer loans (1)	**3.14%**

(1) The exposures above refer to Banking Group as registered under Art. 64 of the consolidated Law on Banking and to the entities consolidated line by line or proportionately for regulatory purposes.

The second phase of the project, currently in progress, provides for gradual and parallel implementation in 2015 of the IT developments and the management processes, with the aim of associating with the approach adopted in the first phase (and essentially based on objective criteria) a method also of an analytical kind, in order to expand and enrich, on the one hand, the supporting elements for identifying the transactions affected by forbearance measures and, on the other, supplementing and possibly reinforcing the results emerging from the aforementioned Troubled Debt Test.

Information on Sovereign Exposures

With reference to the Group's sovereign exposures,[7] the book value of sovereign debt securities as at December 31, 2014 amounted to €122,347 million, of which about 90% concentrated in eight countries; Italy, with €59,387 million, represents about 49% of the total. For each of the eight countries, the table below shows the nominal value, the book value and the fair value of the exposures broken down by portfolio as at December 31, 2014.

Breakdown of Sovereign Debt Securities by Country and Portfolio (€ '000)

Country / portfolio	Amounts as at 12.31.2014		
	Nominal value	Book value	Fair Value
- Italy	**54,495,188**	**59,386,658**	**59,408,353**
financial assets/liabilities held for trading (net exposures *)	2,991,786	2,684,763	2,684,763
financial assets at fair value through profit or loss	21,099	21,410	21,410
available for sale financial assets	49,670,226	54,875,472	54,875,472
loans and receivables	228,260	238,287	234,438
held to maturity investments	1,583,817	1,566,726	1,592,270
- Germany	**24,028,377**	**24,749,091**	**24,749,091**
financial assets/liabilities held for trading (net exposures *)	1,367,623	1,419,828	1,419,828
financial assets at fair value through profit or loss	21,190,954	21,852,084	21,852,084
available for sale financial assets	4,800	7,695	7,695
loans and receivables	1,465,000	1,469,484	1,469,484
held to maturity investments	-	-	-
- Austria	**8,700,530**	**10,116,851**	**10,129,731**
financial assets/liabilities held for trading (net exposures *)	188,871	166,366	166,366
financial assets at fair value through profit or loss	294,827	363,568	363,568
available for sale financial assets	8,098,789	9,467,922	9,467,922
loans and receivables	-	-	-
held to maturity investments	118,043	118,995	131,875
- Poland	**5,536,510**	**5,954,605**	**6,003,599**
financial assets/liabilities held for trading (net exposures *)	3,316	-15,052	-15,052
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	4,205,348	4,630,229	4,630,229
loans and receivables	1,153,421	1,162,046	1,207,645
held to maturity investments	174,425	177,382	180,777
- Spain	**3,031,991**	**3,304,569**	**3,304,569**
financial assets/liabilities held for trading (net exposures *)	175,760	158,253	158,253
financial assets at fair value through profit or loss	1,458,117	1,550,824	1,550,824
available for sale financial assets	1,390,000	1,589,464	1,589,464
loans and receivables	-	-	-
held to maturity investments	8,114	6,028	6,028
- Czech Republic	**2,486,778**	**2,653,421**	**2,653,421**
financial assets/liabilities held for trading (net exposures *)	78,746	71,223	71,223
financial assets at fair value through profit or loss	39,062	39,106	39,106
available for sale financial assets	2,368,970	2,543,092	2,543,092
loans and receivables	-	-	-
held to maturity investments	-	-	-
- France	**1,994,898**	**2,075,377**	**2,075,377**
financial assets/liabilities held for trading (net exposures *)	296,898	258,466	258,466
financial assets at fair value through profit or loss	1,018,000	1,063,370	1,063,370
available for sale financial assets	550,000	621,421	621,421
loans and receivables	130,000	132,120	132,120
held to maturity investments	-	-	-
- Romania	**1,388,598**	**1,450,629**	**1,450,629**
financial assets/liabilities held for trading (net exposures *)	147,801	119,439	119,439
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,240,797	1,331,190	1,331,190
loans and receivables	-	-	-
held to maturity investments	-	-	-
Total on-balance sheet exposures	**101,662,870**	**109,691,201**	**109,774,770**

(*) including exposures in Credit Derivatives.

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

Part E – Information on risks and related risk management policies

The weighted duration of the sovereign bonds shown in the table above, divided by the banking[8] and trading book, is the following:

Weighted duration		(years)
	Banking book	Trading book
- Italy	3.48	2.16
- Germany	2.26	5.09
- Austria	5.27	8.41
- Poland	4.07	-6.42
- Spain	2.69	0.74
- Czech Republic	4.03	2.22
- France	4.04	11.12
- Romania	2.12	2.19

The remaining 10% of the total of sovereign debt securities, amounting to €12,656 million with reference to the book values as at December 31, 2014, is divided into 53 countries, including Russia (€586 million), Slovenia (€333 million), the US (€294 million), Portugal (€75 million), Argentina (€4 million) and Ireland (€1 million). The sovereign exposure to Greece, Cyprus and Ukraine is immaterial.
With respect to these exposures, as at December 31, 2014 there were no indications that impairment may have occurred.

The table below shows the classification of bonds belonging to the banking book and their percentage proportion of the total of the portfolio under which they are classified.

Breakdown of Sovereign Debt Securities by Portfolio					(€ '000)
	Amounts as at 12.31.2014				
	Financial assets at fair value	Available for sale financial assets	Loans	Held to maturity investments	Total
Book value	28,764,673	81,844,533	3,030,789	1,964,447	115,604,442
% Portfolio	90.45%	83.83%	0.56%	76.03%	17.22%

In addition to the exposures to sovereign debt securities, loans[9] given to central and local governments and governmental bodies must be taken into account.

The table below shows the total amount as at December 31, 2014 of loans given to countries towards which the overall exposure exceeds €140 million, representing about 95% of the total.

Breakdown of Sovereign Loans by Country	(€ '000)
Country	Amounts as at 12.31.2014
	Book value
- Germany (*)	7,366,268
- Austria (**)	6,030,418
- Italy	5,800,267
- Croatia	2,482,442
- Poland	1,598,229
- Bulgaria	679,887
- Indonesia	400,485
- Serbia	293,888
- Slovenia	241,232
- Turkey	182,252
- Gabon	169,056
- Brazil	150,552
Total on-balance sheet exposures	**25,394,976**

(*) of which 921,939 thousands in financial assets held for trading and those at fair value through profit or loss.
(**) of which 270,337 thousands in financial assets at fair value through profit or loss.

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

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

For more details on the sensitivity analysis of credit spreads and on the results of stress tests see the Greece Exit, the Widespread Contagion, the Adverse CEE and the Emerging Markets Slowdown scenarios in chapters 2.7 and 2.8. of the Section 2 – Market risk below, and for liquidity management policies see Section 3 – Liquidity risk below.

Other transactions
In accordance with the Bank of Italy/Consob/IVASS document no. 6 of March 8, 2013 – Booking of "long-term structured repos", the available-for-sale financial assets portfolio includes investments in Italian government bonds held by the Irish subsidiary UniCredit Bank Ireland Plc and financed with repos with the same maturity (so-called term structured repos) amounting to €2,803 million (nominal value of €2,695 million).

The accounting treatment of these transactions, with respect to their individual contractual components (an investment in securities shown under item "Available-for-sale financial assets" of assets, a series of repos classified under item "Deposits from banks" of liabilities and derivative contracts shown under “Hedging derivatives”), is in line with the economic purpose, represented by the will to:

- assume a sovereign risk exposure;
- optimize the absorption of liquidity through maturity matching;
- create a positive carry for the duration of the transaction as difference between bond yield and repo funding cost, maximizing the return on net interest margin;
- maintain the right to change the funding structure of the position on sovereign risk according to any changes in market conditions or in the bank’s liquidity position.

With respect to this type of transactions, please note that in 2014:

- transactions were terminated before expiry (only with reference to the repo component of liabilities) amounting to nominal €1.07 billion;
- neither outstanding transactions matured nor new transactions has been completed.

The overall reduction in the exposures relating to 2014 has been partly off-setted (approximately €260 million) by revaluation of currency denominated investments (USD 2.5 billion nominal at December 31, 2014), resulting in a reduction from nominal €3,506 million to nominal €2,695 million.

La riduzione complessiva delle esposizioni a fronte della operazioni estinte anticipatamente determinatasi nel corso dell’esercizio è stata in parte compensata dall’incremento di valore (260 milioni circa) delle esposizioni in divisa (pari a nominali USD 2,5 miliardi al 31 dicembre 2014), risultando complessivamente in una riduzione da nominali 3.506 milioni di euro a nominali 2.695 milioni.

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €44 million (before tax) at December 31, 2014 (+118 million at December 31, 2013). The cumulated valuation reserve (before tax) for the above mentioned investments totaled about €22 million positive at December 31, 2014 (€52 million at December 31, 2013).

The changes in market values are not representative of the economic result that would be generated if all the individual contracts were analyzed in terms of synthetic derivative, also in line with the business model that, providing for the dynamic and separate management of the individual components (as shown by the volumes of early termination of repos not accompanied by the derecognition of the investment from assets), does not consider trading choices based on these variables.

In addition, with reference to an investment of UniCredit S.p.A. in a debt security issued by the Italian Republic maturing on August 30, 2019 (ITALY 19EUR FRN) subscribed for during placement for a nominal amount of €750 million and with a book value of €733 million including accrued interest at December 31, 2014 (classified in the held-to-maturity portfolio in accordance with the economic purpose), a term repo (conducted in two stages) for a total nominal amount of €750 million, with a book value of liabilities of €761 million at December 31, 2014, was completed in 2012.
At the same time, a 4.25% BTP maturing in September 2019 was purchased under a term reverse repo (conducted in 2 stages) for a total nominal value of €750 million and a book value of €761 million at December 31, 2014, with the economic purpose of obtaining the availability of more liquid securities (compared with the security ITALY 19EUR FRN) – with the same maturity and similar underlying risks – that can be therefore used more easily for refinancing operations.

The term repo and the term reverse repo are subject to netting (whose value is collateralized by cash) in the event of the default of one of the two counterparties or of the Italian Republic. This clause is accounted for as a financial guarantee issued, in accordance with the nature of the commitments of the parties. The fair value at trade date – €22 million – was initially recorded in other liabilities and is amortized on a pro-rata basis according to the current accounting rules.

Information on Structured Trading Derivatives with customers and in the renewable energy sector

1. OTC Trading Derivatives with Customers

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

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

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

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

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

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

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

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

- performing exposure to customers are mapped by deriving EAD (Exposure at Default) that take into account the *Wrong Way Risk* and measured with PD (Probability of Default) and LGD (Loss Given Default) implied by current market default rates obtained from credit default swaps, in order to obtain a value in terms of 'expected loss' to be used for items designated and measured at fair value;
- non-performing positions are valued in terms of estimated expected future cash flow according to specific indications of impairment (which are the basis for the calculation of the amount and timing of the cash flow).

Here follows the breakdown of balance-sheet asset item 20 "Financial assets held for trading" and of balance-sheet liability item 40 "Financial liability held for trading".
To make the distinction between customers and banking counterparties, the definition contained in Banca d'Italia Circular No. 262 as for its third update published on December 22, 2014 (which was used for the preparation of the accounts) was used as a reference.
Structured products were defined as derivative contracts that incorporate in the same instrument forms of contracts that generate exposure to several types of risk (with the exception of cross currency swaps) and/or leverage effects.
Fair values of OTC derivatives managed through Central Clearing counterparts are reported on a net basis. The related reduction of balances is €18,449 million and €21.230 on trading asset and liabilities, respectively.

The balance of item 20 "Financial assets held for trading" of the consolidated accounts with regard to derivative contracts totaled €64,335 million (with a notional value of €1,190,269 million) including €24,662 million with customers. The notional value of derivatives with customers amounted to €638,407 million including €629,416 million in plain vanilla (with a fair value of €24,092 million) and €8,991 million in structured derivatives (with a fair value of €570 million). The notional value of derivatives with banking counterparties totaled €551,862 million (fair value of €39,673 million) including €43,890 million related to structured derivatives (fair value of €1,158 million).
Customers entered into a total of 3,340 structured derivative contracts with the Group that are reported in balance-sheet asset item 20 "Financial assets held for trading". Of these, the largest 20 customers in terms of exposure cover 28.88% of overall exposure (generating exposure of €165 million for the Group).

The balance of item 40 “Financial liabilities held for trading” of the consolidated accounts with regard to derivative contracts totaled €61,938 million (with a notional value of €1,249,635 million) including €18,068 million with customers. The notional value of derivatives with customers amounted to €673,607 million including €666,180 million in plain vanilla (with a fair value of €17,685 million) and €7,427 million in structured derivatives (with a fair value €383 million). The notional value of derivatives with banking counterparties totaled €576,028 million (fair value of €43,870 million) including €35,036 million related to structured derivatives (fair value of €785 million).

2. Exposures in the renewable energy sector

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

Geographical location	Owner	Percentage of ownership	Date when the plant started to produce energy	Percentage of completion	Installed capacity	Total value of the asset
German EEZ[1], 100 km before the island of Borkum	Ocean Breeze Energy GmbH & Co. KG	100%	December 2010, final taking into operation August 2013	100%	400 MW	€1.5 billion

(1) Exclusive economic zone

This power plant has been developed by the BARD on behalf of Ocean Breeze Energy GmbH & Co. KG (“OBKG”) and has been classified as tangible asset since 31 December 2013 in OBKG’s balance sheet.

The BARD Group itself has been fully financed by UniCredit Bank AG and, starting from December 31, 2013, fully consolidated in UniCredit Bank AG.

The total value of the wind farm amounts to €1.5 billion and includes the grants of €42 million provided by the European Union that have been classified as government grants in accordance with IAS 20 and, in compliance with IAS 20.24, have been deducted from the initial cost of the power plant on the assets side of the balance sheet.

The current book value of the wind farm has been confirmed by an appraisal exercise performed by an independent expert.

With Year End 2013 the wind farm was finalized and transferred to Ocean Breeze Energy GmbH & Co. KG. After the handover some remedial works still need to be completed in order to ensure that the wind farm can be operated sustainably for at least 25 years and enhance the technical availability and performance of the 80 installed turbines: this optimization of the turbines will take a period of 24 to 36 months.

Bard Holding GmBH does not have other power plants under construction. A ramp down process to close all open items has been set in January 2014 and will take until July 2019/20.

To cover the risks regarding dismantlement/refurbishing of the power plants it has been posted a provision of about €12.6 million.

During first nine months of 2014 the project experienced a series of breakdown on the converter station platform BorWin1 of grid operator TenneT; according to relevant compensation regime TenneT as of December 31, 2014 liquidated compensation payments for €129 million. Grid connection started to be again generally functional since early October 2014.

Germany is one of the key economies for renewable energy; in recent years, wind, photovoltaic and biomass, have grown to become major sources of energy in Germany with hydropower and geothermal playing a less important role.

The German North Sea is widely expected to be one of the world’s fastest growing renewable energy market to 2020 and has already attracted many billions of Euros.

The reduction of greenhouse gas emissions is strongly pursued by the German government. Under the government’s long-term energy plan (“Energy Concept 2050”) the share of renewable energy sources in final energy consumption shall grow to 30% by 2030 and furthermore up to 60% by 2050. The largest additional potential amongst different sources of renewable energy is expected from wind energy, in particular offshore wind energy.

In order to promote the development of renewable energy sources and to help achieve the commitments and goals of reducing greenhouse gas emissions by 40% until 2020 (compared to 1990 level), the German parliament has passed the Renewable Energy Act” or Erneuerbare-Energien-Gesetz, (“EEG”). This law regulates the development of renewable energy through specific tariff schemes and preferred feed-in into the electric grid. As such the EEG regulations are particularly important to the development of offshore wind farm projects as they significantly influence their profitability and economic feasibility.

In its latest version, which effective from 1 August 2014, the EEG continues to guarantee operators of renewable energy plants and installations a specified remuneration (*feed-in tariff*) for their electricity output over a limited pre-defined period of time.

Section 2 – Market Risk

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

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

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

Risk Management Strategies and Processes

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

In addition to the Group Risk Committee, with reference to the management of Market Risks, the responsible Committees are:

- Group Market Risk Committee;
- Group Assets & Liabilities Committee.

The "Group Market Risk Committee" is responsible for monitoring market risks at Group level, for evaluating the impact of transactions – approved by the competent bodies – significantly affecting the overall Market Risk portfolio profile, for submitting to the "Group Risk Committee" – for approval or information – market risk strategies, policies, methodologies and limits as well as regular reporting on the market risk portfolio.
The Committee is also responsible for ensuring consistency in market risk policies, methodologies and practices across Divisions, Business Units and Legal Entities. It controls and monitors the Group market risk portfolio.

The "Group Assets and Liabilities Committee" is responsible for monitoring liquidity risk, Banking Book interest rate and FX risks, submitting to the "Group Risk Committee", for either approval or information, the strategies for assets and liabilities management – including duration profile at Group level – the overall overview of the Group ALM positioning, as well as strategies, policies, methodologies and limits for liquidity, Banking Book interest rate and FX risks.
The Committee is responsible for ensuring consistency in liquidity, Banking book interest rate and FX risk policies, methodologies and practices across Regional Liquidity Centers, Divisions, Business Units and Legal Entities, with the objective to optimize the utilization of financial resources such as liquidity and capital and to reconcile the demand for them with business strategies across the Group. Moreover, it monitors the evolution of assets and liabilities of the whole Group and the execution of the funding plan. It analyses the impact of interest rate movements, liquidity constraints and foreign exchange exposures.

Trading Book
The Trading Book includes the positions in financial instruments and commodities held either with trading intent or in order to hedge other elements of the Trading Book itself. To be eligible for Trading Book capital treatment, in accordance with the current policy “Eligibility Criteria for the Regulatory Trading Book assignment”, financial instruments must either be free of any restrictive covenants on their tradability or able to be hedged completely. In addition, positions should be frequently and accurately valued, and the portfolio should be actively managed.

The risk that the value of a financial instrument (an asset or a liability, cash or derivative) changes over time is determined by the following five standard market risk factors:

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes;
- Equity risk: the risk that the value of the instrument decreases due to stock or index prices changes;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes;
- Commodity risk: the risk that the value of the instrument decreases due to commodity prices (e.g. gold, crude oil) changes.

UniCredit group manages and monitors market risk through two sets of measures:

- Global Market Risk measures:
  - Value at Risk (VaR), which represents the potential loss in value of a portfolio over a defined period for a given confidence interval;
  - Stressed VaR (SVaR), which represents the potential VaR of a portfolio subject to a continuous 12-month period of significant financial stress;
  - Incremental Risk Charge (IRC), which represents the amount of regulatory capital aimed at addressing the credit shortcomings (rating migration and default risks) that can affect a portfolio in a defined time period for a given confidence interval;
  - Loss Warning Level (LWL), which is defined as the 60 days rolling period accumulated economic P&L of a risk taker;
  - Combined Stress Test Warning Level (STWL), which represents the potential loss in value of a portfolio calculated on the basis of a distressed scenario.
- Granular Market Risk measures:
  - Sensitivities, which represent the change in the market value of a financial instrument due to moves of the relevant market risk factors.

On the basis of these measures, two sets of limits are defined:

- Global Market Risk limits (Loss Warning Levels, Combined Stress Test Warning Level, VaR, SVaR, IRC): which are meant to establish a boundary to the economic capital absorption and to the economic loss accepted for activities under trading activities regime; these limits have to be consistent with the assigned budget of revenues and the defined risk taking capacity;
- Granular Market Risk limits (Sensitivity limits, Stress scenario limits, Nominal limits): which exist independently of, but act in concert with Global Market Risk limits and operate in a consolidated fashion across the Legal Entities (if applicable); in order to control more effectively and more specifically different risk types, desks and products, these limits are generally granular sensitivity or stress-related limits. The levels set for Granular Market Risk measures aim at limiting the concentration in individual risk factors and the excessive exposure in risk factors which are not sufficiently covered under VaR.

Part E – Information on risks and related risk management policies

Banking Book
The main components of market risk in the banking book are credit spread risk, pure interest rate risk and FX risk.

Credit spread risk originates mainly from government bond portfolios held for liquidity purposes. The market risk of the bond portfolio is restricted based on notional, sensitivity measures and Value at Risk. The main credit spread exposure is related to Italian sovereign risk in the Italian perimeter.

The second risk type, interest rate risk, is managed with the objective to stabilize Net Interest Income. The exposure is measured in terms of economic value sensitivity and the net interest income sensitivity. On a daily basis the treasury functions manages the interest rate risk from commercial transactions within operational limits set by the relevant risk committees. The exposure is measured and monitored on a daily basis by the risk management functions. The Asset & Liability Committee is responsible for the interest rate strategy for the strategic position. This includes the decision of investing the net position of non interest earning assets and non-interest bearing liabilities. A strategy is applied to minimize the risk on the net interest income for the bank. This implies that investments are made following a replicating profile for free equity, where the choice for the exact maturity profile is decided by the Asset and Liability Committee. Also for the investments of sight items the strategy is to stabilize net interest income by investing at longer maturities. This holds for all regional centers. The Asset and Liability management committees decide on the maturity profile that is deemed most appropriate to protect the bank's net interest income. The maturity profile for sight items, as well as the investment strategies, vary per regional centers, as they takes into account local specificities.

The interest rate management strategy takes into account the main impact from prepayments. Based on historical prepayment data as well as trend analysis the prepayment behavior is estimated. In Italy the prepayment expected profile is implicitly taken into account by treasury while hedging for commercial assets interest risk. The prepayment risk in the German mortgage portfolio is marginal due to the fees in case of early prepayment. However the prepayment exposure in specific contracts is separately hedged by swaptions. The prepayment risk in the Austrian and Polish loan portfolio is deemed residual; therefore no prepayment hedging strategy is applied.
The overall interest risk exposure on Banking Book perimeter is periodically reported, at least on a monthly basis, to the Group ALCO. The committee's involvement in interest rate risk management includes:
- limit setting and monitoring;
- hedge strategies;
- guidelines and policies;
- setting and monitoring on the funds transfer pricing decisions;
- definition of risk methodologies and measurement.

It should be noted that the Group ALCO sets the guidelines and Risk Framework for the Regional Centers. Their ALCOs fill in the process for their perimeter, while the Group ALCO monitors the overall position.
Risk Management proposes the limits that require approval from the Group Risk Committee.

A third risk type is FX risk. The sources of this exposure refer mainly to capital investment in foreign currency. The current strategy is not to hedge the capital. The general policy is to hedge the foreign currency exposure related to dividends and P&L taking into account hedging cost and market circumstances. The exposure is most relevant for Pekao and the CEE subsidiaries. The FX exposure is hedged using forwards and options that are classified as trading book. This general rule is valid for the Parent Company and Sub-holdings. The hedge strategy is reviewed by the relevant risk committees on a periodic basis.

Structure and Organization

During the second quarter of 2013, in order to create a single reference point for the management of UniCredit Group financial risks and to ensure a more efficient steering, coordination and control through a single organizational structure, the "Group Financial Risk" department has been created, with direct report to "Group Risk Management" department.

The "Group Financial Risk" is responsible for the government and control of Group financial risks (liquidity, interest rate, market, counterparty and trading credit[10] risks) through the evaluation of strategies and the proposal to relevant Bodies of risk limits and Global/Local rules. The department is also responsible for the managerial coordination of the corresponding functions of Regional Centers (RCs), according to "GMGR[11]" and "GMGR Evolution", and for providing decisions and Non Binding Opinions (NBO), when specifically required, for all financial risks of the Group.

In addition, the "Group Financial Risk" department is responsible for the definition, set up and maintenance of Group methodologies and architectures for the measurement and control of financial risks and practices for Market Data Reference and Fair Value of financial instruments. The department ensures the compliance of the Financial Risk Management framework with regulatory requirements.

In order to effectively manage Group financial risks, the new organizational structure includes the following units:

- "Group Market & Trading Credit Risk Management" department, responsible for the governance and control of Group's market, trading credit and collateral risks, in charge of the following activities:
  - define Group market and trading credit risk management framework to be implemented by RCs;
  - ensure that counterparty and issuer risk strategies are integrated in the Group credit risk strategy and into the daily credit risk management processes of the RCs;
  - verify the sound implementation of market, counterparty and issuer risk framework and processes in the RCs;
  - steer the market and traded credit risk management of the RCs and ensuring a consistent Group-wide approach;
  - monitor the coherence of business strategy with the market risk strategy.

The department includes:

- "Market Risk Management" unit, responsible for market risk management at consolidated level and in charge of these activities:
  - coordinate the market risk identification process of the RCs and ensure the consistency with regulatory standards;
  - propose the Group market risk strategy and translate the strategy into the set up and allocation of global and granular limits at Group and RCs level;
  - assess market risk for new products and formulate NBOs on the issuance of such products for RCs;
  - control risks not included in internal models in cooperation with "Group Risk Methodologies & Architecture" unit;
  - verify the compliance of front office activity with Group market risk strategy through the analysis of P&L explanation and attributions and the daily supervision of the limits monitoring activity performed by RCs' market risk control functions, with the activation, in case of limit breach, of the escalation process and the definition of correct mitigation actions to be taken.
- "Portfolio Market Risk Management" unit, responsible for stress testing, monitoring and reporting of market risk profiles and limits, with the following activities:
  - coordinate the Group market risk stress test program to be implemented by RCs and ensure that it includes all material market risks of the Group;
  - perform stress testing for market risk at Group level, evaluating Group capacity to absorb market risk losses and opportunities to reduce risk;
  - produce market risk reports in order to provide an updated view of market risks at Group level, both in normal and stressed scenarios, in compliance with the requirements set by the "Group Financial Risk Standard & Practice" unit;
  - provide the relevant functions with the adequate information on Group market risk and ensure they are consistently integrated in Group capital planning and in all regulatory disclosures (ICAAP, Basel II Pillar III disclosures, notes to Financial Statements).

[10] I.e. Pre-settlement, Settlement, Money Market and Issuer Risk.
11 Group Managerial Golden Rules.

- “Group Price Control” team, responsible for Group-wide Market Data Reference and Fair Value framework for marking books and records. In particular, the team is responsible for the following activities:
    - define, set up and update Market Data Reference framework for the end-of-day market data assignment and Fair Value framework for the valuation of financial instruments for marking purposes, the latter in cooperation with “Group Risk Methodologies & Architecture” unit;
    - define the Group-wide Independent Price Verification (IPV) and Fair Value Adjustments (FVA) activities (for example: cooperation with competence centers and PF&A department, reporting);
    - verify the correct implementation and output quality of the above mentioned frameworks in the RCs and the congruity of the valuation criteria;
    - define, set up and update market conformity checks;
    - perform second level controls, for its area of competence, on money market rates contribution and FTP and end of day market data validation, market conformity checks, IPV and FVA processes for the RC Italy;
    - support UniCredit S.p.A, for the Country Chairman Italy perimeter, in the activities related to the enforcement of the MiFID application;
    - define and monitor risk limits and autonomy levels on portfolio models and building blocks used for management of segregated accounts and verify their allocation with respect to the investment strategies;
    - deliver the results of the monitoring activity to the Group Investment Committee and to the Board of Directors/CEO;
    - assess portfolio models and building blocks’ performance data calculated by “Global Investment Strategy (GIS)” department;
    - provide, or approve if proposed by “Global Investment Strategy” (GIS) or “Investment Products Italy” department, the asset classification for financial instruments in the “Common Instrument Classification” (CIC) Management System.
- “Group Risk Methodologies & Architecture” unit, responsible for the methodologies and architecture at Group level for market, counterparty, interest rate and liquidity risks, through the following activities:
    - define, set up and update the financial risk measurement, management and stress testing methodologies (e.g. VaR, SVaR, IRC, CCR, EPE, CBC);
    - analyze and review of the models developed by “Planning, Finance & Administration” department, used for management and control of the balance sheet and liquidity risk;
    - develop prototypes for new financial risk management models and financial risk management and reporting applications;
    - define, set up and update the methodologies for Independent Price Verification (IPV) and Fair Value Adjustments (FVA), in cooperation with “Group Price Control” team;
    - manage the regulatory approval and review process for financial risks management models, addressing “Group Internal Validation” department and “Internal Audit” department recommendations related to such models;
    - coordinate the Group-wide models’ and architectures rollout and maintenance within the various RCs, verifying their correct implementation and output quality;
    - develop risk metrics for those risks not correctly captured by internal models in cooperation with the “Market Risk Management” unit;
    - support the competent functions in the measurement and analysis of counterparty, liquidity, interest rate and market risk economic capital for regulatory ICAAP process, strategic planning and budgeting process;
    - support, in cooperation with the “CIB Division” and “PF&A” department, the competent functions in order to identify and exploit capital optimization opportunities;
    - analyze Front Office developed models used for marking P&L, review their adequacy on an on-going basis and assess, in cooperation with “Group Price Control” team, the related model risk to quantify Fair Value Adjustments;
    - define, set up and update the Group-wide financial risks management and Front Office reference market data (i.e. EOD, IPV, FVA, conformity checks) architectures;
    - source, validate and supply market parameters for financial risks management models;
    - support the “Group Market & Trading Credit Risk Management” department by configuring Group-wide stress test scenarios into the Group-wide risk measurement systems;
    - maintain and monitor the performance of the Group-wide financial risks models, including back testing results carried out by the RCs and at a consolidated level, in cooperation with “Market Risk Validation” unit.

- “Financial Risk Italy” unit, responsible for the independent control of liquidity, interest rate, market, counterparty, trading credit and collateral risks at RC Italy level as well as for carrying out the stress tests required. In particular, the unit is responsible for the following activities:
  - propose, in cooperation with the Group function, the setting and allocation for the RC Italy of market, interest rate and liquidity risk limits, monitoring breaches and evaluating also countermeasures/mitigation actions to be taken;
  - verify the consistency of Front Office activity with the market risk strategy;
  - perform exposure validation, credit lines monitoring, overnight and intra-day overdraft management for RC Italy trading credit and collateral risks, on FIBS counterparties;
  - produce relevant reporting at RC Italy level;
  - perform stress test program defined at Group level on RC Italy level for market, liquidity, trading credit and collateral risks and relevant internal models maintenance and back-testing for the RC Italy;
  - monitor collateral management relating to derivative products and securities financing transactions with FIBS counterparties at RC Italy level;
  - assess financial risks pertaining to new products in RC Italy and provide an opinion on the issuance of such products;
  - limit monitoring in terms of mark up and hedging cost for corporate treasury sales business;
  - perform largest 50 exposure plausibility checks on exposure data for RC Italy according to the required data model, for weekly and monthly official reporting to the Bank of Italy, for trading credit and collateral risks;
  - perform second level controls, for its area of competence, on money market rates contribution and FTP, as indicated by internal processes and regulation in force.
- “Group Financial Risk Standard & Practice” unit, responsible for Global Policies and for the financial risk reporting coherence and coordination across the Group. In detail, the unit is in charge of the following activities:
  - issue Global Policies in cooperation with the “Group Financial Risk” department;
  - monitor the approval and the implementation of Global Policies on financial risks at local level with the cooperation of Legal Entities competent functions; these functions guarantee the implementation of local Policies in accordance to Global Policies;
  - verify the approval and the implementation at local level of the Global Operational Instructions (GOI) leveraging on Legal entities’ competent functions;
  - set the reporting standards for the “Group Financial Risk” department, managing documentation to Group Committees identifying roles and responsibilities;
  - track and coordinate activities related to “Group Financial Risk” department Audit findings;
  - act as interface with Regulators/Management/relevant Bodies for the “Group Financial Risk” department, in coordination with Group and department's structures.
- “Group Liquidity and Interest Rate Risk Management” unit, responsible for the independent control of interest rate risks at Group level. Responsibilities include these activities:
  - propose to the competent Bodies the limits for managing balance sheet interest rate risks at Group level and review the limits proposal at Regional Centre level;
  - perform controls, analysis and limits monitoring for balance sheet relevant risk factors at both Group and Regional Centre level;
  - define and coordinate scenario analysis for interest rate risk at both Group and Regional Centre level;
  - produce relevant reporting at Group level to competent Bodies and to Regulators when required, in accordance to the standards and requirements set by the “Financial Risk Standard & Practice” unit.

Risk measurement and reporting systems

Trading Book
During 2014, UniCredit Group continued to improve and consolidate market risk models in order to properly measure, represent and control the Group risk profile. In the last four years, in compliance with Basel Committee regulations and guidelines, state-of-the-art models for market risk measurement, such as Stressed VaR and Incremental Risk Charge, have been developed for both capital charge calculation and managerial purposes.

The monitoring of the risk profiles is made even more effective with the individual granular risk limits, in addition to VaR limits, in relation to primary investment banking operations.

Within the organizational context described above, the policy implemented by the UniCredit Group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

The Group Financial Risk department is specifically required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.
The main tool used by the UniCredit Group to measure market risk on trading positions is Value at Risk (VaR), calculated using the historical simulation method. Further details on risk valuation models are included in the following chapter.

Market risk reporting standards are set by the Group Risk Committee under the proposal of the Market Risk function. Group Financial Risk defines market risk reporting standards, both in terms of contents and recurrence, and provides timely information to Top Management and regulators regarding the market risk profile on a consolidated level.

In addition to VaR and Basel II risk measures, stress tests represent an important risk management tool that provides UniCredit with an indication of how much capital might be needed to absorb losses in case of large financial shocks. Stress testing forms an integral part of the Internal Capital Adequacy Assessment Process (ICAAP), which requires UniCredit to undertake rigorous, forward-looking stress testing that identifies possible events or changes in market conditions that could adversely impact the bank.

Banking Book
The primary responsibility of the monitoring and control of the risk management for market risk in the Banking Book lies in the Bank's competent Bodies. For instance, the Parent Company is in charge of monitoring market risks for the Banking Book at the consolidated level. As such, it defines structure, data and frequency of the necessary Group reporting.
The Banking Book interest rate risk measures cover both the value and net interest income risk aspects.
More precisely, the different, and complementary, perspectives involve:
- *Economic value perspective*: variation in interest rates can affect the economic value of assets and liabilities. The economic value of the bank can be viewed as the present value of the bank's expected net cash flows, defined as the expected cash flows on assets minus the expected cash flows on liabilities; a relevant risk measure from this perspective is the economic value sensitivity per time bucket for a 1 bp rate shock. This measure is reported to the relevant committees to assess the economic value impact of various changes in the yield curve. In addition the economic value sensitivity for a 200 bps parallel shock is included.
- *Income perspective*: the focus of the analysis is the impact of changes of interest rates on accrual or reported Net Interest Income that is the difference between revenues generated by interest sensitive assets and the cost related to interest sensitive liabilities. An example of a measure of risks used is Net Interest Income sensitivity for a 100bp parallel shock in rates. It provides an indication of the impact on the net interest income over the next 12 months if such shock should occur. Additional scenarios that are evaluated include steepening and flattening scenarios.

Next to the set of limits and warning levels for interest rate risk, restrictions and exposure measures are in place for other market risk types such foreign exchange risk, equity risk, value risk due to credit spread fluctuations. Besides through economic value sensitivity measures and other granular indicators, these risk types are captured in a value at risk measure that includes all market risk factors. These value at risk measures are based on a historical simulation.

Hedging policies and risk mitigation

Trading Book
On a quarterly basis a set of risk indicators is provided to the Group Risk Committee through the Enterprise Risk Management Report and, on a monthly basis, to the Group Market Risk Committee through the Market Risk Overview report; these include VaR, Stressed-VaR and IRC usages, Sensitivities and Stress Test results.

At the same time limit breaches are reported both to the Group Market Risk Committee and to the Group Risk Committee, the escalation process being ruled by the Global Policy "Market Risk Limits" which defines the nature of the various thresholds/limits applied, as well as the relevant bodies to involve to establish the most appropriate course of action to restore exposure within the approved limits.

If required, focus is provided from time to time on the activity of a specific business line/desk in order to ensure the highest level of comprehension and discussion of the risks in certain areas which are deemed to deserve particular attention.

Banking Book
The ALCO evaluates the main market risk drivers on a monthly basis. This committee decides on the strategy which aims to stabilize the net interest income. Group Risk Management reports to the committee on the Banking Book risk measures both from a value and income perspective. It proposes and monitors limits and warning levels that have been approved by the relevant competent bodies.
Breaches of limits and warning levels are reported, upon occurrence, to the relevant bodies. Consequently the escalation process is activated in line with the procedures set in the Policy, to establish the most appropriate course of action to restore exposure within the approved limits.
Execution of structural hedges to mitigate the interest rate risk exposure on client business is responsibility of the treasury functions. Strategic transactions in the banking book can be executed by the Asset and Liability Management department-ALM.

Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading Book

The policy implemented by the UniCredit group within the scope of market risk management is aimed at the gradual adoption and use of common principles, rules and processes in terms of appetite for risk, ceiling calculations, model development, pricing and risk model scrutiny.

Group Financial Risk department is required to ensure that principles, rules and processes are in line with industry best practice and consistent with standards and uses in the various countries in which they are applied.

The Directive 2010/76/EU (CRD III) introduced several improvements to the capital regime for trading book positions fully incorporating the proposal from the Basel Committee. CRD III enhances the current value-at-risk (VaR) based framework with other risk measures: an incremental risk capital charge (IRC) and a stressed value-at-risk (sVaR).

Incremental risk capital charge captures default risk as well as migration risk for unsecuritized credit products. Additional capital charge for securitizations and credit products not covered by IRC is evaluated through the standardized approach. The additional stressed VaR requirement is expected to help reduce the pro-cyclicality of the minimum capital requirements for market risk.

UniCredit group calculates both VaR and sVaR for market risk on trading positions using the historical simulation method. The historical simulation method revaluates daily positions on the basis of trends in market prices over an appropriate observation period. The empirical distribution of profits/losses deriving therefrom is analyzed to determine the effect of extreme market movements on the portfolios. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio, over the given time horizon, not exceeding this value (assuming normal markets and no trading in the portfolio) has the given confidence level. The parameters used to calculate the VaR are as follows: 99% confidence level; 1 day time horizon; daily update of time series; observation period of 500 days. Use of a 1-day time-horizon makes it possible to make an immediate comparison with profits/losses realized.

Analogously stressed VaR is calculated with 99% confidence level and 1 day time horizon on a weekly basis, but over a stressed observation period of 250 days. The chosen historical period identifies the 1-year observation window which produces the highest resulting measure for the current portfolio. Over the first half 2014 UCBA and UCB AG used the period from 15th September 2008 to 31st August 2009 (Lehman crisis), while for the second semester UCB AG changed its stressed windows to the period 21st February 2008 to 4th February 2009.
UCI SPA applied the stressed window from 11th July 2011 to 22nd June 2012 (sovereign debt crisis).
Starting from June 2014, the SVAR window at Group level has been set to 11th July 2011 to 22nd June 2012 (sovereign debt crisis).

Part E – Information on risks and related risk management policies

For regulatory capital calculation the 1-day VaR and sVaR are properly scaled to a 10-days' time horizon while the 1-day measures are actively used for market risk management.

UniCredit group calculates IRC over a one-year capital horizon at 99.9% confidence level using a multivariate version of a Merton-type model in which both migration and default events are accounted for. Default is indeed seen as a particular migration to an absorbing state. Migration events are simulated on the capital horizon, taking into account the liquidity horizon of individual positions. Also for 2014 a conservative liquidity horizon of one year has been applied to all positions.

Group Internal Validation performed its analyses in order to evaluate the conceptual soundness of the IRC model, to supplement the available analyses on that topic and to ensure the compliance of the resulting risk management environment with all the relevant regulatory requirements and internal standards.

As already remarked by the regulation, traditional back testing procedures, regarding the 99.9% one-year soundness standard for IRC, are simply not applicable. Consequently, while validation of the IRC model relied heavily on indirect methods (including stress tests, sensitivity analysis and scenario analysis) in order to assess the qualitative and quantitative reasonableness of the model, special focus has indeed been given to the specific situation of the UniCredit portfolios.

Group Internal Validation kept the scope of their analysis as wide as possible in order to comprise the many diverse issues that are acting concurrently in such a model (general model design, regulatory compliance, numerical implementation, outcomes explanation).
In particular, among the topics Group Internal Validation addressed, we should mention model parameterization (sensitivities analysis with regard to the most relevant model parameters, stability analysis with regard to potentially hard-to-estimate model inputs), model design, model replication, portfolio structure, processes and model outputs.

Bank of Italy authorized UniCredit group to the use of internal models for the calculation of capital requirements for market risk. As of today UCI Ireland and Bank Pekao are the main companies of the Group that are still using the standardized approach for calculating capital requirements related to trading positions. As part of the progressive extension of the internal models approach to all Group companies, however, the VaR is already used for the management of market risk in these latter companies. Starting from second quarter of 2014, the contribution to the market risk capital requirement of the subsidiaries registered outside the European Union, has been quantified according to the approach approved by the competent national authorities.

The standardized measurement method is also applied to the calculation of capital covering the risk of holding banking book exposure in foreign currencies for the subsidiaries that do not perform trading activities.

In order to validate the coherence of VaR internal models used in calculating capital requirements on market risks, backtesting is performed by comparing the internal model risk estimates with the hypothetical portfolio profit and loss, in order to check if the 99% of the trading outcomes is covered by the 99th percentile of the risk measures. The test is based on the last twelve months data (i.e. 250 daily observations). In case that the number of exceptions in the previous year exceeds what forecasted by the confidence level assumed, a careful revision of model parameters and assumptions is initiated. In addition to backtesting, Group Internal Validation performed the periodic validation of the VaR framework to assess the compliance with regulatory requirements.

Trading portfolios are subject to Stress tests according to a wide range of scenarios for managerial reporting, which are described in a dedicated paragraph below. According to national regulations, some relevant scenarios are also a matter of regulatory reporting on a quarterly basis. Moreover, substitute risk measures, i.e. sensitivities, defined stress scenarios or the indication of nominal amounts, are considered and included in the regulatory reporting for the estimation of risks that are not covered by the VaR simulation of the internal model.

As for internal scenario analysis, policies and procedures (i.e. "stress testing"), stress tests results for IMOD perimeter are calculated in the Group engine UGRM, thus ensuring a common methodological approach. For non-IMOD portfolio, these procedures have been entrusted to the individual legal entities. Overall, however, a set of scenarios common to the Group as a whole, is applied to all positions in order to check on a monthly basis the potential impact that their occurrence could have on the global trading portfolio. Stress Test's results and effects are discussed on monthly basis, during a Market Risk Stress Test Open Forum, where the Market Risk function' s representatives of the different Group's companies and Business' representatives take part.

Procedures and methodologies for Valuation of Trading Book positions

UniCredit Group ensures that the value applied to each trading book position appropriately reflects the current fair (market) value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of each financial instrument is based on, or derived from, observable market prices or inputs directly calculated from market data. The availability of observable prices or inputs differs by product and market, and might change over time.

In case observable prices or parameters are readily and regularly available (i.e. satisfying adequate liquidity requirements), they are directly employed in the determination of fair value (mark-to-market) without any subjective component (e.g. liquid securities or equities, exchange traded derivatives). This includes instruments whose fair value is derived from valuation models which are accepted market practice and represent industry standard and whose inputs are directly observable (e.g. plain vanilla swap and a number of option contracts).

In non-active markets or for certain instruments, for which observable prices or inputs are not available, fair value is calculated leveraging on valuation techniques appropriate for the specific instrument (mark-to-model). This approach involves estimation and expert judgment and, therefore, might require valuation adjustments which take into account bid-ask spreads, liquidity and counterparty risk, besides the employed pricing model. In addition, each pricing model used for fair value calculation needs to be validated by a dedicated function independent from business units.

According to Group Market Risk Governance Guidelines, that define rules and principles for the management and the control of those activity that are entailed with Market Risk, in order to ensure the adequate separation between functions in charge of development activities and functions in charge of validation, all pricing models developed by Legal Entities front – office functions, are centrally and independently tested and validated by Group Internal Validation in coordination with the Parent Company Market Risk functions. Model validation is also carried out centrally for any novel system or analysis framework whose utilization has a potential impact on the bank's economic results.

In addition to daily marking to market or marking to model, Independent Price Verification (IPV) shall be performed. This is the process by which market prices or model inputs derived from market data are regularly verified for accuracy and appropriateness. While daily marking to market and marking to model may be performed by dealers, verification of market prices and model inputs is performed by Market Risk function which is independent from the Trading, at least monthly or more frequently, depending on the nature of the market/trading activity. Where independent pricing sources are not available or pricing sources are too subjective, appropriate prudent measures such as fair valuation adjustments (FVA) are set.

Information on pricing models used for fair value calculation

Hereby we provide IFRS13 disclosure requirements about accounting portfolios measured at fair value on a recurring basis.

Fixed Income Securities

Fixed Income Securities are priced in a two tier process depending on the liquidity in the respective market. Liquid instruments negotiated in active markets are marked to market and consequently positions of these instruments are disclosed in reference to fair value hierarchy under Level 1. Instruments not traded in active markets are marked to model based on interest rate and implied credit spread curves derived from Level 1 instruments. The models maximize the use of observable input and minimize the use of unobservable inputs. With this respect, depending on the credit spread curve applied, bonds are disclosed as Level 2 or Level 3 respectively; Level 3 is applied in case comparable credit spread curves are not available (and unobservable credit spreads are used), or in the case of complex bonds. Under fair value accounting, fair value adjustments for liquidity and model risk may compensate for the lack of market observables for the Level 2 and Level 3 positions.

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

Structured Financial Products

The Group determines the fair value of structured financial products using the appropriate derivative valuation methodology given the nature of the embedded structure. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Part E – Information on risks and related risk management policies

Asset Backed Securities
Unicredit Group evaluation of Asset Backed Securities is based on the extension and implementation across all the Group's Legal Entities of the new Independent Price Verification (IPV) process suited to the changed market conditions for Structured Credit Bonds.
The main assumption of the IPV process is that the quality of a price is assessed by the availability of several quotes of independent market players for identical assets.
The process relies in the first instance on consensus data provider as reliable collector of market quotes.
As a second step "fallback" prices are assessed by benchmarking each security to a pool of similar securities with available market quotes. An alternative approach relies on getting to the evaluation by means of a mathematical pricing model, applicable whenever the information about market participants assumptions concerning the model inputs are reasonably available without undue cost and effort.
The IPV represents the theoretical foundation of the Fair Valuation approach which, when necessary, is supplemented by FVA that is regarded as a reserve against Model Risk and is calculated assuming that one-notch price downgrade might be taken as a measure of uncertainty.

Derivatives
Fair value of derivatives not traded in an active market is determined using suitable model valuation techniques. In such cases, where active markets exist for model inputs fair value is determined on the basis of the relevant market prices for such component parts.
Valuation techniques that are based on inputs that are observable are referred to as Level 2 valuations. Valuation techniques that use significant unobservable inputs are referred to as Level 3 valuations.

Equity Instruments
Equity instruments are assigned to Level 1 when a quoted price is available on an active market (stock exchange) and to Level 3 when quotations are unavailable or when instruments have been suspended indefinitely from negotiations. Equity instruments are classified as Level 2 only in the case of not significantly active market.
For equity instruments measured at cost due to unavailability of a fair value, an impairment is estimated, if the original cost exceeds the recoverable amount significantly or over a prolonged period of time.

Investment Funds
The Group holds investments in certain investment funds that publish net asset value (NAV) per share, including mutual funds, private equity funds, hedge funds (including funds of funds) and real estate funds. The Group's investments include co-investments in funds that are managed by the Group Asset Management and investments in funds that are managed by third parties.
Open-end funds are usually assigned to Level 1 when regular NAVs are available calculated from active market prices.
Funds can be also disclosed as Level 2 or Level 3 depending on NAV availability, portfolio transparency and possible issues related to position write off.
Real Estate funds and other closed funds are classified to Level 1 when quoted listed prices are available on an active market; when this condition is not met, such funds are classified as Level 3 and they are evaluated through an appropriate credit adjustment of the NAV based on the specific features of each fund.
For funds measured at cost due to unavailability of a fair value, an impairment is recognized, if the original cost exceeds the recoverable amount significantly or over a prolonged period of time.

Fair Value Adjustments (FVA)

The base fair value assessments have to be adjusted for factors not included in the base net present value that a market participant would consider in order to calculate the derivative instrument's fair value. FVA aim to reduce the risk of using incorrect valuation and align the fair value to the actual exit price of a certain position, while also incorporating future costs. Such adjustments, within the UniCredit Group, include:

- Credit and debit valuation adjustment (CVA/DVA)
- Model Risk
- Close-out risk
- Other adjustments

Credit and debit valuation adjustment (CVA/DVA)

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

- EAD derived by simulation techniques. Simulated exposures also take into account Specific Wrong Way Risk that arises for transactions where there is a correlation between counterparty credit risk and the underlying derivative risk factors;
- PD derived by actual historic default rates or implied by current market default rates, obtained from credit default swaps;
- LGD based on the estimated level of expected recovery should a counterparty default and obtained from a bank's own historical experience or implied by current market default rates, obtained from credit default swaps.

Model Risk

Financial models are used for the valuation of the financial instruments if the direct market quotes are not readily available. In general the model risk is represented by the possibility that a financial instrument's evaluation is actually sensitive to the choice of model. It is possible to value the same financial instrument by using alternative models which could provide different results in term of pricing. The model risk adjustments refer to the risk that the actual fair value of the instrument differs from the value produced by the model.

Close-out risk

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

Other adjustments

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

Risk measures

VaR data
Shown below are the VaR data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified VaR); while the risk taking units of the Group under Standardized approach have been considered by adding their contribution (Undiversified VaR).

Risk on trading book

Daily VaR on Trading Book (€ million)

I-Mod Perimeter	12.31.2014	AVERAGE LAST 60 DAYS	2014 AVERAGE	2014 MAX	2014 MIN	2013 AVERAGE
UniCredit Spa	6.9	5.4	7.9	14.5	2.8	6.5
UCBA AG excl. NoN EU Countries	19.2	5.4	2.7	23.4	0.6	n.a
UCB AG Group	7.4	6.5	6.8	14.0	4.4	14.9
Diversified UniCredit Group VaR	**19.7**	**12.0**	**13.0**	**22.7**	**6.8**	**n.a**

Daily VaR on Trading Book (€ million)

Standardized Approach Perimeter	12.31.2014	AVERAGE LAST 60 DAYS	2014 AVERAGE	2014 MAX	2014 MIN	2013 AVERAGE
UCBA AG NoN EU Countries (1)	3.4	3.3	3.3	4.6	1.8	n.a
Bank Pekao SA	0.3	0.3	0.4	0.8	0.1	0.4
Undiversified Unicredit Group VaR	**37.2**	**20.9**	**21.2**	**38.8**	**12.5**	**24.0**

(1) including Turkey, Russia,Serbia, Bosnia

In 2014 UCBA AG adopted the new calculation methodology, reflecting the new criteria defined in CRR's article 325; this explains why figures at the end of 2013 are not available both for I-Mod and for Standardized approach perimeter. The VaR increase measured for UCBA AG at the end of 2014 (I-Mod perimeter) is mainly driven by the increased FX delta on EURRUB due to execution of the strategic FX hedges approved by GALCO and by market turbulences (Russia-Ukraine conflicts). The UCB AG's VaR in 2014 is aligned to second half 2013, during which VaR decrease has been mainly driven by de-risking activities mainly with respect to Credit Indexes, reduced exposure to Italian Sovereign and in addition, shifting of time-window used for VaR calculation.

SVaR data
Shown below are the SVaR data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified SVaR); while the risk taking units of the Group under Standardized approach have been considered by adding their contribution (Undiversified SVaR).

Risk on trading book

SVaR on Trading Book (€ million)

I-Mod Perimeter	12.31.2014	AVERAGE LAST 12 WEEKS	2014 AVERAGE	2014 MAX	2014 MIN	2013 AVERAGE
UCI SpA	24.5	22.6	22.6	32.0	17.6	13.7
UCBA AG excl.Non EU Countries	7.1	4.9	4.5	7.9	2.9	n.a
UCB AG Group	36.9	31.3	29.1	49.3	12.7	23.5
Diversified UniCredit Group	**44.6**	**40.4**	**37.6**	**53.2**	**27.2**	n.a

SVaR on Trading Book (€ million)

Standardized Approach Perimeter	12.31.2014	AVERAGE LAST 12 WEEKS	2014 AVERAGE	2014 MAX	2014 MIN	2013 AVERAGE
UCBA AG Non EU Countries (*)	15.3	17.1	15.9	20.4	11.5	n.a
Undiversified UniCredit Group	**83.9**	**75.9**	**72.0**	**95.5**	**55.3**	**46.9**

(*) including Turkey, Russia,Serbia, Bosnia

In 2014 UCBA AG adopted the new calculation methodology, reflecting the new criteria defined in CRR's article 325; this explains why figures at the end of 2013 are not available both for I-Mod and for Standardized approach perimeter. SVAR's increase for UCI SPA is mainly caused by increased exposure to Italian government.

IRC data
Shown below are the IRC data for the trading book.

In aggregating the various risk profiles of the different risk taking units of the Group, the diversification arising from positions taken by different companies has been considered when calculating the overall risk for I-mod perimeter (Diversified IRC); while the risk taking units of the Group under Standardized approach have been considered by adding their contribution (Undiversified IRC).

Risk on trading book

IRC on Trading Book						(€ million)
		AVERAGE LAST	**2014**			**2013**
I-Mod Perimeter	**12.31.2014**	**12 WEEKS**	**AVERAGE**	**MAX**	**MIN**	**AVERAGE**
UCI SpA	202.5	177.5	208.5	298.4	148.4	159.7
UCBA AG excl. Non EU Countries	16.6	27.4	29.1	49.7	12.0	n.a
UCB AG Group	288.4	261.7	247.4	299.5	188.6	251.4
Diversified UniCredit Group	**414.2**	**387.2**	**399.9**	**483.4**	**350.1**	**n.a**

IRC Portafoglio di Negoziazione						(milioni di euro)
		AVERAGE LAST	**2014**			**2013**
Standardized Approach Perimeter	**31.12.2014**	**12 WEEKS**	**AVERAGE**	**MAX**	**MIN**	**AVERAGE**
UCBA AG Non EU Countries (*)	15.5	13.7	14.5	23.3	8.5	n.a
Undiversified UniCredit Group	**523.1**	**480.3**	**499.5**	**595.4**	**448.7**	**415.9**

(*) including Turkey, Russia,Serbia, Bosnia

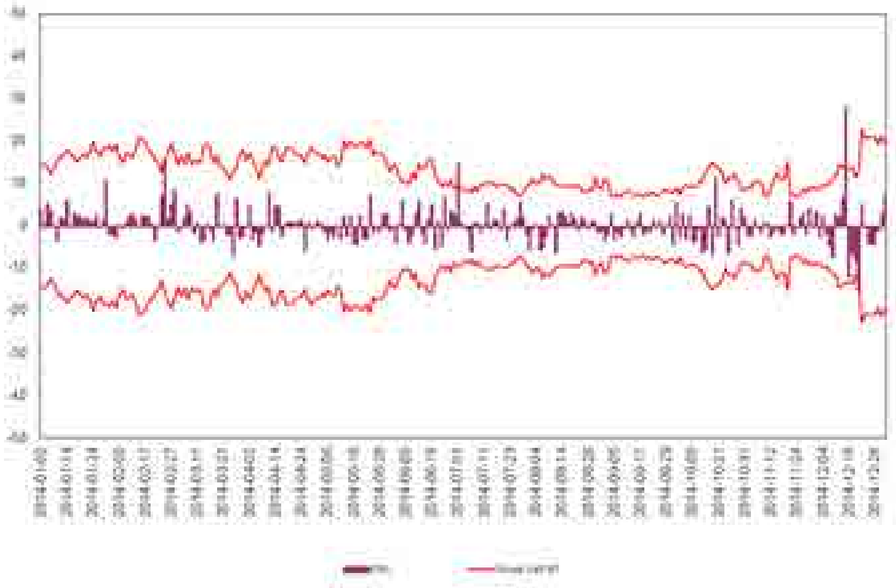
In 2014 UCBA AG adopted the new calculation methodology, reflecting the new criteria defined in CRR's article 325; this explains why figures at the end of 2013 are not available both for I-Mod and for Standardized approach perimeter.
The increase for UCI S.p.A.'s IRC is due to increased exposure to Italian sovereign.

VaR backtesting

In 2014, UniCredit Group's market risk has remained basically stable notwithstanding a general context of market uncertainty. In the last month of 2014 UniCredit Group's market risk has been negatively affected by the higher markets' volatility driven by turbulences in Russia.

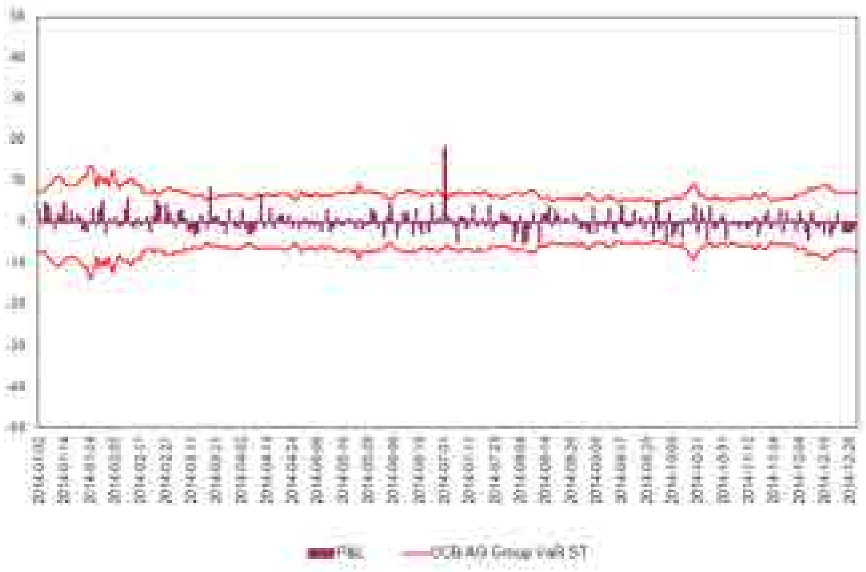
The following graphs analyze the back-testing results referred to the market risk on the trading book, in which VaR results for the last twelve months are compared to the hypothetical "profit and loss" results both for Group (I-Mod Perimeter) and for each main risk taker unit:

Group (I-Mod perimeter)



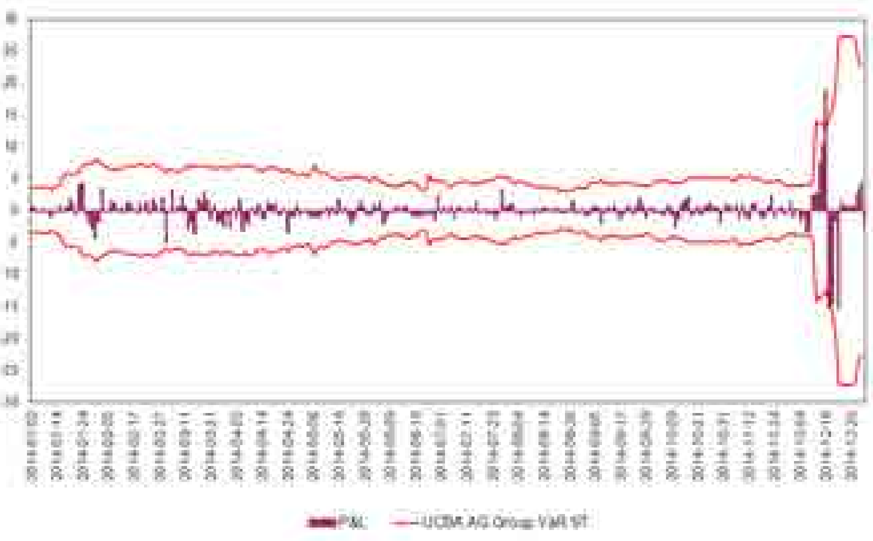
The negative overdraft registered at December 19th 2014 has been caused by higher market's volatility, driven by Russian market turbulences.

UCB AG Group



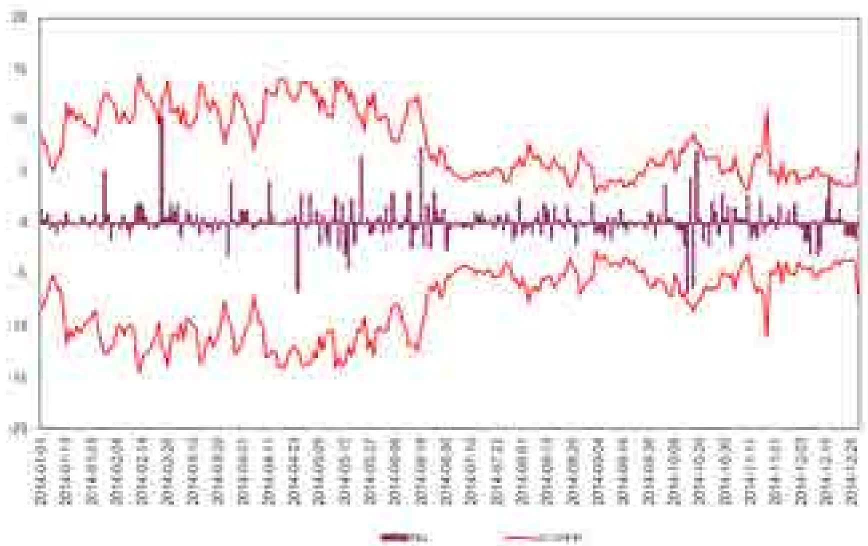
In UCB AG no negative overdrafts were recorded in 2014.

UCBA AG Group



Starting from January 2014 UCBA AG has adopted the new calculation methodology, reflecting the new criteria defined in CRR's article 325. In 2014 two negative overdrafts have been registered, December 16th and 17th, driven by the extreme volatility (due to the Russia-Crisis) that mainly affected Hedge-Position in RUB.

UCI SPA



In UCI SpA no negative overdrafts were recorded in 2014. The decreasing trend is due to the exit of market observed scenarios from time-window computing the measure.

Part E – Information on risks and related risk management policies

2.1 Interest Rate Risk – Regulatory trading book

QUALITATIVE INFORMATION

A. General information

Interest rate risk arises from financial positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion. Apart from use of internal models in calculating capital requirements on market risks, risk positions in the Group are monitored and subject to limits assigned to the portfolios on the base of managerial responsibilities and not purely on regulatory criteria.

B. Risk Management Processes and Measurement Methods

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer also to introduction on internal models.
In addition to the monitoring of Granular Market Limits, Group Market Risk functions conduct sensitivity analysis at least on monthly basis, in order to determine the effect on the income statement of changes in the value of individual risk factors or several risk factors of the same type, on CIB division's entire portfolio (trading book and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time. Results are reported to top management on a monthly basis. In addition to the sensitivity of financial instruments to changes in the underlying risk factor, it also calculated sensitivity to the volatility of interest rates assuming a positive shift of 50% or negative change of 30% in volatility curves or matrixes.

QUANTITATIVE INFORMATION

Sensitivity to changes in interest rates is determined using both parallel shifts of interest-rate curves, and changes in the curve itself.
The curves are analyzed using parallel shifts of ±1bp/±10bps and +100bps.
For each 1bp shift, sensitivity is calculated for a series of time-buckets.
Sensitivity for changes in the steepness of the rate curve is analyzed by clockwise turning (Turn CW), i.e. an increase in short-term rates and a simultaneous fall in long-term rates, and by counter-clockwise turning (Turn CCW), whereby short-term rates fall and long-term rates rise.
Currently, clockwise and counter-clockwise turning use the following increases/decreases:

- +50bps/-50bps for the one-day bucket;
- 0bps for the one-year bucket;
- -50bps/+50bps for the 30-year plus bucket;

for buckets between the above ones, the change to be set is found by linear interpolation.

The tables below show CIB trading book sensitivities

€ millions

Interest Rates	+1BP less than 3 months	+1BP 3 months to 1 year	+1BP 1 year to 2 years	+1BP 2 years to 5 years	+1BP 5 years to 10 years	+1BP over 10 years	+1 BP Total	-10 BPS	+10 BPS	+100 BPS	CW	CCW
Total	**-0.2**	**0.3**	**-0.2**	**-0.3**	**0.5**	**-0.5**	**-0.5**	**9.3**	**-5.6**	**-46.9**	**22.2**	**-4.5**
of which: EUR	-0.2	0.3	-0.4	-0.6	0.6	-0.4	**-0.6**	8.8	-7.0	-62.2	21.2	-6.9
USD	0.0	-0.1	-0.2	0.1	-0.0	0.0	**-0.2**	1.7	-1.6	-17.3	-5.9	6.0
GBP	-0.0	-0.0	-0.1	0.0	-0.0	-0.0	**-0.1**	1.7	-1.7	-13.7	2.6	-2.0
CHF	-0.0	0.1	-0.1	0.1	-0.0	0.0	**0.1**	-0.0	1.2	10.4	1.2	1.3
JPY	-0.0	0.1	0.2	0.1	-0.0	-0.0	**0.3**	-1.9	3.1	30.7	1.8	-1.0

€ million

	-30%	+50%
Interest Rates	**1.660**	**-3.646**

Main contributor is EUR Curve.

2.2 Interest Rate Risk – Banking Book

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring interest rate risk
Interest rate risk consists of changes in interest rates that are reflected in:

- interest income sources, and thus, the bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk).

The Group measures and monitors this risk within the framework of a banking book interest rate risk policy that establishes consistent methodologies and models and limits or thresholds to focus on, with regard to the sensitivity of net interest income and the Group's economic value.
Interest rate risk has an impact on all owned positions resulting from business operations and strategic investment decisions (banking book).

At December 31, 2014, the sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps was -1,976 € million[12].

The main sources of interest rate risk can be classified as follows:

- repricing risk: risk resulting from differences in interest reset date of assets and liabilities. Mismatches in interest reset dates lead to yield curve risk. This refers to the risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve. A related risk is basis risk. This risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments, may also show similar repricing characteristics;
- optional risk: risk resulting from implicit or explicit options in the Group's banking book positions. Embedded options in the bank's mortgage portfolio are a relevant example.

Limits and threshold are defined in terms of Sensitivity for each Group Bank or Company. The set of metrics is defined depending on the level of sophistication of the Company's business.

Each of the Group's banks or companies assumes responsibility for managing exposure to interest rate risk within its specified limits. At consolidated level, the Group Asset Liability Management Unit and the functions of Group Risk Management are in charge of interest rate risk measurement.
Interest rate risk measurement includes:

- Net Interest Income analysis: this involves among other a static gap analysis (i.e., assuming that positions remain constant during the period), an impact simulation on interest income for the current period is performed, by taking into account elasticity assumptions for sight items. In addition a simulation analysis includes the analysis of the impact on income from different shocks for the interest rates.
- Economic Value analysis: this includes the calculation of duration measures, value sensitivities of the balance sheet for different points on the curve, as well as the impact on the Economic Value from larger shocks, e.g. a 200bp parallel shift.

The interest rate risk is monitored on a daily basis in terms of Economic value sensitivity for an instantaneous and parallel shock of +1 basis point value of the interest rate term structure. On a monthly basis the Economic Value sensitivity for interest rate term structure shock of +200 basis point value and Net Interest Income Sensitivity are measured. The function responsible for interest rate risk management verifies on a daily basis the limit usage of the interest rate risk of relevant positions.

The Treasury hedges interest rate risk exposure from commercial transactions. The Treasury interest rate risk exposure is monitored through a set of limits and threshold levels. The same holds for the overall interest rate exposure of the balance sheet, taking into account also the strategic investment positions of the bank, e.g. transactions not directly related to hedging the commercial business.

B. Fair value hedging operations
Hedging strategies aimed at complying with interest rate risk limits for the banking portfolio are carried out with listed or unlisted derivative contracts, and the latter, which are commonly interest rate swaps, are the type of contracts used the most.
Macro-hedging is generally used, meaning hedges related to the amounts of cash contained in asset or liability portfolios. Under certain circumstances, the impact of micro-hedges related to securities issued or individual financial assets are recognized (especially when they are classified in the available-for-sale portfolio).

C. Cash flow hedging operations
In certain instances, cash flow hedging strategies are also used as an alternative to fair value hedging strategies in order to stabilize income statement profits in the current and future years. Macro-hedging strategies are mainly used and they may also refer to the interest rate risk of the core portion of financial assets "on demand."

[12] The figure includes modeled sensitivity estimates for assets and liabilities with not well-defined maturities, such as sight and savings deposits, as well as modelling for prepayment effect.

Part E – Information on risks and related risk management policies

QUANTITATIVE INFORMATION

1. Banking book: breakdown by maturity (repricing date) of financial assets and liabilities

(€ '000)

	AMOUNTS AS AT 12.31.2014							
TYPE / RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**148,218,498**	**242,680,938**	**42,378,916**	**51,149,433**	**136,289,662**	**51,018,589**	**20,941,588**	**4,305,986**
1.1 Debt securities	519,692	32,329,710	7,994,204	15,369,767	68,608,605	20,576,593	3,398,130	31,361
- *With prepayment option*	2,000	528,674	124,472	48,405	55,949	28,065	-	-
- Other	517,692	31,801,036	7,869,732	15,321,362	68,552,656	20,548,528	3,398,130	31,361
1.2 Loans to banks	22,919,091	36,121,836	2,773,099	3,318,232	1,086,880	323,846	344,981	7,517
1.3 Loans to customers	124,779,715	174,229,392	31,611,613	32,461,434	66,594,177	30,118,150	17,198,477	4,267,108
- Current accounts	42,714,418	1,192,760	220,600	1,659,206	3,498,501	820,367	659,872	12,884
- Other loans	82,065,297	173,036,632	31,391,013	30,802,228	63,095,676	29,297,783	16,538,605	4,254,224
- *With prepayment option*	27,729,554	38,340,438	10,913,408	3,505,787	14,107,039	5,644,327	7,242,836	-
- Other	54,335,743	134,696,194	20,477,605	27,296,441	48,988,637	23,653,456	9,295,769	4,254,224
2. Balance-sheet liabilities	**292,015,633**	**198,278,809**	**41,105,837**	**41,340,061**	**81,442,358**	**26,353,571**	**7,094,410**	**600,710**
2.1 Deposits from customers	269,468,449	104,391,006	17,470,788	18,024,461	15,513,675	725,411	1,624,664	236,021
- Current accounts	259,651,437	6,684,252	1,717,508	1,200,680	241,391	1,710	1,822	2,794
- Other liabilities	9,817,012	97,706,754	15,753,280	16,823,781	15,272,284	723,701	1,622,842	233,227
- *With prepayment option*	289,308	422,056	122,719	88,192	22,599	1,408	3	-
- Other	9,527,704	97,284,698	15,630,561	16,735,589	15,249,685	722,293	1,622,839	233,227
2.2 Deposits from banks	22,134,410	40,353,787	11,881,867	9,919,403	20,649,875	3,134,249	1,383,680	230,747
- Current accounts	14,084,194	761,320	83,863	12,296	71,876	1,294	-	9,583
- Other liabilities	8,050,216	39,592,467	11,798,004	9,907,107	20,577,999	3,132,955	1,383,680	221,164
2.3 Debt securities in issue	399,760	53,534,016	11,753,182	13,396,197	45,278,808	22,493,911	4,086,066	133,942
- *With prepayment option*	-	378,173	796,369	222,968	2,761,473	3,581,313	804,920	-
- Other	399,760	53,155,843	10,956,813	13,173,229	42,517,335	18,912,598	3,281,146	133,942
2.4 Other liabilities	13,014	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	13,014	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	1,959,691	41,402	125,033	98,343	134,230	441,269	-
+ Short positions	-	2,013,845	11,440	163,746	21,540	58,935	352,076	-
- Other derivatives								
+ Long positions	863,588	5,694,397	270,520	138,511	1,040,901	80,000	166,082	-
+ Short positions	863,407	6,220,620	281,907	127,196	1,192,542	190,000	231,000	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,048,743	899,592	148,120	6,788,135	631,894	1,667,301	7,224
+ Short positions	-	1,106,140	908,614	217,001	6,769,979	882,354	1,929,798	15,137
- Other derivatives								
+ Long positions	33,384,148	135,698,801	38,794,505	11,040,365	70,792,452	25,675,102	10,334,786	-
+ Short positions	5,760,576	168,152,812	38,263,820	13,139,456	70,461,347	18,655,374	11,650,763	-
4. Other off-balance sheet transactions								
+ Long positions	37,732,919	22,008,726	3,898,162	4,688,489	26,820,905	1,860,974	2,037,536	6,518,584
+ Short positions	55,598,666	11,929,324	2,428,182	4,997,748	20,512,439	1,648,380	1,932,976	6,518,584

This distribution is made on the basis of the period between the balance sheet date and the first following yield review date. For fixed-rate transactions the residual life is the period from the balance sheet date to final maturity. On balance sheet items are disclosed at their carrying value. Derivatives are shown, under the double entry method, at settlement value for those with underlying securities and at the notional value for those without underlying securities; options are shown at their delta equivalent value.

1.1 Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: euro

(€ '000)

	AMOUNTS AS AT 12.31.2014							
TYPE/RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**121,084,530**	**180,186,553**	**35,525,228**	**37,161,328**	**120,418,725**	**45,144,875**	**17,388,958**	**4,158,909**
1.1 Debt securities	465,874	24,993,965	5,888,365	12,741,400	63,400,319	18,094,689	2,336,543	31,338
- *With prepayment option*	2,000	404,287	109,356	21,811	10,719	26,761	-	-
- Other	463,874	24,589,678	5,779,009	12,719,589	63,389,600	18,067,928	2,336,543	31,338
1.2 Loans to banks	18,883,482	22,868,680	1,927,759	2,526,810	763,562	35,694	344,981	158
1.3 Loans to customers	101,735,174	132,323,908	27,709,104	21,893,118	56,254,844	27,014,492	14,707,434	4,127,413
- Current accounts	38,387,804	130,000	165,165	1,597,928	3,466,776	814,598	640,367	12,650
- Other loans	63,347,370	132,193,908	27,543,939	20,295,190	52,788,068	26,199,894	14,067,067	4,114,763
- *With prepayment option*	26,924,073	38,111,405	10,764,679	3,241,487	13,754,364	5,505,079	7,176,617	-
- Other	36,423,297	94,082,503	16,779,260	17,053,703	39,033,704	20,694,815	6,890,450	4,114,763
2. Balance-sheet liabilities	**250,117,064**	**164,018,661**	**36,776,939**	**34,257,779**	**71,766,360**	**25,410,074**	**6,945,419**	**283,030**
2.1 Deposits from customers	230,091,849	79,762,206	14,693,613	14,049,268	9,872,019	691,249	1,621,712	81,507
- Current accounts	223,337,361	808,020	237,859	177,693	65,768	28	1	129
- Other liabilities	6,754,488	78,954,186	14,455,754	13,871,575	9,806,251	691,221	1,621,711	81,378
- *With prepayment option*	274,881	27,753	9,755	11,695	737	24	-	-
- Other	6,479,607	78,926,433	14,445,999	13,859,880	9,805,514	691,197	1,621,711	81,378
2.2 Deposits from banks	19,640,513	33,604,559	11,599,563	7,985,780	20,262,811	3,121,712	1,381,041	67,581
- Current accounts	12,951,896	212,787	70,187	3,078	21,620	41	-	923
- Other liabilities	6,688,617	33,391,772	11,529,376	7,982,702	20,241,191	3,121,671	1,381,041	66,658
2.3 Debt securities in issue	371,688	50,651,896	10,483,763	12,222,731	41,631,530	21,597,113	3,942,666	133,942
- *With prepayment option*	-	374,835	796,369	197,156	2,761,473	3,581,313	804,920	-
- Other	371,688	50,277,061	9,687,394	12,025,575	38,870,057	18,015,800	3,137,746	133,942
2.4 Other liabilities	13,014	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	13,014	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	1,959,691	41,402	125,033	98,343	134,230	441,269	-
+ Short positions	-	2,013,845	11,440	163,746	21,540	58,935	352,076	-
- Other derivatives								
+ Long positions	280,349	623,154	-	-	18,951	80,000	166,082	-
+ Short positions	247,555	2,118,322	49,872	-	150,000	190,000	231,000	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,048,743	895,860	145,280	6,779,067	631,894	1,667,301	-
+ Short positions	-	1,106,140	907,011	215,747	6,765,112	882,354	1,929,798	-
- Other derivatives								
+ Long positions	33,029,976	131,780,351	38,451,720	10,597,124	66,978,196	23,413,626	10,159,885	-
+ Short positions	5,406,404	164,466,962	38,018,959	12,525,545	66,628,054	16,995,298	11,256,306	-
4. Other off-balance sheet transactions								
+ Long positions	36,445,617	20,745,132	2,583,490	2,926,558	22,123,818	1,152,668	1,438,516	1,057,959
+ Short positions	53,839,738	10,826,991	1,237,303	3,383,919	15,836,946	954,281	1,336,624	1,057,959

Part E – Information on risks and related risk management policies

1.2 Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: dollar

(€ '000)

TYPE/RESIDUAL MATURITY	AMOUNTS AS AT 12.31.2014 ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**5,233,000**	**18,871,593**	**1,655,940**	**2,862,324**	**2,711,500**	**1,586,412**	**940,137**	**600**
1.1 Debt securities	28,485	2,935,650	127,854	422,961	844,527	841,956	850,882	10
- *With prepayment option*	-	18,035	-	-	-	-	-	-
- Other	28,485	2,917,615	127,854	422,961	844,527	841,956	850,882	10
1.2 Loans to banks	2,005,507	3,700,817	487,534	731,328	277,608	286,203	-	-
1.3 Loans to customers	3,199,008	12,235,126	1,040,552	1,708,035	1,589,365	458,253	89,255	590
- Current accounts	1,454,852	58,895	161	5,553	9,905	2,674	571	180
- Other loans	1,744,156	12,176,231	1,040,391	1,702,482	1,579,460	455,579	88,684	410
- *With prepayment option*	594,177	56,787	33,975	79,902	242,256	95,207	44,240	-
- Other	1,149,979	12,119,444	1,006,416	1,622,580	1,337,204	360,372	44,444	410
2. Balance-sheet liabilities	**7,331,169**	**9,695,728**	**1,502,441**	**3,325,957**	**6,227,148**	**809,095**	**84,758**	**151,122**
2.1 Deposits from customers	6,077,211	4,698,326	630,694	1,593,991	4,198,567	4,729	39	142,462
- Current accounts	5,731,077	480,023	169,501	128,431	11,243	29	-	312
- Other liabilities	346,134	4,218,303	461,193	1,465,560	4,187,324	4,700	39	142,150
- *With prepayment option*	9,004	178,836	65,657	62,034	18,183	1,334	3	-
- Other	337,130	4,039,467	395,536	1,403,526	4,169,141	3,366	36	142,150
2.2 Deposits from banks	1,243,642	3,388,715	226,334	1,461,375	135,134	10,614	2,639	8,660
- Current accounts	341,086	1,911	-	-	-	-	-	8,660
- Other liabilities	902,556	3,386,804	226,334	1,461,375	135,134	10,614	2,639	-
2.3 Debt securities in issue	10,316	1,608,687	645,413	270,591	1,893,447	793,752	82,080	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	10,316	1,608,687	645,413	270,591	1,893,447	793,752	82,080	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	305,025	3,182,872	81,297	23,193	23,778	-	-	-
+ Short positions	332,158	3,573,262	159,543	3,712	44,370	-	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	501	-	-	-	-	-
- Other derivatives								
+ Long positions	354,172	2,309,475	206,039	2,791	1,741,217	-	149,663	-
+ Short positions	354,172	2,097,109	-	-	1,801,564	41,037	369,219	-
4. Other off-balance sheet transactions								
+ Long positions	158,424	299,734	191,565	517,603	2,323,801	334,704	209,071	376,367
+ Short positions	595,154	140,730	69,791	394,109	2,308,219	320,497	206,403	376,367

1.3 Banking book: breakdown by maturity (repricing date) of financial assets and liabilities - Currency: other currencies

(€ '000)

	AMOUNTS AS AT 12.31.2014							
TYPE/RESIDUAL MATURITY	ON DEMAND	UP TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Balance-sheet assets	**21,900,968**	**43,622,792**	**5,197,748**	**11,125,781**	**13,159,437**	**4,287,302**	**2,612,493**	**146,477**
1.1 Debt securities	25,333	4,400,095	1,977,985	2,205,406	4,363,759	1,639,948	210,705	13
- *With prepayment option*	-	106,352	15,116	26,594	45,230	1,304	-	-
- Other	25,333	4,293,743	1,962,869	2,178,812	4,318,529	1,638,644	210,705	13
1.2 Loans to banks	2,030,102	9,552,339	357,806	60,094	45,710	1,949	-	7,359
1.3 Loans to customers	19,845,533	29,670,358	2,861,957	8,860,281	8,749,968	2,645,405	2,401,788	139,105
- Current accounts	2,871,762	1,003,865	55,274	55,725	21,820	3,095	18,934	54
- Other loans	16,973,771	28,666,493	2,806,683	8,804,556	8,728,148	2,642,310	2,382,854	139,051
- *With prepayment option*	211,304	172,246	114,754	184,398	110,419	44,041	21,979	-
- Other	16,762,467	28,494,247	2,691,929	8,620,158	8,617,729	2,598,269	2,360,875	139,051
2. Balance-sheet liabilities	**34,567,400**	**24,564,420**	**2,826,457**	**3,756,325**	**3,448,850**	**134,402**	**64,233**	**166,558**
2.1 Deposits from customers	33,299,389	19,930,474	2,146,481	2,381,202	1,443,089	29,433	2,913	12,052
- Current accounts	30,582,999	5,396,209	1,310,148	894,556	164,380	1,653	1,821	2,353
- Other liabilities	2,716,390	14,534,265	836,333	1,486,646	1,278,709	27,780	1,092	9,699
- *With prepayment option*	5,423	215,467	47,307	14,463	3,679	50	-	-
- Other	2,710,967	14,318,798	789,026	1,472,183	1,275,030	27,730	1,092	9,699
2.2 Deposits from banks	1,250,255	3,360,513	55,970	472,248	251,930	1,923	-	154,506
- Current accounts	791,212	546,622	13,676	9,218	50,256	1,253	-	-
- Other liabilities	459,043	2,813,891	42,294	463,030	201,674	670	-	154,506
2.3 Debt securities in issue	17,756	1,273,433	624,006	902,875	1,753,831	103,046	61,320	-
- *With prepayment option*	-	3,338	-	25,812	-	-	-	-
- Other	17,756	1,270,095	624,006	877,063	1,753,831	103,046	61,320	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- *With prepayment option*	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	278,214	1,888,371	189,223	115,318	998,172	-	-	-
+ Short positions	283,694	529,036	72,492	123,484	998,172	-	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	-	3,732	2,840	9,068	-	-	7,224
+ Short positions	-	-	1,102	1,254	4,867	-	-	15,137
- Other derivatives								
+ Long positions	-	1,608,975	136,746	440,450	2,073,039	2,261,476	25,238	-
+ Short positions	-	1,588,741	244,861	613,911	2,031,729	1,619,039	25,238	-
4. Other off-balance sheet								
+ Long positions	1,128,878	963,860	1,123,107	1,244,328	2,373,286	373,602	389,949	5,084,258
+ Short positions	1,163,774	961,603	1,121,088	1,219,720	2,367,274	373,602	389,949	5,084,258

Part E – Information on risks and related risk management policies

2. Bank portfolio: internal models and other sensitivity analysis methodologies

Please refer to paragraph “2.1 Interest Rate Risk – Regulatory trading book” – Quantitative information” for the aggregate sensitivity analysis model, used to measure the different risks.

2.3 Price Risk – Regulatory trading book

QUALITATIVE INFORMATION

A. General Information
As described above, price risk relating to equities, commodities, investment funds and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Price risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTCs and recourse to security lending. Volatility trading strategies are implemented using options and complex derivatives.

B. Risk Management Processes and Measurement Methods
For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division’s entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Share-price sensitivity is expressed in two ways:
- as a “Delta cash-equivalent”, i.e. the euro equivalent of the quantity of the underlying that would expose the bank to the same risk arising from its actual portfolio;
- as the economic result of a rise or fall in spot prices of 1%, 10% and 20%.

The Delta cash-equivalent and the Delta 1% (i.e. the economic impact of a 1% rise in spot prices) are calculated both for each geographical region (assuming that all stock markets in the region are perfectly correlated) and on the total (assuming therefore that all stock markets are perfectly correlated). The sensitivity arising from changes of 10% and 20% is calculated solely on the total.
The Group also calculate the sensitivity to the volatility of the equities assuming, in particular, a negative change of 30% and positive one of 30% of the curves or volatility matrices. In addition it is also calculated the sensitivity to commodity prices according to the above criteria.
Given its secondary importance as compared to other risk exposures, this is calculated as a single class.

The tables below show CIB trading book sensitivities.

€ million

	Delta Cash-equivalent	-20%	-10%	-1%	+1%	+10%	+20%
Equities							
All markets	**13.9**	**-51.3**	**-6.7**	**-0.2**	**0.1**	**1.9**	**-1.5**
Europe	-25.5				-0.3		
US	35.6				0.4		
Japan	4.5				0.0		
United Kingdom	31.7				0.3		
Switzerland	-2.1				-0.0		
CEE	-3.9				-0.0		
Others	6.0				0.1		
Commodities							
All markets	**10.1**	**-2.8**	**-1.1**	**-0.1**	**0.1**	**1.3**	**2.6**

€ million

	-30%	+30%
Equities	**-5.879**	**-8.005**

2.4 Price Risk – Banking Book

QUALITATIVE INFORMATION

A. General Aspects, Price Risk Management Processes and Measurement Methods
Banking book price risk primarily originates from equity interests held by the Parent Company and its subsidiaries as a stable investment, as well as units in mutual investment funds not included in the trading book as they are also held as a stable investment. In the whole banking book portfolio assessment this kind of risk is also considered.

2.5 Exchange Rate Risk – Regulatory trading book

QUALITATIVE INFORMATION

A. General Information, Risk Management Processes and Measurement Methods
As described above, risk relating to exchange rates and related derivative products included in the trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion.
Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC. Volatility trading strategies are implemented using options.

For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Exchange-Rate Sensitivity assesses the economic impact of the appreciation or depreciation by 1%, 5% and 10% of each currency against all the others. Exposure to the various currencies is expressed as the "Delta cash equivalent" in euros: this is the euro equivalent of the currency amount which would expose the bank to the same exchange-rate risk arising in its actual portfolio.

The Group also calculates sensitivity to the volatility of exchange rates assuming a positive shift of 50% or negative change of 30% in volatility curves or matrixes.

The tables below show CIB trading book sensitivities.

€ million

Exchange rates	Delta Cash-Equivalent	-10%	-5%	-1%	+1%	+5%	+10%
EUR		2.9	3.9	0.1	-0.1	-3.8	-8.7
USD	38.3	1.4	0.2	-0.4	0.4	4.7	7.3
GBP	-11.7	5.2	1.4	0.1	-0.1	1.6	4.9
CHF	-62.5	6.3	2.2	0.6	-0.6	-0.0	-1.1
JPY	-6.0	4.4	1.9	0.1	-0.1	0.7	1.7

€ million

	-30%	+50%
Exchange Rates	**4.662**	**-7.288**

Main contributors are EUR/CHF, EUR/USD and EUR/GBP.

Part E – Information on risks and related risk management policies

2.6 Exchange Rate Risk – Banking book

QUALITATIVE INFORMATION

A. General Aspects, Exchange Rate Risk Management Processes and Measurement Methods
Exchange rate risk originates both from banks in the Group operating in currency areas other than the Eurozone and from positions taken by specialist centres holding the Group's market risk within the limits assigned.
In the latter case, exchange risk originates from currency trading activities performed through the negotiation of the various market instruments and it is constantly monitored and measured by using internal models developed by Group companies. These models are, in addition, used to calculate capital requirements on market risks due to the exposure to such risk.

B. Hedging Exchange Rate Risk
The Group adopts hedge strategies for profits and dividends arising from its subsidiaries not belonging to the Eurozone. The hedging strategies takes into account market circumstances.

QUANTITATIVE INFORMATION

(Regulatory trading book and Banking book)

1. Distribution by currency of assets and liabilities and derivatives (€ '000)

	AMOUNTS AS AT 12.31.2014					
	CURRENCIES					
ITEMS	US DOLLAR	ZLOTY	YEN	TURKISH LIRA	SWISS FRANC	OTHER CURRENCY
A. Financial assets	**49,051,547**	**29,393,000**	**2,252,403**	**18,365,961**	**14,329,793**	**52,091,848**
A.1 Debt securities	7,241,576	7,404,691	56,012	2,472,040	211,371	8,023,740
A.2 Equity securities	637,340	3,052	1,280,994	649	137,142	1,040,313
A.3 Loans to banks	11,676,235	2,025,219	467,237	3,696,270	605,361	9,140,085
A.4 Loans to customers	29,238,450	19,935,282	448,119	11,951,701	13,372,110	32,953,008
A.5 Other financial assets	257,946	24,756	41	245,301	3,809	934,702
B. Other assets	**226,113**	**39,193**	**1,417**	**298,685**	**15,631**	**703,160**
C. Financial liabilities	**44,527,110**	**26,501,710**	**605,328**	**11,254,209**	**1,127,070**	**36,180,628**
C.1 Deposits from banks	14,237,649	544,360	137,753	1,572,043	225,337	4,785,733
C.2 Deposits from customers	24,110,176	24,917,947	248,143	8,517,851	615,936	25,530,866
C.3 Debt securities in issue	3,706,928	872,252	219,432	1,164,315	283,823	3,559,259
C.4 Other financial liabilities	2,472,357	167,151	-	-	1,974	2,304,770
D. Other liabilities	**672,368**	**140,077**	**2,389**	**1,263,605**	**13,136**	**845,497**
E. Financial derivatives						
- Options						
- Long positions	89,267,895	801,054	3,961,152	2,182,512	4,298,213	62,986,094
- Short positions	86,090,442	894,487	3,961,152	2,878,858	4,298,213	64,994,297
- Other						
- Long positions	70,599,577	12,219,814	12,767,511	48,745	40,961,748	63,213,768
- Short positions	75,540,669	10,980,330	14,053,393	337,728	42,187,143	64,816,999
Total assets	**209,145,132**	**42,453,061**	**18,982,483**	**20,895,903**	**59,605,385**	**178,994,870**
Total liabilities	**206,830,589**	**38,516,604**	**18,622,262**	**15,734,400**	**47,625,562**	**166,837,421**
Difference (+/-)	**2,314,543**	**3,936,457**	**360,221**	**5,161,503**	**11,979,823**	**12,157,449**

2.7 Credit Spread Risk – Regulatory trading book

QUALITATIVE INFORMATION

A. General Information
As described above, risk relating to credit spreads and related credit derivative products included in both trading book, originates from positions taken by Group specialist centers holding assigned market risk limits within certain levels of discretion. Risk deriving from own trading of these instruments is managed using both directional and relative value strategies via direct sale and purchase of securities, regulated derivatives and OTC.

B. Risk Management Processes and Measurement Methods
For both a description of internal processes for monitoring and managing risk and an illustration of the methodologies used to analyze exposure, please refer to introduction on internal models. The sensitivity analysis covers the CIB division's entire portfolio (both trading and banking book), since it includes the most significant portion of regulatory trading book and might be subject to the largest changes over time.

QUANTITATIVE INFORMATION

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp/+100bps in the credit spread curves.
These sensitivities are calculated both inclusively, assuming a parallel shift of all the credit spread curves, and in respect of specific rating classes and economic sectors.

The table below shows CIB trading book sensitivities.

€ millions

	+1BP less than 6 months	+1BP 6 months to 2 years	+1BP 2 years to 7 years	+1BP over 7 years	+1 BP Total	+100BPS
Total	**-0.1**	**-0.2**	**-1.1**	**-0.6**	**-2.0**	**-147.8**
Rating						
AAA	-0.0	-0.1	-0.5	-0.5	-1.1	-35.4
AA	-0.0	0.0	-0.1	-0.0	-0.1	
A	0.0	-0.1	-0.2	-0.1	-0.4	-44.4
BBB	-0.1	0.0	-0.2	-0.0	-0.3	-38.2
BB	-0.0	-0.0	-0.1	-0.0	-0.1	-7.8
B	0.0	-0.0	-0.1	0.0	-0.0	-7.6
CCC and NR	-	-	-	-	-	-
Sector						
Sovereigns & Related	-0.0	-0.0	-0.2	-0.4	-1.2	-112.6
ABS and MBS	-0.0	-0.0	-0.0	-0.0	-0.0	-3.4
Jumbo and Pfandbriefe	-0.0	-0.1	-0.3	-0.1	-0.4	-51.5
Financial Services	-0.1	-0.1	-0.3	-0.0	-0.5	-29.6
All Corporates	-0.0	0.0	-0.3	-0.1	-0.3	-42.2
-Automotive	0.0	-0.0	-0.0	-0.0	-0.0	-4.3
-Consumer Goods	-0.0	0.0	-0.1	-0.0	-0.1	-19.5
-Pharmaceutical	0.0	0.0	-0.0	-0.0	-0.0	-2.4
-Industries	-0.0	0.0	-0.0	-0.0	-0.0	-4.4
-Telecommunications	-0.0	-0.0	-0.1	0.0	-0.0	-6.5
-Utilities and Energy Sources	-0.0	0.0	-0.1	-0.0	-0.1	-3.7
-All other Corporates	0.0	0.0	-0.0	-0.0	-0.0	-1.3

Part E – Information on risks and related risk management policies

2.8 Stress Tests

Stress tests complement the sensitivity analysis and VaR results in order to assess the potential risks in a different way. A stress test performs the evaluation of a portfolio under both simple scenarios (assuming change to single risk factors) and complex scenarios (assuming simultaneous changes in a number of risk factors).

What follows contains the description of complex scenarios, which combine changes in interest rate, price, exchange-rate and credit spread risk factors. For the description of simple scenarios, please refer to the previous paragraphs. As far as complex scenarios are concerned, different scenarios have been applied to the whole Group Trading Book on a monthly basis and reported to top management.

Greece Exit

This scenario, first introduced in June 2012 and updated in December 2013, assumes that Greece exits from the EMU without however bringing the Eurozone to a collapse. While recent developments have greatly reduced the near-term probability of such an event, Greece remains in a difficult situation and exit from EMU in the medium term remains a non-negligible possibility.
The exit of Greece from the EMU would negatively affect GDP growth in the Eurozone through several channels, mainly related to financial markets. Rising volatility and the generalized increase in risk premia would make it harder for businesses to plan investment decisions. Credit for the real economy would be more expensive as a consequence of the severe intensification of funding difficulties in the banking system (including via renewed deposit outflows and tensions in the inter-bank market). This would strengthen the negative feedback loop between sovereign risk, banks and the real economy.

- On the fixed income side, a flight-to-quality demand would be observed, with the focus on German and US bonds, for which we expect a significant richening vs swap (40/30 bp).
- As for peripheral countries, spreads would come under pressure. The Italian swap spread would widen 300bp, reaching the 500bp area, while Spain would widen 250bp.
- Equity markets would plunge and, at the same time, a steady increase in volatility is expected.
- With respect to FX rates, EUR is expected to sharply depreciate across the board as a Greek exit would clearly undermine confidence in the common currency. The most serious losses are expected to be against the USD (with an approximate 30% depreciation), as the USD will likely continue to be perceived as the reference safe-haven currency in the case of escalating turmoil in the eurozone. However, EUR would also probably lose ground to a significant extent vs. JPY and CHF. On the other hand, EUR fall against sterling should be less significant (-20%), since the UK economy would also be heavily affected by developments in the EMU.

Widespread Contagion

In this scenario, updated in December 2014, we assume that debt crisis escalates again, with pressures hitting Spain and Italy. The step-up in government commitment towards building a credible firewall against contagion and the ECB's policies should continue to provide some cushion against spread widening. However, market volatility and the ensuing financial market disruption would still lead to a severe tightening in financial conditions euro-wide. Due to the important trade links between eurozone countries, the financial shock would be amplified and cause a deeper recession. Such an escalation in tensions would weigh on Spain and Italy creating pressure for a more radical and systemic response from European authorities. This should avert a sovereign default or an EUR break-up in the following two years.
The shock originated in financial markets would have a severe impact on GDP growth in EU periphery. On the Fixed Income side, the flight-to-quality demand would focus on German and US bonds. Credit Spreads would fall by around 20/30 bps for these issuers respectively. All other government bonds would come under pressure due to credit risk reprising. Italian and Spanish bonds would widen around 200 bps vs swap. Spread widening is expected also for corporate bonds; the shift in credit risk preference would lead to strong pressure on high-yield bonds; equity markets would experience a moderate downturn, coupled with an increase in volatility.
Contagion spreading across the eurozone should weight on EUR-USD. GBP-USD would be relatively less affected then EUR-USD, while EUR-GBP may suffer as well as GBP might be perceived as an hedge for EUR.
In CEE, as response to lower growth and deteriorating fundamentals, we would expect policy-makers to favor some local currency devaluation to promote growth. In particular for Russia, Ukraine and Turkey this would reinforce the current inflation target overshoot.

Scenario “Adverse CEE”

In this new risk scenario, introduced in December 2014, we assume eurozone countries facing a deep recession in 2015 and 2016, due to the direct and indirect impact of an adverse CEE shock. The escalation of Russian sanctions and the negative impact on the other CEE countries would negatively affect GDP growth in Germany, whose real economy is the most exposed to risks from CEE. A further cooling of the Russian economy would have negative implications for German exporters, although the direct impact is limited. There could be negative second-round effects also on business in the whole CEE region. Uncertainty may lead to a wait-and-see attitude of companies, thereby weighing on the investment activity. This deterioration of the outlook for the CEE economies would have negative consequences on Germany and its trading partners, especially on Italy’s real economy at a time when domestic demand is still fragile.

On the FI side, we would initially observe a flight-to-quality on German and US bonds, where we expect a moderate richening vs swap of 10/15 bps respectively. In the periphery, spreads would come under pressure. The Italian and Spanish swap spreads would widen by 250/230 bps.

With respect to FX, EUR is expected to sharply depreciate mainly against USD, as USD would likely continue to be perceived as the reference safe-haven currency in case of escalating turmoil in the eurozone. EUR would also probably lose ground versus JPY, GBP and CHF, which are also traditional safe-haven currencies.

Credit Spread shifts are particularly high for Russia Federation and Ukraine and higher spillover will be on other CEE countries, mainly Bosnia Herzegovina/Bulgaria/Croatia/Hungary/Romania. As for Interest Rates, curves evidence a counterclockwise swing (decrease of IR on short maturities, increase of IR on long maturities) for PLN/HUF/RON.

Emerging Markets Slowdown

This scenario, introduced in June 2011, covers the period 2011, 2012 and 2013. It assumes a shock coming from the real economy, namely a sharp slowdown in the growth rate of emerging economies starting in 2011 and intensifying during 2012. This would negatively affect EMU GDP growth and, to a lesser extent, the US, where the weight of the manufacturing sector and trade openness is lower. As a result of weaker economic activity and lower oil prices, inflation would slow down. The combination of weaker GDP growth and lower inflation would lead to a considerable slowdown in the normalization of monetary policy rates.

In terms of macro-economic variables, this scenario assumes:

- credit spreads: as for European sovereign spreads the deterioration is not severe compared to the Sovereign Tensions scenario because the shock would affect credit-risk premium only indirectly. The shock would reflect more on oil companies which are not included in the “iTraxx main”. The widening of the iTraxx Financial Senior and Sub is also important;
- the shock has no impact on the Japanese yield curve. The impact on the US, EU and UK curves is that of a fall in yields which will bull flatten as the time bucket increases. This reflects the worsening growth outlook and the resulting more positive inflation outlook. The Euribor curve is the most reactive of the three as the risk aversion gives further support to Bunds;
- the performance of stock markets will lower and equity volatilities will increase;
- the EUR is expected to depreciate against the US Dollar, Japanese Yen and Swiss Franc (because of the demand for safe-havens) and to appreciate versus the other European currencies and Turkish Lira.

Stress Test on trading book

Scenario				(€ million)
12.31.2014	**2014**			
	Emerging Market Slowdown	**Grexit**	**WideSpread Contagion**	**Adverse CEE**
UniCredit Spa	-20	-103	-69	-87
Bank Pekao SA	-6	-1	-1	-5
UCBA AG Group	5	101	9	10
UCB AG Group	-936	-637	-440	-873
UniCredit Group Total	**-957**	**-640**	**-500**	**-956**

Conditional losses in Trading Book are driven by UCB AG perimeter, mainly Equity and Integrated Credit Trading Business Lines in CIB perimeter. Conditional losses increased during the semester due to new iTraxx and Equity positions. In addition losses in UniCredit SpA increased as a consequence of the increased exposure to Republic of Italy. Results of the new Adverse CEE and Widespread Contagion scenarios have been added.

2.9 Derivative instruments

A. Financial Derivatives

A.1 Regulatory trading book: end of period notional amounts

(€ '000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**1,957,796,359**	**83,817,977**	**2,111,284,921**	**73,125,780**
a) Options	275,364,674	55,209,000	322,508,926	25,668,000
b) Swap	1,548,507,821	100,000	1,650,322,166	220,631
c) Forward	34,334,367	596,266	53,248,035	1,979,372
d) Futures	-	27,912,711	26,710	45,257,777
e) Others	99,589,497	-	85,179,084	-
2. Equity instruments and stock indexes	**36,267,001**	**34,500,375**	**108,800,337**	**31,150,057**
a) Options	25,443,991	28,269,502	94,537,276	24,068,811
b) Swap	9,748,000	425,000	11,559,000	398,000
c) Forward	236,009	9	387,001	-
d) Futures	-	5,805,864	65	6,683,242
e) Others	839,001	-	2,316,995	4
3. Gold and currencies	**532,865,279**	**23,306**	**555,046,076**	**75,251**
a) Options	30,001,430	-	27,213,289	-
b) Swap	229,893,978	-	214,531,004	-
c) Forward	272,173,839	-	312,783,424	-
d) Futures	-	23,306	-	75,251
e) Others	796,032	-	518,359	-
4. Commodities	**3,031,908**	**1,363,000**	**3,204,261**	**756,000**
5. Other underlyings	**2,006,615**	**-**	**1,463,710**	**-**
Total	**2,531,967,162**	**119,704,658**	**2,779,799,305**	**105,107,088**
Average amounts	**2,655,883,234**	**112,405,873**	**2,997,604,364**	**118,426,705**

This table refers to the notional values of financial derivatives according to classification within regulatory trading book applied by any separate Legal Entity belonging to Banking Group only. Derivatives belonging to this portfolio may not be the same as derivatives classified in the held for trading portfolio for accounting purposes (see Table A.2.2).

Amounts reported in column "Over the counter" of tables A.1, A.2.1, A.2.2, A.3 and A.4 include OTC traded contracts settled with Central Clearing Counterparts.
Column "Clearing House" of tables A.1, A.2.1, A.2.2, A.3 and A.4 includes those contracts negotiated within listed markets and supported by margining processes overriding counterparty risk exposure.

A.2. Banking portfolio: end of period notional amounts

A.2.1 Banking book: end of period notional amounts - Hedging derivatives

(€ '000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**27,198,418**	**4,409,000**	**24,151,338**	**8,078,000**
a) Options	4,707,750	-	1,994,000	-
b) Swap	22,490,668	-	20,894,338	-
c) Forward	-	-	1,263,000	-
d) Futures	-	4,409,000	-	8,078,000
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**1,288,000**	**-**	**5,394,248**	**-**
a) Options	-	-	248	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	1,288,000	-	5,394,000	-
3. Gold and currency	**5,146,394**	**-**	**7,814,228**	**-**
a) Options	579,000	-	489,000	-
b) Swap	2,823,669	-	3,111,711	-
c) Forward	1,743,725	-	4,213,517	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**33,632,812**	**4,409,000**	**37,359,814**	**8,078,000**
Average amounts	**35,496,313**	**6,243,500**	**39,568,387**	**7,376,500**

This table refers the notional value of hedging financial derivatives belonging to regulatory banking book in accordance with classification applied by any separate Legal Entity belonging to the Banking Group only.

A.2.2 Banking book: end of period notional amounts - Other derivatives

(€ '000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
1. Debt securities and interest rate indexes	**37,349,357**	**-**	**42,126,505**	**12,000**
a) Options	6,083,792	-	6,093,987	-
b) Swap	31,265,565	-	36,032,518	-
c) Forward	-	-	-	-
d) Futures	-	-	-	12,000
e) Others	-	-	-	-
2. Equity instruments and stock indexes	**1,901,095**	**-**	**2,044,160**	**-**
a) Options	1,901,095	-	2,044,160	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
3. Gold and currency	**1,320,335**	**-**	**1,710,657**	**-**
a) Options	97	-	60,006	-
b) Swap	-	-	242,085	-
c) Forward	1,320,238	-	1,408,566	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
4. Commodities	**3,584**	**-**	**45,993**	**-**
5. Other underlyings	**-**	**-**	**-**	**-**
Total	**40,574,371**	**-**	**45,927,315**	**12,000**
Average amounts	**43,250,843**	**6,000**	**40,415,850**	**6,000**

This table refers to the Banking Group only and gives the notional value of the contracts being presented within Held for Trading portfolio and belonging to regulatory banking book (in particular Held for Trading contracts connected with Asset/Liabilities carried at Fair value through PnL and embedded derivative contracts bifurcated from banking book cash instruments presented within Section B Table 2.1 and 4.1 in lines

Part E – Information on risks and related risk management policies

A.3 Financial derivatives: gross positive fair value - breakdown by product

(€ '000)

	POSITIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
TRANSACTION TYPES/UNDERLYINGS	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading book	**91,109,618**	**1,420,907**	**69,214,139**	**1,411,512**
a) Options	6,803,640	1,389,413	5,554,216	1,386,151
b) Interest rate swaps	71,639,789	-	54,862,206	-
c) Cross currency swap	5,568,692	-	3,526,919	-
d) Equity swaps	220,000	-	212,000	-
e) Forward	6,627,315	373	4,748,198	944
f) Futures	-	31,121	493	24,417
g) Others	250,182	-	310,107	-
B. Banking book - Hedging derivatives	**766,684**	**-**	**803,814**	**-**
a) Options	16,478	-	16,000	-
b) Interest rate swaps	661,770	-	392,804	-
c) Cross currency swap	11,202	-	30,229	-
d) Equity swaps	-	-	-	-
e) Forward	7,234	-	22,781	-
f) Futures	-	-	-	-
g) Others	70,000	-	342,000	-
C. Banking book - other derivatives	**2,487,501**	**-**	**1,456,273**	**164**
a) Options	12,763	-	42,790	-
b) Interest rate swaps	2,469,949	-	1,385,106	-
c) Cross currency swap	-	-	2,986	-
d) Equity swaps	-	-	-	-
e) Forward	4,789	-	25,391	-
f) Futures	-	-	-	79
g) Others	-	-	-	85
Total	**94,363,803**	**1,420,907**	**71,474,226**	**1,411,676**

This table presents distribution by product of the gross positive financial derivatives' fair values before accounting netting in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

A.4 Financial derivatives: gross negative fair value - breakdown by product

(€ '000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	NEGATIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2014		AMOUNTS AS AT 12.31.2013	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
A. Regulatory trading book	**87,658,443**	**1,732,907**	**66,069,121**	**1,287,293**
a) Options	9,067,441	1,578,476	6,989,189	1,236,029
b) Interest rate swaps	64,873,193	-	50,497,393	-
c) Cross currency swap	7,141,773	-	3,976,105	-
d) Equity swaps	214,000	2,000	219,000	1,000
e) Forward	6,253,928	95	4,333,221	581
f) Futures	-	152,336	493	49,683
g) Others	108,108	-	53,720	-
B. Banking book - Hedging derivatives	**1,616,532**	**-**	**1,370,274**	**-**
a) Options	33,456	-	50,175	-
b) Interest rate swaps	1,335,756	-	1,096,531	-
c) Cross currency swap	214,621	-	154,805	-
d) Equity swaps	-	-	-	-
e) Forward	32,699	-	68,763	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
C. Banking book - Other derivatives	**1,673,492**	**-**	**1,167,334**	**83**
a) Options	95,508	-	127,279	-
b) Interest rate swaps	1,575,476	-	1,026,998	-
c) Cross currency swap	-	-	4,484	-
d) Equity swaps	-	-	-	-
e) Forward	2,508	-	8,573	-
f) Futures	-	-	-	79
g) Others	-	-	-	4
Total	**90,948,467**	**1,732,907**	**68,606,729**	**1,287,376**

This table presents distribution by product of the gross negative financial derivatives' fair values before accounting netting in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

Part E – Information on risks and related risk management policies

A.5 OTC Financial derivatives: regulatory trading book - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement

(€ '000)

	AMOUNTS AS AT 12.31.2014						
CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**1,153,495**	**29,527,172**	**63,420,096**	**93,763,108**	**2,141,506**	**38,437,120**	**818,272**
- notional amount	1,152,128	25,765,789	59,060,290	86,926,345	2,069,265	35,928,802	799,997
- positive fair value	1,361	2,425,423	1,272,744	3,329,486	16,137	2,107,166	16,437
- negative fair value	6	1,039,024	2,710,104	3,152,498	41,754	131,156	1,673
- future exposure	-	296,936	376,958	354,779	14,350	269,996	165
2) Equity instruments and stock indexes	**-**	**-**	**94,132,473**	**291,901**	**220,344**	**942,499**	**824,732**
- notional amount	-	-	87,867,219	275,528	206,788	913,609	801,153
- positive fair value	-	-	71,430	1,078	-	14,642	3,792
- negative fair value	-	-	4,770	8,295	2,183	3,412	15,082
- future exposure	-	-	6,189,054	7,000	11,373	10,836	4,705
3) Gold and currencies	**2,635,689**	**1,450,869**	**22,577,174**	**8,427,161**	**145,368**	**19,997,323**	**1,411,095**
- notional amount	2,487,790	1,210,757	20,402,813	7,912,846	131,868	18,003,103	1,377,243
- positive fair value	121,847	-	520,075	189,131	12,146	1,070,683	9,033
- negative fair value	7,874	191,542	1,279,255	190,853	-	525,747	22,750
- future exposure	18,178	48,570	375,031	134,331	1,354	397,790	2,069
4) Other instruments	**-**	**25,000**	**858,619**	**1,461,725**	**-**	**1,190,338**	**-**
- notional amount	-	18,000	723,355	1,370,845	-	914,877	-
- positive fair value	-	5,000	67,264	2,113	-	109,298	-
- negative fair value	-	-	12,000	2,685	-	100,299	-
- future exposure	-	2,000	56,000	86,082	-	65,864	-

Tables A.5, A.6, A.7 e A.8 refer to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process thus overriding counterparty risks exposure).

A.6 OTC Financial Derivatives: Regulatory trading book - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreement

(€ '000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**57,437**	**16,264,797**	**723,684,753**	**1,088,273,931**	**5,953,545**	**45,132,485**	**301,500**
- notional amount	40,412	14,783,934	649,974,662	1,033,009,177	5,344,106	42,663,955	277,500
- positive fair value	17,025	939,171	37,378,500	27,988,432	68,224	1,748,084	24,000
- negative fair value	-	541,692	36,331,591	27,276,322	541,215	720,446	-
2) Equity instruments and stock indexes	**-**	**25,000**	**25,176,000**	**9,184,000**	**619,887**	**101,000**	**-**
- notional amount	-	21,000	23,620,000	8,850,000	598,485	81,000	-
- positive fair value	-	-	664,000	104,000	3,000	1,000	-
- negative fair value	-	4,000	892,000	230,000	18,402	19,000	-
3) Gold and currencies	**1,531,707**	**2,649,000**	**391,656,275**	**59,592,786**	**2,066,602**	**45,904,168**	**64,000**
- notional amount	1,458,237	2,582,000	374,925,567	56,889,995	1,966,435	43,464,627	52,000
- positive fair value	21,588	12,000	7,925,757	1,279,958	50,008	1,298,002	12,000
- negative fair value	51,882	55,000	8,804,951	1,422,833	50,159	1,141,539	-
4) Other instruments	**-**	**-**	**608,000**	**292,000**	**-**	**1,434,473**	**-**
- notional amount	-	-	551,000	252,000	-	1,208,445	-
- positive fair value	-	-	16,000	22,000	-	170,583	-
- negative fair value	-	-	41,000	18,000	-	55,445	-

A.7 OTC Financial derivatives: banking book - notional amounts, positive s and negative gross fair value by counterparty - contracts not included in netting agreement

(€ '000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**7,347,122**	**2,000**	**21,963,302**	**9,719,031**	**597,000**	**271,988**	**591,850**
- notional amount	5,000,000	2,000	20,557,749	9,500,542	582,000	254,345	569,964
- positive fair value	2,287,122	-	442,550	117,675	6,000	3,058	9,649
- negative fair value	-	-	909,823	79,911	-	11,943	11,354
- future exposure	60,000	-	53,180	20,903	9,000	2,642	883
2) Equity instruments and stock indexes	**-**	**-**	**1,662,755**	**69,033**	**-**	**65,097**	**1,636,685**
- notional amount	-	-	1,507,460	65,128	-	65,093	1,551,365
- positive fair value	-	-	69,630	-	-	-	-
- negative fair value	-	-	8,141	-	-	-	84,237
- future exposure	-	-	77,524	3,905	-	4	1,083
3) Gold and currencies	**265,124**	**-**	**5,373,830**	**16,778**	**-**	**39,348**	**146**
- notional amount	264,454	-	4,991,611	16,517	-	20,986	97
- positive fair value	670	-	19,043	-	-	304	-
- negative fair value	-	-	214,400	96	-	17,000	44
- future exposure	-	-	148,776	165	-	1,058	5
4) Other instruments	**-**	**-**	**1,815**	**-**	**-**	**-**	**1,815**
- notional amount	-	-	1,792	-	-	-	1,792
- positive fair value	-	-	10	-	-	-	-
- negative fair value	-	-	-	-	-	-	10
- future exposure	-	-	13	-	-	-	13

A.8 OTC Financial derivatives: banking book - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreements

(€ '000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Debt securities and interest rate indexes	**-**	**82,000**	**21,800,583**	**7,907,434**	**-**	**499,157**	**-**
- notional amount	-	74,000	20,931,212	6,706,744	-	369,219	-
- positive fair value	-	6,000	248,048	32,346	-	6,871	-
- negative fair value	-	2,000	621,323	1,168,344	-	123,067	-
2) Equity instruments and stock indexes	**-**	**-**	**48**	**-**	**-**	**-**	**-**
- notional amount	-	-	48	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
3) Gold and currencies	**-**	**-**	**615,605**	**237,000**	**-**	**364,000**	**-**
- notional amount	-	-	594,064	230,000	-	349,000	-
- positive fair value	-	-	3,209	1,000	-	1,000	-
- negative fair value	-	-	18,332	6,000	-	14,000	-
4) Other instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

A.9 OTC financial derivatives - residual maturity: notional amounts

(€ '000)

UNDERLYING/RESIDUAL MATURITY	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEAR	OVER 5 YEARS	TOTAL
A. Regulatory trading book	**1,072,223,160**	**825,886,044**	**720,825,741**	**2,618,934,945**
A.1 Financial derivative contracts on debt securities	662,880,739	667,715,703	627,199,919	1,957,796,361
A.2 Financial derivative contracts on equity securities	72,615,431	26,562,017	24,057,332	123,234,780
A.3 Financial derivative contracts on exchange rates	333,390,984	130,274,568	69,199,728	532,865,280
A.4 Financial derivative contracts on other values	3,336,006	1,333,756	368,762	5,038,524
B. Banking book	**25,892,019**	**29,401,422**	**18,913,749**	**74,207,190**
B.1 Financial derivative contracts on debt securities	20,209,693	26,418,930	17,919,156	64,547,779
B.2 Financial derivative contracts on equity securities	1,883,780	1,272,134	33,181	3,189,095
B.3 Financial derivative contracts on exchange rates	3,798,546	1,706,774	961,412	6,466,732
B.4 Financial derivative contracts on other values	-	3,584	-	3,584
Amounts 12.31.2014	**1,098,115,179**	**855,287,466**	**739,739,490**	**2,693,142,135**
Amounts 12.31.2013	**1,138,061,010**	**964,139,507**	**760,885,928**	**2,863,086,445**

This table refers to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process overriding counterparty risks exposure).

B. Credit Derivatives

B.1 Credit derivatives: end-of-period notional amounts

(€ '000)

TRANSACTION CATEGORIES	REGULATORY TRADING BOOK WITH A SINGLE COUNTERPARTY	REGULATORY TRADING BOOK WITH MORE THAN ONE COUNTERPARTY (BASKET)	BANKING BOOK WITH A SINGLE COUNTERPARTY	BANKING BOOK WITH MORE THAN ONE COUNTERPARTY (BASKET)
1. Protection buyer's contracts				
a) Credit default products	21,155,000	19,140,400	455,100	-
b) Credit spread products	-	-	-	-
c) Total rate of return swap	-	-	-	-
d) Other	-	-	-	-
Amounts as at 12.31.2014	**21,155,000**	**19,140,400**	**455,100**	**-**
Avarage amounts	**24,857,500**	**22,645,400**	**440,600**	**-**
Amounts as at 12.31.2013	**28,560,000**	**26,150,400**	**426,100**	**-**
2. Protection seller's contracts				
a) Credit default products	23,013,000	19,086,000	100,000	-
b) Credit spread products	15,070	-	-	-
c) Total rate of return swap	-	-	-	-
d) Other	-	-	-	-
Amounts as at 12.31.2014	**23,028,070**	**19,086,000**	**100,000**	**-**
Avarage amounts	**25,285,535**	**23,098,500**	**100,000**	**-**
Amounts as at 12.31.2013	**27,543,000**	**27,111,000**	**100,000**	**-**

This table refers to the notional values of credit derivatives according to classification within regulatory trading or banking book applied by any separate Legal Entity belonging to Banking Group only.

B.2 Credit derivatives: gross positive fair value - breakdown by product

(€ '000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	POSITIVE FAIR VALUE AMOUNTS AS AT 12.31.2014	POSITIVE FAIR VALUE AMOUNTS AS AT 12.31.2013
A. Regulatory trading book	**1,209,298**	**1,052,146**
a) Credit default products	1,207,246	987,146
b) Credit spread products	2,052	-
c) Total rate of return swap	-	3,000
d) Others	-	62,000
B. Banking book	**-**	**1,199**
a) Credit default products	-	1,199
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	-
Total	**1,209,298**	**1,053,345**

This table presents distribution by product of the gross positive financial derivatives' fair values before accounting netting in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

Part E – Information on risks and related risk management policies

B.3 Credit derivatives: gross negative fair value - breakdown by product

(€ '000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	NEGATIVE FAIR VALUE	
	AMOUNTS AS AT 12.31.2014	AMOUNTS AS AT 12.31.2013
A. Regulatory trading book	**1,172,817**	**1,068,000**
a) Credit default products	1,172,000	1,033,000
b) Credit spread products	817	-
c) Total rate of return swap	-	-
d) Others	-	35,000
B. Banking book	**11,567**	**10,879**
a) Credit default products	11,567	10,824
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	55
Total	**1,184,384**	**1,078,879**

This table presents distribution by product of the gross negative financial derivatives' fair values before accounting netting in accordance with regulatory classification applied by any separate Legal Entity belonging to the Banking Group only.

B.4 OTC Credit derivatives: gross FV (positive and negative) by counterpart - contracts not in netting agreement

(€ '000)

CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading book							
1) Protection purchase	**-**	**-**	**6,102,000**	**12,000**	**-**	**5,673**	**-**
- notional amount	-	-	5,305,000	11,000	-	5,400	-
- positive fair value	-	-	126,000	-	-	246	-
- negative fair value	-	-	278,000	-	-	-	-
- future exposure	-	-	393,000	1,000	-	27	-
2) Protection sale	**-**	**-**	**4,454,939**	**-**	**-**	**-**	**-**
- notional amount	-	-	3,613,070	-	-	-	-
- positive fair value	-	-	481,052	-	-	-	-
- negative fair value	-	-	71,817	-	-	-	-
- future exposure	-	-	289,000	-	-	-	-
Banking book							
1) Protection purchase	**-**	**-**	**66,667**	**-**	**-**	**-**	**-**
- notional amount	-	-	65,100	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	1,567	-	-	-	-
2) Protection sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Tables B.4 and B.5 refer to to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process thus overriding counterparty risks exposure).

B.5 OTC Credit derivatives: gross FV (positive and negative) by counterpart - contracts in netting agreement

(€ '000)

CONTRACTS INCLUDED IN NETTING AGREEMENT	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
Regulatory trading book							
1) Protection purchase	**-**	**-**	**28,224,000**	**13,210,000**	**-**	**-**	**-**
- notional amount	-	-	27,461,000	12,818,000	-	-	-
- positive fair value	-	-	296,000	213,000	-	-	-
- negative fair value	-	-	467,000	179,000	-	-	-
2) Protection sale	**-**	**-**	**24,561,000**	**18,762,000**	**-**	**-**	**-**
- notional amount	-	-	23,825,000	18,275,000	-	-	-
- positive fair value	-	-	432,000	265,000	-	-	-
- negative fair value	-	-	304,000	222,000	-	-	-
Banking book							
1) Protection purchase	**-**	**-**	**276,000**	**123,000**	**-**	**-**	**-**
- notional amount	-	-	271,000	119,000	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	5,000	4,000	-	-	-
2) Protection sale	**-**	**-**	**76,000**	**25,000**	**-**	**-**	**-**
- notional amount	-	-	75,000	25,000	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	1,000	-	-	-	-

B.6 Credit derivatives residual maturity: notional amount

(€ '000)

		UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A. Regulatory trading book		**20,387,000**	**68,289,470**	**2,637,000**	**91,313,470**
A.1 Credit derivatives with "qualified reference obligation"		10,379,000	29,189,570	1,025,000	40,593,570
A.2 Credit derivatives with "not qualified reference obligation"		10,008,000	39,099,900	1,612,000	50,719,900
B. Banking book		**109,000**	**446,100**	**-**	**555,100**
B.1 Credit derivatives with "qualified reference obligation"		5,000	300,100	-	305,100
B.2 Credit derivatives with "not qualified reference obligation"		104,000	146,000	-	250,000
Total	**12.31.2014**	**20,496,000**	**68,735,570**	**2,637,000**	**91,868,570**
Total	**12.31.2013**	**27,594,000**	**79,549,500**	**2,747,000**	**109,890,500**

This table refers to OTC derivatives' contracts belonging to Banking Group Legal Entities (excluded those contracts negotiated within listed markets and supported by margining process overriding counterparty risks exposure).

Part E – Information on risks and related risk management policies

C. Credit and Financial Derivatives

C.1 OTC Financial and credit derivatives: net fair values and future exposure by counterparty

(€ '000)

	AMOUNTS AS AT 12.31.2014						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
1) Netting agreements related to Financial Derivatives	**66,053**	**377,101**	**12,644,176**	**7,399,497**	**71,898**	**2,874,700**	**-**
- positive fair value	19,463	144,908	3,443,116	657,822	17,914	1,062,365	-
- negative fair value	25,734	49,428	2,518,801	1,785,938	27,457	463,967	-
- future exposure	696	18,934	1,638,833	2,156,491	4,306	143,817	-
- net counterparty risk	20,160	163,831	5,043,426	2,799,246	22,221	1,204,551	-
2) Netting agreements related to Credit Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
3) Cross Product netting agreements	**14,106**	**960,829**	**24,281,596**	**8,062,472**	**735,119**	**4,528,111**	**141,961**
- positive fair value	-	315,414	9,006,293	2,147,510	63,097	1,362,778	57,367
- negative fair value	7,431	158,142	9,859,440	2,527,517	563,687	904,658	3,058
- future exposure	-	-	793,339	147,493	1,853	129,991	-
- net counterparty risk	6,675	487,273	4,622,524	3,239,952	106,482	2,130,684	81,536

Section 3 – Liquidity Risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring liquidity risk
Liquidity risk is defined as the risk that the Group may find itself unable to fulfill its expected or unexpected payment obligations (by cash or delivery), current and future, without jeopardizing its day-to day operations or its financial condition.

The key principles

The Liquidity Centres
The Group aims to maintain liquidity at the level enabling to conduct safe operations, to fund its operations at the best rate conditions under normal operating circumstances, and to remain always in a position to meet payment obligations.
To this end, the Group complies accurately with the legal and regulatory provisions imposed by the national Central Banks and by the national authorities of each country where it operates.

In addition to local legal and regulatory requirements the Group, through the Parent Company and under the responsibility of its Group Risk Management, defines policies and metrics to be applied at the Group-wide level, to ensure that liquidity position of any Entity meets the requirements of the Group.

For these reasons, the Group is organized on a managerial perspective, according to the concept of the Liquidity Centres.
The Liquidity Centres are Legal Entities that act in their responsibility as liquidity hub. They are in charge:

- of the liquidity management and concentration process of liquidity flows of the Legal Entities falling within their perimeter of responsibility;
- of the funding optimization carried out on the relevant local markets and are responsible to coordinate the access to short term and medium long term markets of the legal entities belonging to their perimeter;
- finally, of the implementation of the Group's liquidity rules at local level in line with Group's Governance Guideline and Policy and with local regulations.

A particularly important role is played by the Parent Company, as a "supervisory and overarching liquidity centre" with its role of steering, coordinating, and controlling all the aspects regarding liquidity for the whole Group. The Parent Company has the responsibility to set the overall Group Risk Appetite and sub-allocate the limits. This activity is however based on the input/limit requests from Liquidity Centres and/or Legal Entities. The Parent Company, moreover, acts as the Liquidity Centre Italy.

The principle of "self-sufficiency"
This organization model allows self-sufficiency of the group by accessing the local and global markets for liquidity in a controlled and coordinated way. According to Group Policies, structural liquidity surpluses can be up-streamed to the Holding Company, unless legal requirements prevent it. The liquidity available at country level could be subject to restrictions due to legal, regulatory and political constraints. The so called "Large Exposure Regime", applied throughout Europe, along with specific national laws like the "German Stock Corporation Act", are examples of legal constraints to the free circulation of funds within a cross-border banking Group[13].

As a general rule, the Large Exposure Regime, which came into force on 31 Dec 2010, limits interbank exposures to a maximum of 25% of own funds: this rule is also applicable to intra-group exposures.
However, there are significant differences in the way in which this EU regulation has been implemented in the various countries. In many CEE countries the limit of 25% of free funds is valid, with some countries showing even stricter rules; in Austria, according to the National law, the "25% of own funds limit" is not applied to exposures towards the parent company, if located in the European Economic Area; finally, in Germany the national Regulator has set up a process to apply for a waiver, exempting intra-group exposures from the large exposure limitation.

In the absence of official limits valid at National level, Austrian and German Regulators reserve the right to judge the exposure level on a case-by-case basis. In the current economic environment, in many of the territories in which the Group operates, Banking Regulatory Authorities are adopting measures aimed at reducing the exposure of their National banking system towards foreign jurisdictions with potential negative impacts on the ability of the Group to finance its activities.

[13] Also the Bank of Italy Rules, Circolare 263, foresees that the liquidity reserves are placed in each Legal Entity in order to minimize the transfers of cash reserves (Titolo V, capitolo 2, Sezione III. 7 before last paragraph).

Part E – Information on risks and related risk management policies

For these reasons, the "Liquidity Management & Control Group Policy" provides for a further principle in order to enhance a sound liquidity risk management; that is, each Legal Entity (in particular those located in a country different from the one of its Liquidity Centre of reference), has to increase its liquidity self-sufficiency in an on-going basis and under stressed conditions, fostering each Legal Entity to exploit its strengths, in order to optimize the cost of funds of the Group.

This type of organization promotes the self-sufficiency of the Legal Entities, by allowing them to access the local and global markets for liquidity in a controlled and coordinated way, whilst optimizing: i) the liquidity surpluses and deficits within the Group's legal entities ii) the overall costs of funding across the Group.

Roles and responsibilities
At Group level, three main functions are identified in the management of the liquidity: the Group Risk Management competence line, the "Finance" function (within Planning, Finance & Administration competence line), and the "Treasury" function (within the "Markets" Business Unit), each with different roles and responsibilities. In particular, the operational responsibilities reside in the Finance and the Treasury functions, while the Risk Management function has responsibilities of independent controls and independent reporting compared to the operational functions (in line with the current requirements of Bank of Italy).

More specifically, Group Treasury acts as main coordinator in the management of infra-group flows, stemming from liquidity deficits or surplus of the various Group's Legal Entities, and applies the appropriate transfer prices to such funds movements. By doing so, Group Treasury ensures a disciplined and efficient access to the markets.

Optimisation of liquidity risks is pursued through the setting of specific limits on the standard banking activity of transforming short, medium and long-term maturities. This is implemented in accordance with legal and regulatory framework in each country and internal rules and policies of the Group companies through management models in place within the individual Liquidity Centres.

Such models are subject to analyses carried out by the local Risk Management or equivalent structure with the same responsibilities in coordination with the Group's Risk Management to ensure that they comply with the metrics and the objectives of the Group's liquidity framework.
Moreover, the regional rules must conform to national law and regulatory requirements.

Risk measurement and reporting systems

Techniques for risk measurement
The different types of liquidity risk managed by the bank are:

- funding risk, the bank may not be able to face efficiently any expected or unexpected cash outflows due to the unavailability of funding sources;
- market risk, the bank, in liquidating a sizeable amount of assets, face a considerable (and unfavorable) price change generated by exogenous or endogenous factors;
- mismatch risk, risk generated by the misalignment between the amounts and / or the maturities of cash inflows and outflows;
- contingency risk, future and unexpected obligations (i. e. draw on committed facilities, deposits withdrawal, increase in collateral pledging) could require the bank a greater amount of liquidity compared to what is considered the amount to run the ordinary business.

Liquidity risk, for its particular nature, is addressed by means of gap analyses, liquidity stress testing, and complementary measures (mainly through a set of indicators: e.g. loan to deposit gap, liquidity coverage ratio). In particular, gap analyses are performed within two distinct time horizons:

- liquidity imbalance mismatch approach on a daily basis, which controls for the short term liquidity risk arising from the overnight up to a 3 months maturity;
- gap ratios on a monthly basis, which control the medium to long term risk (structural liquidity) from the 1Y maturity onwards.

The Group's liquidity framework
The Group's liquidity framework is based upon the Liquidity Risk Mismatch Model which is characterized by the following fundamental principles:

- Short-term liquidity risk management (operational liquidity), which considers the events that will impact upon the Group's liquidity position from 1 day up to one year. The primary objective is to maintain the Group's capacity to fulfill its ordinary and extraordinary payment obligations while minimizing the relevant costs.
- Structural liquidity risk management (structural risk), which considers the events that will impact upon the Group's liquidity position over one year. The primary objective is to maintain an adequate ratio between medium/long term liabilities and medium to long-term assets, with a view to avoiding pressures on short-term funding sources (both current and future), while in the meantime optimizing the cost of funding.
- Stress tests: Liquidity risk is a low probability, high impact event. Therefore stress testing is an excellent tool to reveal potential vulnerabilities in the Balance Sheet. The Bank uses several scenarios ranging from general market crisis to idiosyncratic crisis, and combinations hereof.

Moreover, the liquidity framework is also integrated by complementary measures, included in the Group's Risk Appetite framework. One of these is the Core Banking Book Funding Gap (an improved loan-to-depo gap), which is calculated on a quarterly basis and which measures to what extent the commercial loan portfolio is financed through commercial liabilities.

In this context, the Parent Company takes into account all of the assets, liabilities, off-balance sheet positions and present and future events which generate certain or potential cash flows for the Group, thereby protecting the Group Banks/Companies from risks related to the transformation of maturity.

Short term liquidity management
Short-term liquidity management aims at ensuring that the Group remains in a position to fulfill its cash payment obligations, whether expected or unexpected, focused on the exposure for the first 12 months.

The standard measures taken for such purposes are the following:
- management of the access to payment systems (operational liquidity management);
- management of cash payments to be made and monitoring of the level of liquidity reserves and the extent of their utilization (analysis and active management of the maturity ladder).

These principles are applicable at Group level and have to be used across the Liquidity Centres.

The Operative Maturity Ladder is composed by the net cash flows (in/outflows) affecting the cash position at Central Banks or "Nostro Account". Therefore, this flows impact directly the "core liquidity" of the bank, over pre-defined time buckets.
The Operational Maturity Ladder, calculated for all the relevant currencies, is composed of the following building-blocks:
- Primary Gap, which shows the net wholesale refinancing requirements over the various time-buckets of the horizon;
- Counterbalancing Capacity, which shows the amount of unencumbered securities that are accepted as collateral by Central Banks and / or market counterparties. The Counterbalancing Capacity is considered at its "Liquidity Value" (i.e. the Market Value minus the applicable Haircut);
- Cumulative Gap, which is the sum of the previous components;
- Reservation for Unexpected Flows, which consists of liquidity adjustment to the Operative Maturity Ladder, that can be used by the Treasury to refinance unexpected outflows impacting the Central Bank position (included in the short term buckets). The Reservation for Unexpected Flows needs to take into account the volatility of the funding needs of the commercial asset portfolio, the volatility of the commercial funding sources, including potential concentration effects, the change of liquidity value of the Counterbalancing Capacity due to observed market price changes.

The Group adopts also the Cash Horizon as a synthetic indicator of the short term liquidity risk levels. The Cash Horizon identifies the number of days after which the relevant Entity is no longer able to meet its liquidity obligations as expressed in the Operative Maturity Ladder, after having exhausted the available Counterbalancing Capacity. The Cash Horizon is including in the Risk Appetite Framework, with a limit of at least 3 months.

Structural liquidity management
The Group's structural liquidity management aims to limit refinancing exposures with respect to maturities exceeding one year and thus reducing refinancing needs in the shorter term. The structural Liquidity Ratio over 1 year is one of the liquidity metrics included in the Group's Risk Appetite framework. The maintenance of an adequate ratio between medium to long-term liabilities and assets aims to avoid pressures on short-term sources, whether present or future.

The standard measures taken for such purposes are the following:
- the spreading of the maturity of funding operations in order to reduce the usage of less stable funding sources, while in the meantime optimizing the cost of funding (integrated management of strategic liquidity and tactical liquidity);
- the financing of growth through strategic funding activities, setting the most appropriate maturities (Yearly Funding Plan);
- the balancing of medium- to long-term wholesale funding requirements with the need to minimize costs, by diversifying sources, national markets, currencies of issuance and instruments used (realization of the Yearly Funding Plan).

The main metric used to measure the medium long term position is the Structural Ratio.
In general, the Structural Liquidity ratio "1Y Ratio" is calculated as the ratio between liabilities and assets with maturity above one year. All the balance sheet items are mapped according to their contractual maturity, their modelled maturity or according to their specific nature. The limit set at 90% means that at least 90% of the assets with a maturity of over 1Y have to be financed with liabilities with maturity over 1Y.
The over 1 year metric uses the amounts in the buckets from 1 year up to and including irredeemable. The ">3 year" ratio uses the amounts in the buckets from 3 years up to and including irredeemable. The ">5 year" ratio uses the amounts in the buckets "7 year" up to and including "Irredeemable".

Liquidity Stress Test
Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. As a forward looking tool, liquidity stress testing diagnostics the institution's liquidity risk. In particular the results of the Stress tests are used to:

- assess the adequacy of liquidity limits both in quantitative and qualitative terms;
- plan and carry out alternative sourcing transactions for purposes of off-setting liquidity outflows;
- structure/modify the liquidity profile of the Group's assets;
- provide support to the development of the liquidity contingency plan.

In order to execute Stress tests that are consistent across the Liquidity Centres, the Group has a centralised approach to stress testing, requiring each local Liquidity Centre to run the same scenario set under the coordination of the Group Risk Management. The Group runs liquidity scenarios and sensitivity analyses on a regular basis, the latter by assessing the impact on an institution's financial condition of a move in one particular risk factor, the source of the shock not being identified, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on a hypothetical, well defined and consistent stress scenario.

Liquidity scenarios
At macro level the Group identifies three basic different classes of potential liquidity crisis:

- market (systemic, global o sector) related crisis: Market Downturn Scenario. This scenario consists of a sudden turmoil in a monetary and capital market, which may be caused by closure (or limited access) to market/settlement system, critical political events, country crisis, credit crunch, etc.;
- specific to the Group, or part of it: name crisis, and downgrade scenarios; the assumption could be operational risk, event related to the worsen perception of the Group reputation risk and a downgrade in UniCredit S.p.A. rating;
- a combination of market and specific crisis: combined scenario. The survival period of the combined liquidity stress test scenario is one of the liquidity metrics included in the Group's Risk Appetite framework.

These scenarios are expected to cause a substantial reduction in the funding coming from rating-sensitive customers, CD/CPs' investors and inter-bank markets. For inter-bank deposits and CD/CPs a significant reduction of the duration is also simulated. In additional, a possible draw of non-used Committed Lines is considered.

The Combined Scenario is defined as a general negative development in the market environment and also as a factual or market-hypothesized problem specific to the Bank/Group. During 2014 the Group liquidity stress test result on the combined scenario was always positive.

The results of the stress test may highlight the needs of setting up specific limits concerning, for instance, unsecured funding, the ratio between cash-in/cash-out flows and counterbalancing capacity, the ratio between eligible and non-eligible securities, among others.

Monitoring and reporting
In the Group the governance and control of liquidity risk is mainly performed through the setting and monitoring of operating restrictions aimed at preventing potential vulnerabilities in the bank's ability to meet its cash flow obligations.

The short term liquidity limits are monitored and reported on a daily basis. The structural liquidity ratios and its exposure against limits are monitored and reported on a monthly basis. The survival period and the result of the liquidity stress test are reported and monitored on a weekly basis.

The Group measures and manages liquidity mainly based on monitoring system that envisages different types of restrictions – managerial, regulatory and risk driven – embedded in risk metrics limits or warning/trigger levels.

In both the events of limit breach or warning level activation at Group Level, the Group Risk Management function has to investigate the rationale of the events, trigger the proper escalation and report them to the competent Body. It is then Competent Body's responsibility – upon receiving of information and recommendations – to decide on the further course of action.

Risk mitigation

Mitigation factors
It is generally accepted that liquidity risk cannot be mitigated by capital. As such liquidity risk does not add to the economic capital usage, nevertheless it is considered as an important risk category also for the risk appetite determination of the Group. The main liquidity mitigation factors for UniCredit group are:

- an accurate short term and medium to long term liquidity planning monitored monthly;
- an effective Contingency Liquidity Policy (CLP) with feasible and up-to-date Contingency Action Plan (CAP) to be executed in case of market crisis;
- a liquidity buffer to face unexpected outflows;
- robust and regular up to date stress testing performed on a high frequency.

Funding Plan
The Funding Plan plays a fundamental role in the overall liquidity management influencing both the short term and the structural position. The Funding Plan, defined at each level (i.e. Group, Liquidity Center and Legal Entity level), is developed consistently with a sustainable uses and sources analysis both on short term and structural position. One of the objectives of accessing the medium and long term channels is to avoid also the pressure on the short term liquidity position. The Funding Plan is updated at least on a yearly basis and is approved by the Board of Directors. Moreover, it is aligned with the Budgeting process and the Risk Appetite framework.
The Parent Company is the responsible for accessing the market for Group Bank Capital Instruments.
The Parent Company, through the Planning Finance and Administration (PFA) function, coordinates the market access of the Liquidity Centres and Legal Entities, while the Liquidity Centres coordinate the access of the Legal Entities falling within their perimeter.
Each Legal Entity or Liquidity Centre, under the responsibility of PFA, can access the markets for medium and long term funding, in order to increase its self-sufficiency, exploit market opportunities and functional specialization, safeguarding the optimization of cost of funds of the Group.
PFA is responsible for the elaboration of the Funding Plan. Risk Management is responsible for providing an independent assessment of the Funding Plan.

The Group is also adopting Basel 3 regulatory ratios, such as Liquidity Coverage Ratio (LCR), as integral part of the overall liquidity management analysis. The necessity to meet the Liquidity Coverage Ratio requirement is effectively within the Group Funding Plan as well as within the Group Risk Appetite framework. At this purpose, an additional metric, aimed to measure the funding needs originated from the commercial activity of the Bank, is used: the Core Banking Book Funding Gap. The Core Banking Book Funding Gap measures the need of funding the bank has to fill on the wholesale market. The indicator is integrated in the Risk Appetite Framework with the aim of monitoring and managing the level of funding coverage of net loans to customers, coming from funding sources not exclusively obtained through Treasury/Finance activity. It is the result of the algebraic sum of the loans to customers and commercial funding.

Group Contingency Liquidity Policy
A liquidity crisis is a high impact, low probability event. Therefore, a crisis-mode operating model, that can be activated effectively in case of crisis according to an approved procedure, has been defined. In order to be able to proceed timely, a set of mitigating actions have been be pre-defined. Depending on the situation some of these actions can then be approved for execution.

The ability to act in time is essential to minimize the potentially disruptive consequences of a liquidity crisis. The analytics of the Stress tests will form a valuable tool to identify the expected consequences and to define up front the most suitable actions in a certain crisis scenario. In combination with Liquidity Risk Indicators the organization may even be able to reduce the liquidity effects in the initial stages of a crisis.

Liquidity crises usually develop quickly and the relevant signals may be either difficult to interpret or may even be lacking; it is, therefore, important to identify clearly players, powers, responsibilities, communication and reporting criteria, in order to increase significantly the probability of overcoming the state of emergency successfully. A liquidity crisis could be classified as systemic (e.g. overall capital and money market disruption) or specific (e.g. specific within the sphere of the bank), or a combination of both.

The Group Contingency Liquidity Policy (CLP) has the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the clear identification of individuals, powers, responsibilities, communication, and reporting criteria, with a view of increasing significantly the probability of successfully overcoming the state of emergency. This is achieved through:

- activation of extraordinary liquidity governance and operating model;
- consistent internal and external communication;
- a set of available standby mitigating liquidity actions;
- a set of liquidity risk indicators that may point towards a developing crisis.

Part E – Information on risks and related risk management policies

A fundamental part of the Contingency Liquidity Policy is the Contingency Funding Plan. Such a plan consists of a set of potential but concrete management actions. Such actions should be described in terms of a menu of actions together with sizes, instruments, and timing of execution aimed at improving the bank's liquidity position mainly during times of crisis. The Contingency Funding Plan has to be developed on the basis of the annual Funding Plan. Group Risk Committee (GRC) gives the final approval and decides whether the Board of Directors has to be informed.

Liquidity Risk Indicators

A system of Liquidity Risk Indicators is necessary in order to continuously monitor situations of stress, which may, among others, be originated by market, sector or name specific events. That is, they could be based either on macroeconomic or microeconomic variables, internal or external, depending on the prevailing macroeconomic context, and by taking into account the monetary policy of the Central Banks. The system of Liquidity Risk Indicators should support the management decisions in case of deteriorating of Liquidity position or stressed situations.

QUANTITATIVE INFORMATION

1.Time breakdown by contractual residual maturity of financial assets and liabilities

(€ '000)

	AMOUNTS AS AT 12.31.2014									
ITEMS/MATURITIES	**ON DEMAND**	**1 TO 7 DAYS**	**7 TO 15 DAYS**	**15 DAYS TO 1 MONTH**	**1 TO 3 MONTHS**	**3 TO 6 MONTHS**	**6 MONTHS TO 1 YEAR**	**1 TO 5 YEARS**	**OVER 5 YEARS**	**UNSPECIFIED MATURITY**
Balance sheet assets	**79,078,787**	**24,323,238**	**18,098,230**	**25,844,657**	**49,115,267**	**34,990,166**	**65,426,150**	**226,509,101**	**200,602,958**	**17,267,867**
A.1 Government securities	24,682	9,670	256,746	497,524	1,209,948	2,599,212	11,429,932	52,966,494	24,582,268	56,831
A.2 Other debt securities	131,418	2,077,514	124,434	487,814	2,229,549	2,479,868	9,505,052	28,921,812	20,836,077	10,075,008
A.3 Units in investment funds	1,011,271	12				-	40	1,032		2,102,970
A.4 Loans	77,911,416	22,236,042	17,717,050	24,859,319	45,675,770	29,911,086	44,491,126	144,619,763	155,184,613	5,033,058
- Banks	22,733,566	6,592,311	5,022,627	4,879,871	16,489,599	3,019,160	3,927,932	1,208,410	1,391,783	2,730,322
- Customers	55,177,850	15,643,731	12,694,423	19,979,448	29,186,171	26,891,926	40,563,194	143,411,353	153,792,830	2,302,736
Balance sheet liabilities	**270,604,735**	**43,125,175**	**23,904,128**	**25,062,105**	**78,305,704**	**36,512,203**	**42,840,963**	**123,079,459**	**53,995,017**	**8,782,496**
B.1 Deposits and current accounts	266,162,685	16,769,040	10,838,901	11,713,390	40,161,089	13,439,518	15,011,598	16,459,116	1,563,545	119
- Banks	16,143,095	3,950,729	782,667	1,563,382	1,399,552	618,788	954,821	2,057,409	529,049	-
- Customers	250,019,590	12,818,311	10,056,234	10,150,008	38,761,537	12,820,730	14,056,777	14,401,707	1,034,496	119
B.2 Debt securities	267,260	723,376	522,869	3,690,018	7,384,726	8,435,900	17,393,159	77,831,370	40,706,889	2,313,626
B.3 Other liabilities	4,174,790	25,632,759	12,542,358	9,658,697	30,759,889	14,636,785	10,436,206	28,788,973	11,724,583	6,468,751
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	5,204	16,509,990	9,368,688	14,113,155	24,974,205	31,514,662	19,323,411	16,409,044	4,371,475	56,604
- Short positions	5,173	16,805,143	9,414,706	14,188,899	24,464,017	31,038,271	19,767,258	17,466,086	5,024,681	64,127
C.2 Cash settled financial derivatives										
- Long positions	22,390,251	686,755	5,984,948	1,818,483	7,640,442	2,038,617	2,779,645	12,051,114	12,164,081	14,032
- Short positions	20,692,182	682,277	5,967,338	1,792,281	7,647,404	1,700,685	2,820,072	12,427,627	12,145,341	14,032
C.3 Deposit to be received										
- Long positions	2,943	8,165,635	-	-	49,462	482,746				
- Short positions		5,638,775	3,368	181,781	1,040,271	479,998	1,320,953		35,640	
C.4 Irrevocable commitments to disburse funds										
- Long positions	36,559,928	8,907,708	117,839	1,022,999	9,877,983	3,818,665	5,841,189	31,511,631	5,535,212	903,872
- Short positions	60,328,058	2,875,244	84,471	392,898	6,434,825	3,814,575	4,608,290	20,863,017	3,791,809	903,839
C.5 Written guarantees	1,915,030	2,293	13,376	45,614	256,300	112,159	322,757	957,997	864,565	-
C.6 Financial guarantees received	7,191,229	2,070	2,524	14,765	149,633	81,198	170,623	20,824,815	41,741,833	142,084
C.7 Physically settled credit derivatives										
- Long positions					2,060,070	3,440,000	3,532,000	27,860,400	275,000	
- Short positions					1,752,070	3,403,000	3,255,000	30,200,400	378,000	
C.8 Cash settled credit derivatives										
- Long positions				34,000	5,000	811,000	555,000	6,414,100	1,084,000	-
- Short positions				18,000	25,000	1,378,000	263,000	4,311,100	900,000	-

Part E – Information on risks and related risk management policies

1.1 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro

(€ '000)

	AMOUNTS AS AT 12.31.2014									
ITEMS/MATURITIES	**ON DEMAND**	**1 TO 7 DAYS**	**7 TO 15 DAYS**	**15 DAYS TO 1 MONTH**	**1 TO 3 MONTHS**	**3 TO 6 MONTHS**	**6 MONTHS TO 1 YEAR**	**1 TO 5 YEARS**	**OVER 5 YEARS**	**UNSPECIFIED MATURITY**
Balance sheet assets	**66,178,752**	**16,312,196**	**14,005,819**	**21,615,186**	**34,836,191**	**27,299,316**	**54,300,655**	**186,547,873**	**165,255,417**	**16,535,794**
A.1 Government securities	24,577	9,185	119,320	21,183	915,392	1,915,437	10,353,415	46,181,357	21,781,120	56,821
A.2 Other debt securities	94,791	431,384	116,876	466,813	1,697,341	2,216,637	8,744,449	26,128,229	17,488,276	10,074,793
A.3 Units in investment funds	783,220						40	1,026		2,001,263
A.4 Loans	65,276,164	15,871,627	13,769,623	21,127,190	32,223,458	23,167,242	35,202,751	114,237,261	125,986,021	4,402,917
- Banks	16,747,389	3,335,158	2,194,929	4,095,976	12,317,025	1,982,019	2,968,799	964,301	866,908	2,727,061
- Customers	48,528,775	12,536,469	11,574,694	17,031,214	19,906,433	21,185,223	32,233,952	113,272,960	125,119,113	1,675,856
Balance sheet liabilities	**241,448,647**	**34,208,661**	**14,123,110**	**19,157,467**	**58,930,909**	**30,666,685**	**38,017,963**	**111,031,522**	**51,484,596**	**7,260,110**
B.1 Deposits and current accounts	238,083,886	8,196,444	2,838,594	6,850,879	23,622,669	9,039,594	11,467,493	10,925,013	1,407,911	-
- Banks	14,110,648	2,967,613	486,976	1,143,235	894,832	549,404	747,219	1,565,246	529,049	-
- Customers	223,973,238	5,228,831	2,351,618	5,707,644	22,727,837	8,490,190	10,720,274	9,359,767	878,862	-
B.2 Debt securities	250,479	723,278	521,080	3,571,357	6,646,312	7,752,620	16,514,783	72,878,509	38,678,986	1,407,024
B.3 Other liabilities	3,114,282	25,288,939	10,763,436	8,735,231	28,661,928	13,874,471	10,035,687	27,228,000	11,397,699	5,853,086
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	572	6,577,236	3,912,282	5,101,944	10,288,505	11,638,338	7,531,677	7,849,026	2,688,433	6,709
- Short positions	4,599	6,555,683	1,644,368	3,535,617	8,229,461	15,590,931	9,754,871	10,235,896	1,405,610	39,120
C.2 Cash settled financial derivatives										
- Long positions	21,221,063	250,476	5,391,785	657,822	6,541,489	1,522,382	1,455,946	4,161,330	8,184,433	14,032
- Short positions	19,309,002	70,412	5,483,794	235,842	6,457,938	842,957	1,037,754	4,659,874	8,580,516	14,032
C.3 Deposit to be received										
- Long positions		8,148,207	-	-	49,462	482,746				
- Short positions		5,627,793		181,781	1,039,116	477,233	1,318,851		35,640	
C.4 Irrevocable commitments to disburse funds										
- Long positions	31,092,327	8,687,401	40,796	397,844	2,328,058	2,410,241	3,830,698	26,448,142	4,165,686	900,209
- Short positions	53,573,989	2,623,826	15,745	135,990	1,021,918	769,255	2,474,870	15,842,135	2,435,863	900,209
C.5 Written guarantees	1,897,338	224	5,894	35,229	195,503	59,330	196,847	854,139	804,738	-
C.6 Financial guarantees received	7,019,658	1,038	390	8,767	130,721	49,471	117,633	16,602,751	38,862,446	57,608
C.7 Physically settled credit derivatives										
- Long positions					1,054,000	1,636,000	1,486,000	17,446,400	108,000	
- Short positions					1,081,000	1,837,000	1,549,000	19,112,400	249,000	
C.8 Cash settled credit derivatives										
- Long positions				34,000	5,000	744,000	481,000	5,884,100	1,061,000	-
- Short positions				18,000	25,000	1,279,000	165,000	3,852,100	881,000	-

1.2 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: dollar

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2014 ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**4,352,143**	**1,331,401**	**463,012**	**1,583,181**	**4,172,949**	**1,782,869**	**3,025,862**	**10,982,084**	**5,060,241**	**97,618**
A.1 Government securities	70		70,438	365,571	72	19,032	268,152	2,304,653	895,014	10
A.2 Other debt securities	27,901	3,275	691	8,354	153,227	1,454	124,069	329,345	674,065	
A.3 Units in investment funds	227,949							6		25,621
A.4 Loans	4,096,223	1,328,126	391,883	1,209,256	4,019,650	1,762,383	2,633,641	8,348,080	3,491,162	71,987
- Banks	1,770,041	635,281	80,775	609,582	2,486,746	487,398	729,702	49,464	515,513	-
- Customers	2,326,182	692,845	311,108	599,674	1,532,904	1,274,985	1,903,939	8,298,616	2,975,649	71,987
Balance sheet liabilities	**6,590,641**	**1,366,324**	**1,388,095**	**1,434,827**	**4,331,679**	**1,376,775**	**1,413,281**	**7,158,777**	**1,548,366**	**1,432,440**
B.1 Deposits and current accounts	6,264,206	1,338,790	1,340,981	812,068	3,873,159	788,692	1,016,823	4,506,926	78,839	-
- Banks	1,133,738	759,356	41,765	175,287	324,032	49,353	100,685	345,033	-	
- Customers	5,130,468	579,434	1,299,216	636,781	3,549,127	739,339	916,138	4,161,893	78,839	
B.2 Debt securities	10,316	98	1,789	84,321	351,570	455,683	282,153	2,052,562	1,394,705	895,250
B.3 Other liabilities	316,119	27,436	45,325	538,438	106,950	132,400	114,305	599,289	74,822	537,190
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions	4,632	5,605,072	2,166,100	2,946,501	5,955,855	11,199,040	6,679,118	5,369,253	1,002,813	33,023
- Short positions	574	5,732,549	5,995,448	5,309,410	6,301,930	9,428,958	3,481,129	4,647,693	2,506,416	24,968
C.2 Cash settled financial derivatives										
- Long positions	324,340	121,496	51,944	833,618	171,278	49,869	44,988	3,536,755	115,026	
- Short positions	519,712	206,130	72,083	883,008	168,570	134,850	71,442	3,517,867	311,239	
C.3 Deposit to be received										
- Long positions	2,943	2,987								
- Short positions					1,071	2,758	2,102			
C.4 Irrevocable commitments to disburse funds										
- Long positions	267,165	525	2,727	311,189	6,863,757	232,365	529,807	2,333,639	574,842	3,663
- Short positions	850,504	13,692	2,727	109,367	4,698,323	1,880,569	691,676	2,307,930	561,262	3,630
C.5 Written guarantees	5,644	1,935	7,295	2,222	26,174	18,822	21,118	10,288	46,113	
C.6 Financial guarantees received	49,074	1,032	2,134	5,982	15,815	30,168	32,007	1,638,526	2,251,403	12,985
C.7 Physically settled credit derivatives										
- Long positions					1,006,070	1,804,000	2,046,000	10,414,000	167,000	
- Short positions					671,070	1,566,000	1,706,000	11,088,000	129,000	
C.8 Cash settled credit derivatives										
- Long positions					-	67,000	74,000	530,000	23,000	
- Short positions					-	99,000	98,000	459,000	19,000	

Part E – Information on risks and related risk management policies

1.3 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currencies

(€ '000)

	AMOUNTS AS AT 12.31.2014									
ITEMS/MATURITIES	ON DEMAND	1 TO 7 DAYS	7 TO 15 DAYS	15 DAYS TO 1 MONTH	1 TO 3 MONTHS	3 TO 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
Balance sheet assets	**8,547,892**	**6,679,641**	**3,629,399**	**2,646,290**	**10,106,127**	**5,907,981**	**8,099,633**	**28,979,144**	**30,287,300**	**634,455**
A.1 Government securities	35	485	66,988	110,770	294,484	664,743	808,365	4,480,484	1,906,134	
A.2 Other debt securities	8,726	1,642,855	6,867	12,647	378,981	261,777	636,534	2,464,238	2,673,736	215
A.3 Units in investment funds	102	12				-		-		76,086
A.4 Loans	8,539,029	5,036,289	3,555,544	2,522,873	9,432,662	4,981,461	6,654,734	22,034,422	25,707,430	558,154
- Banks	4,216,136	2,621,872	2,746,923	174,313	1,685,828	549,743	229,431	194,645	9,362	3,261
- Customers	4,322,893	2,414,417	808,621	2,348,560	7,746,834	4,431,718	6,425,303	21,839,777	25,698,068	554,893
Balance sheet liabilities	**22,565,447**	**7,550,190**	**8,392,923**	**4,469,811**	**15,043,116**	**4,468,743**	**3,409,719**	**4,889,160**	**962,055**	**89,946**
B.1 Deposits and current accounts	21,814,593	7,233,806	6,659,326	4,050,443	12,665,261	3,611,232	2,527,282	1,027,177	76,795	119
- Banks	898,709	223,760	253,926	244,860	180,688	20,031	106,917	147,130	-	
- Customers	20,915,884	7,010,046	6,405,400	3,805,583	12,484,573	3,591,201	2,420,365	880,047	76,795	119
B.2 Debt securities	6,465			34,340	386,844	227,597	596,223	2,900,299	633,198	11,352
B.3 Other liabilities	744,389	316,384	1,733,597	385,028	1,991,011	629,914	286,214	961,684	252,062	78,475
Off-balance sheet "transactions"										
C.1 Physically settled financial derivatives										
- Long positions		4,327,682	3,290,306	6,064,710	8,729,845	8,677,284	5,112,616	3,190,765	680,229	16,872
- Short positions		4,516,911	1,774,890	5,343,872	9,932,626	6,018,382	6,531,258	2,582,497	1,112,655	39
C.2 Cash settled financial derivatives										
- Long positions	844,848	314,783	541,219	327,043	927,675	466,366	1,278,711	4,353,029	3,864,622	
- Short positions	863,468	405,735	411,461	673,431	1,020,896	722,878	1,710,876	4,249,886	3,253,586	
C.3 Deposit to be received										
- Long positions		14,441								
- Short positions		10,982	3,368		84	7				
C.4 Irrevocable commitments to disburse funds										
- Long positions	5,200,436	219,782	74,316	313,966	686,168	1,176,059	1,480,684	2,729,850	794,684	
- Short positions	5,903,565	237,726	65,999	147,541	714,584	1,164,751	1,441,744	2,712,952	794,684	
C.5 Written guarantees	12,048	134	187	8,163	34,623	34,007	104,792	93,570	13,714	
C.6 Financial guarantees received	122,497	-	-	16	3,097	1,559	20,983	2,583,538	627,984	71,491
C.7 Physically settled credit derivatives										
- Long positions										
- Short positions										
C.8 Cash settled credit derivatives										
- Long positions										
- Short positions										

2. Disclosures about encumbered assets recognized in the financial statements

TYPE	ENCUMBERED BOOK VALUE	ENCUMBERED FAIR VALUE	UNENCUMBERED BOOK VALUE	UNENCUMBERED FAIR VALUE	TOTAL 12.31.2014	TOTAL 12.31.2013
1. Cash and cash	948,040	X	7,103,082	X	**8,051,122**	**10,520,172**
2. Debt securities	79,631,678	78,379,062	78,531,964	80,306,275	**158,163,642**	**144,741,433**
3. Equity instruments	3,686,646	3,686,646	8,316,394	7,977,808	**12,003,040**	**12,770,527**
4. Loans	137,505,077	X	397,501,749	X	**535,006,826**	**541,688,706**
5. Other financial assets	60,118	X	85,781,638	X	**85,841,756**	**66,723,582**
6. Non-financial assets	1,293,891	X	43,857,113	X	**45,151,004**	**49,474,725**
Total 12.31.2014	**223,125,450**	**82,065,708**	**621,091,940**	**88,284,083**	**844,217,390**	**825,919,145**
Total 12.31.2013	**196,130,337**	**65,697,436**	**629,788,808**	**75,895,274**	**825,919,145**	

3. Disclosures about own encumbered assets not recognized in the financial statements

TYPE	ENCUMBERED	UNENCUMBERED	TOTAL 12.31.2014	TOTAL 12.31.2013
1. Financial assets	**67,563,691**	**77,663,294**	**145,226,985**	**192,741,708**
- Securities	67,098,848	76,379,870	**143,478,718**	**176,752,832**
- Other	464.843	1,283,424	**1,748,267**	**15,988,876**
2. Non-financial assets	**-**	**10,835,309**	**10,835,309**	**10,942,081**
Total 12.31.2014	**67,563,691**	**88,498,603**	**156,062,294**	**203,683,789**
Total 12.31.2013	**113,825,004**	**89,858,785**	**203,683,789**	

Section 4 – Operational Risk

QUALITATIVE INFORMATION

A. General aspects, operational processes and methods for measuring operational risk

Operational risk
Operational risk is the risk of loss due to errors, infringements, interruptions, damages caused by internal processes or personnel or systems or caused by external events. This definition includes legal and compliance risks, but excludes strategic and reputational risk.

For example, losses arising from the following can be defined as operational: internal or external fraud, employment practices and workplace safety, client claims, products distribution, fines and penalties due to regulation breaches, damage to the company's physical assets, business disruption and system failures, process management.

Group operational risk framework
UniCredit Group sets the operational risk management framework as a combination of policies and procedures for controlling, measuring and mitigating the operational risk of the Group and controlled entities.
The operational risk policies, applying to all Group entities, are common principles defining the roles of the company bodies, the operational risk management function as well as the relationship with other functions involved in operational risk monitoring and management.

The Parent company coordinates the Group entities according to the internal regulation and the Group operational risk control rulebook. Specific risk committees (Group Risk Committee, Group ALCO, Group Operational and Reputational Risk Committee) are set up to monitor risk exposure, mitigating actions and measurement and control methods.

The methodology for data classification and completeness verification, scenario analysis, risk indicators, reporting and capital at risk measurement is set by the Parent company Group Operational & Reputational Risks department and applies to all Group entities. A pivot element of the risk control framework is the operational risk management application, allowing the collection of the data required for operational risk control and capital measurement.

The compliance of the Group Operational risk control and measurement system with external regulations and Group standards is assessed through an internal validation process under the responsibility of the Group Internal Validation department of the Parent company and independent from the Group Operational & Reputational Risks department.

In March 2008, UniCredit Group received authorization to use the AMA model (Advanced Measurement Approach) for calculating operational risk capital. The use of this method has been rolled out to the main entities of the Group.

Organizational structure
Senior Management is responsible for approving all aspects relating to the Group operational risk framework and verifying the adequacy of the measurement and control system and is regularly updated on changes to the risk profile and operational risk exposure, with support from the appropriate risk committees if required.

The "Group Operational & Reputational Risks Committee" is responsible for monitoring operational and reputational risks at Group level, evaluating incidents significantly affecting the overall operational and reputational risk profile, submitting to the "Group Risk Committee", for either approval or information, operational and reputational risk strategies, policies, guidelines, methodologies and limits as well as regular reporting on operational and reputational risk portfolio.

The Committee is responsible for ensuring consistency in operational and reputational risk policies, methodologies and practices across Business Functions and Legal Entities. It controls and monitors the Group operational and reputational risk portfolio and risk mitigation actions.

The "Group Operational & Reputational Risk Committee", chaired by the Parent company's head of Group Risk Management, is made up of permanent and guest members. The list of participants of the Committee has been updated in 2014, also in the light of changes in the organizational structure of the Group.

The” Group Operational & Reputational Risks Committee” meets with consulting and suggestion functions for submission to the “Group Risk Committee”, functions/ decision making Bodies/Legal Entities, for the following topics:

- Group risk appetite including capitalization targets and capital allocation criteria for Group operational risks;
- structure and definition of warning levels for Group operational risk for achieving risk allocation targets across Business Functions, Legal Entities and portfolios;
- initial approval and fundamental modifications of risk control and measurement systems for operational risk, including possible action plans, processes, IT and data quality requirements, supported by the validation reports;
- overall strategies for operational risk optimization, “Governance Guidelines” and general “Policies” for the management of Group operational risk;
- action plans to address possible critical findings related to risk control and measurement systems resulting from Group Internal Validation and Internal Audit activities, with regard to the internal control system and risk measurement;
- status update of relevant Basel 2 project activities and processes on operational risk topics;
- ICAAP topics on operational risks;
- yearly Regulatory Internal Validation Report on operational risk;
- advice on matter of operational risk, upon request of the Holding Company;

and for the following topics with reference to reputational risk:

- support, for specific reputational risk events, the crisis management capabilities and stakeholder communication, coherently with the Reputational Risk Management framework;
- advice on matter of reputational risk, upon request of the Holding Company functions/Bodies and Legal Entities;
- issue opinions, upon request of competent Committees, in case of doubt on the application of the reputational risk Global Rules, in order to evaluate the overall transaction;
- issue opinions to evaluate the reputational risk related to non-credit transactions identified by the Head of CIB Division.

The “Group Operational & Reputational Risks Committee” meets with approval function for the following topics:

- special operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including planned mitigation actions within the warning levels defined by the competent Bodies;
- Group insurance strategies, including renewals, limits and deductibles;
- approval and following fundamental modifications of the methodologies for the measurement and control of operational risk, supported by the related validation reports.

The “Group Operational & Reputational Risks Committee” provides the “Group Risk Committee” with the following information:

- regular risk reports on operational losses, insurance recoveries, risk indicators trend, as well as, on back – testing and stress testing results, included the one addressed to the Regulatory Authorities (before the presentation to them);
- results of scenario analyses;
- results of the critical risk indicators analyses;
- relevant internal and external operational events occurred, significantly affecting the Group's portfolio;
- operational and reputational risk policies;
- corrective actions for balancing Group operational risk positions, including mitigation actions;
- Group insurance strategies, including renewals, limits and deductibles;
- methodologies for the measurement and control of operational risk;
- regular reports on reputational risks included the one addressed to Regulatory Authorities (before the presentation to them).

The “Group Operational & Reputational Risks Committee” receives from the relevant competent Committees

- regular report on all transactions for which transaction inherent reputational risks, based on current reputational risk Group Rules, have been evaluated.

Part E – Information on risks and related risk management policies

The Group Operational & Reputational Risks department reports to Group Risk Management department and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and warning levels.

The department has three organizational units:

- The Operational and Reputational Risk Oversight unit is responsible for defining the principles and rules for identification, assessment and control of operational risk and reputational risk (including operational risks bordering on credit risk and market risk), and monitoring their correct application by the Legal Entities.
- The Operational and Reputational Risk Strategies unit is responsible for defining operational risk strategies, defining and controlling warning levels, as well as proposing mitigation actions and monitoring their effectiveness.
- The Operational and Reputational Risk Analytics unit is responsible for defining risk capital measurement approaches, calculating operational risk capital and the corresponding economic capital, as well as conducting quantitative analysis of the Group's exposure to operational risk and reputational risk, and providing suitable reporting to the functions concerned.

The Operational Risk Management functions of the controlled entities provide specific operational risk training to staff, also with the use of intranet training programs, and are responsible for the correct implementation of the Group framework elements.

Internal validation process
In compliance with external regulations, the UniCredit Group operational risk control, management and measurement system is subject to the internal validation process in order to verify its compliance with minimum requirements and Group standards. This process owned by Operational and Pillar II Risks Validation unit, inside the Group Internal Validation department, includes the centralized validation of the Group methodologies and IT system for measuring and allocating the capital at risk as well as of the operational risk management and control standards. The validation of the implementation of the operational risk control and management system within the authorized Legal Entities is instead carried out by each local Operational Risk Management functions through a self-assessment process ruled by specific instructions and guidelines issued by the Group Internal Validation (GIV). The results of such self-assessment are subject to review by GIV which expresses a Non-Binding Opinion for each Legal Entity with regard to the adequacy and compliance of local systems with the regulatory minimum requirements and Group standards, also on the basis of independent controls of data and documentation. The self-assessments results, the NBO and internal audit outcomes are then submitted to the Board of Directors of relevant Legal Entities to resolve on the local system compliance with minimum regulatory requirements.

Results of the validation activity on the Group methodology for capital at risk measurement and on the control and management systems of each Legal Entity are annually consolidated in a document, that along with the annual Internal Audit report, is submitted to the UniCredit Board of Directors. Eventually, the Board of Directors resolves on the Group system compliance with minimum regulatory requirements, also taking into consideration the related decisions taken by individual Governing Bodies of the controlled Legal Entities.

Reporting
A reporting system has been developed to inform senior management and relevant control bodies on the Group operational risk exposure and the risk mitigation actions.
In particular, monthly updates are provided on operational losses, quarterly updates are provided on capital-at-risk estimates, the main initiatives undertaken to mitigate operational risk in the various business areas, operational losses suffered in the credit linked processes (“cross-credit” losses). Furthermore the validation results are submitted to the attention of the Group Operational & Reputational Risk Committee.

Operational risk management and mitigation
Operational risk management exploits process reengineering to reduce the risk exposure and insurance policies management, defining proper deductibles and policies limits. Regularly tested business continuity plans assure sound operational risk management in case of interruption of main business services.

In the Legal entities, the Risk Committee (or other bodies in accordance to local regulations) reviews risks tracked by the Operational Risk functions with the support of functions involved in daily operational risk control, and monitors the risk mitigation initiatives.

Risk capital measurement and allocation mechanism
UniCredit developed an internal model for measuring the capital requirements. The system for measuring operational risk is based on internal loss data, external loss data, scenario loss data and risk indicators.

Capital at risk is calculated per risk class. For each risk class, severity and frequency of loss data are separately estimated to obtain the annual loss distribution through simulation, considering also insurance coverage. The severity distribution is estimated on internal, external and scenario loss data, while the frequency distribution is determined using only the internal data. An adjustment for key operational risk indicators is applied to each risk class. Annual loss distributions of each risk class are aggregated through a copula functions based method. Capital at risk is calculated at a confidence level of 99.9% on the overall loss distribution for regulatory purposes and at a confidence level of 99.93% for economic capital purposes.
Through an allocation mechanism, the individual Legal Entities’ capital requirements are identified, reflecting the Entities’ risk exposure.

B. Legal Risks

UniCredit S.p.A. and other UniCredit group companies are involved in numerous legal proceedings (which include commercial disputes, adversarial regulatory matters and investigations). From time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit group may not lawfully know about or communicate.

The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead, and in certain instances has led, to additional litigation and investigations and subjects the Group to damages claims, regulatory fines, other penalties and/or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies and/or its clients. Given the nature of the Group's business and the reorganization of the Group over time there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory or prosecution authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class actions in the United States). In such cases, given the impossibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards (IAS).

To provide for possible liabilities that may result from pending legal proceedings (excluding labour law, tax cases and credit recovery actions), the UniCredit group has set aside a provision for risks and charges of € 685 million as at December 31, 2014. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in legal proceedings, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending matters may prove to be substantially higher.

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit group and/or its financial situation.

Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course.

This section also describes pending proceedings against UniCredit S.p.A. and/or other companies of the UniCredit group and/or employees (even former employees) that UniCredit considers relevant and which, at present, are not characterised by a defined claim or for which the respective claim cannot be quantified.

In accordance with IAS 37 information which would seriously prejudice the relevant company's position in the dispute may be omitted.

Madoff

Background

UniCredit S.p.A. and various of its direct and indirect subsidiaries have been sued or investigated in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff ("**Madoff**") through his company Bernard L. Madoff Investment Securities LLC ("**BLMIS**"), and which was exposed in December 2008. Madoff or BLMIS and the UniCredit S.p.A. group of companies were principally connected as follows:

- The Alternative Investments division of Pioneer ("**PAI**"), an indirect subsidiary of UniCredit S.p.A., was investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation) ("**Primeo**")) and other non-U.S. funds-of-funds that had invested in other non-U.S. funds with accounts at BLMIS.
- Before PAI's involvement with Primeo, BA Worldwide Fund Management Ltd ("**BAWFM**"), an indirect subsidiary of UniCredit Bank Austria AG ("**BA**"), had been Primeo's investment adviser. BAWFM also performed for some time investment advisory functions for Thema International Fund plc ("**Thema**"), a non-U.S. fund that had an account at BLMIS.
- Some BA customers purchased shares in Primeo funds that were held in their accounts at BA.
- BA owned a 25 percent stake in Bank Medici AG ("**Bank Medici**"), a defendant in certain proceedings described below.
- BA acted in Austria as the "prospectus controller" under Austrian law in respect of Primeo and the Herald Fund SPC ("**Herald**"), a non-U.S. fund that had an account at BLMIS.
- UniCredit Bank AG (then Hypo- und Vereinsbank AG ("**HVB**")) issued notes whose return was to be calculated by reference to the performance of a synthetic hypothetical investment in Primeo.

Part E – Information on risks and related risk management policies

Proceedings in the United States
Purported Class Actions
UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. ("**PGAM**"), a UniCredit S.p.A. subsidiary, were named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "**Southern District**") between January and March 2009 by purported representatives of investors in the Herald funds, the Primeo fund and the Thema funds, which were invested, either directly or indirectly, in BLMIS. Plaintiffs principally alleged that the defendants should have discovered Madoff's fraud. The Herald case asserted violations of the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), demanding some $2 billion in damages, which plaintiffs sought to treble under RICO. Plaintiffs in the three cases also sought damages in unspecified amounts (other than under RICO, as noted above) and other relief.

On November 29, 2011, the Southern District dismissed all three purported class actions on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States was not a convenient forum for resolution of plaintiffs' claims. That decision was upheld on appeal. Various further appeals have followed. Currently a petition remains pending before the United States Supreme Court (the "**Supreme Court**").

Claims by the SIPA Trustee
In December of 2008, a bankruptcy administrator (the "**SIPA Trustee**") for the liquidation of BLMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970 ("**SIPA**"). In December 2010, the SIPA Trustee filed two cases (the "**HSBC**" and the "**Kohn**" case, respectively) in the United States Bankruptcy Court in the Southern District of New York (the "**Bankruptcy Court**") against several dozen defendants, including UniCredit S.p.A., PAI, BA, PGAM, BAWFM, Bank Austria Cayman Islands and certain currently or formerly affiliated persons, as well as Bank Medici. Both cases were later removed to the non-bankruptcy federal trial court, i.e., the Southern District.

Kohn Case
In the Kohn case, the SIPA Trustee made claims against more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands, certain current or formerly affiliated persons, and Bank Medici. Three categories of claims were advanced: "claw-back" claims, common law claims and RICO violations. On November 26, 2014, the SIPA Trustee voluntarily dismissed without prejudice and effective immediately certain defendants (and all claims against them) from the Kohn case, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands and the current or formerly affiliated persons. The case remains pending against certain other defendants not affiliated with UniCredit S.p.A. or its affiliated entities.

HSBC Case
In the HSBC case, the SIPA Trustee made claims against some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, certain current or formerly affiliated persons, and Bank Medici. In this case, the SIPA Trustee (i) made avoidance claims (commonly referred to as "claw-back" claims) against certain defendants on a joint and several basis, including the abovementioned, alleged to be in excess of $2 billion and (ii) sought unspecified amounts (said to exceed several billion dollars) for common law claims, including aiding and abetting BLMIS's breach of fiduciary duty and BLMIS's fraud.

The common law claims were dismissed by the Southern District on July 28, 2011. That decision was upheld on appeal by the Second Circuit. A further request for review by the Supreme Court was also rejected and no further appeals are pending.

The avoidance claims remain pending in the Bankruptcy Court. They are currently subject to a motion that they be dismissed pursuant to a ruling that such avoidance claims cannot be made in respect of transfers outside the United States between foreign transferors and foreign transferees because the relevant provisions of United States law do not apply extra-territorially.

On December 17, 2014, the Bankruptcy Court approved settlements the SIPA Trustee entered into with the Primeo Funds and the Herald Fund. Counsel for the SIPA Trustee then advised counsel for UniCredit S.p.A. that the pending avoidance claims were satisfied as a result of these settlements and that neither UniCredit S.p.A. nor PAI would be named as defendants in a forthcoming amendment to the HSBC complaint. Until such amendment is in fact filed, however, there can be no assurance that the pending avoidance claims against UniCredit S.p.A. and PAI will no longer be pressed.

The current or formerly affiliated persons named as defendants in the HSBC case, who had not been previously served, have now been served. The current or formerly affiliated persons may have similar defenses to the claims as UniCredit S.p.A. and its affiliated entities, and may have rights to indemnification from those parties.

Claims by SPV Optimal SUS Ltd. and by SPV OSUS Ltd.
UniCredit S.p.A. and certain of its affiliates – BA, BAWFM, PAI – have been named as defendants, together with approximately 40 other defendants, in a lawsuit filed in the Supreme Court of the State of New York, County of New York, on December 12, 2014, by SPV OSUS Ltd. The complaint asserts common law based claims in connection with the Madoff Ponzi scheme, principally that defendants aided and abetted and/or knowingly participated in Madoff's scheme. The case is brought on behalf of investors in BLMIS and claims damages in an unspecified amount. The action filed by SPV OSUS Ltd. is in the initial stages.

Proceedings Outside the United States
On July 22 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") sued PAI in the Grand Court of the Cayman Islands, Financial Services Division. PAI and the Primeo Liquidators settled these claims.

Investors in the Primeo and Herald Madoff feeder funds have brought numerous civil proceedings, of which 212 with a claimed amount totaling €128 million plus interest remain. The claims in these proceedings are either that BA breached certain duties regarding its function as prospectus controller, or that BA improperly advised certain investors (directly or indirectly) to invest in those funds or a combination of these claims. The Austrian Supreme Court has issued 8 final decisions with respect to prospectus liability claims asserted in the legal proceedings. With respect to claims related to the Primeo feeder funds, all 6 final Austrian Supreme Court decisions have been in favour of BA. With respect to the Herald feeder funds, the Austrian Supreme Court has ruled twice with respect to prospectus liability, once in favour of BA and once in favour of the claimant. At this stage, it is not possible to forecast what effect these decisions may have on other cases.
In respect of the Austrian civil proceedings pending as against BA related to Madoff's fraud, BA has made provisions for an amount considered appropriate to the current risk.

BA has been named as a defendant in criminal proceedings in Austria which concern the Madoff case.These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund and certain tax issues. These criminal proceedings are still at the pre-trial stage.

HVB issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by HVB is around €27 million. Three legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which named HVB as a defendant. In the first case, the court of appeal has dismissed the lawsuit and the German Federal Court of Justice has not allowed a further appeal. The second case has been abandoned by the plaintiff. The last case has been decided in favour of HVB at first instance but is not final and binding as of today.

Subpoenas and Investigations
UniCredit S.p.A. and several of its subsidiaries received subpoenas, orders and requests to produce information and documents from the United States Securities Exchange Commission, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. These subpoenas, orders and requests have been satisfied.

Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing countries or in countries where proceedings related to Madoff investments are, or may in the future be, pending.

Certain Potential Consequences
In addition to the foregoing proceedings and investigations stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related proceedings and/or investigations may be filed in the future in said countries or in other countries. Such potential future proceedings and/or investigations could be filed against UniCredit S.p.A, its subsidiaries, their respective employees and former employees or entities with which UniCredit S.p.A. is affiliated. The pending or future proceedings and/or investigations may have negative consequences for the UniCredit S.p.A. group of companies.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

Save as described above, for the time being it is not possible to estimate reliably the timing and results of the various proceedings, nor determine the level of responsibility, if any responsibility exists. Presently, and save as described above, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Proceedings arising out of the purchase of UCB AG by UniCredit SpA and the related group reorganization
Proceedings in Germany challenging the validity of UCB AG shareholder resolutions
By resolutions adopted at UCB AG's Extraordinary Shareholders' Meeting of October 25, 2006 (the "**2006 EGM**"), various sale and purchase agreements were approved (the "**2006 Resolutions**"). Those agreements transferred (1) the shares held by UCB AG in BA and in HVB Bank Ukraine to UniCredit S.p.A. (2) the shares held by UCB AG in International Moscow Bank and AS UniCredit Bank Riga to BA and (3) the Vilnius and Tallin branches of UCB AG to AS UniCredit Bank Riga. In 2008, these resolutions were confirmed by a UCB AG Shareholders' Meeting (the "**2008 Resolutions**").
The validity of the 2006 Resolutions, as well as of the 2008 Resolutions, was challenged by several of UCB AG's former minority shareholders in two sets of proceedings in the German courts against UCB AG (the "**2006 Proceedings**" and the "**2008 Proceedings**") on the basis, inter alia, that the price paid for the various transactions was too low.
The 2008 Proceedings have now been settled. The 2006 proceedings, which were stayed pending the resolution of the 2008 proceedings, have revived. The 2006 Resolutions, like the 2008 Resolutions, are valid and binding unless and until found void by a court of final instance.

Part E – Information on risks and related risk management policies

Squeeze-out of UCB AG minority shareholders (Appraisal Proceedings)
Approximately 300 former minority shareholders of UCB AG filed a request to have a review of the price paid to them when they were squeezed out (Appraisal Proceedings). The dispute mainly concerns the valuation of UCB AG.
The first hearing took place on April 15, 2010. The proceedings are still pending in Germany and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders
Certain former minority shareholders in Bank Austria initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them was inadequate, and asking the Court to review the adequacy of the amount paid (Appraisal Proceedings).
The Commercial Court of Vienna has referred the case to a panel, called the "**Gremium**", to investigate the facts of the case in order to review the adequacy of the cash compensation. UniCredit, considering the nature of the valuation methods employed, continues to believe that the amount paid to the minority shareholders was adequate.
Should the parties fail to settle the matter, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay additional cash compensation to the former shareholders.

Financial Sanctions matters
Recently, violations of U.S. sanctions and certain US dollar payments practices have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various U.S. authorities, including the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), the U.S. Department of Justice ("DOJ"), the District Attorney for New York County ("NYDA"), the U.S. Federal Reserve ("Fed") and the New York Department of Financial Services ("DFS"), depending on the individual circumstances of each case. Certain companies in the UniCredit Group are cooperating with various U.S. authorities and are updating other relevant non U.S. authorities as appropriate. More specifically, in March 2011 UCB AG received a subpoena from the NYDA relating to historic transactions involving certain Iranian entities, designated by OFAC, and their affiliates. In June 2012, the DOJ opened an investigation of OFAC-related compliance by UCB AG and its subsidiaries more generally. In this context, UCB AG is conducting a voluntary investigation of its US dollar payments practices and its historic compliance with applicable US financial sanctions, in the course of which certain historic non-transparent practices have been identified. UniCredit Bank Austria AG has independently initiated a voluntary investigation of its historic compliance with applicable U.S. financial sanctions, as has UniCredit SpA, and each is cooperating with various US authorities. It is possible that investigations into historic compliance practices may be extended to one or more of the other companies within the UniCredit Group. The scope, duration and outcome of each review or investigation will depend on facts specific to the individual case. Although we cannot at this time determine the form, extent or the timing of any resolution with any relevant authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could lead to cash outflows and could potentially have a material adverse effect on the net assets and net results of UniCredit SpA (on a stand-alone and consolidated basis) and one or more individual Group entities in any particular period.

Proceedings related to claims for Withholding Tax Credits
On July 31, 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the trading of equities around dividend dates and claims for withholding tax credits) at UCBAG. The findings of the Supervisory Board's investigation indicate that the Bank sustained losses due to certain past acts/omissions of individuals and such Board has taken appropriate action. UniCredit S.p.A., UCB AG's parent company, supports the decisions taken by the Supervisory Board. UCB AG has also taken action to defend its interests. In addition, UCB AG is cooperating with Prosecutors in Frankfurt, Cologne and Munich who are investigating possible tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. In May 2014, the Frankfurt Prosecutor notified UCB AG of the opening of proceedings against UCB AG under section 30 of the Administrative Offences Act (the "**Ordnungswidrigkeitengesetz**"). On 16 December 2014, the Munich Prosecutor also announced the initiation of proceedings against UCBAG under section 30 of the Ordnungswidrigkeitengesetz. In relation to these matters, UCB AG could be subject to tax and interest claims, as well as substantial penalties, administrative fines and profit or revenue claw backs. In none of these cases can the amount currently be reliably quantified. UCB AG is in communication with its relevant regulators regarding these matters. UCB AG is also in communication with competent domestic and foreign tax authorities.

Compound interest/usury
During 2014 a significant increase was recorded in claims for refunds/compensation on the subject of compound interest/usury in relation to UniCredit S.p.A.. These are mostly in the initial enquiry stage.

Certain legal developments in CEE arising out of disputes relating to foreign currency loans
In Central and Eastern Europe, in the last decade, a significant number of customers took out loans and mortgages denominated in a foreign currency (FX). In a number of instances customers – or consumer associations acting on their behalf – have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time the loan was taken out, and floating rates retrospectively changed to fixed rates. This has resulted in litigation against subsidiaries of UniCredit in a number of countries including Croatia, Hungaryand Serbia. Specifically in Croatia, a consumer association sued 8 of the largest banks in 2012 (including Zagrebačka banka) claiming that:

- for loans linked to Swiss francs, consumers had not been given adequate information prior to taking out the loan and had not therefore been able to make a fully informed decision about the risks of such loans;
- a variable interest rate was unlawful, as it was set by reference to an unilateral decision of the relevant bank and without the factors affecting the setting of the rate being clearly defined.

On July 4, 2013 the first instance court in Zagreb upheld the complaint of the consumer association. The court required the banks, within 60 days, to offer the customers amended terms, converting the outstanding principal amount to Croatian kuna (HRK) at the CHF/HRK rate prevailing on the date the loan agreement was signed and substituting the variable interest rate for the fixed rate applicable at the date the loan in question was drawn down (the 60 Day Order). The decision was not binding as it was appealed by all 8 banks. On June 13, 2014, the Croatian appeal court varied the first instance decision and ruled that the foreign currency clause in loans was lawful. The appeal court upheld, however, the first instance judgment regarding the unfairness of contractual terms that allowed the banks to make unilateral changes to the floating rate of interest and ruled such terms null and void. The court annulled the 60 Day Order. The court stated that its decision does not give individual customers a direct entitlement to damages but individual consumers could seek a revision of their contract or compensation in individual actions before the courts. The court's decision has been challenged by the parties before the Croatian supreme court, including Zagrebačka banka. Zagrebačka banka has also filed a claim in the Constitutional Court. This claim is currently stayed. Following the Croatian appeal court's ruling, a number of individual customers have also filed claims against Zagrebačka banka in respect to the rate of interest that had been applied to their loans. Those claims have yet to be determined.

In Hungary, a Supreme Court decision on June 16, 2014 to ensure uniformity of judicial decisions regarding loans made to consumers in a foreign currency established the following principles:

- foreign currency exchange rate risk is to be borne by the consumer unless the consumer was misinformed about the risk;
- whether a unilateral change (e.g. to a rate) is unfair and therefore invalid must be assessed on a case by case basis;
- applying a different exchange rate for repayments of the loan from that used when the loan was made is unfair and therefore unenforceable and the difference must be repaid to consumers.

In addition, on July 4, 2014 legislation was passed which amended the above decision and also extended it to apply not only to foreign currency based loans but also to domestic currency consumer loans and leasing contracts. Building on the above Supreme Court decision, the legislation establishes a rebuttable presumption that terms allowing unilateral changes to consumer contracts are unfair and therefore unenforceable. It is for the lender to rebut the presumption. In addition, for loans based on a foreign currency, the law requires the substitution of the FX rate applied by the lender with the midmarket rate of the Hungarian Central Bank (unless the lender used its own midmarket rate). UniCredit Bank Hungary Zrt brought proceedings to rebut the presumption of unfairness but was unsuccessful. Further legislation was approved in Hungary in 2014 in relation to consumer loans.

At this time, except for the Hungarian law referenced above, it is not possible to reliably assess the impact of the above developments in the CEE region, the timing of any final court decisions, how successful any litigation may ultimately be or what financial impact it or any associated legislative or regulatory initiatives, might ultimately have on the individual subsidiaries or the UniCredit Group.

In addition, following the Swiss Central Bank's decision to remove the Swiss franc / euro cap on 15 January 2015, a number of countries have taken, or are in the process of considering, measures to reduce the impact of the decision on Swiss franc borrowers. These countries include Slovenia, Poland, Russia and Croatia. It is not possible to assess what financial impact these or other associated initiatives might ultimately have on the individual subsidiaries or on the UniCredit Group as a whole.

Derivatives Litigation
In the years preceding the 2007 financial crisis, financial institutions, including the companies of the UC group, entered into numerous derivatives contracts both with institutional and non-institutional investors. In Germany and Italy such derivative contracts have been challenged most notably by non-institutional investors where those contracts are out of the money. This affected the financial sector generally and is not specific to UniCredit and its group companies. It is impossible to assess the full impact of such legal challenges on the Group.

Part E – Information on risks and related risk management policies

Medienfonds/closed end funds

Various UCB AG customers bought shares in a fund known as VIP Medienfonds 4 Gmbh & Co. KG ("**Medienfonds**").
UCB AG did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, UCB AG assumed specific payment obligations of certain film distributors with respect to the fund.
When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against UCB AG and others. The investors argue that UCB AG did not disclose to them the risk of the tax treatment being revoked and assert UCB AG, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke rights under German consumer protection laws.
The courts of first and second instance passed various sentences, of which several were unfavourable for UCB AG.
On December 30, 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast; the Court further held UCB AG liable along with the promoter of Medienfonds for such errors. UCB AG filed an appeal to the Federal Court. The Federal Court has now heard the appeal and remanded the matter back to the Higher Regional Court for consideration. A decision with respect to the question of UCB AG's liability for the prospectus in this proceeding will affect only the few remaining pending cases since with the vast majority of the investors a general settlement has already been closed.
In a fiscal proceeding that the fund brought concerning the tax declaration of the fund for the fiscal year 2004, no final decision has been issued as to whether the tax benefits were rightfully revoked in the first place.
In addition to the above matter, UCB AG is defending lawsuits concerning other closed-end funds. The economic background of these lawsuits is often but not always linked to a modified view of the tax authorities with regard to tax benefits originally envisaged. Plaintiffs claim from UCB AG repayment of their capital investment in exchange for the respective shares in the fund.
With regard to a mutual fund investing in heating plants, a test case proceeding has been filed against UCB AG pursuant to the Kapitalanleger-Musterverfahrensgesetz.
UCB AG has made provisions which are, at present, deemed appropriate.

New Mexico CDO-Related Litigation

Claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds
In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both US state funds, invested $90 million in Vanderbilt Financial, LLC (VF), a vehicle sponsored by Vanderbilt Capital Advisors, LLC (VCA). The purpose of VF was to invest in the equity tranche of various collateralized debt obligations (CDOs) managed primarily by VCA. The equity investments in VF, including those made by the ERB and SIC, became worthless. VF was later liquidated.
Beginning in 2009, several lawsuits were threatened or filed on behalf of the state of New Mexico, including by private parties who claimed a right to sue in a representative capacity. The suits relate to losses suffered by the ERB and/or SIC on their VF investments, with additional claims threatened in relation to further losses suffered by SIC on its earlier investments in other VCA-managed CDOs. The lawsuits allege fraud and kickback practices. Damages claimed in the filed lawsuits are computed based on multiples of the original investment, up to a total of $365 million. In 2012, VCA reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds. The settlement is contingent on the court's approval, but that process is temporarily on hold pending the determination of a legal question in a lawsuit brought against a different set of defendants in other proceedings. A decision is expected in 2015. In the interim, one suit has been dismissed and the others are either stayed or held in abeyance.

Other litigation
In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against persons allegedly involved with "pay to play" or kickback practices at the ERB, alleging damages to his reputation in earning capacity as a result of his association with the challenged practices. Among the defendants are VCA, VF, PIM US and two former officers of VCA. No damages amount is specified, but Malott seeks treble damages and punitive damages (as applicable) in addition to any actual damages he might prove. In June 2013, Malott's claims were dismissed without prejudice. Malott filed a further amended complaint in August 2013 which, in October 2013, the defendants once again moved to dismiss. The Court's ruling is awaited.

Divania S.r.l.

In the first half of 2007, Divania S.r.l. (now in bankruptcy) ("**Divania**") filed a suit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).

The petition requests that the contracts be declared non-existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks the nullification of a settlement the parties reached in 2005 under which Divania S.r.l had agreed to waive any claims in respect of the transactions.
UniCredit S.p.A. rejects Divania S.r.l.'s demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.
In 2010 the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate). At the hearing held on December 10, 2012 the Court reserved its decision, but on May 20, 2013 it was decided to reopen the proceedings. On September 292014 the judges reserved their decision.
Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased up to € 80,5 million ex art 183 c.p.c.) and the second for €1.6 million; the first one was adjourned for the trial and the second one was adjourned for the conclusions.
UniCredit S.p.A. has made a provision for an amount consistent with the risk of the lawsuit.

Valauret S.A.
In 2004, Valauret S.A. and Hughes de Lasteyrie du Saillant filed a civil claim for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company's board of directors and others.
BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants. Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.
In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State that are ongoing. In December 2008, the civil proceedings were also stayed against BA.
In BA's opinion, the claim is groundless and no provisions have been made.

Brontos – criminal proceeding
With regard to the transactions known as "Brontos" there is a criminal proceeding which concerns the conduct of, *inter alia*, present and former officers/employees of UniCredit.
On October 10, 2013, the Court of Cassation found that the Court of Rome had jurisdiction to try the case; all court documents were therefore transferred from the Public Prosecutor's office at the Court of Bologna to the Court of Rome.
The procedural stage of the preliminary hearing is in progress.

I Viaggi del Ventaglio Group (IVV)
In 2011 a lawsuit was filed with the Court of Milan against UniCredit S.p.A. by I Viaggi del Ventaglio de Mexico SA, SA Tonle and the bankruptcy trustee of I Viaggi del Ventaglio International SA ("IVVISA") for approximately €68 million. In 2014 two further lawsuits were filed with the Court of Milan by the bankruptcy trustee of IVV Holding srl and by the bankruptcy trustee of I Viaggi del Ventaglio S.p.A. for €48 million and €170 million, respectively. The three lawsuits are related. The first and third relate to allegedly unlawful conduct in relation to loans. The second relates to disputed derivative transactions. UniCredit SpA's initial view is that the claims appear to be groundless and no provisions have been made.

Lawsuit brought by "Paolo Bolici"
In May 2014, the company wholly owned by Paolo Bolici sued UniCredit SpA in the Court of Rome seeking the return of €12 million in allegedly unlawful interest (allegedly incurred inter alia because of usury) and €400 million for damages. The company then went bankrupt. UniCredit SpA's initial view is that no provisions are to be made.

MATERIAL EVENTS SUBSEQUENT TO DECEMBER 31, 2014
For ease of comprehension material developments subsequent to December 31st, 2014 have been included directly in the text and have been inserted in the following paragraphs: "Madoff", "Certain legal developments in CEE arising out of disputes relating to foreign currency loans".

Part E – Information on risks and related risk management policies

C. Risks arising from employment law cases
The Group is involved in employment law disputes. In general, provisions have been made for all employment law disputes to cover any potential disbursements and in any event the Group. does not believe that any liabilities related to the outcome of the pending proceedings could have a significant impact on its economic and/or financial standing.

Lawsuits filed against UniCredit S.p.A. by some members of the former Cassa di Risparmio di Roma Fund
There are lawsuits pending on Appeal that have been decided in favor of the Bank in the first instance, whose main petition is to request that the funding level of the former Cassa di Risparmio di Roma Fund be restored and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at €384 million. No provisions have been made as these actions are considered to be unfounded.

Lawsuit filed against UniCredit S.p.A. by some members of the former Credito Romagnolo's Supplementary Pension Fund
The lawsuit in question, already described in the 2013 Anuual Report, was concluded in favour of UniCredit S.p.A.

D. Tax disputes and audits

The financial statements for prior years disclosed the persistence of disputes over tax assessment notices for IRES [Corporate Income Tax] and IRAP [Regional Tax on Productive Activities] sent to UniCredit Banca S.p.A. by the Regional Directorates (DRE) of Emilia Romagna and Liguria in relation to structured finance transactions concluded in the 2004 tax year (while similar disputes for 2005 have already been settled), for a total of € 136.3 million.
The notices served by the Italian tax authority were promptly challenged and, pending judgment, judicial conciliation concluded during the year reduced the amounts due to the tax authority to a total of € 35 million with settlement of the dispute.

New pending cases

During the year, UniCredit S.p.A., both on its own behalf and in its capacity as the consolidating entity, and some companies in the Group were served with several notices of assessment for a total amount of approximately €124 million.
The notices of particular importance concern the following issues:

- withholding allegedly omitted on interest paid in relation to debt instruments issued for the purpose of strengthening capital, for a total of about €40 million in taxes and ancillary charges;
- substitute tax on medium- and long-term loans and stamp tax totalling €22 million, for alleged tax and ancillary charges;
- higher IRES and IRAP for the years 2008 and 2009 related to Pioneer Investment Management SGRPA, for disputes relating to transfer pricing, for an alleged total of €52.7 million; in this regard, please note that the aforementioned company is in the process of reaching a settlement via judicial conciliation for 2006 relating to the same issues and that no sanctions have been applied;
- higher IRES and IRAP for 2009 related to UniCredit Bank Austria A.G., with a permanent organisation in Italy, regarding transfer pricing disputes, for a total alleged amount of €4.2 million for taxes and ancillary charges;
- higher IRES and IRAP for 2009 related to Finecobank Banca Fineco S.p.A., regarding certain allegedly non-deductible costs, for a total amount of €2 million for taxes and ancillary charges;
- higher IRES and IRAP for 2009 related to the merged companies UniCredit Banca di Roma S.p.A. and UniCredit Private Banking S.p.A., for disputes relating to transfer pricing, for a total alleged amount for taxes and ancillary charges of €1.1 million;
- further disputes referring to the Italian subsidiaries or merged companies, for a total of €2.3 million for taxes and ancillary charges.

The necessary action was taken for the above-mentioned assessment notices through a timely appeal to the Tax Commissions and/or the request for facilitated settlement, where considered appropriate.
Having assessed tax risks in relation to the nature of the disputes and taking into account – in particular for the affair described in the first point – the best consolidated case law, the Company, with regard to the affairs described above, has set aside €46.4 million during the year, of which €13.0 for disputes regarding substitute tax on medium- and long-term loans.

Updates on pending proceedings and tax audits

The previous year Annual Report disclosed notices of assessment served on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR for the financial years 2006 and 2007, for around €33 million and €30.5 million, respectively. The appeals submitted to the competent Tax Commissions for both tax years are still pending. The judicial conciliation procedure in progress regarding 2006 has already been mentioned in the preceding paragraph.
In addition, a dispute over higher IRES for 2004 allegedly due by Capitalia S.p.A. relating to a structured finance transaction was also disclosed, for a total amount of €20 million. This dispute was settled through a tax settlement proposal for a total amount of €6.6 million in taxes and accessory charges.
Moreover, on November 6, 2013, the Liguria Regional Division served a tax audit report for 2008 equivalent to the one previously served for 2009, for a total amount of €0.8 million in claimed taxes and ancillary expenses.Subsequently, the related notice of assessment was served. On May 5, 2014, the tax audit report was settled through a tax settlement proposal pursuant to Italian Legislative Decree 218/1997, by paying a total amount of €0.6 million.
At December 31, 2013, total provisions for tax risks to cover disputes and audits totaled more than €103 million, including the existing provisions of more than €18 million for payments due pending the ruling on the dispute on structured finance transactions, which was fully used in 2014 to settle the associated disputes.
As indicated above, €46.4 million of additional provisions were made during 2014 (of which €3.0 million following the identification of contingent assets in accordance with Bank of Italy requests), offset by uses and releases of the provision for tax risks totaling €45.3 million (including €16.2 million of releases for the disputes over the substitute tax on medium- and long-term loans).
Therefore total provisions stand at more than €105 million (€42 million considering the elimination of provisions made for contingent assets).

Part E – Information on risks and related risk management policies

Lastly, as far as the other Group companies in Italy are concerned, the outcome of the most significant audits completed during 2014 was as follows:

- UniCredit Bank A.G. – Milan Branch (2005): a total of € 7.2 million for taxes and sanctions was disputed. The dispute was settled in September 2014 through judicial conciliation. The total amount to be paid following the settlement amounts to €68 thousand, considering that the dispute concerned a methodology of counting the adequacy of the endowment fund and that the positions expressed were broadly accepted;
- UniCredit Bank A.G. – Milan Branch (2006): a total of €13.2 million for taxes and sanctions was disputed. The dispute was settled in December 2014 through judicial conciliation. The total amount to be paid following the settlement was € 1.6 million;
- UniCredit Bank A.G. – Milan Branch (2007): a total of €23.6 million for taxes and sanctions was disputed. An attempt to settle the dispute is in progress;
- UniCredit Bank A.G. – Milan Branch (2008): requalification, for tax purposes, of certain financial transactions entered into by the company, with the dispute of alleged higher taxes due of €50 million. In May 2014, disputes emerging from the PVC notified for 2008 have been settled with the payment of a total amount of €15.8 million;
- UniCredit Bank Austria A.G. – Milan Branch (2010): higher taxes of €1.8 million allegedly due with reference to differences in transfer pricing were disputed. The dispute was settled through the payment of a total amount of €0.8 million;
- UniCredit Bank Austria A.G. – Milan Branch (2009): higher taxes of €2 million allegedly due with reference to differences in transfer pricing were disputed. The dispute was settled through the payment of a total amount of €0.6 million;
- FinecoBank S.p.A. (2008-2011): dispute of alleged higher taxes of €6.2 million relating to corporate reorganisation operations and other situations. The company settled the dispute related to 2008, paying €0.36 million for the part related to non-deductible costs allegedly related to irregularities committed by financial advisors.

Tax proceedings in Germany
See paragraph “Legal Risks”.

E. Extrajudicial procedures
With reference to the extrajudicial procedure relating to Istituto per il Credito Sportivo (ICS), about which disclosure was provided in the financial statements 2012 and 2013, please note that the Regional Administrative Court of Lazio, with a judgment dated May 16, 2014, rejected the private shareholders' request for the annulment of the interministerial order of March 6, 2013 concerning the annulment of the ICS Statute of 2005; the private shareholders appealed to the Council of State to suspend and then nullify this ruling.
It should also be noted that in March 2014, following the approval of the new ICS Statute, issued by interministerial order of January 24, 2014 (published in the Official Gazette of April 19, 2014), in which UniCredit's shareholding in the company has been significantly diluted (from 10.81% to 1.264%), it was considered appropriate to adjust the shareholding held and its book value to the new statutory provisions.

F. Carlo Tassara S.p.A. restructuring process
On December 23, 2013 Carlo Tassara ("Tassara") and the creditor banks signed the third amendment agreement on the moratorium on debt payments.
The purpose of this transaction is to allow the company to better enhance certain assets under disposal, whose proceeds will be used to pay its financial debts.

The main terms and conditions of the Amendment Agreement include:
1. the postponement of the final expiry of the agreements to December 31, 2016;
2. the appointment of the 9 members composing the Board of Directors, with 6 independent members in accordance with the new corporate governance;
3. the conversion of the creditor banks' exposures into Strumenti Finanziari Partecipativi ("SFP") for a total amount of €650 million. The SFP, which can be traded once the restructuring agreement expires, have no maturity date and have a priority over any classes of shares with respect to distribution of net income and reserves, as well as in case of liquidation of Carlo Tassara. The criteria to split the SFP among the banks was calculated taking into account the amount and the distribution of the unsecured debt and, for the difference, the uncovered portion of the secured debt. The value of the listed securities was determined on the basis of the 6-month average share price before the closing of the restructuring agreement;
4. the commitment of the creditor banks to subscribing additional SFP on a pro-rata basis if in the course of the plan material losses occur pursuant to article 2447 of the Italian Civil Code;
5. the commitment of the creditor banks to converting into SFP the residual credits that should remain in place after the disposal of all the available-for-sale assets of Carlo Tassara;
6. the business continuity of Carlo Tassara will be ensured by enterprises with historical links with the Valcamonica area.

The existing collateral (pledge on Intesa Sanpaolo, Eramet and Cattolica Assicurazioni shares) remained in place after the signing of the above-mentioned agreements.
On December 27, 2013, following the fulfillment of the conditions precedent to the effectiveness of the third amendment agreement, the banks subscribed the SFP worth €650 million.
UniCredit subscribed for 63,131,974 SFP with a nominal value of €1.00 each and totaling €63 million, issued by Tassara pursuant to the resolution of the Extraordinary Meeting of December 23, 2013, and agreed to contemporaneously pay up these SFP by voluntarily offsetting a portion of its loans (nominal value) to Tassara totaling €63 million, reducing the Bank's overall exposure to Tassara.

As a result of the above-mentioned offsetting, part of the Bank's loans to Tassara (€63 million) was paid off and the Company's outstanding debts to the Bank decreased, with effect from December 27, 2013, by €63 million.
On December 23, 2013, in compliance with the governance provisions, the members of Carlo Tassara S.p.A.'s new Board of Directors were appointed.

In the first half of 2014 Tassara sold listed securities (pledged and not pledged as collateral) and collected dividends worth approximately €772 million, which includes the proceeds from the sale of the Intesa Sanpaolo shares (totaling €589 million, of which €580 million arising from securities put up as collateral) pledged as collateral for the loans granted by the creditor banks.

In the third quarter 2014, Tassara sold further shares (pledged and not) for a total amount of about €38 million, including the proceeds from the sale of Cattolica Assicurazioni shares, for a total of about €13 million, of which €6.3 million has been used by the company to partially repay the debt exposures to UniCredit S.p.A..

In the fourth quarter of 2014, Tassara sold further shares (pledged and not) for a total amount of almost €43 million, including the proceeds from the sale of additional Intesa Sanpaolo shares, for a total of €19 million, of which around €2 million arising from securities placed as collateral for the receivables due to the creditor banks and €17 million attributable to negotiable shares.
Overall, therefore, the proceeds received during 2014 by Carlo Tassara S.p.A. as a result of collections made (for securities and dividends), amounted to about €853 million.

As a result of the sales during the year, based on the agreement of December 23, 2013, UniCredit S.p.A.:
- transferred - in the second half of 2014 - to the other banks participating in the agreement, 31,666,758 SFPs with a face value of €1.00 each, while purchasing 833,934 SFPs (with the same face value);
- will transfer - in the first half of 2015 - also to the other banks participating in the agreement, 712,431 SFPs with a face value of €1.00 each, while purchasing 83,087 SFPs (with the same face value);

As a result of the above, the number of SFPs held by UniCredit S.p.A. will amount to a total of 31,669,806, each with a face value of €1.00.

The credit exposure of UniCredit S.p.A. at December 31, 2014 amounted to €120 million (€463 million at the end of 2013 and €132 million at June 30, 2014), against which impairment losses of €28 million have been recognized (unchanged compared to June 30, 2014, while at December 31, 2013 they amounted to €91 million).

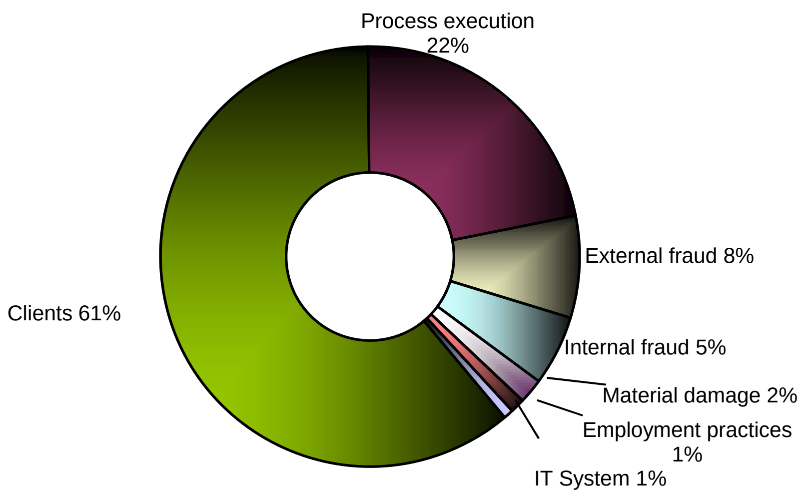
G. Recovery of Banca delle Marche in extraordinary administration
In support of a project for the recovery of Banca delle Marche presented by Fonspa, the extraordinary administration procedure bodies asked for the intervention of the Interbank Deposit Protection Fund, which UniCredit SpA and the subsidiary Fineco contribute to on the basis of their respective proportions of deposits covered by the said fund. The Fund resolved an intervention in July 2014, conditional on approval of the recovery plan by the Bank of Italy and of the associated authorisations by the shareholders, and on the positive outcome of the Banca delle Marche shareholders' meeting on the capital increase and the associated formalities of subscription and payment. The intervention resolved by the fund would entail the issue of a guarantee (enforceable at the term of eight years envisaged for the recovery of an impaired loan portfolio) for a maximum amount of €800 million and the assumption of an equity interest for an amount of up to €100 million, in the context of the capital increase of the said Banca delle Marche (data refer to the entire Italian banking system, the expense of which would be recognised in the financial statements of the single banks in the consortium on the basis of their proportions of deposits guaranteed). At the present time, the conditions precedent have not yet been fulfilled.

QUANTITATIVE INFORMATION

Detailed below is the percentage composition, by type of event, of operational risk sources as defined by the New Basel Capital Accord and acknowledged by the New Regulations for the Prudential Supervision of Banks issued by the Bank of Italy in December 2006 (Circular No. 263) and in successive updates.

The major categories are as follows:
- internal fraud: losses owing to unauthorized activity, fraud, embezzlement or violation of laws, regulations or business directives that involve at least one internal member of the bank;
- external fraud: losses owing to fraud, embezzlement or violation of laws by subjects external to the bank;
- employment practices and workplace safety: losses arising from actions in breach of employment, health and workplace safety laws or agreements, from personal injury compensation payments or from cases of discrimination or failure to apply equal treatment;
- clients, products and professional practices: losses arising from non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided;
- damage from external events: losses arising from external events, including natural disasters, acts of terrorism and vandalism;
- business disruption and system failures: losses owing to business disruption and system failures or interruptions;
- process management, execution and delivery: losses owing to operational or process management shortfalls, as well as losses arising from transactions with commercial counterparties, sellers and suppliers.

Operational losses 2014 divided by risk category



In 2014, the main source of operational risk was "Clients, products and professional practices", a category which includes losses arising from the non-fulfillment of professional obligations towards clients or from the nature or characteristics of the products or services provided, as well as any sanctions for violating regulations. The second largest contribution to losses came from errors in process management, execution and delivery due to operational or process management shortfalls. There were also, in decreasing order, losses stemming from external fraud, internal fraud and damage to physical assets from external events. The residual risk categories were employment practices and IT systems related problems.

Section 5 – Other Risks

The types of risk described above are the primary risks, but there are others the Group considers to be significant:
- business risk;
- real-estate risk;
- financial investment risk;
- strategic risk;
- reputational risk.

These risks are defined as follows:
- **Business risk** is defined as adverse, unexpected changes in business volume and/or margins that are not due to credit, market and operational risks. Business risk can result, above all, from a serious deterioration in the market environment, changes in the competitive situation or customer behavior, but may also result from changes in the legal framework;
- **Real estate risk** is defined as the potential losses resulting from market value fluctuations of the Group's real estate portfolio, including real estate special purpose vehicles. It does not take into consideration properties held as collateral;
- **Financial investment risk** stems from the equity held in companies not included in the Group and not held in the trading book**;**
- **Strategic risk** is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, with negative impact on the risk profile and consequently on capital, earnings as well as the overall direction and scope of a bank on the long run;
- **Reputational risk** is the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or regulators.

Within the Internal Capital Adequacy Assessment Process (ICAAP, see below) and in line with the proportionality principle defined in Pillar II of Basel II, the risk profile of the Group and the main material Legal Entities is assessed for all the Pillar 2 risk types.
Credit, market, operational, business, real estate and financial investment risks are therefore measured quantitatively, by:
- economic capital and aggregation as an input for internal capital; and
- stress tests.

On the other side, for small Legal Entities a synthetic approach (top down approach) is used, in which the book value changes of the entities are simulated using market risk-like methods.

The Internal Capital is defined as the Economic Capital needed to face the potential losses inherent in the Group's business activities and it takes into consideration all the Pillar 2 risk types identified by the Group and which are quantifiable in terms of Economic Capital: credit, market, operational, business, financial investment and real estate risks. The Internal Capital is therefore the result of the aggregation of the capital charges for each risk type. The capital aggregation is performed using the Bayesian Copula approach with a one-year time horizon and a confidence level in line with the Group rating target.
The effect of the diversification between risk types is also calculated ('inter-risk diversification') together with the diversification effects at portfolio level ('intra-risk diversification'). In addition a capital add-on is calculated as prudential cushion in order to account for model uncertainty risk and the variability of the economic cycle.
For control purposes, the Internal Capital is calculated quarterly or ad hoc if needed; it is also projected for budgeting purposes.

The multi-dimensional nature of risk makes it necessary to supplement the measurement of economic capital with stress testing, not only in order to estimate losses in certain scenarios, but also to assess their impacts in terms of capital requirements.
Stress testing is a key risk management tool for the management of the relevant risks in order to assess the bank's vulnerability with respect to exceptional but plausible events, providing additional information to the monitoring activities.

Stress testing activities, consistently with regulatory requirements, are performed on the basis of a set of internally defined stress scenarios. The stress test activities also asses the capital requirements for the main regions where the Group is active, and are carried out at least twice a year.
The firm-wide stress test considers the various impacts of a given macro-economic scenario on all relevant risks. These scenarios are drawn analyzing both significant market events happened in the past and plausible worst-case events not yet occurred. This assessment allows to analyze the capital requirements of the Group in stressed conditions over a two year time horizon.
The output of the stress test is therefore, for each risk types and at aggregated level, a quantitative analysis of the capital requirements together with the calculations of the losses conditional on the selected stressed scenarios. In addition the total capital diversification benefit is also assessed.

The Group top management is involved in the ex-ante as well as the ex-post stress analysis in the following way:

- before the exercise is finalized, with a presentation regarding the selected scenarios and the underlying assumptions,
- after the exercise is finalized, with the disclosure of the results and a potential discussion of a contingency plan, if needed.

The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation.

Under the corporate governance system, the Parent Company's Group Risk Management is responsible for the Group Economic and Internal Capital methodology development and their measurement, moreover the Parent Company is responsible to set and implement the Group related processes.
The "Group Rules", after the approval, are sent to relevant LEs for approval and implementation.

Reputational Risk
UniCredit Group defines Reputational Risk as the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or regulators.
Since 2010 UniCredit adopts the Group Reputational Risk Governance Guidelines, which aim at defining a general set of principles and rules for assessing and controlling reputational risk.

The reputational risk management is in charge to Group Operational & Reputational Risks Department of UniCredit Spa and to dedicated functions within the Group companies.

Moreover, the setup of the Group Operational and Reputational Risk Committee ensures consistency in reputational risk policies, methodologies and practices across Divisions, Business Units and Legal Entities, controlling and monitoring the Group Reputational Risk portfolio. Furthermore the Transactional Credit Committees are in charge of evaluating possible reputational risks inherent transactions, on the basis of the current reputational risk guidelines and policies.

The current policies mitigating specific Reputational risk topics regard “Defense/Weapons Industry”, “Nuclear Energy”, “Mining”, “Water Infrastructure (dam)”,“Coal fired power generation” and “Non Co-operative Jurisdictions”.

Eventually the Human Rights Commitment aims to identify and manage human rights risks and reduce potential human rights violations.

Selected emerging risks

Russia
The political crisis in Ukraine triggered major negative impacts on the Russian economy. Sanctions imposed in response to the Ukraine conflict are significantly restricting Russian companies' business and their access to Western capital markets.
Dramatic depreciation of the rouble and falling crude oil prices in the past few months are driving inflation and putting additional pressure on the economy. Large Russian groups of companies and the banking sector are increasingly dependent on financial aid provided by the state.
The banking subsidiary in Russia accounts for about 15% (€11.7 billion) of lending volume in CEE. Measured by loans to customers, the bank in Russia is the largest bank in UniCredit's network in Central and Eastern Europe. The sanctions which have been imposed have so far not had any discernible impact on the loan portfolio. Management's focus on management and restructuring activities in connection with companies who defaulted on their loans has proved successful, making it possible to avoid deterioration of credit exposures. Risk-mitigating measures implemented additionally are aimed at preventing a default by borrowers or reducing losses in the event of default.
UniCredit Bank Austria AG has issued an intra-group guarantee in the amount of €1.3 billion in favour of its Russian banking subsidiary for a portfolio of corporate loans to enable the subsidiary to meet local regulatory requirements. This intra-group guarantee does not increase Bank Austria's overall exposure.
Currency depreciation and material interest rate increases during the first quarter of 2014 were the main factors determining valuation losses on the bond and interest rate exposures of UniCredit Bank Russia. The massive 7% increase in central bank interest rates in December 2014 did not have the hoped-for positive effect of stabilising the RUB exchange rate. The currently inverted RUB yield curve accentuates the negative income contributions from Markets business of the subsidiary.
Low oil prices and the impact of economic sanctions in 2014 led to strong appreciation of the euro against the Russian rouble (60%) with sharp temporary fluctuations.
UniCredit Bank Russia is currently not experiencing deposit outflows which exceed normal fluctuations.

Part E – Information on risks and related risk management policies

Ukraine

Country Risk
Demonstrations and rallies in support of the signing of a free-trade agreement with the EU in November 2013, to which the government responded by using force of arms, led to a government reshuffle a few weeks later and brought about the downfall of the President, who had enjoyed Russia's support.

After the annexation of Crimea by Russia in February 2014, the military conflict spread to eastern Ukraine, leading to economic recession and rising foreign debt. The Ukrainian economy and the country's independence can only be maintained if far-reaching structural reforms are carried out. Such reforms are a condition to be met for further aid payments from the IMF, the EU and the US. Unless such payments are made soon, the country will face insolvency, given the low level of its foreign exchange reserves and debt repayments due in 2015.

The Ukrainian banking sector was strongly impacted in 2014 by the strained political and economic environment. Lending business fell sharply, non-performing loans increased and the banking sector's capitalisation deteriorated. Loans in local currency, which had grown by 16.9% in 2013, contracted by 9.1% in 2014. Growth of 22.4% in retail loans in the previous year was followed by a 12.4% decline in 2014, while an increase of 15.5% in corporate loans in 2013 was followed by a decrease of 9.1% in 2014. In the reporting year the volume of foreign currency loans rose by 53.5% (compared with 2.8% in 2013), but this growth was mainly due to substantial depreciation of the local currency.
Massive capital flight also had an impact on the banking sector. While 2013 had seen an increase of 17.1% in deposits in 2013, the rate of growth fell to a low 0.8% in 2014. In view of the deterioration in the loan portfolio, net write-downs of loans rose substantially and the Ukrainian banking sector as a whole closed 2014 with a loss of UAH 53 billion (€2.8 billion). (Without banks which are insolvent or were placed under central bank surveillance, the loss was UAH 33.1 billion or €1.7 billion.)
Current developments, especially renewed depreciation of the Ukrainian currency at the beginning of February 2015, will further weaken the banking sector and its capitalisation in particular. As official figures are only available as at the end of 2014, it is not yet possible to accurately quantify the effects.

the UniCredit group operates in Ukraine through its subsidiary Ukrsotsbank (USB), in relation to which actions aimed at its disposal are continuing. The disposal process has in particular suffered delays compared with the initial plans. During 2014 contacts continued however with the counterparties interest in acquiring it and UniCredit remains committed to continuing the current initiatives aimed at selling the asset, which is already classified as non-strategic. The equity investment was therefore kept among assets held for sale (IFRS 5) at December 31, 2014.
The current situation in the country has a strong impact on commercial activity. The Ukrainian subsidiary Ukrsotsbank (USB) has closed its operations in Crimea. In the regions of Donetsk and Luhansk, 39 branches have been closed permanently and 3 branches have been closed at least temporarily.

Credit risk
The general deterioration in the political and economic situation was also reflected in the quality of the Ukrainian banking subsidiary's loan portfolio, leading to a steady increase in defaults.

At December 31, 2014 the loan exposures included the Ukrsotsbank (USB) portfolio for €2.4 billion (€1.7 billion net of value adjustments) and receivables of UniCredit Bank Austria AG from Ukrainian customers active at the international level for €0.8 billion (€0.5 billion net of adjustments on receivables).

Of these, receivables attributable to the area directly involved in the crisis (receivables accounted for directly in Crimea and in the Donbass region and receivables accounted for in other regions with reference to debtors that carry on most of their business in the area involved in the crisis) were €0.3 billion with reference to the USB portfolio and €0.2 billion with reference to Bank Austria AG (book value net of adjustments on receivables). The measurement of these exposures considers the guarantees received for a total amount of €192 million (substantially referred to direct exposures of the subsidiary USB).

The receivables were measured on the basis of the most recent information available. There are therefore areas of uncertainty, especially with regard to the region involved in the crisis (Crimea and Donbass).

In addition, further negative developments could affect customers' solvency and therefore the consequent recovery prospects.

Exchange Rate risk
The political crisis in Ukraine led to material appreciation of the US dollar against Ukraine's currency (change USD against UAH of about 90% since the beginning of 2014) and an increase in interest rates on loans. At the same time against the Euro, after a sharp devaluation in March/April, the exchange rate settled at about 17 UAH to the Euro. This was followed by further strong devaluation in November, leading to an exchange rate at a level of about 19 UAH to the Euro (in 2014 the Euro gained about 70% compared to the Ukrainian currency.
The Ukrainian currency (UAH) has depreciated significantly since February 5, 2015. While the exchange rate had moved to a level of about 19 UAH per euro before February 5, 2015 (exchange rate as at 31 December 2014: 19.206 EUR/UAH); in the middle of February it had risen to about UAH 30 per Euro, declining then to 23.467 UAH per Euro at 10 March 2015.

Liquidity risk
The customer deposit base in UAH decreased by 17% in Q1 2014 (deposits in USD decreased by 40%) but was subsequently stabilised. UAH deposits subsequently rose until the end of the year, reaching a year-end 2014 level which was 7% lower than a year earlier; USD deposits (mainly held by corporates) declined by about 37% in 2014.

Ukrsotsbank is currently not using local central bank support measures.
Quite generally, considering the crisis, a strong focus on deposit retention and restrictive lending practice helped to keep the overall bank's liquidity position comparatively stable.

Intra-group loans
At December 31, 2014 the loan exposures of the UniCredit Group companies to the Ukrainian subsidiary were €932 million.

Developments occurring after the end of the period
Current political developments in Ukraine led to strong depreciation of the local currency against the euro and the US dollar from February 5, 2015. The weakness of the UAH is having profound repercussions on the Ukrainian economy and in particular on the country's banking sector, including through indirect loan deterioration (currently not yet completely quantifiable) in the case of loans to local customers denominated in USD.

Strong depreciation of the local currency (UAH) leads to the breach, throughout the Ukrainian banking sector, of some local regulatory requirements (minimum capital adequacy level, liquidity and open foreign exchange position) defined by the National Bank of Ukraine (NBU). This also affects Ukrsotsbank (USB).

In relation to these developments in February 2015 the Ukrainian National Bank asked the UniCredit Group to assess a number of options to increase the bank's capital ratio.
Taking into account the volatility of the exchange rate and the changing geopolitical situation the initiatives to strengthen the capital most suited to this context are currently in progress.
The UniCredit Group has confirmed to the Ukrainian National Bank its commitment to ensure that the subsidiary continues as a going concern for the period necessary to complete the planned sale of the same.

Swiss franc
The UniCredit Group's exposure denominated in CHF amounts to approximately € 13 billion (gross value of the receivables) and is concentrated in Austria (€ 10.7 billion), Poland (€ 1 billion) and CEE; of this exposure approximately € 8 billion is in Retail.
Although the highest volumes are concentrated in Austria and Poland, the negative implications in credit quality terms, taking into account the possible regulatory developments, could potentially be more significant in the CEE area.
Finally, it is important to stress that in Croatia the sale of mortgage loans denominated in CHF was broken off in 2009 (in 2010 in Austria; in Poland, Bank Pekao never sold mortgage loans denominated in CHF while in the former BPH, now merged into Bank Pekao, these products were sold until 2008).

Part F – Consolidated Shareholders' Equity

Note:
The document "Disclosure by Institutions" (Pillar III of Basel 3) is published on UniCredit group's website (www.unicreditgroup.eu) according to the deadline defined in the relevant regulations.
Part F does not include information regarding the capital adequacy of the financial conglomerate UniCredit, which meets the definition of financial conglomerate especially active in the banking and financial sectors but was nonetheless exempted from supplementary supervision pursuant to art. 4, paragraph 1, letter a, of Legislative Decree 142/2005.
For coherence and comparability reasons due to the adoption of Basel 3 regulatory framework by January,1 2014, some tables shows figures as of March 31, 2014 reporting period as comparison, instead of figures as of December 31, 2013.
Figures as at March 31, 2014 shown in this section may, in some cases, differ from those disclosed with reference to March 31, 2014 due to adjustments connected with the difference between the timing of the approval of the interim financial report and the transmission - on June 30, 2014 - of Regulatory Reports referring to March 31, 2014.
Please note that the disclosures to be provided by the systemically important banks were published on the UniCredit group's website according to the deadline defined in the relevant regulations (**www.unicreditgroup.eu**).

Part F – Consolidated Shareholders’ Equity

Section 1 – Consolidated Shareholders’ Equity

A. QUALITATIVE INFORMATION

The UniCredit group has made a priority of capital management and allocation on the basis of the risk assumed in order to expand the Group’s operations and create value. These activities are part of the Group planning and monitoring process and comprise:

- planning and budgeting processes:
  - proposals as to risk propensity and capitalization objectives;
  - analysis of risk associated with value drivers and allocation of capital to business areas and units;
  - assignment of risk-adjusted performance objectives;
  - analysis of the impact on the Group’s value and the creation of value for shareholders;
  - preparation and proposal of the equity plan and dividend policy;
- monitoring processes:
  - analysis of performance achieved at Group and business unit level and preparation of management reports for internal and external use;
  - analysis and monitoring of limits;
  - analysis and performance monitoring of the capital ratios of the Group and individual companies.

The Group has set itself the goal of generating income in excess of that necessary to remunerate risk (cost of equity), and thus of creating value for its shareholders by allocating capital to the various business areas and business units on the basis of specific risk profiles. In support of planning and monitoring processes, the Group has adopted a methodology based on risk-adjusted performance measurement (Rapm) which provides a number of indicators that combine and summarize the operating, financial and risk variables to be considered.
Capital and its allocation are therefore extremely important in defining strategies, since on the one hand it represents the shareholders’ investment in the Group which must be adequately remunerated, on the other hand it is a scarce resource on which there are external limitations imposed by regulatory provisions.

The definitions of capital used in the allocation process are as follows:

- Risk or employed capital: This is the equity component provided by shareholders (employed capital) for which a return that is greater than or equal to expectations (cost of equity) must be provided;
- Capital at risk: This is the portion of capital and reserves that is used (the budgeted amount or allocated capital) or was used to cover (at period-end - absorbed capital) risks assumed to pursue the objective of creating value.

If capital at risk is measured using risk management methods, it is defined as economic capital, if it is measured using regulatory provisions, it is defined as regulatory capital.
Economic capital and regulatory capital differ in terms of their definition and the categories of risk covered. The former is based on the actual measurement of exposure assumed, while the latter is based on schedules specified in regulatory provisions.
Economic capital is set at a level that will cover adverse events with a probability of 99.93% (confidence interval), while regulatory capital is quantified on the basis of a CET1 target ratio in line with that of major international banking groups and taking into account the impacts of the supervisory regulations in force or that will be adopted (CRR, Global Systemically Important Financial Institutions: G-SIFIs, etc.).
The process of capital allocation is based on a “dual track” logic, considering both economic capital, measured through the full evaluation of risks by risk management models, and regulatory capital, quantified applying internal capitalization targets to regulatory capital requirements.
The purpose of the capital management function performed by the Capital Management unit of Planning, Strategy and Capital Management is to define the target level of capitalization for the Group and its companies in line with supervisory regulations and the propensity for risk. UniCredit Group has identified a Common Equity Tier 1 Ratio Target above 10% at current rules and a Fully Loaded Common Equity Tier 1 Ratio Target equal to 10% as of 2016, as communicated in march 2014 within the Strategic Plan 2013-2018. The Strategic Plan defines the referring macroeconomic scenario, the Group strategic guidelines and the main economic and financial targets as well as dividend payout assumptions coherent with the Common Equity Tier 1 Ratio Target.
The complete Strategic Plan presentation is available in the Group site, in the 2013 fourth quarter results section (**http://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/investors/group-results/2012/2013/Strategic-Plan-2013-18.pdf**).
Capital is managed dynamically: the Capital Management unit prepares the equity plan and monitors capital ratios for regulatory purposes.
On the one hand, monitoring is carried out in relation to shareholders’ equity, for both accounting and regulatory purposes (Common Equity Tier 1, Additional Tier 1 and Tier 2 Capital), and on the other hand, in relation to the planning and performance of risk-weighted assets (RWAs).
The dynamic management approach is aimed at identifying the investment and capital-raising instruments (ordinary shares and other equity instruments) that are most suitable for achieving the Group’s goals. If there is a capital shortfall, the gaps to be filled and capital generation measures are indicated, and their cost and efficiency are measured using RAPM. In this context, value analysis is enhanced by the joint role played by the Capital Management unit in the areas of regulatory, accounting, financial, tax-related, risk management and other aspects and the changing regulations[14] affecting these aspects so that an assessment and all necessary instructions can be given to other Group HQ areas or the companies asked to perform these tasks.

[14] E.g. Basel 2/3, IAS/IFRS etc.

B. QUANTITATIVE INFORMATION

B.1 Consolidated Shareholders' Equity: breakdown by type of company

(€ '000)

	AMOUNTS AS AT 12.31.2014				
NET EQUITY ITEMS	**BANKING GROUP**	**INSURANCE COMPANIES**	**OTHER COMPANIES**	**CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS**	**TOTAL**
Share Capital	**20,410,330**	**(10)**	**45,231**	**(14,177)**	**20,441,374**
Share premium reserve	**17,216,516**	**(210)**	**7,067**	**(5)**	**17,223,368**
Reserves	**15,043,876**	**20,824**	**580,578**	**(618,087)**	**15,027,191**
Equity instruments	**1,888,463**	**-**	**-**	**-**	**1,888,463**
Treasury shares	**(2,845)**	**-**	**-**	**-**	**(2,845)**
Revaluation reserves	**(4,128,340)**	**90,190**	**(801,139)**	**709,263**	**(4,130,026)**
- Available for sale financial assets	1,700,222	-	3,062	(67,565)	1,635,719
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedges of foreing investments	-	-	-	-	-
- Cash-flow hedge	596,277	-	-	42,894	639,171
- Exchange difference	(4,028,749)	-	-	954,560	(3,074,189)
- Non current assets classified held for sale	(3,100)	-	(1)	1	(3,100)
- Actuarial gains (losses) on defined benefits plans	(2,892,757)	-	(303)	1,576	(2,891,484)
- Valuation reserves from investments accounted for using the equity method	222,202	90,190	(803,898)	(222,202)	(713,708)
- Special revaluation laws	277,565	-	1	(1)	277,565
Profit (loss) of the year - Minority interests	**2,386,030**	**54,778**	**421,305**	**(474,086)**	**2,388,027**
Shareholders' Equity	**52,814,030**	**165,572**	**253,042**	**(397,092)**	**52,835,552**

Part F – Consolidated Shareholders' Equity

B.2 Revaluation reserves for available-for-sale assets: brekdown

(€ '000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2014									
	BANKING GROUP		INSURANCE COMPANIES		OTHER COMPANIES		CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS		TOTAL	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	2,007,432	(441,859)	1	(1)	-	(1)	(75,832)	10,141	1,931,601	(431,720)
2. Equity securities	286,559	(134,087)	-	-	10,971	(7,909)	-	-	297,530	(141,996)
3. Units in investment fund	19,184	(37,020)	-	-	-	-	(4,312)	2,439	14,872	(34,581)
4. Loans	13	-	-	-	1	-	(1)	-	13	-
Total 12.31.2014	**2,313,188**	**(612,966)**	**1**	**(1)**	**10,972**	**(7,910)**	**(80,145)**	**12,580**	**2,244,016**	**(608,297)**
Total 12.31.2013	**1,543,682**	**(1,006,319)**	**-**	**-**	**13,552**	**(25)**	**(3,734)**	**2,331**	**1,553,500**	**(1,004,013)**

B.3 Revaluation reserves for available-for-sale assets: annual change

(€ '000)

ASSETS/VALUES	CHANGES IN 2014			
	DEBT SECURITIES	EQUITY SECURITIES	UNITS IN INVESTMENTS FUNDS	LOANS
1. Opening balance	**293,232**	**273,003**	**(16,767)**	***19***
2. Positive changes	**2,374,859**	**28,479**	**11,972**	-
2.1 Fair value increases	2,258,350	18,493	6,923	-
2.2 Reclassification through profit or loss of negative reserves	65,063	2,318	3,616	-
- due to impairment	-	*346*	*1,405*	-
- following disposal	*65,063*	*1,972*	*2,211*	-
2.3 Other changes	51,446	7,668	1,433	-
3. Negative changes	**(1,168,210)**	**(145,948)**	**(14,914)**	**(6)**
3.1 Fair value reductions	(928,175)	(19,512)	(4,112)	-
3.2 Impairment losses	(5,866)	(12,404)	(416)	-
3.3 Reclassification throught profit or loss of positive reserves: following disposal	(211,689)	(90,158)	(10,149)	-
3.4 Other changes	(22,480)	(23,874)	(237)	(6)
4. Closing balance	**1,499,881**	**155,534**	**(19,709)**	**13**

B.4 Revaluation reserves related to defined benefit plans: annual changes

(€'000)

	CHANGES IN 2014				
	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	CONSOLIDATION ELIMINATIONS AND ADJUSTMENTS	TOTAL
1. Opening balance	**(1,414,638)**	**-**	**(131)**	**-**	**(1,414,769)**
2. Increases	**15,149**	**-**	**-**	**-**	**15,149**
2.1 Increases in fair value	12,622	-	-	-	12,622
2.2 Other changes	2,527	-	-	-	2,527
3. Decreases	**1,493,268**	**-**	**172**	**(1,576)**	**1,491,864**
3.1 Decreases in fair value	1,482,769	-	-	135	1,482,904
3.2 Other changes	10,499	-	172	(1,711)	8,960
4. Closing balance	**(2,892,757)**	**-**	**(303)**	**1,576**	**(2,891,484)**

Section 2 – Own funds and banking regulatory ratios

2.1 Regulatory framework

The Bank of Italy Circular no. 285 of December 17, 2013, as amended, states that the asset and liability items to be included in the regulatory scope of consolidation are to be calculated according to the consolidation methods provided for by the regulations governing the preparation of financial statements (Bank of Italy Circular no. 262).
It should be noted that the scope of consolidation is determined according to the prudential regulations and differs from the scope of the consolidated financial statements, determined under IAS/IFRS.

Prudential treatments have the following characteristics:

- Consolidated entities
  - banking, financial and instrumental companies directly or indirectly controlled by UniCredit S.p.A. to which the line-by-line consolidation method is applied;
  - banking, financial and instrumental companies in which UniCredit S.p.A. holds, directly or indirectly, a 20% stake or more, when they are jointly controlled with other entities and/or according to agreements signed with them; to these subsidiaries the proportional consolidation method is applied;
  - other banking and financial companies in which UniCredit S.p.A. holds, directly or indirectly, a 20% stake or more or anyway subject to significant influence, to which the equity method is applied;
  - companies, other than banking, financial and instrumental companies, directly or indirectly controlled by UniCredit S.p.A., exclusively or jointly, or subject to significant influence, to which the equity method is applied.
- Entities subject to the treatment for Own Funds pursuant to articles 46 and 48 of CRR
  - companies of the financial sector in which a non-significant/significant shareholding is owned, subject to deduction from Own Funds or weighting for the purposes of risk assets, with reference to the thresholds for exemption from deduction from Common Equity Tier 1 (CET1)[15].
- Entities added to risk-weighted assets
  - investments in companies not belonging to the financial sector subject to weighting for the purposes of risk assets.

For more information regarding exclusion and exemption from consolidation see the general instructions contained in Circular no. 115.

With reference to the substantial or legal impediments, current or foreseeable, that hinder the rapid transfer of capital resources or funds within the Group, refer to Part A “Accounting Policies” to the paragraph “Significant restrictions”.

[15] As at December 31, 2014, no investments in Entities of the financial sector were subjected to deduction from Consolidated Own Funds.

Part F – Consolidated Shareholders' Equity

2.2 Banking Own funds

A. QUALITATIVE INFORMATION

Transitional Own Funds

Own Funds and Capital Ratios as of December 31, 2013 – calculated according to the regulatory framework "Basel 3" as defined in the Directive 2013/36/EU (CRD IV) and Regulation (EU) n. 575 issued on June 26, 2013 (CRR) – includes transitional adjustments outlined by the aforementioned regulation for the year 2014.

Common Equity Tier 1

Common Equity Tier 1 includes ordinary shares issued by UniCredit S.p.A, including the ordinary shares underlying to the "CASHES" transaction recognized in CET1 for a total amount of €2,374 million.
Please note that saving shares and the ordinary shares underlying to the "CASHES" transaction for a total amount of €609 million have been reclassified in Additional Tier 1 Capital as instruments subject to grandfathering provisions.

Profit of the period

The net profit of the year 2014, equal to €2,008 million, is recognized in Own Funds reduced of Group foreseeable dividends calculated at the date, equal to €696 million. The year-end result of 2014 is included in Own Funds as UniCredit Group obtained the prior permission from the competent Authority according to CRR article 26(2).

Stake in Bank of Italy's capital

With reference to the regulatory treatment of the UniCredit's stake in Bank of Italy, it is worth mentioning that: (I) the carrying value as of December 31, 2014 is risk weighted at 100% (according to the CRR article 133 "Equity exposure"); (II) the revaluation recognized at P&L as of December 31, 2013 is not filtered out.

Unrealized gain and losses related to exposures towards Central Administrations classified Available for Sale – AFS

With reference to the contents of Bank of Italy Bollettino di Vigilanza n° 12 issued on December 2013 related to the transitional provisions on Own Funds for unrealized gain and losses associated to exposures towards Central Administrations classified in the IAS 39 category "Available For Sale – AFS", UniCredit SpA exercised the option contained in the Bank of Italy Circular 285 ("Disposizioni di vigilanza per le banche", Part 2, Chapter 14, Section II, Paragraph 2) for the calculation of its Consolidated and Individual Own Funds for Unicredit S.p.A. Accordingly, starting from March 31, 2014 reporting period and in coherence with previous periods, UniCredit S.p.A. (for those securities issued by EU Central Administration classified in the portfolio "Available for Sale – AFS") excludes by any element of its Own Funds unrealized gains and losses related to exposures towards EU Central Administration classified in the IAS 39 category "Available for Sale – AFS", taking into account the provisions contained in the CRR Article 467.

Subordinated liabilities

- During the year 2014 UniCredit S.p.A. issued two Additional Tier 1 notes with characteristics compliant with new "CRD IV" regulation, in place starting from January 1, 2014:
    - On March 27, 2014, with value date April 3, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in USD, for a total of USD 1.25 billion.
      The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 10 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 8.00% per annum for the initial 10 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 518 bps.

The transaction represents the inaugural deal for a CRD IV compliant AT1 by an Italian Issuer and the first RegS Perp NC10 USD denominated issue by a European Bank. The offer has encountered exceptional interest from investors, bringing the order book to almost 8 billion USD with approx. 450 investors.
Given the positive feedback, the initial price guidance was set at 8.25% area and has been revised to 8.00%/8.25%. Coupon was finally fixed at 8.00% for the initial 10 years, with an issue price set at 100%. Furthermore, the final size of the deal has increased to USD 1.25 billion from initial target of USD 1 billion.
The Notes were distributed to different institutional investors' categories such as funds (71%), insurance companies/pension funds (10%) and private banks (9%). The demand was mainly coming from the following regions: UK (39%), Italy (20%), Asia (12%) and Switzerland (8%).
UniCredit Corporate & Investment Banking, together with Citi, HSBC, Societe Generale and UBS, has managed the placement acting as joint bookrunners. The assigned rating from Fitch is "BB-".Bonds are listed on the Luxembourg Stock Exchange;

- On September 3, 2014, with value date September 10, 2014, UniCredit S.p.A. launched Additional Tier 1 notes, denominated in EUR, for a total of EUR 1 billion with characteristics compliant with new "CRD IV" regulation in place starting from January 1, 2014.
  The securities are perpetual (with maturity linked to corporate duration of UniCredit S.p.A.) and can be called by the Issuer after 7 years and thereafter at any interest payment date. Notes pay fixed rate coupons of 6.75% per annum for the initial 7 years on a semi-annual basis; if not redeemed, coupon will be reset every 5 years to the then 5-Years Mid-Swap rate + 610 bps.
  The offer has encountered exceptional interest from investors, bringing the order book to almost 2 billion EUR with approx. 180 investors.
  The high quality of the order book was ensured by the real money accounts that characterized the bulk of the demand with more than 80% of the final allocation. While bank provided further granularity. The Notes were distributed to different institutional investors' categories such as funds (84%), banks (13%) and insurance companies (2%).

  The demand was mainly coming from the following regions: UK (34%), France (20%), Italy (12%) and Switzerland (6.5%).
  UniCredit Corporate & Investment Banking, together with Bank of America, Credit Agricole, Credit Suisse, and Deutsche Bank, has managed the placement acting as joint bookrunners. The assigned rating from Fitch is "BB-". Also in this case bonds are listed on the Luxembourg Stock Exchange;

Additional Tier 1 contribute to strengthening the Tier 1 ratio of UniCredit S.p.A. In line with the regulatory requirements, the coupon payments are fully discretionary for both instruments.
Both the Notes have a 5.125% Common Equity Tier 1 (CET1) trigger - if the Group or Issuer CET1 at any time falls below the trigger level, the instrument will be temporarily written down to cure the breach, taking into consideration other instruments with similar write down triggers.

- As of December 31, 2014, amortizing Tier 2 instruments having a 7 years contractual maturity were subject to changes in the regulatory treatment, by excluding the portion of these instruments issued after December 31, 2011, equal to €3,551 million in light of regulatory rules stated by CRR article 63; while transitional Own Funds – according to CRR article 484(5) – include the amount of such instruments issued before December 31, 2011 and subject to the grandfathering provisions, for € 2,090 million.

Part F – Consolidated Shareholders' Equity

1. Common Equity Tier 1 – CET1

In light of Basel 3 adoption, introducing a discontinuity with the regulatory framework in force as of December 31, 2013, a comparative scheme is reported in order to facilitate the comparison between the periods.
The amounts as of December 31, 2013 are reported and calculated according to the rules at that date; hence the comparative regulatory capital breakdown shows Own funds including transitional adjustments (as of December 31, 2014) and Supervisory Capital (as of December 31, 2013).

Comparative regulatory capital breakdown between Own funds including transitional adjustments and Supervisory Capital

Regulatory items	12.31.2014	12.31.2013	Ref. Part F of the Notes to the Consolidated Accounts as of December 31, 2013 (*)
Capital, share premium account and other reserves (A)	50,262,895	47,784,408	A.1.1 + A.1.2 + A.1.3 + A.2.1 + A.2.4
Accumulated other comprehensive income (B)	(4,132,884)	(1,932,079)	A.2.2 + A.2.5
Minority interests	2,640,565	2,916,591	A.1.1 + A.1.2 + A.1.3 + A.2.1 + A.2.4
Adjustments to CET1 due to prudential filters	(1,577,383)	(320,558)	B.2
Intangible assets - Goodwill	(3,614,473)	(3,668,790)	A.2.2 + A.2.3
Intangible assets - Other intangible assets	(1,980,879)	(1,813,038)	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(51,029)	-	-
Negative amounts resulting from the calculation of expected loss amounts (shortfall for IRB positions)	(177,095)	(449,279)	D.
Defined benefit pension fund assets	(43,359)	-	-
Deductions for securitizations	(155,466)	(275,856)	D.
Deductions related to settlement risk on non DVP transactions	-	(106)	D.
Deductions for shareholdings in financial sector entities where the institutions holds a significant investment (C)	-	(1,694,067)	D.
Other transitional adjustments to CET1 Capital	826,796	1,315,290	B.1
Other national filters before 01.01.2014 (D)	-	(1,179,476)	B.1 + B.2
COMMON EQUITY TIER 1 CAPITAL	41,997,688	-	-
Capital instruments eligible as AT1 Capital	1,864,963	2,054,192	A.1.4 + A.1.5 + A.1.6
Transitional adjustments due to grandfathered AT1 Capital instruments	1,847,115	-	-
Instruments issued by subsidiaries that are given recognition in AT1 Capital	171,313	-	-
Deductions for AT1 instruments of financial sector entities where the institution has a significant investment	(9,588)	-	-
Other transitional adjustments to AT1 Capital	(372,192)	-	-
ADDITIONAL TIER 1 CAPITAL	3,501,611	-	-
TIER 1 CAPITAL	45,499,299	42,737,233	E.
Capital instruments and subordinated loans eligible as T2 Capital, included instruments issued by subsidiaries that are given recognition in T2 Capital (E)	8,395,521	16,907,027	F.1.5 + F.1.6
Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans	2,089,642	-	-
IRB Excess of provisions over expected losses eligible	-	1,889,559	F.1.7
Deductions for T2 instruments of financial sector entities where the institution has a significant investment	(994,519)	-	-
Other transitional adjustments to T2 Capital	(372,192)	-	-
Other accumulated other comprehensive income, different from those recognized at CET1 / CT1	-	(1,195,484)	F.1.2 + F.1.9 + F.2.3
T2 capital elements or deductions - other (F)	239,056	(2,687,176)	F.2.1 + I + G2
TIER 2 CAPITAL	9,357,508	14,913,926	L.
TOTAL OWN FUNDS	54,856,807	57,651,159	P.

Notes to previous page table:

(*) The cross-reference relates to the scheme "Regulatory Capital Breakdown" included in Part F of the Notes to the Consolidated Accounts as of December 31, 2013.

A.
The amount as of December 31, 2014 mainly includes the following items:

- Capital instruments and related share premium accounts;
- Retained earnings and other reserves; such amount also includes the positive effects related to the disposal of the 34,5% of Fineco S.p.A – finalized during the third quarter of the year – on which UniCredit continues to hold the control;
- Net profits of €1,312 million. Such amount corresponds to the year-end profit of 2014 net of Group foreseeable dividends calculated at the date (€696 million), included in Own Funds as the competent Authority granted the prior permission according to CRR Article 26(2).

For sake of comparison the amount as of December 31, 2013 includes the Group components related to the following items: (I) Capital, (II) Share premium account, (III) Reserves, (IV) Treasury stocks, (V) Result of the period. While minority interests are included in the related item.

B.
The amount as of December 31, 2014 also includes the negative effects related to the Russian ruble depreciation and the increase of the actuarial losses deriving from the valuation of defined benefit obligations.
For sake of comparison, the amount as of December 31, 2013 includes the forex effect related to the goodwill (deducted from Tier 1 capital together with the goodwill itself) and the revaluation reserves of actuarial net losses deriving from the elimination of the corridor method following the entry into force of the amendments to IAS 19 (IAS 19R). The amount of the other evaluation reserves as of December 31, 2013 (reserve for exchange difference, special law revaluation reserves, positive reserves on AFS securities) is classified under T2 (ref. to item "Other accumulated other comprehensive income, different from those recognized at CET1 / CT1").

C.
The amount as of December 31, 2014 is equal to zero as the deductions for shareholdings in financial sector entities where the institutions holds a significant investment do not exceed the conditional thresholds defined by CRR and hence are not deducted from Own Funds (the regulatory treatment as of December 31, 2013 required the deduction of 50% from Tier 1 and the remaining 50% from Tier 2).

D.
The amount as of December 31, 2014 is equal to zero as, compared to the amounts as of December 31, 2013, the following regulatory treatment has been applied:

- removal of the prudential negative filter which eliminates the benefits arising from the revaluation of Bank of Italy stake since the related effect, recognized at P&L as of December 31, 2013, qualifies as a "realized gain";
- removal of the filter related to net plus amount on subordinated liabilities classified "held-for-trading" since not required by CRR provisions.

E.
As of December 31, 2014 amortizing Tier 2 instruments having a 7 years contractual maturity were subject to changes in the regulatory treatment; specifically in such item is excluded the whole amount of these instruments, equal to €5,640 million.
The portion of such instruments issued before December 31, 2011, equal to €2,090 million, is included in item "Transitional adjustments due to grandfathered T2 Capital instruments and subordinated loans", given their recognition in the grandfathering provisions according to CRR article 484(5).

F.
The amount as of December 31, 2014 refers to the positive revaluation reserves on AFS securities included in T2 capital in application of the additional filters required by Bank of Italy during the transitional period.
For sake of comparison, the amount as of December 31, 2013 mainly includes 50% of the items to be deducted from Tier 2 (equal to €2,419 million), according to the Bank of Italy's regulatory requirements stating the deduction of 50% from Tier 1 and the remaining 50% from Tier 2.

Part F – Consolidated Shareholders' Equity

2. Additional Tier 1 – AT1

Additional Tier 1 instruments included in Additional Tier 1 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER (1)	COMPUTABLE CRR AMOUNT (€ mln) (2)	NOMINAL AMOUNT IN ORIGINAL CURRENCY (mln)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND / COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION (3)
yes	UNICREDIT SPA	XS0527624059	325	500	EUR	No maturity	07.21.2020	Fixed to Floating	9.375% from issue date to 07/21/2020, equivalent to MS + 6.49%; Euribor 3M + 7.49% from 07/21/2020	Non convertible	yes	Tier 2
no	UNICREDIT SPA	XS1046224884	898	1250	USD	No maturity	06.03.2024	Fixed	8% p.a. until 06/03/2024; therafter fixed every 5 years for 5-Year Mid-Swap Rate + 518bps	Non convertible	yes	Tier 2
no	UNICREDIT SPA	XS1107890847	991	1000	EUR	No maturity	09.10.2021	Fixed	6,75% p.a until 10/09/2021; therafter fixed every 5 years for 5-Year Mid-Swap Rate + 610bps	Non convertible	yes	Tier 2
yes	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	XS0372556299	182	350	GBP	No maturity	06.27.2018	Fixed to Floating	8.5925% from issue date to 06/27/2018 payable semi-annually, equivalent to MS + 2.95%; Libor 3M + 3.95% from 06/27/2018	Non convertible	yes	Tier 2
yes	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	XS0470937243	566	750	EUR	No maturity	12.10.2019	Fixed to Floating	8.125% from issue date to 12/10/2019; Euribor 3M + 6.650%	Non convertible	yes	Tier 2
yes	HVB FUNDING TRUST II	XS0102826673	18	100	GBP	10.13.2036	10.13.2034	Fixed	7.76% p.a	Non convertible	yes	Tier 2
yes	UNICREDITO ITALIANO CAPITAL TRUST III	XS0231436238	121	750	EUR	No maturity	10.27.2015	Fixed to Floating	4.028% from issue date to 10/27/2015, equivalent to MS + 0.76%; Euribor 3M + 1.76% from 10/27/2015	Non convertible	yes	Tier 2
yes	UNICREDITO ITALIANO CAPITAL TRUST IV	XS0231436667	26	300	GBP	No maturity	10.27.2015	Fixed to Floating	5.396% from issue date to 10/27/2015, equivalent to MS + 0.76%; Libor 3M + 1.76% from 10/27/2015	Non convertible	yes	Tier 2
yes	ALPINE CAYMAN ISLANDS LTD.	DE000A0DD4K8	95	250	EUR	No maturity	10.28.2011	Fixed to Floating	1Y 6.00%, max between 8.00% and CMS euro 10y + 0.10% from 10/28/2005. Payable semi-annually	Non convertible	no	Tier 2
yes	ALPINE CAYMAN ISLANDS LTD.	DE000A0DYW70	50	150	EUR	No maturity	03.22.2012	Fixed to Floating	1Y 7.5% payable in arrear, max between 8.00% and euro CMS 10 y + 0.15% from second year to maturity.	Non convertible	no	Tier 2
yes	HVB FUNDING TRUST	US404398AA77	17	300	USD	06.30.2031	06.30.2029	Fixed	8.741% p.a.	Non convertible	yes	Tier 2
yes	HVB FUNDING TRUST III	US404399AA50	17	200	USD	10.22.2031	10.22.2029	Fixed	9% payable semi-annually	Non convertible	yes	Tier 2

Notes:
The table does not include Cashes; for the description of Cashes, refer to the notes below Banking Own Funds table.

1. Please note that ISIN Guidelines (paragraph 7) states that "banking instruments or facilities such as bank loans are outside of the scope of the ISO-6166 standard and should not be identified by ISIN codes".
   Hence, the present section shows "NA" (Not Applicable) for those instruments classified as Loans.
2. In case of instruments issued by Group's subsidiaries, the value represents the computable amount of the instrument, that is the basis for the calculation of minority interests.
3. The write-up mechanisms described are aligned with the original Final Terms & Conditions; therefore, the classification of instruments is coherent with the regulatory framework in force at the issuance date.

In addition to such instruments, saving shares for €8 million (and related share premium equal to €10 million) and the ordinary shares underlying to the "CASHES" transaction for a total amount of €609 million are also included in Additional Tier 1.

3. Tier 2 Capital – T2

Tier 2 instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER (1)	COMPUTABLE CRR AMOUNT (€ mln) (2)	NOMINAL AMOUNT IN ORIGINAL CURRENCY (mln)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND / COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION (3)
no	UNICREDIT SPA	IT0003866412	37	400	EUR	06.30.2015	06.30.2010	Fixed to Floating	3% first year, max between minimum rate and 75% of swap Euro 10 y from second year to maturity	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0241369577	193	900	EUR	02.01.2016	-	Fixed	3.95% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0241198315	124	450	GBP	02.01.2016	-	Fixed	5% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	IT0004012552	40	170	EUR	03.30.2016	03.30.2011	Fixed to Floating	4% first year, max between 3.2% and 65% of swap Euro 10 y from second year to maturity	Non Convertible	no	Senior
no	UNICREDIT SPA	IT0004012586	53	230	EUR	03.30.2016	03.30.2011	Fixed to Floating	3.5% first year, max between minimum rate and 75% of swap Euro 10 y from second year to maturity	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0322918565	528	1,000	EUR	09.26.2017	-	Fixed	5.75% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0332831485	100	171	EUR	12.04.2017	-	Floating	Max between 5.14% and 100% of swap Euro 10 y	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0334815601	59	100	EUR	12.11.2017	-	Floating	Minimum between 11% and 113.5% of swap Euro 10 y	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0348222802	110	125	EUR	03.03.2023	-	Fixed	6.04% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0356063940	10	15	EUR	04.10.2018	-	Floating	Max between 5.535% and 10 y Euro CMS	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0356629369	66	100	EUR	04.24.2018	-	Floating	Max between 5% and 10 y Euro CMS + 0.67%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0367777884	482	1,000	EUR	06.05.2018	-	Fixed	6.70% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0372227982	75	125	EUR	06.25.2018	-	Floating	Euribor 6M + 1.7%	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0503612250	50	50	EUR	04.21.2021	-	Fixed	5% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0504566414	50	50	EUR	04.25.2022	-	Fixed	5.05% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0503708280	50	50	EUR	04.26.2020	-	Fixed	4.75% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	IT0004605074	332	333	EUR	05.31.2020	-	Fixed	05/31/2011: 3.00%; 05/31/2012: 3.25%; 05/31/2013: 3.50%; 05/31/2014: 3.75%; 05/31/2015: 4.00%; 05/31/2016: 4.40%; 05/31/2017: 4.70%; 05/31/2018: 5.07%; 05/31/2019: 5.40%; 05/31/2020: 6.00%.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0515754587	50	50	EUR	06.14.2020	-	Fixed	5.16% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004615305	159	327	EUR	06.14.2017	-	Fixed	06/14/2011: 3.00%; 06/14/2012: 3.25%; 06/14/2013: 3.50%; 06/14/2014: 3.80%; 06/14/2015: 4.10%; 06/14/2016: 4.40%; 06/14/2017: 4.70%.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004698418	300	464	EUR	03.31.2018	-	Fixed to Floating	5.00% p.a. from 06/30/2011 to 03/31/2013; from 06/30/2013 Euribor 3M + 1% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004698426	492	759	EUR	03.31.2018	-	Fixed	03/31/2012: 4.10%; 03/31/2013: 4.30%; 03/31/2014: 4.50%; 03/31/2015: 4.70%; 03/31/2016: 4.90%; 03/31/2017: 5.05%; 03/31/2018: 5.10%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0618847775	745	750	EUR	04.19.2021	-	Fixed	6.125% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004723927	274	394	EUR	06.30.2018	-	Fixed to Floating	5% p.a. until 06/30/2013; from 09/30/2013 Euribor 3M + 1% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004740368	14	20	EUR	07.05.2018	-	Floating	Euribor 3M + 2.50% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0849517650	1,492	1,500	EUR	10.31.2022	-	Fixed	6.95% p.a	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004747330	114	157	EUR	08.19.2018	-	Fixed	08/19/2012: 4.40%; 08/19/2013: 4.60%; 08/19/2014: 4.80%; 08/19/2015: 5.00%; 08/19/2016; 5.30%; 08/19/2017: 5.65%; 08/19/2018: 6.00%	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004748882	7	10	EUR	07.21.2018	-	Floating	Euribor 3M + 2.637% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004764004	315	414	EUR	10.31.2018	-	Fixed	10/31/2012: 5.60%; 10/31/2013: 5.90%; 10/31/2014: 6.10%; 10/31/2015: 6.30%; 10/31/2016: 6.50%; 10/31/2017: 6.80%; 10/31/2018: 7.20%	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004780562	414	518	EUR	01.31.2019	-	Fixed	01/31/2013: 6.50%; 01/31/2014: 6.90%; 01/31/2015: 7.30%; 01/31/2016: 7.80%; 01/31/2017: 8.10%; 01/31/2018: 8.30%; 01/31/2019: 8.50%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0878681419	184	300	SGD	07.30.2023	07.30.2018	Fixed	1-5.5Y 5.5% p.a., 5.5-10.5Y SOR + 4.47% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0925177130	615	750	USD	05.02.2023	05.02.2018	Fixed to Floating	1-5Y 6.375%. 6-10Y USD MS + 5.51%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0986063864	995	1,000	EUR	10.28.2025	10.28.2020	Fixed	5.75% p.a.. after the call. 5Y Swap + 410 bps	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	6	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	6	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	6	10	EUR	11.13.2017	-	Fixed	5.54% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	3	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	3	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	12	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	12	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	0	1	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	23	40	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	3	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	12	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	3	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior

Part F – Consolidated Shareholders' Equity

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER (1)	IMPORTO COMPUTATO NEI FONDI PROPRI (€ mln) (2)	NOMINAL AMOUNT IN ORIGINAL CURRENCY (mln)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND / COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION (3)
no	UNICREDIT SPA	N/A	6	10	EUR	01.30.2018	-	Fixed	5.74% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	N/A	6	10	EUR	01.30.2018	-	Fixed	5.74% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS1070428732	184	185	EUR	05.21.2024	05.21.2019	Fixed	3.125% from issue date to 05/21/2019; fixed rate equivalent to 5Y MS + 2.50% from 05/21/2019	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0062981500	50	10,000	JPY	03.12.2021	-	Fixed	6.3% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0070770333	13	5,000	JPY	10.31.2016	-	Fixed	5.39% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0071432222	13	5,000	JPY	11.28.2016	-	Fixed	5.2% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	US060587AB85	245	700	USD	02.15.2017	-	Fixed	7.25% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541917	10	45	EUR	01.25.2016	-	Floating	Euribor 6M + 0.40% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541719	20	20	EUR	10.06.2020	-	Fixed	6.5% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541669	5	5	EUR	07.31.2020	-	Fixed to Floating	7.1% payable until 07/31/2005, thereafter 1.8 x 10yJPYCMS. floor: 3.25%, cap: 8.25%	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0110196093	1	12	EUR	04.17.2015	-	Fixed to Floating	6.00% p.a. from issue date to 04/14/2007; CMS Euro 10y p.a. from 04/17/2007.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0111846001	1	11	EUR	05.25.2015	-	Floating	Euro CMS 30y (min 5.50%. max 7.25%) p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0112532535	1	15	EUR	06.15.2015	-	Fixed	6.31% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541396	0	8	EUR	04.28.2015	-	Fixed	6.8% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541313	1	19	EUR	03.17.2015	-	Fixed to Floating	5.75% from 03/17/2000 to 03/16/2001; thereafter arithmetic average Secondary Market Yield of Government Bonds according to ONB plus 0.25%	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541305	1	27	EUR	03.17.2015	-	Fixed	6.625% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0118835676	8	50	EUR	10.24.2015	-	Floating	Euribor 6M + 0.29% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0122710188	20	20	EUR	01.24.2031	-	Floating	Euribor 3M + 0.39% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0123313636	30	30	EUR	01.25.2031	-	Floating	Euribor 6M + 0.3925% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0123117292	46	46	EUR	01.25.2031	-	Floating	Euribor 3M + 0.35% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539606	9	9	EUR	12.21.2026	12.21.2017	Fixed	6% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0134061893	55	55	EUR	08.20.2033	-	Floating	Euribor 3M + 0.52% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0136314415	35	35	EUR	10.31.2031	-	Floating	Euribor 3M + 0.49% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539531	2	5	EUR	12.06.2016	-	Fixed to Floating	7% from 12/06/2001 to 12/05/2006; thereafter 9.90% minus Euribor 12M. floor: 0%	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0137905153	12	12	EUR	10.30.2031	-	Fixed	5.935% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138428684	60	60	EUR	12.31.2031	-	Floating	Euribor 3M + 0.50% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138355515	3	10	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138294201	9	30	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0139264682	33	40	USD	12.05.2031	-	Fixed	6.21% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	N/A	23	28	USD	12.15.2046	-	Fixed	USD 130.000 per month/ 5.673% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140394817	94	95	EUR	12.27.2031	-	Floating	Euribor 3M + 0.48% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140907626	50	50	EUR	12.27.2021	-	Floating	Euribor 3M + 0.48% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140691865	50	50	EUR	12.27.2026	-	Floating	Euribor 6M + 0.5% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140608125	8	40	EUR	12.27.2015	-	Floating	Euribor 3M + 0.43% payable quarterly	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140608398	63	63	EUR	12.27.2021	-	Fixed	5.80% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0140838474	125	125	EUR	12.27.2029	-	Floating	Euribor 6M + 0.52% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0141069442	100	100	EUR	12.28.2021	-	Floating	Euribor 6M +0.48% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000539481	40	40	EUR	11.29.2021	-	Fixed	6% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	N/A	25	25	EUR	10.19.2021	-	Fixed	6.01% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	N/A	20	20	EUR	12.02.2021	-	Fixed	5.51% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000246814	2	15	EUR	02.26.2021	02.26.2016	Floating	Euribor 6M + 0.20% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000245790	1	27	EUR	10.25.2019	-	Fixed to Floating	7.25% for first five years, thereafter arithmetic average Secondary Market Yield of Banking Bonds according to ONB minus 0.25%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0093266939	24	60	DEM	12.21.2018	-	Fixed	5.43% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0097425226	34	40	EUR	05.14.2019	-	Fixed to Floating	5.00% from issue date to 05/14/2009; 5.00% + 16% of Euro CMS 10y from 05/14/2009.	Non Convertible	no	Senior

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER (1)	IMPORTO COMPUTATO NEI FONDI PROPRI (€ mln) (2)	NOMINAL AMOUNT IN ORIGINAL CURRENCY (mln)	CURRENCY	MATURITY DATE	OPTIONAL CALL DATE	FIXED OR FLOATING DIVIDEND / COUPON	COUPON RATE AND ANY RELATED INDEX	CONVERTIBLE OR NON-CONVERTIBLE	WRITE-DOWN FEATURES	POSITION IN SUBORDINATION HIERARCHY IN LIQUIDATION (3)
no	UNICREDIT BANK AG	XS0097950900	3	3	EUR	05.28.2019	-	Fixed to Floating	4.50% from issue date to 05/28/2004; max between 4.50% and 90% of Euro CMS 10y from 05/28/2004.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0098170003	38	43	EUR	06.01.2019	-	Fixed to Floating	4.70% from issue date to 06/01/2009; max between 4.70% and 102% of Euro CMS 10y from 06/01/2009	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0098907693	19	25	EUR	06.25.2019	06.25.2009	Fixed	7.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0104764377	39	39	EUR	11.19.2029	-	Floating	Euribor 6M + 0.62%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	DE0002298890	18	20	EUR	06.07.2019	-	Fixed	5.5% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0105174352	12	12	EUR	12.13.2024	-	Fixed	2.00% p.a. from issue date to 12/13/2004; 9.00% p.a. from 12/13/2004.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0105656267	12	15	EUR	12.21.2029	-	Fixed	5.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0106620288	0	10	EUR	01.21.2015	-	Fixed to Floating	8.90% p.a. from issue date to 01/21/2003; Min between 8.90% and GBP CMS 10y from 01/21/2003.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0111214465	5	60	EUR	06.02.2015	-	Floating	Max between 5.50% and 75% of Euro CMS 10y.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0114878233	8	8	EUR	08.03.2020	-	Floating	Euribor 6M + 0.65%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	0	5	EUR	03.17.2015	-	Fixed	6.59% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0119485885	14	14	EUR	10.23.2020	-	Floating	Euribor 3M + 0.70%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0120851174	10	10	EUR	12.22.2020	-	Floating	67% of Euro CMS 10y, with a min. of 4.85% and a max of 5.85%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	0	5	EUR	03.17.2015	-	Fixed	6.59% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	1	10	EUR	04.20.2015	-	Fixed	6.48% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	6	10	EUR	11.27.2017	-	Fixed	5.85% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0150812872	5	10	EUR	07.08.2017	-	Fixed	1.00% from 07/08/2003 to 07/08/2007; 3.00% from 07/08/2008 to 07/08/2012; 4.00% from 07/08/2013 to 07/08/2017	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0154897317	14	25	EUR	09.24.2017	-	Floating	Max between 6.50% and 94% of Euro CMS 10y from issue date to 09/24/2007; 94% of Euro CMS 10Y 09/24/2007.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	3	10	EUR	05.30.2016	-	Fixed	6% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	N/A	1	15	EUR	04.29.2015	-	Fixed	4.21% p.a.	Non Convertible	no	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT0000347695	4	12	EUR	11.02.2016	11.03.2013	Fixed	4.875% p.a.	Convertible - AT1	yes	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT000B074141	4	8	EUR	10.22.2017	-	Fixed	4.625% p.a.	Convertible - AT1	no	Senior
no	UNICREDIT LUXEMBOURG FINANCE SA	US90466GAC69	365	750	USD	10.31.2017	-	Fixed	6.00% p.a.	Non Convertible	no	Senior

Notes:

1. Please note that ISIN Guidelines (paragraph 7) states that “banking instruments or facilities such as bank loans are outside of the scope of the ISO-6166 standard and should not be identified by ISIN codes”.
   Hence, the present section shows “NA” (Not Applicable) for those instruments classified as Loans.
2. In case of instruments issued by Group’s subsidiaries, the value represents the computable amount of the instrument, that is the basis for the calculation of minority interests.
3. The write-up mechanisms described are aligned with the original Final Terms & Conditions; therefore, the classification of instruments is coherent with the regulatory framework in force at the issuance date.

Part F – Consolidated Shareholders' Equity

B. QUANTITATIVE INFORMATION

(€ '000)

OWN FUNDS	12.31.2014	03.31.2014
A. Common Equity Tier 1 Capital (CET1) before prudential filters	**47,500,669**	**46,462,178**
of/w grandfathered CET1 instruments	-	-
B. CET1 Prudential Filters (+/-)	**(1,577,383)**	**(1,308,439)**
C. CET1 gross of deductions and transitional adjustments (A +/- B)	**45,923,286**	**45,153,739**
D. Items to be deducted from CET1	**6,954,941**	**6,258,941**
E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments	**3,029,343**	**1,838,920**
F. Common Equity Tier 1 Capital (C – D +/-E)	**41,997,688**	**40,733,718**
G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments	**3,735,578**	**1,840,552**
of/w grandfathered AT1 instruments	1,847,115	1,840,552
H. Items to be deducted from AT1	**71,438**	**62,739**
I. Transitional adjustments – Effect on AT1 (+/-), including qualifying instruments issued by subsidiaries and computable in AT1 due to transitional provisions	**(162,529)**	**122,138**
L. Additional Tier 1 Capital (G - H +/- I)	**3,501,611**	**1,899,951**
M. Tier 2 (T2) Capital gross of deductions and transitional adjustments	**9,815,391**	**14,701,524**
of/w grandfathered T2 instruments	2,089,642	422,582
N. Items to be deducted from T2	**1,057,928**	**936,156**
O. Transitional adjustments – Effect on T2 (+/-), including qualifying instruments issued by subsidiaries and computable in T2 due to transitional provisions	**600,045**	**1,338,889**
P. Tier 2 Capital (M - N +/- O)	**9,357,508**	**15,104,256**
Q. Total Own Funds (F + L + P)	**54,856,807**	**57,737,925**

Notes:

Description of main capital items[16] and transitional adjustments as of December 31, 2014

A. Common Equity Tier 1 Capital (CET1) before prudential filters

The item includes:

- paid up capital instruments for €19,270 million;
- share premium for €15,952 million;
- other reserves included retained earnings for €15,060 million, also containing the net profit of the year 2014 equal to €2,008 million, recognized in Own Funds reduced of Group foreseeable dividends calculated at the date, equal to €696 million. The year-end result of 2014 is included in Own Funds as UniCredit Group has obtained the prior permission from the competent Authority according to CRR article 26(2);
- minority interest given recognition in CET1 capital for €1,351 million;
- accumulated other comprehensive income, negative for € 4,133 million.
  In this items are comprised reserves for actuarial losses (IAS 19) and reserves on available for sale (AFS) securities, whose regulatory treatment is outlined below:
  - reserves for actuarial losses:
    - amount of the negative reserve: €2,883 million;
    - amount of the positive transitional filter included in section "*E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments*"): € 2,712 million;
    - increase of the amount in net liability for defined benefit obligations that would be recognized in application of the "corridor method" according to the previous version of IAS 19 principle[17]: €171 million;
  - reserves on available for sale (AFS) securities:
    - amount of the positive reserve: €1,885 million;
    - amount of the negative transitional adjustment, equal to €1,885 million, due to the following effects recognized in section "*E. Transitional adjustments – Effect on CET1 (+/), including minority interests subject to transitional adjustments*"), of which:
      - exclusion of 100% of unrealized gains referred to securities issued by EU Central Administrations[18] for €1,287 million;
      - exclusion of 100% of unrealized gains referred to other debt securities and capital instruments at fair value classified in the "Available for sale AFS" portfolio, for €598 million.

  Moreover the item includes also exchange rates differences, negative for €3,993 million, which shows a worsening as of December 31, 2014 due to the negative effects related to Russian Ruble depreciation.

The item does not include the following elements reclassified in the item "*G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments*":

- €609 million related to Cashes[19];
- €8 million related to Saving Shares;
- €10 million related to share premium and referred to Saving Shares.

B. CET1 prudential filters (+/-)

The item includes:

- filters required by CRR:
  - negative filter on cash flow hedge reserve of financial instruments (CRR art. 33.1 comma a), equal to €580 million;
  - negative filter on gains on liabilities of the institutions related to changes in own credit standing (CRR art. 33.1 comma b and c), equal to €196 million;
  - negative filter related to additional value adjustments (CRR art. 34), equal to €399 million;
- negative national filters as required by Bank of Italy Circular n° 285, referred to:
  - multiple goodwill redemption ("affrancamenti mutipli"), equal to €339 million;
  - gain on sale of properties mainly used in operations ("cessione in blocco"), equal to € 63 million.

16 With reference to the regulatory treatment of the UniCredit's stake in Bank of Italy, it is worth mentioning that: (I) the carrying value as of December 31, 2014 is risk weighted at 100% (according to the CRR article 133 "Equity exposure"); (II) the revaluation recognized at P&L as of December 31, 2013 is not filtered out.

17 As of January 1, 2013, following the entry into force of the amendments to IAS 19 (IAS 19R), the elimination of the corridor method – requiring recognition of present value of defined benefit obligations – will result in an impact on the Group's net equity related to the recognition in the revaluation reserves of actuarial net losses not previously recognized in line with such method.

18 With reference to the contents of Bank of Italy Bollettino di Vigilanza n° 12 issued on December 2013 related to the transitional provisions on Own Funds for unrealized gain and losses associated to exposures towards Central Administrations classified in the IAS 39 category "Available For Sale – AFS", UniCredit SpA exercised the option contained in the Bank of Italy Circular 285 ("Disposizioni di vigilanza per le banche", Part 2, Chapter 14, Section II, Paragraph 2) for the calculation of its Consolidated and Individual Own Funds for Unicredit S.p.A. Accordingly, starting from March 31, 2014 reporting period and in coherence with previous periods, UniCredit S.p.A. (for those securities issued by EU Central Administration classified in the portfolio "Available for Sale – AFS") excludes by any element of its Own Funds unrealized gains and losses related to exposures towards EU Central Administration classified in the IAS 39 category "Available for Sale – AFS", taking into account the provisions contained in the CRR Article 467.

19 The CASHES are equity-linked instruments, issued for a counter value of €2,983 billion in February 2009 by The Bank of New York (Luxembourg) SA, with a maturity on December 15, 2050 and convertible, under certain conditions, into n° 96,756,406 ordinary shares of UniCredit S.p.A. (reduced from n° 967,564,061 after the reverse split occurred on December 23, 2011) underwritten by Mediobanca in the context of the capital increase approved by the UniCredit Extraordinary Shareholders' Meeting on November 14, 2008. Therefore, since such shares are legitimately issued, they are fully loss absorbing as any other ordinary share.

Part F – Consolidated Shareholders' Equity

D. Items to be deducted from CET1

The item mainly includes:

- goodwill and other intangible assets, for €5,595 million;
- deferred tax assets that rely on future profitability and do not arise from temporary differences, for €255 million;
- excess of expected losses compared to provisions related to IRB positions, equal to €885 million;
- excess of assets related to defined benefit pension funds, equal to €43 million;
- deductions for securitizations, equal to €155 million.

E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments

The item includes the following transitional adjustments:

- exclusion of unrealized gains on AFS securities, equal to €1,885 million (-);
- positive filter on negative actuarial reserves (IAS 19), equal to €2,712 million (+);
- positive filter for the 80% of the deduction related to deferred tax assets that rely on future profitability and do not arise from temporary differences, for €204 million (+);
- positive filter for the 80% of the deduction related to excess of expected losses compared to provisions related to IRB position, for €708 million (+);
- positive filter due to the inclusion of minority interests subject to transitional adjustments, for €1,290 million (+).

I. Transitional adjustments – Effect on AT1 (+/-), including qualifying instruments issued by subsidiaries and computable in AT1 due to transitional provisions

The item includes the following transitional adjustments:

- positive filter for €20 million, equal to:
  - 80% (€38 million) of the amount of the deduction (€48 million) related to direct, indirect and synthetic positions in AT1 instruments issued by financial sector entities (FSE), in which a significant investment is held,
  - net of 50% of the residual amount of the deduction related to direct positions (€18 million);
- deduction of 50% of the residual amount (equal to €708 million) related to the excess of expected losses compared to provisions referred to IRB position, equal to €354 million (-);
- positive filter allowing the inclusion for instruments issued by subsidiaries and included in AT1 Capital due to transitional provisions, equal to €171 million (+).

M. Tier 2 (T2) Capital gross of deductions and transitional adjustments

As of December 31, 2014 amortizing Tier 2 instruments having a 7 years contractual maturity were subject to changes in the regulatory treatment as described below:

- the item "*M. Tier 2 (T2) Capital gross of deductions and transitional adjustments*" excludes the portion of these instruments issued after December 31, 2011, equal to €3,551 million;
- the item "*of which: grandfathered T2 instruments*" includes the portion of these instruments issued before December 31, 2011 and subject to the grandfathering provisions according to CRR article 484(5), equal to €2,090 million.

O. Transitional adjustments – Effect on T2 (+/-), including qualifying instruments issued by subsidiaries and computable in T2 due to transitional provisions

The item includes the following transitional adjustments:

- deduction of 50% of the residual amount referred to direct positions held in AT1 instruments issued by FSE in which a significant investment is held, for €18 million (-);
- deduction of 50% of the residual amount related to the excess of expected losses compared to provisions referred to IRB position, equal to €354 million (-);
- positive filter due to the inclusion of instruments issued by subsidiaries and included in Tier 2 Capital according to transitional provisions, equal to €733 million (+);
- national positive filter as regulated by Bank of Italy Circular n° 285, equal to 80% of 50% of unrealized gains on AFS, equal to €239 million.

2.3 Capital adequacy

A. QUALITATIVE INFORMATION

See the above “Section 1 – Consolidated Shareholders’ Equity” for qualitative information on the procedures adopted by the Banking Group to assess the adequacy of regulatory capital supporting current and future activities.

B. QUANTITATIVE INFORMATION

Capital Adequacy (€ '000)

ITEMS/VALUES	UNWEIGHTED ASSETS		WEIGHTED ASSETS/REQUIREMENTS	
	12.31.2014	12.31.2013 [5]	12.31.2014	12.31.2013 [5]
A. RISK ASSETS				
A.1 CREDIT AND COUNTERPARTY RISK	**864,338,492**	**844,040,506**	**344,210,788**	**314,926,556**
1. Standardized approach [1]	401,609,123	384,010,405	187,662,040	161,818,076
2. IRB approaches	453,356,258	450,896,787	153,875,480	149,581,278
2.1 Foundation	19,109,484	24,341,555	13,036,617	14,249,517
2.2 Advanced	434,246,774	426,555,232	140,838,863	135,331,761
3. Securitizations	9,373,111	9,133,314	2,673,268	3,527,202
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			**27,536,863**	**25,194,124**
B.2 Credit valuation adjustment risk [2]			**434,325**	-
B.3 Settlement risk [3]			**4,159**	-
B.4 Market Risk			**1,224,228**	**1,424,834**
1. Standard approach			181,828	55,912
2. Internal Models			1,042,400	1,368,922
3. Concentration Risk			-	-
B.5 Operational Risk			**3,538,233**	**4,161,024**
1. Basic indicator approach			236,047	285,937
2. Traditional standardized approach			305,834	318,696
3. Advanced measurement approach			2,996,352	3,556,391
B.6 Other calculation elements [4]			**-**	**3,119,104**
B.7 Total capital requirements			**32,737,808**	**33,899,086**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk Weighted Assets			**409,222,601**	**423,738,575**
C.2 Common Equity Tier 1 Capital/Risk weighted assets (CET1 capital ratio)			**10.26%**	**-**
C.3 Tier 1 Capital/Risk weighted assets (Tier 1 capital ratio)			**11.12%**	**10.09%**
C.4 Total Own Funds/Risk weighted assets (Total capital ratio)			**13.41%**	**13.61%**

Notes:

1. The wieghted amount as at December 31, 2014 includes the "Exposures with or central counterparties as pre-funded contributions to the default fund".
2. Credit valuation adjustment risk is calculated starting from January 1, 2014 (Basel 3 adoption).
3. Included in credit and counterparty risk as of December 31, 2013.
4. As of December 31, 2013, the amount was related to the floor adjustment.
5. Figures as of December 31, 2013 are calculated in coherence with regulatory rules in force at that time.

According to Italian prudential regulation (Bank of Italy - Circular 263), until Q1 2014, UniCredit group consolidated capital requirement for market risk was calculated as the sum of the individual capital requirements of the banks included in the scope of consolidation (without eliminating intercompany transactions).
With the coming into force of the CRR such regulatory shortcoming of Italian prudential regulation was eventually rectified allowing to account for the diversification among different legal entities for market risk consolidated capital requirements calculation.
Bank of Italy authorized UniCredit group to calculate market risk consolidated RWAs embedding the effect of the diversification across the different legal entities starting from Q2 2014, with the exception of CEE subsidiaries operating in Non-EU member states.
The overall reduction in consolidated market risk RWAs is approx. €5,7 billion due to:

- about €4 billion from diversification benefit among Group Legal Entities authorized to use group-wide internal model to calculate market risk regulatory capital (i.e. UCI Spa, UCB AG, UCBA AG and CEE subsidiaries, domiciled in countries that are members of the European Union);
- about €1.7 billion from standardized treatment of risk-weighted assets for CEE subsidiaries domiciled in Non-EU countries.

In addition, in 2014 first half UniCredit group has benefited from a decrease in the Operational RWA in the amount of over €7 billion mainly due to the introduction of the new internal model approved by the relevant Supervisory Authorities. The new internal model better describes Group operational risk profile also improving the use of forward looking elements such scenarios analysis and enlarging the type of available statistical distributions.

Part G – Business Combinations

Part G – Business Combinations

Section 1 – Business combinations completed in the period

Business combinations with counterparties outside the Group are carried out using the "purchase method" prescribed by accounting principle IFRS 3 "Business Combinations".

Under its reorganization program the Group has carried out business combinations involving companies or businesses which were already directly or indirectly controlled by UniCredit S.p.A. (Business Combination Under Common Control).

These transactions had no economic substance and were accounted for in the acquirer's and acquired entity's accounts in accordance with the continuity principle.

Under this principle the acquirer recognizes the net assets acquired at their carrying value in the acquired entity's accounts. These transactions have no effect on consolidated level.

1. Business combinations outside the Group

In 2014 the Group performed two business combinations outside the Group.

Immobilien Holding GmbH ("Immo Holding")

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

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

For strategic reasons, the Group intends to dispose of the whole stake in this real estate group. Prerequisite for such a disposal was to take the remaining 12% of economic participation and the control over the Immobilien Holding group wounding up the existing profit participation structure. The sale activities for the disposal of the real estate group have been started in 2014 and it is highly probable to conclude the sale within the next 12 months.

The derecognition of the previously held profit participation right in Immo Holding at the date of the acquisition resulted in a gain of €31,551 thousand (net of tax). The derecognition of the stake in Wien Mitte Immobilien GmbH, which was previously measured at equity, had an effect of €2,887 thousand on profit or loss.
A contingent consideration was not part of the price paid.

All assets and liabilities acquired have been shown respectively in item 150. of the assets "Non-current assets and disposal groups classified as held for sale" and in item 90. of the liabilities "Liabilities included in disposal groups classified as held for sale" and are measured at fair value less cost to sell. In particular these assets and liabilities are classified under "discontinued operation" since their acquisition has been performed in a view to resale.

In connection with this transaction no goodwill has been recognized since the sum of the consideration transferred and the fair value of the profit participation rights being derecognized basically equalled Group's share in the assets and liabilities recognized less the expected costs to sell.

Both the consideration paid and the fair value of the assets and liabilities that have been recognized have been determined on the base of a fairness opinion provided by a leading consulting company.

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

In December 2014 the Group, through its subsidiary Bank Pekao S.A., took over the assets and liabilities of SKOK Kopernik, following the decision of the Polish Financial Supervision Authority ("KNF") to protect market stability and security of the deposits.

The decision by KNF has been taken in accordance with article 74c paragraph 4 of the Act on Credit Unions of 5 November 2009, which allows him to decide on acquisition of a credit union as a whole or its selected property rights or liabilities by a polish bank.

The acquisition of the assets and liabilities of SKOK Kopernik from the Group proceeds with the financial support expected to be granted by the Bank Guarantee Fund ("BFG") pursuant to article 20g of the Act on Bank Guarantee Fund of 14 December 1994.
Consequently this operation did not determine the payment of any consideration.

This acquisition determined the recognition of a goodwill in the amount of €7,057 thousand calculated as the difference between the net amount of the identifiable assets acquired and liabilities assumed and the amount of the grant expected to be received from BFG equal to €23,852 thousand.
This goodwill, which is not subject to the tax deductions, is preliminary and may vary at the end of the measurement period provided for by IFRS3 paragraph 45.
The Group has fulfilled a number of conditions to receive grants from BFG; the amount of the grant is temporary until the final decision of the BFG.

2. Business combinations inside the Group

The main transactions of this kind carried out during the fiscal year were:
- sale to UniCredit S.p.A. by UBIS S.C.p.A. of the following business units:
    - "Group ICT and Operations" linked to support activities to the Parent Company in the management of ICT and Operations instrumental services;
    - "Security Network Services" linked to specific security activities performed on the Italian territory;
- acquisition by UniCredit S.p.A of Cordusio SIM S.p.A held by Cordusio Fiduciaria S.p.A;
- transfer to UniCredit Bank AG of the consumer credit activities of UniCredit S.p.A. Munich branch;
- acquisition by UniCredit S.p.A. of UniCredit Leasing S.p.A. residual minority stake of 31% of held by UniCredit Bank Austria AG;
- incorporation of Fineco Leasing S.p.A. by UniCredit Leasing S.p.A.

Please also note that the operations inked to the reorganization project of the Group leasing activities, as reported into "Report on Operations" – "Reorganization of the international leasing activities" to which reference should be made, are substantially completed.

Section 2 – Business combinations completed after year-end

We underline after the year end the partial spin-off to UniCredit, which will be effective as of January 1, 2015, of the non-core business unit of UniCredit Credit Management Bank S.p.A. (UCCMB) and of the business unit related to the real estate portfolio originating from the operations of the former Capitalia of UniCredit Credit Management Immobiliare (100% UCCMB, "UCCMI").

Part H – Related-Party Transactions

Part H – Related-Party Transactions

1. Details of Top Managers' Compensation

Details of key management personnel's 2014 remuneration are given below. Key management personnel are persons having authority and responsibility for planning, directing, and controlling UniCredit's activities, directly or indirectly. Key management personnel include the Chief Executive Officer and the other members of the Board of Directors, the Standing Auditors, the General Manager and the other members of UniCredit's Executive Management Committee, as well as the Head of Internal Audit.

Compensation paid to key management personnel (€ '000)

	YEAR 2014	YEAR 2013
a) short term benefits	20,950	19,193
b) post retirement benefits	1,837	1,809
of which under defined benefit plans	-	-
of which under defined contribution plans	*1,837*	*1,809*
c) other long term benefits	27	50
d) termination benefits	1,859	-
e) share-based payment	2,881	2,473
Total	**27,554**	**23,525**

In the above reported data are included the compensation paid to Directors (€ 8,220), Statutory Auditors (€ 700), General Manager (€ 1,749) and other Managers with strategic responsibility (€ 9,979), as shown in the document "Compensation tables and information document pursuant Consob regulations" attached to the 2015 Group compensation Policy, and € 6,906 relating to other costs borne in 2014 (the company share of social security contributions, allocations to severance pay funds and share-based payments using UniCredit and its subsidiaries' equity instruments).

The year on year increase in costs is primarily due to the return to the payment – in view of the positive 2014 business performance - of a bonus for the Chief Executive Officer, the General Manager and the other Executives with strategic responsibilities and to the disbursement of amounts in connection to post termination commitments undertaken, in the interest of the Bank, by a key manager terminated during 2014.

2. Related-Party Transactions

In order to ensure full compliance with legislative and regulatory provisions in force as regards disclosure of transactions with related parties, UniCredit adopted some procedures for identifying related-party transactions designed to ensure appropriate information is provided to enable compliance with the obligations of the Directors of UniCredit, as a listed company and the Parent Company of the Group.

In particular UniCredit, as a listed issuer, has adopted the "Global Policy for the management of transactions with persons in conflict of interest" that is designed to define preliminary and conclusive rules with respect to transactions initiated by UniCredit, including those conducted through subsidiaries, with related parties (CONSOB) and associated persons (Bank of Italy), and the manner in which information is disclosed to corporate bodies and the market. This Policy – which is published on the UniCredit website (www.unicreditgroup.eu) – identifies, inter alia, in compliance with the "Regulations on related-party transactions" issued by Italy's CONSOB resolution 17221 of March 12, 2010 (as amended/supplemented) and Bank of Italy Circular no. 263/2006 (Title V, Chapter 5 – "Procedures for the management of risk activities and conflicts of interest with associated persons"): the independence of UniCredit's Directors who may be asked to express their opinions on related-party transactions (CONSOB) and transactions with associated persons (Bank of Italy); the scope of related parties (CONSOB) and associated persons (Bank of Italy), together defined as the "Combined Perimeter".

In 2014, transactions carried out within the Group and/or generally with Italian and foreign related parties were executed, as a rule, on the same terms and conditions as those applied to transactions entered into with independent third parties. Intra-group transactions were carried out based on assessments of a mutual economic advantage, and the determination of applicable terms and conditions took place in compliance with substantial correctness, keeping in mind the common goal of creating value for the entire Group. The same principle was also applied to the provision of services, combined with the principle of charging for such services at minimal rate solely to recover related production costs.

As required by the Commission Regulation (EU) No. 632/2010 of July 19, 2010, the revised IAS 24 – which simplifies and clarifies the definition of related party and the criteria aimed at identifying related party relationships – is applied to financial reporting for annual periods beginning on or after January 1, 2011. Pursuant to IAS 24, UniCredit S.p.A.'s related parties include:

- companies belonging to the UniCredit group and companies controlled by UniCredit but not consolidated;[20]
- associates and joint ventures, as well as their subsidiaries;
- UniCredit's "key management personnel";
- close family members of "key management personnel" and companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Moreover, as approved by the Board of Directors with effect from March 1, 2012, for the purposes of the disclosure of information pursuant to IAS 24 and to CONSOB regulations, UniCredit S.p.A. has expanded the scope of related parties including individuals who:

- directly or indirectly, also through controlled entities, trustees or nominees, hold a stake in UniCredit exceeding 2% of the share capital represented by shares with voting right, as well as all entities directly or indirectly controlled by them;
- have (among them) signed an agreement, in whatever form and made public by law, for the joint exercise of the voting right at UniCredit Shareholders' Meeting exceeding 2% of the share capital, as well as the entities that directly or indirectly control them and all those that are directly or indirectly controlled by them.

Not all the related parties identified by IAS 24 should be made subject to the provisions of the Consob Regulation containing "Rules on transactions with related parties" (pursuant to Resolutions Nos 17221 and 17389 of 2010 which are based on the definition of related party as in the previous version of IAS 24, valid at the date of entry into force of the said Regulation) but, by way of self-regulation and in alignment also with the definition of associated subjects (Bank of Italy) the Consob perimeter includes all the types defined by IAS 24.

Further information on related party transactions, and in particular on procedures implemented by the Group, is provided in the Report on operations, chapter "Corporate Governance".

The following table sets out the assets, liabilities, guarantees and commitments as at December 31, 2014, for each group of related parties, pursuant to IAS 24:

[20] For the purposes of UniCredit's consolidated financial statements as at December 31, 2014, transactions and outstanding balances between consolidated companies were written off as described in Part A.

Part H – Related-Party Transactions

Related party transactions: balance sheet items

(€ '000)

	AMOUNT AS AT 12.31.2014								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMET PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Financial asset held for trading	-	22,278	400,185	1	5,036	427,500	0.42%	7,811	0.01%
Financial asset designated at fair value	-	-	-	-	-	-	0.00%	-	0.00%
Available for sale financial asset	8,880	245,453	145,946	-	-	400,279	0.41%	19,000	0.02%
Held to maturity investments	-	-	-	-	-	-	0.00%	-	0.00%
Loans and receivables with banks	-	1,884,349	1,058,903	-	-	2,943,252	4.28%	3,088	0.00%
Loans and receivables with customers	95,635	884,729	506,140	4,570	94,020	1,585,094	0.34%	1,666,793	0.35%
Other assets	2,268	3,197	57,521	-	43	63,029	0.63%	134	0.00%
Total Assets	**106,783**	**3,040,006**	**2,168,695**	**4,571**	**99,099**	**5,419,154**	**0.69%**	**1,696,826**	**0.22%**
Deposits from banks	25	21,240	8,840,651	-	-	8,861,916	8.36%	190,658	0.18%
Deposits from customers	21,661	5,256	384,409	10,204	115,016	536,546	0.13%	545,099	0.13%
Debt securities in issue	-	15,428	252,308	-	23,174	290,910	0.13%	35,545	0.02%
Other liabilities	581	742	16,073	-	13,822	31,218	0.19%	31	0.00%
Total Liabilities	**22,267**	**42,666**	**9,493,441**	**10,204**	**152,012**	**9,720,590**	**1.28%**	**771,333**	**0.10%**
Guarantees given and commitments	63,437	853,215	193,582	882	129,454	1,240,570	0.69%	578,710	0.32%

(*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

The following table sets out the impact of transactions with related parties on the main Income Statement items, for each group of related parties.

Related party transactions: profit and loss items

(€ '000)

	AMOUNT AS AT 12.31.2014								
	NON-CONSOLIDATED SUBSIDIARIES	NON-CONSOLIDATED JOINT VENTURES	ASSOCIATES	KEY MANAGEMET PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED	SHAREHOLDERS (*)	% ON CONSOLIDATED
Interest income and similar revenues	(209)	96,336	47,705	61	1,241	145,134	0.67%	29,171	0.13%
Interest expense and similar charges	(55)	(179)	(111,011)	(66)	(300)	(111,611)	1.15%	(4,395)	0.05%
Fee and commission income	188	4,429	682,195	30	1,793	688,635	7.59%	12,832	0.14%
Fee and commission expense	(129)	(29)	(157,455)	(5)	(15)	(157,633)	9.94%	(2,318)	0.15%
Impairment losses on:	(7,581)	-	(181,709)	-	1,628	(187,662)	4.15%	229	-0.01%
a) loans	(7,589)	-	(120,807)	-	1,610	(126,786)	3.03%	210	-0.01%
b) available for sale assets	-	-	(60,670)	-	-	(60,670)	24.41%	-	0.00%
c) held-to-maturity assets	-	-	-	-	-	-	0.00%	-	0.00%
d) other financial assets	8	-	(232)	-	18	(206)	0.22%	19	-0.02%
Operating costs	595	2,374	(384,020)	9	(12,878)	(393,920)	2.79%	199	0.00%

(*) Shareholders and related companies holding more than 2% of voting shares in UniCredit.

Please note that the “key management personnel” are persons having authority and responsibility for planning, directing, and controlling UniCredit’s activities, directly or indirectly (i.e. members of the Board of Directors, including the Chief Executive Officer, the General Manager, the Standing Auditors, members of the Executive Management Committee and the Head of Internal Audit in office during the reporting period).

The “other related parties” category includes:

- close family members of key management personnel (i.e. those family members who, as is expected, may influence – or be influenced by – the person in question);
- companies controlled (or jointly controlled) by key management personnel or their close family members;
- Group employee post-employment benefit plans.

Specifically, below are some observations on major related-party transactions.

In 2012 the subsidiary UniCredit Business Integrated Solutions S.C.p.A. (UBIS) assumed the role of operating sub-holding to provide the Group’s support services both in Italy and abroad.
Against this backdrop, on February 15, 2013 the Board of Directors of UBIS approved the executive plan relating to the “Invoice Management” transaction aimed at the formation of a joint venture with the partner Accenture S.p.A. (Accenture) for the provision of back office services with respect to the “active and passive cycle” (issuance, receipt, verification, recording and payment of invoices). In relation to this, UBIS transferred - with effect from April 1, 2013 - its “active and passive cycle” business unit to the company formed by Accenture and called “Accenture Back Office and Administration Services S.p.A.” and sold to Accenture some of the shares resulting from the transfer. Following the transaction, UBIS holds 49% of Accenture Back Office and Administration Services S.p.A.’s share capital; the remaining 51% is held by Accenture (which is the controlling shareholder).
Afterwards, on April 19, 2013, the Board of Directors of UBIS approved the executive plan of the project aimed at the formation of a joint venture with another major player in the industry, IBM Italia S.p.A. (IBM), for the provision of technological infrastructure services (hardware, data center, etc.) to Commercial Banking. The transaction was completed when UBIS transferred, with effect from September, 1, 2013, of the “Information Technology" business unit to the company named "Value Transformation Services S.p.A.” (V-TServices), formed and controlled by IBM Italia S.p.A. Following the transaction, UBIS holds 49% of V-TServices’s share capital; the remaining 51% is held by IBM (which is therefore the controlling shareholder).
The services provided to the UniCredit group by the above-mentioned companies result in an exchange of fees (administrative costs).

In order to ensure compliance with the commitments undertaken by UniCredit S.p.A. under the "ReboRa Agreement", in 2010 – following the sale of UniCredit CAIB AG by UniCredit Bank Austria AG ("Bank Austria") to UniCredit Bank AG – UniCredit S.p.A. and Bank Austria entered into a Compensation Agreement, consisting of a derivative contract valid from January 1, 2010 to a date between January 1, 2015 and March 31, 2016 (at the discretion of the parties), aimed at keeping Bank Austria financially neutral with respect to the profits generated from the operations sold. In particular, this agreement establishes a commitment for UniCredit S.p.A. to pay an amount indexed to the earnings of the Group's CIB Division-Markets Segment (excluding Poland) in return for Bank Austria's commitment to pay 12 month Euribor + 200bps recorded annually on the notional amount equal to the sale price of UniCredit CAIB AG (corresponding to around €1.28 billion). Upon expiry of the agreement, UniCredit S.p.A. has made a commitment to pay any increase attributable pro rata to the CIB Markets perimeter with respect to sale price of UniCredit CAIB AG. This agreement has been recognized in the financial statements under trading derivatives and measured using a valuation model which takes account of all the flows described. Following the notification (in the third quarter of 2014) by Unicredit S.p.A. to Bank Austria, the agreement will terminate in March 2015.

With reference to transactions with Mediobanca S.p.A. (“Mediobanca”), in addition to the transactions falling within the ordinary course of business and financial activity, UniCredit S.p.A. has entered into a thirty-year usufruct agreement on UniCredit shares with Mediobanca, under which Mediobanca gives back to UniCredit S.p.A., in return for a consideration (recorded as a reduction in Shareholders’ Equity), the right to vote and receive dividends on the UniCredit S.p.A. shares subscribed for by Mediobanca in January 2009, as part of the capital increase approved by UniCredit in November 2008. These shares were concomitantly used in support of the issuance of convertible securities denominated “CASHES”.
Following the resolutions of UniCredit S.p.A.’s Extraordinary Meeting of December 2011, the number of shares underlying the usufruct agreement and the formula for calculating the remuneration fees in favor of Mediobanca were adjusted to reflect (i) the reverse split of UniCredit S.p.A. shares and (ii) the free capital increase of December 2011 carried out through the allocation to capital of an equivalent amount transferred from the issue-premium reserve recorded in January 2009. Since the conditions of the contract were not fulfilled, the first three instalments of the usufruct fees referring to the results for 2013 were not paid. Only the fourth installment, referring to the results for 2012, was paid, amounting to 35 million. were paid in the financial year.
As part of the “CASHES” transaction, Mediobanca also acts as a custodian of the shares issued by UniCredit S.p.A.
At December 31, 2014, since the conditions for an impairment test were met, the value in use of the equity investment in Mediobanca was determined, according to the methods described in Part A of the Notes to the Consolidated Accounts. The impairment test confirmed the carrying value of the equity investment.

Part H – Related-Party Transactions

At December 31, 2014 the Group's exposure to Italpetroli Group, considered part of the intragroup transactions, consisted mainly of the credit exposure.

In 2011 UniCredit acquired a 40% stake in NEEP ROMA HOLDING S.p.A. ("NEEP"), which at the same time acquired control of A.S. Roma S.p.A. and its investee companies. In August 2014, the entire remaining 31% stake in NEEP (following transfer to Raptor HoldCo LL in August 2013 of 9% of the share capital of Neep Roma Holding S.p.A.) was sold. As a result, the shareholder agreement relating to NEEP Roma Holding, signed by UniCredit on August 18, 2011 and subsequently amended and supplemented on August 1, 2013, ceased to be effective.

During 2013 UniCredit S.p.A. had entered into two agreements with Unicredit Bank AG aimed at ensuring fulfillment of the provisions of Articles 311, paragraph 2, and 317 of the German Stock Corporation Act (Aktiengesetz, AktG), applicable to groups including a German company when no domination agreements are in place. Those provisions establish (i) the obligation for the parent company to compensate, or commit to compensating, the subsidiary for any damages arising from measures or transactions (or lack thereof) ordered by the parent company and that the subsidiary would not have adopted/conducted had it not belonged to the group and (ii) the subsidiary's obligation to claim a compensation from the parent company and, if no compensation is received, to prepare a report ("dependency report") on the status of all harmful measures and compensation not yet awarded.
In March 2013 UniCredit S.p.A. signed a "compensation agreement" with UniCredit Bank AG to pay for services provided to UniCredit Bank Russia, Ukrsotsbank and UniCredit Bank Austria and compensate for the damages caused by the cessation of funding for Russian and Ukrainian companies by UniCredit Bank AG. UniCredit S.p.A. acted as guarantor, committing to paying the amount due to UniCredit Bank AG in case the latter and UniCredit Bank Austria failed to reach a deal. The agreement did not result in any disbursements on the part of UniCredit S.p.A. since UniCredit Bank AG and UniCredit Bank Austria later entered into agreements that did not make it necessary to activate the guarantee.
In December 2013 UniCredit S.p.A. signed another "compensation agreement" with UniCredit Bank AG to compensate for damages identified in 2013 in relation to specific activities relating to (i) Loan Syndication, (ii) Global Account Management, (iii) guarantees issued and (iv) secondment of human resources carried out by UniCredit Bank AG in favor of UCI S.p.A. and other Group companies (mainly UniCredit Bank Austria, Pekao and other companies in the CEE area). The contract also provided for UniCredit S.p.A.'s guarantee with respect to claims directed to other Group companies if the parties failed to reach a remuneration/compensation agreement by March 31, 2014 and failed to make payment by April 15, 2014.
With respect to this commitment, as at December 31, 2013 UniCredit S.p.A. booked €89 million in its separate financial statements. During the first quarter of 2014, following the revision and fine-tuning of the estimates made in December 2013, the sums requested were definitively calculated and subsequently settled in the amount of €60 million, with a resulting positive effect on the 2014 financial statements of approximately €30 million.
In December 2014, UniCredit S.p.A. and Unicredit Bank AG signed a new agreement relating to certain specific activities performed by Unicredit Bank AG in 2014 and the previous years, mainly relating to Global Account Management, Loan Syndication, guarantees issued and secondment of human resources, which resulted in the payment to Unicredit Bank AG of €10 million in the same month.

In April 2013, UniCredit S.p.A. started to act as "primary dealer" and "market maker" on the Italian, Portuguese, Spanish and Greek government bond markets (these roles were previously played by UniCredit Bank AG). In light of the fact that the model developed provides for the regular provision by UCB AG of services in support of the activity now carried out by UniCredit S.p.A., an agreement ("cooperation agreement") on the remuneration for these services was entered into, which was also in force for 2014.

In the period 2008/2009, UCI S.p.A. (on its own behalf and as the Parent Company of the former segment banks later absorbed) and Aspra (later merged into UniCredit Credit Management Bank (UCCMB)) entered into agreements for the sale to UCCMB of loans incorporating guarantees and indemnities, later extended and partially modified in 2011 by varying the operational conditions for the implementation of these guarantees and indemnities. The original sale contracts signed by each transferring bank include certain statements and guarantees that, if not observed, will result in the return of the loans in question or the activation of indemnities with subsequent claims for damages by UCCMB against UniCredit S.p.A. based on the original sale prices. In the light of the rights and obligations contained in the current agreements, the best estimate at December 31, 2014 of risks associated with these guarantees and indemnities, obtained on the basis of the information provided by UCCMB (which is currently responsible for managing the loans sold), resulted in the recognition of a provision for risks and charges in the separate financial statements of UniCredit S.p.A.. This provision was made in the separate financial statements of UniCredit S.p.A. to cover the risks associated with the probable compensation claims by UCCMB (IAS 37). The item was therefore derecognized from the Group's consolidated financial statements, where the individual valuation of the loans in question, carried out by UCCMB, prevails over the original purchase price (IAS 39).

In December 2013 the conditions provided for by IFRS 5 were met for the purposes of the classification as asset classified as held for sale of a portion (equal to €32 million corresponding to 20.070%) of the stake in the associate SIA S.p.A., which was then sold in the second quarter of 2014. Following the sale, UniCredit S.p.A.'s shareholding decreased from 24.07% (€38 million) to 4%, resulting in the loss of significant influence over the company.

During 2014, a reorganization of Lauro Sessantuno S.p.A. was carried out, consisting of the following phases: a) the acquisition by LTI of a shareholding in Lauro Sessantuno (which took place in July 2014), as part of which UniCredit sold LTI approximately 12.97% of Lauro Sessantuno for about €140 million, with a capital gain of about €58.1 million; b) the merger of Lauro Sessantuno into Camfin (completed on December 1, 2014); c) retention within Camfin of the shareholding in Pirelli and other associated assets and liabilities, and the spin-off of the other assets and liabilities of Camfin through its nonproportional partial spin off in favor of a NewCo (Coinv S.p.A.) in which NP, UniCredit and Intesa Sanpaolo own a stake (also completed on December 1, 2014); and d) transfer to Coinv of the Camfin shares owned by NP, UniCredit and Intesa Sanpaolo (carried out on December 22, 2014).
Following the end of the transactions described above, Camfin is 50% owned by LTI and Coinv, and Coinv is in turn 76% controlled by NP, with UniCredit and Intesa Sanpaolo each holding a 12% stake.

As part of the project of reorganizing the lease business at Group level (which in 2013 involved the transfer by UniCredit Leasing of the lease companies and businesses operating in the CEE area to their respective local banks operating in the same CEE countries), in 2014 the minority share of 31% held in UniCredit Leasing was transferred by UniCredit Bank Austria to UniCredit, resulting in UniCredit having 100% control of the Italian lease companies. UniCredit Leasing will no longer act as a sub-holding company, but will exclusively operate as a leading lease company on the Italian market, also following the merger by incorporation of Fineco Leasing S.p.A. in the first few months of 2014 at the time of subscription of a capital increase of €490 million.

In March 2014, in order to accelerate the growth of the subsidiary and boost its market visibility while optimizing capital allocation, the Group decided to initiate the activities for the Initial Public Offering (IPO) of the ordinary shares of FinecoBank. In that area, in April, in line with the initiatives set out in the Group Strategic Plan 2013-2018, FinecoBank submitted the application for the admission to listing of its ordinary shares on the Screen-Based Share Market (MTA) organized and managed by Borsa Italiana, submitting its application to CONSOB for approval of the Prospectus concerning the Initial Public Offering and listing of the shares. The global offering for sale (with a demand that was 2.9 times greater than the offering), following the full exercise of the Greenshoe option in July, regarded 34.5% of the capital of FinecoBank. The offer price of ordinary shares of FinecoBank was set at 3.70 per share, and the total consideration for UniCredit, including the shares relating to the Greenshoe option, amounted to approximately €774 million, resulting in a capital gain of approximately €410 million, inclusive of commission, taxes and expenses, entirely allocated to capital reserves, as UniCredit will retain control of FinecoBank, even after the global offering, as per the IAS/IFRS accounting standards. The ordinary shares of FinecoBank have been traded on the Screen-based Share Market organized and managed by Borsa Italiana since July 2.

In August 2014 Alitalia sealed an investment agreement with Etihad Airways aimed at strengthening Alitalia in terms of competitiveness and sustainable income, which also includes: (i) an investment of €560 million by Etihad, which thus becomes a non-controlling shareholder of the company; (ii) the commitment by the main stakeholders (in addition to UniCredit, Intesa Sanpaolo, Poste Italiane, Atlantia, Immsi, Pirelli, Gavio and Macca) to support an additional recapitalization of the company (maximum liability for UniCredit of €62.1 million); and (iii) support for the transaction from the shareholder financial institutions and banks with a maximum of €598 million in the form of conversion and/or consolidation of short- and medium-term debt.
The transaction, which took effect on January 1, 2015, substantially resulted in: (i) the contribution by Alitalia CAI (subsequently renamed CAI) to a new company named Alitalia-Società Aerea Italiana S.p.A. (SAI) of the business pertaining to all the operating activities performed; (ii) the contribution to Midco S.p.A., by Alitalia CAI, of the investment in SAI deriving from the contribution of said business; (iii) the subscription by Etihad, through a cash payment of €387.5 million, of a capital increase of SAI resulting in Etihad holding 49% of SAI (the residual 51% is held by CAI, through Midco).
Following the restructuring of the short- and medium-term debt by the financial institutions and shareholder banks, at the end of 2014 UniCredit held a share of 33.50% of CAI.

It should be noted that distribution agreements concerning insurance products were signed with the following associates:

- Aviva S.p.A.
- CNP UniCredit Vita S.p.A.
- Creditras Assicurazioni S.p.A.
- Creditras Vita S.p.A.
- Incontra Assicurazioni S.p.A.

The relationships with other related parties include the relationships with (UniCredit employee) external pension funds, since they have separate legal personality. These transactions were conducted on the same terms and conditions as those applied to transactions with independent third parties. The relationships with these pension funds are almost entirely represented by the relationships included in Deposits from customers (and related interest)

With reference to the effects of the war scenario in Ukraine, we can note that UniCredit Bank Austria AG has issued to the Ukrainian National Bank a comfort letter to guarantee that Ukrsotsbank will continue as a going concern. On this point please see the paragraph dedicated in Section E - “Comments on risks and related hedging policies – Section 5 – Other risks – Selected emerging risks.

Part I – Share-Based Payment

Part I – Share-Based Payments

A. QUALITATIVE INFORMATION

1. Description of payment agreements based on own equity instruments

1.1 Outstanding instruments
Group Medium & Long Term Incentive Plans for selected employees include the following categories:
- Equity-Settled Share Based Payments;
- Cash Settled Share Based Payments[21].

The first category includes the following:
- **Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group;
- **Performance Stock Options** allocated to selected Top & Senior Managers and Key Talents of the Group and represented by UniCredit Options that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board;
- **Share Plan for Talent** that offer free UniCredit ordinary shares that the Parent Company undertakes to grant, conditional upon achieving performance targets approved by the Parent Company's Board;
- **Group Executive Incentive System** that offer to eligible Group Executive a variable remuneration for which payment will be made within five years. The beneficiary will receive the payment by cash and/or by Unicredit shares; the payment are related to the achievement of performance condition (other than marked conditions) stated in the Plan Rules.
- **Group Executive Incentive System 2014 (Bonus Pool)** that offer to eligible Group Executives and relevant employees identified following regulatory rules, a bonus structure composed by upfront (following the moment of performance evaluation) and deferred payments in cash and in shares, to be paid over a period of up to 6 years (first year upfront and 5 years deferred). This payment structure will guarantee the alignment to shareholder interest and will be subjected to malus (which applies in case specific profitability, capital and liquidity thresholds are not met at both Group and Country/Division level) and claw back conditions (as legally enforceable) as defined in Plan Rules (both non-market vesting conditions);
- **Employee Share Ownership Plan (ESOP)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the advantages to foresee the granting of free ordinary shares ("Discount Shares" and "Matching Shares" or, for the second category, rights to receive them) measured on the basis of the shares purchased by each Participant ("Investment Shares") during the "Enrolment Period". The granting of free ordinary shares is subordinated to vesting conditions (other than market conditions) stated in the Plan Rules;
- **FinecoBank Stock granting to employees and personal financial advisors (PFA)** that respectively offers to (i) eligible Top Management ("2014-2017 Multi-year Plan Top Management"), (ii) Executive and bank employees -different from Top Management- ("2014 Key People Plan") and (iii) personal financial advisors ("Piano PFA 2014") FinecoBank free shares according to specific conditions stated in each Plan's Rules. Shares will be granted to the beneficiaries in 4 annual tranches for the "2014-2017 Multi-year Top Management Plan", in 3 annual tranches for both "2014 Key People Plan" and "Piano PFA 2014".

The second category includes synthetic "Share Appreciation Rights" linked to the share-value and performance results of some Group-Companies[22].

1.2 Measurement model
1.2.1 Stock Options and Performance Stock Options
The Hull and White Evaluation Model has been adopted to measure the economic value of Stock Options.

This model is based on a trinomial tree price distribution using the Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:
- reaching a Market Share Value equals to an exercise price- multiple (M);
- probability of beneficiaries' early exit (E) after the end of the Vesting Period.

Economic and Equity effects will be recognized on a basis of instrument vesting period.
Any new Stock Options' Plans and Performance Stock Options haven't been granted during 2014.

[21] Linked to the economic value of instruments representing a subsidiaries Shareholders' Equity.
[22] Mainly referred to Pioneer Global Asset Management.

1.2.2 Share Plan for Talent

The plan offers three "Free Unicredit Shares" installments, having subsequent annual vesting, to selected beneficiaries.
The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends, not available to beneficiaries, during the performance period. Parameters are estimated by applying the same model used for Stock Options measurement.
Economic and Net Equity effects will be accrued during the instruments' vesting period.
Any new Share Plans haven't been granted during 2014.

1.2.3 Group Executive Incentive System

The amount of the incentive is determined on a basis of the achievement of quantitative and qualitative goals stated by the plan. In particular, the overall evaluation of the Employee's relevant Manager expresses as a percentage, from a minimum of 0% to a maximum of 150% (non market vesting conditions).
This percentage, adjusted by the application of a risk/opportunity factor - Group Gate - at first payment multiplied by the Bonus Opportunity, determines the effective amount that will be paid to the beneficiary.
Economic and Net Equity effects will be accrued on a basis of instruments' vesting period.

Group Executive Incentive System 2013 – Shares

The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

	Shares Granted Group Executive Incentive System 2013		
	1st Installment (2016)	2nd Installment (2017)	3rd Installment (2018)[1]
Date of Bonus Opportunity Economic Value granting	29-Jan-2013	29-Jan-2013	29-Jan-2013
Date of Board resolution (to determine number of shares)	11-Mar-2014	11-Mar-2014	11-Mar-2014
Vesting Period Start-Date	1-Jan-2013	1-Jan-2013	1-Jan-2013
Vesting Period End-Date	31-Dec-2015	31-Dec-2016	31-Dec-2017
UniCredit Share Market Price [€]	5.862	5.862	5.862
Economic Value of Vesting conditions [€]	-0.200	-0.299	-0.427
Performance Shares' Fair Value per unit @ Grant Date [€]	**5.662**	**5.563**	**5.435**

1. referred only to Executive Vice-President assignations.

Group Executive Incentive System 2014 (Bonus Pool)

New Group Incentive system 2014 is based on a bonus pool approach, aligned with regulatory requirements and market practices, it defines:

- sustainability, through direct link with entity results and alignment with relevant risk categories, utilizing specific indicators linked to risk-appetite;
- link between bonuses and organization structure, defining the pool on a country/division level with further review at Group level;
- bonuses allocated to Executives and other relevant employee, on a basis of European Bank Authority (EBA) rules and local regulations;
- payment structure has been defined in accordance with Regulatory provisions qualified by directive 2013/36/EU (CRD IV) and will be distributed in a period of six years by using a mix of shares and cash.

All Profit and Loss and Net Equity effects related to the plan will be booked during the vesting period.

1.2.4 Employee Share Ownership Plan (Let's Share 2014)

The following tables show the measurements and parameters used in relation to Free Shares (or rights to receive them) connected to the "Employee Share Ownership Plan" approved in 2013.

Measurement of Free Shares ESOP 2014

	Free Shares 1st Election Window	Free Shares 2nd Election Window
Date of Free Shares delivery to Group employees	31-Jan-2014	31-Jul-2014
Vesting Period Start-Date	31-Jan-2014	31-Jul-2014
Vesting Period End-Date	31-Jan-2015	31-Jul-2015
Discount Shares' Fair Value per unit [€]	**5.774**	**5.972**

Part I – Share-Based Payments

All Profit and Loss and Net Equity effects referred to free shares will be booked during the vesting period (except adjustments, according to Plan Rules, that will be booked during the next closing after vesting period);
The UniCredit free ordinary shares assigned in plan rules applications had been acquired on the market.

1.2.5. FinecoBank Stock granting to employees and personal financial advisor (PFA)
The economic value of Performance Shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

1.2.6. PGAM Shared-Based Incentive Plan 2013
In December 2013, Pioneer Global Asset Management's Board of Directors approved a long term incentive plan to be assigned to Pioneer Group key talent resources. In March 2014 each beneficiary has been granted with Restricted Units that gave the right to receive Pioneer Global Asset Management shares having restricted economic and administrative rights (Restricted Shares), or other financial instruments (or the cash-equivalent amount). These shares will vest after the fourth year anniversary starting from the granting.

Restricted Shares' value is evaluated on a basis of Pioneer Group EBITDA.

B. QUANTITATIVE INFORMATION

1. Annual Changes

UniCredit Stock Options and Performance Stock Options:

Items/Number of options and exercise price		Year 2014[1]			Year 2013[1]		
		Number of Options	Average exercise price [€]	Average maturity	Number of Options	Average exercise price [€]	Average maturity
A.	**Outstanding at beginning of period**	**45,012,829**	**18.971**	**Dec-2019**	**45,544,658**	**18.971**	**Dec-2019**
B.	**Increases**	**-**			**-**		
B.1	New issues	-	-		-	-	
B.2	Other	-			-		
C.	**Decreases**	**11,761,922**			**531,829**		
C.1	Forfeited	56,847	27.673		531,829	18.993	
C.2	Exercised	-	-		-	-	
C.3	Expired	11,705,075			-		
C.4	Other	-			-		
D.	**Outstanding at end of period**	**33,250,907**	**21.444**	**Jul-2019**	**45,012,829**	**18.971**	**Dec-2019**
E.	**Vested Options at end of period**	**24,303,491**	**27.863**	**Ago-2018**	**36,065,412**	**22.682**	**May-2019**

1. The information related to Number of options and Average exercise price had been modified following the grouping operation resolved by UniCredit Annual General Meeting on December 15, 2011 and following the application of “adjustment factors” for:

- as the free capital increase resolved by the UniCredit Annual General Meeting on April 29, 2009 (“scrip dividend”), implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an “adjustment factor” equal to 0.88730816;
- as the capital increase resolved by the UniCredit Extraordinary Shareholder Meeting on November 16,2009 and finalized on February 24, 2010, implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an “adjustment factor” equal to 0,95476659.
- as the capital increase resolved by the UniCredit Extraordinary Shareholders’ Meeting on December 15, 2011 and finalized in 2012 implied the recommendation by AIAF (Associazione Italiana Analisti Finanziari) to apply an “adjustment factor” equal to 0,6586305.

Part I – Share-Based Payments

Other UniCredit equity instruments: Performance Shares

Items/Number of other equity instruments and exercise price		Year 2014			Year 2013		
		Number of other equity instruments	Average exercise price [€]	Average maturity	Number of other equity instruments	Average exercise price [€]	Average maturity
A.	**Outstanding at beginning of period**	**41,374,465**	**-**	**Feb-2015**	**25,139,867**	**-**	**Mar-2014**
B.	**Increases**	**10,558,154**			**19,986,661**		
B.1	New issues	10,558,154	-		19,986,661	-	
B.2	Other	-			-		
C.	**Decreases**	**15,031,798**			**3,752,063**		
C.1	Forfeited	867,172	-		1,654,476	-	
C.2	Exercised(1)	8,498,340	-		2,097,587	-	
C.3	Expired	5,666,286			-		
C.4	Other	-			-		
D.	**Outstanding at end of period(2)**	**36,900,821**	**-**	**Oct-2015**	**41,374,465**	**-**	**Feb-2015**
E.	**Vested instruments at end of period**	**4,772,750**			**8,547,038**		

(1) As far as the 2014 movement is concerned, the average market price at the exercise date is equal to €6.54 (€3.82 was the price observed at exercise date for 2013 movimentation)
(2) Unicredit undertakes to grant, conditional upon achieving performance targets set in the Strategic Plan, 36,900,821 ordinary shares at the end of 2014 (41,374,465 ordinary shares at the end of 2013).

According to Let's Share 2014 (ESOP) Plan Rules, had been delivered to Group Participants respectively 623,144 and 238,880 Free Shares in January and in July 2014 related to services rendered during the period 2014-2015.

The said above UniCredit free ordinary shares had been acquired on the market, and are not considered in the table of annual changes.

2. Other information

Let's Share 2015 (ex 2014) - Employee Share Ownership Plan for 2015

In May 2014 the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan 2015" ("Let's Share for 2015") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions, starting from January 2015, in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

Let's Share for 2015 was launched on November 27, 2014 in 12 countries across the Group (Austria, Bulgaria, Czech Republic, Germany, Hungary, Italy, Poland, Serbia, UK, Slovakia, Luxembourg and France) with a participation rate between 3-4% of the eligible employees.

Let's Share for 2015 is a broad based share plan under which:

- during the "Enrolment Periods" (from January 2015 to December 2015 for the first enrolment period and/or from July 2015 to December 2015 for the second enrolment period) the Participants can buy UniCredit ordinary shares ("Investment Shares") by means of monthly or one-off contributions (via one installment in January or July 2015) taken from their Current Account. In case, during this Enrolment Period, a Participant leaves the Plan, he/she will lose the right to receive any free ordinary shares at the end of the Enrolment Period, except in the case of termination of service for reasons allowed by the regulatory plan;
- at the first month of the Enrolment Period (January 2015/July 2015), each Participant will receive, in form of shares ("Free Shares") a discount equal to 25% of overall amount of shares purchased; the Free Shares will be locked up for one year ("Holding Period"). The Participant will lose the entitlement to the Free Share if, during the holding period, he/she will no longer be an employee of a UniCredit Group Company unless the employment has been terminated for one of the specific reasons stated in the Rules of the Plan. In some countries, for fiscal reasons, it will not be possible to grant the Free Shares at the beginning of the Enrolment Period: in that case an alternative structure is offered that provides to the Participants of those countries the right to receive the Free Shares at the end of the Holding Period ("Alternative Structure");
- during the "Holding Period" (from January 2015 to January 2016 and/or from July 2015 to July 2016), the Participants can sell the Investment Shares purchased at any moment, but they will lose the corresponding Free Shares (or right to receive them).

The Free Shares are qualified as "Equity Settled Share-based Payments" as Participants, according to Plan's Rules, will receive UniCredit Equity Instruments as consideration for the services rendered to the legal entity where they are employed. The fair value will be measured at the beginning of Enrolment Period according to the price paid by Participants to acquire the first installment of the Investment Shares on the market.
All Profit and Loss and Net Equity effects related to Let's Share for 2015 will be booked during the holding period.

Let's Share for 2015 has not produced any effect on 2014 Consolidated Financial Statements.

Effects on Profit and Loss
All Share-Based Payment granted after November 7, 2002 whose vesting period ends after January 1, 2005 are included within the scope of the IFRS2.

Financial statement presentation related to share based payments

(€ 000)

	2014		2013	
	Total	**Vested Plans**	**Total**	**Vested Plans**
(Costs)/Revenues[(1)]	**(101,837)**		**(42,188)**	
- connected to Equity Settled Plans	*(72,524)*		*(23,514)*	
- connected to Cash Settled Plans	*(29,313)*		*(18,674)*	
Debts for Cash Settled Plans	**45,779**	**-**	**20,263**	**-**

(1) Includes costs/revenues for Plans referred to equity instruments of other Group's entities (e.g. Pioneer Global Asset Management and FinecoBank).

Part L – Segment Reporting

Part L – Segment Reporting

Organizational Structure

The format for segment information reflects the organizational structure currently used in management reporting for monitoring the Group's results, which is broken down into the following business segments: Commercial Banking Italy, Commercial Banking Germany, Commercial Banking Austria, Poland, Corporate & Investment Banking ("CIB"), Asset Management, Central and Eastern Europe ("CEE"), Asset Gathering, Group Corporate Center and Non-Core.

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit SpA commercial network related to Core clients (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) Leasing (excluding Non-Core clients), Factoring product factories and local Corporate Center with supporting functions for the Italian business.
In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking Italy' s goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on about 3650 branches and multichannel services provided by new technologies.
In relation to corporate customers, Commercial Banking Italy operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio. The current Corporate Channel is organized on the territory with about 770 Managers divided in 127 Corporate centers.
The territorial organization promotes a Bank closer to customers and faster decision-making processes, while the belonging to UniCredit Group allows to support companies in developing International attitudes.

Commercial Banking Germany

Commercial Banking Germany provides all German customers - except CIB clients (Large Corporate and Multinational clients) - with a complete range of banking products and services through a network of around 797 branches.
Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).
Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, commercial real estate customers, and Wealth Management customers. In detail the corporates segment employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. The private clients segment serves retail customers and private banking customers with banking and insurance solutions across all areas of demand. The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering.
The Segment also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients (Large Corporate and Multinational clients) – with a complete range of banking products and services. It is composed of: Retail, Corporate (excluding CIB clients), Private Banking (with its two well-known brands Bank Austria Private Banking and Schoellerbank AG), the product factories Factoring and Leasing and the local Corporate Center which also performs tasks in connection with UniCredit Bank Austria's sub-holding function.
Retail covers business with private individuals, ranging from mass-market to affluent customers. Corporates covers the entire range of business customers, SMEs and medium-sized and large companies which do not access capital markets (including Real Estate and Public Sector).
A broad coverage of the Retail and Corporate business lines is ensured through a network of about 250 branches.
The goal of Commercial banking Austria is to strengthen regional responsibility, to increase synergies, effectiveness and to improve time-to-market; therefore customer service teams can now adjust more quickly to local market changes.
Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.
In response to changing customer needs and behaviors, Commercial Banking Austria has launched Smart Banking Solutions, an integrated new service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches, new formats of advisory service centres and modern self-service branches with internet solutions, Mobile Banking with innovative apps and video-telephony.

Poland

The The segment Poland manages the UniCredit Group's operations within the Bank Pekao S.A. Group in Poland.
Bank Pekao S.A. Group includes financial institutions operating in banking, asset management, pension funds, brokerage services, leasing and factoring markets.
Bank Pekao S.A. operates for 85 years and is one of the largest financial institutions in Central and Eastern Europe. In particular, Bank Pekao is a universal commercial bank providing a full range of banking services to individual and institutional clients.
The Bank offers to its clients a broad distribution network with ATMs and one thousand branches conveniently located throughout Poland. In relation to individual customers, the Bank is focused on the strengthening the position on consumer goods financing market and mortgage loans market while maintaining a prudent credit risk policy. The advantages of the Bank's

mortgage loans offer are first of all fast credit decision, attractive financing conditions and competent advisors supporting customers in loans granting process.
The Bank actively promotes innovative solutions and modernity and provides clients with state-of-the art and user-friendly solutions in the area of mobile banking, which are top rated for high quality of service and innovativeness by several Polish institutions. In relation to corporate and institutional clients, Bank Pekao S.A. is the leader in servicing large and medium-sized companies and has one of the widest product offer for corporate clients on the market. The Bank offers a wide range of products of money markets and currency exchange, both within the scope of current operations and long-term hedging structures of client's exposures such as currency risk and interest rate risk. Bank Pekao S.A. is a leading organizer of investment project financing, mergers and acquisitions and debt securities issues. The Bank's product offer for corporate clients also includes financial services such as granting guarantees in national and international turnover and financial services provided through leasing and factoring subsidiaries.
In 2014 Bank's activities continuously focused on acquisition of new customers and strengthening of relationships with existing customers which results in a further growth in number of customers.

Corporate & Investment Banking ("CIB")

The CIB division targets multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 50 countries and supports such clients in their growth, internationalization projects and restructuring phases.
The organizational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks (Italy, Germany and Austria)) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).
The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany and CIB Network Austria) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.
The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:

Financing and Advisory ("F&A")

F&A is the centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a wide variety of services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance, Structured Trade and Export Finance and Principal Investments.

Markets

Markets is the centre specialized for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralized "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.

Global Transaction Banking ("GTB")

GTB is the centre for Cash Management and e-banking products, Supply Chain Finance and Trade Finance products and global securities services.

Asset Management

Asset Management business segment operates through Pioneer Investments, the company within the UniCredit Group specializing in the management of customer investments worldwide.
The business segment acts as a centralized product factory and, in addition, directs, supports and supervises the development of local business at regional level.
Leveraging on different investment partnerships with third-party financial institutions at international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Central and Eastern Europe ("CEE")

The Group operates, through the CEE business segment, in 13 Central and Eastern Europe countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine; having, in addition, Leasing activities in the 3 Baltic countries. The CEE business segment operates through approximately 2,500 branches (including approx.1,000 branches of the Turkish subsidiaries which are consolidated at equity) and offers a wide range of products and services to retail, corporate and institutional clients in these countries. UniCredit Bank Austria manages this segment and acts as sub-holding for the banking operations in the CEE countries.
The UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.
With respect to corporate clients, the UniCredit Group is constantly engaged in standardizing the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Part L – Segment Reporting

Asset Gathering

Asset gathering is a business segment specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.
Asset Gathering operates through Fineco Bank, UniCredit Group's direct multichannel bank, with one of the largest advisory networks in Italy and is the first broker in Italy for equity trades in terms of volume of orders and in Europe for executed orders. Fineco Bank offers an integrated business model combining direct banking and financial advice, offering a single free-of-charge account with a wide selection of global investment products, high quality advisory services, banking, trading and credit services that are available through applications for smartphone and tablet. With its fully integrated platform, Fineco Bank is a benchmark for modern investors.

Group Corporate Center

The Group Corporate Center includes:
Global Banking Services ("GBS")
The mission of the GBS area is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. GBS falls within the scope of the Chief Operating Officer ('COO'), whose main areas of responsibility are: ICT, Operations, Workout Germany, Real Estate, Global Sourcing, Security and Organization
Corporate Center
The Corporate Center's objective is to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

Non-Core

Starting from the first quarter 2014 the Group decided to introduce a clear distinction between activities defined as "core" segment, meaning strategic business segments and in line with risk strategies, above described, and activities defined as "non-core" segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile. Specifically, the "non-core" segment includes selected assets of Commercial Banking Italy (identified on a single client basis) to be managed with a risk mitigation approach, the activities of the workout company UniCredit Credit Management Bank and some special vehicles for securitization operations.

A – Primary Segment

Segment Reporting by Business Segment - year 2014

A.1 - Breakdown by business segment: income statement (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2014
Net interest	5,037,032	1,724,805	723,318	1,066,189	2,494,954	2,301,050	2,402	228,247	(1,285,391)	149,455	12,442,061
Dividends and other income from equity investments	-	13,263	150,883	16,777	345,579	81,877	4,278	-	180,936	-	793,593
Net fees and commissions	3,317,685	831,205	515,601	493,728	759,972	505,825	769,161	195,464	(33,911)	217,282	7,572,012
Net trading, hedging and fair value income	(4,022)	(19,573)	185,975	162,399	254,668	881,131	1,074	29,875	78,000	(12,703)	1,556,824
Net other expenses/income	(23,207)	90,249	31,242	21,126	54,184	(59,293)	14,178	(2,594)	46,849	(23,897)	148,837
OPERATING INCOME	**8,327,488**	**2,639,949**	**1,607,019**	**1,760,219**	**3,909,357**	**3,710,590**	**791,093**	**450,992**	**(1,013,517)**	**330,137**	**22,513,327**
Payroll costs	(2,649,327)	(1,177,548)	(828,098)	(457,615)	(734,168)	(634,536)	(326,171)	(69,150)	(1,176,674)	(147,689)	(8,200,976)
Other administrative expenses	(1,758,834)	(892,360)	(609,222)	(288,031)	(777,966)	(1,075,491)	(167,114)	(211,311)	790,606	(585,430)	(5,575,153)
Recovery of expenses	459,590	14,271	863	763	875	3,407	7,810	77,170	124,466	144,407	833,622
Amortisation, depreciation and impairment losses on tangible and intangible assets	(71,785)	(46,536)	(23,795)	(78,255)	(111,439)	(3,428)	(10,821)	(8,816)	(538,634)	(2,337)	(895,846)
Operating expenses	**(4,020,356)**	**(2,102,173)**	**(1,460,252)**	**(823,138)**	**(1,622,698)**	**(1,710,048)**	**(496,296)**	**(212,107)**	**(800,236)**	**(591,049)**	**(13,838,353)**
OPERATING PROFIT	**4,307,132**	**537,776**	**146,767**	**937,081**	**2,286,659**	**2,000,542**	**294,797**	**238,885**	**(1,813,753)**	**(260,912)**	**8,674,974**
Net writedowns of loans and provisions for guarantees and commitments	(1,025,982)	(26,309)	(110,621)	(133,638)	(676,839)	(134,848)	-	(3,179)	(23,347)	(2,157,287)	(4,292,050)
OPERATING NET PROFIT	**3,281,150**	**511,467**	**36,146**	**803,443**	**1,609,820**	**1,865,694**	**294,797**	**235,706**	**(1,837,100)**	**(2,418,199)**	**4,382,924**
Provision for risks and charges	(112,300)	(37,115)	(24,775)	(733)	(122,299)	10,181	1,867	(6,121)	(34,873)	(32,315)	(358,483)
Integration costs	(3,563)	11,376	(1,867)	-	(7,490)	365	(11,106)	(1)	9,871	(17,908)	(20,323)
Net income from investments	(7,499)	180,719	4,494	429	(6,155)	(74,474)	438	(4)	73,146	(84,414)	86,680
PROFIT BEFORE TAX	**3,157,788**	**666,447**	**13,998**	**803,139**	**1,473,876**	**1,801,766**	**285,996**	**229,580**	**(1,788,956)**	**(2,552,836)**	**4,090,798**

A.2 - Breakdown by business segment: balance sheet amounts and RWA (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2014
Balance Sheet Amounts											
LOANS AND RECEIVABLES WITH CUSTOMERS	130,005,143	78,415,687	47,379,359	26,896,196	57,008,620	89,191,208	42	695,595	(6,439,756)	47,416,672	**470,568,766**
DEPOSITS FROM CUSTOMERS	111,611,315	76,325,456	46,472,468	29,315,280	48,780,163	80,416,039	-	13,914,712	1,586,793	1,989,759	**410,411,985**
DEBT CERTIFICATES	33,604,104	25,910,221	17,713,589	902,612	2,689,019	7,055,761	-	339,035	61,716,893	344,570	**150,275,804**
TOTAL RISK WEIGHTED ASSETS (BASEL 3)	76,472,343	33,510,035	24,046,668	25,850,276	89,173,292	67,461,512	1,692,561	1,741,754	50,194,232	39,079,916	**409,222,587**

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	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2014
STAFF (KFS group on a proportional basis)											
Employees (FTE)	37,098	13,419	6,454	18,098	24,208	3,664	2,021	974	15,793	1,849	**123,577**
STAFF (KFS group fully considered)											
Employees (FTE)	37,098	13,419	6,701	18,098	29,038	4,020	2,021	974	15,803	1,849	**129,021**

Part L – Segment Reporting

Segment Reporting by Business Segment - year 2013

A.1 - Breakdown by business segment: income statement (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2013
Net interest	4,759,459	1,762,768	790,591	1,061,897	2,467,152	2,381,389	3,626	234,471	(1,567,809)	409,304	12,302,848
Dividends and other income from equity investments	89	14,792	112,055	15,544	649,776	115,724	3,103	-	53,068	-	964,151
Net fees and commissions	3,049,955	846,632	547,869	512,052	736,778	543,369	719,116	166,454	(69,220)	307,520	7,360,525
Net trading, hedging and fair value income	14,925	149,121	173,164	180,363	562,514	1,217,013	1,767	28,281	185,301	(7,523)	2,504,926
Net other expenses/income	11,138	100,593	(4,598)	22,686	62,276	26,248	3,648	(186)	(879)	(18,005)	202,921
OPERATING INCOME	**7,835,566**	**2,873,906**	**1,619,081**	**1,792,542**	**4,478,496**	**4,283,743**	**731,260**	**429,020**	**(1,399,539)**	**691,296**	**23,335,371**
Payroll costs	(2,758,479)	(1,177,540)	(840,963)	(445,643)	(745,998)	(644,065)	(306,946)	(63,331)	(1,244,955)	(147,435)	(8,375,355)
Other administrative expenses	(1,741,912)	(920,626)	(573,697)	(298,547)	(817,406)	(1,062,268)	(171,087)	(177,414)	1,029,949	(623,521)	(5,356,529)
Recovery of expenses	397,101	23,072	1,106	1,285	1,141	5,224	8,260	56,996	50,659	171,354	716,198
Amortisation, depreciation and impairment losses on tangible and intangible assets	(81,837)	(48,014)	(37,612)	(81,815)	(159,613)	(6,020)	(58,250)	(8,094)	(752,057)	(4,475)	(1,237,787)
Operating expenses	**(4,185,127)**	**(2,123,108)**	**(1,451,166)**	**(824,720)**	**(1,721,876)**	**(1,707,129)**	**(528,023)**	**(191,843)**	**(916,404)**	**(604,077)**	**(14,253,473)**
OPERATING PROFIT	**3,650,439**	**750,798**	**167,915**	**967,822**	**2,756,620**	**2,576,614**	**203,237**	**237,177**	**(2,315,943)**	**87,219**	**9,081,898**
Net writedowns of loans and provisions for guarantees and commitments	(1,315,709)	48,860	(192,978)	(158,698)	(1,124,014)	(942,138)	-	(3,274)	(72,506)	(9,720,400)	(13,480,857)
OPERATING NET PROFIT	**2,334,730**	**799,658**	**(25,063)**	**809,124**	**1,632,606**	**1,634,476**	**203,237**	**233,903**	**(2,388,449)**	**(9,633,181)**	**(4,398,959)**
Provision for risks and charges	(126,984)	(43,773)	(136,550)	3,071	(11,190)	(144,875)	603	(18,010)	(449,413)	(56,711)	(983,832)
Integration costs	(142,307)	(357,103)	(104,351)	-	(33,271)	3,424	(4,814)	(7)	(80,318)	(8,197)	(726,944)
Net income from investments	(25,370)	25,258	(64,471)	5,087	(54,767)	(45,445)	(6,646)	(6)	1,064,366	(8,413)	889,593
PROFIT BEFORE TAX	**2,040,069**	**424,040**	**(330,435)**	**817,282**	**1,533,378**	**1,447,580**	**192,380**	**215,880**	**(1,853,814)**	**(9,706,502)**	**(5,220,142)**

A.2 - Breakdown by business segment: balance sheet amounts and RWA (€ '000)

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2013
Balance Sheet Amounts											
LOANS AND RECEIVABLES WITH CUSTOMERS	130,931,198	79,057,346	48,391,512	25,032,691	57,163,119	93,874,778	42	641,250	(4,780,945)	53,373,056	**483,684,047**
DEPOSITS FROM CUSTOMERS	102,278,820	78,131,977	42,750,040	28,800,070	46,637,564	71,794,678	-	12,732,308	7,935,529	2,052,040	**393,113,026**
DEBT CERTIFICATES	47,523,646	30,211,161	16,384,359	737,485	2,835,181	4,741,571	-	513,533	60,893,877	425,639	**164,266,452**
TOTAL RISK WEIGHTED ASSETS (BASEL 3)	77,628,818	33,822,824	25,141,536	25,089,095	81,668,236	74,528,343	2,046,179	1,914,836	31,519,660	31,395,000	**384,754,524**

"Group Corporate Center" including the Floor impact on RWA.

A.3 - Staff

	COMMERCIAL BANKING ITALY	COMMERCIAL BANKING GERMANY	COMMERCIAL BANKING AUSTRIA	POLAND	CENTRAL EASTERN EUROPE	CORPORATE & INVESTMENT BANKING	ASSET MANAGEMENT	ASSET GATHERING	GROUP CORPORATE CENTER	NON CORE	CONSOLIDATED GROUP TOTAL 12.31.2013
STAFF (KFS group on a proportional basis)											
Employees (FTE)	37,541	13,748	6,891	18,152	24,705	3,620	1,995	934	15,650	1,974	**125,210**
STAFF (KFS group fully considered)											
Employees (FTE)	37,541	13,748	6,891	18,152	30,848	4,300	1,995	934	15,739	1,974	**132,122**

B – Secondary Segment

(€ '000)

AMOUNTS AS AT 12.31.2014	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	366,400,987	9,431,587	262,983
Germany	210,164,702	3,291,881	309,460
Austria	97,999,105	1,908,876	102,780
Total other european countries	162,491,116	6,412,390	429,784
of which: Western Europe	*41,238,802*	*1,102,699*	*14,103*
of which: Central and Eastern Europe	*121,252,314*	*5,309,691*	*415,681*
America	4,575,456	243,772	2,539
Asia	2,585,212	31,677	267
Rest of the world	812	16	-
Total	**844,217,390**	**21,320,199**	**1,107,813**

(*) Item 120 in Income Statement

(€ '000)

AMOUNT AS AT 12.31.2013	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	362,761,032	10,230,571	393,980
Germany	203,759,560	3,730,509	223,299
Austria	90,255,804	2,014,325	164,577
Total other european countries	158,755,017	6,911,032	344,734
of which: Western Europe	*39,590,734*	*1,194,243*	*14,317*
of which: Central and Eastern Europe	*119,164,283*	*5,716,789*	*330,417*
America	7,837,725	283,343	1,282
Asia	3,548,873	26,401	489
Rest of the world	1,134	25	-
Total	**825,919,145**	**23,196,206**	**1,128,361**

(*) Item 120 in income statement

The figures of "Total Assets" as at December 31, 2013 were restated, compared to what had been recorded on that date:
- due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters;
- due to the offsetting of the deferred tax assets, item 140 "Deferred tax assets" under Balance Sheet – Assets, with the relevant deferred tax liabilities, item 80. b) "Deferred tax liabilities" under Balance Sheet – Liabilities;
- due to the change with one counterparty falling under a different sector, from the items "Loans and receivables with banks" to "Loans and receivables with customers".

The figures of "Operating Income" and "Cost of investment" as at December 31, 2013 were restated, compared to what had been recorded on that date:
- due to the effect of the new accounting standards IFRS 10 and IFRS 11 coming into effect, together with the revisions of IAS 27 and IAS 28 as from January 1, 2014, with retroactive effect from January 1, 2013, as referred to in Part A – Accounting Policies under Section 5 – Other Matters.

Annexes

Annexes

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Balance Sheet

(€ million)

ASSETS		AMOUNTS AS AT 12.31.2014	12.31.2013	SEE THE NOTES PART B - ASSETS
Cash and cash balances = item 10		8,051	10,520	Section 1
Financial assets held for trading = item 20		101,226	80,701	Section 2
Loans and receivables with banks = item 60		68,730	63,310	Section 6
Loans and receivables with customers = item 70		470,569	483,684	Section 7
Financial investments		138,503	125,839	
Item 30.	*Financial assets at fair value through profit or loss*	*31,803*	*30,493*	*Section 3*
Item 40.	*Available-for-sale financial assets*	*97,636*	*84,512*	*Section 4*
Item 50.	*Held-to-maturity investments*	*2,584*	*4,353*	*Section 5*
Item 100.	*Investments in associates and joint ventures*	*6,479*	*6,482*	*Section 10*
Hedging instruments		11,988	12,390	
Item 80.	*Hedging derivatives*	*9,114*	*9,575*	*Section 8*
Item 90.	*Changes in fair value of portfolio hedged items*	*2,873*	*2,815*	*Section 9*
Property, plant and equipment = item 120		10,277	10,818	Section 12
Goodwill = item 130 - Intangible assets of which: goodwill		3,562	3,533	Section 13
Other intangible assets = item 130 - Intangible assets net of goodwill		2,000	1,793	Section 13
Tax assets = item 140		15,772	18,215	Section 14
Non-current assets and disposal groups classified as held for sale = item 150		3,600	3,928	Section 15
Other assets		9,941	11,187	
Item 110.	*Insurance reserves attributable to reinsurers*	*-*	*-*	*Section 11*
Item 160.	*Other assets*	*9,941*	*11,187*	*Section 16*
Total assets		**844,217**	**825,919**	

Continued: Consolidated Balance Sheet

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY		AMOUNTS AS AT 12.31.2014	12.31.2013	SEE THE NOTES PART B - LIABILITIES
Deposits from banks = item 10		106,037	107,830	Section 1
Deposits from customers = item 20		410,412	393,113	Section 2
Debt securities in issue = item 30		150,276	164,266	Section 3
Financial liabilities held for trading = item 40		77,135	63,799	Section 4
Financial liabilities at fair value through profit or loss = item 50		567	711	Section 5
Hedging instruments		15,150	12,745	
Item 60.	*Hedging derivatives*	*8,622*	*8,629*	*Section 6*
Item 70.	*Changes in fair value of portfolio hedged items*	*6,529*	*4,116*	*Section 7*
Provisions for risks and charges = item 120		10,623	9,427	Section 12
Tax liabilities = item 80		1,750	2,281	Section 8
Liabilities included in disposal groups classified as held for sale = item 90		1,650	2,129	Section 9
Other liabilities		17,781	19,562	
Item 100.	*Other liabilities*	*16,601*	*18,481*	*Section 10*
Item 110.	*Provision for employee severance pay*	*1,180*	*1,081*	*Section 11*
Item 130.	*Insurance reserves*	-	-	*Section 13*
Minorities = item 210		3,446	3,334	Section 16
Shareholders' Equity, of which:		49,390	46,722	
- Capital and reserves		48,065	61,002	
Item 140.	*Revaluation reserves, of which: Special revaluation laws*	*277*	*277*	*Section 15*
Item 140.	*Revaluation reserves, of which: Exchange differences*	*(3,011)*	*(2,486)*	*Section 15*
Item 140.	*Revaluation reserves, of which: equity investments valued at equity method*	*(714)*	*80*	*Section 15*
Item 140.	*Revaluation reserves, of which: non current assets classified held for sale*	*(3)*	*(5)*	*Section 15*
Item 160.	*Equity instruments*	*1,888*	-	*Section 15*
Item 170.	*Reserves*	*13,748*	*19,605*	*Section 15*
Item 180.	*Share premium*	*15,977*	*23,879*	*Section 15*
Item 190.	*Issued capital*	*19,906*	*19,655*	*Section 15*
Item 200.	*Treasury shares*	*(3)*	*(4)*	*Section 15*
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve		(683)	(315)	
Item 140.	*Revaluation reserves, of which: Available-for-sale financial assets*	*1,571*	*562*	*Section 15*
Item 140.	*Revaluation reserves: actuarial gains (losses) on defined benefits plans*	*(2,881)*	*(1,413)*	*Section 15*
Item 140.	*Revaluation reserves, of which: Cash-flow hedges*	*627*	*536*	*Section 15*
- Net profit (loss) = item 220		2,008	(13,965)	Section 15
Total liabilities and Shareholders' Equity		**844,217**	**825,919**	

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

Consolidated Income Statement

(€ million)

		YEAR		SEE THE NOTES
		2014	2013	PART C
Net interest		12,442	12,303	Section 1
Item 30.	*Net interest margin*	*12,062*	*11,918*	
	less: Net interest margin of industrial companies	*1*	*-*	
less: Purchase Price Allocation effect		*379*	*385*	
Dividends and other income from equity investments		794	964	
Item 70.	*Dividend income and similar revenue*	*402*	*261*	*Section 3*
	less: Dividends from held for trading equity instruments included in item 70	*(203)*	*(84)*	
Item 240.	*Profit (Loss) of associates - of which: Profit (Loss) of associates valued at equity*	*539*	*784*	*Section 16*
	less: Profit (Loss) of associates - Debt to equity	*56*	*3*	
Net fees and commissions		7,572	7,361	Section 2
Item 60.	*Net fees and commissions*	*7,485*	*7,226*	*Section 2*
	+ Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*87*	*135*	
Net trading income		1,557	2,505	
Item 80.	*Gains (losses) on financial assets and liabilities held for trading*	*636*	*1,228*	*Section 4*
	+ Dividends from held for trading equity instruments (from item 70)	*203*	*84*	
Item 90.	*Fair value adjustments in hedge accounting*	*(9)*	*(17)*	*Section 5*
Item 100.	*Gains (Losses) on disposal or repurchase of: d) financial liabilities*	*43*	*442*	*Section 6*
	+ Gains (Losses) on disposal or repurchase of: b) available-for-sale financial assets (from item 100)	*623*	*1,927*	*Section 6*
	less: Income from equity investment in the Bank of Italy	*-*	*(1,374)*	*Section 6*
	+ Gains (Losses) on disposal or repurchase of: c) held-to-maturity investments (from item 100)	*4*	*4*	*Section 6*
Item 110.	*Gains (Losses) on financial assets and liabilities designated at fair value through profit and loss*	*58*	*211*	*Section 7*
Net other expenses/income		149	203	
	Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*49*	*41*	
Item 150.	*Premiums earned (net)*	*-*	*-*	*Section 9*
Item 160.	*Other income (net) from insurance activities*	*-*	*(2)*	*Section 10*
Item 220.	*Other net operating income*	*1,225*	*1,130*	*Section 15*
	less: Other operating income - of which: recovery of costs	*(725)*	*(668)*	
	less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	*(87)*	*(135)*	
	Net write-downs/-backs of tangible operating lease assets (from item 200)	*(105)*	*(106)*	
	less: Write-downs on leasehold improvements (on non-separable assets) - No Group	*56*	*62*	
	less: Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*(109)*	*(48)*	
	+ Result of industrial companies	*(156)*	*(70)*	
	Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	*1*	*(1)*	
OPERATING INCOME		**22,513**	**23,335**	
Payroll costs		(8,201)	(8,375)	
Item 180.	*Administrative costs: a) staff expenses*	*(8,204)*	*(9,005)*	*Section 11*
	less: Administrative costs: a) staff expenses of industrial companies	*30*	*7*	
	less: Integration costs	*(27)*	*623*	
Other administrative expenses		(5,575)	(5,357)	
Item 180.	*Administrative costs: b) other administrative expenses*	*(5,569)*	*(5,381)*	*Section 11*
	less: Administrative costs: b) other administrative expenses of industrial companies	*39*	*11*	
	Write-downs on leasehold improvements (on non-separable assets) - No Group	*(56)*	*(62)*	
	less: Integration costs	*10*	*76*	
Recovery of expenses		834	716	Section 15
Item 220.	*Other net operating income - of which: Operating income - recovery of costs*	*725*	*668*	
	+ Other operating income - Other income from invoicing JVs (only with respect to Ubis)	*109*	*48*	
Amortization, depreciation and impairment losses on intangible and tangible assets		(896)	(1,238)	
Item 200.	*Impairment/Write-backs on property, plant and equipment*	*(763)*	*(842)*	*Section 13*
	less: Impairment losses/write backs on property owned for investment	*58*	*81*	
	less: Net write-downs/-backs of tangible operating lease assets (from item 200)	*105*	*106*	
	less: Integration costs	*-*	*26*	
Item 210.	*Impairment/Write-backs on intangible assets*	*(431)*	*(2,694)*	*Section 14*
	less: Integration costs	*-*	*3*	
	Net write-downs on property, plant and equipment and intangible assets of industrial companies	*103*	*29*	
less: Purchase Price Allocation effect		*32*	*2,053*	
Operating costs		**(13,838)**	**(14,253)**	
OPERATING PROFIT (LOSS)		**8,675**	**9,082**	

Continued: Consolidated Income Statement

(€ million)

		YEAR		SEE THE NOTES
		2014	2013	PART C
OPERATING PROFIT (LOSS)		**8,675**	**9,082**	
Net impairment losses on loans and provisions for guarantees and commitments		(4,292)	(13,481)	
Item 100.	*Gains (Losses) on disposal and repurchase of: a) loans*	*17*	*(3)*	*Section 6*
	less: Gains (Losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	*(49)*	*(41)*	
Item 130.	*Net losses/recoveries on impairment: a) loans*	*(4,178)*	*(13,621)*	*Section 8*
Item 130.	*Net losses/recoveries on impairment: d) other financial assets*	*(93)*	*125*	*Section 8*
	less: Net losses on impairment other financial assets - contribution to National Interbank Deposit Guarantee Fund (F.I.T.D.)	*11*	*48*	
	+ Net impairment losses on loans - industrial companies	*-*	*12*	
NET OPERATING PROFIT (LOSS)		**4,383**	**(4,399)**	
Provisions for risks and charges		(358)	(984)	
Item 190.	*Provisions for risks and charges*	*(384)*	*(818)*	*Section 12*
	less: Provisions for risks and charges of industrial companies	*2*	*(1)*	
	less: Provision for risks arising from exchange rate losses on the equity of the Kazakh subsidiary	*-*	*(122)*	
	+ Provisions for risks and charges - contribution to National Interbank Deposit Guarantee Fund (F.I.T.D.)	*(11)*	*(48)*	
	Surplus on release of integration provision	*35*	*5*	
Integration costs		(20)	(727)	
	Integration costs before Purchase Price Allocation effect	*(18)*	*(733)*	
less: Purchase Price Allocation effect		*(3)*	*6*	
Net income from investments		87	890	
	+ Income from equity investment in the Bank of Italy (of which item 100)	*-*	*1,374*	*Section 6*
Item 130.	*Net losses/recoveries on impairment: b) available-for-sale financial assets*	*(249)*	*(147)*	*Section 8*
Item 130.	*Net losses/recoveries on impairment: c) held-to-maturity investments*	*-*	*-*	*Section 8*
	Impairment losses/write backs on property owned for investment (from item 200)	*(58)*	*(81)*	
Item 240.	*Profit (Loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity*	*144*	*(266)*	*Section 16*
	+ Profit (Loss) of associates - Debt to equity	*(56)*	*(3)*	
Item 250.	*Net valuation at fair value of tangible and intangible assets*	*3*	*(3)*	*Section 17*
Item 270.	*Gains (Losses) on disposal of investments*	*319*	*(7)*	*Section 19*
	less: Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	*(1)*	*1*	
	less: Industrial companies	*(19)*	*21*	
less: Purchase Price Allocation effect		*3*	*1*	
PROFIT (LOSS) BEFORE TAX		**4,091**	**(5,220)**	
Income tax for the period		(1,297)	1,716	
Item 290.	*Tax expense related to profit from continuing operations*	*(1,167)*	*2,495*	*Section 20*
	less: Tax expense related to profit from continuing operations of industrial companies	*-*	*(9)*	
less: Purchase Price Allocation effect		*(130)*	*(771)*	
NET PROFIT (LOSS)		**2,793**	**(3,504)**	
Profit (Loss) after tax from discontinued operations = item 310		*(124)*	*(639)*	
	+ Provision for risks arising from exchange rate losses on the equity of the Kazakh subsidiary	*-*	*122*	
Item 310.	*Profit (Loss) after tax from discontinued operations*	*(124)*	*(760)*	*Section 21*
PROFIT (LOSS) FOR THE PERIOD		**2,669**	**(4,143)**	
Minorities		(380)	(382)	
Item 330.	*Minorities*	*(380)*	*(382)*	*Section 22*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA		**2,289**	**(4,524)**	
Purchase Price Allocation effect		(281)	(1,673)	
Impairment of goodwill		-	(7,767)	
Item 260.	*Impairment of goodwill*	*-*	*(7,767)*	*Section 18*
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP		**2,008**	**(13,965)**	

Note:

An explanation for the restatement of comparative figures is provided in the previous sections.

Fees for annual audits and related services

UniCredit group 2014 – Deloitte NETWORK
As prescribed by art.149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2014 for audit services rendered by Deloitte & Touche S.p.A. and firms in its network.

SERVICE TYPE	SERVICE PROVIDER	USER	FEES (€ '000)[1]
Audit[2]	Deloitte & Touche S.p.A.	Parent company – UniCredit S.p.A.	2,392
	Deloitte & Touche S.p.A.	Subsidiaries	1,955
	Deloitte Network	Subsidiaries	17,889
Certification, letters of comfort,etc[3]	Deloitte & Touche S.p.A	Parent company – UniCredit S.p.A.	480
	Deloitte & Touche S.p.A.	Subsidiaries	466
	Deloitte Network	Parent company – UniCredit S.p.A.	165
	Deloitte Network	Subsidiaries	2,698
Other services[4]	Deloitte & Touche S.p.A.	Parent company – UniCredit S.p.A.	716
	Deloitte & Touche S.p.A.	Subsidiaries	0
	Deloitte Network	Parent company – UniCredit S.p.A.	1,218
	Deloitte Network	Subsidiaries	12,408
Total			**40,387**

1. Excl. VAT and Expenses.
2. Does not include fees for audits of investment funds except Poland Pioneer Funds.
3. Mainly: verification services provided to UniCredit S.p.A. (Issuing comfort letters concerning bond issues, signing the Italian tax declaration forms - Modello Unico, Modello 770 S/O and Modello Consolidato Nazionale, limited review of the sustainability report), other audit services provided to the subsidiary UniCredit Bank AG and assessments required by regulations/local Supervisory Authority in Austria, CEE Countries and USA.
4. Mainly: support to the projects Asset Quality Review, Finance and Risk platforms convergence, Process Management evolution model in UniCredit S.p.A.; IT services provided to the subsidiary UniCredit Business Integrated Solutions S.c.p.A. and to the indirect subsidiary UniCredit Business Integrated Solutions Austria GmbH used by other Legal Entities of UniCredit Group; assistance provided to the subsidiaries UniCredit Bank AG and UniCredit Bank Austria AG.

Definition of Terms and Acronyms

ABCP Conduits – Asset Backed Commercial Paper Conduits
Asset Backed Commercial Paper Conduits are a type of "SPV – Special Purpose Vehicle" (q.v.) set up to securitize various types of assets and financed by Commercial Paper (q.v.).
Commercial Paper generally matures in 270 days, with payment of principal and interest depending on the cash flow generated by the underlying assets.
ABCP Conduits may be single-sellers or multi-sellers according to the number of issues they make. Conduits generally require several SPVs. The first-level vehicles issue the Commercial Paper and finance one or more second-level vehicles or Purchase Companies (q.v.) which purchase the assets to be securitized.
An ABCP Conduit will have the following:

- issues of short-term paper creating a maturity mismatch between the assets held and the paper issued;
- liquidity lines covering the maturity mismatch; and
- security covering default risk in respect of both specific assets and the entire program.

ABS – Asset Backed Securities
Debt securities, generally issued by an "SPV – Special Purpose Vehicle" (q.v.) guaranteed by assets of various types such as mortgage loans, consumer credits, credit card receivables, etc. Principal and interest payments are subject to the performance of the securitized assets and the existence of any further security guaranteeing the bond. ABSs are divided into tranches (senior, mezzanine and junior) according to the priority with which principal and interest will be paid.

Absorbed capital
Absorbed capital is the capital required to cover business risks. It is the higher between the regulatory capital (which is obtained by multiplying risk-weighted assets by the target core tier 1 ratio) and the internal capital, which represents the total amount of capital the entire Group sets aside as a buffer against potential losses and needs to support its business activities and all positions held. Internal capital is the sum of the aggregated economic capital and a cushion that considers the effects of the cycle and model risk.

Acquisition Finance
Finance for business acquisition operations. The most common form of Acquisition Finance is the leveraged buy-out (see Leveraged Finance).

Affluent
Banking customer segment whose available assets for investment are regarded as moderate to high.

ALM – Asset & Liability Management
Integrated management of assets and liabilities, designed to allocate resources in such a manner as to optimize the risk/return ratio.

ALT-A (residential mortgages)
Mortgages whose borrowers, while not subject to the significant repayment problems of those described as Subprime (q.v.), have a risk profile with high loan-to-value and installment-to-income ratios or incomplete documentation of the debtor's income.

Alternative investment
Alternative investments cover a wide range of forms of investment, including investments in Private Equity (q.v.) and Hedge Funds (q.v.).

Asset allocation
Decisions to invest in markets, geographical areas, sectors or products.

Asset management
Activities of management of the financial investments of third parties.

ATM – Automated Teller Machine
Automated machine that allows customers to carry out operations such as withdrawing cash, paying in cash or checks, requesting account information, paying utility bills, topping up mobile phone credits, etc.
The customer activates the terminal by inserting a smart card and entering his/her Personal Identification Number.

Definition of Terms and Acronyms

Audit
Process of controlling a company's activities and accounting, carried out either by an internal body (internal audit) or by an external firm of auditors (external audit).

Banking book
Used in relation to financial instruments, particularly securities, this term identifies the portion of such portfolios intended for "proprietary" activities.

Basel 2
New international capital agreement redefining the guidelines for determining the minimum capital requirements for banks.
The new prudential regulations, which came into force in Italy in 2008, are based on three pillars.
- Pillar 1: while the objective of a level of capitalization equivalent to 8% of the risk-weighted exposures remains unchanged, a new set of rules has been defined for measuring the typical risks associated with banking and financial activities (credit risk, counterparty risk, market risk and operational risk) which provides for alternative calculation methods characterized by different levels of complexity, with the ability to use internally developed models subject to prior authorization by the Regulatory Authority;
- Pillar 2: this requires the banks to have processes and tools for determining the adequate level of total internal capital (Internal Capital Adequacy Assessment Process - ICAAP) for covering all types of risk, including risks other than those covered by the overall capital requirement (Pillar 1), within the framework of an evaluation of current and future exposure that takes account of strategies and of changes in the reference context. It is the Regulatory Authority's task to examine the ICAAP process, formulate an overall judgment and, where necessary, apply the appropriate corrective measures;
- Pillar 3: this introduces obligations to publish information concerning capital adequacy, exposure to risks, and the general characteristics of the systems used for identifying, measuring and managing those risks.

Best practice
Behavior commensurate with the most significant experience and/or the best level of knowledge achieved in relation to a given technical or professional field.

Budget
Statement forecasting the future costs and revenues of a business.

CBO – Collateralized Bond Obligations
CDO – Collateralized Debt Obligations (q.v.) with bonds as underlyings.

CCF – Credit Conversion Factor
Ratio between (a) the unused portion of the line of credit that it is estimated may be used in the event of default and (b) the portion currently unused.

CDO – Collateralized Debt Obligations
Bonds issued by a vehicle with loans, bonds, ABS - Asset Backed Securities (q.v.) or other CDOs as underlyings. CDOs make it possible to derecognize assets in the bank's balance sheet and also to arbitrage the differences in yield between the securitized assets and the bonds issued by the vehicle.
CDOs may be funded if the vehicle legally acquires title to the assets or unfunded if the vehicle acquires the underlying risk by means of a CDS - Credit Default Swap (q.v.) or similar security.
These bonds may be further subdivided as follows:

- CDOs of ABSs, which in turn have tranches of ABSs as underlyings
- Commercial Real Estate CDOs (CRE CDOs), with commercial property loans as underlyings
- Balance Sheet CDOs which enable the Originator (q.v.), usually a bank, to transfer its credit risk to outside investors, and, where possible under local law and supervisory regulations, to derecognize the assets from its balance sheet
- Market Value CDOs whereby payments of interest and principal are made not only out of cash flow from the underlying assets, but also by trading the instruments. The performance of the notes issued by the vehicle thus depends not only on the credit risk, but also on the market value of the underlyings
- Preferred Stock CDOs with hybrid debt/equity instruments or Preference shares (q.v.) issued by financial institutions
- Synthetic Arbitrage CDOs which arbitrage the differences in yield between the securitized assets acquired synthetically by means of derivatives and the bonds issued by the vehicle.

CDS – Credit Default Swap
A derivative in which a seller of protection engages, for a fee, to pay the buyer of protection a fixed amount should a certain event indicating a deterioration of the creditworthiness of a reference entity occur.

CGU – Cash Generating Unit
A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CLO – Collateralized Loan Obligations
CDO - Collateralized Debt Obligations (q.v.) with loans made by authorized lenders such as commercial banks as underlyings.

CMBS – Commercial Mortgage Backed Securities
ABS - Asset Backed Securities (q.v.) with commercial mortgages as underlyings.

Commercial Paper
Short-term securities issued to raise funds from third-party subscribers as an alternative to other forms of debt.

Consumer ABS
ABS (q.v.) in which the collateral consists of consumer credits.

Core Tier 1 Capital
Tier 1 Capital (q.v.), net of hybrid instruments. It is the bank’s tangible capital.

Core Tier 1 Capital Ratio
Indicates ratio between the bank’s Core Tier 1 Capital and its risk-weighted assets (see the Glossary entry “RWA”).

Corporate
Customer segment consisting of medium to large businesses.

Cost/Income Ratio
The ratio between operating expenses and operating income. It is one of the main key performance indicators of the bank’s efficiency: the lower the ratio, the more efficient the bank.

Cost of risk
The ratio between loan loss provisions and loans and receivables with customers. It is one of the indicators of the bank assets’ level of risk: the lower the ratio, the less risky the bank assets.

Covenant
A loan agreement clause whereby the lender is entitled to restructure or call in the loan on occurrence of the events specified in the clause, which ties changes in the borrower’s profits and financial situation to events of default or restructuring (modifying e.g. the repayment schedule or the interest rate charged).

Covered bond
A bond which, as well as being guaranteed by the issuing bank, may also be covered by a portfolio of mortgages or other high-quality loans transferred, to this end, to a suitable SPV – Special Purpose Vehicle (q.v.).

Credit risk
The risk that an unexpected change in the creditworthiness of a counterparty, the value of the guarantees provided by it or the margins used by it in the event of insolvency might produce an unexpected change in the value of the bank's credit position.

Default
A party's declared inability to honor its debts and/or the payment of the associated interest.

Duration
This is generally calculated as the weighted average of the maturities for payment of the interest and capital associated with a bond, and represents an indicator of the interest rate risk to which a security or a bond portfolio is subject.

Definition of Terms and Acronyms

EAD – Exposure at Default
Relating to the on-balance and off-balance sheet positions, EAD is defined as the estimation of the future value of an exposure at the time of the debtor's default. Only banks that meet the requirements for adopting the IRB – Internal Rating Based (q.v.) advanced approach are allowed to estimate EAD (q.v.). Other banks are required to refer to regulatory estimations.

Economic capital
Capital level that is required to cover the bank's losses that may occur with at a time horizon of one year and a certain probability or confidence level. Economic Capital is a measure of the variability of the Expected Loss of the portfolio and depends on the degree of diversification of the portfolio itself.

EPS – Earnings Per Share
An indicator of a company's profitability calculated as: Net Profit divided by Average total outstanding shares (excluding treasury shares)

EVA – Economic Value Added
Expresses the ability to create value in monetary terms. EVA is equal to the difference between the Net Operating Profit After Tax NOPAT – Net Operating Profit After Tax (q.v.) and the cost of the invested capital.

Factoring
Contract for the sale without recourse (with credit risk borne by the buyer) or with recourse (with credit risk borne by the seller) of commercial credits to banks or specialist companies, for the purposes of management and collection. May be associated with financing in favor of the seller.

Fair value
The sum for which, in a freely competitive market, an item can be exchanged or a liability extinguished between aware and independent parties.

FINREP
Document issued by the Committee of European Banking Supervisors (CEBS). The Committee gives advice to the European Commission on policy and regulatory issues related to banking supervision; it also promotes cooperation and convergence of supervisory practice across the European Union. The objective of FINREP is to provide guidelines for implementation of the consolidated Financial Reporting framework for supervisory purposes; it is based on International Financial Reporting Standards (IFRSs).

Forwards
Forward contracts on interest rates, exchange rates or share indices, generally traded on "OTC - Over-the-Counter" (q.v.) markets, in which the conditions are fixed when the contract is agreed but execution will take place at a predetermined future date, by means of the collection or payment of differentials calculated with reference to various parameters according to the subject of the contract.

FRA – Forward Rate Agreement
Contract whereby the parties agree to receive (pay) at maturity the difference between the value calculated by applying a predetermined interest rate to the transaction amount and the value obtained on the basis of the level reached by a reference rate preselected by the parties.

FTE – Full Time Equivalent
The number of a company's full-time employees. Part-time employees are considered on a pro-rata temporis basis.

Funding
Provision, in various forms, of the funds necessary to finance business activities or particular financial transactions.

Futures
Standardized contracts whereby the parties undertake to exchange money, transferable securities or goods at a preset price at a future date. These contracts are traded on regulated markets, where their execution is guaranteed.

Goodwill
The additional sum paid for the acquisition of an equity interest, equal to the difference between the cost and the corresponding share of net assets, for the portion not attributable to the identifiable assets of the acquired company.

Hedge Fund
Speculative mutual investment fund adopting hedging techniques which generally are not used by ordinary mutual funds, in order to deliver a constant performance, which is only hardly linked to reference markets. Hedge Funds are distinguished by a limited number of partners and require a high minimum level of investment.

IAS/IFRS
International accounting standards issued by the International Accounting Standard Board (IASB), a private international body established in April 2001, involving representatives of the accounting professions of the principal countries and, as observers, the European Union, IOSCO (International Organization of Securities Commissions) and the Basel Committee. This body is the successor of the International Accounting Standards Committee (IASC), set up in 1973 to promote harmonization of the rules for the preparation of company accounts. When the IASC became the IASB, it was decided, among other things, to name the new accounting principles "International Financial Reporting Standards" (IFRS).
At international level, work is currently underway to harmonize the IAS/IFRS with the US GAAP – United States Generally Accepted Accounting Principles (q.v.).

ICAAP – Internal Capital Adequacy Assessment Process
See "Basel 2 – Pillar 2".

Impaired loans
Loans are subjected to periodic examination in order to identify those which, following events occurring after their entry in the accounts (at the market value, normally equal to the disbursed amount including the transaction costs and revenues directly attributable to the disbursement of the loan), show objective signs of a possible loss of value. This category includes loans that have been classed as bad, doubtful, restructured or overdue, in accordance with the Bank of Italy rules consistent with IAS/IFRS (q.v.).

Impairment
Within the framework of the IAS/IFRS (q.v.), this refers to the loss of value of a balance sheet asset, recorded when the book value is greater than the recoverable value, i.e. the sum that can be obtained by selling or using the asset.

Index linked
Policies whose performance at maturity depends on a benchmark parameter that may be a share index, a basket of securities or another indicator.

Investment banking
Banking segment devoted to the subscription and placement of newly issued securities, as well as the trading of financial instruments.

Investor
Any entity other than the Sponsor (q.v.) or Originator (q.v.) with exposure to a securitization.

IRB – Internal Rating Based
Method for determining the capital needed to cover credit risk within the framework of Pillar 1 of Basel 2 (q.v.). The rules are applied to the exposures of the banking portfolio. Furthermore, in the IRB methods the risk weightings of the assets are determined on the basis of the bank's own internal evaluations of the debtors (or, in some cases, of the transactions). Using systems based on internal ratings, the banks determine the weighted risk exposure. The IRB methods consist of a basic method and an advanced method, which differ in terms of the risk parameters that the bank must estimate: in the basic method, the banks use their own estimates for "PD – Probability of Default" and the regulatory values for the other risk parameters; in the advanced method, the banks use their own estimates for " PD – Probability of Default ", "LGD – Loss Given Default", "CCF – Credit Conversion Factors" and, where provided for, "M - Maturity" (q.v.). The use of IRB methods for the calculation of capital requirements is subject to authorization from Banca d'Italia.

IRS – Interest Rate Swap
See "Swap".

Definition of Terms and Acronyms

Joint venture
Agreement between two or more companies for the conduct of a given economic activity, usually through the constitution of a joint stock company.

Junior, Mezzanine and Senior exposures
In a securitization transaction, the exposures may be classified as follows:
- junior exposures are the last to be repaid, and consequently absorb the first loss produced by the securitization transaction;
- mezzanine exposures are those with medium repayment priority, between senior and junior;
- senior exposures are the first to be repaid.

Ke
The cost of equity is the minimum return on investment required by the shareholder. It is the sum of a risk-free rate and an additional spread remunerating the shareholder for the credit risk and the volatility of the share price. The cost of capital is based on medium-long term averages of market parameters.

Lead Arranger
The bank responsible for arranging a securitization. The arranger's duties include checking the quality and quantity of the assets to be securitized, conducting relations with rating agencies, drawing up the prospectus and dealing with accounting and legal problems.

Leasing
Contract whereby one party (the lessor) grants to another party (the lessee) for a given period of time the enjoyment of an asset purchased or built by the lessor at the choice and on the instructions of the lessee, with the latter having the option of acquiring ownership of the asset under predetermined conditions at the end of the leasing contract.

Leveraged Finance
Loans provided mainly to Private Equity funds in order to finance the acquisition of a company through a financial transaction based on the cash flow generation capacity of such target company. This can result in a higher level of debt and therefore a higher level of risk. Leveraged finance may be syndicated.

LGD – Loss Given Default
Expected value (which may be conditional upon adverse scenarios) of the ratio, expressed as a percentage, between the loss giving rise to the default and the amount of exposure at the time of the default ("EAD - Exposure At Default", q.v.).

Liquidity risk
The risk of the company being unable to meet its payment commitments due to the inability to mobilize assets or obtain adequate funding from the market (funding liquidity risk) or due to the difficulty/impossibility of easily liquidating positions in financial assets without significantly and unfavorably affecting the price because of insufficient depth or temporary malfunction of the financial market (market liquidity risk).

M – Maturity
The average, for a given exposure, of the residual contractual maturities, each weighted for the relevant amount.

Mark-up
Positive differential with respect to a benchmark index, generally an interbank rate, applied to the lending rate offered to customers.

Market risk
The effect that changes in market variables might have on the economic value of the Group's portfolio, where this includes both the assets held in the trading book and those entered in the banking book, or the operations connected with the characteristic management of the commercial bank and its strategic investment choices.

Medium Term Note
Bond with a maturity of between 5 and 10 years.

Merchant banking
This term covers activities such as the subscription of securities – shares or debt instruments – by corporate customers for subsequent placement on the market, the taking of more permanent equity interests but always with a view to subsequent disposal, and the conduct of business consultancy activities for the purposes of mergers and acquisitions or restructurings.

Monoline Insurers
Insurance companies that insure only one kind of risk. Against payment of premium they guarantee the repayment of principal and interest of bonds – usually "ABS - Asset Backed Securities" (q.v.) or US municipal bonds – on default by the issuer, which enables the guaranteed bond to obtain a better rating than similar unguaranteed issues.

NOPAT – Net Operating Profit After Tax
Net operating profit remaining after the deduction of taxes.

Operational risk
The risk of losses due to errors, violations, interruptions, damages caused by internal processes, personnel or systems, or by external events. This definition includes legal and compliance risk, but excludes strategic and reputational risk.
For example, operational risks include losses deriving from internal or external fraud, employment contracts and employment protection regulations, customer claims, distribution of products, fines and other sanctions arising from breaches of regulations, damages to the company's assets, interruption of operations, malfunction of systems and the management of processes.

Option
The right, but not the commitment, acquired by the payment of a premium, to buy (call option) or sell (put option) a financial instrument at a given price (strike price) by or at a determined future date (American option / European option).

Originator
The entity that originated the assets to be securitized or acquired them from others.

OTC – Over the counter
Over-the-counter (OTC) trading consists of the exchange of financial instruments such as shares, bonds, derivatives or goods directly between two counterparties. The OTC markets do not have standardized contracts or buying/selling procedures and are not associated with a set of rules (admissions, controls, obligations of information, etc.) like those that govern the official markets.

Overcollateralization
The value of the assets underlying the bonds issued is higher than the amount of the bonds.

Payout ratio
It indicates the percentage of net income that is distributed to shareholders. The percentage distributed is determined mainly on the basis of the company's self-financing needs and the return expected by shareholders.

PD – Probability of Default
Probability of a counterparty entering into a situation of "default" (q.v.) within a time horizon of one year.

Preference shares
Capital instruments that associate forms of remuneration tied to market rates with particularly pronounced subordination conditions, such as non-recovery in subsequent years of the interest not paid by the bank and bearing a share of its losses in the event that these produce a significant reduction in the capital requirements. The regulatory authorities set the conditions under which preference shares may be counted among the core capital of banks and banking groups.

Private banking
Financial services aimed at so-called "high-end" private customers for the global management of financial needs.

Private equity
Investments in the risk capital of companies, generally unlisted but with high growth potential and the ability to generate constant cash flows. Investments in private equity include a wide range of operations that vary according to both the development phase of the company concerned and the investment techniques used. These techniques include closed-end private equity funds.

Purchase Companies
Vehicle used by "ABCP Conduits – Asset Backed Commercial Paper Conduits" (q.v.) to purchase the assets to be securitized and subsequently financed by the Conduit vehicle by means of commercial paper.

Definition of Terms and Acronyms

RARORAC – Risk Adjusted Return On Risk Adjusted Capital
This is the ratio between EVA – Economic Value Added" (q.v.) and allocated/absorbed capital and represents the value created per each unit of risk taken.

Rating
Evaluation of the quality of a company or its issues of debt securities on the basis of the company's financial soundness and prospects. This evaluation is made either by specialist agencies or by the bank on the basis of internal models.

Retail
Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.

RMBS – Residential Mortgage Backed Securities
Asset Backed Securities (q.v.) with residential mortgages as underlyings.

RWA – Risk Weighted Assets
On-balance sheet assets and off-balance sheet assets (derivatives and guarantees) classified and weighted by different coefficients referring to risks, following banking rules issued by local Supervisors (i.e. Banca d'Italia, Bafin, etc.), to calculate solvency ratios.

Securitization
Transfer of a portfolio of assets to an "SPV – Special Purpose Vehicle" (q.v.) and the issue of securities with various levels of seniority to meet any default by the underlying assets.
Securitizations can be:

- traditional: method of securitization whereby transfer of the assets is by means of sale of the portfolio to the "SPV - Special Purpose Vehicle" (q.v.).
- synthetic: method of securitization whereby the transfer of assets is by means of credit derivatives or similar security enabling the risk of the portfolio to be transferred.

Sensitivity
The greater or lesser degree of sensitivity with which certain assets or liabilities react to changes in rates or other reference parameters.

Sponsor
An entity other than the Originator (q.v.) which sets up and manages an ABCP conduit or other securitization scheme where assets are acquired from a third entity for securitization.

SPV – Special Purpose Vehicles
An entity – partnership, limited company or trust – set up to carry out a set object, such as isolating financial risk or obtaining special regulatory or tax treatment for specific portfolios of financial assets.
SPV's operations are accordingly limited by a set of rules designed for this purpose.
In general SPVs' sponsors (q.v.) do not hold equity in them. The equity is held by other entities in order to ensure that there is no shareholder relationship with the Sponsor (q.v.). SPVs are usually bankruptcy-remote, in that their assets cannot be claimed by the creditors of the sponsor, even if the latter becomes insolvent.

Subprime (Residential Mortgages)
Although Subprime has no univocal definition, this category includes mortgages granted to borrowers who have had repayment difficulties in the past, e.g. delayed installments, insolvency or bankruptcy, or who are more likely to default than the average due to high loan-to-value and installment-to-income ratios.

Swap
A transaction that generally consists of the exchange of financial streams between operators according to different contractual arrangements.
In the case of an interest rate swap (IRS), the counterparties exchange payment streams that may or may not be linked to interest rates, calculated on a notional principal amount (for example, one counterparty pays a stream on the basis of a fixed rate, while the other does so on the basis of a variable rate).
In the case of a currency swap, the counterparties exchange specific amounts in two different currencies, with these amounts being exchanged back in due course according to predefined arrangements that may concern both the capital (notional) and the streams of interest payments.

Tier 1 Capital
The most reliable and liquid part of a bank's capital, as defined by regulatory rules.

Tier 1 Capital Ratio
The percentage of a bank's Tier 1 Capital to its risk weighted assets "RWA – Risk Weighted Assets" (q.v.).

TSR – Total Shareholder Return
It is the full reward, in terms of capital gain and dividends, that a shareholder gets from holding one share.

UCI – Undertakings for Collective Investment
This term includes "UCITS" (q.v.) and other collective investment Funds (real estate collective investment funds, closed-end investment funds).

UCITS – Undertakings for Collective Investment in Transferable Securities
This term covers open-end real estate investment funds, both Italian and foreign, and investment companies with variable capital. The latter are joint stock companies that have the sole purpose of collective investment of the assets gathered through a public offer of their own shares.

US GAAP – United States Generally Accepted Accounting Principles
Accounting principles issued by the FASB (Financial Accounting Statement Board), generally accepted in the USA.

VaR – Value at Risk
A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.

Vintage
The year of issue of the collateral underlying bonds created by securitization. In the case of subprime mortgages this information is an indicator of the riskiness of the bond, since the practice of granting mortgages to subprime borrowers became significant in the US starting in 2005.

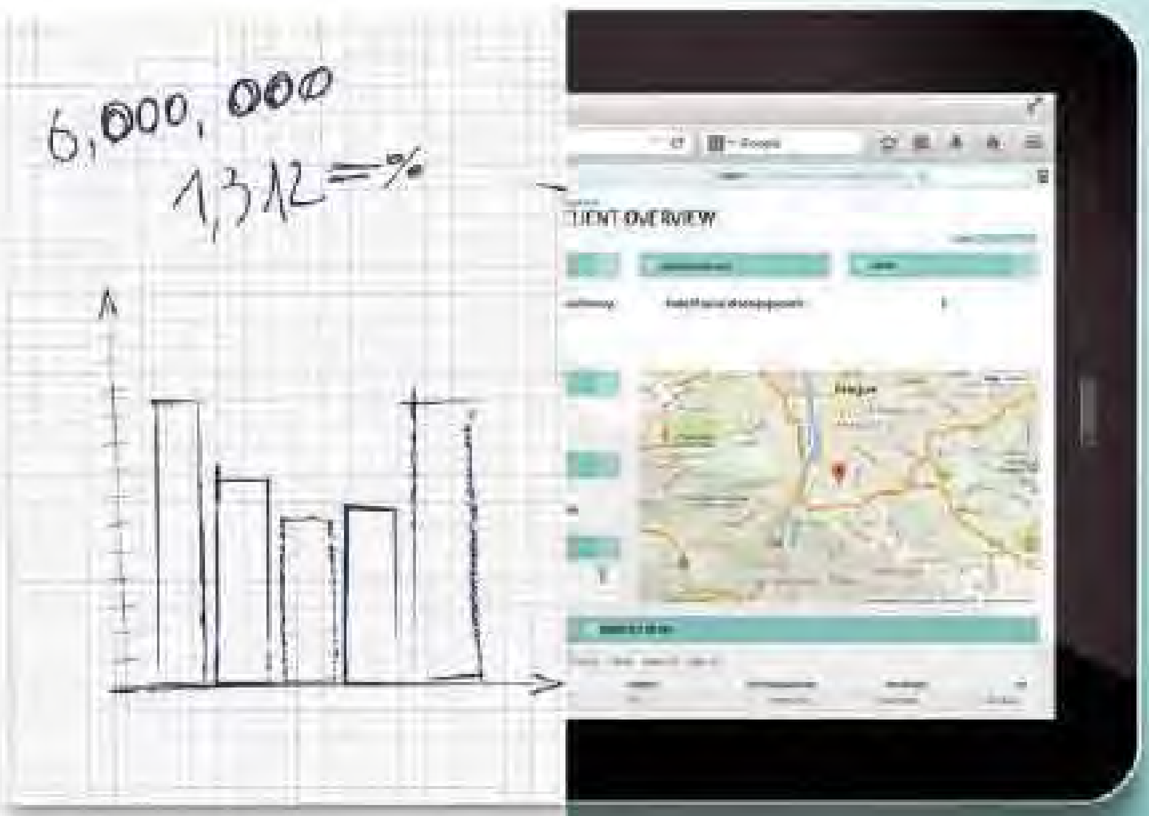
Warehousing
A stage in the preparation of a securitization transaction whereby an "SPV – Special Purpose Vehicle" (q.v.) acquires assets for a certain period of time until it reaches a sufficient quantity to be able to issue an ABS.

The data is clear.

Personalized support services make it clearer.

Clear-cut answers for the future.

The path to knowledge begins with understanding. **Babel** is an application that transforms data into useful and accurate information. With it, we can develop personalized products and services, just for you. Babel ensures that we will always meet your expectations and that we help you with important changes in your life. Because information is key to anticipating the future.



Certification

Consolidated Financial Statements Certification pursuant to art. 81 – ter of Consob Regulation no. 11971 of May 14, 1999, as amended

1. The undersigned Federico Ghizzoni (as Chief Executive Officer) and Marina Natale (as the Manager charged with preparing the financial reports) of UniCredit S.p.A., also in compliance with art. 154-bis (paragraphs 3 and 4) of Italian Legislative Decree no. 58 of February 24, 1998, do hereby **certify**:
   - the adequacy in relation to the Legal Entity's features, and
   - the actual application

   of the administrative and accounting procedures employed to draw up the 2014 Consolidated Financial Statements.

2. The adequacy of the administrative and accounting procedures employed to draw up the 2014 Consolidated Financial Statements has been evaluated by applying a model developed by UniCredit S.p.A. in accordance with the "Internal Control – Integrated Framework (CoSO)" and the "Control Objective for IT and Related Technologies (Cobit)", which represent generally accepted international standards for internal control system and for financial reporting in particular.

3. The undersigned also **certify** that:
   3.1 the 2014 Consolidated Financial Statements:
      a) were prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no.1606/2002 of July 19, 2002;
      b) correspond to the results of the accounting books and records;
      c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and of the group of companies included in the scope of consolidation;

   3.2 the Report on Operations includes a reliable analysis of the operating trend and results, as well as of the situation of the issuer and of the Legal Entities included in the scope of consolidation, together with a description of the main risks and uncertainties they are exposed to.

Milan – March 12, 2015

Federico GHIZZONI | Marina NATALE

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Report of the External Auditors

Deloitte.

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
UNICREDIT S.p.A.

1. We have audited the consolidated financial statements of UniCredit S.p.A. and its subsidiaries (the "UniCredit Group"), which comprise the balance sheet as of December 31, 2014, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the Company's Directors restated some of the corresponding figures included in the prior year consolidated financial statements with respect to the data previously reported and audited by us, on which we issued auditors' report dated April 7, 2014. We have examined the methods used to restate the prior year corresponding figures and the related disclosures for the purposes of expressing an opinion on the consolidated financial statements as of December 31, 2014.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UniCredit Group as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

4. The Directors of UniCredit S.p.A. are responsible for the preparation of a report on operations and a report on the corporate governance and proprietary structures, published in the "Governance" section of UniCredit S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and the information required by article 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) disclosed in the report on the corporate governance and proprietary structures, with the financial statements to which they refer, as required by law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information required by article 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) disclosed in the report on the corporate governance and proprietary structures are consistent with the consolidated financial statements of the UniCredit Group as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Milan, Italy
March 30, 2015

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

The emissions related to the printing and distribution of the 2014 UniCredit S.p.A Report and Accounts, 2014 Consolidated Report and Accounts and the 2014 Integrated Report have been compensated with the support of Officinae Verdi, which uses Gold Standard credits gained through the development of a landfill gas capture project in China. The Gold Standard is supported by WWF as it is the most rigorous global certification standard for carbon offset projects.

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