

# Inside real life. A 360° view.

2015 Consolidated Reports and Accounts

Welcome to  
 UniCredit





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

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

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

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

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

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

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

And supporting people keeps us going too.

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





# Dude, you should really consider a house with a garden.

Let's talk about the spaces where we live.

There's nothing like staying at home for real comfort. But sometimes you really need to get out -- especially if you're a dog.

Take Osvaldo: His owner is being a bit lazy, preferring to stay in a small apartment rather than dealing with the stress and paperwork of the real estate jungle. Poor Osvaldo.

But we have a complete solution to help. First of all, dear Osvaldo's owner, wouldn't it make you more confident to know what amount you can get from the bank before start house hunting?

Yes, our consultants know very well that this can make a difference. And with products like Voucher Mutuo, there's no risk of choosing a house that you cannot afford.

What about the rest? Well, we are a convenient, trusted partner whether you sell or buy a house. In Italy, our Subito Casa program can establish the value of the house or handle all the paperwork -- helping you get engineers, lawyers, you name it.

So, dear Osvaldo's owner, feel free to start looking for your cosy new home, and leave the boring part up to us.

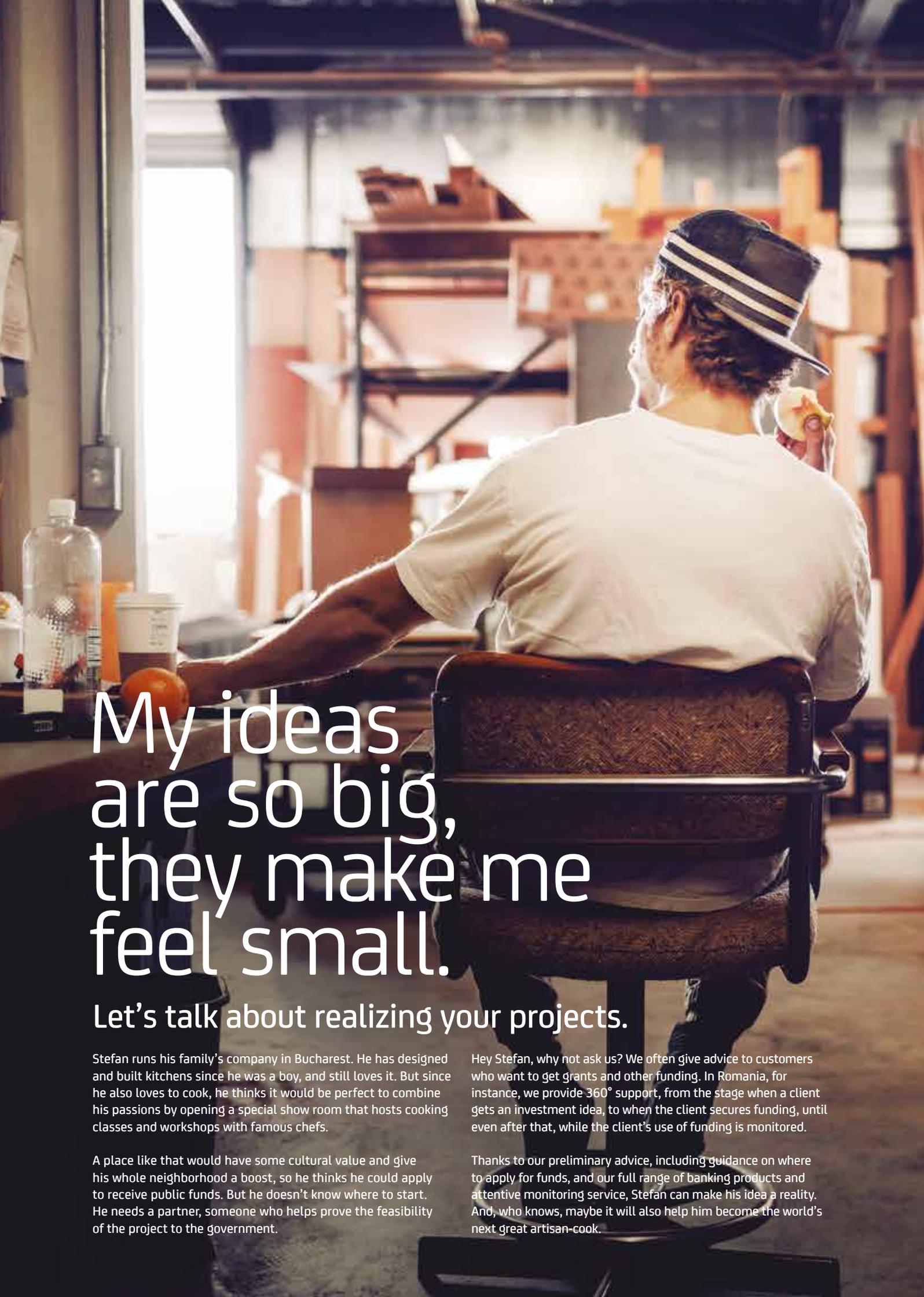
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## Notes

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.



My ideas  
are so big,  
they make me  
feel small.

Let's talk about realizing your projects.

Stefan runs his family's company in Bucharest. He has designed and built kitchens since he was a boy, and still loves it. But since he also loves to cook, he thinks it would be perfect to combine his passions by opening a special show room that hosts cooking classes and workshops with famous chefs.

A place like that would have some cultural value and give his whole neighborhood a boost, so he thinks he could apply to receive public funds. But he doesn't know where to start. He needs a partner, someone who helps prove the feasibility of the project to the government.

Hey Stefan, why not ask us? We often give advice to customers who want to get grants and other funding. In Romania, for instance, we provide 360° support, from the stage when a client gets an investment idea, to when the client secures funding, until even after that, while the client's use of funding is monitored.

Thanks to our preliminary advice, including guidance on where to apply for funds, and our full range of banking products and attentive monitoring service, Stefan can make his idea a reality. And, who knows, maybe it will also help him become the world's next great artisan-cook.

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# Look, I just made a mess!

Let's talk about everyday challenges.

Who said that everyday life is boring? It certainly isn't if you're dealing with a rascal like Agata. Around her, simple things like getting to school on time, managing the family budget or walking the puppy become far more complicated. Agata's mom and dad – and countless other parents – face more complications every day. Clearly they could use our help.

For Agata's parents we have designed dozens of new services that simplify life. Take, for example, what Zagrebačka banka is doing in Croatia. Its two-in-one web token enables customers

to not only to do their banking online, but also have access to their public administration documents.

This means you can check your account balance or transfer funds online in the same place where you can get your child's school grades, see an electronic copy of your birth or marriage certificate or order your European Health Insurance card.

Now with a bit more time for cleaning up her messes, maybe Agata's parents can laugh a little more too.

# Board of Directors, Board of Statutory Auditors and External Auditors as at December 31, 2015

	<b>Board of Directors</b>
Giuseppe Vita	Chairman
Vincenzo Calandra Buonaura	Deputy Vice Chairman
Luca Cordero di Montezemolo Fabrizio Palenzona	Vice Chairman
Federico Ghizzoni	CEO
Mohamed Hamad Al Mehairi (*) Manfred Bischoff Cesare Bioni Henryka Bochniarz Alessandro Caltagirone Helga Jung Lucrezia Reichlin Clara-Christina Streit Paola Vezzani Alexander Wolfgring Anthony Wyand Elena Zambon	Directors
Gianpaolo Alessandro	Company Secretary
	<b>Board of Statutory Auditors</b>
Maurizio Lauri	Chairman
Angelo Rocco Bonisconi Enrico Laghi Pierpaolo Singer (**) Maria Enrica Spinardi	Standing Auditors
Marina Natale	Manager in charge with preparing the financial reports
Deloitte & Touche S.p.A.	External Auditors

(\*) Mr. Al-Husseiny resigned from his position as Director on October, 15 2015 and the same day the Board of Directors coopted Mr. Mohamed Hamad Al Mehairi as Director.

(\*\*) On November, 9 2015 Mr. Giovanni Alberti resigned from his office as Standing Auditor and Ms. Federica Bonato, who was already an Alternate Auditor, replaced Mr. Alberti.

On December, 9 2015 Ms. Federica Bonato resigned from her position as a Standing Member of the Board of Statutory Auditors, the two Alternate Auditors, Mr. Paolo Domenico Sfameni and Ms. Beatrice Lombardini, decided not to take on the position of Statutory Auditor in replacement of Ms. Federica Bonato and therefore they resigned from their office.

Consequently, Mr. Pierpaolo Singer, already an Alternate Auditor, moved from his position to that of Standing Auditor in replacement of Ms. Federica Bonato.

## **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 € 20,298,341,840.70 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

# Chairman's message

“Because innovation requires speed, we are accelerating our work towards a fully digitized service, in the belief that “digitize or die” represents the future of banking.”

**Giuseppe Vita**  
CHAIRMAN



## Dear Shareholders,

The past year was marked by two major challenges that had great consequences for Europe. On one side, geopolitical tensions threatened stability in key regions, and on the other, the recovery of the global economy remained at the midway point.

At the time of this writing, geopolitical tensions continue to dangerously grow. This was made especially clear by events in the latter part of 2015. Flashpoints in the Middle East are exerting influence well beyond that region, while the ongoing situation in Ukraine has made relations between Europe and Russia increasingly delicate. Macroeconomic indicators have recently provided us positive signs, however there remain serious concerns related to the slowdown now taking place in many emerging countries.

The European Union will soon be called upon to make crucial decisions to address these challenges. These decisions must accelerate

the twin processes of integration and economic recovery if the EU is to deliver the stability needed to support further unification and growth. With the creation of the banking union, major progress in this direction has already been made. Yet more can and must be done to support Europe's incipient recovery. In 2015, the European Central Bank was the only institution to firmly respond to the risk of stagnation; in 2016, it must take decisive action to facilitate the implementation of the European investment plan, which to date has been too slow to materialize.

Given its strong European identity, UniCredit believes in Europe and in its potential. That is why our Group has not wavered in its support of households and businesses, and has continued to help the real economy, even while persistently low interest rates, weak economic growth and increased regulation have constrained banking activities across Europe.

Moreover, 2015 was not wholly defined by geopolitical and economic concerns. In the past year, encouraging data and a strong desire to restart the engines of growth were clearly evident in Italy and across Europe. We saw greater opportunities thanks to digital innovation and new ways to meet environmental challenges. These are the kinds of opportunities that a large group such as UniCredit must seize.

Our Strategic Plan, presented in November, fully embraces new digital technologies, positioning the bank to capitalize on rapidly evolving trends in the markets we serve. Because innovation requires speed, we are accelerating the implementation timetable for our plan. This includes taking decisive action regarding our business operations to create greater organizational efficiency. Such efficiency will enable us to reap the rewards of being a fully digitized provider of banking services. Indeed, we truly believe that "digitize or die" represents the future of banking.

In 2015, we successfully made significant advances in UniCredit's corporate governance system. The board of directors that was appointed in May has been streamlined, in keeping with the objectives of the overhaul we began three years ago. Its composition has been changed, with a larger number of female directors, a strengthened role for independent directors in board committees and an increased range of skills among its membership. These changes are some of the prerequisites to improving the board's work and to increasing its freedom to devote more time to the strategic debates that are critical to our success. I would also like to emphasize the resilience of UniCredit's overall governance system, which has demonstrated a remarkable ability to uphold the Group's strong reputation, even in extraordinary situations.

Change is constant and affects us all. For this reason, I believe that making quick decisions and taking rapid action is necessary to achieve optimal results. The superb quality of our staff and their high level of accountability make me optimistic about UniCredit's ability to correctly perceive the direction of future events and meet objectives.

We move into 2016 as a certifiably sound institution with a strong market reputation. For these considerable achievements, I would like to thank all of our outgoing directors. I am also grateful to their successors, who are carrying on the vital process of transforming UniCredit that began three years ago. And finally, I would like to express my gratitude to UniCredit's management team and to all colleagues for their tireless and invaluable contributions to the Group's present and its increasingly bright future.

Sincerely,

**Giuseppe Vita**  
Chairman  
UniCredit S.p.A.



# Chief Executive Officer's message

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

**Federico Ghizzoni**  
CHIEF EXECUTIVE OFFICER



## Dear Shareholders,

In 2015, we met with continued success in improving our asset quality and strengthening our capital position despite extraordinary charges in the final quarter. Moreover, UniCredit provided critical support to the socioeconomic progress of Europe. In all of our markets, we promoted the development of key business sectors by supporting entrepreneurship and fostering financial inclusion.

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

We accomplished all of this at a time characterized by historically low interest rates,

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

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

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

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

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

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

As banking continues its radical transformation, we will invest €1.2 billion to increase the quality and speed of our digital services while more than doubling the number of customers who use our online and mobile channels. In these changing times, we will proactively modify our service

models in ways that contribute to the customer experience, even as we develop innovative solutions that penetrate new markets, such as the upcoming launch of buddybank.

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

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

Sincerely,

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



# Highlights

UniCredit is a leading European commercial bank operating in **17** countries with more than **144,000** employees, over **7,900** branches and with an international network spanning in about **50** markets.

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

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

Over



EMPLOYEES<sup>1</sup>

Over



BRANCHES<sup>2</sup>

## Financial Highlights (€ mln)

Operating income

22,405

Net profit

1,694

Shareholder's equity

50,087

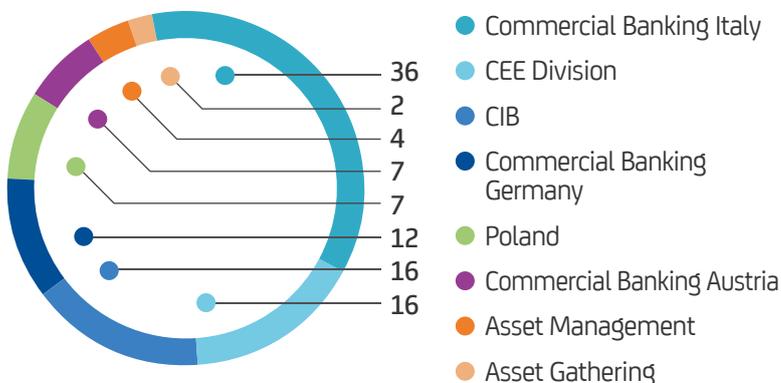
Total assets

860,433

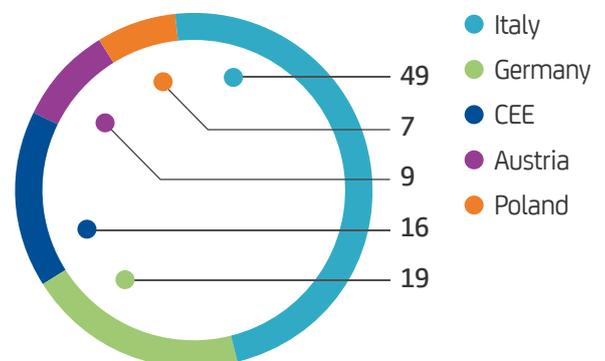
Common Equity Tier 1 ratio\*

10.73%

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



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



1. Data as at December 31, 2015. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of Yapi Kredi Group (Turkey).

2. Data as at December 31, 2015. Figures include all branches of Yapi Kredi Group (Turkey).

\* CET 1 transitional pro-forma for 2015 scrip dividend of 12 €cents per share assuming 75%-25% shares-cash acceptance.

\*\* Data as at December 31, 2015.

## Where we are

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



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



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



3. Market Shares in terms of Total Loans as at December 31, 2015.

Source: Company data, National Central Banks.

Total Loans definition includes corporate, household, self-employed, non-profit institutions serving household, insurances, pension funds, other financial intermediaries, local government, central government. For Poland and Romania central government is not included.

# Industrial Plan

UniCredit intends to reaffirm its standing as a **rock-solid European commercial bank**, backed by a well-diversified presence in 17 countries and an international network that spans in 50 markets.

Due to the challenging and rapidly changing business environment, UniCredit has elected to accelerate its transformation by adopting **a strategy that aims to achieve growth and development through increased efficiency and simplification**. This is the direction outlined in the Strategic Plan approved by UniCredit's Board of Directors on November 11, 2015.

First and foremost, UniCredit will be **a bank that is efficient, integrated and easy to deal with**. The Group is working to reduce its cost base and streamline its structure. This will enable it to be more responsive and more effectively allocate resources by leveraging its pan-European profile.

UniCredit will also **invest in the growth** of traditional businesses by providing credit to the real economy, and in areas with significant growth potential such as corporate & investment banking, asset management, asset gathering and, in general, in Central and Eastern Europe.

The result will be a rock-solid, profitable bank that is able to generate sustainable value, maintain a strong balance sheet and transform challenges into opportunities.

## Accelerating implementation of our Strategic Plan



Leading Pan-European corporate and retail bank



Efficient, effective and innovative



Simpler and more integrated



Investing in digital, high growth, capital light businesses



Sustainable profitability and organic capital generation

### 2018 TARGET

RoTE  
TARGET 11%

CET1 RATIO AT 12.6%  
PRE DIVIDEND  
DISTRIBUTION

POTENTIAL UPSIDE  
FROM DISCONTINUITY  
ACTIONS

# Digital Strategy

**Digitization** is essential to successfully addressing ongoing changes and sustain growth.

UniCredit has decided to invest heavily in this area to make the Group highly competitive in the new digital arena.

The first order of work will be to **accelerate the Group's digital transformation**. This will improve the speed and quality of our services, as well as the experiences of our customers. We will do this with a full commitment to creating an excellent and engaging digital user experience through better accessibility and instant feedback from our clients. In short: Providing a complete, multi-channel service.

Second, we will **develop our future digital business model**, which will be based on a new IT infrastructure. This model will meet customers' basic needs, reducing our cost-to-serve. The **buddybank** initiative will be key to the success of this endeavor. A clear discontinuity from traditional banking, buddybank will absorb less capital and be accessible solely via mobile devices, with customer service available 24/7.

## Digital strategy to accelerate retail multichannel transformation

Supported by EUR 1.2 bn Investments (2016-2018)

### ACCELERATE THE DIGITAL TRANSFORMATION

#### DELIVERY MODEL UPDATE

Continue **transaction migration** to remote channels  
**Right-sizing footprint** with new and flexible formats

#### SIMPLIFICATION AND PROCESS DIGITALIZATION

Digitalize and simplify **back-end processes**  
**Fully-digitalized** document management  
**Credit Revolution** program aiding real time automatic credit decisions

#### INCREASE SALES

Extend end-to-end

### BUILD A FUTURE DIGITAL BUSINESS MODEL

#### A NEW DIGITAL CORE BANKING SYSTEM

New cheaper **IT infrastructure** to serve customers' basis purchase behaviors, **reducing cost-to-serve**

#### buddybank

**1<sup>st</sup> molecular bank** offering a **pure mobile customer experience with a 24/7 live-caring concierge**  
**Plug-and-play platform to facilitate new markets entrance**  
Implementation started, launch early 2017



# I know it's not the best time, but I need to check my finances.

Let's talk about financial advice anywhere, anytime.

Imagine you are in the middle of a ski holiday. Everything is beautiful and the conditions are just right. You feel like you don't have a single worry in the world. But suddenly a thought comes along to disturb your peace: Did you forget to settle your financial business last week?

That's exactly what happened to Nico. During his first romantic holiday with Emma, he realized that this little banking detail was driving him crazy, and spoiling the fun. And he thought to himself: "You know what would be really useful right now? A bank manager I can call or, even better, text."

No sooner said than done.

Thanks to SmartBanking in Austria, it's possible to bring the branch to you. Whether at home with your laptop or on the go with your mobile phone, SmartBanking enables you to manage your finances in the most convenient way for you.

Relationship managers will give advice quickly and conveniently, by any possible method you want, from SMS to video chat. So now answers that you need on every possible financial topic, from taking out a loan to explaining your banking transactions, are at your fingertips.

That means we can help you save for your holiday, and save your holiday.

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### YEAR 2015:

#### GROUP

- **Net profit:** €1.7 billion (-15.6% FY/FY) and 4.1% RoTE (5.4% excluding non-recurring items)
- **Revenues:** €22.4 billion (-0.7% FY/FY)
- **Total costs:** €13.6 billion (+0.8% FY/FY), cost/income ratio of 60.8% (+0.9p.p. FY/FY)
- **Asset Quality:** LLP at €4.1 billion (-4.1% FY/FY), cost of risk at 86bps (-3.6bps FY/FY)

#### CORE BANK

- **Net profit:** €3.2 billion (-13.2% FY/FY) and 8.9% RoAC (10.3% excluding non-recurring items)
- **Revenues:** €22.3 billion (+0.6% FY/FY)
- **Total costs:** €13.1 billion (+1.3% FY/FY), cost/income ratio of 58.7% (almost stable FY/FY)
- **Asset Quality:** LLP at €2.5 billion (+14.9% FY/FY), cost of risk at 56bps (+6.3bps FY/FY)

### Q4 2015:

#### GROUP

- **Net profit:** €153 million (-69.8% Q/Q, -10.2% Y/Y) and 1.4% RoTE (4.2% excluding non-recurring items)
- **Revenues:** €5.6 billion (+4.8% Q/Q, -0.3% Y/Y)
- **Total costs:** €3.4 billion (stable Q/Q, -1.5% Y/Y), cost/income ratio of 60.5% (-2.9p.p. Q/Q, -0.7p.p. Y/Y)
- **Asset Quality:** LLP at €1.2 billion (+21.0% Q/Q, -28.3% Y/Y), cost of risk at 103bps (+17.8bps Q/Q, -41.7bps Y/Y); net impaired loan ratio at 8.2% (-0.5p.p. Y/Y) and coverage ratio at 51.2%, net bad loan ratio at 4.2% and coverage ratio at 61.0%
- **Capital adequacy:** CET1 ratio transitional pro-forma at 10.73% and CET1 ratio fully loaded pro-forma at 10.94%; Tier 1 ratio transitional pro-forma at 11.64% and Total Capital ratio transitional pro-forma at 14.36%

#### CORE BANK

- **Net profit:** €640 million (-28.5% Q/Q, -25.2% Y/Y) and 7.4% RoAC<sup>(\*)</sup> (10.3% excluding non-recurring items)
- **Revenues:** €5.6 billion (+5.9% Q/Q, +1.6% Y/Y)
- **Total costs:** €3.3 billion (+1.3% Q/Q, -0.8% Y/Y), cost/income ratio of 58.4% (-2.7p.p. Q/Q, -1.4p.p. Y/Y)
- **Asset Quality:** LLP at €723 million (+31.9% Q/Q, -4.8% Y/Y), cost of risk at 66bps (+15.7bps Q/Q, -5.8bps Y/Y)

(\*) RoAC = Net profit/ Allocated capital. Allocated capital is calculated as 9.25% of RWA, including deductions for shortfall and securitizations.

## General Aspects

The **UniCredit group's Consolidated Reports and Accounts** as at December 31, 2015 have been compiled under IFRS as required by Bank of Italy Circular 262 of December 22, 2005 (fourth amendment dated December 15, 2015). 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 Consolidated 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, the presentation to the market of the results for the period and the Disclosure by Institutions according to Regulation (EU) 575/2013.

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

## General Principles Followed in the Preparation of the Consolidated Report on Operations

To further illustrate the results for the period, the **Consolidated Report on Operations** includes reclassified balance sheet and income statement prepared using the same criteria adopted for prior-period quarterly report. The reconciliation with the primary statements— as required by Consob Notice 6064293 of July 28, 2006 - is presented in an annex to the Accounts.

The report is accompanied by a number of tables - Highlights, Condensed Accounts, Quarterly Figures, a Comparison of Q4 2015 with Q4 2014, Segment Reporting, How the Group Has Grown and the UniCredit Share - as well as a comment on Group Results and Results by Business Segment. Some of these information, including alternative performance indicators, are not extracted nor directly reconciled with the financial statements.

## 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) 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 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 "other administrative expenses" of the contributions to the Resolution Funds, the Deposit Guarantee Schemes (DGS) and Bank Levies, presented in the line "other charges and provision";
- 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.

### Scope of consolidation

During 2015 the following overall changes have been recorded in the consolidation perimeter:

- the number of fully consolidated companies changed from 751 at the end of 2014 to 713 at December 2015 (22 incoming and 60 exited), presenting a decrease of 38;
- the number of companies consolidated using the equity method changed from 73 at the end of 2014 to 67 at December 2015 (2 incoming and 8 exited), presenting a decrease of 6.

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).

### Non-Current Assets and Asset Groups Held for Disposal

In the Balance Sheet at December 31, 2015, the main reclassified assets based on the IFRS 5 accounting principle, as non-current assets and asset disposal groups refer to:

- regarding the individual asset and liabilities held for sale and to real-estate properties held by some subsidiaries;
- regarding the data relating to groups of assets held for sale and associated liabilities, the following companies that have been already reported in the consolidated accounts at December 31, 2014 based on the accounting standard IFRS 5:
  - to the companies of the Ukrainian Group (PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD);
  - to the companies of the Immobilien Holding Group.

For additional information, reference is made to “Part B – Information on the consolidated balance sheet – Assets – Section 15 of the Consolidated Financial Statement– Note to the Consolidated Accounts.

### 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 includes selected assets of Commercial Banking Italy and some special vehicles for securitization operations and the results of the subsidiary UniCredit Credit Management Bank (UCCMB) that ceased to be part of the Group since November 2015, after its disposal. With reference to UCCMB the items of the income statements are not reclassified as “Profit/Loss from non-current assets held for sale, after tax” but remain in their respective lines.





# Daddy, are you done working yet?

Let's talk about lending a hand to entrepreneurs.

Being an entrepreneur often means that the line between work and private life is very thin. Sometimes it just does not exist, as is the case with Matteo and Giacomo's father: He wants to balance everything by himself, but often he just can't make that happen.

But help is closer than it looks. When you think about the ways banks can support private businesses, you probably think about financing, or special current accounts for small enterprises.

Our Italian colleagues were able to look beyond that when they created My Business Manager. To help small entrepreneurs in

their everyday lives, My Business Manager is an online report that enables them to continuously monitor and forecast flows, transactions, payments, receipts, invoices and credit.

It's just like having a personal manager who handles the administration while you take care of your business. Easy, isn't it?

Thanks to this simple interface, entrepreneurs like Matteo and Giacomo's dad can check their business at a glance and be faster in all of their transactions and, above all, spend more time with their families.

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

# Consolidated Report on Operations

## Highlights

### Income Statement

(€ million)

	YEAR		CHANGE
	2015	2014	
Operating income	22,405	22,552	- 0.7%
<i>of which: - net interest</i>	11,916	12,442	- 4.2%
- dividends and other income from equity investments	829	794	+ 4.5%
- net fees and commissions	7,848	7,593	+ 3.4%
Operating costs	(13,618)	(13,507)	+ 0.8%
Operating profit	8,787	9,045	- 2.9%
Profit (loss) before tax	2,671	4,091	- 34.7%
<b>Net profit (loss) attributable to the Group</b>	<b>1,694</b>	<b>2,008</b>	<b>- 15.6%</b>

The figures in this table refer to reclassified income statement.

### Balance Sheet

(€ million)

	AMOUNTS AS AT		CHANGE
	12.31.2015	12.31.2014	
Total assets	860,433	844,217	+ 1.9%
Financial assets held for trading	90,997	101,226	- 10.1%
Loans and receivables with customers	473,999	470,569	+ 0.7%
<i>of which: - Non Performing loans</i>	38,920	41,092	- 5.3%
Financial liabilities held for trading	68,919	77,135	- 10.7%
Deposits from customers and debt securities in issue	584,268	560,688	+ 4.2%
<i>of which: - deposits from customers</i>	449,790	410,412	+ 9.6%
- securities in issue	134,478	150,276	- 10.5%
<b>Shareholders' Equity</b>	<b>50,087</b>	<b>49,390</b>	<b>+ 1.4%</b>

The figures in this table refer to reclassified balance sheet.

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

### Staff and Branches

	AS AT		CHANGE
	12.31.2015	12.31.2014	
Employees <sup>1</sup>	125,510	129,021	-3,511
Branches	6,934	7,516	-582
<i>of which: - Italy</i>	3,873	4,009	-136
- Other countries	3,061	3,507	-446

1. "Full time equivalent" data (FTE): number of employees counted for the rate of presence

### Profitability Ratios

	YEAR		CHANGE
	2015	2014	
EPS <sup>1</sup> (€)	0.27	0.34	-0.07
Cost/income ratio	60.8%	59.9%	0.89bp
EVA <sup>2</sup> (€ million)	(2,848)	(2,734)	- 114
Return on assets <sup>3</sup>	0.24%	0.28%	-0.05bp

1. Annualized figure. €100,409 thousand was deducted from 2015 net profit of €1,694,240 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€35,466 thousands was deducted from 2014 net profits).

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	
	12.31.2015	12.31.2014
Net non-performing loans to customers/Loans to customers	4.20%	4.19%
Net impaired loans to customers/Loans to customers	8.21%	8.73%

### Transitional Capital Ratios

	AS AT	
	12.31.2015 (*)	12.31.2014 (*)
Total own funds (€ million)	55,579	54,857
Total risk-weighted assets (€ million)	390,599	409,223
<b>Common Equity Tier 1 Capital Ratio</b>	<b>10.59%</b>	<b>10.26%</b>
<b>Total own funds Capital Ratio</b>	<b>14.23%</b>	<b>13.41%</b>

(\*) Transitional own funds and capital ratios (Basel 3), based on the applicable percentages for years 2014 and 2015.

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

### Ratings

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

Data as at January 21, 2016.

# Consolidated Report on Operations

## Condensed Accounts

### Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT		CHANGE	
	12.31.2015	12.31.2014	AMOUNT	PERCENT
Cash and cash balances	10,303	8,051	+ 2,252	+ 28.0%
Financial assets held for trading	90,997	101,226	- 10,229	- 10.1%
Loans and receivables with banks	80,073	68,730	+ 11,343	+ 16.5%
Loans and receivables with customers	473,999	470,569	+ 3,430	+ 0.7%
Financial investments	152,845	138,503	+ 14,342	+ 10.4%
Hedging instruments	8,010	11,988	- 3,978	- 33.2%
Property, plant and equipment	10,031	10,277	- 246	- 2.4%
Goodwill	3,618	3,562	+ 57	+ 1.6%
Other intangible assets	2,140	2,000	+ 140	+ 7.0%
Tax assets	15,726	15,772	- 46	- 0.3%
Non-current assets and disposal groups classified as held for sale	2,820	3,600	- 780	- 21.7%
Other assets	9,872	9,941	- 69	- 0.7%
<b>Total assets</b>	<b>860,433</b>	<b>844,217</b>	<b>+ 16,216</b>	<b>+ 1.9%</b>

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		CHANGE	
	12.31.2015	12.31.2014	AMOUNT	PERCENT
Deposits from banks	111,373	106,037	+ 5,336	+ 5.0%
Deposits from customers	449,790	410,412	+ 39,378	+ 9.6%
Debt securities in issue	134,478	150,276	- 15,798	- 10.5%
Financial liabilities held for trading	68,919	77,135	- 8,216	- 10.7%
Financial liabilities designated at fair value	455	567	- 112	- 19.8%
Hedging instruments	11,254	15,150	- 3,897	- 25.7%
Provisions for risks and charges	9,855	10,623	- 768	- 7.2%
Tax liabilities	1,529	1,750	- 222	- 12.7%
Liabilities included in disposal groups classified as held for sale	1,880	1,650	+ 230	+ 13.9%
Other liabilities	17,416	17,781	- 365	- 2.1%
Minorities	3,399	3,446	- 47	- 1.4%
Group Shareholders' Equity:	50,087	49,390	+ 697	+ 1.4%
- Capital and reserves	48,315	48,065	+ 250	+ 0.5%
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	77	(683)	+ 761	n.s
- Net profit (loss)	1,694	2,008	- 314	- 15.6%
<b>Total liabilities and Shareholders' Equity</b>	<b>860,433</b>	<b>844,217</b>	<b>+ 16,216</b>	<b>+ 1.9%</b>

## Consolidated Income Statement

(€ million)

	YEAR		CHANGE		
	2015	2014	€m	PERCENT	ADJUSTED <sup>1</sup>
Net interest	11,916	12,442	- 526	- 4.2%	- 2.5%
Dividends and other income from equity investments	829	794	+ 36	+ 4.5%	+ 19.8%
Net fees and commissions	7,848	7,593	+ 255	+ 3.4%	+ 4.6%
Net trading income	1,644	1,536	+ 109	+ 7.1%	+ 7.0%
Net other expenses/income	166	188	- 21	- 11.3%	+ 95.0%
<b>OPERATING INCOME</b>	<b>22,405</b>	<b>22,552</b>	<b>- 147</b>	<b>- 0.7%</b>	<b>+ 1.6%</b>
Payroll costs	(8,339)	(8,201)	- 138	+ 1.7%	+ 2.9%
Other administrative expenses	(5,159)	(5,244)	+ 86	- 1.6%	- 4.1%
Recovery of expenses	808	834	- 25	- 3.0%	+ 2.0%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(929)	(896)	- 33	+ 3.6%	+ 6.7%
<b>Operating costs</b>	<b>(13,618)</b>	<b>(13,507)</b>	<b>- 111</b>	<b>+ 0.8%</b>	<b>+ 0.4%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>8,787</b>	<b>9,045</b>	<b>- 258</b>	<b>- 2.9%</b>	<b>+ 3.4%</b>
Net write-downs on loans and provisions for guarantees and commitments	(4,114)	(4,292)	+ 178	- 4.1%	+ 1.5%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>4,672</b>	<b>4,753</b>	<b>- 80</b>	<b>- 1.7%</b>	<b>+ 5.0%</b>
Other charges and provisions	(1,585)	(728)	- 856	+ 117.6%	+ 249.7%
Integration costs	(410)	(20)	- 390	n.s.	n.s.
Net income from investments	(6)	87	- 93	n.s.	n.s.
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>2,671</b>	<b>4,091</b>	<b>- 1,419</b>	<b>- 34.7%</b>	<b>- 34.2%</b>
Income tax for the period	(137)	(1,297)	+ 1,160	- 89.4%	- 85.6%
<b>NET PROFIT (LOSS)</b>	<b>2,534</b>	<b>2,793</b>	<b>- 259</b>	<b>- 9.3%</b>	<b>- 11.8%</b>
Profit (Loss) from non-current assets held for sale, after tax	(295)	(124)	- 171	+ 138.0%	+ 158.0%
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,239</b>	<b>2,669</b>	<b>- 431</b>	<b>- 16.1%</b>	<b>- 23.9%</b>
Minorities	(352)	(380)	+ 28	- 7.5%	- 5.6%
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>1,887</b>	<b>2,289</b>	<b>- 402</b>	<b>- 17.6%</b>	<b>- 26.7%</b>
Purchase Price Allocation effect	(193)	(281)	+ 89	- 31.5%	- 31.5%
Goodwill impairment	-	-	-	n.s.	n.s.
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>1,694</b>	<b>2,008</b>	<b>- 314</b>	<b>- 15.6%</b>	<b>- 26.1%</b>

### Notes

1. Changes at constant foreign exchange rates and perimeter.

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

# Consolidated Report on Operations

## Quarterly Figures

### Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT				AMOUNTS AS AT			
	12.31.2015	09.30.2015	06.30.2015	03.31.2015	12.31.2014	09.30.2014	06.30.2014	03.31.2014
Cash and cash balances	10,303	11,182	9,962	9,870	8,051	8,882	9,975	12,499
Financial assets held for trading	90,997	91,612	97,626	114,356	101,226	93,026	84,079	79,368
Loans and receivables with banks	80,073	90,689	86,192	89,014	68,730	83,284	72,308	74,128
Loans and receivables with customers	473,999	474,122	473,930	482,658	470,569	470,356	474,798	483,782
Financial investments	152,845	152,909	153,043	148,503	138,503	136,042	135,773	129,451
Hedging instruments	8,010	8,939	9,282	11,482	11,988	14,435	13,845	12,586
Property, plant and equipment	10,031	10,064	10,089	10,278	10,277	10,283	10,509	10,690
Goodwill	3,618	3,601	3,617	3,668	3,562	3,565	3,536	3,528
Other intangible assets	2,140	2,016	2,028	2,020	2,000	1,882	1,854	1,797
Tax assets	15,726	15,036	15,117	14,595	15,772	16,174	16,887	17,867
Non-current assets and disposal groups classified as held for sale	2,820	3,454	3,751	3,915	3,600	8,301	3,325	3,166
Other assets	9,872	9,882	10,490	10,291	9,941	9,563	9,789	10,994
<b>Total assets</b>	<b>860,433</b>	<b>873,506</b>	<b>875,126</b>	<b>900,649</b>	<b>844,217</b>	<b>855,793</b>	<b>836,679</b>	<b>839,854</b>

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT				AMOUNTS AS AT			
	12.31.2015	09.30.2015	06.30.2015	03.31.2015	12.31.2014	09.30.2014	06.30.2014	03.31.2014
Deposits from banks	111,373	120,555	121,454	130,422	106,037	116,977	109,863	118,328
Deposits from customers	449,790	450,204	435,898	423,162	410,412	399,695	401,490	397,090
Debt securities in issue	134,478	137,491	144,961	150,625	150,276	155,213	159,515	163,073
Financial liabilities held for trading	68,919	67,334	72,501	90,224	77,135	72,237	63,637	62,622
Financial liabilities designated at fair value	455	455	460	539	567	627	649	638
Hedging instruments	11,254	11,717	12,543	16,408	15,150	16,444	15,018	13,521
Provisions for risks and charges	9,855	9,958	10,017	10,449	10,623	9,721	9,570	9,083
Tax liabilities	1,529	1,569	1,427	1,892	1,750	1,887	1,779	2,387
Liabilities included in disposal groups classified as held for sale	1,880	1,415	1,448	1,479	1,650	6,885	1,401	1,447
Other liabilities	17,416	19,242	20,951	20,408	17,781	21,275	21,585	20,816
Minorities	3,399	3,327	3,272	3,711	3,446	3,475	3,234	3,391
Group Shareholders' Equity:	50,087	50,239	50,195	51,331	49,390	51,357	48,937	47,460
- Capital and reserves	48,315	49,248	50,163	50,655	48,065	49,139	47,640	46,595
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	77	(551)	(1,003)	164	(683)	380	182	152
- Net profit (loss)	1,694	1,541	1,034	512	2,008	1,837	1,116	712
<b>Total liabilities and Shareholders' Equity</b>	<b>860,433</b>	<b>873,506</b>	<b>875,126</b>	<b>900,649</b>	<b>844,217</b>	<b>855,793</b>	<b>836,679</b>	<b>839,854</b>

## Consolidated Income Statement

(€ million)

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net interest	3,029	2,925	2,999	2,963	3,064	3,122	3,179	3,077
Dividends and other income from equity investments	250	192	269	118	191	178	321	104
Net fees and commissions	1,935	1,902	1,997	2,014	1,883	1,856	1,963	1,890
Net trading income	302	250	473	619	339	383	342	472
Net other expenses/income	73	63	(3)	34	128	21	(7)	46
<b>OPERATING INCOME</b>	<b>5,589</b>	<b>5,332</b>	<b>5,735</b>	<b>5,749</b>	<b>5,604</b>	<b>5,561</b>	<b>5,798</b>	<b>5,588</b>
Payroll costs	(2,053)	(2,067)	(2,127)	(2,093)	(2,082)	(2,030)	(2,002)	(2,087)
Other administrative expenses	(1,289)	(1,286)	(1,294)	(1,289)	(1,325)	(1,281)	(1,339)	(1,299)
Recovery of expenses	210	198	213	188	215	202	226	191
Amortisation, depreciation and impairment losses on intangible and tangible assets	(250)	(228)	(227)	(224)	(239)	(220)	(221)	(216)
<b>Operating costs</b>	<b>(3,382)</b>	<b>(3,383)</b>	<b>(3,435)</b>	<b>(3,418)</b>	<b>(3,432)</b>	<b>(3,328)</b>	<b>(3,336)</b>	<b>(3,410)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>2,207</b>	<b>1,949</b>	<b>2,299</b>	<b>2,331</b>	<b>2,172</b>	<b>2,233</b>	<b>2,462</b>	<b>2,178</b>
Net write-downs on loans and provisions for guarantees and commitments	(1,216)	(1,005)	(913)	(980)	(1,697)	(754)	(1,003)	(838)
<b>NET OPERATING PROFIT (LOSS)</b>	<b>991</b>	<b>944</b>	<b>1,386</b>	<b>1,351</b>	<b>475</b>	<b>1,479</b>	<b>1,459</b>	<b>1,339</b>
Other charges and provisions	(807)	(154)	(359)	(264)	(140)	(232)	(232)	(123)
Integration costs	(398)	(8)	(2)	(1)	29	(5)	(40)	(4)
Net income from investments	(39)	20	18	(5)	(4)	43	(16)	62
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(254)</b>	<b>802</b>	<b>1,043</b>	<b>1,080</b>	<b>360</b>	<b>1,285</b>	<b>1,171</b>	<b>1,275</b>
Income tax for the period	640	(197)	(238)	(343)	43	(350)	(582)	(408)
<b>NET PROFIT (LOSS)</b>	<b>387</b>	<b>605</b>	<b>805</b>	<b>737</b>	<b>403</b>	<b>936</b>	<b>588</b>	<b>867</b>
Profit (Loss) from non-current assets held for sale, after tax	(143)	27	(121)	(58)	(69)	(33)	(26)	3
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>244</b>	<b>633</b>	<b>683</b>	<b>679</b>	<b>334</b>	<b>902</b>	<b>563</b>	<b>870</b>
Minorities	(72)	(78)	(100)	(102)	(96)	(112)	(89)	(83)
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>172</b>	<b>554</b>	<b>583</b>	<b>577</b>	<b>238</b>	<b>790</b>	<b>474</b>	<b>787</b>
Purchase Price Allocation effect	(19)	(48)	(61)	(65)	(68)	(69)	(71)	(74)
Goodwill impairment	-	-	-	-	-	-	-	-
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>153</b>	<b>507</b>	<b>522</b>	<b>512</b>	<b>170</b>	<b>722</b>	<b>403</b>	<b>712</b>

### Notes:

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

# Consolidated Report on Operations

## Comparison of Q4 2015/Q4 2014

### Consolidated Income Statement

(€ million)

	Q4		CHANGE		
	2015	2014	€m	PERCENT	ADJUSTED <sup>1</sup>
Net interest	3,029	3,064	- 35	- 1.1%	+ 0.1%
Dividends and other income from equity investments	250	191	+ 60	+ 31.3%	+ 95.4%
Net fees and commissions	1,935	1,883	+ 51	+ 2.7%	+ 5.2%
Net trading income	302	339	- 37	- 10.8%	- 9.4%
Net other expenses/income	73	128	- 55	- 43.1%	+ 14.3%
<b>OPERATING INCOME</b>	<b>5,589</b>	<b>5,604</b>	<b>- 15</b>	<b>- 0.3%</b>	<b>+ 3.6%</b>
Payroll costs	(2,053)	(2,082)	+ 30	- 1.4%	- 0.2%
Other administrative expenses	(1,289)	(1,325)	+ 36	- 2.7%	- 16.3%
Recovery of expenses	210	215	- 5	- 2.3%	+ 5.6%
Amortisation, depreciation and impairment losses on intangible and tangible assets	(250)	(239)	- 11	+ 4.5%	+ 6.4%
<b>Operating costs</b>	<b>(3,382)</b>	<b>(3,432)</b>	<b>+ 50</b>	<b>- 1.5%</b>	<b>- 6.9%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>2,207</b>	<b>2,172</b>	<b>+ 35</b>	<b>+ 1.6%</b>	<b>+ 24.6%</b>
Net write-downs on loans and provisions for guarantees and commitments	(1,216)	(1,697)	+ 481	- 28.3%	- 22.5%
<b>NET OPERATING PROFIT (LOSS)</b>	<b>991</b>	<b>475</b>	<b>+ 515</b>	<b>+ 108.4%</b>	<b>+ 351.1%</b>
Other charges and provisions	(807)	(140)	- 667	+ 475.4%	- 674.5%
Integration costs	(398)	29	- 427	n.s	n.s
Net income from investments	(39)	(4)	- 35	n.s	n.s
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(254)</b>	<b>360</b>	<b>- 614</b>	<b>n.s</b>	<b>n.s</b>
Income tax for the period	640	43	+ 598	n.s	n.s
<b>NET PROFIT (LOSS)</b>	<b>387</b>	<b>403</b>	<b>- 16</b>	<b>- 4.0%</b>	<b>- 22.1%</b>
Profit (Loss) from non-current assets held for sale, after tax	(143)	(69)	- 74	+ 108.4%	+ 32.0%
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>244</b>	<b>334</b>	<b>- 91</b>	<b>- 27.1%</b>	<b>- 38.1%</b>
Minorities	(72)	(96)	+ 24	- 25.4%	- 22.1%
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>172</b>	<b>238</b>	<b>- 66</b>	<b>- 27.8%</b>	<b>- 42.8%</b>
Purchase Price Allocation effect	(19)	(68)	+ 49	- 72.3%	- 72.2%
Goodwill impairment	-	-	-	n.s	n.s
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>153</b>	<b>170</b>	<b>- 17</b>	<b>- 10.2%</b>	<b>- 35.1%</b>

#### Notes:

1. Changes at constant foreign exchange rates and perimeter.

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Net trading income" to "Net fees and commission";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net fees and commission" to "Net trading income";
- the reclassification of Bank Levy and of contributions to preexisting Deposit Guarantee Schemes and local Resolution Funds from "Other administrative expenses" and "Net other expenses/income" to "Other charges and provisions" (formerly named "Provision for risks and charges").

## 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 <sup>1</sup>	NON-CORE	CONSOLIDATED GROUP TOTAL
<b>Income Statement</b>											
<b>OPERATING INCOME</b>											
2015	8,590	2,701	1,583	1,692	3,826	3,757	919	544	(1,308)	101	22,405
2014	8,407	2,642	1,710	1,769	3,834	3,759	791	451	(1,187)	375	22,552
<b>OPERATING COSTS</b>											
2015	(4,231)	(2,016)	(1,335)	(774)	(1,482)	(1,759)	(608)	(233)	(645)	(536)	(13,618)
2014	(4,163)	(2,059)	(1,373)	(799)	(1,510)	(1,649)	(496)	(212)	(655)	(591)	(13,507)
<b>OPERATING PROFIT</b>											
2015	4,359	685	248	918	2,345	1,998	311	311	(1,953)	(435)	8,787
2014	4,244	583	337	970	2,325	2,110	295	239	(1,842)	(216)	9,045
<b>PROFIT BEFORE TAX</b>											
2015	2,372	439	340	677	1,092	1,661	287	288	(2,231)	(2,254)	2,671
2014	3,087	667	134	803	1,376	1,820	286	230	(1,807)	(2,505)	4,091
<b>Balance Sheet</b>											
<b>LOANS TO CUSTOMERS</b>											
as at December 31, 2015	132,279	80,431	49,305	28,621	57,166	96,876	0	923	(7,639)	36,036	473,999
as at December 31, 2014	130,190	78,416	47,379	26,896	57,073	89,225	0	696	(6,709)	47,402	470,569
<b>DEPOSITS FROM CUSTOMERS AND DEBT SECURITIES IN ISSUE</b>											
as at December 31, 2015	145,760	103,889	63,358	30,862	58,665	96,181	-	16,084	67,742	1,727	584,268
as at December 31, 2014	145,347	102,236	63,442	30,178	52,213	87,491	-	14,254	63,208	2,319	560,688
<b>TOTAL RISK WEIGHTED ASSETS</b>											
as at December 31, 2015	75,775	31,488	22,085	25,810	92,532	65,382	1,914	1,713	42,689	31,211	390,599
as at December 31, 2014	80,603	33,608	24,047	25,894	89,278	68,631	1,693	1,742	44,102	39,625	409,223
<b>EVA</b>											
2015	939	79	23	108	(545)	388	197	113	(2,268)	(1,881)	(2,848)
2014	1,038	53	(56)	157	(41)	335	139	114	(2,341)	(2,132)	(2,734)
<b>Cost/income ratio</b>											
2015	49.3%	74.6%	84.3%	45.7%	38.7%	46.8%	66.2%	42.7%	-49.3%	n.s.	60.8%
2014	49.5%	77.9%	80.3%	45.2%	39.4%	43.9%	62.7%	47.0%	-55.2%	157.6%	59.9%
<b>Employees</b>											
as at December 31, 2015	37,325	11,781	6,439	17,606	28,486	3,918	1,986	1,019	16,233	717	125,510
as at December 31, 2014	37,316	13,333	6,658	18,160	29,040	3,954	2,021	974	15,715	1,849	129,021

### Notes

Figures were recast, where necessary, on a like-to-like basis to consider changes in scope of business segment and methodological rules.  
<sup>1</sup> 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.

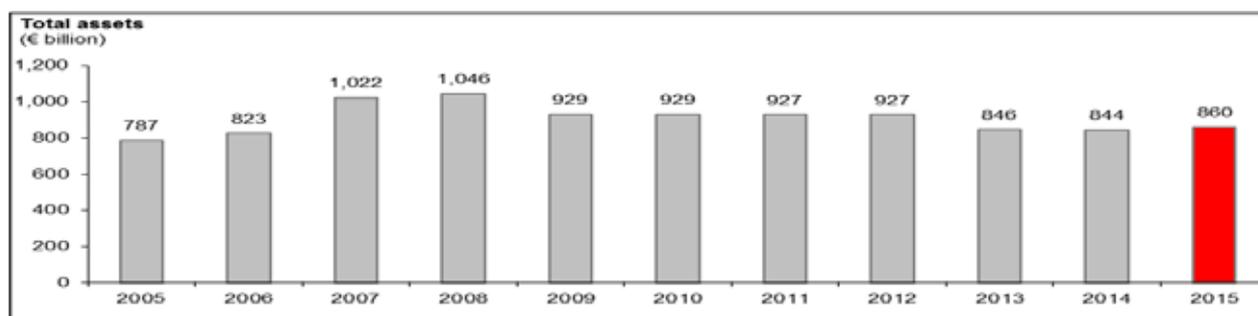
This expansion was characterized, particularly:

- 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 2005 - 2015

	IAS/IFRS										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Income Statement (€ million)</b>											
Operating income	22,405	22,513	23,973	25,049	25,200	26,347	27,572	26,866	25,893	23,464	11,024
Operating costs	(13,618)	(13,838)	(14,801)	(14,979)	(15,460)	(15,483)	(15,324)	(16,692)	(14,081)	(13,258)	(6,045)
Operating profit (loss)	8,787	8,675	9,172	10,070	9,740	10,864	12,248	10,174	11,812	10,206	4,979
Profit (loss) before income tax	2,671	4,091	-4,888	317	2,060	2,517	3,300	5,458	9,355	8,210	4,068
Net profit (loss) for the period	2,239	2,669	-3,920	1,687	644	1,876	2,291	4,831	6,678	6,128	2,731
Net profit (loss) attributable to the Group	1,694	2,008	(13,965)	865	(9,206)	1,323	1,702	4,012	5,961	5,448	2,470
<b>Balance Sheet (€ million)</b>											
Total assets	860,433	844,217	845,838	926,827	926,769	929,488	928,760	1,045,612	1,021,758	823,284	787,284
Loans and receivables with customers	473,999	470,569	503,142	547,144	559,553	555,653	564,986	612,480	574,206	441,320	425,277
of which: Non Performing loans	19,924	19,701	18,058	19,360	18,118	16,344	12,692	10,464	9,932	6,812	6,861
Deposits from customers and debt securities in issue	584,268	560,688	571,024	579,965	561,370	583,239	596,396	591,290	630,533	495,255	462,226
Shareholders' Equity	50,087	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199
<b>Profitability ratios (%)</b>											
Operating profit (loss)/Total assets	1.02	1.03	1.08	1.09	1.05	1.17	1.32	0.97	1.16	1.24	0.63
Cost/income ratio	60.8	61.5	61.7	59.8	61.4	58.8	55.6	62.1	54.4	56.5	54.8

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.



IAS/IFRS

## Share Information

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Share price (€) <sup>(1)</sup></b>											
- maximum	6.550	6.870	5.630	4.478	13.153	15.314	17.403	31.810	42.841	37.540	32.770
- minimum	4.910	5.105	3.238	2.286	4.222	9.820	4.037	8.403	28.484	30.968	22.592
- average	5.889	5.996	4.399	3.292	8.549	12.701	11.946	21.009	36.489	34.397	25.649
- end of period	5.135	5.335	5.380	3.706	4.228	10.196	14.730	9.737	31.687	37.049	32.457
<b>Number of outstanding shares (million)</b>											
- at period end <sup>1</sup>	5,970	5,866	5,792	5,789	1,930.0	19,297.6	16,779.3	13,368.1	13,278.4	10,351.3	10,303.6
- shares cum dividend	5,873	5,769	5,695	5,693	1,833.0	18,330.5	18,329.5	13,372.7	13,195.3	10,357.9	10,342.3
of which: savings shares	2.48	2.45	2.42	2.42	2.4	24.2	24.2	21.7	21.7	21.7	21.7
- average <sup>1</sup>	5,927	5,837	5,791	5,473	1,930.0	19,101.8	16,637.8	13,204.6	11,071.6	10,345.2	6,730.3
<b>Dividend</b>											
- total dividends (€ million)	706	697	570	512	(***)	550	550	(**)	3,431	2,486	2,276
- dividend per ordinary share	0.120	0.120	0.100	0.090	(***)	0.030	0.030	(**)	0.260	0.240	0.220
- dividend per savings share	0.120	1.065	0.100	0.090	(***)	0.045	0.045	(**)	0.275	0.255	0.235

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.

Figures relating to the 2013 dividend are shown according to the specific Board of Directors' reports on the distribution to Shareholders.

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.

The Shareholders' Meeting of the May 13, 2015, approved the payment of dividends in the form of a "scrip dividend", with the assignment to shareholders who hold ordinary shares of one new share per fifty shares held, and to holders of savings shares one new share per seventy-two shares held. The assignment of the new shares occurred following a free share-capital increase, without affecting the shareholders' right to request payment of the dividend in cash (€0.12 per ordinary and savings share), in place of assignment of shares.

The Shareholders' Meeting also approved the partial distribution of 2014 and previous years profits, with payment of €0.945 per savings share, as preferred dividend.

Figures relating to the 2015 dividend are shown according to the specific Board of Directors' reports on the distribution to Shareholders and therefore, following the approval date of General Meeting Draft, already includes the increase of capital of last March 4, 2016.

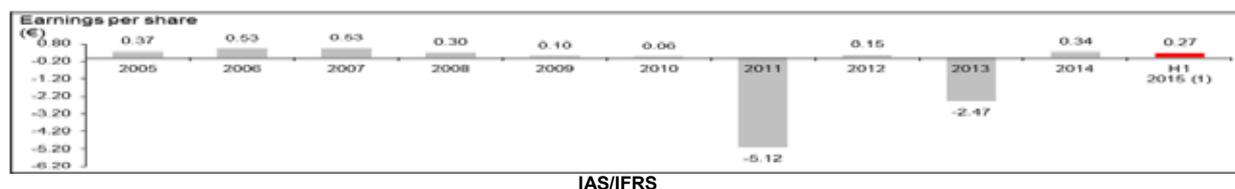
## Earnings Ratios

	IAS/IFRS										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Shareholders' Equity (€ million)	50,087	49,390	46,841	62,784	51,479	64,224	59,689	54,999	57,724	38,468	35,199
Group portion of net profit (loss) (€ million)	1,694	2,008	(13,965)	865	-9,206	1,323	1,702	4,012	5,961	5,448	2,470
Net worth per share (€)	8.39	8.42	8.09	10.85	26.67	3.33	3.56	4.11	4.35	3.72	3.42
Price/Book value	0.61	0.63	0.67	0.34	0.16	3.06	4.14	2.37	7.28	9.97	9.50
Earnings per share <sup>1</sup> (€)	0.27	0.34	-2.47	0.15	-5.12	0.06	0.10	0.30	0.53	0.53	0.37
Payout ratio (%)	41.7	34.7	-4.1	59.2		41.6	32.3	(*)	58.1	45.6	92.1
Dividend yield on average price per ordinary share (%)	2.04	2.00	2.27	2.73		1.55	1.58	(*)	3.98	3.90	4.79

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. €100 million was deducted from 2015 net profit of €1,694 million.



### Macroeconomic situation, banking and financial markets

#### International situation

##### USA/Eurozone

In the second half of 2015, the global recovery has remained uneven. Advanced economies have continued to benefit from households' greater purchasing power generated by low oil prices, favorable credit conditions and a strong improvement in both consumer and business confidence. Among the advanced economies, Japan is struggling to regain momentum, while the United States and UK continued to expand at a good pace. Growth prospects in emerging economies, however, have been hampered by structural hurdles and macroeconomic imbalances, aggravated in some cases by the tightening of financial conditions as well as the collapse in commodity prices. In China, economic growth continues to slow down due to multiple structural challenges, such as excess debt and capacity, and the difficult transition to a growth model focused on consumption rather than on exports. Despite these challenges the rate of GDP growth in 2015 likely stabilized at about 7%. Other emerging economies, such as Brazil, were affected by the collapse in revenues due to falling energy prices and the decline in commodity exports as well as growing political uncertainty and corruption scandals. Finally, Russia continues to struggle to recover from the impact of the financial crisis that hit the country at the end of 2014.

In the euro area, the recovery remains overall moderate. In the third quarter of 2015, GDP grew by 0.3% q/q, driven mainly by private consumption and, to a lesser extent, investment. The former benefited from the gain in purchasing power for consumers, the latter from improving credit conditions. External demand, however, was affected by the weakness of world trade, linked to the slowdown in emerging economies. At current levels, the PMIs indicate further expansion of GDP of 0.5% q/q in the fourth quarter of 2015, although hard data paint a slightly less favorable picture.

Inflationary dynamics remain subdued. In December, euro area's inflation rate was only 0.2%. The persistent weakness is mainly due to the price of energy goods. The "core" component (which excludes goods whose prices tend to show greater volatility as energy and food) also remains low, around 0.9%. At the 3 December meeting of the Governing Council, the European Central Bank (ECB) boosted its monetary stimulus to bring inflation below, but close to 2%. The deposit rate was cut by 10bps, to -0.3%, while the asset purchase program (QE) will be extended until at least March 2017, while maintaining the monthly amount purchases to €60 billion. In addition, the ECB has decided to include debt instruments denominated in euro, issued by regional and local governments of the euro area in the list of assets eligible for purchases by the respective national central banks.

In the US, economic growth slowed in the third quarter to 2% q/q (annualized), after a strong expansion in the previous period. The economic performance benefits from rising consumer spending, driven both by an increase in nominal wages and greater purchasing power favored by low oil prices. Signs of weakness have emerged mainly in the expenditure for physical capital, as many companies operating in the energy sector have reduced their investments in the face of weakness in the oil market. As expected, in December 2015, the monetary policies of the Fed and the ECB started to diverge. For the first time since the crisis, the US central bank raised interest rates by 25bps amid a solid employment picture and despite weak inflationary pressures.

#### Banking and financial markets

In 2015, bank loans entered a recovery phase. In November 2015 (the latest data available), the annual growth rate of loans to the private sector in the euro area stood at 1.0% y/y, as opposed to the modest decline recorded at the end of 2014. Loans to households showed the largest improvement, although in recent months signs of recovery have emerged also for loans to non-financial corporations. In the three countries of reference for the Group, at the end of 2015, the contraction in corporate loans eased in Italy, which bodes well for expectations of a return to growth for corporate loans during 2016, in line with the expected recovery in fixed investment. Loans to households were characterized by a marked acceleration in the last months of 2015, also supported by a recovery in consumer credit. In Germany, lending to the private sector showed a strengthening in its pace of expansion, both for loans to households and corporates, recording rates of growth above those for the eurozone as a whole, while the lending recovery continued at a modest pace in Austria.

As for the funding of the system, at the end of 2015, the pace of growth of bank deposits was confirmed in all the three reference countries for the Group, mainly supported by an increase in sight deposits, at the expense of the medium and long-term funding (including bank bonds), consistently with the low yields of bank liabilities. During 2015, the context of ECB's expansionary monetary policy has supported a further gradual reduction in bank interest rates, both on loans and deposits, with the interest rates on bank deposits now not far from the zero percent rate. In all the three benchmark countries for the Group, therefore, a further gradual decline/stabilization of the bank spread (difference between the average rate on loans and the average rate on deposits) was in place.

Conditions in euro area financial markets have gradually improved between early September and early December after a period of high volatility due to the financial strains in China. In the final months of the year, stock markets in the euro area and the United States recorded a sharp recovery, largely offsetting the declines observed during the summer, thus ensuring a positive performance for the year as a whole. Among the three reference countries, the Italian stock exchange recorded the best performance, with growth of approximately 13% compared to December 2014, followed by the Austrian stock market and the German stock exchange (for the latter, growth compared to December 2014, was + 10%).

### CEE Countries

2015 ought to have been a good year for CEE, with the recovery in the euro area gaining traction, prices for oil and other commodities plummeting and ultra-easy monetary policy stances in the major developed economies keeping interest rates near record lows and global liquidity ample. At the same time, however, as 2015 was drawing to a close, growing concerns about China and the potential fallout from the Fed's liftoff have resulted in heightened global market volatility, weighing on EM asset prices.

Against this background, economic performance in CEE has become increasingly divergent. Only the new EU members in central Europe (CEE-EU) have been able to fully benefit from the favorable external environment. Exports have surged thanks to their deep integration with the euro area, while the lack of macroeconomic imbalances has enabled them to pursue growth-supporting policies and strengthen resilience to external shocks. Financial markets have taken notice, with CEE-EU risk premia diverging from the EM trend and transforming the region into a "safe haven" for EM investors.

In 2015 real GDP growth in the CEE-EU last year ranged from 2.6% in Slovenia to 4.3% in the Czech Republic, the strongest since the global financial crisis. In the course of the year, growth increasingly shifted from net exports towards domestic demand. Consumption was boosted by markedly improved labor market conditions, and investment was spurred by improving confidence, renewed bank lending in most CEE-EU countries, and a surge in EU funds absorption as governments raced to utilize the allocations under the 2007-2013 budgeting period before they expire. With growth above potential, output gaps have closed or diminished. Even so, thanks to slumping commodity prices and imported deflation from the euro area, inflation has been all but absent and current accounts balanced or in surplus, allowing authorities to pursue accommodative policies. Cyclically stronger revenues have enabled governments to ease fiscal stances without affecting fiscal deficits. Very low inflation and ECB's QE have prompted central banks to keep interest rates at record lows. Even so, currencies in the CEE-EU, unlike most other EMs, remained broadly stable against the EUR, and bond prices near record highs.

Elsewhere the outcome was quite different. While the rebound in EU growth has helped pull Croatia and Serbia out of recessions, at just above 1%, growth in both countries was subpar. This reflected both structural factors (a lesser degree of integration, smaller manufacturing sectors and less favorable investment climates), but also the need to pursue tighter fiscal policies to address growing public debt concerns. Nevertheless, the global liquidity glut and the pursuit by investors of higher yields has facilitated capital inflows, enabling both countries to comfortably meet their financing needs at lower spreads despite obvious vulnerabilities. On this count Serbia, which runs a still sizable current account deficit remains more vulnerable than Croatia, which recorded a sizable surplus.

The region's most populous economies have done even worse. In Turkey, heightened political uncertainty for most of the year dented market confidence, weighing on growth and financial markets. Real GDP is likely to have expanded by just above 3%, less than potential and much less than what could be expected given the favorable external environment. At the same time, portfolio inflows have reversed, causing the TRY to weaken substantially and bond spreads to spike despite a modest decline in the headline current account deficit. The latter, however, reflected entirely terms of trade gains thanks to the drop in oil prices, as the underlying external position deteriorated, with export volumes stagnant despite the significant real depreciation and import volumes up. With growth driven entirely by domestic demand, inflation has accelerated to 8.8% despite the drop in energy prices.

Further east, Russia and Ukraine remain mired in deep recessions. In Russia, real GDP fell nearly 4%, with the downturn triggered by the combination of plummeting oil prices and sanctioned-induced capital outflows against the background of a structurally weakened economy. With oil revenues down by half, the authorities initially resorted to massive ruble devaluation to constrain domestic demand and prop-up the ruble value of oil related taxes. The result has been a double-digit drop in private consumption and double-digit inflation. More recently, however, as oil prices fell precipitously further, policies have shifted, with the government embarking on an ambitious fiscal adjustment and the CBR firmly focusing in bringing inflation down. Ukraine fared worse in the region, with the economy likely to have contracted 10-11% last year. Most of the economic collapse took place in the first half and was driven by the disruptions caused by the war-related loss of a sizable chunk of the country's productive capacity in the east. This supply-side shock was reinforced by the adverse impact on demand of the otherwise unavoidable and long overdue macroeconomic adjustment. More recently, the economy appears to have stabilized, albeit at a depressed level. With the UAH broadly stable since March, price pressures have eased. Policies, guided by the modalities of the IMF program, have remained tight, but structural reforms have lagged. Insufficient progress in structural reforms, along with dysfunctional politics, have prevented the recovery and stabilization from taking a firmer hold, delaying foreign investment and IMF financing and weighing on confidence.

### Main results and performance for the period

#### Introduction

In 2015 the Group recorded a **net profit** equal to €1,694 million, decreasing by 15.62% compared 2014, which closed at €2,008 million (down by 16.0% at constant exchange rates).

The yearly result has been affected by some extraordinary items, such as:

- new strategic plan integration costs' accrual
- impairment of UkrSotsbank subsidiary in relation to its sale
- the systemic charges for 4 Italian banks and 1 Polish bank rescue
- the additional write-downs on loans' accruals in Croatia, consequent the conversion obligation of mortgages from Swiss francs to local currency
- the benefits related to the transfer of some pension liabilities in Austria
- some non-recurring positive tax items.

Net of the mentioned extraordinary items, the net profit would amount to over €2,200 million.

However, it has been considered that the year 2014 was affected by the additional tax on the valuation of the Banca d'Italia stake (€215 million).

"Core" segment (that includes the strategic business segments and in line with the risk strategies determined by the Group) contributed to this result for €3,228 million, decreasing by 13.2% compared with 2014 (down by 13.3% at constant exchange rates). The drop was mainly attributable to the already mentioned extraordinary items such as the higher write-downs on loans, the systemic charges, the integration costs and the loss of the Ukrainian subsidiary.

In contrast the "Non-core" activities (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) in 2015 registered a loss of €1,534 million as an effect of lower revenues caused by the progressive decrease of loans volumes, by the growing incidence of the non-performing component that do not accrue interests and by the still high provisions on credit risk.

The yearly loss of "Non-core" activities diminished by 10.3% compared with the one of last year.

#### Operating income

In 2015 **Group's operating income** amounted to €22,405 million, decreasing by 0.7% over 2014 (up by 0.2% at constant exchange rates) mainly due to net interest income decline. In particular **net interest** amounted to €11,916 million, falling by 4.2% over last year, **dividends** (which include companies accounted for using the equity method's profit) to €829 million, increasing by 4.5% over last year, **net fees and commissions** to €7,848 million, increasing by 3.4% over last year, while **net trading, hedging and fair value income** increased by 7.1% to

€1,644 million. Finally **net other expenses/income** in the year totalized €166 million, in comparison to €188 million of last year.

Almost the whole **operating income** (€22,304 million) was attributable to the "core" segment, increasing compared with the previous year (up by 1.5% at constant exchange rates) mainly attributable to the good performance of the fees and commissions and to a higher net trading, hedging and fair value income, only partially annulled by the fall of the net interest (down by 1.1% at constant exchange rates compared to 2014).

In particular "core" segment's **net interest** was equal to €11,910 million, decreasing by 2.8% over the previous year (down by 1.1% at constant exchange rates). Such a negative trend is attributable to the decrease of interests income on lending to customers, only partially offset by the reduction of the average cost of commercial funding. Such a trend was generated by the progressive reduction of credit spreads, initially on govies, later continued in the corporate sector, in a falling interest rates' environment (average 3 months Euribor equal to -0.02% in 2015 compared with +0.21% in 2014).

Net interests decrease has took place in a quite improving loans dynamic. In particular **loans to customers** related to the "core" segment (equal to €438.0 billion as of December 31, 2015) were up by 3.5% over the previous year (up by 3.7% at constant exchange rates); also the commercial loans continued to show some stabilization signs, with the loans' stock growing by 3.2% year on year (up by 3.4% at constant exchange rates), with broad growths at geographical level: compared to 2014 both Western Europe registered an increase (up by 3.4%), in particular due to Italy up by 3.5%, Germany up by 2.9% and Austria up by 4.2% and the countries of CEE Region (up by 3.5% at constant exchange rates) driven by Russia (up by 5.2% at constant exchange rates), Czech Republic (up by 3.7% at constant exchange rates) Romania (up by 6.1% at constant exchange rates) and Poland (up by 6.4% at constant exchange rates); Bulgaria was declining (down by 7.1% at constant exchange rates)

**Direct funding from customers** (deposits and securities) of "core" segment was growing by 4.3% (up by 4.6% at constant exchange rates) over 2014. Such a trend was a result of the commercial direct funding from customers (up by 6.0%), while the institutional component grew less (up by 1.2%).

Focusing on commercial direct funding from customers, the Western Europe countries were growing, with Italy up by 3.6%, Germany up by 8.9% and Austria up by 1.9%. The CEE Region continued towards achieving a balance between loans and deposits, growing by 9.1% (up by 10.2% at constant exchange rates) over the previous year, driven by Russia (up by 10.5% at constant exchange rates), Czech Republic (up by 13.9% at constant exchange rates), Bulgaria (up by 24.6% at constant exchange rates), Croatia (up by 18.1% at constant exchange rates) and Poland (up by 3.1% at constant exchange rates). As a consequence of the above outlined dynamics, in 2015, a commercial funding surplus "core" (which excludes institutional component) of €22.0 billion was recorded, compared to €11.9 billion of 2014.

“Core” segment’s **dividends** (which include the profits of the companies accounted for using the equity method) in 2015 amounted at €829 million, increasing by €36 million compared with 2014.

With regard to **net fees and commissions** related to the “core” segment, in 2015 they amounted to €7,730 million, increasing by 4.7% (up by 4.4% at constant exchange rates) over the previous year.

Growth was mainly attributable to fees from investment services (up by 12.1% compared with 2014) and was driven by assets under management’s products, thanks to volumes’ growth (up by €27 billion over December 2014). Financing services fees (down by 0.4% in comparison with 2014) and transactional services fees (down by 1.6% in comparison with 2014) were decreasing.

“Core” segment’s **net trading, hedging and fair value income** in 2015 was €1,629 million, growing by 5.8% over 2014 (up by 7.2% at constant exchange rate), with a good performance of treasury and related to the customers activities, that reflected a good trends of markets that have absorbed also the crisis situations in Greece and Russia.

Finally, “core” segment’s **net other expenses/income** in 2015 amounted to €206 million, down by €5 million over 2014.

Regarding “Non-core” segment, in 2015 it registered €101 million of **operating income**, decreasing by 73.2% over last year. Such a dynamic was consistent with the 24.0% reduction of customers loans, coupled with a higher weight of the portion of impaired loans that do not accrue interests.

#### Operating income

(€ million)

	Year				% CHANGE		2015 Q4		% CHANGE ON Q3 2015	
	2014		2015							
	Gruppo	o/w Core	Group	o/w Core	Gruppo	o/w Core	Group	o/w Core	Group	o/w Core
Net interest	12,442	12,252	11,916	11,910	- 4.2%	- 2.8%	3,029	3,061	+ 3.6%	+ 4.6%
Dividends and other income from equity investments	794	794	829	829	+ 4.5%	+ 4.5%	250	250	+ 30.7%	+ 30.7%
Net fees and commissions	7,593	7,380	7,848	7,730	+ 3.4%	+ 4.7%	1,935	1,928	+ 1.7%	+ 3.2%
Net trading income	1,536	1,540	1,644	1,629	+ 7.1%	+ 5.8%	302	299	+ 21.1%	+ 20.2%
Net other expenses/income	188	212	166	206	- 11.3%	- 2.5%	73	84	+ 14.9%	+ 13.3%
<b>Operating income</b>	<b>22,552</b>	<b>22,177</b>	<b>22,405</b>	<b>22,304</b>	<b>- 0.7%</b>	<b>+ 0.6%</b>	<b>5,589</b>	<b>5,622</b>	<b>+ 4.8%</b>	<b>+ 5.9%</b>

## Group Results

### Operating costs

Group's **operating costs** were equal to €13,618 million in 2015, growing by 0.8% compared with 2014 (up by 1.1% at constant exchange rates). In detail **staff expenses** were equal to €8,339 million, increasing by 1.7% over last year, **other administrative expenses** were equal to €5,159 million, decreasing by 1.6% over last year, **expenses recovery** were equal to €808 million, down by 3.0% over last year. Finally, **write-downs on tangible and intangible assets** were equal to €929 million, increasing by 3.6% over last year.

Such a result on **operating costs** was driven by Group's "core" segment, which registered €13,082 million in this year, higher by 1.3% over 2014 (up by 1.6% at constant exchange rates), due to staff expenses component, increasing by 2.0% compared with 2014 (up by 2.2% at constant exchange rates) and to write-downs on tangible and intangible assets, increasing by 3.9% (up by 4.8% at constant exchange rates).

Analyzing more in detail the single components, **staff expenses** related to the "core" segment in 2015 were €8,215 million, increased by 2.0% over 2014 (up by 2.2% at constant exchange rates).

Such a trend was influenced by the normal dynamic of wage growth and by the adjustment of the accruals related to the variable component of the retributions.

Concerning "core" segment's **other administrative expenses**, they amounted to €4,629 million in 2015, decreasing by 0.4% (down by 0.1% at constant exchange rates) in comparison to 2014. Good part of the expenses reduction was driven by lower consulting, legal and marketing expenses, only partially offset by higher IT costs caused by the development component finalized to support the business, however financed also via reduction of the recurrent IT component.

The **expenses recovery** "core" item in 2015 was €690 million, substantially in line with the €678 million of last year.

Finally, the **write-downs on tangible and intangible assets** of "core" segment in 2015 were €928 million, growing by 3.9% (up by 4.8% at constant exchange rates), mainly as a consequence of the IT investments carried out.

Overall total "core" segment's total operating costs excluding staff expenses were substantially stable (up by 0.1% over 2014).

**Operating costs** related to the "non-core" segment in the 2015 were €536 million, down by 9.4% over last year, mainly as a consequence of the credit recovery company UniCredit Credit Management Bank (UCCMB) dismissal and despite the expenses recovery decline.

#### Operating costs

(€ million)

	Year				% CHANGE		2015 Q4		% CHANGE ON Q3 2015	
	2014		2015		Gruppo	o/ w Core	Group	o/ w Core	Group	o/ w Core
	Gruppo	o/ w Core	Group	o/ w Core						
Payroll costs	(8,201)	(8,053)	(8,339)	(8,215)	+ 1.7%	+ 2.0%	(2,053)	(2,032)	- 0.7%	- 0.1%
Other administrative expenses	(5,244)	(4,648)	(5,159)	(4,629)	- 1.6%	- 0.4%	(1,289)	(1,187)	+ 0.2%	+ 3.3%
Recovery of expenses	834	678	808	690	- 3.0%	+ 1.6%	210	184	+ 6.0%	+ 10.2%
Write downs of tangible and intangible assets	(896)	(893)	(929)	(928)	+ 3.6%	+ 3.9%	(250)	(250)	+ 10.0%	+ 10.0%
<b>Operating costs</b>	<b>(13,507)</b>	<b>(12,916)</b>	<b>(13,618)</b>	<b>(13,082)</b>	<b>+ 0.8%</b>	<b>+ 1.3%</b>	<b>(3,382)</b>	<b>(3,285)</b>	<b>- 0.0%</b>	<b>+ 1.3%</b>

The growth of the revenues, coupled with the costs increase, led to €8,787 million Group **gross operating profit** in 2015, decreasing by 2.9% over 2014 (down by 1.1% at constant exchange rates). It has been better the gross operating profit of "core" segment, decreasing by 0.4% (but up by 1.3% at constant exchange rates).

The cost income ratio of "core" segment amounted to 58.7% in 2015, substantially stable compared to 2014.

**Gross operating profit** related to the "non-core" segment in 2015 was -€435 million, against -€216 million in 2014 as an effect of lower revenues caused by the progressive decrease of loans volumes and by the growing incidence of the non-performing component that do not accrue interests.

## 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 2015, were €4,114 million, diminished in comparison to 2014 (down by 4.1%).

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

With regard to the “core” segment, in 2015 net write-downs on loans and provisions for guarantees and commitments amounted to €2,455 million, growing by 14.9% (up by 19.1% at constant exchange rates) over 2014. Cost of risk was 56 basis points in 2015, slightly higher than previous year (at 50 basis points), showing however relevant differences on geographical basis, with Italy amounting to 71 basis points, Germany 5 basis points, Austria -2 basis points, Poland 43 basis points and CEE 175 basis points.

The “core” segment’s gross impaired loans at December the 31, 2015 were €27.5 billion and they are stable compared to December 31, 2014 restated (up by 13 million). The ratio of gross impaired loans on total loans ratio was improved, going from 6.27% in December 2014 to 6.06% in December 2015. Gross non-performing loans stock was at €13.7 billion, reducing by €817 million over 2014 year end.

Regarding “Non-core” segment, instead, **Net write-downs on loans and provisions for guarantees and commitments** were declining moving from €2.155 million in 2014 to €1.659 million in 2015.

“Non-core” segment’s impaired loans as of December 31, 2015 were €52.2 billion, decreasing by 8.2% in comparison to €56.9 billion as of 2014 year end. Non-performing loans were €37.4 billion, decreasing over 2014 year end figure (down by 0.6%).

These trends benefited also from the disposal of UniCredit Credit Management Bank (UCCMB) realized in the last quarter of 2015.

Coverage ratio of “Non-core” segment as of December 31, 2015 was at 52.2% in comparison to 52.9% as of 2014 year end.

### LOANS TO CUSTOMERS ASSET QUALITY

(€ million)

	BAD EXPOSURES	DOUBTFUL	RESTRUCTURED	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE	TOTAL (*) NON-PERFORMING	PERFORMING	TOTAL LOANS
<b>As at 12.31.2014</b>								
Gross Exposure	52,143	23,301	6,324		2,591	<b>84,359</b>	431,982	<b>516,341</b>
<i>as a percentage of total loans</i>	10.10%	4.51%	1.22%		0.50%	<b>16.34%</b>	83.66%	
Writedowns	32,442	8,102	2,119		604	<b>43,267</b>	2,505	<b>45,772</b>
<i>as a percentage of face value</i>	62.2%	34.8%	33.5%		23.3%	<b>51.3%</b>	0.6%	
Carrying value	19,701	15,199	4,205		1,987	<b>41,092</b>	429,477	<b>470,569</b>
<i>as a percentage of total loans</i>	4.19%	3.23%	0.89%		0.42%	<b>8.73%</b>	91.27%	
<b>Transfers from old to new classes</b>								
From Doubtful								
Gross Exposure		(23,301)		22,166	1,135			
Writedowns		(8,102)		7,783	319			
Carrying value		(15,199)		14,383	816			
From Restructured								
Gross Exposure			(6,324)	6,324				
Writedowns			(2,119)	2,119				
Carrying value			(4,205)	4,205				
<b>As at 12.31.2014 according to new classes</b>								
Gross Exposure	52,143			28,490	3,726	<b>84,359</b>	431,982	<b>516,341</b>
<i>as a percentage of total loans</i>	10.10%			5.52%	0.72%	<b>16.34%</b>	83.66%	
Writedowns	32,442			9,902	923	<b>43,267</b>	2,505	<b>45,772</b>
<i>as a percentage of face value</i>	62.2%			34.76%	24.77%	<b>51.3%</b>	0.6%	
Carrying value	19,701			18,588	2,803	<b>41,092</b>	429,477	<b>470,569</b>
<i>as a percentage of total loans</i>	4.19%			3.95%	0.60%	<b>8.73%</b>	91.27%	
<b>As at 12.31.2015</b>								
Gross Exposure	51,089			26,054	2,617	<b>79,760</b>	437,495	<b>517,255</b>
<i>as a percentage of total loans</i>	9.88%			5.04%	0.51%	<b>15.42%</b>	84.58%	
Writedowns	31,165			8,968	707	<b>40,840</b>	2,417	<b>43,257</b>
<i>as a percentage of face value</i>	61.0%			34.4%	27.0%	<b>51.2%</b>	0.6%	
Carrying value	19,924			17,086	1,910	<b>38,920</b>	435,079	<b>473,999</b>
<i>as a percentage of total loans</i>	4.20%			3.60%	0.40%	<b>8.21%</b>	91.79%	

(\*) The perimeter of Impaired loans is substantially equivalent to the perimeter of EBA NPE exposures.

Starting from the first quarter of 2015 the classification of loans into risk classes was updated in order to reflect the changes provided in Bank of Italy Circular 272 (see also section A.2 Accounting Policies of Explanatory Notes); this update adjusts the previous classification instructions to the definition of "Non-Performing Exposure" (NPE) introduced by the European banking authority (EBA) through the issue of EBA/ITS /2013/03/rev1 24/7/2014. The total volume of loans classified in the previous categories that made up the perimeter of impaired loans as at December 31, 2014 (Bad Loans, Doubtful, Restructured, Past-due) were reallocated to new risk classes (Bad Loans, Unlikely to pay other than bad, Past-due) through:

- the elimination of the Restructured loans class and the re-attribution of the loans therein in the "Unlikely to pay other than bad" class;
- for entities operating in Italy, the reallocation of loans previously classified as "Doubtful" in the "Unlikely to pay other than bad" and "Impaired past-due loans". In particular, loans for which the Bank believes that there is a condition of unlikely to pay as at the reporting date, regardless of the existence of days/installments past-due, were reclassified in the "Unlikely to pay other than bad" class. Conversely, the past due items for which this condition does not apply have been reclassified in the "Impaired past-due loans" class;
- for other entities, the class of loans previously included in "Doubtful loans" have been allocated in "Unlikely to pay other than bad".

Impaired assets as of December 31, 2014 restated under the new definitions introduced by the EBA are substantially consistent with impaired assets established in accordance with the previously applicable Bank of Italy instructions.

## From net operating profit to profit before tax

As a consequence of a gross operating profit decreasing by €258 million and net write-downs on loans down by €178 million over 2014, Group's **net operating profit** amounted to €4,672 million in 2015, decreasing by €80 million (down by 1.7%) compared to 2014.

The "core" segment contribution to **net operating profit** in 2015 was equal to €6,767 million, decreasing by 5.0% compared with the same period of 2014.

Group's **provisions for risk and charges** were -€1,586 million, of which -€1,437 million related to the "core" segment, which includes legal cases and estimated contingent liabilities of various nature totaling -€684 million, in addition to the systemic charges, amounting to -€901 million in the year. These last include the contribution to the new Single Resolution Fund (SRF) and the harmonized Deposits Guarantee Scheme (DGS) charges, as well as the Bank Levies. Furthermore, in the mentioned amount have been also included the extraordinary contributions for the rescue of the 4 Italian banks in crisis (Popolare dell'Etruria, Cassa di Risparmio di Ferrara, Banca Marche and Cassa di Risparmio di Chieti) and of 1 Polish bank (Bank Wolomin).

**Integration costs** were -€410 million against -€20 million registered in 2014. During the last quarter of 2015 have been posted to integration costs the costs finalized to the achievement of the new strategic plan (-€728 million) and the overall benefits (€326 million) related to the transfer of some pension liabilities in Austria (€1.198 million) net of the restructuring costs of the Austrian Retail network (€872 million, mainly related to HR costs).

Finally, **net income from investments** was -€6 million, versus €87 million of 2014.

As an effect of the items above mentioned, in the year 2015 the Group registered **profit before tax** of €2,671 million, compared to €4,091 million achieved in 2014 (down by 34.7%), of which €4,925 million related to the "core" segment (down by 25.3% in comparison to the €6,596 million of 2014) and -€2,253 million related to the "non-core" segment (in comparison to the -€2,505 million of 2014).

Profit before tax by business segment						(€ million)	
	OPERATING INCOME	OPERATING COSTS	Net write-downs on loans and provisions	NET OPERATING PROFIT	PROFIT BEFORE TAX		
					2014	2015	
Commercial Banking Italy	8,590	(4,231)	(1,208)	3,151	3,087	2,372	
Commercial Banking Germany	2,701	(2,016)	(44)	641	667	439	
Commercial Banking Austria	1,583	(1,335)	(15)	233	134	340	
Poland	1,692	(774)	(124)	794	803	677	
Central Eastern Europe	3,826	(1,482)	(1,017)	1,327	1,376	1,092	
Corporate & Investment Banking	3,757	(1,759)	(31)	1,967	1,820	1,661	
Asset Management	919	(608)	(0)	311	286	287	
Asset Gathering	544	(233)	(7)	305	230	288	
Group Corporate Center	(1,308)	(645)	(9)	(1,962)	(1,807)	(2,231)	
Non Core	101	(536)	(1,659)	(2,094)	(2,505)	(2,254)	
<b>Group Total</b>	<b>22,405</b>	<b>(13,618)</b>	<b>(4,114)</b>	<b>4,672</b>	<b>4,091</b>	<b>2,671</b>	

## Group Results

### Profit (loss) attributable to the Group

As a consequence of €2,671 million **profit before tax** and of some non-recurring fiscal items of €287 million, in 2015 Group's **income taxes** were €137 million, from which derives a 5.1% tax rate, against the 31.7% of last year. The mentioned non-recurring items of 2015 mainly concern write-up of Deferred Tax Assets and release of fiscal accruals in Germany and Deferred Tax Liabilities release (3 Banken) in Austria. To be noticed that 2014 taxes had been affected by additional taxes on Bank of Italy shareholding revaluation.

**Profit from discontinued operations net of taxes** was €295 million and mainly referred to the being sold Ukrainian subsidiary UkrSotsbank, reclassified according to the IFRS5.

**Profit for the period** in 2015 was €2,239 million, with the contribution of "core" segment amounting to €3,772 million, decreasing by 13.9% (down by 14.0% at constant exchange rates) in comparison to the +€4,379 million achieved in 2014.

Minorities were €352 million.

**Purchase price allocation** was -€193 million, decreasing in comparison to the -€281 million accounted in 2014.

Consequently, in 2015, a **net profit attributable to the Group** of €1,694 million was registered, decreasing by 15.6% compared to €2,008 million profit registered in 2014.

The "core" segment in 2015 achieved €3,228 million **profit attributable to the Group**, decreasing by 13.2% (down by 13.4% at constant exchange rates), in comparison to €3,718 million profit of 2014.

"Non-core" segment registered €1,534 million **net loss attributable to the Group**, in comparison to €1,710 million loss registered in 2014 (down by 10.3%).

### Profit (loss) attributable to the Group

(€ million)

	Year				% CHANGE		2015 Q4		% CHANGE ON Q3 2015	
	2014		2015		Gruppo	o/ w Core	Group	o/ w Core	Group	o/ w Core
	Gruppo	o/ w Core	Group	o/ w Core						
<b>Operating income</b>	22,552	22,177	22,405	22,304	- 0.7%	+ 0.6%	5,589	5,622	+ 4.8%	+ 5.9%
Operating costs	(13,507)	(12,916)	(13,618)	(13,082)	0.8%	1.3%	(3,382)	(3,285)	0.0%	1.3%
<b>Operating profit (loss)</b>	<b>9,045</b>	<b>9,261</b>	<b>8,787</b>	<b>9,222</b>	<b>-2.9%</b>	<b>-0.4%</b>	<b>2,207</b>	<b>2,337</b>	<b>13.2%</b>	<b>13.1%</b>
Net write-downs on loans and provisions for guarantees and commitments	(4,292)	(2,137)	(4,114)	(2,455)	-4.1%	14.9%	(1,216)	(723)	21.0%	31.9%
<b>Net operating profit (loss)</b>	<b>4,753</b>	<b>7,124</b>	<b>4,672</b>	<b>6,767</b>	<b>-1.7%</b>	<b>-5.0%</b>	<b>991</b>	<b>1,614</b>	<b>4.9%</b>	<b>6.4%</b>
Provisions for risks and charges	(728)	(696)	(1,585)	(1,437)	117.5%	106.5%	(807)	(720)	n.s.	n.s.
Integration costs	(20)	(2)	(410)	(401)	n.s.	n.s.	(398)	(389)	n.s.	n.s.
Net income from investment	87	171	(6)	(4)	- 107.1%	- 102.2%	(39)	(39)	- 296.3%	- 290.9%
<b>Profit (loss) before tax</b>	<b>4,091</b>	<b>6,596</b>	<b>2,671</b>	<b>4,925</b>	<b>-34.7%</b>	<b>-25.3%</b>	<b>(254)</b>	<b>466</b>	<b>-131.6%</b>	<b>-66.1%</b>
Income tax for the period	(1,297)	(2,093)	(137)	(857)	-89.4%	-59.1%	640	408	n.s.	-206.5%
Net profit (loss) of discontinued operations	(124)	(124)	(295)	(295)	138.0%	138.0%	(143)	(143)	n.s.	n.s.
<b>Profit (loss) for the period</b>	<b>2,669</b>	<b>4,379</b>	<b>2,239</b>	<b>3,773</b>	<b>-16.1%</b>	<b>-13.9%</b>	<b>243</b>	<b>731</b>	<b>-61.5%</b>	<b>-28.5%</b>
Minorities	(380)	(380)	(352)	(352)	-7.5%	-7.5%	(72)	(72)	-8.1%	-8.1%
<b>Net profit (loss) attributable to the Group before PPA</b>	<b>2,289</b>	<b>3,999</b>	<b>1,887</b>	<b>3,421</b>	<b>-17.6%</b>	<b>-14.5%</b>	<b>172</b>	<b>659</b>	<b>-69.0%</b>	<b>-30.2%</b>
Purchase Price Allocation effects	(281)	(281)	(193)	(193)	-31.5%	-31.5%	(19)	(19)	-60.7%	-60.7%
Goodwill impairment	-	-	-	-	n.s.	n.s.	-	-	n.s.	n.s.
<b>Net profit (loss) attributable to the Group</b>	<b>2,008</b>	<b>3,718</b>	<b>1,694</b>	<b>3,228</b>	<b>-15.6%</b>	<b>-13.2%</b>	<b>153</b>	<b>640</b>	<b>-69.8%</b>	<b>-28.5%</b>

## 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).

#### Transitional Own Funds and Capital Ratios (€ million)

	AS AT	
	12.31.2015 (*)	12.31.2014 (*)
Common Equity Tier 1 Capital	41,375	41,998
Tier 1 Capital	44,920	45,499
Total own funds	55,579	54,857
Total RWA	390,599	409,223
Common Equity Tier 1 Capital Ratio	10.59%	10.26%
Tier 1 Capital Ratio	11.50%	11.12%
Total own funds Capital Ratio	14.23%	13.41%

(\*) Transitional own funds and capital ratios (Basel 3), based on the applicable percentages for years 2014 and 2015.

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. Italian banking groups are required to comply with the following minimum capital ratios: 4.5% CET1 ratio, 6% Tier 1 ratio and 8% Total Capital Ratio of 8%.

These minimum ratios are integrated by the combined buffer requirement which includes the capital conservation buffer, set at 2.5% for all Italian banking groups, extended, since January 2016, by the following, as applicable:

- institution specific countercyclical capital buffer to be applied in the periods of excessive credit growth;
- global systemically important institution (G-SII) capital buffer for institutions relevant at global level;
- other systemically important institutions (O-SII) capital buffer for institutions relevant at local level.

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.

## Group Results

In March 2015 the Bank of Italy identified UniCredit banking group as a global systemically important institution (G-SII) authorized to operate in Italy<sup>1</sup>. The UniCredit group is in the first subcategory of global systemic importance. According to the transition period envisaged under Directive 2013/36/EU (Capital Requirements Directive IV – CRD IV), the UniCredit group is required to maintain a capital buffer for the G-SIIs of an amount equal to 0.25% from 1 January 2016. This buffer must be increased annually by 0.25% to reach 1% no later than January, 1 2019. This decision was confirmed by Bank of Italy in December 2015.

In January 2016 the Bank of Italy has identified the UniCredit, Intesa Sanpaolo and Monte dei Paschi di Siena banking groups as domestic systemically important institutions (other systemically important institutions, O-SIIs) authorized to operate in Italy. The Bank of Italy has also decided to set an additional capital buffer ('O-SII buffer') equal to zero per cent for 2016 for the three banking groups<sup>2</sup>.

Following the results of the Supervisory Review and Evaluation Process (SREP) performed by European Central Bank (ECB), UniCredit is required to meet on a consolidated basis a CET1 ratio transitional of 9.75% as of January 1, 2016. The G-SIB buffer of 0.25% in 2016 has to be applied on top of SREP ratio.

As of December 31, 2015, UniCredit's CET1 ratio transitional on a consolidated basis was equal to 10.59% for regulatory purposes.

UniCredit's capital position remains above the minimum SREP requirement, including the phase-in G-SIB buffer, thanks to the ongoing and continued commitment to further internal capital generation as envisaged in UniCredit's Strategic Plan published on November 11, 2015.

The Board of Directors proposes the allocation of a dividend from profit reserves (the "Dividend"), executed in the form of a scrip dividend, totaling € 704,742,537.84 and therefore equal – bearing in mind the redistribution in light of the Company's treasury shares and the ordinary shares

<sup>1</sup> The decision was taken pursuant to Bank of Italy Circular No. 285 on prudential regulations for banks, published on December, 17 2013, which implements the CRD IV rules in Italy and specifies the criteria on which the methodology for identifying the G-SIIs is based. The criteria and data required to identify and classify the G-SIIs among the various subcategories are listed in the Commission Delegated Regulation (EU) No 1222/2014 of 8 October 2014. The delegated regulation contains provisions consistent with the methodology used by the Basel Committee on Banking Supervision and the Financial Stability Board (FSB), in order to ensure that each year the banks identified as global systemically important institutions correspond to the European banks included on the FSB list, also published annually.

<sup>2</sup> The decision to identify the three banking groups as O-SIIs was taken pursuant to Bank of Italy Circular No. 285/2013 on prudential regulations for banks, which implements Directive 2013/36/EU (Capital Requirements Directive, CRD IV) in Italy and specifies the criteria on which the methodology for identifying the O-SIIs is based.

The assessment was carried out following the European Banking Authority Guidelines (EBA/GL/2014/10), which set out the criteria and the data required to identify O-SIIs in EU jurisdictions. The Guidelines are consistent with the rules set by the Basel Committee on Banking Supervision to identify systemically important banks at a national level, the goal being uniformity in the identification process at an international level.

used in support of the "Cashes" financial instruments – to € 0.12 per savings and ordinary share.

This proposal is considered to be compliant with the recommendation issued by the European Central Bank on December 17, 2015 about dividend distribution policies – ECB/2015/49.

## Shareholders' Equity attributable to the Group

The **Shareholders' Equity of the Group**, including the profit of the period (€1,694 million), amounted to €50,087 million at December 31, 2015, compared to €49,390 million at December 31, 2014.

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

The following table shows the main changes occurred in 2015.

<b>Shareholders' Equity as at December 31, 2014</b>	<b>49,390</b>
Capital increase (net of capitalized costs)	-
<b>Equity instruments</b>	<b>-</b>
Disbursements related to Cashes transaction ("canoni di usufrutto")	(100)
Dividend payment (*)	(171)
Forex translation reserve (**)	(249)
Change in afs/cash-flow hedge reserve	136
Others (***)	(613)
Net profit (loss) for the period	1,694
<b>Shareholders' Equity as at December 31, 2015</b>	<b>50,087</b>

(\*) The dividend distributed equal to €171 million mainly refer to the share of dividends paid in cash with respect to a total of approved dividends for Scrip dividend equal to €694 million. For further information, please see Part B – Liabilities, Section 15 of the Explanatory Notes.

(\*\*) This negative effect is mainly due to the impact of the Ruble for -251 million and Krivna for -114 million, partially netted by the positive effect of Dollar for 79 million.

(\*\*\*) The main components are:

- the negative change of the valuation reserve for equity investments accounted for using the equity method for €357 million (mainly due to the revaluation of the balance sheet items denominated in Turkish exchange rate);
- the negative effect due to the reclassification from actuarial gain/losses (valuation reserve) to equity reserves of €739 million related to the subsidiary UniCredit Bank Austria AG, deriving from the settlement of part of its defined benefit obligations (active employees) transferred to the Austrian pension system;
- the positive effect for €625 million of actuarial gain/losses from the measurement of the actuarial liabilities (defined benefit plans), of which €499 million related to the above mentioned settlement transaction).

## Capital Strengthening

During the year 2015 there were no transaction of capital strengthening

Please note that on April 9, 2015 UniCredit's Board of Directors, pursuant to the powers conferred by the Extraordinary Shareholders' Meeting of April 29, 2011, the Extraordinary Shareholders' Meeting of May 11, 2012 and the Extraordinary Shareholders' Meeting of May 11, 2013, resolved to increase the share capital by €54,744,365.80 by issuing 16,313,933 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, 2015, 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 €297,149,403.58, corresponding to 87,534,728 ordinary shares and 31,364 savings shares. Therefore, the share capital of the Bank is now €20,257,667,511.62, divided in 5,969,658,488 shares with no face value, of which 5,967,177,811 ordinary shares and 2,480,677 savings shares

## 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, 2015 as per UniCredit S.p.A. Accounts	46,525	(1,441)
Surplus over carrying values:	4,602	4,892
- subsidiaries (consolidated)	4,183	4,680
- associates accounted for at net equity	419	212
Dividends received in the period by the Holding Company	-	(1,369)
Other reclassification on consolidation	(1,040)	(387)
<b>Balance as at December 31, 2015 attributable to the Group</b>	<b>50,087</b>	<b>1,694</b>
Minorities	3,399	352
<b>Balance as at December 31, 2015 (minorities included)</b>	<b>53,486</b>	<b>2,046</b>

## Result by Business Segment

### Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network – except CIB clients – Leasing and Factoring. 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 3,600 branches and multichannel services provided by new technologies. In relation to corporate customers, Commercial Banking, with about 765 Managers divided in 129 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)
	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
<b>Commercial Banking Italy</b>						
Operating income	8,407	8,590	+2.2%	2,094	+0.5%	
Operating costs	(4,163)	(4,231)	+1.6%	(1,049)	-0.1%	
Net write-downs on loans	(1,034)	(1,208)	+16.8%	(423)	+72.5%	
Net operating profit	3,210	3,151	-1.9%	622	-21.1%	
Profit before tax	3,087	2,372	-23.1%	(60)	-107.8%	
Loans to customers (eop)	130,190	132,279	+1.6%	132,279	-1.0%	
Customer deposits (incl. Securities in issue - eop)	145,347	145,760	+0.3%	145,760	+2.4%	
Total RWA Eop	80,603	75,775	-6.0%	75,775	-5.4%	
EVA (€ million)	1,038	939	-9.6%	46	-82.6%	
Absorbed Capital (€ million)	7,540	8,040	+6.6%	7,418	-9.8%	
ROAC	+26.23%	+19.30%	n.s.	-3.95%	n.s.	
Cost/Income	+49.5%	+49.3%	-26bp	+50.1%	-30bp	
Cost of Risk	0.79%	0.91%	12bp	1.27%	54bp	
Full Time Equivalent (eop)	37,316	37,325	+0.0%	37,325	+0.7%	

### 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)
	Year		% CHANGE	2014 Q4	% CHANGE ON Q3 2015	
	2014	2015				
<b>Commercial Banking Germany</b>						
Operating income	2,642	2,701	+2.2%	667	-2.1%	
Operating costs	(2,059)	(2,016)	-2.1%	(490)	-2.3%	
Net write-downs on loans	(26)	(44)	+67.6%	(1)	-104.4%	
Net operating profit	557	641	+15.2%	176	-13.0%	
Profit before tax	667	439	-34.3%	83	-48.3%	
Loans to customers (eop)	78,416	80,431	+2.6%	80,431	+0.4%	
Customer deposits (incl. Securities in issue - eop)	102,236	103,889	+1.6%	103,889	+2.3%	
Total RWA Eop	33,608	31,488	-6.3%	31,488	-0.9%	
EVA (€ million)	53	79	+49.8%	115	n.s.	
Absorbed Capital (€ million)	2,858	2,595	-9.2%	2,410	-6.5%	
ROAC	+12.99%	+13.00%	1bp	+28.53%	n.s.	
Cost/Income	+77.9%	+74.6%	-330bp	+73.4%	-14bp	
Cost of Risk	0.03%	0.06%	2bp	0.00%	12bp	
Full Time Equivalent (eop)	13,333	11,781	-11.6%	11,781	-2.5%	

## 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).

Income Statement, Key Ratios and Indicators						(€ million)
Commercial Banking Austria	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
Operating income	1,710	1,583	-7.4%	429	+13.8%	
Operating costs	(1,373)	(1,335)	-2.8%	(329)	-0.1%	
Net write-downs on loans	(111)	(15)	-86.5%	(10)	+27.1%	
Net operating profit	227	233	+2.9%	91	+124.0%	
Profit before tax	134	340	+154.4%	342	n.s.	
Loans to customers (eop)	47,379	49,305	+4.1%	49,305	+1.3%	
Customer deposits (incl. Securities in issue - eop)	63,442	63,358	-0.1%	63,358	-1.8%	
Total RWA Eop	24,047	22,085	-8.2%	22,085	+0.4%	
EVA (€ million)	(56)	23	-141.9%	129	-290.4%	
Absorbed Capital (€ million)	2,213	1,955	-11.7%	1,726	-8.9%	
ROAC	+6.87%	+29.21%	n.s.	+122.11%	n.s.	
Cost/Income	+80.3%	+84.3%	405bp	+76.5%	n.s.	
Cost of Risk	0.23%	0.03%	-20bp	0.08%	2bp	
Full Time Equivalent (eop)	6,658	6,439	-3.3%	6,439	-0.7%	

## 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 and a strong presence in all the major cities, 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)
POLAND	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
Operating income	1,769	1,692	-4.4%	419	+3.4%	
Operating costs	(799)	(774)	-3.2%	(188)	-3.1%	
Net write-downs on loans	(134)	(124)	-7.4%	(29)	-1.6%	
Net operating profit	836	794	-5.0%	202	+11.2%	
Profit before tax	803	677	-15.7%	126	-29.5%	
Loans to customers (eop)	26,896	28,621	+6.4%	28,621	-1.7%	
Customer deposits (incl. Securities in issue - eop)	30,178	30,862	+2.3%	30,862	-0.8%	
Total RWA Eop	25,894	25,810	-0.3%	25,810	-0.1%	
EVA (€ million)	157	108	-31.4%	12	-55.9%	
Absorbed Capital (€ million)	1,141	1,208	+5.9%	1,198	+0.4%	
ROAC	+25.90%	+20.65%	-525bp	+15.23%	n.s.	
Cost/Income	+45.2%	+45.7%	56bp	+44.9%	-301bp	
Cost of Risk	0.51%	0.43%	-8bp	0.41%	-1bp	
Full Time Equivalent (eop)	18,160	17,606	-3.1%	17,606	-1.1%	

## Results by Business Segment

### CEE Division

UniCredit is a market leader in Central and Eastern Europe, where it has a broad network of about 2,400 branches. Its regional footprint is diverse and includes a direct presence in 16 countries (Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine and Leasing activities in the 3 Baltic 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		% CHANGE	2015 Q4	% CHANGE ON Q3 2015		
	2014	2015					
Operating income	3,834	3,826	-0.2%	1,018	+10.9%		
Operating costs	(1,510)	(1,482)	-1.9%	(400)	+11.5%		
Net write-downs on loans	(677)	(1,017)	+50.3%	(265)	-26.2%		
Net operating profit	1,648	1,327	-19.4%	353	+76.1%		
Profit before tax	1,376	1,092	-20.7%	239	+38.5%		
Loans to customers (eop)	57,073	57,166	+0.2%	57,166	-1.2%		
Customer deposits (incl. Securities in issue - eop)	52,213	58,665	+12.4%	58,665	+1.5%		
Total RWA Eop	89,278	92,532	+3.6%	92,532	-0.5%		
EVA (€ million)	(41)	(545)	n.s.	(239)	+132.1%		
Absorbed Capital (€ million)	7,447	8,460	+13.6%	8,050	-5.5%		
ROAC	+12.57%	+5.84%	n.s.	+0.31%	n.s.		
Cost/Income	+39.4%	+38.7%	-65bp	+39.3%	23bp		
Cost of Risk	1.18%	1.75%	57bp	1.84%	-62bp		
Full Time Equivalent (eop)	29,040	28,486	-1.9%	28,486	-0.6%		

### 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		% CHANGE	2015 Q4	% CHANGE ON Q3 2015		
	2014	2015					
Operating income	3,759	3,757	-0.1%	875	+7.8%		
Operating costs	(1,649)	(1,759)	+6.7%	(424)	-2.3%		
Net write-downs on loans	(129)	(31)	-76.0%	16	-77.5%		
Net operating profit	1,980	1,967	-0.7%	467	+3.7%		
Profit before tax	1,820	1,661	-8.7%	305	-30.8%		
Loans to customers (eop)	89,225	96,876	+8.6%	96,876	+4.9%		
Customer deposits (incl. Securities in issue - eop)	87,491	96,181	+9.9%	96,181	-9.1%		
Total RWA Eop	68,631	65,382	-4.7%	65,382	-4.9%		
EVA (€ million)	335	388	+15.8%	74	-26.2%		
Absorbed Capital (€ million)	7,013	6,682	-4.7%	6,654	+2.0%		
ROAC	+17.90%	+18.14%	24bp	+17.94%	-14bp		
Cost/Income	+43.9%	+46.8%	295bp	+48.5%	-499bp		
Cost of Risk	0.14%	0.03%	-11bp	n.s.	n.s.		
Full Time Equivalent (eop)	3,954	3,918	-0.9%	3,918	-1.9%		

## 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 segment acts as a centralized product factory and, in addition, directs, supports and supervises the development of local business at regional level.

The Business Line, 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.

Income Statement, Key Ratios and Indicators						(€ million)
ASSET MANAGEMENT	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
Operating income	791	919	+16.2%	241	+8.1%	
Operating costs	(496)	(608)	+22.6%	(184)	+34.5%	
Net write-downs on loans	-	(0)	n.s.	-	n.s.	
Net operating profit	295	311	+5.4%	57	-33.8%	
Profit before tax	286	287	+0.4%	45	-46.2%	
TFAs (eop)	208,694	230,151	+10.3%	230,151	+2.9%	
RoA (Operating Income/ avg TFAs)	+0.40%	+0.40%	0.33bp	+0.43%	2.95bp	
EVA (€ million)	139	197	+41.7%	37	-32.6%	
Absorbed Capital (€ million)	266	227	-14.6%	130	-48.8%	
ROAC	+66.7%	+90.7%	n.s.	+98.9%	n.s.	
Cost/Income	+62.7%	+66.2%	347bp	+76.3%	n.s.	
Full Time Equivalent (eop)	2,021	1,986	-1.7%	1,986	-2.1%	

## 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 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 Fineco Bank is leader at a national and European level.

Income Statement, Key Ratios and Indicators						(€ million)
ASSET GATHERING	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
Operating income	451	544	+20.6%	137	-2.1%	
Operating costs	(212)	(233)	+9.6%	(59)	+9.0%	
Net write-downs on loans	(3)	(7)	+110.9%	(3)	+79.3%	
Net operating profit	236	305	+29.3%	75	-10.6%	
Profit before tax	230	288	+25.3%	64	-23.3%	
Loans to customers Eop	696	923	+32.7%	923	+4.3%	
Customer deposits (incl. Securities in issue) Eop	14,254	16,084	+12.8%	16,084	+5.0%	
Total RWA Eop	1,742	1,713	-1.6%	1,713	+0.2%	
TFAs Outstanding Stock (eop)	49,341	55,327	+12.1%	55,327	+5.3%	
TFAs Net Sales	3,999	5,490	+37.3%	1,776	+101.3%	
EVA (€ million)	114	113	-0.5%	25	-23.3%	
Absorbed Capital (€ million)	103	142	+38.7%	155	-10.1%	
ROAC	120.6%	87.8%	n.s.	+71.3%	n.s.	
Cost/Income	+47.0%	+42.7%	-428bp	+43.1%	n.s.	
Full Time Equivalent (eop)	974	1,019	+4.7%	1,019	+0.6%	

## Results by Business Segment

### 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 and some special vehicles for securitization transactions.

Income Statement, Key Ratios and Indicators						(€ million)
Non-core	Year		% CHANGE	2015 Q4	% CHANGE ON Q3 2015	
	2014	2015				
Operating income	375	101	-73.2%	(33)	-235.6%	
Operating costs	(591)	(536)	-9.4%	(98)	-30.4%	
Net write-downs on loans	(2,155)	(1,659)	-23.0%	(493)	+7.8%	
Net operating profit	(2,371)	(2,094)	-11.7%	(624)	+8.8%	
Profit before tax	(2,505)	(2,254)	-10.1%	(720)	+25.3%	
Loans to customers (eop)	47,402	36,036	-24.0%	36,036	-5.1%	
Net Impaired Loans (percentage of total net loans)	2.94%	1.88%	-1.1pp	1.88%	-1.1pp	
Total RWA Eop	39,625	31,211	-21.2%	31,211	-4.8%	
EVA (€ million)	(2,132)	(1,881)	-11.7%	(574)	+24.8%	
Absorbed Capital (€ million)	3,271	2,990	-8.6%	3,128	+31.6%	
ROAC	-52.28%	-51.29%	99bp	-62.34%	318bp	
Cost/Income	+157.6%	+532.4%	n.s.	-298.1%	n.s.	
Cost of Risk	4.26%	4.05%	-20bp	5.33%	72bp	
Full Time Equivalent (eop)	1,849	717	-61.2%	717	-57.1%	

### Report on corporate governance and proprietary structures

Within the meaning of Section. 123-bis par.3 of the Legislative Decree no.58 dated February 24, 1998, the "Report on corporate governance and ownership structure" 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 2015 UniCredit S.p.A.'s Research and Development projects were mainly aimed at:

- setting and testing a new Master Data Management System that can be used as a seamless and drop-in replacement for current Masterdata inquiries to reduce costs, to scale-up and to respond faster than the legacy solution;
- developing a mobile application with the Media Relation Department to stream press releases and other group wide communications. The solution contains analytics functions that collect feedbacks on the usage and on the diffusion of the different group communications;
- prototyping a new software for low latency data flow processing such as financial markets data and others from different strategic areas of the bank;
- defining new setups for the office environments rethinking the interaction between operators, customers and facilities realizing, for example, a new headless ATM;
- promoting the Open Source adoption – through Github and committing to existing projects;
- strengthening industrial and academic partnerships enabling the development of long-term solutions for UniCredit, as well as developing new network in the scientific environment.

### Development of Group operations and other corporate transactions

Over 2015, UniCredit pursued new initiatives to develop high-growth businesses and to rationalise activities within the Group, while launching partnerships with leading counterparties to implement industrial projects with global ramifications so as to offer a better and more complete range of services to its customers. This included additional transactions on the Group's shareholding portfolio.

#### Initiatives to develop business, rationalise and establish partnerships

##### Strengthening the presence in Wealth Management

As part of its growth strategy focusing on businesses with high capital returns, UniCredit S.p.A. decided to strengthen its presence in Wealth Management in Italy by using a dedicated company as a hub, identified in the subsidiary Cordusio SIM – Advisory & Family Office S.p.A. ("Cordusio SIM"). This will offer a full package of investment management and consulting services for customers with over €5 million invested in financial assets (Ultra high Network Wealth Individuals, below UHNWI). In this scenario, Cordusio SIM, duly licensed, receives the business unit UHNWI of UniCredit S.p.A. upon release of a capital increase.

Following the above transaction Cordusio SIM, with a net worth of over 250 million, will manage assets totalling 24 billion with the goal to reach in 2018 30 billion of assets under management. The Company, in its new mission, can use fiduciary services in Italy as well as the international structures in the United Kingdom and Luxembourg. The completion of the transaction is expected by 2016. In preparation thereof, in 2015 a business combination was concluded with Atlantic SIM (a non-Group company), as described in the Notes to the Accounts, Part G.

##### Reorganisation and rationalisation of UniCredit Credit Management Bank

On October 30, 2015 UniCredit disposed the entire shareholding in UniCredit Credit Management Bank ("UCCMB"), the Bank within the Group focusing on the management and recovery of non-performing loans originated in Italy, including a portfolio of bad loans for €2.4 billion (gross value) to affiliates of Fortress Investment Group LLC ("Fortress"). Simultaneously with the disposal, carried out following the subscription of an agreement in February 2015, a long-term strategic contract was concluded with the sold company (renamed doBank S.p.A.) for the management of current and future small and medium-sized loans of UniCredit S.p.A. and other Group entities. This transaction, falling under the reorganisation plan for UniCredit's credit recovery division, has a strong strategic rationale, and allows the Group to benefit, inter alia from:

- access to a specialised credit recovery platform, further enhanced by the considerable know-how of certain Fortress and Prelios affiliates (involved

## Other information

- as industrial partners) regarding the management of impaired loans;
- the possible improved profitability of the Group in the future, thanks to the expected increase in the recovery performance on small and medium-sized files.

In preparation to sale of UCCMB shareholding, starting from 1 January 2015 a spin-off has become effective in favour of UniCredit S.p.A. of (i) the going concern of UCCMB dedicated to "non-core Business" and (ii) the real estate going concern of UCCMI (subsidiary controlled at 100% by UCCMB) and formerly belonging to Capitalia.

The disposal took place on October 30, 2015 with a substantially neutral impacts on UniCredit capital and net results, also taking into consideration the adjustment of value already recognised in the consolidated financial statements as at December 31, 2014.

### Disposal of Ukrspotsbank to Alfa Group's ABH Holdings

On December 31, 2015, UniCredit signed a binding agreement to transfer Ukrspotsbank ("USB") to Alfa Group. The transaction foresees the transfer by UCG of its equity investment in USB to ABH Holdings SA ("ABHH" - a holding registered in Luxembourg that invests in banking activities in the former USSR) in exchange for newly issued shares representing 9.9% of ABHH's capital after the transfer. In the financial statements at December 31, 2015, the equity investment in USB and its subsidiaries continue to be classified as held for sale (pursuant to IFRS 5) and their measurement has been adjusted to reflect the estimated results expected from the transfer, leading to €197 million additional impairment in the income statement for the fourth quarter of 2015 (€298million for all of financial year 2015).

The parties will request the necessary regulatory approvals. Upon completion of the authorisation process, it is expected that the transfer will take effect in 2016.

On said date, as required under IFRS 5, the cumulative effects of the Exchange Fluctuations Reserve (equal to €701 million as of December 31, 2015 but subject to updating as of the date the transfer takes effect based on prevailing market conditions) will be recognised in the UCG income statement without, however, any impact on the Group's overall equity level.

### Pioneer Investments and Santander Asset Management: creating a global leader in asset management

In April 2015, UniCredit, Santander and affiliate companies of Warburg Pincus and General Atlantic reached a non-binding preliminary and exclusive agreement to integrate Pioneer Investments and Santander Asset Management, bringing into being a leading global company in the field of asset management (€400 billion managed), with a strong global footprint and trade capabilities and relations throughout the world.

Pioneer and Santander Asset Management will pool platforms, their competencies in investments and trade relations that are highly complementary, to provide the new entity with a more complete offering of products and services for its customers.

The preliminary agreement provides for the establishment of a holding company that will control the USA assets of Pioneer and the integrated assets of Pioneer and

Santander Asset Management outside the United States. UniCredit, on the one hand, and Warburg Pincus and General Atlantic, on the other, will each hold 50% of the holding company, which in turn will hold 100% of the assets of Pioneer in the USA and 66.7% of the company resulting from the integration of the non-USA assets of Pioneer and Santander Asset Management, while Santander will directly hold the remaining 33.3% of the latter company.

The integrated entity will continue to operate as a single global organisation focused on meeting the investment needs of its customers worldwide.

In November 2015 the parties have signed a binding master agreement and started the necessary regulatory and other approvals in many of the markets where Pioneer Investments e Santander Asset Management have a presence. The full closing of the transaction is expected to happen in 2016. The subsidiary has not been classified as held for sale (IFRS 5), as the relative conditions are not triggered as of December, 31 2015.

### Creation of a platform for managing loans in restructuring with Intesa SanPaolo and KKR

In June 2015, Intesa SanPaolo, UniCredit and KKR Credit, a part of KKR & Co. L.P. reached an agreement, based on the fulfilment of certain conditions precedent, whereby they would transfer their exposures in loans and equity relating of a selected number of companies, that are undergoing a process of loan restructuring, into a securitization vehicle and a newco respectively, both managed by the Italian platform launched by KKR Credit.

The objective of the platform is to provide certain medium-large Italian industrial companies with new capital and operational capabilities, while supporting their management for the purpose of receiving the payment of the loans granted. In the future, the platform will also be open to other banks and companies that can benefit from new capital and additional functional support.

The purpose of the transaction is to allow companies to regain their financial balance, grow once again and create value for all stakeholders, including the current shareholders of the companies and banks, which will share the positive returns resulting from the recovery in the companies' performance and the value of the relevant assets recorded in the balance sheet.

According to this agreement, in December UniCredit S.p.A. securitized through the vehicle Pillarstone Italy SPV S.r.l. (established pursuant to Law 130/99) the loans provided to the companies Comital, Rainbow, Lediberg and Burgo, for an overall amount of nominal €288 million. Being the conditions set in IAS 39 not satisfied with reference to the derecognition, this transfer did not lead to the write-off of the loans, therefore the latter are still included in the financial statements of UniCredit S.p.A.

## Other transactions and initiatives involving shareholdings

### UniCredit Tiriac Bank

In June, UniCredit Bank Austria AG acquired 45% of the share capital held by Tiriac Holdings Ltd in UniCredit Tiriac Bank (a commercial bank with headquarters in Bucharest and over 180 branches in Romania). This implemented the provisions under the agreement that had been signed, whereby the Tiriac Group was guaranteed an option to sell 45% of the share capital held in UniCredit Tiriac Bank. The possibility of taking over the remaining 4.4% from the market will be assessed.

### Shareholding in Coinv S.p.A.

With reference to the associate in Coinv S.p.A., during 2015, in order to give further boost to the continuous growth strategy of Pirelli with the strengthening in the "industrial" tire sector and the penetration in the Chinese market, China National Tire & Rubber Corporation (CNRC), a subsidiary of China National Chemical Corporation, on the one hand, and Camfin SpA, Long-Term Investments Luxembourg SA (LTI) and Coinv SpA (the latter vehicle in which UniCredit holds 12%) on the other, reached an agreement which resulted in:

- the purchase of a new company (controlled by CNRC) of 26.2% of Pirelli held by Camfin and partial reinvestment of the proceeds received from Camfin in the capital of Newco;
- the simultaneous signing of a shareholders' agreement between the shareholders of the NewCo, with clauses relating to, among other things, corporate governance and the transfer of shares of Pirelli;
- the subsequent launch by the same Newco of a mandatory tender offer on the minorities of Pirelli (priced at €15.00 per share), which was completed during the fourth quarter of 2015 with the acquisition of all the ordinary shares and almost all of the savings shares and the subsequent delisting of Pirelli;
- the output of LTI capital of Camfin through a buy-back of own shares by Camfin, part of which was set by the sale of NewCo shares and the remainder in cash.

Upon completion of the various phases of the operation, Coinv controls 100% of Camfin (net of treasury shares held at the same Camfin), which holds a stake of 22.4% in NewCo (65% controlled by CNRC and owned the remaining 12.6% from LTI). Under existing agreements, Camfin has an option to raise its stake in NewCo to 37.3%, with simultaneous dilution of the other shareholders.

## 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) according to the "Global policy for the management of transactions with persons in conflict of interest" adopted by the Board of Directors of UniCredit S.p.A. on February 11, 2015, and published on the website [www.unicreditgroup.eu](http://www.unicreditgroup.eu), during 2015 Bank's *Presidio Unico* received a report of a transaction of greater importance. Specific disclosure on this transaction, ended in the period, was provided to Consob;
- b) during 2015, no transactions with related parties as defined by Article 2427, paragraph 22-bis of the Civil Code was conducted, under different conditions from normal market conditions and materially affecting the Group's financial and economic situation;
- c) during 2015, 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 Notes to the consolidated accounts – Part H.

### Subsequent Events <sup>3</sup>

Upon Consob's request, pursuant to art. 114, par. 5, Legislative Decree. n.58/1998, with reference to news in the press concerning the ECB's attention to the high levels of Non-Performing Loans held by European banks, UniCredit announces, on January 18, 2016, that in the framework of its 2016 activities, the ECB has launched an assessment of NPLs involving a number of other banks.

On January 21, 2016 UniCredit S.p.A. launched a tender offer for repurchase 10 different issues of Tier II e Lower Tier II subordinated notes in circulation for redemption dates between 2019 and 2022 and for a total nominal value of €1.8 billion.

The offer started on January 25 to close on February 16 and is totally cash without exchange of other securities; the holders of the existing notes who tendered them to the offer before February 9, 2016, date of publishing of UniCredit results for the year 2015, are entitled to withdraw their acceptances before offer expiry date.

The tender offer will allow UniCredit to optimise the profile of its liabilities, repurchasing the existing notes that no longer qualify as Tier 2 instruments in the own funds of the offeror and are therefore inefficient from a regulatory perspective.

In 2015 the subsidiary UniCredit Bank Austria AG ("UCBA") recognized a reduction in net liabilities determined by extinction of portion of the employees defined benefit obligation, as a result of the transfer of the pension fund of some active employees to the public pension system.

In particular, in December 2015, UCBA and the Employees' Council made an agreement to the effect that for almost all of the employees who have rights to future benefits (essentially the active employees covered by UCBA pension scheme) UCBA pension system is terminated and the rights to future pension benefits will consequently be transferred to the state scheme under the Austrian General Social Insurance Act.

The employees concerned will receive compensation, in the form of one-off lump-sum payments, for any disadvantages resulting from this transfer. In addition, UCBA has to make a payment, defined by law, to the state scheme under the Austrian General Social Insurance Act for the transfer of the rights to future pension benefits. The amount of this payment was measured based on the legal situation applicable as at December 31, 2015 and a liability has been recognised for it in the balance sheet at that date.

The agreement with the Employees' Council was signed with legal effect in December 2015 and terminated UCBA pension system for the employees concerned upon expiry of February 29, 2016. The employees concerned are, by operation of law, taken over by the state scheme under the Austrian General Social Insurance Act.

While the entitlements will not be transferred, and the payments will not be made, until the first quarter of 2016, the effect of this plan curtailment and the related reduction of the present value of the pension obligation has been recognised in the financial statements in accordance with IAS 19 already in 2015.

Given the current public and political discussion on the possibility of amending an Austrian law, there is specific uncertainty for the 2015 financial year about the determination of the payments to be made to the state pension scheme under the Austrian General Social Insurance Act in connection with the plan curtailment for active employees.

It is currently not possible to reliably determine or estimate whether and to what extent this will ultimately result in a change in such payments. Any effects resulting from potential future amendments to the law will be taken into consideration in accordance with IAS 37.50 in the reporting period of such amendment.

With reference to the subsidiary Bank Pekao, after the reference date, the Act of 15 January 2016 on tax on certain financial institutions was announced (Journal of Laws of 2016 Pos. 68). The Act regulates the taxation on assets of certain financial institutions. In the case of the Bank, the taxable amount will be excess of the total assets of more than €900 million (PLN 4 billion). The law provides for the possibility of reducing the tax base, in the case of the Bank, among others by the value of own funds and the value of assets in the form of Treasury securities as at the last day of the month. The tax will amount to 0.0366% of the tax base per month. The Act comes into force on February 1, 2016. The amount of tax which will actually be paid will depend on the tax base, which will be determined in the future at the end of each month. The Bank estimates that the monthly tax burden will range between 9 and 12 euro million (PLN 40- 50 million). The amounts paid will not be deductible for the purposes of income tax. The first accounting period for which the Bank will make the calculation and payment of the tax will be February 2016.

On February 5, 2016, an understanding was reached with the Trade Union organizations and an agreement was signed regarding the consequences of the 2018 Strategic Plan of the UniCredit Group for Italy.

The agreement sets out the creation of a retirement plan with the foundation of an Extraordinary Solidarity Fund on a voluntary basis with a duration of 36 months, aimed at professional and executive roles. 3,100 employees are expected to take this option.

<sup>3</sup> Up to the date of approval by the Board of Directors' Meeting of February 9, 2016.

## Outlook

In the second half of 2015, the global recovery has remained uneven. Advanced economies have continued to benefit from households' greater purchasing power generated by low oil prices, favorable credit conditions and an improvement in both consumer and business confidence. Among the advanced economies, Japan is struggling to regain momentum, while the United States and UK continued their consolidation. Growth prospects in emerging economies, however, have been hampered by structural hurdles and macroeconomic imbalances, aggravated in some cases by the tightening of worldwide financial conditions as well as the collapse in commodity prices. In China, economic growth continued to slow down due to multiple structural challenges that Beijing has to cope, such as excess debt and capacity, and the difficult transition to a growth model focused on consumption rather than on exports.

Going forward, we expect the US economy to remain one of the major engines of global growth in 2016, while emerging markets (EM) will continue to be laggards in the global growth picture. We expect EM to be through the trough, which should be followed by marginally higher growth rates in 2016 than in 2015. China will probably continue to slow moderately, but GDP growth is expected to stabilize to about 6.5%, with the Chinese authorities ready to intervene if necessary.

We expect the eurozone recovery to gain strength in 2016, reaching an annual average GDP growth rate of 1.9%. This growth outlook, will continue to be powered mainly by domestic demand, which should make up for a difficult external environment. The real households' income will continue to be supported by low inflation and stronger labor markets.

Fiscal policy has also now turned slightly expansionary, partly due to the refugee crisis, and fixed investment is beginning to take off. In country terms, we forecast growth acceleration in Germany, France and Italy. In Spain, the recovery will probably level off somewhat after a very strong 2015.

The Italian economy, in particular, is set to expand by 1.4% in 2016. Private consumption will hold up well in 2016. Also fixed investment will contribute, thanks to restored business confidence, improving profitability and the significant decline in lending rates. In 2015, the initial economic recovery, together with the action taken by the European Central Bank (ECB) since mid-2014, supported an improvement in both the demand for and supply of loans to non-financial corporations.

Milan – February 9, 2016

CHAIRMAN  
GIUSEPPE VITA



THE BOARD OF DIRECTORS  
CEO  
FEDERICO GHIZZONI



Lending to the private sector in Italy showed a slight expansion towards the end of the year, also due to an easing of the pace of contraction in corporate loans. We expect a further recovery in Italy's credit aggregates going forward, supported by an improvement in both supply and demand factors.

Inflationary dynamics remain subdued. In December 2015, the inflation rate for the euro area was only 0.2%. The persistent weakness is mainly due to the collapse in energy prices. The "core" component (which excludes volatile goods like energy and food) also remains low, around 1.0%. Headline inflation is unlikely to reach the ECB's target of below, but close to, 2% during this year or the next. Consequently, these subdued inflationary developments prompted the ECB Governing Council to approve an additional monetary stimulus to bring the inflation close to 2% and at the December 2015 meeting it approved a package of measures including a 10bp cut in the deposit rate with the Central Bank, to -0.30%, and a six-month extension of the purchase program (quantitative Easing), worth about EUR 350bn. On 21 January meeting, faced with a further collapse in oil prices, the ECB dropped a clear hint of upcoming action of monetary policy and a further deposit rate cut is expected very likely in March meeting, with also a non-negligible probability of some adjustments to the asset purchase program.

The Group looks confidently towards 2016 as forecasts for the recovery of the global macro cycle have improved recently. This is particularly evident for growth in Italy, where economic expectations have risen significantly in recent months. Even though the level of interest rates remains extraordinary low the Group aims to improve its overall profitability thanks to three levers: firstly, the aim is to increase revenues thanks to an increase in "core" loans and by providing more services, particularly in the asset management business where total assets under management have been increasing significantly in recent years. Secondly, the improving trend in asset quality and the resulting impact on the cost of risk is likely to continue as the macroeconomic situation brightens up, especially in Italy. Thirdly, as outlined in the new strategic plan, the Group will further intensify its focus on cost containment. Furthermore, the newly announced policy measures of the ECB will contribute to keeping the Group's cost of funding very low. The Group will also intensify its efforts to maintain its capital base solid and to strengthen its liquidity position.



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## 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, also of a regulatory nature, 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 standards and best practices for listed companies recommended by the Italian Corporate Governance Committee, to be applied according to the "comply or explain" principle that requires the explanation in the corporate governance report 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 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/2015engclean.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 (in the meeting held on February 9, 2016) is published at the same time as the Consolidated Report on Operations on the Issuer's website (<https://www.unicreditgroup.eu/en/governance/governance-system-and-policies.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, 2015.

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 Company, while the Board of Statutory Auditors is entrusted with supervising its management. Legal accounting supervision on the Company is assigned 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.

The reasons behind the choice of such governance model are that 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 UniCredit Group.

Moreover, the traditional management ascribes certain aspects to the sole responsibility of the Shareholders' Meeting, creating in this way an opportunity for dialogue and debate between shareholders and management 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, the resolutions on the remuneration and incentive policies and practices provided for by the current provisions and the criteria to determine the compensation to be granted in the event of early termination of employment or early retirement from office.

## 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 the UniCredit 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 February 9, 2016, UniCredit has 17 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 13, 2015, will expire on the date of the Shareholders' Meeting called upon to approve the 2017 financial statements.

The UniCredit Directors shall be appointed, according to the current legal and regulatory 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 the UniCredit Articles of Association.

The Board establishes its qualitative and quantitative composition deemed optimal for the effective completion of the duties and responsibilities entrusted to the supervisory body by law, by the Supervisory Provisions and by the UniCredit Articles of Association, according to the current provisions of both laws and regulations, and more specifically to the Supervisory Regulations on banks' corporate governance, also concerning limits on the aggregate number of directorships that UniCredit Directors may hold.

Moreover, Directors must take into account the provisions of Section 36 of the Law Decree no. 201/2011 ("ban on interlocking directorships"), approved as statute by Law no. 214/2011 which establishes that holders of a seat in managerial, supervisory and controlling 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 duties, in competing companies or groups of companies.

The function and competencies of the Board of Directors are set forth in the UniCredit Corporate Bodies Regulations. The Corporate Bodies Regulations are available on the Governance/Governance system & policies Section of the UniCredit website.

## Independence of Directors

In compliance with the criteria established by Section 3 of the Code (which coincide with those envisaged by the UniCredit Articles of Association) and by 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 after the appointment, through a press release disclosed to the market and, subsequently, within the Corporate Governance Report.

The Corporate Governance, HR and Nomination Committee and the Board of Directors, the latter on January 13, 2016, 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, information relating to direct or indirect relationships (credit relationships, significant offices held, employee relationships and commercial / professional relationships) of the Directors with UniCredit and some Group Companies were taken into account, also taking into consideration 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 10.

The outcome was the following:

- Independent Directors pursuant to the Articles of Association and Section 3 of the Code: Mr. Cordero di Montezemolo, Mr. Al Mehairi, Mr. Bioni, Ms. Bochniarz, Mr. Caltagirone, Ms. Reichlin, Ms. Streit, Ms. Vezzani, Mr. Wolfgring and Ms. Zambon;
- Independent Directors pursuant to Section 148 of the TUF: Mr. Vita, Mr. Calandra Buonauro, Mr. Cordero di Montezemolo, Mr. Palenzona, Mr. Al Mehairi, Mr. Bischoff, Mr. Bioni; Ms. Bochniarz, Mr. Caltagirone, Ms. Reichlin, Ms. Streit, Ms. Vezzani, Mr. Wolfgring, Mr. Wyand and Ms. Zambon.

In its February 9, 2016, meeting 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.

In the following chart there is quoted the information regarding the members of the Board of Directors in office at the approval date of this document.

## Status and activities of the Directors

Position	Members	In office		Slate (M/m) *	Executive	Non-executive	Independent as per Articles of Association and Code	Independent as per TUF	Board meetings attendance % **	Number of other positions ***
		since	until							
Chairman	Vita Giuseppe	13-05-2015	Approval of 2017 financial statements	m		X		X	100	1
Deputy Vice Chairman	Calandra Buonauro Vincenzo	13-05-2015	Approval of 2017 financial statements	m		X		X	100	-
Vice Chairman	Cordero di Montezemolo Luca	13-05-2015	Approval of 2017 financial statements	m		X	X	X	81.25	6
Vice Chairman	Palenzona Fabrizio	13-05-2015	Approval of 2017 financial statements	m		X		X	100	3
CEO	Ghizzoni Federico	13-05-2015	Approval of 2017 financial statements	m	X				100	1
Director	Al Mehairi Mohamed Hamad	15-10-2015 <sup>(1)</sup>	Approval of 2015 financial statements	--		X	X	X	66.67	9
Director	Bischoff Manfred	13-05-2015	Approval of 2017 financial statements	m		X		X	75	3
Director	Bisoni Cesare	13-05-2015	Approval of 2017 financial statements	m		X	X	X	100	--
Director	Bochniarz Henryka	13-05-2015	Approval of 2017 financial statements	m		X	X	X	93.75	2
Director	Callagirone Alessandro	13-05-2015	Approval of 2017 financial statements	m		X	X	X	75	6
Director	Jung Helga	13-05-2015	Approval of 2017 financial statements	m		X			81.25	5
Director	Reichlin Lucrezia	13-05-2015	Approval of 2017 financial statements	M		X	X	X	81.25	3
Director	Streit Clara C.	13-05-2015	Approval of 2017 financial statements	m		X	X	X	100	4
Director	Vezzani Paola	13-05-2015	Approval of 2017 financial statements	m		X	X	X	100	--
Director	Wolfgring Alexander	13-05-2015	Approval of 2017 financial statements	m		X	X	X	100	4
Director	Wyand Anthony	13-05-2015	Approval of 2017 financial statements	m		X		X	87.50	1
Director	Zambon Elena	13-05-2015	Approval of 2017 financial statements	m		X	X	X	88.89	15
<b>Directors that left off during the Period</b>										
Deputy Vice Chairman	Fois Candido	11-05-2012	13-05-2015	M		X		X	71.43	2
Director	Al Fahim Mohamed Ali	18-10-2012 <sup>(2)</sup>	13-05-2015	--		X	X	X	100	8
Director	Al-Husseiny Mohamed Badawy	13-05-2015 <sup>(3)</sup>	15-10-2015	m		X	X	X	80	3
Director	Giacomin Francesco	11-05-2012	13-05-2015	M		X		X	100	1
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	57.14	6
Director	Quaglia Giovanni	18-12-2012 <sup>(4)</sup>	13-05-2015	--		X	X	X	100	6
Director	Sassoli de Bianchi Lorenzo	11-05-2012	13-05-2015	M		X	X	X	100	1

**Quorum required for the submission of the slates for the latest appointment: 0.5%**

**Number of meetings held during the financial year: 16**

**NOTE:**

\* **M** = Member elected from the slate that obtained the 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 on corporate governance and ownership structure

(1) Co-opted on October 15, 2015 in place of Mr. Mohamed Badawy Al-Husseiny who resigned effective as of October 15, 2015

(2) Co-opted on October 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013

(3) Resigned effective as from October 15, 2015

(4) Co-opted on December 18, 2012 and confirmed by the Shareholders' Meeting on May 11, 2013

## Committees of the Board of Directors

In order to foster an efficient information and advisory system to enable the Board of Directors better to assess the topics for which it is responsible, also pursuant to the provisions of the Code, the following four committees are established among Board members, vested with research, advisory and proposal-making powers diversified by sector of competence: the Internal Controls & Risks Committee, the Corporate Governance, HR and Nomination Committee, the Remuneration Committee and the Related-Parties and Equity Investments Committee.

The Internal Controls & Risks Committee, the Corporate Governance, HR and Nomination Committee and the Remuneration Committee have been set up in compliance with the provisions contained in the Banca d'Italia Supervisory Regulations on banks' corporate governance envisaging 3 specialist committees – one on appointments, one on risks and one on remuneration – while the Related-Parties and Equity Investments Committee, established for overseeing issues concerning transactions with related-parties and with associated parties, as well as issues concerning investments in non-financial equities, has been set up in compliance with the CONSOB regulatory provisions and the Banca d'Italia Supervisory Regulations.

As regards the above specialist committees on appointments, on risks and on remuneration, 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.

The Board Committees' composition, functions and competencies are set forth in the Corporate Bodies Regulations.

### Internal Controls & Risks Committee

The Internal Controls & Risks Committee is comprised of 9 Directors, all non-executive and the majority of whom are independent pursuant to the Articles of Association. All members of the Committee, in its current composition, are independent pursuant to Section 148, paragraph 3, of the TUF. The majority of the members (5 out of 9) also meet the independence requirements prescribed by the Code, which coincide with those envisaged by the UniCredit Articles of Association. The Chairman of the Committee is independent pursuant to Section 148, paragraph 3, of the TUF and the Code. The Chairman of the Board of Directors is member by right.

Under the Corporate Bodies Regulations, the Committee members must have the knowledge, skills and experience to be able to fully understand and monitor the bank's strategies and risk appetite; furthermore, at least one member must possess appropriate experience in accounting and finance or risk management, which must be assessed by the Board of Directors at such time as they are appointed to the Committee.

The members of the Internal Controls & Risks Committee must also ensure that any other corporate positions they hold with other companies are compatible with the availability and commitment required of them to serve as a Committee member.

The current composition of the Committees is the following: Mr. Giuseppe Vita (member by right as Chairman of the Board of Directors); Mr. Alexander Wolfgring (Chairman), Mr. Vincenzo Calandra Buonauro, Mr. Fabrizio Palenzona, Mr. Cesare Bioni, Ms. Lucrezia Reichlin, Ms. Clara C. Streit, Ms. Paola Vezzani and Mr. Anthony Wyand.

The Committee meetings are called once a month by the Chairman, or upon request of at least two members or two Statutory Auditors.

The Chairman of the Board of Statutory Auditors and the other Statutory Auditors attend the Committee meetings; in addition, the CEO, the General Manager (up to July 2015), the Head of the Internal Audit function, the Compliance Officer, the Group Chief Risk Officer, the Deputy General Manager responsible for Strategy & Finance, and the Board Secretary (since not chosen among the Directors) take part in the meetings as permanent guests.

The Corporate Bodies Regulations also establish that the Vice Chairmen of the Board of Directors may attend the Committee meetings as guests, unless they are already members of the Committee.

The External Auditors may also be invited to attend.

In 2015, the Internal Controls & Risks Committee held 13 meetings.

### Duties

The Committee supports the Board of Directors on risk and internal audit-related systems.

Among other things, the Committee:

- a) Drawing on input from the Corporate Governance, HR and Nomination Committee, identifies and proposes to the Board who should be appointed Head of Compliance, Internal Audit and Group Risk Management; issues its opinion on setting remuneration for the Head of Internal Audit in line with company policy;
- b) In advance, examines activity programs (including the audit plan) and annual reports from Compliance, Internal Audit and Group Risk Management destined for the Board, as well as periodical reports prepared by these functions above and beyond legal or regulatory requirements;

- c) Evaluates and issues opinions to the Board on compliance with the principles pursuant to which the internal audit and corporate organizations system must be harmonized, and the requirements that must be complied with by the Compliance, Internal Audit and Group Risk Management functions, drawing the Board's attention to any weaknesses and consequent corrective actions to be implemented; for this purpose, it assesses proposals put forward by the CEO;
- d) Through valuations and opinions, contributes to defining company policy on the outsourcing of the internal control functions;
- e) Verifies that the Compliance, Internal Audit and Group Risk Management functions correctly comply with the Board's indications and guidelines, assisting the Board in drafting the coordination documents envisaged under Circular 263 issued by Banca d'Italia;
- f) Examines and assesses the correct use of accounting principles and their uniformity with regard to drafting the main accounting documents (such as, by way of example, operating and consolidated financial statements, interim operating reports, etc.), for this purpose coordinating with the manager in charge of drafting company's accounting documents and the Board of Statutory Auditors;
- g) Examines the work carried out by the Group external auditor and the results stated in their reports and any letters and suggestions;
- h) Assesses any findings that may emerge in reports from Internal Audit and Compliance, or from the Board of Statutory Auditors and Group companies or from enquiries and/or investigations carried out by third parties;
- i) May seek specific audit interventions, at such time informing the Chairman of the Board of Statutory Auditors;
- j) Analyses Group guidelines for the Compliance function that fall within its sphere of competence, monitoring that they have been adopted and implemented;
- k) Requests that the Head of Internal Audit draft any proposals for the qualitative and quantitative improvement of the function itself.

With a special focus on risk management and control-related issues, the Committee offers a support function to the Board of Directors in:

- Defining and approving strategic orientations and risk governance policies with special reference to risk appetite and risk tolerance. For this purpose, it also examines the annual budget drafting guidelines;
- Verifying that risk strategies, governance policies and the Risk Appetite Framework (RAF) have correctly been implemented;
- Defining policies and processes for evaluating corporate activities, including verification that the price and conditions of client operations comply with the risk-related business model and strategies.

Without prejudice to the competencies of the Remuneration Committee, the Committee checks that the incentives underlying the remuneration and incentives system comply with the RAF, particularly taking into account risks, capital and liquidity.

The Committee reports to the Board of Directors on the work it has done after every meeting. Moreover, the Committee reports to the Board of Directors on the status and effectiveness of the Group's internal control system.

## 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 Code 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 current composition of the Committee is the following: Mr. Cesare Bisoni (Chairman), Ms. Lucrezia Reichlin, Ms. Paola Vezzani.

In 2015 the Related-Parties and Equity Investments Committee held 15 meetings.

## Duties

The Committee operates on a consultative and proposition-making basis. The Committee oversees issues concerning transactions with related parties pursuant to CONSOB Regulation 17221/2010 and transactions with associated parties pursuant to Banca d'Italia Circular 263/2006 (Title V, Chapter 5), as well as issues concerning investments in non-financial equities pursuant to Banca d'Italia Circular 285/2013 (Third Part, Chapter 1), within the limitations of the role attributed to independent directors by the aforementioned provisions.

As far as transactions with related and associated parties are concerned, the Committee:

- Formulates advance opinions (binding where applicable) on procedures governing the identification and management of transactions with related parties and/or associated parties undertaken by UniCredit and/or Group companies, as well as relevant amendments;
- Formulates advance and justified opinions as expressly envisaged, including any interest in completing transactions with related parties and/or associated parties undertaken by UniCredit and/or Group companies, as well as on the convenience and substantive propriety of the conditions associated;

## Governance organizational structure

- In the case of the most important transactions with related parties and/or associated parties, the Committee is involved – if deemed necessary through one or more delegated members – during the negotiations stage and during due diligence, receiving a full and timely flow of information, and including the power to request information and make comments to the delegated bodies and parties assigned to perform the negotiations or due diligence;
- Expresses its opinion, on the basis of the information made available by the competent office of the Bank, about significant topics concerning the Group Perimetro Unico on related and associated parties.

The Committee works with an assurance that constant monitoring takes place of transactions envisaged by the procedures for the identification and management of transactions with related parties and/or associated parties, including for the purpose of enabling it to propose any corrective actions.

As regards investments in non-financial equities, the Committee acts in an assessment, support and proposition-making role with regard to organizing and enacting internal controls on overall activities of making and managing equity investments in non-financial companies, in addition to overall verification of compliance within the sphere of these equity investments in terms of strategic and operational guidelines.

### a) Temporary replacement in cases of conflict of interest

For each individual transaction, Committee members must not be associated with the counterparty, its associated parties and/or entities associated with it.

If a Committee member is a counterparty in the transaction under examination (or is related/associated with the counterparty), he/she must promptly inform the Chairman of the Board of Directors and the Committee Chairman, and abstain from attending further Committee proceedings with regard to the transaction in which the relationship exists. Having consulted with the Committee Chairman (if he/she is not in conflict), the Chairman of the Board of Directors shall immediately take steps to replace the member who has this conflict of interest with another member from the Board of Directors who qualifies as independent pursuant to the Corporate Governance Code for listed companies, after contacting them beforehand, in order to restore the Committee to three non-related and non-associated independent directors.

### b) Temporary replacement of members who are not available during urgent transactions

For transactions for which completion is urgent that require intervention from the Related-Parties and Equity Investments Committee during negotiations and due diligence and/or in the opinions phase, having acknowledged this urgency and noted that the majority or all members are unable to meet and in any event carry out the required activity within the deadline for concluding the transaction, the Committee Chairman shall promptly inform the Chairman of the Board of Directors of this situation.

In any event, this must be communicated no later than the day after the day on which the Committee Chairman was

informed that the majority or all Committee members were not available.

Having consulted the CEO for his/her assessment that the transaction cannot be delayed, the Chairman of the Board of Directors immediately takes steps to find three directors to sit on the Committee and follow the process envisaged for temporary substitutions in cases of conflict of interest.

- - -

As regards sections a and b above, it should be noted that:

- Replacements must be provided with all available information in good time before the meeting at which the Committee is due to express its opinion on the transaction;
- Replacements undertake the duties allocated to them until the conclusion of the decision-making process on the transaction for which they were involved, and remain involved in the decisions taken by the Committee.

## Corporate Governance, HR and Nomination Committee

The Corporate Governance, HR and Nomination Committee is comprised of 7 Directors, all non-executive and the majority of whom are independent pursuant to the Articles of Association. The Chairman of the Board is member by right. Committee meetings shall be scheduled on a monthly basis.

The current composition of the Committees is the following: Mr. Giuseppe Vita (member by right as Chairman of the Board of Directors); Mr. Luca Cordero di Montezemolo (Chairman), Mr. Vincenzo Calandra Buonaura, Mr. Fabrizio Palenzona, Mr. Alessandro Caltagirone, Ms. Clara C. Streit and Ms. Elena Zambon.

In 2015, the Corporate Governance, HR and Nomination Committee held 9 meetings.

## Duties

The Committee provides opinions to Board, amongst other issues on:

- Defining the UniCredit corporate governance system, corporate structure and Group governance models and guidelines;
- Defining the self-assessment process, the qualitative and quantitative composition of the Board deemed to be optimal, and the maximum number of posts held at other companies considered compatible with effectively fulfilling these roles at UniCredit;
- Verifying that UniCredit Directors are in possession of statutory and Articles of Association-based requirements (including requirements on interlocking directorates envisaged under applicable law), and verifying the

correspondence between the qualitative and quantitative position of the Board considered optimal and the outcome downstream from the appointments process;

- d) Appointing the CEO, General Manager, Deputy General Managers and other directors with strategic responsibilities, as well as Senior Executive Vice Presidents;
- e) Defining policy on the appointment and succession plan for the CEO, General Manager, Deputy General Managers and other directors with strategic responsibilities, Senior Executive Vice Presidents, Group Management Team (Executive Vice Presidents) and Leadership Team (Senior Vice Presidents);
- f) Defining policy for the appointment of corporate officers (members of the Boards of Directors, Boards of Statutory Auditors and Supervisory Boards) at Group companies;
- g) Designating corporate officers (members of the Boards of Directors, Boards of Statutory Auditors and Supervisory Boards) at the main companies (UniCredit Bank AG, UniCredit Bank Austria, Fineco Bank, Bank Pekao, Mediobanca, Associazione Bancaria Italiana, UniCredit Foundation and UniCredit & Universities);
- h) Identifying candidates for the post of UniCredit director in the case of co-optation, and, in case the Board should present a list of candidates for the position of independent director for submission to the UniCredit Shareholders' Meeting, taking into account any indications from shareholders;
- i) Appointing members to the other Board committees.

Furthermore, the Committee:

- Sets targets for the least-well represented gender, and prepares a plan to increase this proportion up to a set target;
- Prepares proposals for the Board of Directors on the selection of staff appointed to conduct the Board's self-assessment process;
- Provides support, coordinating with the Internal Controls & Risks Committee, in order to propose to the Board of Directors who should be appointed as the Head of Internal Audit, Compliance and Group Risk Management;
- Undertakes research to help the Board of Directors prepare a succession plan for executive directors.

## Remuneration Committee

The Remuneration Committee is comprised of 5 Directors, all non-executive and the majority of whom are independent pursuant to the Articles of Association. The Chairman of the Board of Directors is member by right.

The Corporate Bodies Regulations provide for at least one member of the Committee to have adequate knowledge and experience in finance or remuneration policies for the

Board of Directors, to be assessed at such time as he/her is appointed to the Committee.

Committee meetings shall be scheduled on a quarterly basis.

In order that the incentive contained in the compensation and incentive schemes are consistent with the Bank's risk, capital and liquidity management, the Committee may avail itself of experts, even external experts, on such matters.

The Group Chief Risk Officer is invited to attend Committee meetings to ensure that incentive schemes are appropriately updated to take into account all of the risks that the Bank has taken on, pursuant to methodologies that comply with the methodologies adopted by the Bank in managing risk for regulatory and internal purposes.

The Chairman of the Board of Statutory Auditors or another Auditor designated by the Chairman may also attend meetings, as indeed may other Auditors.

The current composition of the Committees is the following: Mr. Giuseppe Vita (member by right as Chairman of the Board of Directors); Mr. Alessandro Caltagirone (Chairman), Ms. Henryka Bochniarz, Mr. Alexander Wolfring and Mr. Anthony Wyand.

In 2015, the Remuneration Committee held 8 meetings.

## Duties

Among other things, the Committee:

- Formulates proposals to the Board on remuneration of members of the Board of Directors, the General Manager, Deputy General Managers, the Heads of Internal Control Functions and the personnel whose remuneration and incentive systems are decided upon by the Board;
- With regard to the CEO's earnings, serves in an advisory capacity in terms of setting the performance targets associated with the variable portion of the CEO's remuneration;
- Acts in an advisory capacity on setting criteria for remunerating the most significant employees, as identified pursuant to applicable Banca d'Italia provisions.

The Committee further issues opinions to the Board on:

- a) The remuneration policy for Senior Executive Vice Presidents, the Group Management Team (Executive Vice Presidents) and the Leadership Team (Senior Vice Presidents);
- b) Approves Group incentive schemes based on financial instruments;
- c) Remuneration policy for corporate officers (members of Boards of Directors, Boards of Statutory Auditors and Supervisory Boards) at Group companies.

Members of the Committee regarding whom the Committee is called upon to express its opinion on their remuneration as a result of their specific assignments shall not attend meetings at which the proposal for such remuneration is calculated.

Furthermore, the Committee:

- Directly supervises the correct application of rules regarding the remuneration of the Heads of internal control functions, working closely with the Board of Statutory Auditors;
- Works with the other committees, particularly the Internal Controls & Risks Committee in relation to the tasks assigned to the same with regard to the verification that the incentive contained in the compensation and incentive schemes are consistent to the RAF, ensuring the involvement of the corporate functions responsible for drawing up and controlling remuneration and incentive policies and practices;
- Provides appropriate feedback on its operations to the Board of Directors, Board of Statutory Auditors and the Shareholders' Meeting;
- Where necessary drawing on information received from relevant corporate functions, expresses an opinion on the achievement of the performance targets associated with incentive schemes, and on the checking of the other conditions set for bonus payments.

## Board Committees

Members	Exec.	Non exec.	Indep. as per Articles of Association and Code	Internal Controls & Risks Committee		Remuneration Committee		CGHR&N Committee		Related-Parties and Equity Investments Committee	
				*	**	*	**	*	**	*	**
Vita Giuseppe		X		M	100%	M <sup>(1)</sup>	87.50%	M <sup>(1)</sup>	91.67%		
Calandra Buonaura Vincenzo		X		M <sup>(2)</sup>	100%			M	100%		
Cordero di Montezemolo Luca		X	X					C <sup>(3)</sup>	75%		
Palenzona Fabrizio		X		M <sup>(2)</sup>	87.50%			M	91.67%		
Ghizzoni Federico <sup>(4)</sup>	X										
Al Mehairi Mohamed Hamad		X	X								
Bischoff Manfred		X									
Bisoni Cesare		X	X	M <sup>(2)</sup>	100%					C <sup>(2)</sup>	100%
Bochniarz Henryka		X	X			M	100%				
Caltagirone Alessandro		X	X			C <sup>(3)</sup>	75%	M	58.33%		
Jung Helga		X									
Reichlin Lucrezia		X	X	M	84.61%					M <sup>(2)</sup>	100%
Streit Clara C.		X	X	M <sup>(2)</sup>	87.50%			M <sup>(2)</sup>	85.71%		
Vezzani Paola		X	X	M <sup>(2)</sup>	100%					M <sup>(2)</sup>	100%
Wolfgring Alexander <sup>(1)</sup>		X	X	C <sup>(3)</sup>	100%	M	100%				
Wyand Anthony <sup>(4)</sup>		X		M <sup>(1)</sup>	100%	M	100%				
Zambon Elena		X	X					M <sup>(2)</sup>	100%		
<b>----- Members that left off during the Period -----</b>											
Fois Candido		X		M <sup>(5)</sup>	100%	M <sup>(5)</sup>	66.67%				
Al Fahim Mohamed Ali		X	X								
Al-Husseiny Mohamed Badawy		X	X								
Giacomin Francesco		X		M <sup>(5)</sup>	80%						
Li Calzi Marianna		X	X	M <sup>(5)</sup>	100%					C <sup>(5)</sup>	100%
Maramotti Luigi		X	X	M <sup>(5)</sup>	60%			M <sup>(5)</sup>	60%		
Quaglia Giovanni		X	X					M <sup>(5)</sup>	100%	M <sup>(5)</sup>	100%
Sassoli de Bianchi Lorenzo		X	X	M <sup>(5)</sup>	60%					M <sup>(5)</sup>	85.71%
<b>No. of meetings held during the financial year</b>				<b>IC&amp;RC: 13</b>		<b>RC: 8</b>		<b>CGHR&amp;NC: 12</b>		<b>RP&amp;EIC: 15</b>	
<b>NOTE:</b>											
* 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 held during the concerned party's term of office with regard to the Period)											
(1) Chairman until May 12, 2015											
(2) Office held since May 13, 2015											
(3) Chairman since May 13, 2015											
(4) Since May 12, 2015 the Director no longer holds the office of member of the Corporate Governance HR, and Nomination Committee. The percentage of meeting attendance is equal to 100%.											
(5) Office held until May 12, 2015											

## Board of Statutory Auditors

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

Permanent and substitute members of the Board of Statutory Auditors are appointed on the basis of a proportional representation mechanism (*voto di lista*) in accordance with 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, as defined by current provisions (also regulatory) in force, shall be

selected 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 Shareholders' Meeting of May 11, 2013, appointed the permanent and substitute Statutory Auditors for the 2013 – 2015 financial years, with term of office until the date of the Shareholders' Meeting called upon to approve the 2015 financial statements.

In the following chart there is quoted the information regarding the members of the Board of Statutory Auditors in office at the approval date of this document.

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	14-4-2016	m	X	98%	
Permanent Statutory Auditor	Bonissoni Angelo Rocco <sup>(1)</sup>	13-05-2015	14-4-2016	--	X	100%	
Permanent Statutory Auditor	Laghi Enrico	11-5-2013	14-4-2016	M	X	67%	3
Permanent Statutory Auditor	Singer Pierpaolo <sup>(2)</sup>	9-12-2015	14-4-2016	--	X	100%	
Permanent Statutory Auditor	Spinardi Maria Enrica	11-5-2013	14-4-2016	m	X	100%	1
----- Statutory Auditors who terminated their office during the Period -----							
Permanent Statutory Auditor	Alberti Giovanni Battista	11-5-2013	9-11-2015	M	X	100%	
Permanent Statutory Auditor	Bisoni Cesare	11-5-2013	15-04-2015	M	X	100%	
Permanent Statutory Auditor	Bonato Federica <sup>(2)</sup>	11-5-2013	9-12-2015	M	X	43%	1
Substitute Statutory Auditor	Sfameni Paolo Domenico	11-5-2013	9-12-2015	M			1
Substitute Statutory Auditor	Lombardini Beatrice	11-5-2013	9-12-2015	m			
<b>Quorum required for the submission of the slates for the latest appointment: 0.5%</b>							
<b>Number of meetings held during the financial year: 42</b>							
NOTE							
* <b>M</b> = Member elected from the slate obtaining the majority of the Shareholders' votes <b>m</b> = Member elected from the slate voted by a minority							
** Meetings' attendance percentage (number of meetings 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 by the concerned 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 of May 13, 2015 in replacement of Mr. Cesare Bisoni, who resigned on April 15, 2015. From his resignation until the Shareholders' Meeting, the office was held by Ms. Federica Bonato pursuant to Article 2401 of the Italian Civil Code.							
(2) He took office on December 9, 2015, pursuant to Article 2401 of the Italian Civil Code, replacing Ms. Federica Bonato, who had resigned from her office as permanent Statutory Auditor, which she had taken pursuant to Article 2401 of the Italian Civil Code, in order to replace Mr. Giovanni Battista Alberti, who had resigned on November 9, 2015. Mr. Singer was appointed after the substitute Statutory Auditors Mr. Paolo Domenico Sfameni and Ms. Beatrice Lombardini communicated their refusal to replace Ms. Bonato.							

## 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, 2015, the UniCredit major shareholders (shareholders owning more than 2%) were as follows:

Declarant	Direct Shareholder	% of ordinary capital	% of voting capital
<b>International Petroleum Investment Company</b>	<b>Aabar Luxembourg S.a.r.l.</b>	<b>5.049%</b>	<b>5.049%</b>
<b>BlackRock Inc.</b>		<b>5.026%</b>	<b>5.026%</b>
	<i>BlackRock Institutional Trust Company, National Association</i>	1.216%	1.216%
	<i>BlackRock Advisors (UK) Limited</i>	1.210%	1.210%
	<i>BlackRock Fund Advisors</i>	1.013%	1.013%
	<i>BlackRock Asset Management Deutschland AG</i>	0.782%	0.782%
	<i>BlackRock Advisors, LLC</i>	0.205%	0.205%
	<i>BlackRock Investment Management, LLC</i>	0.188%	0.188%
	<i>BlackRock Investment Management (UK) Limited</i>	0.171%	0.171%
	<i>BlackRock Japan Co., Ltd</i>	0.105%	0.105%
	<i>BlackRock Asset Management Canada Limited</i>	0.033%	0.033%
	<i>BlackRock Investment Management (Australia) Limited</i>	0.032%	0.032%
	<i>BlackRock (Netherlands) B.V.</i>	0.027%	0.027%
	<i>BlackRock International Limited</i>	0.022%	0.022%
	<i>BlackRock Financial Management, Inc.</i>	0.018%	0.018%
	<i>BlackRock Capital Management Inc.</i>	0.002%	0.002%
	<i>BlackRock Asset Management North Asia Ltd</i>	0.001%	0.001%
<b>Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona</b>	<b>Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona</b>	<b>3.467%</b>	<b>3.467%</b>
<b>Central Bank of Libya</b>		<b>2.929%</b>	<b>2.929%</b>
	<i>Central Bank of Libya</i>	2.646%	2.646%
	<i>Libyan Foreign Bank</i>	0.283%	0.283%
<b>Fondazione Cassa di Risparmio di Torino</b>	<b>Fondazione Cassa di Risparmio di Torino</b>	<b>2.522%</b>	<b>2.522%</b>

## Governance organizational structure

<b>SHARE CAPITAL (AS AT DECEMBER 31, 2015)</b>	<b>SHARES</b>	<b>EURO</b>
Total shares	5,969,658,488	20,257,667,511.62
Ordinary shares	5,967,177,811	20,249,249,487.38
Savings shares	2,480,677	8,418,024.24

## 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



**PAOLO  
FIORENTINO**

Deputy General  
Manager  
Chief Operating  
Officer



**MARINA  
NATALE**

Deputy General  
Manager  
Head of Strategy  
& Finance



**GIANNI  
FRANCO PAPA**

Deputy General  
Manager  
Head of CIB  
Division



**GIANPAOLO  
ALESSANDRO**

Head of Group  
Legal, Secretary  
of the BoD



**CARLO  
APPETITI**

Group Compliance  
Officer



**WILLIBALD  
CERNKO**

Country Chairman  
Austria



**PAOLO  
CORNETTA**

Group Head of  
Human Resources



**MASSIMILIANO  
FOSSATI**

Group Chief  
Risk Officer



**ALESSANDRO  
FOTI**

Head of Asset  
Gathering



**LUIGI  
LOVAGLIO**

Country Chairman  
Poland



**GABRIELE  
PICCINI**

Country Chairman  
Italy



**THEODOR  
WEIMER**

Country Chairman  
Germany



**CARLO  
VIVALDI**

Head of Central  
and Eastern  
Europe Division

# 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

**Giovanni Chelo**  
Chief Executive Officer- UniCredit Subito Casa

**Felice Delle Femine**  
Country Development & Value Optimization Italy

**Diego Donisi**  
Head of GBS UniCredit Leasing

**Gianluca Finistauri**  
Head of Multichannel Distribution Integrated  
Strategy

**Giovanni Forestiero**  
Regional Manager Centro

**Frederik Geertman**  
General Manager Cordusio SIM

**Stefano Giorgini**  
Regional Manager Centro Nord

**Lucio Izzi**  
Head of Corporate Sales & Marketing

**Paolo Langè**  
Chief Executive Officer - Cordusio SIM

**Renato Martini**  
Chief Executive Officer - UniCredit Factoring

**Rodolfo Ortolani**  
Cordusio Fiduciaria SpA

**Corrado Piazzalunga**  
Chief Executive Officer - UniCredit Leasing

**Salvatore Pisconti**  
Head of Private Banking Italy Network

**Dario Prunotto**  
Regional Manager Nord Ovest

**Remo Taricani**  
Head of Individuals & Small Business  
Sales & Marketing

#### COUNTRY AUSTRIA

**Robert Zadrazil**  
Head of Private Banking -  
UniCredit Bank Austria

**Peter Hofbauer**  
Special Projects Country Chairman 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  
**Giampiero Bergami**  
Head of CIB - CCB Italy Joint Venture

**Gianfranco Bisagni**  
Deputy Head of CIB Division

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

**Claudio Camozzo**  
co-Head Global Transaction Banking (GTB)

**Michael Diederich**  
Head of CIB Germany

**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)

**Vittorio Ogliengo**  
Head of CIB Italy

**Ernst Ohmayer**  
co-Head Global Transaction Banking (GTB)

**Patrick Soulard**  
Country Head France

#### ASSET MANAGEMENT

**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

**Graziano Cameli**  
General Manager - Russia

**Andrea Casini**  
General Manager - Bulgaria

**Claudio Cesario**  
Chief Executive Officer - Serbia

**Romeo Collina**  
General Manager - Croatia

**Marco Cravario**  
General Manager - Romania

**Levon Hampartzoumian**  
Chief Executive Officer - Bulgaria

### EXECUTIVE VICE PRESIDENT

ASSET GATHERING  
**Mauro Albanese**  
Head of Commercial PFA Network - Finecobank

**Paolo Di Grazia**  
Head of Direct Bank - Finecobank

**Carlo Giausa**  
Head of Investment Services and Wealth  
Management - Finecobank

**Fabio Milanese**  
Head of GBS - Finecobank

#### COUNTRY ITALY

**Ferdinando Brandi**  
Head of No Core Portfolio Coordination

**Giovanni Buson**  
Head of Organization Italy

**Monica Cellerino**  
Head of Customer Satisfaction And Stakeholder  
Insight Italy

**Paolo Iannone**  
General Manager - Czech Republic

**Csilla Ihasz**  
Head of CEE Retail

**Jiri Kunert**  
Chief Executive Officer - Czech Republic

**Mauro Maschio**  
General Manager - Ukraine

**Enrico Maria Minniti**  
Head of CIB CEE

**Mihaly Patai**  
Chief Executive Officer - Hungary

**Rasvan Radu**  
Chief Executive Officer - Romania

**Luca Rubaga**  
Head of CEE CIO & CSO

**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

**Angelika Plauk**  
Head of Audit Management - UniCredit Bank AG

##### CFO

**Mirko Davide Georg Bianchi**  
Chief Financial Officer - UniCredit Bank Austria

**Stefano Ceccacci**  
Head of Group Tax Affairs

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

**Waleed Bahjat El Amir**  
Head of Group Finance

**Francesco Giordano**  
Chief Financial Officer - UniCredit Bank AG

**Marco Iannaccone**  
Chief Financial Officer - Turkey

**Andrea Francesco Maffezzoni**  
Head of Strategy, Business Development and M&A

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

**Bernardo Mingrone**  
Head of Planning & Finance (CFO)

**Lorena Pellicciari**  
Chief Financial Officer - Finacobank

**Stefano Porro**  
Head of Planning and Capital Management

**Arcangelo M. Vassallo**  
Head of Accounting & Regulatory Reporting

##### RISK MANAGEMENT

**Diego Biondo**  
Chief Risk Officer - Bank Pekao

**Maurizio Maria Francescatti**  
Group Financial Risk

**Juergen Kullnigg**  
Chief Risk Officer - UniCredit Bank Austria

**Andrea Varese**  
Chief Risk Officer - UniCredit Bank AG

**Wolfgang Schilk**  
Chief Risk Officer - Turkey

**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

**Cihangir Kavuncu**  
HR Digital and Operating Officer

**Luigi Luciani**  
Head of HR Italy

**Ivan Tardivo**  
Head of HR CIB Division

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

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

##### LEGAL

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

##### ORGA

**Sandra Betocchi**  
Head of CIB Organization

**Giandomenico Miceli**  
Group Processes, Operations & Cost Management

**Paolo Tripodi**  
Head of Group Organization and Logistics

##### HEAD OFFICE FUNCTIONS

**Aurelio Maccario**  
co-Head of Group Institutional & Regulatory Affairs

**Giuseppe Scognamiglio**  
co-Head of Group Institutional & Regulatory Affairs

##### COO AREA

**Daniilo Augugliaro**  
Banking Service Lines Management - UniCredit Business Integrated Solutions (UBIS)

**Alessandro Cataldo**  
Chairman I-Faber

**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 Board Member of UGBS GmbH

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

**Carlo Marini**  
COO Business Management

**Massimo Milanta**  
Head of Group ICT and Security Office (CIO & CSO)

**Roberto Monachino**  
Group Data Officer

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

**Alberto Naef**  
COO Business Management

**Laura Stefania Penna**  
Head of Management Consultancy

**Roberto Vergnano**  
Head of GBS - Bank Pekao

**Marian Wazynski**  
Head of Logistics & Procurement - Bank Pekao

\* Data as at February 9, 2016



# I'd rather play basketball.

Let's talk about making the right investments.

Nina's father thinks she has a future as a dancer, but she has other plans. What exactly? Well, actually, she changes her mind every day ... basketball player, pop singer, pianist, actress. Right now, she's probably just not mature enough to invest seriously in her future. But Nina's father doesn't see that. He could use some wise advice.

Everyone has different goals and needs – and everyone can use a good consultant to help meet them. That's why we take care of each of our customers by tailoring our solutions to their individual needs.

This premium approach is especially popular with our clients in Germany, thanks to the FinanzKonzept project, which provides an interactive consulting platform for integrated advice.

This is financial counseling 2.0: Smart, transparent, available via video and telephone, from advisors with the right skills. We are doing this because, in a world of data and numbers, it makes a difference to have a personal relationship with clients and figure out together what to expect from the future.

# Consolidated Financial Statements

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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**.



## Consolidated Accounts

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## Consolidated Balance Sheet

## Consolidated Balance Sheet

(€ '000)

BALANCE SHEET - ASSETS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
10. Cash and cash balances	10,303,334	8,051,122
20. Financial assets held for trading	90,996,708	101,225,546
30. Financial assets at fair value through profit or loss	34,368,295	31,803,397
40. Available-for-sale financial assets	109,806,652	97,636,497
50. Held-to-maturity investments	2,093,301	2,583,911
60. Loans and receivables with banks	80,073,334	68,730,127
70. Loans and receivables with customers	473,998,521	470,568,766
80. Hedging derivatives	5,368,364	9,114,167
90. Changes in fair value of portfolio hedged items (+/-)	2,641,257	2,873,397
100. Equity investments	6,576,603	6,479,456
110. Insurance reserves attributable to reinsures	-	-
120. Property, plant and equipment	10,030,830	10,276,994
130. Intangible assets	5,758,474	5,561,533
<i>of which: - goodwill</i>	<i>3,618,345</i>	<i>3,561,531</i>
140. Tax assets	15,725,896	15,771,739
<i>a) current tax assets</i>	<i>1,354,484</i>	<i>1,472,027</i>
<i>b) deferred tax assets</i>	<i>14,371,412</i>	<i>14,299,712</i>
<i>out of which for purposes of L. 214/2011</i>	<i>11,685,183</i>	<i>11,182,084</i>
150. Non-current assets and disposal groups classified as held for sale	2,820,068	3,599,748
160. Other assets	9,871,738	9,940,990
<b>Total assets</b>	<b>860,433,375</b>	<b>844,217,390</b>

Continued: Consolidated Balance Sheet

(€ '000)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT	
	12.31.2015	12.31.2014
10. Deposits from banks	111,372,678	106,036,913
20. Deposits from customers	449,790,439	410,411,985
30. Debt securities in issue	134,477,901	150,275,804
40. Financial liabilities held for trading	68,918,595	77,134,715
50. Financial liabilities at fair value through profit or loss	454,656	566,967
60. Hedging derivatives	6,148,629	8,621,943
70. Changes in fair value of portfolio hedged items (+/-)	5,105,112	6,528,527
80. Tax liabilities	1,528,801	1,750,457
<i>a) current tax liabilities</i>	941,347	1,129,850
<i>b) deferred tax liabilities</i>	587,454	620,607
90. Liabilities included in disposal groups classified as held for sale	1,879,999	1,650,458
100. Other liabilities	16,281,650	16,600,851
110. Provision for employee severance pay	1,134,776	1,180,206
120. Provisions for risks and charges	9,854,616	10,623,012
<i>a) post retirement benefit obligations</i>	5,198,039	7,293,416
<i>b) other provisions</i>	4,656,577	3,329,596
130. Insurance reserves	-	-
140. Revaluation reserves	(3,976,940)	(4,134,549)
150. Share capital repayable on demand	-	-
160. Equity instruments	1,888,463	1,888,463
170. Reserves	14,254,879	13,748,408
180. Share premium	15,976,604	15,976,604
190. Share capital	20,257,668	19,905,774
200. Treasury shares (-)	(8,171)	(2,795)
210. Minorities (+/-)	3,398,780	3,445,819
220. Net profit (loss) for the year (+/-)	1,694,240	2,007,828
<b>Total liabilities and Shareholders' Equity</b>	<b>860,433,375</b>	<b>844,217,390</b>

## Consolidated Income Statement

## Consolidated Income Statement

(€ '000)

ITEM	YEAR	
	2015	2014
10. Interest income and similar revenues	19,518,305	21,741,871
20. Interest expenses and similar charges	(7,859,847)	(9,680,036)
<b>30. Net interest margin</b>	<b>11,658,458</b>	<b>12,061,835</b>
40. Fee and commission income	9,417,551	9,154,220
50. Fee and commission expense	(1,599,083)	(1,648,101)
<b>60. Net fees and commissions</b>	<b>7,818,468</b>	<b>7,506,119</b>
70. Dividend income and similar revenue	409,719	402,484
80. Gains and losses on financial assets and liabilities held for trading	1,079,443	614,474
90. Fair value adjustments in hedge accounting	(14,146)	(9,046)
100. Gains (Losses) on disposal and repurchase of:	380,435	686,260
a) loans	28,628	16,953
b) available-for-sale financial assets	398,832	622,536
c) held-to-maturity investments	80	4,114
d) financial liabilities	(47,105)	42,657
110. Gains and losses on financial assets/liabilities at fair value through profit or loss	(4,913)	58,073
<b>120. Operating income</b>	<b>21,327,464</b>	<b>21,320,199</b>
130. Net losses/recoveries on impairment:	(4,142,896)	(4,520,392)
a) loans	(4,081,168)	(4,178,413)
b) available-for-sale financial assets	(59,165)	(248,594)
c) held-to-maturity investments	(6,271)	(242)
d) other financial assets	3,708	(93,143)
<b>140. Net profit from financial activities</b>	<b>17,184,568</b>	<b>16,799,807</b>
150. Premiums earned (net)	-	-
160. Other income (net) from insurance activities	-	-
<b>170. Net profit from financial and insurance activities</b>	<b>17,184,568</b>	<b>16,799,807</b>
180. Administrative costs:	(14,753,403)	(13,811,313)
a) staff expense	(8,669,363)	(8,203,792)
b) other administrative expense	(6,084,040)	(5,607,521)
190. Net provisions for risks and charges	(752,713)	(384,385)
200. Impairment/write-backs on property, plant and equipment	(677,754)	(762,916)
210. Impairment/write-backs on intangible assets	(475,289)	(430,574)
220. Other net operating income	1,138,543	1,263,619
<b>230. Operating costs</b>	<b>(15,520,616)</b>	<b>(14,125,569)</b>
240. Profit (Loss) of equity investments	620,083	682,307
250. Gains and losses on tangible and intangible assets measured at fair value	(1,888)	3,491
260. Impairment of goodwill	-	-
270. Gains and losses on disposal of investments	113,818	319,359
<b>280. Total profit or loss before tax from continuing operations</b>	<b>2,395,965</b>	<b>3,679,395</b>
290. Tax expense (income) related to profit or loss from continuing operations	(54,591)	(1,167,242)
<b>300. Total profit or loss after tax from continuing operations</b>	<b>2,341,374</b>	<b>2,512,153</b>
310. Profit (Loss) after tax from discontinued operations	(295,426)	(124,126)
<b>320. Net profit or loss for the year</b>	<b>2,045,948</b>	<b>2,388,027</b>
330. Minorities	(351,708)	(380,199)
<b>340. Profit (Loss) for the year attributable to the Parent Company</b>	<b>1,694,240</b>	<b>2,007,828</b>
Earnings per share (€)	0.27	0.34
Diluted earnings per share (€)	0.27	0.34

# Consolidated Statement of Comprehensive Income

## Notes to the Consolidated Income Statement:

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets "best effort" transactions (i.e. placement of financed instruments without underwriting risks) from "Gains and losses on financial assets and liabilities held for trading" to "Fee and commission income";
- the reclassification of the margins arising from currency trading with customers of a subsidiary from "Net Fee and commission income" to "from "Gains and losses on financial assets and liabilities held for trading";
- the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis;
- the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

For further information on earnings per share and diluted earnings per share please see Notes to the Accounts- Part C – Information on the Income Statement – Section 24.

## Consolidated Statement of Comprehensive Income

(€ '000)

ITEMS	YEAR	
	2015	2014
<b>10. Net profit (loss) for the year</b>	<b>2,045,948</b>	<b>2,388,027</b>
<b>Other comprehensive income after tax not reclassified to profit or loss</b>		
20. Property, plant and equipment	-	-
30. Intangible assets	-	-
40. Defined benefit plans	623,787	(1,471,052)
50. Non-current assets classified as held for sale	-	-
60. Portion of revaluation reserves from investments valued at equity	2,094	(2,943)
<b>Other comprehensive income after tax that may be reclassified to profit or loss</b>		
70. Hedges of foreign investments	-	-
80. Exchange differences	(253,168)	(1,660,581)
90. Cash flow hedges	(175,800)	106,205
100. Available-for-sale financial assets	286,428	1,071,362
110. Non-current assets classified as held for sale	3,766	1,458
120. Valuation reserves from investments accounted for using the equity method	(357,891)	272,385
<b>130. Total other comprehensive income after tax</b>	<b>129,216</b>	<b>(1,683,166)</b>
<b>140. Comprehensive income after tax (Item 10+130)</b>	<b>2,175,164</b>	<b>704,861</b>
150. Consolidated comprehensive income attributable to minorities	(322,191)	(365,820)
<b>160. Consolidated comprehensive income attributable to the Parent Company</b>	<b>1,852,973</b>	<b>339,041</b>

## Statement of Changes in Shareholders' Equity

Consolidated Statements of changes in Shareholders' Equity include Group and minorities portion.

**Statement of changes in Shareholders' Equity as at December 31, 2015**

	BALANCE AS AT 12/31/2014	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2015	ALLOCATION OF PROFIT FROM PREVIOUS YEAR	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Issued capital:					
a) ordinary shares	20,433,062	-	20,433,062	-	-
b) other shares	8,312	-	8,312	-	-
Share premiums	17,223,368	-	17,223,368	-	-
Reserves:					
a) from profits	8,523,226	-	8,523,226	1,979,605	-
b) other	6,503,965	-	6,503,965	-	-
Revaluation reserves	(4,130,026)	-	(4,130,026)	-	-
Advanced dividends	-	-	-	-	-
Equity instruments	1,888,463	-	1,888,463	-	-
Treasury shares	(2,845)	-	(2,845)	-	-
Net profit or Loss for the period	2,388,027	-	2,388,027	(1,979,605)	(408,422)
<b>Total Shareholders' Equity</b>	<b>52,835,552</b>	<b>-</b>	<b>52,835,552</b>	<b>-</b>	<b>(408,422)</b>
Shareholders' Equity Group	49,389,733	-	49,389,733	-	(8,315)
Shareholders' Equity minorities	3,445,819	-	3,445,819	-	(400,107)

**Note:**

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 of other reserves includes the negative effect due to the reclassification of actuarial gain/losses (valuation reserve) to equity reserves, related to the subsidiary UniCredit Bank Austria AG, deriving from the settlement of part of its defined benefit obligations (active employees) transferred to the Austrian pension system.

The change of revaluation reserve includes the positive effect for € 625 million of actuarial gain/losses from the measurement of the actuarial liabilities (defined benefit plans), of which € 499 million related to the above mentioned settlement transaction).

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

(€ '000)

CHANGES DURING THE YEAR												
CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS							COMPREHENSIVE INCOME 2015	TOTAL SHAREHOLDERS' EQUITY AS AT 12/31/2015	SHAREHOLDERS' EQUITY GROUP AS AT 12/31/2015	SHAREHOLDERS' EQUITY MINORITIES AS AT 12/31/2015	
	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
(62,845)	351,788	-	-	-	-	-	-	-	20,722,005	20,249,250	472,755	
-	106	-	-	-	-	-	-	-	8,418	8,418	-	
10,329	-	-	-	-	-	-	-	-	17,233,697	15,976,604	1,257,093	
(17,931)	(351,894)	-	(168,751)	-	-	-	-	-	9,964,255	8,745,881	1,218,374	
(961,304)	-	-	-	-	-	93,208	-	-	5,635,868	5,508,997	126,871	
(1,170)	-	-	-	-	-	-	-	129,216	(4,001,980)	(3,976,940)	(25,040)	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	1,888,463	1,888,463	-	
(8,307)	-	-	-	-	-	-	-	-	(11,152)	(8,171)	(2,981)	
-	-	-	-	-	-	-	-	2,045,948	2,045,948	1,694,240	351,708	
<b>(1,041,228)</b>	-	-	<b>(168,751)</b>	-	-	<b>93,208</b>	-	<b>2,175,164</b>	<b>53,485,523</b>	<b>50,086,743</b>	<b>3,398,780</b>	
(1,072,105)	-	-	(168,751)	-	-	93,208	-	1,852,973	50,086,743			
30,877	-	-	-	-	-	-	-	322,191	3,398,780			

## Statement of Changes in Shareholders' Equity

## 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 AND OTHER ALLOCATIONS
Issued capital:					
a) ordinary shares	20,050,370	-	20,050,370	-	-
b) other 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)
<b>Total Shareholders' Equity</b>	<b>50,055,685</b>	-	<b>50,055,685</b>	-	<b>(341,543)</b>
Shareholders' Equity Group	46,721,863	-	46,721,863	-	(4,043)
Shareholders' Equity minorities	3,333,822	-	3,333,822	-	(337,500)

**Note:**

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.

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 Fineco Bank S.p.A.

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

(€ '000)

CHANGES IN RESERVES	CHANGES DURING THE YEAR								COMPREHENSIVE INCOME 2014	TOTAL SHAREHOLDERS' EQUITY AS AT 12/31/2014	SHAREHOLDERS' EQUITY GROUP AS AT 12/31/2014	SHAREHOLDERS' EQUITY MINORITIES AS AT 12/31/2014
	SHAREHOLDERS' EQUITY TRANSACTIONS											
	ISSUE OF NEW SHARES	ADVANCED DIVIDENDS	ACQUISITION OF TREASURY SHARES	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	
<b>(117,687)</b>	-	-	<b>(176,392)</b>	<b>1,888,463</b>	-	<b>63,199</b>	<b>758,966</b>	<b>704,861</b>	<b>52,835,552</b>	<b>49,389,733</b>	<b>3,445,819</b>	
(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			

## Consolidated Cash Flow Statement

**Consolidated Cash Flow Statement (indirect method)**

(€ '000)

	YEAR	
	2015	2014
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>8,576,475</b>	<b>9,204,509</b>
- profit and loss of the period (+/-)	1,694,240	2,007,828
- capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities designated at fair value through profit and loss (+/-)	(1,410,037)	(2,111,247)
- capital gains/losses on hedging operations (+/-)	14,146	9,046
- net losses/recoveries on impairment (+/-)	6,490,834	6,767,084
- net write-offs/write-backs on tangible and intangible assets (+/-)	1,154,931	1,189,999
- provisions and other incomes/expenses (+/-)	743,849	(332,574)
- uncollected net premiums (-)	-	-
- other uncollected incomes and expenses from insurance activities (+/-)	-	-
- unpaid taxes and tax credits (+/-)	(826,807)	953,392
- Impairment/write-backs on discontinued operations, net of tax (-/+)	315,212	278,494
- other adjustments (+)	400,107	442,487
<b>2. Liquidity generated/absorbed by financial assets</b>	<b>(24,101,962)</b>	<b>(40,411,379)</b>
- financial assets held for trading	11,587,234	(19,215,676)
- financial assets at fair value	(2,557,960)	(1,209,169)
- available-for-sale financial assets	(11,974,802)	(16,302,233)
- loans and receivables with banks	(7,864,584)	(10,226,724)
- loans and receivables with customers	(12,787,908)	(524,112)
- other assets	(503,942)	7,066,535
<b>3. Liquidity generated/absorbed by financial liabilities</b>	<b>18,803,927</b>	<b>25,932,304</b>
- deposits from banks	5,395,137	383,559
- deposits from customers	40,011,688	29,050,602
- debt certificates including bonds	(20,362,029)	(10,714,141)
- financial liabilities held for trading	(7,514,068)	14,010,609
- financial liabilities designated at fair value	(112,311)	(168,516)
- other liabilities	1,385,510	(6,629,809)
<b>Net liquidity generated/absorbed by operating activities</b>	<b>3,278,440</b>	<b>(5,274,566)</b>
<b>B. INVESTMENT ACTIVITIES</b>		
<b>1. Liquidity generated by:</b>	<b>13,035,163</b>	<b>15,053,994</b>
- sales of equity investments	54,032	833,054
- collected dividends on equity investments	172,553	193,310
- sales of financial assets held to maturity	12,002,327	13,043,371
- sales of tangible assets	298,002	380,850
- sales of intangible assets	6,881	1,255
- sales of subsidiaries and divisions	501,368	602,154
<b>2. Liquidity absorbed by:</b>	<b>(13,192,575)</b>	<b>(13,136,445)</b>
- purchases of equity investments	(71,651)	(139,458)
- purchases of financial assets held to maturity	(11,547,275)	(11,378,664)
- purchases of tangible assets	(922,091)	(867,234)
- purchases of intangible assets	(651,558)	(682,089)
- purchases of sales/purchases of subsidiaries and divisions	-	(69,000)
<b>Net liquidity generated/absorbed by investment activities</b>	<b>(157,412)</b>	<b>1,917,549</b>
<b>C. FUNDING ACTIVITIES</b>		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	1,888,463
- distribution of dividends and other scopes	(841,871)	(611,623)
<b>Net liquidity generated/absorbed by funding activities</b>	<b>(841,871)</b>	<b>1,276,840</b>
<b>NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD</b>	<b>2,279,157</b>	<b>(2,080,177)</b>

Continued: Consolidated Cash Flow Statement (indirect method)

### Reconciliation

(€ '000)

ITEMS	YEAR	
	2015	2014
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8,051,122</b>	<b>10,520,172</b>
Net liquidity generated/absorbed during the period	2,279,157	(2,080,177)
Cash and cash equivalents: effect of exchange rate variations	(26,945)	(388,873)
<b>Cash and cash equivalents at the end of the year</b>	<b>10,303,334</b>	<b>8,051,122</b>

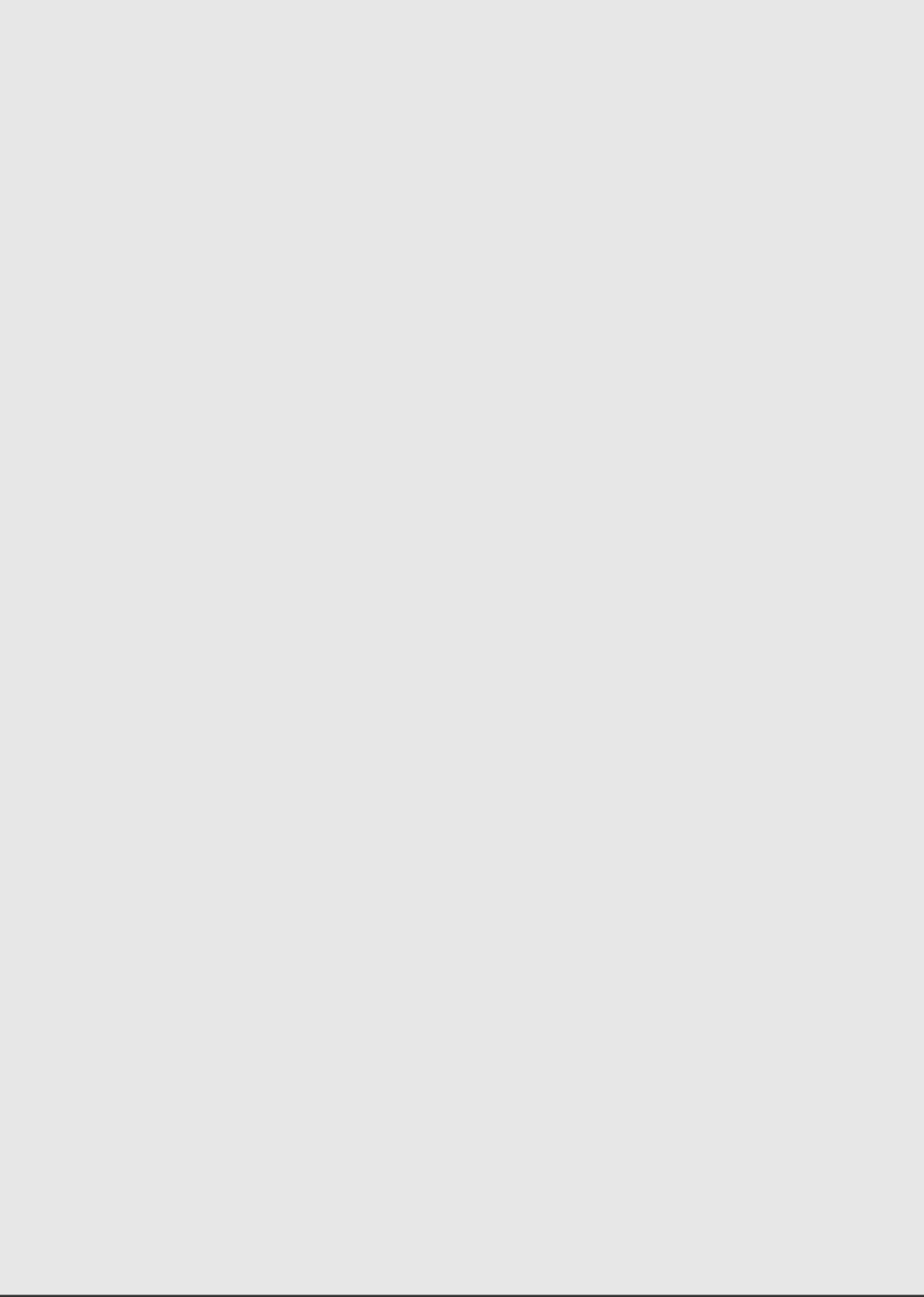
**Key:**

(+) generated;  
(-) absorbed.



## Notes to the Consolidated Accounts

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## Part A – Accounting Policies

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## 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, 2015, 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.

On 15 December 2015, the fourth update of this circular was issued, adapting the notes on “credit quality” to the definitions of impaired loans as “non-performing exposures” and “forborne exposures” laid down by the European Commission in Regulation 2015/227, as recommended by EBA. In addition, with this update some of the previously applicable templates of the tables have been rationalized.

In particular, the main rationalization changes to the disclosure templates concerned the following areas:

- in Part B disclosure on the balance sheet:
  - tables concerning annual changes to the financial instruments presented in the assets and liabilities of the balance sheet (for example, table 2.3 “On-balance-sheet financial assets held for trading: annual changes”);
- in Part E – Information on risks and related risk management policies:
  - Tables relating to the securitisation transactions provided for in Section 1 “Credit risks - C. securitisation transactions” (for example, tables C.1 “Exposures deriving from securitisation transactions broken down by quality of underlying assets”, C.4 “Exposures deriving from securitisation transactions broken down by portfolio and type”, and C.5 “Total amount of securitised assets underlying junior securities or other forms of credit support”);
  - in Section 1 “Credit risks - credit quality” of the consolidated financial statements, tables A.1.1. “Breakdown of financial assets by portfolio and credit quality (carrying value)” and A.1.2 “Breakdown of credit exposures by portfolio and credit quality (gross and net values)”, no distinction is made between “banking group” and “other companies”.

## 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 Consolidated Report on Operations and Annexes.

Pursuant to Art. 123-bis par. 3 of TUF, as noted in the Consolidated 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/governance-system-and-policies.html> - Italian version and <https://www.unicreditgroup.eu/en/governance/governance-system-and-policies.htm> - 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.

### 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.

## Part A – Accounting Policies

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 Turkey 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, 2015 are described below.

### Consolidated Accounts

For the preparation of the Consolidated Accounts as at December 31, 2015 the following sources have been used:

- UniCredit S.p.A. accounts at December 31, 2015;
- the accounts as at December 31, 2015, 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 Nuova Compagnia di Partecipazioni Group including Nuova Compagnia di Partecipazioni S.p.A. (formerly Compagnia Italtipetroli S.p.A.) and its direct and indirect subsidiaries, as at December 31, 2015.

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 limited review 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 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.

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.

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".

## Part A – Accounting Policies

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.

Carrying amount of the Joint Ventures is tested in accordance with IAS 36 as a single asset, by comparing it with the corresponding recoverable amount (i.e. higher of VIU and FV less cost to sell).

### 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. Carrying amount of Associates is tested in accordance with IAS 36 as a single asset, by comparing it with the corresponding recoverable amount (i.e. higher of VIU and FV less cost to sell).

### Equity Method

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	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>	
				HELD BY	HOLDING %		
<b>A.COMPANY</b>							
<b>A.1 LINE BY LINE METHOD</b>							
1	<b>UNICREDIT SPA</b>	<b>ROME</b>	<b>MILAN</b>	<b>HOLDING</b>			
	Issued capital 20,257,667,511.62						
2	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	MUNICH	MUNICH	01	GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND)	100.00	
	Issued capital EUR 613,550						
3	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG	GRUNWALD	GRUNWALD	01	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
	Issued capital EUR 26,000				SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	100.00	98.11
4	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG	GRUNWALD	GRUNWALD	01	A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG	100.00	98.11
	Issued capital EUR 26,000				ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
5	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG	GRUNWALD	GRUNWALD	01	ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	1.89
	Issued capital EUR 26,000				HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	98.11
6	AGROB IMMOBILIEN AG	ISMANING	ISMANING	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	52.72	75.02
	Issued capital EUR 10,000,000						
7	AI BETEILIGUNGS GMBH	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued capital EUR 35,000						
8	ALLEGRO LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued capital EUR 3,576,202				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
9	ALLIB LEASING S.R.O.	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
	Issued capital CZK 100,000						
10	ALLIB NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	ZAGREB	01	LOCAT CROATIA DOO	100.00	
	Issued capital HRK 20,000						
11	ALMS LEASING GMBH.	VIENNA	SALISBURG O	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
	Issued capital EUR 36,337						
12	ALPINE CAYMAN ISLANDS LTD.	GRAND CAYMAN	GEORGETOWN	01	UNICREDIT BANK AUSTRIA AG	100.00	
	Issued capital EUR 798						
13	ALTUS ALPHA PLC	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	<sup>(3)</sup>
14	ALV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
15	AMBASSADOR PARC DEDINJE D.O.O. BEOGRAD	BELGRADE	BELGRADE	01	UCTAM D.O.O. BEOGRAD	100.00	
	Issued capital RSD 2,715,063						

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
16 ANTARES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
17 ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB PROJEKT GMBH	90.00	
18 AO UNICREDIT BANK Issued capital RUR 41,787,805,174	MOSCOW	MOSCOW	01	UNICREDIT BANK AUSTRIA AG	100.00	
19 ARABELLA FINANCE LTD	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	<sup>(3)</sup>
20 ARANY PENZUEGYI LIZING ZRT. Issued capital HUF 60,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
21 ARENA NPL ONE S.R.L. (CARTOLARIZZAZIONE 2014)	VERONA	VERONA	04	UNICREDIT SPA	..	<sup>(3)</sup>
22 ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 511,300	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
23 ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
24 ARRONDA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 511,500	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
25 ATLANTERRA IMMOBILIENVERWALTUNGS GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	01	HVB PROJEKT GMBH	90.00	
26 AUFBAU DRESDEN GMBH Issued capital EUR 260,000	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
27 AUSTRIA LEASING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.40	
				GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.40	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
28 B 03 IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	90.00	
				INV TOTALUNTERNEHMER GMBH	10.00	
29 B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH Issued capital EUR 730,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.25	
				IMMOBILIEN HOLDING GMBH	99.75	
30 B A I BETEILIGUNGSVERWALTUNGS- GMBH Issued capital EUR 730,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.25	
				IMMOBILIEN HOLDING GMBH	99.75	
31 B.I. INTERNATIONAL LIMITED Issued capital EUR 792	GEORGE TOWN	GEORGE TOWN	01	TRINITRADE VERMOGENSV ERWALTUNGS- GESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
32 BA ALPINE HOLDINGS, INC. Issued capital USD 74,435,918	WILMINGTON	WILMINGTON	01	UNICREDIT BANK AUSTRIA AG	100.00	
33 BA BETRIEBSOBJEKTE GMBH Issued capital EUR 5,630,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
34 BA BETRIEBSOBJEKTE GMBH & CO BETA VERMIETUNGS OG Issued capital EUR 1,000	VIENNA	VIENNA	01	BA BETRIEBSOBJEKTE GMBH	94.00	
				MY DREI HANDELS GMBH	6.00	
35 BA BETRIEBSOBJEKTE PRAHA, SPOL.S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	01	BA BETRIEBSOBJEKTE GMBH	100.00	
36 BA CA LEASING (DEUTSCHLAND) GMBH Issued capital EUR 153,388	BAD HOMBURG	BAD HOMBURG	01	UNICREDIT LEASING S.P.A.	94.9	100.00
				TRAMITE SOCIETA' FIDUCIARIA NON DEL GRUPPO	5.1	<sup>(4)</sup>
37 BA CA SECUND LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
38 BA CREDITANSTALT BULUS EOOD Issued capital BGN 6,250,000	SOFIA	SOFIA	01	UNICREDIT LEASING EAD	100.00	
39 BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 363,364	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
40 BA GEBAEUDEVERMIEUNGSGMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	BA GVG-HOLDING GMBH	89.00	
				BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
				PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	1.00	
41 BA GVG-HOLDING GMBH Issued capital EUR 18,168	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
42 BA IMMO GEWINNSCHEIN FONDS1	VIENNA	VIENNA	04	UNICREDIT BANK AUSTRIA AG	..	<sup>(3)</sup>
43 BA-CA ANDANTE LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
44 BA-CA FINANCE (CAYMAN) II LIMITED Issued capital EUR 15,000	GEORGETOWN	GEORGETOWN	01	ALPINE CAYMAN ISLANDS LTD.	100.00	
45 BA-CA FINANCE (CAYMAN) LIMITED Issued capital EUR 15,000	GEORGETOWN	GEORGETOWN	01	ALPINE CAYMAN ISLANDS LTD.	100.00	
46 BA-CA LEASING DREI GARAGEN GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGESellschaft DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
47 BA-CA LEASING MAR IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
48 BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. Issued capital EUR 127,177	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
49 BA-CA PRESTO LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
50 BA-CA WIEN MITTE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
51 BA/CA-LEASING BETEILIGUNGEN GMBH Issued capital EUR 454,000	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
52 BACA CENA IMMOBILIEN LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
53 BACA HYDRA LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
54 BACA KOMMUNALLEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
55 BACA LEASING ALFA S.R.O. Issued capital CZK 110,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
56 BACA LEASING CARMEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
57 BACA LEASING GAMA S.R.O. Issued capital CZK 110,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
58 BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH Issued capital EUR 21,936,492	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	98.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
59 BACA NEKRETNINE DRUSTVO SA OGRANICENOM ODGOVORNOSCU Issued capital BAM 29,685,557	SARAJEVO	BANJA LUKA	01	DV ALPHA GMBH	100.00	
60 BACA-LEASING AQUILA INGATLANHASNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
61 BACA-LEASING OMIKRON INGATLANHASZNOSTO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
62	BACAL ALPHA DOO ZA POSLOVANJE NEKRETNINAMA	ZAGREB	ZAGREB	01	LOCAT CROATIA DOO	100.00
	Issued capital HRK 20,000					
63	BACAL BETA NEKRETNINE D.O.O. ZA POSLOVANJE NEKRETNINAMA	ZAGREB	ZAGREB	01	LOCAT CROATIA DOO	100.00
	Issued capital HRK 100,000					
64	BAI WOHNUNGSEIGENTUMSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	99.90
	Issued capital EUR 73,000				BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.10
65	BAL CARINA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
66	BAL DEMETER IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80
67	BAL HESTIA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
68	BAL HORUS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80
	Issued capital EUR 36,500				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
69	BAL HYPNOS IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80
	Issued capital EUR 36,500				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
70	BAL LETO IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80
71	BAL OSIRIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
72	BAL SOBEK IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80
73	BALEA SOFT GMBH & CO. KG	HAMBURG	HAMBURG	01	UNICREDIT LEASING GMBH	100.00
	Issued capital EUR 500,000					
74	BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH	HAMBURG	HAMBURG	01	UNICREDIT LEASING GMBH	100.00
	Issued capital EUR 50,000					

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
75	BANK AUSTRIA CREDITANSTALT LEASING IMMOBILIENANLAGEN GMBH	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80
	Issued capital EUR 36,500				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
76	BANK AUSTRIA FINANZSERVICE GMBH	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00
	Issued capital EUR 490,542					
77	BANK AUSTRIA HUNGARIA BETA LEASING KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00
	Issued capital HUF 3,000,000					
78	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				WOEM GRUNDSTUECKSV ERWALTUNGS-GESELLSCHAFT M.B.H.	99.80
79	BANK AUSTRIA LEASING HERA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,337				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80
80	BANK AUSTRIA LEASING IKARUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
81	BANK AUSTRIA LEASING MEDEA IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
82	BANK AUSTRIA REAL INVEST CLIENT INVESTMENT GMBH	VIENNA	VIENNA	01	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00
	Issued capital EUR 145,500					
83	BANK AUSTRIA REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH	VIENNA	VIENNA	01	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00
	Issued capital EUR 5,000,000					
84	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	94.95
	Issued capital EUR 10,900,500					
85	BANK AUSTRIA WOHNBAUBANK AG	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00
	Issued capital EUR 18,765,944					
86	BANK PEKAO SA	WARSAW	WARSAW	01	UNICREDIT SPA	50.10
	Issued capital PLN 262,470,034					
87	BANKHAUS NEELMEYER AG	BREMA	BREMA	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 12,800,000					
88	BARD ENGINEERING GMBH	EMDEN	EMDEN	04	BARD HOLDING GMBH	.. <sup>(3)</sup>
	Issued capital EUR 100,098					
89	BARD HOLDING GMBH	EMDEN	EMDEN	04	UNICREDIT BANK AG	.. <sup>(3)</sup>
	Issued capital EUR 25,000					
90	BAREAL IMMOBILIENTREUHAND GMBH	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00
	Issued capital EUR 35,000					

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
91 BARODA PIONEER ASSET MANAGEMENT COMPANY LTD Issued capital INR 880,440,640	MUMBAI	MUMBAI	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
92 BARODA PIONEER TRUSTEE COMPANY PVT LTD Issued capital INR 500,000	MUMBAI	MUMBAI	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
93 BAULANDENTWICKLUNG GDST 1682/8 GMBH & CO OEG Issued capital EUR 58,000	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	1.00	
				CALG IMMOBILIEN LEASING GMBH	99.00	
94 BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA. Issued capital BRL 351,531	SAO PAOLO	SAO PAOLO	01	UNICREDIT DELAWARE INC	0.47	
				UNICREDIT SPA	99.53	
95 BAYERISCHE WOHNUNGSGESELLSCHAFT FUER HANDEL UND INDUSTRIE, GESELLSCHAFT MIT BESCHRAENKTER HAFTUNG Issued capital EUR 51,150	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
96 BETEILIGUNGSVERWALTUNGSGESellschaft DER BANK AUSTRIA CREDITANSTALT LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
97 BF NINE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
98 BIL LEASING-FONDS GMBH & CO VELUM KG Issued capital EUR 2,556	GRUNWALD	GRUNWALD	01	BIL LEASING-FONDS VERWALTUNGS-GMBH	..	33.33
				UNICREDIT BANK AG	100.00	33.33
99 BIL LEASING-FONDS VERWALTUNGS-GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
100 BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. ACHTE OBJEKTE GROSSBRITANNIEN KG Issued capital EUR 5,500	MUNICH	MUNICH	01	WEALTHCAP FONDS GMBH	90.91	
				WEALTHCAP INVESTORENBETREUUNG GMBH	9.09	
101 BORGO DI PEROLLA SRL Issued capital EUR 2,043,952	MASSA MARITTIMA	MASSA MARITTIMA	01	FONDIARIA LASA SPA	100.00	
102 BREWO GRUNDSTUECKSERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
103 BUCHSTEIN IMMOBILIENVERWALTUNG GMBH UND CO OG Issued capital EUR 18,168	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
104 BUITENGAATS HOLDING B.V. Issued capital EUR 18,000	EEMSHAVEN	EEMSHAVEN	04	BARD ENGINEERING GMBH	..	<sup>(3)</sup>
105 BV GRUNDSTUECKSENTWICKLUNGS-GMBH Issued capital EUR 511,300	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
106 BV GRUNDSTUCKSENTWICKLUNGS- GMBH & CO. VERWALTUNGS-KG Issued capital EUR 511,292	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
107 CA-LEASING EURO, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
108 CA-LEASING KAPPA INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
109 CA-LEASING OVUS S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
110 CA-LEASING SENIOREN PARK GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
111 CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
112 CABET-HOLDING GMBH Issued capital EUR 290,909	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
113 CABO BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 35,000	VIENNA	VIENNA	01	CABET-HOLDING GMBH	100.00	
114 CAFU VERMOEGENSVERWALTUNG GMBH & CO OG Issued capital EUR 6,719,227	VIENNA	VIENNA	01	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
115 CAL-PAPIER INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
116 CALG 307 MOBILIEN LEASING GMBH Issued capital EUR 90,959	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	98.80 0.20 1.00	
117 CALG 443 GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH CALG IMMOBILIEN LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	98.80 1.00 0.20	
118 CALG 445 GRUNDSTUECKVERWALTUNG GMBH Issued capital EUR 18,168	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
119	CALG 451 GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80
	Issued capital EUR 36,500				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
120	CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80
	Issued capital EUR 36,500				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
121	CALG ANLAGEN LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 55,945,753				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
122	CALG ANLAGEN LEASING GMBH & CO GRUNDSTUECKVERMIETUNG UND -VERWALTUNG KG	MUNICH	MUNICH	01	CALG ANLAGEN LEASING GMBH	99.90
	Issued capital EUR 2,326,378					
123	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	99.80
	Issued capital EUR 13,318,789				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
124	CALG GAMMA GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	99.80
	Issued capital EUR 36,337				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
125	CALG GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	74.80
	Issued capital EUR 36,500				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00
126	CALG IMMOBILIEN LEASING GMBH	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	99.80
	Issued capital EUR 41,384,084				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
127	CALG IMMOBILIEN LEASING GMBH & CO. 1120 WIEN, SCHOENBRUNNER SCHLOSSSTRASSE 38-42 OG	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	99.80
	Issued capital EUR 300				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
128	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT ACHT OG	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	99.80
	Issued capital EUR 300				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
129	CALG IMMOBILIEN LEASING GMBH & CO. PROJEKT VIER OG	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	99.80
	Issued capital EUR 300				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
130	CALG MINAL GRUNDSTUECKVERWALTUNG GMBH	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	99.80
	Issued capital EUR 18,286				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
131	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : BIPCA CORDUSIO RMBS)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
132	CAPITAL MORTGAGE SRL (CARTOLARIZZAZIONE : CAPITAL MORTGAGE 2007 - 1)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
133	CARD COMPLETE SERVICE BANK AG	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	50.10
	Issued capital EUR 6,000,000					
134	CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH	VIENNA	VIENNA	01	CARD COMPLETE SERVICE BANK AG	5.00
	Issued capital EUR 75,000				UNICREDIT BANK AUSTRIA AG	52.00
					DC BANK AG	1.00
135	CASTELLANI LEASING GMBH	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	10.00
	Issued capital EUR 1,800,000				UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H.	90.00
136	CDM CENTRALNY DOM MAKLECKI PEKAO SA	WARSAW	WARSAW	01	BANK PEKAO SA	100.00
	Issued capital PLN 56,331,898					
137	CEAKSCH VERWALTUNGS G.M.B.H.( IN LIQ.)	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	100.00
	Issued capital EUR 35,000					
138	CENTAR KAPTOL DOO	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00
	Issued capital HRK 46,830,400					
139	CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC	CRACOVIA	CRACOVIA	01	BANK PEKAO SA	100.00
	Issued capital PLN 500,000					
140	CENTRUM KART SA	WARSAW	WARSAW	01	BANK PEKAO SA	100.00
	Issued capital PLN 26,782,648					
141	CHARADE LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
	Issued capital EUR 36,500				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00
142	CHEFREN LEASING GMBH	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00
	Issued capital EUR 36,500					
143	CIVITAS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
144	COFIRI S.P.A. IN LIQUIDAZIONE	ROME	ROME	01	UNICREDIT SPA	100.00
	Issued capital EUR 6,910,151					

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				HELD BY	HOLDING %	
145	COMMUNA - LEASING GRUNDSTUECKSV ERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	REAL-LEASE GRUNDSTUECKSV ERWALTUNGSGESELLSCHAFT M.B.H.	99.80
	Issued capital EUR 36,337				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
146	COMPAGNIA FONDIARIA ROMANA - SOCIETA' A RESPONSABILITA' LIMITATA	ROME	ROME	01	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	87.50
	Issued capital EUR 103,400				SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.	12.50
147	CONSORZIO QUENIT	VERONA	VERONA	01	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	55.00
	Issued capital EUR 10,000					
148	CONSUMER TWO SRL (CARTOLARIZZAZIONE : CONSUMER TWO)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
149	CONTRA LEASING-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
	Issued capital EUR 36,500				JAUSERN-LEASING GESELLSCHAFT M.B.H.	25.00
					UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
150	CORDUSIO RMBS - UCFIN SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS UCFIN - SERIE 2006)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
151	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2006)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
152	CORDUSIO RMBS SECURITISATION SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS SECURITISATION - SERIE 2007)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
153	CORDUSIO RMBS SRL (CARTOLARIZZAZIONE : CORDUSIO RMBS)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
154	CORDUSIO SIM - ADVISORY & FAMILY OFFICE SPA	MILAN	MILAN	01	UNICREDIT SPA	67.32 <sup>(5)</sup>
	Issued capital EUR 6,120,000					
155	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	MILAN	MILAN	01	UNICREDIT SPA	100.00
	Issued capital EUR 520,000					
156	CORIT - CONCESSIONARIA RISCOSSIONE TRIBUTI S.P.A. IN LIQUIDAZIONE	ROME	ROME	01	UNICREDIT SPA	60.00
	Issued capital EUR 1,243,732					
157	CRIVELLI SRL	MILAN	MILAN	01	UNICREDIT SPA	100.00
	Issued capital EUR 10,000					
158	CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	93.85
	Issued capital EUR 26,000				UNICREDIT BANK AG	6.15
159	CUXHAVEN STEEL CONSTRUCTION GMBH	CUXHAVEN	CUXHAVEN	04	BARD ENGINEERING GMBH	.. <sup>(3)</sup>
	Issued capital EUR 25,000					
160	DBC SP.Z O.O.	WARSAW	WARSAW	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00
	Issued capital PLN 50,000					

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NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
161 DC BANK AG Issued capital EUR 5,000,000	VIENNA	VIENNA	01	CARD COMPLETE SERVICE BANK AG	99.94	
162 DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H.	100.00	
163 DEBO LEASING IFN S.A. Issued capital RON 724,400	BUCAREST	BUCAREST	01	UNICREDIT CONSUMER FINANCING IFN S.A.	0.01	
				UNICREDIT LEASING CORPORATION IFN S.A.	99.99	
164 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
165 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
166 DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG Issued capital EUR 255,650	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
167 DINERS CLUB CS, S.R.O. Issued capital EUR 995,000	BRATISLAVA	BRATISLAVA	01	DC BANK AG	100.00	
168 DINERS CLUB POLSKA SP.Z.O.O. Issued capital PLN 7,500,000	WARSAW	WARSAW	01	DC BANK AG	100.00	
169 DIRANA LIEGENSCHAFTSVERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 17,500	VIENNA	VIENNA	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
170 DLV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
171 DOBLERHOF IMMOBILIEN GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	90.00	
				EUROGATE BETEILIGUNGSVERWALTUNG GMBH	10.00	
172 DOM INWESTYCYJNY XELION SP. Z O.O. Issued capital PLN 60,050,000	WARSAW	WARSAW	01	BANK PEKAO SA	50.00	
				UNICREDIT SPA	50.00	
173 DOMUS CLEAN REINIGUNGS GMBH Issued capital EUR 17,500	VIENNA	VIENNA	01	UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH	100.00	
174 DONAUMARINA PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	
175 DONAUTURM AUSSICHTSTURM- UND RESTAURANT-BETRIEBSGESELLSCHAFT M.B.H. Issued capital EUR 880,000	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH	95.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
176 DONAUTURM LIEGENSCHAFTSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 1,820,000	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH	94.85	
177 DR. W. W. DONATH IMMOBILIENVERWALTUNG GMBH Issued capital EUR 37,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	
178 DUODEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80	
179 DV ALPHA GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	PIRTA VERWALTUNGS GMBH	100.00	
180 DV BETEILIGUNGSVERWALTUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	PIRTA VERWALTUNGS GMBH	100.00	
181 EKAZENT GEBAEUVERMIETUNG GMBH Issued capital EUR 1,310,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. EKAZENT REALITAETENGESELLSCHAFT M.B.H.	0.06 99.94	
182 EKAZENT IMMOBILIEN MANAGEMENT GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH	100.00	
183 EKAZENT REALITAETENGESELLSCHAFT M.B.H. Issued capital EUR 4,370,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. IMMOBILIEN HOLDING GMBH	0.02 99.98	
184 ELEKTRA PURCHASE NO. 32 S.A.	LUXEMBURG	LUXEMBURG	04	UNICREDIT BANK AG	..	(3)
185 ELEKTRA PURCHASE NO. 33 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
186 ELEKTRA PURCHASE NO. 34 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
187 ELEKTRA PURCHASE NO. 35 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
188 ELEKTRA PURCHASE NO. 36 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
189 ELEKTRA PURCHASE NO. 37 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
190 ELEKTRA PURCHASE NO. 38 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
191 ELEKTRA PURCHASE NO. 40 LIMITED	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
192 ELEKTRA PURCHASE NO. 41 DAC	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
193 ELEKTRA PURCHASE No. 17 S.A. - COMPARTMENT 2	LUXEMBURG	LUXEMBURG	04	UNICREDIT BANK AG	..	(3)
194 ELEKTRA PURCHASE No. 28 LTD	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
195 ELEKTRA PURCHASE No. 31 LTD	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	(3)
196 ELEKTRA PURCHASE No. 911 LTD	ST. HELIER	ST. HELIER	04	UNICREDIT BANK AG	..	(3)
197 ENTASI SRL IN LIQUIDAZIONE	ROME	ROME	01	UNICREDIT SPA	100.00	
198 ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG Issued capital EUR 1,043,889	OLDENBURG	OLDENBURG	01	WEALTHCAP INVESTORENBETREUUNG GMBH WEALTHCAP PEIA MANAGEMENT GMBH	0.07 68.45	68.20

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
199	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG Issued capital EUR 1,393,806	OLDENBURG	OLDENBURG	01	WEALTHCAP INVESTORENBETREUUNG GMBH WEALTHCAP PEIA MANAGEMENT GMBH	0.05 68.49 68.24
200	ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG Issued capital EUR 1,270,305	OLDENBURG	OLDENBURG	01	WEALTHCAP INVESTORENBETREUUNG GMBH WEALTHCAP PEIA MANAGEMENT GMBH	0.05 68.48 68.23
201	EUROGATE BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00
202	EUROGATE PROJEKTENTWICKLUNG GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00
203	EUROGATE PROJEKTENTWICKLUNG GMBH & CO AREA BETA KG Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00
204	EUROLEASE AMUN IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
205	EUROLEASE ANUBIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
206	EUROLEASE ISIS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
207	EUROLEASE MARDUK IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
208	EUROLEASE RA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	0.20 99.80
209	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 14,398,879	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
210	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00
211	EUROPE REAL-ESTATE INVESTMENT FUND	BUDAPEST	BUDAPEST	04	UNICREDIT BANK HUNGARY ZRT.	.. <sup>(3)</sup>
212	EUROPEAN-OFFICE-FONDS	MUNICH	MUNICH	04	UNICREDIT BANK AG	.. <sup>(3)</sup>
213	EUROPEYE SRL Issued capital EUR 100,000	ROME	ROME	01	UNICREDIT SPA	70.00

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				HELD BY	HOLDING %	
214 EUROVENTURES-AUSTRIA-CAMANAGEMENT GESMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	CABET-HOLDING GMBH	100.00	
215 EXPANDA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80	
216 F-E GOLD SRL (CARTOLARIZZAZIONE : F-E GOLD)	MILAN	MILAN	04	UNICREDIT LEASING S.P.A.	..	<sup>(3)</sup>
217 F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES 2005)	VERONA	VERONA	04	UNICREDIT SPA	..	<sup>(3)</sup>
218 F-E MORTGAGES SRL (CARTOLARIZZAZIONE : F-E MORTGAGES SERIES 1 - 2003)	VERONA	VERONA	04	UNICREDIT SPA	..	<sup>(3)</sup>
219 FACTORBANK AKTIENGESELLSCHAFT Issued capital EUR 3,000,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
220 FCT UCG TIKEHAU Issued capital EUR 50,000,000	PARIS	PARIS	04	UNICREDIT SPA	..	<sup>(3)</sup>
221 FINECO VERWALTUNG AG (IN LIQUIDATION) Issued capital EUR 50,000	MUNICH	MUNICH	01	UNICREDIT SPA	100.00	
222 FINECOBANK SPA Issued capital EUR 200,150,192	MILAN	REGGIO EMILIA	01	UNICREDIT SPA	65.47	
223 FMC LEASING INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
224 FMZ SAVARIA SZOLGALTATO KORLATOLT FELELOESSEG TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT LEASING KFT	75.00	
225 FMZ SIGMA PROJEKTENTWICKLUNGS GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	0.20 99.80	
226 FOLIA LEASING GESELLSCHAFT M.B.H. Issued capital EUR 1,981,769	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGESSELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
227 FONDIARIA LASA SPA Issued capital EUR 3,102,000	ROME	ROME	01	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	100.00	
228 FONDO SIGMA IMMOBILIARE Issued capital EUR 180,100,960	ROME	ROME	04	UNICREDIT SPA	..	<sup>(3)</sup>
229 FOOD & MORE GMBH Issued capital EUR 100,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
230 FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. Issued capital PLN 13,758,000	WARSAW	WARSAW	01	PEKAO PROPERTY SA	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
231 FUGATO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
232 G.N.E. GLOBAL GRUNDSTUECKSV ERWERTUNG GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80	
233 GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. Issued capital EUR 21,872,755	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
234 GARAGE AM HOF GESELLSCHAFT M.B.H. Issued capital EUR 220,000	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH SCHOELLERBANK AKTIENGESELLSCHAFT	90.60 2.00	
235 GBS GRUNDSTUECKSV ERWALTUNGSGE SELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	99.00 1.00	
236 GEBAEUDELEASING GRUNDSTUECKSV ERWALTUNGSGES ELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	98.80 0.20 1.00	
237 GELDILUX-TS-2013 SA Issued capital EUR 31,000	LUXEMBUR G	LUXEMBURG	04	UNICREDIT LUXEMBOURG S.A.	..	(3)
238 GELDILUX-TS-2015 S.A. Issued capital EUR 31,000	LUXEMBUR G	LUXEMBURG	04	UNICREDIT LUXEMBOURG S.A.	..	(3)
239 GEMEINDELEASING GRUNDSTUECKSV ERWALTUNG GESELLSCHAFT M.B.H. Issued capital EUR 18,333	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH CALG IMMOBILIEN LEASING GMBH UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	37.30 37.50 0.20 25.00	
240 GEMMA VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG Issued capital EUR 68,325,723	PULLACH	PULLACH	04	ORESTOS IMMOBILIEN- VERWALTUNGS GMBH	6.13	..
241 GENERAL LOGISTIC SOLUTIONS LLC Issued capital RUB 142,309,444	MOSCOW	MOSCOW	01	UCTAM RU LIMITED LIABILITY COMPANY	100.00	
242 GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH Issued capital EUR 25,600	MUNICH	MUNICH	01	TERRENO GRUNDSTUECKSV ERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	100.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
243 GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH Issued capital EUR 52,500	MUNICH	MUNICH	01	ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	6.00	
				HVB PROJEKT GMBH	94.00	
244 GRAND CENTRAL FUNDING CORPORATION Issued capital USD 1,000	NEW YORK	NEW YORK	04	UNICREDIT BANK AG	..	(3)
245 GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) Issued capital EUR 4,086,245	MUNICH	MUNICH	01	TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG	98.24	
246 GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAFT Issued capital EUR 51,500	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
247 GRUNDSTUECKSV ERWALTUNG LINZ-MITTE GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
248 H & B IMMOBILIEN GMBH & CO. OBJEKTE KG Issued capital EUR 5,000	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
249 H.F.S. IMMOBILIENFONDS GMBH Issued capital EUR 25,565	EBERSBERG	EBERSBERG	01	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
250 H.F.S. LEASINGFONDS DEUTSCHLAND 1 GMBH & CO. KG (IMMOBILIENLEASING) Issued capital EUR 61,170,962	MUNICH	MUNICH	04	HVB IMMOBILIEN AG	..	(3)
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
251 H.F.S. LEASINGFONDS DEUTSCHLAND 7 GMBH & CO. KG Issued capital EUR 56,605,126	MUNICH	MUNICH	04	HVB PROJEKT GMBH	0.02	
				WEALTHCAP REAL ESTATE MANAGEMENT GMBH	0.08	
252 HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG Issued capital EUR 276,200	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
253 HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG Issued capital EUR 54,300	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	99.50	
				TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT	0.50	
254 HBF PROJEKTENTWICKLUNG ZWEI GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	..
				VECTIGAL IMMOBILIEN GMBH	..	100.00
255 HBF PROJEKTENTWICKLUNG DREI GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	..
				VECTIGAL IMMOBILIEN GMBH	..	100.00
256 HBF PROJEKTENTWICKLUNG EINS GMBH & CO KG Issued capital EUR 1,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	..
				VECTIGAL IMMOBILIEN GMBH	..	100.00
257 HELICONUS SRL (CARTOLARIZZAZIONE : HELICONUS)	VERONA	VERONA	04	UNICREDIT SPA	..	(3)

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
258	HERKU LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
	Issued capital EUR 36,500				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00
259	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 25,000					
260	HONEU LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
	Issued capital EUR 36,336				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00
261	HUMAN RESOURCES SERVICE AND DEVELOPMENT GMBH	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00
	Issued capital EUR 18,168					
262	HVB ASSET LEASING LIMITED	LONDON	LONDON	01	UNICREDIT BANK AG	100.00
	Issued capital USD 1					
263	HVB ASSET MANAGEMENT HOLDING GMBH	MUNICH	MUNICH	01	HVB VERWA 4 GMBH	100.00
	Issued capital EUR 25,000					
264	HVB CAPITAL LLC	WILMINGTO N	WILMINGTO N	01	UNICREDIT BANK AG	100.00
	Issued capital USD 10,000					
265	HVB CAPITAL LLC II	WILMINGTO N	WILMINGTO N	01	UNICREDIT BANK AG	100.00
	Issued capital USD 15					
266	HVB CAPITAL LLC III	WILMINGTO N	WILMINGTO N	01	UNICREDIT BANK AG	100.00
	Issued capital USD 10,000					
267	HVB CAPITAL PARTNERS AG	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 2,500,000					
268	HVB EXPORT LEASING GMBH	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 25,600					
269	HVB FUNDING TRUST	WILMINGTO N	WILMINGTO N	04	UNICREDIT BANK AG	.. <sup>(3)</sup>
270	HVB FUNDING TRUST II	WILMINGTO N	WILMINGTO N	01	UNICREDIT BANK AG	100.00
	Issued capital USD 2,664					
271	HVB FUNDING TRUST III	WILMINGTO N	WILMINGTO N	04	UNICREDIT BANK AG	.. <sup>(3)</sup>
272	HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 25,000					
273	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 10,000,000					
274	HVB HONG KONG LIMITED	HONG KONG	HONG KONG	01	UNICREDIT BANK AG	100.00
	Issued capital USD 129					

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				HELD BY	HOLDING %	
275 HVB IMMOBILIEN AG Issued capital EUR 520,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
276 HVB INVESTMENTS (UK) LIMITED Issued capital GBP 2	GEORGE TOWN	GEORGE TOWN	01	UNICREDIT BANK AG	100.00	
277 HVB LEASING CZECH REPUBLIC S.R.O. Issued capital CZK 49,632,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
278 HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG Issued capital EUR 1,025,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
279 HVB LONDON INVESTMENTS (AVON) LIMITED Issued capital GBP 2	LONDON	LONDON	01	UNICREDIT BANK AG	100.00	
280 HVB PRINCIPAL EQUITY GMBH Issued capital EUR 25,600	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
281 HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH Issued capital EUR 26,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
282 HVB PROJEKT GMBH Issued capital EUR 24,543,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
283 HVB REALTY CAPITAL INC. Issued capital USD 5	NEW YORK	NEW YORK	01	UNICREDIT U.S. FINANCE LLC	100.00	
284 HVB SECUR GMBH Issued capital EUR 50,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
285 HVB TECTA GMBH Issued capital EUR 1,534,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
286 HVB VERWA 1 GMBH Issued capital EUR 51,200	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
287 HVB VERWA 4 GMBH Issued capital EUR 26,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
288 HVB VERWA 4.4 GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	HVB VERWA 4 GMBH	100.00	
289 HVB-LEASING ATLANTIS INGATLANHSZNSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
290 HVB-LEASING FORTE INGATLANHSZNSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
291 HVB-LEASING GARO INGATLANHSZNSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
292 HVB-LEASING HAMLET INGATLANHSZNSITO KORLATOLT FELELOESSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	

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NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
293 HVB-LEASING JUPITER INGATLANHASZNOSITO KORLATOLT FELELOSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
294 HVB-LEASING LAMOND INGATLANHASZNOSITO KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT LEASING S.P.A.	100.00	
295 HVB-LEASING MAESTOSO INGATLANHASZNOSITO KFT. Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
296 HVB-LEASING ROCCA INGATLANHASZNOSITO KORLATOLT FELELOSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
297 HVB-LEASING RUBIN KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
298 HVB-LEASING SMARAGD KFT. Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
299 HVBFF INTERNATIONAL GREECE GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	HVBFF INTERNATIONALE LEASING GMBH	100.00	
300 HVBFF INTERNATIONALE LEASING GMBH Issued capital EUR 26,000	MUNICH	MUNICH	01	HVBFF OBJEKT BETEILIGUNGS GMBH	10.00	
301 HVBFF OBJEKT BETEILIGUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP PEIA MANAGEMENT GMBH	90.00	
302 HVBFF PRODUKTIONSHALLE GMBH I.L. Issued capital EUR 26,000	MUNICH	MUNICH	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
303 HVZ GMBH & CO. OBJEKT KG Issued capital EUR 148,090,766	MUNICH	MUNICH	01	PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
304 HYPO-BANK VERWALTUNGSZENTRUM GMBH Issued capital EUR 25,600	MUNICH	MUNICH	01	PORTIA GRUNDSTUCKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
305 HYPO-BANK VERWALTUNGSZENTRUM GMBH & CO. KG OBJEKT ARABELLASTRASSE Issued capital EUR 25,600	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
306 HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN- VERMIETUNGS KG Issued capital EUR 7,669,500	MUNICH	MUNICH	01	HVB PROJEKT GMBH	80.00	
307 HYPOVEREINS IMMOBILIEN EOOD Issued capital BGN 100,000	SOFIA	SOFIA	01	UNICREDIT BULBANK AD	100.00	
308 HYPOVEREINSFINANCE N.V. Issued capital EUR 181,512	AMSTERDAM	AMSTERDAM	01	UNICREDIT BANK AG	100.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
309 I-FABER SPA Issued capital EUR 5,652,174	MILAN	MILAN	01	UNICREDIT SPA	65.32	
310 IMMOBILIEN HOLDING GMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	ZETA FUENF HANDELS GMBH	100.00	
311 IMMOBILIEN RATING GMBH Issued capital EUR 50,000	VIENNA	VIENNA	01	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	61.00	
				UNICREDIT BANK AUSTRIA AG	19.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	19.00	
312 IMMOBILIENLEASING GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	74.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
313 IMU IMMOBILIENENTWICKLUNG MUTHGASSE GMBH & CO KG Issued capital EUR 2,500	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	60.00	
314 INPROX CHOMUTOV, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
315 INPROX Kladno, S.R.O. Issued capital CZK 100,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
316 INPROX POPRAD, SPOL. S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
317 INPROX SR I., SPOL. S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
318 INTERKONZUM DOO SARAJEVO Issued capital BAM 18,410,493	SARAJEVO	SARAJEVO	01	DV ALPHA GMBH	100.00	
319 INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	
320 INTRO LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	01	PROJEKT-LEASE GRUNDSTUECKSVERWALTUNGS-GESELLSCHAFT M.B.H.	100.00	
321 INV TOTALUNTERNEHMER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	
322 ISB UNIVERSALE BAU GMBH Issued capital EUR 6,288,890	BERLIN	BERLIN	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
323 IVONA BETEILIGUNGSVERWALTUNG GMBH Issued capital EUR 18,168	VIENNA	VIENNA	01	BA IMMO GEWINNSCHEIN FONDS1	100.00	
324 JAUSERN-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 2,802,537	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS <sup>(2)</sup> %
				HELD BY	HOLDING %	
325	JOHA GEBAEUDE- ERRICHTUNGS- UND VERMIETUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	01	UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H.	99.03
326	KAISERWASSER BAU- UND ERRICHTUNGS GMBH UND CO OG Issued capital EUR 36,336	VIENNA	VIENNA	01	RAMES-IMMOBILIENHOLDING GMBH UNICREDIT BANK AUSTRIA AG	.. 99.80
327	KINABALU FINANCIAL PRODUCTS LLP (IN LIQU.) Issued capital GBP 2,509,000	LONDON	LONDON	01	UNICREDIT BANK AG VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	100.00 ..
328	KINABALU FINANCIAL SOLUTIONS LTD (IN LIQU.) Issued capital GBP 1,700,000	LONDON	LONDON	01	UNICREDIT BANK AG	100.00
329	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. IMMOBILIEN HOLDING GMBH	.. 100.00
330	KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH UNICREDIT BANK AUSTRIA AG	0.20 99.80
331	KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH UNICREDIT BANK AUSTRIA AG	0.20 99.80
332	KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. Issued capital EUR 44,000	VIENNA	VIENNA	01	CARD COMPLETE SERVICE BANK AG	100.00
333	KUNSTHAUS LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	KUTRA GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. UNICREDIT LEASING (AUSTRIA) GMBH	5.00 95.00
334	KUR- UND SPORHOTEL GESELLSCHAFT M.B.H. Issued capital EUR 3,650,000	KITZBUHEL	KITZBUHEL	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H. KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	.. 100.00
335	KUTRA GRUNDSTUECKSVERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20
336	LAGERMAX LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80
337	LAGEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
338	LARGE CORPORATE ONE SRL (CARTOLARIZZAZIONE: LARGE CORPORATE ONE)	VERONA	VERONA	04	UNICREDIT SPA	.. <sup>(3)</sup>
339	LARGO LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	1.00
					VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H.	98.80
340	LASSALLESTRASSE BAU- PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H.  Issued capital EUR 36,336	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENSBEILIGUNGEN GMBH	1.00
					UNICREDIT BANK AUSTRIA AG	99.00
341	LEASFINANZ BANK GMBH  Issued capital EUR 5,136,500	VIENNA	VIENNA	01	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00
342	LEASFINANZ GMBH  Issued capital EUR 672,053	VIENNA	VIENNA	01	BACA LEASING UND BETEILIGUNGSMANAGEMENT GMBH	100.00
343	LEGATO LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
					UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00
344	LELEV IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80
					UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
345	LIFE MANAGEMENT ERSTE GMBH  Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00
346	LIFE MANAGEMENT ZWEITE GMBH  Issued capital EUR 26,000	GRUNWALD	GRUNWALD	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00
347	LINDENGASSE BUROHAUSGESELLSCHAFT M.B.H.  Issued capital EUR 37,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.20
					KLEA TERRAIN- UND BAU- GESELLSCHAFT M.B.H.	99.80
348	LINO HOTEL-LEASING GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	99.80
349	LIPARK LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80
					UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
					UNICREDIT LEASING (AUSTRIA) GMBH	25.00

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
350	LIVA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 38,731				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80
351	LLC UKROTSBUD	KIEV	KIEV	01	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00
	Issued capital UAH 150,000,000					
352	LOCAT CROATIA DOO	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00
	Issued capital HRK 39,000,000					
353	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2005)	CONEGLIANO	CONEGLIANO	04	UNICREDIT LEASING S.P.A.	.. <sup>(3)</sup>
354	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2006)	CONEGLIANO	CONEGLIANO	04	UNICREDIT LEASING S.P.A.	.. <sup>(3)</sup>
355	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2011)	CONEGLIANO	CONEGLIANO	04	UNICREDIT LEASING S.P.A.	.. <sup>(3)</sup>
356	LOCAT SV SRL (CARTOLARIZZAZIONE : SERIE 2014)	CONEGLIANO	CONEGLIANO	04	UNICREDIT LEASING S.P.A.	.. <sup>(3)</sup>
357	LTD SI&C AMC UKRSOTS REAL ESTATE	KIEV	KIEV	01	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00
	Issued capital UAH 7,000,000					
358	M. A. V. 7., BANK AUSTRIA LEASING BAUTRAEGER GMBH & CO. OG.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	1.96
	Issued capital EUR 3,707				UNICREDIT LUNA LEASING GMBH	98.04
359	M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. & CO. MCL THETA KG	VIENNA	VIENNA	01	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00
360	MARTIANEZ COMERCIAL, SOCIEDAD ANONIMA	PUERTO DE LA CRUZ	PUERTO DE LA CRUZ	01	BF NINE HOLDING GMBH	100.00
361	MBC IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
362	MCL RE LJUBLJANA, POSLOVNI NAJEM NEPREMI NIN, D.O.O.	LJUBLJANA	LJUBLJANA	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00
	Issued capital EUR 7,500					
363	MENUETT GRUNDSTUECKSV ERWALTUNGSGESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,337				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
364	MERKURHOF GRUNDSTUECKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00
	Issued capital EUR 5,112,919					
365	MIK 2012 KARLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00
	Issued capital HUF 3,000,000					
366	MILLETTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	100.00
	Issued capital EUR 25,000					

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
367 MM OMEGA PROJEKTENTWICKLUNGS GMBH  Issued capital EUR 35,000	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
368 MOBILITY CONCEPT GMBH  Issued capital EUR 4,000,000	OBERHACHING	OBERHACHING	01	UNICREDIT LEASING GMBH	60.00	
369 MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG	MUNICH	MUNICH	04	HVB PROJEKT GMBH	23.00	<sup>(3)</sup>
370 MOEGRA LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
371 MOVIE MARKET BETEILIGUNGS GMBH  Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
372 MY DREI HANDELS GMBH  Issued capital EUR 17,500	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
373 NAGE LOKALVERMIETUNGSGESELLSCHA FT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
374 NATA IMMOBILIEN-LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,400	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	51.50	
				UNICREDIT LEASING (AUSTRIA) GMBH	6.00	
375 NEWSTONE MORTGAGE SECURITIES No.1 PLC	LONDON	LONDON	04	REDSTONE MORTGAGES LIMITED	..	<sup>(3)</sup>
376 NF OBJEKT FFM GMBH  Issued capital EUR 25,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	100.00	
377 NF OBJEKT MUNCHEN GMBH  Issued capital EUR 25,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	100.00	
378 NF OBJEKTE BERLIN GMBH  Issued capital EUR 25,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	100.00	
379 NOE HYPO LEASING ASTRICTA GRUNDSTUECKVERMIETUNGS GESELLSCHAFT M.B.H.  Issued capital EUR 36,337	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	95.00	
380 NORDBAHNHOF BAUFELD ACHT PROJEKTENTWICKLUNG GMBH  Issued capital EUR 35,000	VIENNA	VIENNA	01	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
381 NORDBAHNHOF BAUFELD FUENF PROJEKTENTWICKLUNG GMBH  Issued capital EUR 35,000	VIENNA	VIENNA	01	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	
382 NORDBAHNHOF BAUFELD SIEBEN PROJEKTENTWICKLUNG GMBH  Issued capital EUR 35,000	VIENNA	VIENNA	01	NORDBAHNHOF PROJEKTE HOLDING GMBH	100.00	

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NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
383 NORDBAHNHOF PROJEKTE HOLDING GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	7.00	
				UNICREDIT BANK AUSTRIA AG	93.00	
384 NUOVA COMPAGNIA DI PARTECIPAZIONI SPA Issued capital EUR 200,000	ROME	ROME	01	UNICREDIT SPA	100.00	
385 OCEAN BREEZE ASSET GMBH & CO. KG Issued capital EUR 2,000	BREMA	BREMA	01	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
386 OCEAN BREEZE ENERGY GMBH & CO. KG Issued capital EUR 2,000	BREMA	BREMA	01	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00	
387 OCEAN BREEZE FINANCE S.A. - COMPARTMENT 1	LUXEMBURG	LUXEMBURG	04	UNICREDIT BANK AG	..	(3)
388 OCEAN BREEZE GMBH Issued capital EUR 25,000	BREMA	BREMA	01	OCEAN BREEZE ENERGY GMBH & CO. KG	100.00	
389 OCT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
390 OLG HANDELS- UND BETEILIGUNGSVERWALTUNGSGES SELLSCHAFT M.B.H. Issued capital EUR 36,336	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	100.00	
391 OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
392 OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	94.00	
				UNICREDIT BANK AG	6.00	
393 OMNIA GRUNDSTUECKS-GMBH & CO. OBJEKT PERLACH KG Issued capital EUR 5,125,701	MUNICH	MUNICH	01	OMNIA GRUNDSTUCKS-GMBH	..	0.99
				ORESTOS IMMOBILIEN- VERWALTUNGS GMBH	94.78	93.87
				WEALTHCAP LEASING GMBH	5.22	5.14
394 OOO UNICREDIT LEASING Issued capital RUR 149,160,248	MOSCOW	MOSCOW	01	AO UNICREDIT BANK	100.00	
395 ORESTOS IMMOBILIEN- VERWALTUNGS GMBH Issued capital EUR 10,149,150	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
396 OSI OFF-SHORE SERVICE INVEST GMBH	HAMBURG	HAMBURG	04	UNICREDIT BANK AG	..	(3)
397 OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	01	HVB PROJEKT GMBH	10.00	
				T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTART B.V.	60.00	
398 OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG Issued capital EUR 51,129	MUNICH	MUNICH	01	HVB PROJEKT GMBH	10.00	
				T & P FRANKFURT DEVELOPMENT B.V.	30.00	
				T & P VASTGOED STUTTART B.V.	60.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
399 OWS LOGISTIK GMBH Issued capital EUR 12,500	EMDEN	EMDEN	04	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
400 OWS NATALIA BEKKER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	04	OWS LOGISTIK GMBH	..	(3)
401 OWS OCEAN ZEPHYR GMBH & Co. KG Issued capital EUR 6,000	EMDEN	EMDEN	04	OWS OFF-SHORE WIND SOLUTIONS GMBH	..	(3)
402 OWS OFF-SHORE WIND SOLUTIONS GMBH Issued capital EUR 25,000	EMDEN	EMDEN	04	OSI OFF-SHORE SERVICE INVEST GMBH	..	(3)
403 OWS WINDLIFT 1 CHARTER GMBH & Co. KG Issued capital EUR 1,000	EMDEN	EMDEN	04	OWS LOGISTIK GMBH	..	(3)
404 PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OG Issued capital EUR 2,180,185	VIENNA	VIENNA	01	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
405 PARZHOF-ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.60	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	0.20	
406 PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH Issued capital EUR 36,336	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
407 PEKAO BANK HIPOTECZNY S.A. Issued capital PLN 223,000,000	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	
408 PEKAO FAKTORING SP. ZOO Issued capital PLN 50,587,900	LUBLIN	LUBLIN	01	BANK PEKAO SA	100.00	
409 PEKAO FINANCIAL SERVICES SP. ZOO Issued capital PLN 4,500,000	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	
410 PEKAO FUNDUSZ KAPITALOWY SP. ZOO Issued capital PLN 51,380,000	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	
411 PEKAO INVESTMENT BANKING SA Issued capital PLN 225,141,851	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	
412 PEKAO LEASING HOLDING S.A. IN LIQUIDATION Issued capital PLN 207,671,225	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	
413 PEKAO LEASING SP ZO.O. Issued capital PLN 241,588,600	WARSAW	WARSAW	01	BANK PEKAO SA	36.49	
				PEKAO LEASING HOLDING S.A. IN LIQUIDATION	63.51	
414 PEKAO PIONEER P.T.E. SA Issued capital PLN 20,760,000	WARSAW	WARSAW	01	BANK PEKAO SA	65.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	35.00	
415 PEKAO PROPERTY SA Issued capital PLN 51,346,400	WARSAW	WARSAW	01	BANK PEKAO SA	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
416	PELOPS LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80
	Issued capital EUR 36,337				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
417	PENSIONSKASSE DER HYPO VEREINSBANK VVAG	MUNICH	MUNICH	04	UNICREDIT BANK AG	.. <sup>(3)</sup>
418	PERIKLES 20092 VERMOGENSVERWALTUNG GMBH	BREMA	BREMA	01	HJS 12 BETEILIGUNGSGESELLSCHAFT MBH	100.00
	Issued capital EUR 25,000					
419	PIANA LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
420	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT (BERMUDA) LIMITED	HAMILTON	HAMILTON	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital USD 12,000					
421	PIONEER ALTERNATIVE INVESTMENT MANAGEMENT LTD	DUBLIN	DUBLIN	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital EUR 1,032,000					
422	PIONEER ALTERNATIVE INVESTMENTS (ISRAEL) LTD	RAMAT GAN	RAMAT GAN	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital ILS 50,000					
423	PIONEER ALTERNATIVE INVESTMENTS (NEW YORK) LTD	DOVER	NEW YORK	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital USD 1					
424	PIONEER ASSET MANAGEMENT AS	PRAGUE	PRAGUE	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital CZK 27,000,000					
425	PIONEER ASSET MANAGEMENT S.A.I. S.A.	BUCHAREST	BUCHAREST	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	97.42
	Issued capital RON 3,022,000				UNICREDIT BANK S.A.	2.58
426	PIONEER ASSET MANAGEMENT SA	LUXEMBURG	LUXEMBURG	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital EUR 10,000,000					
427	PIONEER FUNDS DISTRIBUTOR INC	BOSTON	BOSTON	01	PIONEER INVESTMENT MANAGEMENT INC	100.00
	Issued capital USD 2,060					
428	PIONEER GLOBAL ASSET MANAGEMENT SPA	MILAN	MILAN	01	UNICREDIT SPA	100.00
	Issued capital EUR 1,219,463,434					
429	PIONEER GLOBAL FUNDS DISTRIBUTOR LTD	HAMILTON	HAMILTON	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital EUR 12,900					
430	PIONEER GLOBAL INVESTMENTS (AUSTRALIA) PTY LIMITED	SYDNEY	SYDNEY	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital AUD 3,980,000					
431	PIONEER GLOBAL INVESTMENTS (TAIWAN) LTD.	TAIPEI	TAIPEI	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital TWD 70,000,000					
432	PIONEER GLOBAL INVESTMENTS LIMITED	DUBLIN	DUBLIN	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00
	Issued capital EUR 752,500					

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				HELD BY	HOLDING %	
433 PIONEER INSTITUTIONAL ASSET MANAGEMENT INC Issued capital USD 1,000	WILMINGTON	BOSTON	01	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
434 PIONEER INVESTMENT COMPANY AS Issued capital CZK 61,000,000	PRAGUE	PRAGUE	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
435 PIONEER INVESTMENT FUND MANAGEMENT LIMITED Issued capital HUF 100,000,000	BUDAPEST	BUDAPEST	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
436 PIONEER INVESTMENT MANAGEMENT INC Issued capital USD 20,990	WILMINGTON	BOSTON	01	PIONEER INVESTMENT MANAGEMENT USA INC.	100.00	
437 PIONEER INVESTMENT MANAGEMENT LIMITED Issued capital EUR 1,032,912	DUBLIN	DUBLIN	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
438 PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ Issued capital EUR 51,340,995	MILAN	MILAN	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
439 PIONEER INVESTMENT MANAGEMENT USA INC. Issued capital USD 1	WILMINGTON	BOSTON	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
440 PIONEER INVESTMENTS (SCHWEIZ) GMBH Issued capital CHF 20,000	ZURIGO	ZURIGO	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
441 PIONEER INVESTMENTS AUSTRIA GMBH Issued capital EUR 5,000,000	VIENNA	VIENNA	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
442 PIONEER INVESTMENTS KAPITALANLAGEGESELLSCHAFT MBH Issued capital EUR 6,500,000	MUNICH	MUNICH	01	PIONEER GLOBAL ASSET MANAGEMENT SPA	100.00	
443 PIONEER PEKAO INVESTMENT FUND COMPANY SA (POLISH NAME: PIONEER PEKAO TFI SA) Issued capital PLN 37,804,000	WARSAW	WARSAW	01	PIONEER PEKAO INVESTMENT MANAGEMENT SA	100.00	
444 PIONEER PEKAO INVESTMENT MANAGEMENT SA Issued capital PLN 28,914,000	WARSAW	WARSAW	01	BANK PEKAO SA	49.00	
				PIONEER GLOBAL ASSET MANAGEMENT SPA	51.00	
445 PIRTA VERWALTUNGS GMBH Issued capital EUR 2,067,138	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
446 POLLUX IMMOBILIEN GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.80	
447 POMINVEST DD Issued capital HRK 17,434,000	SPLIT	SPLIT	01	ZAGREBACKA BANKA D.D.	88.66	88.95
448 PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG Issued capital EUR 500,013,550	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	

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NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
449 PORTIA GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT MIT BESCHRANKTER HAFTUNG  Issued capital EUR 25,600	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
450 POSATO LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGS GES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
451 PRELUDE GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGS GES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
452 PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL (IN LIQU.)  Issued capital UAH 130,673,000	KIEV	KIEV	01	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	100.00	
453 PRO WOHNBAU AG  Issued capital EUR 23,621,113	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH	99.69	
				KLEA TERRAIN- UND BAU- GESELLSCHAFT M.B.H.	0.31	
454 PROJEKT-LEASE GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	ARNO GRUNDSTUECKSV ERWALTUNGS GESELLSCHAFT M.B.H.	74.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
455 PRVA STAMBENA STEDIONICA DD ZAGREB  Issued capital HRK 80,000,000	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00	
456 PUBLIC JOINT STOCK COMPANY UKRSOTSBANK  Issued capital UAH 7,866,182,810	KIEV	KIEV	01	UNICREDIT BANK AUSTRIA AG	91.36	91.37
				UNICREDIT SPA	8.44	8.44
457 PURE FUNDING No. 10 LTD	DUBLIN	DUBLIN	04	UNICREDIT BANK AG	..	<sup>(3)</sup>
458 QUADEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
459 QUART Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	99.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
460 QUINT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
461 RAMSES IMMOBILIEN GESELLSCHAFT M.B.H. & CO OG  Issued capital EUR 36,500	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	0.50	
				RAMSES-IMMOBILIENHOLDING GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.30	
462 RANA-LIEGENSCHAFTSVERWERTUNG GMBH  Issued capital EUR 72,700	VIENNA	VIENNA	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	99.90	
463 REAL ESTATE MANAGEMENT POLAND SP. Z O.O.  Issued capital PLN 124,500	WARSAW	WARSAW	01	UNICREDIT LEASING S.P.A.	100.00	
464 REAL INVEST EUROPE D BA RI KAG	AUSTRIA	AUSTRIA	04	UNICREDIT BANK AUSTRIA AG	..	(3)
465 REAL INVEST IMMOBILIEN GMBH  Issued capital EUR 36,400	VIENNA	VIENNA	01	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	99.00	
466 REAL-LEASE GRUNDSTUECKSV ERWALTUNGSGESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
467 REAL-RENT LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 73,000	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
468 REDSTONE MORTGAGES LIMITED  Issued capital GBP 100,000	LONDON	LONDON	01	UNICREDIT BANK AG	100.00	
469 REGEV REALITAETENVERWERTUNGSGESELLSCHAFT M.B.H.  Issued capital EUR 726,728	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
470 RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH  Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	
471 RIGEL IMMOBILIEN GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.80	
472 RONCASA IMMOBILIEN-VERWALTUNGSGMBH  Issued capital EUR 256,000	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
473 ROSENKAVALIER 2008 GMBH	FRANCOFORTE	FRANCOFORTE	04	UNICREDIT BANK AG	..	(3)
474 ROSENKAVALIER 2015 UG	FRANCOFORTE	FRANCOFORTE	04	UNICREDIT BANK AG	..	(3)
475 ROYSTON LEASING LIMITED	GRAND CAYMAN	GRAND CAYMAN	04	UNICREDIT BANK AG	..	(3)
476 RSB ANLAGENVERMIETUNG GESELLSCHAFT M.B.H.  Issued capital EUR 36,337	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	

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NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
477 RVT BAUTRAEGER GESELLSCHAFT M.B.H. Issued capital EUR 37,000	VIENNA	VIENNA	01	IMMOBILIEN HOLDING GMBH	100.00	
478 SALONE N. 1 SPA Issued capital EUR 100,000	CONEGLIANO	CONEGLIANO	01	UNICREDIT SPA	100.00	
479 SALONE N. 2 SPA Issued capital EUR 100,000	CONEGLIANO	CONEGLIANO	01	UNICREDIT SPA	100.00	
480 SALONE N. 3 SPA Issued capital EUR 100,000	CONEGLIANO	CONEGLIANO	01	UNICREDIT SPA	100.00	
481 SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MBH & CO. OHG SAARLAND Issued capital EUR 1,533,900	MUNICH	MUNICH	01	HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG	100.00	
482 SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MBH & CO. OHG VERWALTUNGSZENTRUM Issued capital EUR 2,300,850	MUNICH	MUNICH	01	PORTIA GRUNDSTUECKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	97.78	
				TIVOLI GRUNDSTUECKS-AKTIENGESELLSCHAFT	2.22	
483 SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MIT BESCHRAENKTER HAFTUNG Issued capital EUR 511,300	MUNICH	MUNICH	01	PORTIA GRUNDSTUECKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	100.00	
484 SANITA' - S.R.L. IN LIQUIDAZIONE Issued capital EUR 5,164,333	ROME	ROME	01	UNICREDIT SPA	99.60	
485 SAS-REAL INGATLANUEZEMELTETOE ES KEZELOE KFT. (ENGLISH :SAS-REAL KFT) Issued capital HUF 750,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
486 SCHOELLERBANK AKTIENGESELLSCHAFT Issued capital EUR 20,000,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
487 SCHOELLERBANK INVEST AG Issued capital EUR 2,543,549	SALISBURG	SALISBURG	01	SCHOELLERBANK AKTIENGESELLSCHAFT	100.00	
488 SECA-LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	74.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
489 SEDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
490 SELFOSS BETEILIGUNGSGESELLSCHAFT MBH Issued capital EUR 25,000	GRUNWALD	GRUNWALD	01	HVB PROJEKT GMBH	100.00	

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491 SEXT Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
492 SIA UNICREDIT INSURANCE BROKER  Issued capital EUR 15,082	RIGA	RIGA	01	SIA UNICREDIT LEASING	100.00	
493 SIA UNICREDIT LEASING  Issued capital EUR 15,569,120	RIGA	RIGA	01	UNICREDIT BANK AUSTRIA AG	100.00	
494 SIGMA LEASING GMBH  Issued capital EUR 18,286	VIENNA	VIENNA	01	CALG ANLAGEN LEASING GMBH	99.40	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	0.40	
495 SIMON VERWALTUNGS- AKTIENGESELLSCHAFT I.L.  Issued capital EUR 2,556,459	MUNICH	MUNICH	01	UNICREDIT BANK AG	99.98	
496 SIRIUS IMMOBILIEN GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	PAYTRIA UNTERNEHMENSBEILIGUNGEN GMBH	0.20	
				UNICREDIT BANK AUSTRIA AG	99.80	
497 SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH  Issued capital EUR 30,000	MUNICH	MUNICH	01	HVB PROJEKT GMBH	5.00	
				SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG	95.00	
498 SOCIETA' DI GESTIONI ESATTORIALI IN SICILIA SO.G.E.SI. S.P.A. IN LIQ.  Issued capital EUR 36,151,500	PALERMO	PALERMO	01	UNICREDIT SPA	80.00	
499 SOCIETA' ITALIANA GESTIONE ED INCASSO CREDITI S.P.A. IN LIQUIDAZIONE  Issued capital EUR 341,916	ROME	ROME	01	UNICREDIT SPA	100.00	
500 SOCIETA' VERONESE GESTIONE COMPRAVENDITA IMMOBILI A R.L.  Issued capital EUR 108,500	ROME	ROME	01	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	100.00	
501 SOFIGERE SOCIETE PAR ACTIONS SIMPLIFIEE  Issued capital EUR 40,000	PARIS	PARIS	01	UNICREDIT SPA	100.00	
502 SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG  Issued capital EUR 35,800	MUNICH	MUNICH	01	HVB PROJEKT GMBH	100.00	
503 SONATA LEASING-GESELLSCHAFT M.B.H.  Issued capital EUR 36,336	VIENNA	VIENNA	01	ARNO GRUNDSTUECKSV ERWALTUNGS GESELLSCHAFT M.B.H.	1.00	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	98.80	
504 SPECTRUM GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.  Issued capital EUR 36,336	VIENNA	VIENNA	01	WOEM GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.	100.00	

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				HELD BY	HOLDING %	
505 SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH  Issued capital EUR 511,300	MUNICH	MUNICH	01	ARGENTAAURUS IMMOBILIEN- VERMIETUNGS- UND VERWALTUNGS GMBH	100.00	
506 STEWEE GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.  Issued capital EUR 36,337	VIENNA	VIENNA	01	PROJEKT-LEASE GRUNDSTUECKSV ERWALTUNGS- GESELLSCHAFT M.B.H.	24.00	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	75.80	
507 STRUCTURED INVEST SOCIETE ANONYME  Issued capital EUR 125,500	LUXEMBURG	LUXEMBURG	01	UNICREDIT BANK AG	100.00	
508 STRUCTURED LEASE GMBH  Issued capital EUR 250,000	HAMBURG	HAMBURG	01	UNICREDIT LEASING GMBH	100.00	
509 SUCCESS 2015 B.V.  Issued capital EUR 1	AMSTERDAM	AMSTERDAM	04	UNICREDIT LEASING (AUSTRIA) GMBH	..	(3)
510 SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O  Issued capital HRK 1,110,000	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00	
511 SVIF UKRSOTSBU D  Issued capital EUR 1,252,433	KIEV	KIEV	04	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	..	(3)
512 T & P FRANKFURT DEVELOPMENT B.V.  Issued capital EUR 4,938,271	AMSTERDAM	AMSTERDAM	01	HVB PROJEKT GMBH	100.00	
513 T & P VASTGOED STUTTGART B.V.  Issued capital EUR 10,769,773	AMSTERDAM	AMSTERDAM	01	HVB PROJEKT GMBH	87.50	
514 TERRENO GRUNDSTUECKSV ERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG  Issued capital EUR 920,400	MUNICH	MUNICH	01	HVB TECTA GMBH	75.00	
515 TERRONDA DEVELOPMENT B.V.  Issued capital EUR 1,252,433	AMSTERDAM	AMSTERDAM	01	HVB PROJEKT GMBH	100.00	
516 TERZ Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
517 TIVOLI GRUNDSTUECKS- AKTIENGESELLSCHAFT  Issued capital EUR 6,240,000	MUNICH	MUNICH	01	PORTIA GRUNDSTUECKS- VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG	99.67	
518 TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH  Issued capital EUR 26,000	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	93.85	
				UNICREDIT BANK AG	6.15	
519 TREDEC Z IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
520 TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. Issued capital EUR 365,000	VIENNA	VIENNA	01	BANK AUSTRIA REAL INVEST IMMOBILIEN-MANAGEMENT GMBH	100.00	
521 TREVI FINANCE N 3 SRL (CARTOLARIZZAZIONE : TREVI FINANCE 3)	CONEGLIANO	CONEGLIANO	04	UNICREDIT SPA	..	(3)
522 TREVI FINANCE N. 3 S.R.L. Issued capital EUR 10,000	CONEGLIANO	CONEGLIANO	01	UNICREDIT SPA	60.00	
523 TREVI FINANCE S.R.L. Issued capital EUR 10,000	CONEGLIANO	CONEGLIANO	01	UNICREDIT SPA	80.00	
524 TRICASA GRUNDBESITZ GESELLSCHAFT MBH & CO. 1. VERMIETUNGS KG Issued capital EUR 6,979,476	MUNICH	MUNICH	01	HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH	..	
525 TRICASA GRUNDBESITZGESELLSCHAFT DES BURGERLICHEN RECHTS NR. 1 Issued capital EUR 13,687,272	MUNICH	MUNICH	01	ORESTOS IMMOBILIEN- VERWALTUNGS GMBH	100.00	
526 TRIESTE ADRIATIC MARITIME INITIATIVES SRL Issued capital EUR 3,300,000	TRIESTE	TRIESTE	03	UNICREDIT SPA	36.86	
527 TRINITRADE VERMOGENSVERWALTUNGS- GESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 102,300	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
528 U2 ASPERN BAUPLATZ 1 BETEILIGUNGS-GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	100.00	
529 U2 ASPERN BAUPLATZ 1 GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	01	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH	90.00	..
				EUROGATE PROJEKTENTWICKLUNG GMBH	..	100.00
				U2 ASPERN BAUPLATZ 1 BETEILIGUNGS-GMBH	10.00	..
530 UCL NEKRETNINE D.O.O. Issued capital BAM 10,000	SARAJEVO	SARAJEVO	01	BETEILIGUNGSVERWALTUNGSGES SELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	30.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	70.00	
531 UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG Issued capital EUR 10,000	VIENNA	VIENNA	01	ALLEGRO LEASING GESELLSCHAFT M.B.H.	10.00	
				BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	90.00	
532 UCTAM BALTICS SIA Issued capital EUR 4,265,585	RIGA	RIGA	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
533 UCTAM BULGARIA EOOD Issued capital BGN 20,000	SOFIA	SOFIA	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
534 UCTAM CZECH REPUBLIC SRO Issued capital CZK 45,500,000	PRAGUE	PRAGUE	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.96	
				UNICREDIT TURN-AROUND MANAGEMENT GMBH	0.04	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
535 UCTAM D.O.O. BEOGRAD Issued capital RSD 564,070,470	BELGRADE	BELGRADE	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
536 UCTAM HUNGARY KFT Issued capital HUF 10,200,000	BUDAPEST	BUDAPEST	01	EUROPA BEFEKTETESI ALAPKEZELOE ZRT (EUROPA INVESTMENT FUND MANAGEMENT LTD.) UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	0.33 99.67	
537 UCTAM RO S.R.L. Issued capital RON 30,257,830	BUCAREST	BUCAREST	01	UCTAM BALTICS SIA UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	.. 100.00	
538 UCTAM RU LIMITED LIABILITY COMPANY Issued capital RUB 4,000,000	MOSCOW	MOSCOW	01	AO UNICREDIT BANK UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	.. 100.00	
539 UCTAM UKRAINE LLC Issued capital UAH 1,013,324	KIEV	KIEV	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	99.99	
540 UCTAM UPRAVLJANJE D.O.O. Issued capital EUR 7,500	LJUBLJANA	LJUBLJANA	01	UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH	100.00	
541 UFFICIUM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,337	VIENNA	VIENNA	01	KUTRA GRUNDSTUECKSERWALTUNGS-GESELLSCHAFT M.B.H. UNICREDIT LEASING (AUSTRIA) GMBH	5.00 95.00	
542 UNI IT SRL Issued capital EUR 1,000,000	TRENTO	TRENTO	01	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	51.00	
543 UNICOM IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG UNICREDIT LEASING (AUSTRIA) GMBH	0.20 99.80	
544 UNICREDIT (CHINA) ADVISORY LIMITED Issued capital CNY 826,410	PECHINO	PECHINO	01	UNICREDIT BANK AG	100.00	
545 UNICREDIT AURORA LEASING GMBH Issued capital EUR 219,000	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
546 UNICREDIT BANK A.D. BANJA LUKA Issued capital BAM 97,055,000	BANJA LUKA	BANJA LUKA	01	UNICREDIT BANK AUSTRIA AG	98.43	
547 UNICREDIT BANK AG Issued capital EUR 2,407,151,016	MUNICH	MUNICH	01	UNICREDIT SPA	100.00	
548 UNICREDIT BANK AUSTRIA AG Issued capital EUR 1,681,033,521	VIENNA	VIENNA	01	UNICREDIT SPA	100.00	
549 UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S. Issued capital CZK 8,754,617,898	PRAGUE	PRAGUE	01	UNICREDIT BANK AUSTRIA AG	99.96	
550 UNICREDIT BANK D.D. Issued capital BAM 119,195,000	MOSTAR	MOSTAR	01	ZAGREBACKA BANKA D.D.	99.35	93.31

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
551 UNICREDIT BANK HUNGARY ZRT. Issued capital HUF 24,118,220,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK AUSTRIA AG	100.00	
552 UNICREDIT BANK IRELAND PLC Issued capital EUR 1,343,118,650	DUBLIN	DUBLIN	01	UNICREDIT SPA	100.00	
553 UNICREDIT BANK S.A. Issued capital RON 1,101,604,066	BUCAREST	BUCAREST	01	ARNO GRUNDSTUECKSVERWALTUNGS GESELLSCHAFT M.B.H.	0.01	
				BANK AUSTRIA-CEE BETEILIGUNGSGMBH	0.01	
				BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	0.01	
				UNICREDIT BANK AUSTRIA AG	95.62	
UNICREDIT LEASING (AUSTRIA) GMBH	0.01					
554 UNICREDIT BANK SERBIA JSC Issued capital RSD 23,607,620,000	BELGRADE	BELGRADE	01	UNICREDIT BANK AUSTRIA AG	100.00	
555 UNICREDIT BANKA SLOVENIJA D.D. Issued capital EUR 20,383,765	LJUBLJANA	LJUBLJANA	01	UNICREDIT BANK AUSTRIA AG	99.99	
556 UNICREDIT BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
557 UNICREDIT BPC MORTGAGE SRL (COVERED BONDS)	VERONA	VERONA	04	UNICREDIT SPA	..	(3)
558 UNICREDIT BPC MORTGAGE S.R.L. Issued capital EUR 12,000	VERONA	VERONA	01	UNICREDIT SPA	60.00	
559 UNICREDIT BROKER D.O.O. SARAJEVO BROKERSKO DRUSTVO U OSIGURANJU Issued capital BAM 7,823	SARAJEVO	SARAJEVO	01	UNICREDIT BANK D.D.	49.00	
				UNICREDIT INSURANCE MANAGEMENT CEE GMBH	51.00	
560 UNICREDIT BROKER S.R.O. Issued capital EUR 8,266	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
561 UNICREDIT BULBANK AD Issued capital BGN 285,776,674	SOFIA	SOFIA	01	UNICREDIT BANK AUSTRIA AG	99.45	
				UNICREDIT SPA	..	
562 UNICREDIT BUSINESS INTEGRATED SOLUTIONS AUSTRIA GMBH Issued capital EUR 1,200,000	VIENNA	VIENNA	01	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	100.00	
563 UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI Issued capital EUR 237,523,160	MILAN	MILAN	01	CORDUSIO SOCIETA' FIDUCIARIA PER AZIONI	..	
				FINCOBANK SPA	..	
				HVB - MILANO (BAYERISCHE HYPO UND VEREINSBANK A.G.)	..	
				PIONEER INVESTMENT MANAGEMENT SOC. DI GESTIONE DEL RISPARMIO PER AZ	..	
				UNICREDIT BANK AG	..	
				UNICREDIT FACTORING SPA	..	
UNICREDIT SPA	100.00					

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
564 UNICREDIT CAPITAL MARKETS LLC Issued capital USD 100,100	NEW YORK	NEW YORK	01	UNICREDIT U.S. FINANCE LLC	100.00	
565 UNICREDIT CENTER AM KAISERWASSER GMBH Issued capital EUR 35,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
566 UNICREDIT CONSUMER FINANCING EAD Issued capital BGN 2,800,000	SOFIA	SOFIA	01	UNICREDIT BULBANK AD	100.00	
567 UNICREDIT CONSUMER FINANCING IFN S.A. Issued capital RON 103,269,200	BUCUREST	BUCAREST	01	UNICREDIT BANK S.A.	50.10	
				UNICREDIT SPA	49.90	
568 UNICREDIT DELAWARE INC Issued capital USD 1,000	DOVER	NEW YORK	01	UNICREDIT SPA	100.00	
569 UNICREDIT DIRECT SERVICES GMBH Issued capital EUR 767,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
570 UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S. Issued capital CZK 222,600,000	PRAGUE	PRAGUE	01	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
571 UNICREDIT FACTORING EAD Issued capital BGN 1,000,000	SOFIA	SOFIA	01	UNICREDIT BULBANK AD	100.00	
572 UNICREDIT FACTORING SPA Issued capital EUR 414,348,000	MILAN	MILAN	01	UNICREDIT SPA	100.00	
573 UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital CZK 5,000,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
574 UNICREDIT FLEET MANAGEMENT S.R.O. Issued capital EUR 6,639	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
575 UNICREDIT FUGGETLEN BIZTOSITASKOEZVETITOE SZOLGALTATO KFT. Issued capital HUF 5,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
576 UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH Issued capital EUR 14,383,206	VIENNA	VIENNA	01	EUROLEASE RAMSES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
577 UNICREDIT GLOBAL BUSINESS SERVICES GMBH Issued capital EUR 1,525,600	UNTERFOHRING	UNTERFOHRING	01	UNICREDIT BANK AG	100.00	
578 UNICREDIT GLOBAL LEASING EXPORT GMBH Issued capital EUR 11,745,607	VIENNA	VIENNA	01	UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH	100.00	
579 UNICREDIT GLOBAL LEASING PARTICIPATION MANAGEMENT GMBH Issued capital EUR 7,476,432	VIENNA	VIENNA	01	UNICREDIT LEASING S.P.A.	100.00	
580 UNICREDIT INGATLANLIZING ZRT Issued capital HUF 81,000,000	BEKESCABA	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALTAE TEN GMBH	100.00	

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				HELD BY	HOLDING %	
581 UNICREDIT INSURANCE BROKER EOOD Issued capital BGN 5,000	SOPIA	SOPIA	01	UNICREDIT LEASING EAD	100.00	
582 UNICREDIT INSURANCE BROKER SRL Issued capital RON 150,000	BUCHAREST	BUCHAREST	01	UNICREDIT LEASING CORPORATION IFN S.A.	100.00	
583 UNICREDIT INSURANCE MANAGEMENT CEE GMBH Issued capital EUR 156,905	VIENNA	VIENNA	01	DV ALPHA GMBH	100.00	
584 UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA Issued capital EUR 10,000,000	LUXEMBURG	LUXEMBURG	01	UNICREDIT SPA	100.00	
585 UNICREDIT JELZALOGBANK ZRT. Issued capital HUF 3,000,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
586 UNICREDIT KFZ LEASING GMBH Issued capital EUR 648,265	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	100.00	
587 UNICREDIT LEASING (AUSTRIA) GMBH Issued capital EUR 93,510,420	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	10.00	
				PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	0.02	
				UNICREDIT BANK AUSTRIA AG	89.98	
588 UNICREDIT LEASING AVIATION GMBH Issued capital EUR 1,600,000	HAMBURG	HAMBURG	01	UNICREDIT LEASING GMBH	100.00	
589 UNICREDIT LEASING CORPORATION IFN S.A. Issued capital RON 90,989,013	BUCAREST	BUCAREST	01	UNICREDIT BANK S.A.	99.96	
				UNICREDIT CONSUMER FINANCING IFN S.A.	0.04	
590 UNICREDIT LEASING CROATIA D.O.O. ZA LEASING Issued capital HRK 28,741,800	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00	
591 UNICREDIT LEASING CZ, A.S. Issued capital CZK 981,452,000	PRAGUE	PRAGUE	01	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	100.00	
592 UNICREDIT LEASING D.O.O. Issued capital BAM 8,479,356	SARAJEVO	SARAJEVO	01	UNICREDIT BANK D.D.	100.00	
593 UNICREDIT LEASING EAD Issued capital BGN 2,605,000	SOPIA	SOPIA	01	UNICREDIT BULBANK AD	100.00	
594 UNICREDIT LEASING FINANCE GMBH Issued capital EUR 17,580,000	HAMBURG	HAMBURG	01	UNICREDIT LEASING GMBH	100.00	
595 UNICREDIT LEASING FLEET MANAGEMENT S.R.L. Issued capital RON 680,000	BUCAREST	BUCAREST	01	DV ALPHA GMBH	90.02	
				UNICREDIT LEASING CORPORATION IFN S.A.	9.98	
596 UNICREDIT LEASING FUHRPARKMANAGEMENT GMBH Issued capital EUR 364,000	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
597 UNICREDIT LEASING GMBH Issued capital EUR 15,000,000	HAMBURG	HAMBURG	01	UNICREDIT BANK AG	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
598 UNICREDIT LEASING HUNGARY ZRT Issued capital HUF 50,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
599 UNICREDIT LEASING IMMOTRUCK ZRT. Issued capital HUF 50,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
600 UNICREDIT LEASING INSURANCE SERVICES S.R.O. Issued capital EUR 5,000	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING SLOVAKIA A.S.	100.00	
601 UNICREDIT LEASING KFT Issued capital HUF 3,100,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
602 UNICREDIT LEASING LUNA KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	80.00	
603 UNICREDIT LEASING MARS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	80.00	
604 UNICREDIT LEASING S.P.A. Issued capital EUR 410,131,062	MILAN	MILAN	01	UNICREDIT SPA	100.00	
605 UNICREDIT LEASING SLOVAKIA A.S. Issued capital EUR 26,560,000	BRATISLAVA	BRATISLAVA	01	UNICREDIT LEASING CZ, A.S.	100.00	
606 UNICREDIT LEASING SRBIJA D.O.O. BEOGRAD Issued capital RSD 1,078,133,000	BELGRADE	BELGRADE	01	UNICREDIT LEASING S.P.A.	100.00	
607 UNICREDIT LEASING TECHNIKUM GMBH Issued capital EUR 1,435,000	VIENNA	VIENNA	01	LEASFINANZ GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
608 UNICREDIT LEASING TOB Issued capital UAH 5,083,582	KIEV	KIEV	01	UNICREDIT LEASING S.P.A.	100.00	
609 UNICREDIT LEASING URANUS KFT Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	80.00	
610 UNICREDIT LEASING VERSICHERUNGSSERVICE GMBH & CO KG Issued capital EUR 36,500	VIENNA	VIENNA	01	UNICREDIT LEASING (AUSTRIA) GMBH	100.00	
611 UNICREDIT LEASING, LEASING, D.O.O. Issued capital EUR 25,039,658	LJUBLJANA	LJUBLJANA	01	UNICREDIT BANKA SLOVENIJA D.D.	100.00	
612 UNICREDIT LUNA LEASING GMBH Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
613 UNICREDIT LUXEMBOURG FINANCE SA Issued capital EUR 350,000	LUXEMBURG	LUXEMBURG	01	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	100.00	
614 UNICREDIT LUXEMBOURG S.A. Issued capital EUR 238,000,000	LUXEMBURG	LUXEMBURG	01	UNICREDIT BANK AG	100.00	

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				HELD BY	HOLDING %	
615 UNICREDIT MOBILIEN UND KFZ LEASING GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	98.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
616 UNICREDIT OBG S.R.L.  Issued capital EUR 10,000	VERONA	VERONA	01	UNICREDIT SPA	60.00	
617 UNICREDIT OBG SRL (COVERED BONDS)	VERONA	VERONA	04	UNICREDIT SPA	..	(3)
618 UNICREDIT OPERATIV LIZING KFT  Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNICREDIT BANK HUNGARY ZRT.	100.00	
619 UNICREDIT PARTNER D.O.O. BEOGRAD  Issued capital RSD 2,001,875	BELGRADE	BELGRADE	01	ALLEGRO LEASING GESELLSCHAFT M.B.H.	100.00	
620 UNICREDIT PARTNER D.O.O. ZA TRGOVINU I USLUGE  Issued capital HRK 200,000	ZAGREB	ZAGREB	01	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	20.00	
				UNICREDIT LEASING CROATIA D.O.O. ZA LEASING	80.00	
621 UNICREDIT PARTNER LLC  Issued capital UAH 53,557	KIEV	KIEV	01	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	100.00	
622 UNICREDIT PEGASUS LEASING GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG IMMOBILIEN LEASING GMBH	74.80	
				UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
623 UNICREDIT POJISTOVACI MAKLERSKA SPOL.S R.O.  Issued capital CZK 510,000	PRAGUE	PRAGUE	01	UNICREDIT LEASING CZ, A.S.	100.00	
624 UNICREDIT POLARIS LEASING GMBH  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO- BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
625 UNICREDIT RENT D.O.O. BEOGRAD  Issued capital RSD 3,285,948,900	BELGRADE	BELGRADE	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
626 UNICREDIT SUBITO CASA SPA  Issued capital EUR 500,000	MILAN	MILAN	01	UNICREDIT SPA	100.00	
627 UNICREDIT TECHRENT LEASING GMBH  Issued capital EUR 36,336	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGES ELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	99.00	
				UNICREDIT LEASING (AUSTRIA) GMBH	1.00	
628 UNICREDIT TURN-AROUND MANAGEMENT CEE GMBH  Issued capital EUR 750,000	VIENNA	VIENNA	01	UNICREDIT TURN-AROUND MANAGEMENT GMBH	100.00	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS <sup>(2)</sup> %
				HELD BY	HOLDING %	
629 UNICREDIT TURN-AROUND MANAGEMENT GMBH Issued capital EUR 72,673	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
630 UNICREDIT U.S. FINANCE LLC Issued capital USD 130	WILMINGTON	NEW YORK	01	UNICREDIT BANK AG	100.00	
631 UNICREDIT ZAVAROVANO ZASTOPNISKA DRUZBA D.O.O. Issued capital EUR 40,000	LJUBLJANA	LJUBLJANA	01	UNICREDIT INSURANCE MANAGEMENT CEE GMBH	100.00	
632 UNICREDIT ZEGA LEASING-GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGESellschaft DER BANK AUSTRIA CREDITANSTALT LEASING GMBH UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	99.80 0.20	
633 UNICREDIT ZWEITE BETEILIGUNGS GMBH Issued capital EUR 1,000,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
634 UNICREDIT-LEASING HOSPES KFT Issued capital HUF 1,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
635 UNICREDIT-LEASING NEPTUNUS KFT Issued capital HUF 3,010,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	96.35	
636 UNICREDIT-LEASING ORION INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG Issued capital HUF 3,000,000	BUDAPEST	BUDAPEST	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00	
637 UNICREDITO ITALIANO CAPITAL TRUST III Issued capital EUR 1,000	NEWARK	NEWARK	01	UNICREDITO ITALIANO FUNDING LLC III	100.00	
638 UNICREDITO ITALIANO CAPITAL TRUST IV Issued capital GBP 1,000	NEWARK	NEWARK	01	UNICREDITO ITALIANO FUNDING LLC IV	100.00	
639 UNICREDITO ITALIANO FUNDING LLC III Issued capital EUR 1,000	WILMINGTON	NEW YORK	01	UNICREDIT SPA	100.00	
640 UNICREDITO ITALIANO FUNDING LLC IV Issued capital GBP 1,000	WILMINGTON	NEW YORK	01	UNICREDIT SPA	100.00	
641 UNIVERSALE INTERNATIONAL REALITAETEN GMBH Issued capital EUR 32,715,000	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00	
642 UNO-EINKAUFSZENTRUM-VERWALTUNGSGESELLSCHAFT M.B.H. Issued capital EUR 37,000	LEONDING	LEONDING	01	TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H.	100.00	
643 US PROPERTY INVESTMENTS INC. Issued capital USD 100,000	DALLAS	DALLAS	01	UNICREDIT BANK AG	100.00	
644 V.M.G. VERMIETUNGSGESELLSCHAFT MBH Issued capital EUR 25,565	MUNICH	MUNICH	01	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
645 VANDERBILT CAPITAL ADVISORS LLC Issued capital USD 1	WILMINGTON	CHICAGO	01	PIONEER INSTITUTIONAL ASSET MANAGEMENT INC	100.00	
646 VAPE COMMUNA LEASINGGESELLSCHAFT M.B.H. Issued capital EUR 431,630	VIENNA	VIENNA	01	BETEILIGUNGSVERWALTUNGSGESSELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	74.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	25.00	
647 VECTIGAL IMMOBILIEN GMBH Issued capital EUR 40,000	VIENNA	VIENNA	01	B A I BETEILIGUNGSVERWALTUNGSGMBH	100.00	
648 VECTIGAL IMMOBILIEN GMBH & CO KG Issued capital EUR 2,470,930	VIENNA	VIENNA	01	KLEA TERRAIN- UND BAUGESELLSCHAFT M.B.H.	100.00	
				VECTIGAL IMMOBILIEN GMBH	..	
649 VERBA VERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG Issued capital EUR 1,023,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
650 VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKT MOC KG Issued capital EUR 48,728,161	MUNICH	MUNICH	01	HVB IMMOBILIEN AG	88.98	88.93
				LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH	..	0.06
651 VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH Issued capital EUR 511,292	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
652 VIENNA DC BAUTRAEGER GMBH Issued capital EUR 18,168	VIENNA	VIENNA	01	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
653 VIENNA DC TOWER 1 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	01	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
654 VIENNA DC TOWER 2 LIEGENSCHAFTSBESITZ GMBH Issued capital EUR 17,500	VIENNA	VIENNA	01	WED DONAU-CITY GESELLSCHAFT M.B.H.	100.00	
655 VILLINO PACELLI SRL Issued capital EUR 41,600	ROME	ROME	01	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	100.00	
656 VISCONTI SRL Issued capital EUR 11,000,000	MILAN	MILAN	01	UNICREDIT SPA	76.00	
657 VUWB INVESTMENTS INC. Issued capital USD 10,000	ATLANTA	ATLANTA	01	WEALTHCAP FONDS GMBH	100.00	
658 WEALTH MANAGEMENT CAPITAL HOLDING GMBH Issued capital EUR 26,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	100.00	
659 WEALTHCAP AIRCRAFT 27 GMBH & CO GESCHLOSSENE INVESTMENTKG Issued capital USD 2,000	GRUNWALD	GRUNWALD	01	WEALTHCAP AIRCRAFT 27 KOMPLEMENTAR GMBH	49.95	33.33
				WEALTHCAP INVESTORENBETREUUNG GMBH	50.00	33.33
				WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH	0.05	33.33

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
660 WEALTHCAP EQUITY GMBH Issued capital EUR 500,000	MUNICH	MUNICH	01	WEALTHCAP INITIATOREN GMBH	100.00	
661 WEALTHCAP EQUITY MANAGEMENT GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP EQUITY GMBH	100.00	
662 WEALTHCAP FONDS GMBH Issued capital EUR 512,000	MUNICH	MUNICH	01	WEALTHCAP INITIATOREN GMBH	100.00	
663 WEALTHCAP INITIATOREN GMBH Issued capital EUR 1,533,876	MUNICH	MUNICH	01	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
664 WEALTHCAP INVESTMENT SERVICES GMBH Issued capital EUR 4,000,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	10.00	
				WEALTH MANAGEMENT CAPITAL HOLDING GMBH	90.00	
665 WEALTHCAP INVESTMENTS INC. Issued capital USD 312,000	WILMINGTON	ATLANTA	01	WEALTHCAP FONDS GMBH	100.00	
666 WEALTHCAP INVESTORENBETREUUNG GMBH Issued capital EUR 60,000	MUNICH	MUNICH	01	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
667 WEALTHCAP KAPITALVERWALTUNGSGESELLSCHAFT MBH Issued capital EUR 125,000	MUNICH	MUNICH	01	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
668 WEALTHCAP LEASING GMBH Issued capital EUR 25,000	GRUNWALD	MUNICH	01	WEALTH MANAGEMENT CAPITAL HOLDING GMBH	100.00	
669 WEALTHCAP MANAGEMENT SERVICES GMBH Issued capital EUR 50,000	GRUNWALD	GRUNWALD	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
670 WEALTHCAP PEIA KOMPLEMENTAR GMBH Issued capital EUR 26,000	GRUNWALD	GRUNWALD	01	WEALTHCAP PEIA MANAGEMENT GMBH	100.00	
671 WEALTHCAP PEIA MANAGEMENT GMBH Issued capital EUR 1,023,000	MUNICH	MUNICH	01	UNICREDIT BANK AG	6.00	
				WEALTH MANAGEMENT CAPITAL HOLDING GMBH	94.00	
672 WEALTHCAP REAL ESTATE MANAGEMENT GMBH Issued capital EUR 60,000	MUNICH	MUNICH	01	WEALTHCAP INVESTMENT SERVICES GMBH	100.00	
673 WEALTHCAP STIFTUNGSTREUHAND GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP FONDS GMBH	100.00	
674 WEALTHCAP USA IMMOBILIEN VERWALTUNGS GMBH Issued capital EUR 25,000	MUNICH	MUNICH	01	WEALTHCAP FONDS GMBH	100.00	
675 WED DONAU-CITY GESELLSCHAFT M.B.H. Issued capital EUR 726,728	VIENNA	VIENNA	01	WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT	100.00	
676 WED HOLDING GESELLSCHAFT M.B.H. Issued capital EUR 72,673	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	59.60	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
677 WED WIENER ENTWICKLUNGSGESELLSCHAFT FUER DEN DONAURAUM AKTIENGESELLSCHAFT Issued capital EUR 3,634,368	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	38.00	
				WED HOLDING GESELLSCHAFT M.B.H.	62.00	
678 WMC AIRCRAFT 27 LEASING LIMITED Issued capital USD 1	DUBLIN	DUBLIN	01	WEALTHCAP AIRCRAFT 27 GMBH & CO GESCHLOSSENE INVESTMENTKG	100.00	
679 WOEM GRUNDSTUECKSV ERWALTUNGS-GESELLSCHAFT M.B.H. Issued capital EUR 3,322,141	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
680 WOHNBAUERRICHTUNGS-UND-VERWERTUNGS-GMBH Issued capital EUR 6,615,700	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.28	
				IMMOBILIEN HOLDING GMBH	99.72	
681 WOHNPAK BRANDENBURG-GORDEN GMBH Issued capital EUR 51,150	BRANDEBURGO	BRANDEBURGO	01	IMMOBILIEN HOLDING GMBH	5.18	
				KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	94.82	
682 Z LEASING ALFA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
683 Z LEASING ARKTUR IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
684 Z LEASING AURIGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
685 Z LEASING CORVUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
686 Z LEASING DORADO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG GRUNDSTUECKVERWALTUNG GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
687 Z LEASING DRACO IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
688 Z LEASING GAMA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
689 Z LEASING GEMINI IMMOBILIEN LEASING GESELLSCHAFT M.B.H. Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	

## Part A – Accounting Policies

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
690 Z LEASING HEBE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GEBAEUDELEASING GRUNDSTUECKSV ERWALTUNGSGES ELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
691 Z LEASING HERCULES IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
692 Z LEASING IPSILON IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT GARAGEN ERRICHTUNG UND VERWERTUNG GMBH	99.80	
693 Z LEASING ITA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
694 Z LEASING JANUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
695 Z LEASING KALLISTO IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 263,958	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
696 Z LEASING KAPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
697 Z LEASING LYRA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	GALA GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
698 Z LEASING NEREIDE IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	
699 Z LEASING OMEGA IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	CALG DELTA GRUNDSTUECKVERWALTUNG GMBH	99.80	
				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
700 Z LEASING PERSEUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 16,134,987	VIENNA	VIENNA	01	BANK AUSTRIA LEASING ARGO IMMOBILIEN LEASING GMBH	100.00	
701 Z LEASING SCORPIUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.  Issued capital EUR 36,500	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20	
				UNICREDIT LEASING (AUSTRIA) GMBH	99.80	

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
				HELD BY	HOLDING %	
702	Z LEASING TAURUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	BA EUROLEASE BETEILIGUNGSGESELLSCHAFT M.B.H.	99.80
	Issued capital EUR 73,000				UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
703	Z LEASING VENUS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT LEASING (AUSTRIA) GMBH	99.80
704	Z LEASING VOLANS IMMOBILIEN LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	01	UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	0.20
	Issued capital EUR 36,500				UNICREDIT PEGASUS LEASING GMBH	99.80
705	ZABA PARTNER DOO ZA POSREDOVANJE U OSIGURANJU I REOSIGURANJU	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00
	Issued capital HRK 1,500,000					
706	ZAGREB NEKRETNINE DOO	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00
	Issued capital HRK 5,000,000					
707	ZAGREBACKA BANKA D.D.	ZAGREB	ZAGREB	01	UNICREDIT BANK AUSTRIA AG	84.48
	Issued capital HRK 6,404,839,100					
708	ZANE BH DOO	SARAJEVO	SARAJEVO	01	ZAGREB NEKRETNINE DOO	100.00
	Issued capital BAM 131,529					
709	ZAO LOCAT LEASING RUSSIA	MOSCOW	MOSCOW	01	OOO UNICREDIT LEASING	100.00
	Issued capital RUR 107,000,000					
710	ZAPADNI TRGOVACKI CENTAR D.O.O.	RIJEKA	RIJEKA	01	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	100.00
	Issued capital HRK 20,000					
711	ZB INVEST DOO	ZAGREB	ZAGREB	01	ZAGREBACKA BANKA D.D.	100.00
	Issued capital HRK 4,000,000					
712	ZETA FUENF HANDELS GMBH	VIENNA	VIENNA	01	UNICREDIT BANK AUSTRIA AG	100.00
	Issued capital EUR 17,500					
713	ZM REVITALISIERUNGS-UND VERMIETUNGS-GMBH	VIENNA	VIENNA	01	BA-CA MARKETS & INVESTMENT BETEILIGUNG GES.M.B.H.	0.04
	Issued capital EUR 2,056,561				IMMOBILIEN HOLDING GMBH	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 consolidated line 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 Cordusio SIM – Advisory & Family Office S.p.A. is consolidated at 100% by virtue of UniCredit S.p.A.'s of 67.32% and its option on minority interests representing 32.68% of the share capital.

We remind that after the endorsement of IFRS 11 the option to consolidate joint controlled entities proportionally has been eliminated, imposing the net equity method for those companies that fall in the scope of the aforementioned IFRS 11.

## Part A – Accounting Policies

### Changes in the scope of consolidation

Companies consolidated line by line, including the Parent Company, decreased by 38 entities compared with December 31, 2014 (22 inclusions and 60 exclusions) from 751 as at December 31, 2014 to 713 as at December 31, 2015.

### 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
<b>A. Opening balance 2014</b>	<b>751</b>
<b>B. Increased by</b>	<b>22</b>
B.1 Newly established companies	15
B.2 Change of the consolidation method	0
B.3 Entities consolidated for the first time in 2015	7
<b>C. Reduced by</b>	<b>60</b>
C.1 Disposal / Liquidation	33
C.2 Change of the consolidation method	1
C.3 Absorption by other Group entities	26
<b>D. Closing balance</b>	<b>713</b>

The tables below analyze the increases occurred during the year relating to newly established companies and entities consolidated for the first time in 2015:

#### Newly established companies

COMPANY NAME	MAIN OFFICE
GELDILUX-TS-2015 S.A.	LUXEMBURG
ROSENKAVALIER 2015 UG	FRANKFURT
ELEKTRA PURCHASE NO. 40 LIMITED	DUBLIN
SUCCESS 2015 B.V.	AMSTERDAM
TRANSFINANCE A.S.	PRAGUE
P & B PROJEKT- UND BETEILIGUNGS- GMBH	VIENNA
U2 ASPERN BAUPLATZ 1 BETEILIGUNGS-GMBH	VIENNA
CASTELLANI LEASING GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
ELEKTRA PURCHASE NO. 41 DAC	DUBLIN
ELEKTRA PURCHASE NO. 38 LIMITED	DUBLIN
ELEKTRA PURCHASE NO. 37 LIMITED	DUBLIN
UCLA IMMO-BETEILIGUNGSHOLDUNG GMBH & CO KG	VIENNA
UNICREDIT LEASING INSURANCE SERVICES S.R.O.	BRATISLAVA
UNICREDIT OPERATIV LIZING KFT	BUDAPEST
U2 ASPERN BAUPLATZ 1 GMBH & CO KG	VIENNA

### Entities consolidated for the first time in 2015

COMPANY NAME	MAIN OFFICE
WMC AIRCRAFT 27 LEASING LIMITED	DUBLIN
BAYERISCHE WOHNUNGSGESELLSCHAFT FUER HANDEL UND INDUSTRIE, GESELLSCHAFT MIT BESCHRAENKTER HAFTUNG	MUNICH
VECTIGAL IMMOBILIEN GMBH	VIENNA
PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
WEALTHCAP AIRCRAFT 27 GMBH & CO GESCHLOSSENE INVESTMENTKG	GRUNWALD
MCL RE LJUBLJANA, POSLOVNI NAJEM NEPREMI NIN, D.O.O.	LJUBLJANA
MY DREI HANDELS GMBH	VIENNA

The tables below analyze the decreases occurred during the year relating to disposal, change of the consolidation method and absorption by other Group entities:

The table shows the Entities sold or liquidated during the period.

### Disposal / Liquidation

COMPANY NAME	MAIN OFFICE
PEKAO TELECENTRUM SP. ZOO IN LIQUIDATION	WARSAW
STATUS VERMOGENSVERWALTUNG GMBH	SCHWERIN
CALG IMMOBILIEN LEASING GMBH & CO. 1050 WIEN, SIENBENBRUNNENGASSE 19-21 OG	VIENNA
BDK CONSULTING LLC IN LIQUIDATION	LUCK
CAC REAL ESTATE, S.R.O.	PRAGUE
PLANETHOME GMBH	MANNHEIM
BANK AUSTRIA IMMOBILIENSERVICE GMBH	VIENNA
BA-CA LEASING MODERATO D.O.O.	LJUBLJANA
MC MARKETING GMBH IN LIQU.	VIENNA
MY BETEILIGUNGS GMBH IN LIQU.	VIENNA
ALLIB ROM S.R.L.	BUCAREST
BACA CHEOPS LEASING GMBH	VIENNA
BA PRIVATE EQUITY GMBH IN LIQU.	VIENNA
UNICREDIT CREDIT MANAGEMENT IMMOBILIARE S.P.A.	VERONA
KELLER CROSSING TEXAS L.P.	ATLANTA
IPSE 2000 S.P.A. (IN LIQUIDAZIONE)	ROME
WIEN MITTE IMMOBILIEN GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
RONDO LEASING GMBH	VIENNA
ALEXANDA GV GMBH & Co. VERMIETUNGS KG	WIESBADEN
GUS CONSULTING GMBH IN LIQUIDATION	VIENNA
BACA-LEASING GEMINI INGATLANHASZNOSITO KORLATOLT FELELOSSEGUE TARSASAG	BUDAPEST
PLANETHOME AG	UNTERFOHRING
ENDERLEIN & CO. GMBH	BIELEFELD
CONSUMER ONE SRL (CARTOLARIZZAZIONE : CONSUMER ONE)	VERONA
ENTASI SRL (CARTOLARIZZAZIONE : ENTASI)	ROME
MC RETAIL GMBH IN LIQU.	VIENNA
ARTIST MARKETING ENTERTAINMENT GMBH IN LIQU.	VIENNA
ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. I.L.	HAMBURG
SCHOTTENGASSE 6-8 IMMOBILIEN GMBH IN LIQU	VIENNA
UNICREDIT CREDIT MANAGEMENT BANK SPA	VERONA
IMPRESA ONE SRL (CARTOLARIZZAZIONE : IMPRESA ONE)	VERONA
CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KG	VIENNA
PIONEER INVESTMENT MANAGEMENT SHAREHOLDER SERVICES INC	BOSTON

## Part A – Accounting Policies

## Change of the consolidation method

COMPANY NAME	MAIN OFFICE
UNICREDIT CAIB SECURITIES UK LTD.	LONDON

## Absorption by other Group entities

COMPANY NAME OF THE MERGERED ENTITY	MAIN OFFICE		COMPANY NAME OF THE TAKING IN ENTITY	MAIN OFFICE
UNICREDIT LEASING REAL ESTATE S.R.O.	BRATISLAVA	>>>	UNICREDIT LEASING SLOVAKIA A.S.	BRATISLAVA
HVB LEASING EOOD	SOFIA	>>>	UNICREDIT LEASING EAD	SOFIA
UNICREDIT LEASING ROMENIA S.A.	BUCAREST	>>>	UNICREDIT LEASING CORPORATION IFN S.A.	BUCAREST
HVB-LEASING FIDELIO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
PESTSZENTIMREI SZAKORVOSI RENDELOE KFT	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
CA-LEASING EPSILON INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
HVB-LEASING AIDA INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
HVB-LEASING SPORT INGATLANHSZNOSITO KORLATOLT FELELOEASSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
CA-LEASING DELTA INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
TREVI FINANCE N. 2 S.R.L.	CONEGLIANO	>>>	TREVI FINANCE S.R.L.	CONEGLIANO
BULBANK LEASING EAD	SOFIA	>>>	UNICREDIT LEASING EAD	SOFIA
HVB AUTO LEASING EOOD	SOFIA	>>>	UNICREDIT LEASING EAD	SOFIA
UNICREDIT AUTO LEASING E.O.O.D.	SOFIA	>>>	UNICREDIT LEASING EAD	SOFIA
LIFE SCIENCE I BETEILIGUNGS GMBH	MUNICH	>>>	HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG	MUNICH
SANTA ROSA S.R.L.	ROME	>>>	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	ROME
IMMOBILIARE PATETTA SRL	ROME	>>>	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	ROME
ROMA 2000 SRL IN LIQUIDAZIONE	ROME	>>>	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	ROME
CAMPO DI FIORI S.R.L.	ROME	>>>	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA	ROME
AWT HANDELS GESELLSCHAFT M.B.H.	VIENNA	>>>	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	VIENNA
KLEA WOHNBAU GESELLSCHAFT GMBH	VIENNA	>>>	KLEA TERRAIN- UND BAU-GESELLSCHAFT M.B.H.	VIENNA
NORDBAHNHOF BAUFELD 39 PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA	>>>	NORDBAHNHOF PROJEKTE HOLDING GMBH	VIENNA
LBC UNTERNEHMENS BETEILIGUNGSGES.M.B.H.	VIENNA	>>>	IMMOBILIEN HOLDING GMBH	VIENNA
NORDBAHNHOF BAUFELD SECHS PROJEKTENTWICKLUNG GMBH & CO KG	VIENNA	>>>	NORDBAHNHOF PROJEKTE HOLDING GMBH	VIENNA
CA-LEASING OMEGA INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
HVB-LEASING NANO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST	>>>	HVB-LEASING GARO INGATLANHSZNOSITO KORLATOLT FELELOESSEGUE TARSASAG	BUDAPEST
PUBLIC JOINT STOCK COMPANY UNICREDIT BANK	KIEV	>>>	PUBLIC JOINT STOCK COMPANY UKRSOTSBANK	KIEV

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

**Entities line by line which changed the company name during 2015**

COMPANY NAME	MAIN OFFICE	COMPANY NAME	MAIN OFFICE
OMNIA GRUNDSTUECKS-GMBH & CO. OBJEKT PERLACH KG FORMERLY (ex. BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG )	MUNICH	PEKAO INVESTMENT BANKING SA ( ex. UNICREDIT CAIB POLAND S.A. )	WARSAW
UNICREDIT PARTNER D.O.O. ZA TRGOVINU I USLUGE (ex. UNICREDIT PARTNER D.O.O.ZA POSREDOVANJE U OSIGURANJU )	ZAGREB	SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MIT BESCHRAENKTER HAFTUNG (ex.SALVATORPLATZ-GRUNDSTUECKSGESELLSCHAFT MBH )	MUNICH
WEALTHCAP MANAGEMENT SERVICES GMBH (ex. ACTIVE ASSET MANAGEMENT GMBH )	GRUNWALD	BDK CONSULTING LLC IN LIQUIDATION (ex. BDK CONSULTING LLC)	LUCK
UNICREDIT BROKER D.O.O. SARAJEVO BROKERSKO DRUSTVO U OSIGURANJU (ex. UNICREDIT BROKER DOO SARAJEVO ZA BROKERSKE POSLOVE U OSIGURANJU )	SARAJEVO	UNICREDIT INSURANCE MANAGEMENT CEE GMBH ( ex. UNICREDIT GLOBAL LEASING VERSICHERUNGSSERVICE GMBH)	VIENNA
PEKAO LEASING HOLDING S.A.IN LIQUIDATION (ex. PEKAO LEASING HOLDING S.A. )	WARSAW	ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H. I.L. ( ex. ALINT 458 GRUNDSTUECKVERWALTUNG GESELLSCHAFT M.B.H.)	BAD HOMBURG
UNICREDIT FACTORING CZECH REPUBLIC AND SLOVAKIA, A.S. (ex. TRANSFINANCE A.S. )	PRAGUE	NUOVA COMPAGNIA DI PARTECIPAZIONI SPA ( ex. COMPAGNIA ITALPETROLI S.P.A. )	ROME
WEALTHCAP INVESTMENT SERVICES GMBH ( ex. H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH )	MUNICH	UNICREDIT BANK S.A. (ex. UNICREDIT TIRIAC BANK S.A. )	BUCAREST
CA-ZETA REAL ESTATE DEVELOPMENT LIMITED LIABILITY COMPANY (ex. CA-LEASING ZETA INGATLANHASZNOSITO KORLATOLT FELELOESSEGUE TARSASAG )	BUDAPEST	ENTASI SRL IN LIQUIDAZIONE (ex. ENTASI SRL)	ROME
B A I BETEILIGUNGSVERWALTUNGS-GMBH ( ex. B A I BAUTRAGER AUSTRIA IMMOBILIEN GMBH )	VIENNA	B A I BAUTRAEGER AUSTRIA IMMOBILIEN GMBH ( ex. P & B PROJEKT- UND BETEILIGUNGS- GMBH )	VIENNA
FONDO SIGMA IMMOBILIARE ( ex. IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE )	ROME	KINABALU FINANCIAL PRODUCTS LLP (IN LIQU.) (ex. KINABALU FINANCIAL PRODUCTS LLP )	LONDON
KINABALU FINANCIAL SOLUTIONS LTD (IN LIQU.) ( ex. KINABALU FINANCIAL SOLUTIONS LTD )	LONDON	CEAKSCH VERWALTUNGS G.M.B.H.( IN LIQ. ) ( ex. CEAKSCH VERWALTUNGS G.M.B.H. )	VIENNA

## Part A – Accounting Policies

### 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 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:
  - the control of more than half of the voting rights in force of an agreement with other investors;
  - the power to determine the entity's financial and operating policies in force of a contract or a statutory clause;
  - 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;
  - 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 December 31, 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, 2015, it can be noted that 202 controlled entities (of which 10 belonging to the Bankig Group) were not consolidated, of which 178 for materiality threshold and/or liquidation procedures.

Among the non-consolidated remaining 25 entities can be outlined:

- the pension fund belonging to a subsidiary out of scope of IFRS10 and accounted for under IAS19R;
- 4 investment funds which the majority of quotas are subscribed by the Group and for which consolidation would not determine neither a significant increase in Group consolidated assets;
- 7 operating entities deriving from restructuring procedures or work-out, which risks are measured coherently as part of the credit exposures;
- 9 operating entities for which control exists but the consolidation has been suspended during the warehousing period. Risks are measured coherently as part of the credit exposures;
- 3 operating entities with total assets less than 10 million each, that do not have 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/benefits basis;
- 1 SPE for which the Group is the main lender which valuation pertains to the ordinary lending activity in accordance with the performance of underlying assets.

Based on available information, it is believed that their consolidation would not have impacted significantly the Group equity

### 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

NAME	MINORITIES EQUITY RATIOS %	MINORITIES VOTING RIGHTS %	DIVIDENDS TO MINORITIES
FINECOBANK SPA	34.53	34.53	41,882
BANK PEKAO SA	49.90	49.90	324,994
ZAGREBACKA BANKA D.D.	15.52	15.52	23,446

## Part A – Accounting Policies

## 3.2 Equity investments with significant non-controlling interests: accounting information

LEGAL ENTITIES	TOTAL ASSETS	CASH AND CASH EQUIVALENTS	FINANCIAL ASSETS	TANGIBLE AND INTANGIBLE	FINANCIAL LIABILITIES	NET EQUITY	NET INTEREST MARGIN
BANK PEKAO SA	39,617,875	692,189	37,507,624	557,971	33,549,703	5,508,176	955,792
FINECOBANK SPA	18,399,322	6	17,832,215	181,607	17,281,336	673,432	245,184
ZAGREBACKA BANKA D.D.	13,720,029	668,627	12,736,284	179,784	11,576,281	1,970,104	344,386

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	1,648,403	-883,567	660,010	534,198	0	534,198	-60,187	474,011
FINECOBANK SPA	547,263	-252,481	288,075	191,053	0	191,053	9,364	200,417
ZAGREBACKA BANKA D.D.	505,829	-226,949	-67,401	-52,470	0	-52,470	10,300	-42,170

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 the consolidated entities UniCredit BPC Mortgages S.r.l. and UniCredit OBG 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;
- with reference to Card Complete Service Bank AG, shareholder agreements establish that the amount of dividends that the company can distribute is based not only on the percentage of shares held but also on the amount of commissions paid to the shareholders during the year.

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 IV) 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” as well as further recommendation by competent authorities provided time by time (e.g. Recommendation of the European Central Bank on dividend distribution policy - ECB/2015/49).

The capital ratios requested for UniCredit S.p.A., with particular reference to the consolidated ones, and agreed upon with competent Regulators (ECB), also as a result of the Supervisory Review and Evaluation Process (SREP), might be higher than the minimum requirements set by the mentioned regulations. For the disclosure on UniCredit Group Capital Requirements and on the outcome of mentioned SREP, please refer to Part F – Consolidated Shareholders’ Equity.

With reference to subsidiaries, we note that in some jurisdictions and for some foreign entities of the Group, commitments to maintain local supervisory capital higher than regulatory thresholds may exist also as a result of SREP performed at local level.

With reference to contractual agreements, UniCredit group has also issued financial liabilities whose callability, redemption, repurchase or repayment is subordinated to the consent by the authorization of competent authority. The value of these instruments as of December 31, 2015 is equal to 18,737,810 thousand.

## 5. Other information

Please note that, as described above, for the preparation of the Consolidated Accounts the following sources have been used:

- UniCredit S.p.A. accounts at December 31, 2015;
- the accounts as at December 31, 2015, 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 Nuova Compagnia di Partecipazioni Group including Nuova Compagnia di Partecipazioni S.p.A. (formerly Compagnia Italtipetroli S.p.A.) and its direct and indirect subsidiaries, as at December 31, 2015.

## 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, 2015. For a description of the significant events after year end see the specific paragraph of the Consolidated Report on Operations.

## Part A – Accounting Policies

### Section 5 – Other Matters

The following accounting standards and interpretations came into effect in 2015:

- IFRIC21 - Levies (EU Regulation 634/2014);
- Annual Improvements to IFRSs 2011 - 2013 Cycle (EU Regulation 1361/2014),

the adoption of which has determined the application of IFRIC 21 in defining the accounting treatment for the expenses related to the contribution schemes of Deposit Guarantee Schemes (DGS) and the Single Resolution Fund (SRF), which were introduced by European directives No.s 49 and 59 of 2014, effective as of 2015.

Effective January 1, 2015, the Bank of Italy has revised the classification method for regulatory purposes and for the reporting of impaired financial assets (7th update of Circular No. 272 of July 30, 2008 - "Accounts Matrix" issued by the Bank of Italy on January 20, 2015). The purpose of this update is to adapt the definition of impaired asset to the new definitions of "non-performing exposures" and "forborne exposures" laid down by the European Commission in Regulation 2015/227, as recommended by EBA (EBA/ITS/2013/03/rev1 24/7/2014). The new classification criteria enables the following:

- provides that impaired financial assets are divided into the categories of bad loans, unlikely to pay and impaired past-due and that the total of these categories corresponds to the aggregate "Non-Performing Exposures" referred to in the EBA ITS;
- eliminates the previously applicable concepts of doubtful and restructured exposures;
- introduces the qualification exposures subject to forbearance measures or "forborne".

These new definitions have entered into effect within the framework of the Group's accounting policies for IFRS purposes starting from financial year 2015. For further details, refer to item 4. Loans in section A.2 Parts referring to the main items of the accounts. The entry into force of these new definitions has been achieved with a prospective application into the relevant credit processes, which consequently have to undergo a process of adaptation to the new classification rules. This is described in further detail in Part E - Information on risks and related risk management policies - Section 1 - Credit risk - Qualitative information - 2.5 - Impaired loans.

The EBA issued for comments a proposal for changing the default definition ("Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013"); the comment period ended on January 22, 2016. Based on the outcome of these new guidelines, it is expected that the classification criteria relating to impaired loans could undergo further changes in the future. The effects of these amendments will only become clear once the final guidelines have been issued, including new EBA guidelines on the materiality threshold for measuring impaired past-due exposures, which comment period was completed on January 31, 2015.

The European Commission has endorsed the following accounting standards that are not yet compulsory in the financial statements at December 31, 2015 and which have not been adopted in advance by the Bank of Italy:

- Annual Improvements to IFRSs 2010 - 2012 cycle (EU Regulation 28/2015);
- Amendments to IAS 19 - Defined benefit plans: employee contributions (EU Regulation 29/2015);
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants (EU Regulation 2113/2015);
- Amendments to IFRS 11: Accounting for Acquisition of Interests in Joint Operations (EU Regulation 2173/2015);
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (EU Regulation 2231/2015);
- Annual Improvements to IFRSs 2012 - 2014 cycle (EU Regulation 2343/2015);
- Amendments to IAS 1: Disclosure Initiative (EU Regulation 2406/2015);
- Amendments to IAS 27: Equity Method in Separate Financial Statements (EU Regulation 2441/2015).

As of December 31, 2015 the IASB issued the following standards, amendments, interpretations or revisions. However, their application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- 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 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture (September 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities: Applying the Consolidation Exception (December 2014).

In July 2014 the IASB has issued IFRS 9 Financial Instruments, the new accounting standard, mandatorily effective for annual periods beginning on or after January 1, 2018, that will replace IAS 39 Financial Instruments: Recognition and Measurement. The endorsement by the European authorities is expected to be completed before its date of first time adoption. The new standard includes a revised model for classification and measurement of financial assets, an impairment model for credit allowances based on 'expected loss' and a reformed approach to general hedge accounting. The new classification and measurement approach for financial assets in IFRS 9 will be based upon the contractual cash flow characteristics of the financial asset and, for financial assets whose contractual cash flows are solely payments of principal and interest on the principal amount outstanding ("SPPI assets"), the entity's business model for managing them. Depending on the entity's business model, SPPI assets may be classified as "held to collect" contractual cash flows (measured at amortized costs and subject to the expected loss impairment), assets "held to collect and sale" (measured at fair value through other comprehensive income and subject to the expected loss impairment) or held for trading (measured at fair value through profit or loss).

With reference to the new impairment model, the introduction of the expected credit loss (ECL) approach is expected to have an extensive impact on UniCredit consolidated financial statements: loans to customers and banks, loan commitments, debt securities "held to collect" and "held to collect and sale", financial guarantees and leasing financial assets are in scope of the ECL approach. This approach has been designed by the IASB in order to produce earlier recognition of credit losses than IAS 39, which is instead based on the existence of evidences of impairment, as requested by the G20 following the financial crisis. IFRS 9 will require to base the measurement of credit impairment allowance on ECL using a three stage impairment approach. The measurement of ECL depends on its credit risk and the extent of the observed increase in credit risk since initial recognition, as follows:

- (a) "12-month ECL" (Stage 1), which applies to all items (from initial recognition) as long as there is no significant increase in credit risk; and
- (b) "Lifetime ECL" (Stages 2 and 3), which applies when a significant increase in credit risk has occurred, whether assessed on an individual or collective basis.

Assets allocated for IFRS 9 in Stage 1 and 2 are classified as performing under IAS 39 and the amount of their allowance is under IAS 39 measured using the "incurred but not reported approach" ("IBNR"), i.e. with an amount of allowance calculated as the product of risk factors derived from the parameters used under supervisory regulations CRR requirements (with a 12-month time horizon): probability of default, loss-given default, exposure at default and loss confirmation periods, the latter expressed as portion of a year and diversified according to loan classes on the basis of the characteristics of the customer's segment/portfolios. With the transition to IFRS 9, this IBNR approach used for IAS 39 will be replaced respectively for assets allocated in Stage 1 by the 12-month ECL and for assets allocated in Stage 2 by the lifetime ECL (the latter having as relevant time horizon the residual life of the asset).

For assets allocated in Stage 3, which are non performing under IAS 39, no major conceptual differences exist with the ECL approach of IFRS 9, as triggers for impairment recognition and non-performing loan classification used under IAS 39 will continue to be applied.

Considering the differences in concepts described above for performing assets, the ECL approach is expected to increase the credit loss allowances on transition compared to the existing IAS 39 approach.

IFRS 9 accounting model is generally expected to include a greater degree of management judgment than IAS 39 and will employ, even more, model-based calculations that are inherently complex. Preparation to the ECL approach is requiring significant data, systems and process changes within the UniCredit group and requires to carefully consider the Group implementation strategies.

The Group has launched a dedicated program to implement IFRS 9, involving the main banking subsidiaries in Italy, Germany, Austria, Poland and the CEE Countries. The program actively involves: Group Risk Management, Strategy and Finance, the main Business functions, Organization and Business Integrated Solutions departments.

After a phase of gap analysis and definition of high-level methodological guidelines, the activities are currently in the detailed design phase. Current status of the activities reflects the fact that, since the accounting and modelling requirements are new, leading practices are now being developed with reference to several key issues, through guidelines recently issued by the Basel Committee and discussions at industry level and with external auditors; accordingly final impacts are still subject to change. With reference to classification and measurement, the Group is undertaking a detailed assessment of cash flow characteristics of debt instruments classified at amortized cost under IAS 39, in order to identify potential assets that, failing the SPPI test, will have to be measured at fair value under IFRS 9.

With reference to the ECL approach, the Group is currently working on models, data and system design and testing and plans to run detailed impact assessment for IFRS 9 impairment in due course, while progressing with such design activities.

Quantitative impacts on UniCredit consolidated financial statements at initial application are to date not available, reflecting the status of the above mentioned activities.

The main impacts on UniCredit Group are expected to come from the implementation of the new impairment model, which will result in higher credit loss allowances for performing loans. Adjustments to carrying values of financial instruments due to IFRS 9 transition will impact book value of equity as of January 1, 2018.

Furthermore, the adoption of the new ECL framework may eventually result in changes, in addition to the financial reporting processes, also to the bank's risk management organization and processes, including both front office credit management processes (e.g. underwriting, credit monitoring) and back office provisioning process. Such changes are currently under analysis and will be implemented in compliance within regulation enforcement timeframe.

Under current capital approach, any deficit between regulatory expected loss ("EL") and IAS 39 accounting allowance is deducted from CT1 capital, while any excess is added back to Tier 2 capital. In the absence of any amendment to Basel regulatory rules, the new ECL approach is expected to affect negatively regulatory capital as of January 1, 2018. However to date it is unclear how regulators will treat the interaction of the accounting impairment allowance and the Basel concept of expected loss: current Basel framework was designed to deal with IAS 39 accounting allowances based on incurred loss, while IFRS 9 will trigger expected loss to impact accounting equity. Accordingly, final implications on regulatory capital are still uncertain to date.

## Part A – Accounting Policies

Key concepts within the ECL approach includes the assessment of a significant increase in credit risk and the measurement of ECL. Such concepts, according to the standard, must be based on reasonable and supportable information that is available without undue cost or effort, and must reflect historical, current and forward-looking information.

As described above, the concept of “significant increase in credit risk” will drive the timing of recognizing lifetime ECL (i.e. those exposures assigned to Stage 2) as opposed to 12-month expected credit losses (i.e. Stage 1) in the measurement of the impairment allowance.

With reference to the assessment of a significant increase in credit risk interpretations and policies at UniCredit Group are now being defined, with the risk parameter of probability of default taking a key role in the assessment at portfolio level, together with trigger indicators used in the risk monitoring processes at portfolio and individual exposure level. In addition, the more-than-30-days-past-due rebuttable presumption will also be taken into account, unless for specific parts of portfolio where such information has no substantive relationship with the credit risk driver. Macro-economic variables and forward-looking information are being factored into such assessment at portfolio level, starting from the stress testing statistics and processes already in place.

With reference to ECL measurement, advanced-internal-rating-based Basel models are used as the starting point for designing IFRS 9 approach. Detailed design of IFRS 9 entails switch from 12-month time horizon to long-life parameters and from through-the-cycle and downturn approach to point-in-time logic for probability of default and loss given default. Long-life parameters will factor both historical information, where trends and correlations to the credit risk are identified, and forward looking events as well as macroeconomic forecasts at portfolio level as above mentioned.

With reference to the first application of IFRS 15 Revenue recognition, effective by January 1, 2018, the activities of impact assessment will be completed in the coming periods.

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, 2015, subject to limited scope audit, as well as the Consolidated Interim Reports as at March 31 and September 30, 2015, 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 February 9, 2016, 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.

## 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.

## Part A – Accounting Policies

### 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.

## Part A – Accounting Policies

### 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 disbursement to the borrower which may coincide with the date of contract signing.

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 on the basis of the contractual terms.

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, set out in Circular no. 272 of 30 July 2008 and subsequent updates, loans classified as 'impaired' based on the characteristics set out in paragraphs 58-62 of IAS 39, correspond to the category Non-Performing Exposures as defined by ITS EBA (EBA/ITS /2013/03/rev1 24/7/2014).

In particular, the EBA has defined Non-performing exposures as 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 regardless of number of days past due.

In addition the mentioned EBA standards have introduced the definition of "forborne" exposures, i.e. debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties"), i.e. modifications of the previous contractual terms and conditions or total or partial refinancing<sup>4</sup>.

Forborne exposures may be classified in the risk category of non-performing loans (bad loans, unlikely-to-pay, past-due impaired) or performing loans. With reference to the assessments of impairment and provisions for Forborne exposures, the accounting policies applied are in line with the general criteria in accordance with IAS 39 requirements with the following clarification on forborne exposures classified as unlikely to pay.

The same Circular 272 further classifies non-performing exposures in the following categories:

- Bad loans: refers to on-balance sheet and off-balance sheet exposures that are formally considered as uncollectable, towards borrowers that are in insolvency (even not judicially ascertained) or an equivalent situation. The impairment loss assessment is performed in general on analytical basis (including the validation of the provision with coverage levels statistically defined for certain loan portfolios below a set threshold). In case of not significant amounts, the assessment of impairment loss is performed on a collective basis aggregating similar exposures.
- Unlikely to pay: refers to on-balance and off-balance sheet exposures that meet the definition of unlikely to pay, which do not meet the conditions to be classified as bad loans. The classification as "unlikely to pay" derives from the assessment of the debtor's unlikeliness (without actions such as realization of collateral) to repay fully his credit obligation (principal and/or interest). The classification within the unlikely to pay category is not necessarily related to the explicit presence of anomalies (repayment failure) but rather is tied to the existence of evidences of a debtor's risk of default. The impairment loss assessment is performed in general on analytical basis (also checking the coverage level which is statistically defined for certain loan portfolios below a set threshold) or on a collective basis aggregating similar exposures.

The exposure classified as unlikely to pay and qualified as forborne can be reclassified back to performing loans only after one year since the forbearance measure has been granted and provided that the conditions set for in paragraph 157 of the Implementing Technical Standard of EBA are met. With reference to their provisioning:

- measurement is performed in general on a loan-by-loan basis and the resulting allowance may include the discounted cost due to renegotiation of the interest rate at a rate lower than the original contractual rate;
- 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.
- Not-performing past-due: they are on-balance-sheet exposures, other than those classified among bad loans or unlikely to pay, which, at the reference date, have amounts that are past-due or over limits. Not-performing past-due amounts can be determined making reference, alternatively, to the single debtor or to the single transaction. In particular, they include the total exposure to any borrower not included in the categories of bad loans or unlikely to pay, 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 local supervisory regulations for their classification under the "past due exposures" category (TSA banks, that adopt standardized approach) or under the "defaulted exposures" category (IRB banks). 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.

<sup>4</sup> For further details on the definition of forborne exposure and the related impacts on the loan process please refer to part E – Section 1 – Paragraph 2.5 Impaired Loans.

## Part A – Accounting Policies

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 oneyear 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; |
| • furniture and fixtures | 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.

## Part A – Accounting Policies

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.

## Part A – Accounting Policies

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, should the plan not be sufficient to provide benefit to all employees.

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 recorded 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 delivery/settlement.

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).

## Part A – Accounting Policies

### 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 in 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.

## Part A – Accounting Policies

### 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 provisions 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.

## Part A – Accounting Policies

Following pension reform by Law 252/2005, TFR installments accrued to 12.31.2006 (or to the date between 01.01.2007 and 06.30.2007 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 06.30.2007) 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 existing 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.

## Part A – Accounting Policies

### 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-, HfM 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.

## Part A – Accounting Policies

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, 2015 (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: 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, 2015, if these assets had not been reclassified, would have been a loss of €5,046 thousand, while the impact actually recognized was a gain of €101,243 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 12.31.2015 (4)	FAIR VALUE AS AT 12.31.2015 (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)
<b>A. Debt securities</b>			<b>2,740,095</b>	<b>2,887,259</b>	<b>(64,186)</b>	<b>84,798</b>	<b>(18,475)</b>	<b>108,839</b>
	Held for trading	Available for sale	3,598	3,598	192	272	192	313
	Held for trading	Held to maturity	156,365	157,979	(1,574)	2,995	-	2,995
	Held for trading	Loans to Banks	479,228	529,130	(8,699)	15,893	-	34,955
	Held for trading	Loans to Customers	2,084,728	2,181,263	(54,135)	65,276	(18,746)	70,243
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	16,176	15,289	30	362	79	333
<b>B. Equity instruments</b>			-	-	-	-	-	-
	Held for trading	Available for sale	-	-	-	-	-	-
<b>C. Loans</b>			<b>256,843</b>	<b>267,339</b>	<b>(29,953)</b>	<b>4,295</b>	<b>6,416</b>	<b>4,463</b>
	Held for trading	Available for sale	-	-	-	-	-	-
	Held for trading	Held to maturity	-	-	-	-	-	-
	Held for trading	Loans to Banks	33,474	35,734	(1,003)	1,402	-	1,730
	Held for trading	Loans to Customers	223,369	231,605	(28,950)	2,893	6,416	2,733
	Available for sale	Loans to Banks	-	-	-	-	-	-
	Available for sale	Loans to Customers	-	-	-	-	-	-
<b>D. Units in investment funds</b>			-	-	-	-	-	-
	Held for trading	Available for sale	-	-	-	-	-	-
<b>Total</b>			<b>2,996,938</b>	<b>3,154,598</b>	<b>(94,139)</b>	<b>89,093</b>	<b>(12,059)</b>	<b>113,302</b>

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 €1,397,788 thousand at December 31, 2015.

## 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, liquidity 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 at least 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.

## Part A – Accounting Policies

### 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<sup>5</sup>. 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 classified 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.

<sup>5</sup> As far as Italian Government bonds are concerned, it is worth stressing they are typically exchanged on the MTS market which is largely acknowledged 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 2015, net CVA/DVA cumulative adjustment, related to performing counterparts, amounts to €268 million negative.

The part related to own credit spread evolution, which is filtered out from regulatory capital (accordingly to CRDIV), amounts to €208 million positive.

### Funding Cost and Benefit adjustment (FCA/FBA)

Funding Valuation Adjustment (FundVA) is the sum of a Funding Cost Adjustment (FCA) and a Funding Benefit Adjustment (FBA) that indeed accounts for the expected future funding costs / benefits for derivatives that are not fully collateralized. Most material contributors are in-the-money trades with uncollateralized counterparties.

UniCredit FVA methodology is based on the following input:

- Positive and Negative exposure profiles derived leveraging on a risk-neutral spin-off of the Counterparty Credit Risk internal model;
- PD term structure implied by current market default rates obtained from credit default swaps;
- A funding spread curve that is representative of the average funding spread of peer Financial Groups.

## Part A – Accounting Policies

Such adjustment was previously considered among the capital deduction within the AVA prudential requirements. From December 2015 the fair value adjustment component is reflected into P&L with a net cumulative adjustment equal to €114 million negative.

### 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.

### 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 below.

### 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.

## Part A – Accounting Policies

### 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.

PRODUCT CATEGORIES		FAIR VALUE ASSETS	FAIR VALUE LIABILITIES	VALUATION TECHNIQUES	UNOBSERVABLE PARAMETERS	RANGE		
(€ million)								
<b>Derivatives</b>	Financial							
		Commodities	23,89	80,61	Discounted Cash Flow s	Sw ap Rate	10%	130%
						(% of used value)		
					Option Pricing Model	Volatility	20%	120%
						Correlation	-95%	95%
		Equity	108,52	277,14	Option Pricing Model	Volatility	15%	120%
						Correlation	-95%	95%
					Option Pricing Model/ Discounted Cash Flow s	Dividends Yield	0%	15%
		Foreign Exchange	336,37	228,28	Option Pricing Model	Volatility	1%	40%
					Discounted Cash Flow s	Interest rate	-30%	20%
		Interest Rate	860,19	536,51	Discounted Cash Flow s	Sw ap Rate (bps)	- 30 bps	1000 bps
						Inflation Sw ap Rate	100 bps	230 bps
					Option Pricing Model	Inflation Volatility	1%	10%
						Interest Rate Volatility	10%	100%
						Correlation	20%	100%
	Hybrid	3,48	10,81	Option Pricing Model	Volatility	10%	120%	
					Correlation	-80%	80%	
	Credit	23,62	44,73	Hazard Rate Model	Credit Spread	0,02%	236%	
					Recovery rate	7%	75%	
					Correlation	25%	85%	
				Option Pricing Model	Volatility	54%	76%	
<b>Debt Securities and Loans</b>	Corporate/ Government/Other	1.261,22	574,32	Market Approach	Price (% of used value)	0%	215%	
	Mortgage & Asset Backed Securities	12,48	0,00	Discounted Cash Flow s	Credit Spread (% of used value)	21bps	30%	
					LGD	18%	80%	
					Default Rate	1%	12,0%	
					Prepayment Rate	0%	30%	
<b>Equity Securities</b>	Unlisted Equity & Holdings	551,43	0,00	Market Approach	Price (% of used value)	0%	100%	
				Gordon Grow th Model	Ke	8,5%	10,5%	
					Grow th Rate	2,0%	3,5%	
				Dividend Discount Model	Beta	0,35	0,45	
					Risk Premium	5,5%	7,0%	
<b>Units in Investment Funds</b>	Real Estate & Other Funds	250,35	0,00	Adjusted Nav	PD	1%	30%	
					LGD	35%	60%	

## 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 liquid and 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	
<b>Derivatives</b>		
Financial		
	Commodities	+/- 1,74
	Equity	+/- 62,73
	Foreign Exchange	+/- 4,42
	Interest Rate	+/- 13,25
	Hybrid	+/- 1,27
Credit		+/- 25,81
<b>Debt Securities and Loans</b>		
	Corporate/Government/Other	+/- 15,82
	Mortgage & Asset Backed Securities	+/- 0,80
<b>Equity Securities</b>		
	Unlisted Equity & Holdings	+/- 117,72
<b>Units in Investment Funds</b>		
	Real Estate & Other Funds	+/- 10,37

## Part A – Accounting Policies

### 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 12.31.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets held for trading	28,923,550	60,557,336	1,515,822	25,775,109	73,091,798	2,358,639
2. Financial assets at fair value through P&L	17,939,136	16,231,115	198,044	14,654,988	16,770,278	378,131
3. Available for sale financial assets	99,983,088	7,466,305	1,712,528	85,779,651	7,680,520	3,475,120
4. Hedging derivatives	-	5,363,265	5,099	-	9,101,384	12,783
5. Property, plant and equipment	-	-	68,860	-	-	70,457
6. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>146,845,774</b>	<b>89,618,021</b>	<b>3,500,353</b>	<b>126,209,748</b>	<b>106,643,980</b>	<b>6,295,130</b>
1. Financial liabilities held for Trading	9,646,638	57,526,008	1,745,949	8,096,066	67,921,489	1,117,160
2. Financial liabilities at fair value through P&L	-	451,783	2,873	-	562,269	4,698
3. Hedging derivatives	2	6,144,990	3,637	-	8,620,667	1,276
<b>Total</b>	<b>9,646,640</b>	<b>64,122,781</b>	<b>1,752,459</b>	<b>8,096,066</b>	<b>77,104,425</b>	<b>1,123,134</b>

Transfers between level of fair value occurring between December 31, 2014 and December 31, 2015 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.

The sub-item 3. Available-for-sale financial assets at level 3 as of December 31, 2015, does not include €645 million measured at cost (€701 million as of December 31, 2014).

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 €2,004 million
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €470 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
- 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 €1,800 million
  - of financial assets measured at fair value through reserves (financial assets available for sale) for approximately €298 million
  - of financial liabilities measured at fair value through profit & loss (financial liabilities held for trading and carried at fair value) for approximately €38 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 2015						
	HELD FOR TRADING FINANCIAL ASSETS	AT FAIR VALUE THROUGH P&L FINANCIAL ASSETS	AVAILABLE FOR SALE FINANCIAL ASSETS	HEDGING DERIVATIVES	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS
<b>1. Opening balances</b>	<b>2,358,639</b>	<b>378,131</b>	<b>3,475,120</b>	<b>12,783</b>	<b>70,457</b>	-
<b>2. Increases</b>	<b>4,530,021</b>	<b>147,857</b>	<b>987,808</b>	<b>291</b>	<b>856</b>	-
2.1 Purchases	3,574,740	20,194	485,508	266	-	-
2.2 Profits recognized in:	421,884	10,127	168,784	-	-	-
2.2.1 Income Statement	421,884	10,127	23,390	-	-	-
- of which <i>Unrealized gains</i>	352,533	4,966	18,276	-	-	-
2.2.2 Equity	X	X	145,394	-	-	-
2.3 Transfers from other levels	401,771	114,200	233,051	-	-	-
2.4 Other increases	131,626	3,336	100,465	25	856	-
<b>3. Decreases</b>	<b>5,372,838</b>	<b>327,944</b>	<b>2,750,400</b>	<b>7,975</b>	<b>2,453</b>	-
3.1 Sales	3,353,152	40,884	489,062	266	-	-
3.2 Redemptions	304,980	32,707	229,765	-	-	-
3.3 Losses recognized in:	166,978	1,322	49,331	5,478	1,888	-
3.3.1 Income Statement	166,978	1,322	5,179	5,478	1,888	-
- of which <i>Unrealized losses</i>	157,829	946	424	-	1,888	-
3.3.2 Equity	X	X	44,152	-	-	-
3.4 Transfers to other levels	1,222,494	251,067	1,738,722	2,206	-	-
3.5 Other decreases	325,234	1,964	243,520	25	565	-
<b>4. Closing balances</b>	<b>1,515,822</b>	<b>198,044</b>	<b>1,712,528</b>	<b>5,099</b>	<b>68,860</b>	-

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, 2014 and December 31, 2015 in Held for Trading and Fair Value through P&L financial assets 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.

During 2015 the equity investment in Bank of Italy reported under financial assets available for sale for an amount equal to €1,401 million as of December 31, 2015 (€1,659 million as of December 31, 2014), was reclassified from level 3 to level 2 of fair value hierarchy (for further information see Parte B Section 4 – Available for sale financial assets – Item 40).

#### A.4.5.3 Annual changes in liabilities at fair value on a recurring basis (level 3)

(€ '000)

	CHANGES IN 2015		
	FINANCIAL LIABILITIES HELD FOR TRADING	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P&L	HEDGING DERIVATIVES
<b>1. Opening balances</b>	<b>1,117,160</b>	<b>4,698</b>	<b>1,276</b>
<b>2. Increases</b>	<b>2,862,790</b>	<b>22,955</b>	<b>3,640</b>
2.1 Issuance	958,010	-	3,636
2.2 Losses recognized in:	289,713	-	-
2.2.1 Income Statement	289,713	-	-
<i>- of which Unrealized losses</i>	<i>204,444</i>	-	-
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	1,557,137	-	-
2.4 Other increases	57,930	22,955	4
<b>3. Decreases</b>	<b>2,234,001</b>	<b>24,780</b>	<b>1,279</b>
3.1 Redemptions	164,912	-	1,275
3.2 Purchases	460,715	-	-
3.3 Profits recognized in:	212,680	-	-
3.3.1 Income Statement	212,680	-	-
<i>- of which Unrealized gains</i>	<i>183,128</i>	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	1,300,321	-	-
3.5 Other decreases	95,373	24,780	4
<b>4. Closing balances</b>	<b>1,745,949</b>	<b>2,873</b>	<b>3,637</b>

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, 2014 and December 31, 2015 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.

## Part A – Accounting Policies

**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 12.31.2015				AMOUNTS AS AT 12.31.2014			
	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	2,093,301	708,728	1,392,740	24,929	2,583,911	1,115,852	1,312,122	188,727
2. Loans and receivables with banks	80,073,334	403,021	51,688,503	28,336,129	68,730,127	3,403,995	41,657,630	28,675,591
3. Loans and receivables with customers	473,998,521	1,173,923	167,423,628	317,947,855	470,568,766	1,795,399	173,150,278	315,828,151
4. Property, plant and equipment held for investment	2,520,706	-	104,400	2,829,301	3,012,079	-	163,329	3,544,851
5. Non-current assets and disposal groups classified as held for sale	2,820,068	-	21,760	2,463,254	3,599,748	-	24,949	3,540,895
<b>Total</b>	<b>561,505,930</b>	<b>2,285,672</b>	<b>220,631,031</b>	<b>351,601,468</b>	<b>548,494,631</b>	<b>6,315,246</b>	<b>216,308,308</b>	<b>351,778,215</b>
1. Deposits from banks	111,372,678	-	59,259,162	52,817,167	106,036,913	-	55,497,214	52,192,998
2. Deposits from customers	449,790,439	10,922	144,578,797	306,703,898	410,411,985	-	134,231,255	277,831,237
3. Debt securities in issue	134,477,901	60,537,592	58,852,203	22,275,395	150,275,804	60,500,691	76,624,212	22,440,725
4. Liabilities included in disposal groups classified as held for sale	1,879,999	-	-	1,873,921	1,650,458	-	-	1,648,175
<b>Total</b>	<b>697,521,017</b>	<b>60,548,514</b>	<b>262,690,162</b>	<b>383,670,381</b>	<b>668,375,160</b>	<b>60,500,691</b>	<b>266,352,681</b>	<b>354,113,135</b>

Between December 31, 2014 and December 31, 2015 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.

Sub item 5. Non-current assets and disposal groups classified as held for sale also contains €335,054 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 €6,078 thousand measured at cost (see Part B Section 15, table 15.1).

## 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 €95,937 thousand at December 31, 2014 to €29,900 thousand at December 31, 2015.



## Part B – Consolidated Balance Sheet

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## Part B – Consolidated Balance Sheet - Assets

**Assets****Section 1 - Cash and cash balances - Item 10****1.1 Cash and cash balances: breakdown**

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
a) Cash	3,782,732	4,115,236
b) Demand deposits with Central banks	6,520,602	3,935,886
<b>Total</b>	<b>10,303,334</b>	<b>8,051,122</b>

## Section 2 - Financial assets held for trading – Item 20

### 2.1 Financial assets held for trading: product breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT 12.31.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>A) Financial assets (non-derivatives)</b>						
<b>1. Debt securities</b>	<b>14,029,342</b>	<b>2,274,280</b>	<b>72,305</b>	<b>13,455,132</b>	<b>2,010,639</b>	<b>124,509</b>
1.1 Structured securities	62,944	805,698	7,940	49,913	581,331	53,916
1.2 Other debt securities	13,966,398	1,468,582	64,365	13,405,219	1,429,308	70,593
<b>2. Equity instruments</b>	<b>11,318,894</b>	<b>21,465</b>	<b>16,634</b>	<b>9,362,794</b>	<b>3,568</b>	<b>12,867</b>
<b>3. Units in investment funds</b>	<b>1,178,028</b>	<b>350,476</b>	<b>76,395</b>	<b>1,247,926</b>	<b>526,073</b>	<b>18,067</b>
<b>4. Loans</b>	<b>777,013</b>	<b>12,002,025</b>	<b>-</b>	<b>3</b>	<b>10,129,226</b>	<b>-</b>
4.1 Reverse Repos	-	11,953,666	-	-	9,868,950	-
4.2 Other	777,013	48,359	-	3	260,276	-
<b>Total (A)</b>	<b>27,303,277</b>	<b>14,648,246</b>	<b>165,334</b>	<b>24,065,855</b>	<b>12,669,506</b>	<b>155,443</b>
<b>B) Derivative instruments</b>						
<b>1. Financial derivatives</b>	<b>1,559,414</b>	<b>45,354,780</b>	<b>1,326,903</b>	<b>1,488,253</b>	<b>59,767,529</b>	<b>2,042,013</b>
1.1 Trading	1,559,405	43,047,886	1,326,838	1,488,253	57,961,655	1,144,645
1.2 Related to fair value option	-	172	-	-	61,615	1,900
1.3 Other	9	2,306,722	65	-	1,744,259	895,468
<b>2. Credit derivatives</b>	<b>60,859</b>	<b>554,310</b>	<b>23,585</b>	<b>221,001</b>	<b>654,763</b>	<b>161,183</b>
2.1 Trading	60,859	551,585	22,507	221,001	654,303	161,183
2.2 Related to fair value option	-	-	-	-	-	-
2.3 Other	-	2,725	1,078	-	460	-
<b>Total (B)</b>	<b>1,620,273</b>	<b>45,909,090</b>	<b>1,350,488</b>	<b>1,709,254</b>	<b>60,422,292</b>	<b>2,203,196</b>
<b>Total (A+B)</b>	<b>28,923,550</b>	<b>60,557,336</b>	<b>1,515,822</b>	<b>25,775,109</b>	<b>73,091,798</b>	<b>2,358,639</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>90,996,708</b>			<b>101,225,546</b>

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, 2015, already included in the net presentation of these transactions, totaled €15,770,961 (€18,448,893 as at December 31, 2014).

Item 1. "Debt securities" includes securities related to securitization transactions shown in the following table

#### Exposures to securities related to Securitization transactions

(€'000)

Tranching	Amounts as at 12.31.2015
Senior	133,099
Mezzanine	-
Junior	-
<b>Total</b>	<b>133,099</b>

## Part B – Consolidated Balance Sheet - Assets

**2.2 Financial assets held for trading: breakdown by issuer/borrower**

(€ '000)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>A. Financial assets (non-derivateves)</b>		
<b>1. Debt securities</b>	<b>16,375,927</b>	<b>15,590,280</b>
a) Governments and Central Banks	10,406,096	9,983,079
b) Other public-sector entities	378,361	365,102
c) Banks	3,574,641	3,119,752
d) Other issuers	2,016,829	2,122,347
<b>2. Equity instruments</b>	<b>11,356,993</b>	<b>9,379,229</b>
a) Banks	1,226,349	817,037
b) Other issuers	10,130,644	8,562,192
- insurance companies	663,084	485,223
- financial companies	282,711	301,735
- non-financial companies	9,184,849	7,775,234
- other	-	-
<b>3. Units in investment funds</b>	<b>1,604,899</b>	<b>1,792,066</b>
<b>4. Loans</b>	<b>12,779,038</b>	<b>10,129,229</b>
a) Governments and Central Banks	775,635	201,119
b) Other public-sector entities	-	43,614
c) Banks	1,117,806	943,104
d) Other issuers	10,885,597	8,941,392
<b>Total A</b>	<b>42,116,857</b>	<b>36,890,804</b>
<b>B. Derivative instruments</b>		
a) Banks	26,598,570	39,672,259
- fair value	26,598,570	39,672,259
b) Customers	22,281,281	24,662,483
- fair value	22,281,281	24,662,483
<b>Total B</b>	<b>48,879,851</b>	<b>64,334,742</b>
<b>Total (A+B)</b>	<b>90,996,708</b>	<b>101,225,546</b>

**Section 3 - Financial assets at fair value through profit or loss - Item 30**

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)

ITEM/VALUES	AMOUNTS AS AT 12.31.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Debt securities</b>	<b>17,822,587</b>	<b>14,821,106</b>	<b>143,588</b>	<b>14,538,031</b>	<b>15,188,777</b>	<b>322,349</b>
1.1 Structured securities	-	1	-	-	1	-
1.2 Other debt securities	17,822,587	14,821,105	143,588	14,538,031	15,188,776	322,349
<b>2. Equity instruments</b>	<b>12</b>	<b>-</b>	<b>38,098</b>	<b>12</b>	<b>-</b>	<b>37,092</b>
<b>3. Units in investment funds</b>	<b>116,537</b>	<b>246,270</b>	<b>16,358</b>	<b>116,945</b>	<b>311,739</b>	<b>18,690</b>
<b>4. Loans</b>	<b>-</b>	<b>1,163,739</b>	<b>-</b>	<b>-</b>	<b>1,269,762</b>	<b>-</b>
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	1,163,739	-	-	1,269,762	-
<b>Total</b>	<b>17,939,136</b>	<b>16,231,115</b>	<b>198,044</b>	<b>14,654,988</b>	<b>16,770,278</b>	<b>378,131</b>
<b>Cost</b>	<b>17,920,144</b>	<b>15,909,939</b>	<b>190,828</b>	<b>14,540,083</b>	<b>16,364,113</b>	<b>369,814</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>34,368,295</b>			<b>31,803,397</b>

Item 1. "Debt securities" includes securities related to securitization transactions shown in the following table.

**Exposures to securities related to Securitization transactions** (€'000)

Tranching	Amounts as at 12.31.2015
Senior	12,416
Mezzanine	6,022
Junior	-
<b>Total</b>	<b>18,438</b>

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)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Debt securities</b>	<b>32,787,281</b>	<b>30,049,157</b>
a) Governments and central banks	7,654,865	4,942,689
b) Other public-sector entities	17,415,011	17,617,617
c) Banks	6,351,844	6,488,107
d) Other issuers	1,365,561	1,000,744
<b>2. Equity instruments</b>	<b>38,110</b>	<b>37,104</b>
a) Banks	2	3
b) Other issuers:	38,108	37,101
- insurance companies	-	-
- financial companies	-	-
- non-financial companies	38,097	37,089
- other	11	12
<b>3. Units in investment funds</b>	<b>379,165</b>	<b>447,374</b>
<b>4. Loans</b>	<b>1,163,739</b>	<b>1,269,762</b>
a) Governments and central banks	329,489	270,337
b) Other public-sector entities	795,676	818,734
c) Banks	38,574	160,037
d) Other entities	-	20,654
<b>Total</b>	<b>34,368,295</b>	<b>31,803,397</b>

## Part B – Consolidated Balance Sheet - Assets

**Section 4 - Available for sale financial assets - Item 40**
**4.1 Available for sale financial assets: product breakdown**

(€ '000)

	AMOUNTS AS AT 12.31.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Debt securities</b>	<b>99,613,105</b>	<b>5,955,345</b>	<b>1,057,959</b>	<b>85,295,756</b>	<b>7,617,712</b>	<b>1,312,950</b>
1.1 Structured securities	-	95,983	67,832	-	1	18,885
1.2 Other	99,613,105	5,859,362	990,127	85,295,756	7,617,711	1,294,065
<b>2. Equity instruments</b>	<b>109,860</b>	<b>1,483,690</b>	<b>802,281</b>	<b>220,756</b>	<b>35,287</b>	<b>2,330,664</b>
2.1 Measured at fair value	109,860	1,483,690	496,452	220,756	35,287	1,992,078
2.2 Carried at cost	-	-	305,829	-	-	338,586
<b>3. Units in investment funds</b>	<b>237,437</b>	<b>27,270</b>	<b>497,019</b>	<b>240,321</b>	<b>27,521</b>	<b>532,712</b>
<b>4. Loans</b>	<b>22,686</b>	<b>-</b>	<b>-</b>	<b>22,818</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>99,983,088</b>	<b>7,466,305</b>	<b>2,357,259</b>	<b>85,779,651</b>	<b>7,680,520</b>	<b>4,176,326</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>109,806,652</b>			<b>97,636,497</b>

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.

Item 1. "Debt securities" includes securities related to securitization transactions shown in the following table.

**Exposures to securities related to Securitization transactions**

(€'000)

Tranching	Amounts as at 12.31.2015
Senior	12,807
Mezzanine	70,740
Junior	-
<b>Total</b>	<b>83,547</b>

During 2015 the Bank received an offer from VISA INC. for the purchase of the Group's shares in VISA EUROPE, classified as available-for-sale financial assets measured at cost, due to the lack of a reliable measure of fair value.

The offer comprised both a cash component and VISA INC. preferred stock, convertible into ordinary shares in the company from a future date and under certain conditions.

As a result of this offer, the share in VISA was re-measured and reclassified at Fair Value, assumed to be equal to the €162 million cash component of the offer, recording the re-measurement (net of taxes) under "other comprehensive income", with an equivalent increase in revaluation reserves.

The deal is expected to be completed during 2016.

## Information about the shareholding in the Bank of Italy

During the third quarter of 2015, UniCredit sold 3.4% of its shares in Bank of Italy capital for an amount corresponding to its carrying value, in this way reducing the shareholding to 18.7% (book value of €1,401 million at the end of the period). The shares are the result of a capital increase carried out in 2013, when in order to facilitate the redistribution of shares, a limit of 3% was introduced in respect of holding shares, establishing that after an adjustment period of no more than 36 months starting from December 2013, no voting rights would be applicable to shares exceeding the above limit. In accordance with the Law, the shareholdings can belong to: banks and insurance and re-insurance companies that have their registered and head offices in Italy; foundations pursuant to Art. 27 of Italian Legislative Decree No. 153 of May 17, 1999; pension and insurance entities and institutions with head office in Italy established in terms of Art. 4, paragraph 1 of Legislative Decree No. 252 of December 5, 2005. During 2015, shareholders with excess shares began selling, finalizing sales for around 11% of the total capital. With the objective of facilitating the redistribution of excess shares, the Bank of Italy's Governing Board began a process of dematerializing shareholdings in the Bank's capital, passing a resolution to transfer them to the central securities depository at Monte Titoli Spa, with effect from January 18, 2016. The book value at December 31, 2015, in line with the figure at the end of the last period and the outcome of the measurement conducted by the committee of high-level experts on behalf of the Bank of Italy at the time of the capital increase in 2013, is supported by the price for the transactions that took place during 2015. The relevant measurement was allocated as level 2 in the fair value classification, instead of the previous level 3 used for the balance sheet at December 31, 2014. Initiatives aimed at selling the shares exceeding the 3% limit are underway, with the completion of this process constituting a significant factor for the sustainability of value in the near future.

With regard to regulatory treatment at December 31, 2015 (effects on regulatory capital and capital ratios):

- the value of the investment measured at fair value in the balance sheet is given 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.

### 4.2 Available-for-sale financial assets: breakdown by issuer/borrower

(€ '000)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Debt securities</b>	<b>106,626,409</b>	<b>94,226,418</b>
a) Governments and central banks	95,486,435	82,086,050
b) Other public-sector entities	1,255,580	1,192,951
c) Banks	7,042,134	7,585,993
d) Other issuers	2,842,260	3,361,424
<b>2. Equity instruments</b>	<b>2,395,831</b>	<b>2,586,707</b>
a) Banks	1,565,807	1,835,262
b) Other issuers:	830,024	751,445
- insurance companies	46,013	174,164
- financial companies	357,156	185,412
- non-financial companies	426,626	391,092
- other	229	777
<b>3. Units in investment funds</b>	<b>761,726</b>	<b>800,554</b>
<b>4. Loans</b>	<b>22,686</b>	<b>22,818</b>
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	22,686	22,818
d) Other entities	-	-
<b>Total</b>	<b>109,806,652</b>	<b>97,636,497</b>

## Part B – Consolidated Balance Sheet - Assets

**4.3 Available-for-sale financial assets: subject to micro-hedging**

(€ '000)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Financial assets subject to micro-hedging of fair value</b>	<b>62,249,549</b>	<b>49,935,269</b>
a) Interest rate risk	62,249,549	49,935,269
b) Price risk	-	-
c) Currency risk	-	-
d) Credit risk	-	-
e) Multiple risks	-	-
<b>2. Financial assets subject to micro-hedging of cash flows</b>	<b>-</b>	<b>-</b>
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	-
<b>Total</b>	<b>62,249,549</b>	<b>49,935,269</b>

## Section 5 - Held-to-maturity investments - Item 50

### 5.1 Held-to-maturity investments: product breakdown

(€ '000)

	AMOUNTS AS AT 12.31.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Debt securities</b>	<b>2,093,301</b>	<b>708,728</b>	<b>1,392,740</b>	<b>24,929</b>	<b>2,583,911</b>	<b>1,115,852</b>	<b>1,312,122</b>	<b>188,727</b>
- Structured securities	-	-	-	-	-	-	-	-
- Other securities	2,093,301	708,728	1,392,740	24,929	2,583,911	1,115,852	1,312,122	188,727
<b>2. Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,093,301</b>	<b>708,728</b>	<b>1,392,740</b>	<b>24,929</b>	<b>2,583,911</b>	<b>1,115,852</b>	<b>1,312,122</b>	<b>188,727</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>2,126,397</b>				<b>2,616,701</b>	

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.

The decrease in the portfolio of €490 million was due substantially to the maturity of Italian government bonds held by UniCredit S.p.A..

Item 1. "Debt securities" includes securities related to securitization transactions shown in the following table

### Exposures to securities related to Securitization transactions

(€'000)

Tranching	Amounts as at 12.31.2015
Senior	56,803
Mezzanine	36,980
Junior	-
<b>Total</b>	<b>93,783</b>

### 5.2 Held-to-maturity investments: breakdown by issuer/borrower

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Debt securities</b>	<b>2,093,301</b>	<b>2,583,911</b>
a) Governments and central banks	1,770,640	2,041,821
b) Other public-sector entities	114,919	125,023
c) Banks	4,209	27,814
d) Other issuers	203,533	389,253
<b>2. Loans</b>	<b>-</b>	<b>-</b>
a) Governments and central banks	-	-
b) Other public-sector entities	-	-
c) Banks	-	-
d) Other entities	-	-
<b>Total</b>	<b>2,093,301</b>	<b>2,583,911</b>
<b>Total fair value</b>	<b>2,126,397</b>	<b>2,616,701</b>

### 5.3 Held-to-maturity investments: Assets subject to micro hedging

There are no HTM assets subject to micro hedging.

## Part B – Consolidated Balance Sheet - Assets

## Section 6 - Loans and receivables with banks - Item 60

Loans to banks / deposits from banks

(€ million)

	AMOUNTS AS AT		CHANGE	
	12.31.2015	12.31.2014	AMOUNT	%
Loans to banks	80,073	68,730	11,343	16.5%
Deposits from banks	(111,373)	(106,037)	(5,336)	5.0%
<b>Changes (negative balance)</b>	<b>(31,300)</b>	<b>(37,307)</b>	<b>6,007</b>	<b>-16.1%</b>

## 6.1 Loans and receivables with banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 12.31.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Loans to Central Banks</b>	<b>21,121,665</b>	-	<b>6,543,631</b>	<b>13,998,258</b>	<b>12,909,320</b>	-	<b>5,233,593</b>	<b>7,632,631</b>
1. Time deposits	3,989,974	X	X	X	3,954,954	X	X	X
2. Compulsory reserves	15,065,331	X	X	X	8,941,722	X	X	X
3. Reverse repos	1,702,269	X	X	X	-	X	X	X
4. Other	364,091	X	X	X	12,644	X	X	X
<b>B. Loans to banks</b>	<b>58,951,669</b>	<b>403,021</b>	<b>45,144,872</b>	<b>14,337,871</b>	<b>55,820,807</b>	<b>3,403,995</b>	<b>36,424,037</b>	<b>21,042,960</b>
<b>1. Loans</b>	<b>56,524,413</b>	-	<b>43,119,172</b>	<b>14,225,319</b>	<b>50,691,203</b>	<b>78</b>	<b>34,687,787</b>	<b>20,880,686</b>
1.1 Current accounts and demand deposits	18,589,133	X	X	X	23,958,650	X	X	X
1.2 Time deposits	6,511,822	X	X	X	6,202,567	X	X	X
1.3 Other loans	31,423,458	X	X	X	20,529,986	X	X	X
- Reverse repos	25,193,976	X	X	X	15,941,846	X	X	X
- Finance leases	4,314	X	X	X	4,506	X	X	X
- Other	6,225,168	X	X	X	4,583,634	X	X	X
<b>2. Debt securities</b>	<b>2,427,256</b>	<b>403,021</b>	<b>2,025,700</b>	<b>112,552</b>	<b>5,129,604</b>	<b>3,403,917</b>	<b>1,736,250</b>	<b>162,274</b>
2.1 Structured	-	X	X	X	-	X	X	X
2.2 Other	2,427,256	X	X	X	5,129,604	X	X	X
<b>Total</b>	<b>80,073,334</b>	<b>403,021</b>	<b>51,688,503</b>	<b>28,336,129</b>	<b>68,730,127</b>	<b>3,403,995</b>	<b>41,657,630</b>	<b>28,675,591</b>

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, 2014 and December 31, 2015 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 while the changes regarding the composition of the Fair Value levels mainly reflect the refinement of the measurement methodology more oriented to using market parameters.

It should be noted that securities lending transactions collateralized by other securities or not collateralized are shown under “off-balance sheet” exposures in table A.1.3 of Part E – Section 1 – Credit Risk, in accordance with current Bank of Italy regulations. See also the section “Other information of Part B.

## 6.2 Loans and receivables with banks subject to micro-hedging

(€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Loans and receivables subject to micro-hedging of fair value</b>	<b>7,923</b>	<b>7,967</b>
a) Interest rate risk	7,923	7,967
b) Currency risk	-	-
c) Credit risk	-	-
d) Multiple risks	-	-
<b>2. Loans and receivables subject to micro-hedging of cash flows</b>	<b>-</b>	<b>78</b>
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	-	78
<b>Total</b>	<b>7,923</b>	<b>8,045</b>

The figures referred to December 31, 2014 have been adjusted to include UniCredit Bank Austria AG volumes.

## 6.3 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
<b>Amounts receivable under finance leases:</b>				
Up to 12 months	3,779	2,083	2,507	1,019
From 1 to 5 years	3,023	1,516	3,998	2,680
Later than 5 years	781	715	891	807
<b>Total gross/net investment value</b>	<b>7,583</b>	<b>4,314</b>	<b>7,396</b>	<b>4,506</b>
<i>of which: - Unguaranteed residual values of assets leased under finance leases</i>	997	991	997	991
<b>Less: Unearned finance income (by remaining maturity)</b>	<b>(3,269)</b>	<b>X</b>	<b>(2,890)</b>	<b>X</b>
<b>Present value of minimum lease payments receivable (net investment in the lease)</b>	<b>4,314</b>	<b>4,314</b>	<b>4,506</b>	<b>4,506</b>

## Part B – Consolidated Balance Sheet - Assets

## Section 7 - Loans and receivables with customers - Item 70

## 7.1 Loans and receivables with customers: product breakdown

(€ '000)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 12.31.2015						AMOUNTS AS AT 12.31.2014					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	PERFORMING	NON-PERFORMING (*)		LEVEL 1	LEVEL 2	LEVEL 3	PERFORMING	NON-PERFORMING (*)		LEVEL 1	LEVEL 2	LEVEL 3
		PURCHASED	OTHERS					PURCHASED	OTHERS			
<b>Loans</b>	<b>423,436,930</b>	<b>41,621</b>	<b>38,766,304</b>	-	<b>159,895,420</b>	<b>314,717,134</b>	<b>419,059,419</b>	<b>58,906</b>	<b>40,866,169</b>	-	<b>165,682,804</b>	<b>314,190,684</b>
1. Current accounts	37,621,762	21,871	6,906,533	X	X	X	42,769,091	25,074	7,693,580	X	X	X
2. Reverse repos	28,704,594	-	10	X	X	X	27,609,835	-	27	X	X	X
3. Mortgages	155,231,438	11,583	16,752,503	X	X	X	151,112,245	16,291	16,779,637	X	X	X
4. Credit cards and personal loans, including wage assignment loans	15,175,958	6	474,395	X	X	X	15,167,515	6	488,198	X	X	X
5. Finance leases	22,310,500	-	4,156,121	X	X	X	24,175,452	-	4,117,171	X	X	X
6. Factoring	9,917,475	2	378,461	X	X	X	9,836,032	233	488,462	X	X	X
7. Other loans	154,475,203	8,159	10,098,281	X	X	X	148,389,249	17,302	11,299,094	X	X	X
<b>Debt securities</b>	<b>11,641,611</b>	-	<b>112,055</b>	<b>1,173,923</b>	<b>7,528,208</b>	<b>3,230,721</b>	<b>10,417,675</b>	-	<b>166,597</b>	<b>1,795,399</b>	<b>7,467,474</b>	<b>1,637,467</b>
8. Structured securities	-	-	-	X	X	X	-	-	-	X	X	X
9. Other debt securities	11,641,611	-	112,055	X	X	X	10,417,675	-	166,597	X	X	X
<b>Total</b>	<b>435,078,541</b>	<b>41,621</b>	<b>38,878,359</b>	<b>1,173,923</b>	<b>167,423,628</b>	<b>317,947,855</b>	<b>429,477,094</b>	<b>58,906</b>	<b>41,032,766</b>	<b>1,795,399</b>	<b>173,150,278</b>	<b>315,828,151</b>
<b>Total carrying amount Performing and Non-Performing</b>			<b>473,998,521</b>						<b>470,568,766</b>			

(\*) The perimeter of impaired loans is substantially equivalent to the perimeter of EBA Non-Performing-Exposures (NPE).

**Notes to the table in the previous page:**

The column "NPE – 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.

The sub-item "7. Other loans" includes:

- € 52,367 million for other non-current account loans (€50,320 million as at December 31, 2014);
- € 23,603 million for pooled transactions (€21,658 million as at December 31, 2014);
- € 11,199 million advances to customers for import/export (€11,441 million as at December 31, 2014);
- € 10,215 million for advances to ordinary customers (€9,688 million as at December 31, 2014);
- € 9,997 million 'hot money' transactions (€8,724 million as at December 31, 2014).

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, 2014 and December 31, 2015 in the ratio between fair value and book value of loans and receivables with customers reflect the refinement of the methodology and the parameters used to determine the fair value for financial statement purposes while the changes regarding 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.

Debt securities include securities related to securitization transactions shown in the following table.

**Exposures to securities related to Securitization transactions** (€'000)

<b>Tranching</b>	<b>Amounts as at 12.31.2015</b>
Senior	5,509,638
Mezzanine	582,084
Junior	41,602
<b>Total</b>	<b>6,133,324</b>

## 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			AMOUNTS AS AT		
	12.31.2015			12.31.2014		
	PERFORMING	NON-PERFORMING (*)		PERFORMING	NON-PERFORMING (*)	
	PURCHASED	OTHERS	PURCHASED	OTHERS		
<b>1. Debt securities:</b>	<b>11,641,611</b>	-	<b>112,055</b>	<b>10,417,675</b>	-	<b>166,597</b>
a) Governments	100,842	-	-	98,074	-	-
b) Other public-sector entities	2,300,458	-	80,844	2,932,716	-	-
c) Other issuers	9,240,311	-	31,211	7,386,885	-	166,597
- non-financial companies	1,862,375	-	-	1,378,630	-	441
- financial companies	6,961,947	-	31,211	5,578,756	-	166,156
- insurance companies	415,989	-	-	429,499	-	-
- other	-	-	-	-	-	-
<b>2. Loans to:</b>	<b>423,436,930</b>	<b>41,621</b>	<b>38,766,304</b>	<b>419,059,419</b>	<b>58,906</b>	<b>40,866,169</b>
a) Governments	8,677,854	-	47,930	8,102,980	-	4,842
b) Other public-sector entities	16,281,539	-	323,321	17,231,537	-	175,645
c) Other entities	398,477,537	41,621	38,395,053	393,724,902	58,906	40,685,682
- non-financial companies	227,538,042	27,175	28,764,810	226,627,473	38,838	30,806,195
- financial companies	50,177,914	4,181	1,188,576	45,719,741	-	1,005,393
- Insurance companies	890,583	-	9,295	706,037	-	10,191
- other	119,870,998	10,265	8,432,372	120,671,651	20,068	8,863,903
<b>Total</b>	<b>435,078,541</b>	<b>41,621</b>	<b>38,878,359</b>	<b>429,477,094</b>	<b>58,906</b>	<b>41,032,766</b>
<b>Total Performing and Non-Performing</b>			<b>473,998,521</b>			<b>470,568,766</b>

(\*) The perimeter of impaired loans is substantially equivalent to the perimeter of EBA Non-Performing-Exposures (NPE).

For further details see the Consolidated Report on Operations or Part E - Risk and related risk management policies – Credit quality.

The column "NPE – 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	
	12.31.2015	12.31.2014
<b>1. Loans and receivables subject to micro-hedging of fair value</b>	<b>357,547</b>	<b>365,027</b>
a) interest rate risk	235,581	191,445
b) currency risk	-	-
c) credit risk	121,966	173,582
d) multiple risk	-	-
<b>2. Loans and receivables subject to micro-hedging of cash flows</b>	<b>327</b>	<b>1,791</b>
a) interest rate risk	327	1,791
b) currency risk	-	-
c) other	-	-
<b>Total</b>	<b>357,874</b>	<b>366,818</b>

## 7.4 Finance leases

(€ '000)

LESSOR INFORMATION	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
<b>Amounts receivable under finance leases</b>				
Up to 12 months	6,237,469	5,544,692	5,858,337	5,039,627
From 1 to 5 years	11,346,049	9,505,803	12,006,291	9,917,629
Later than 5 years	12,846,631	11,416,126	15,115,798	13,335,367
<b>Total gross/net investment value</b>	<b>30,430,149</b>	<b>26,466,621</b>	<b>32,980,426</b>	<b>28,292,623</b>
<i>of which: - Unguaranteed residual values of assets leased under finance leases</i>	5,969,670	5,948,103	6,156,157	6,132,045
<b>Less: Unearned finance income (by remaining maturity)</b>	<b>(3,963,528)</b>	<b>X</b>	<b>(4,687,803)</b>	<b>X</b>
<b>Present value of minimum lease payments receivable (net investment in the lease)</b>	<b>26,466,621</b>	<b>26,466,621</b>	<b>28,292,623</b>	<b>28,292,623</b>

## Part B – Consolidated Balance Sheet - Assets

## Section 8 - Hedging derivatives - Item 80

## 8.1 Hedging derivatives: breakdown by hedged risk and fair value hierarchy

(€ '000)

	AMOUNTS AS AT 12.31.2015				AMOUNTS AS AT 12.31.2014			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Financial derivatives</b>	-	5,363,142	5,098	179,344,957	-	9,101,384	12,782	176,701,607
1) Fair value	-	4,787,639	5,098	149,400,717	-	8,107,651	7,304	161,514,868
2) Cash flows	-	575,503	-	29,944,240	-	993,733	5,478	15,186,739
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	123	1	68,000	-	-	1	-
1) Fair value	-	123	1	68,000	-	-	1	-
2) Cash flows	-	-	-	-	-	-	-	-
<b>Total</b>	-	5,363,265	5,099	179,412,957	-	9,101,384	12,783	176,701,607

<b>Total Level 1, Level 2 e Level 3</b>	<b>5,368,364</b>	<b>9,114,167</b>
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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)

TRANSACTIONS/TYPE OF HEDGES	AMOUNTS AS AT 12.31.2015								
	FAIR VALUE HEDGES						CASH-FLOW HEDGES		TOTAL NET INVEST. ON FOREIGN INVESTM.
	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	
1. Available-for-sale financial assets	4,144	-	-	-	-	X	-	X	X
2. Loans and receivables	806,160	-	124	X	-	X	1,253	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	X	X	X	X	X	2,521,164	X	565,784	X
5. Other investments	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>810,304</b>	-	<b>124</b>	-	-	<b>2,521,164</b>	<b>1,253</b>	<b>565,784</b>	-
1. Financial liabilities	18,210	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	1,443,059	X	8,466	X
<b>Total liabilities</b>	<b>18,210</b>	-	-	-	-	<b>1,443,059</b>	-	<b>8,466</b>	-
1. Expected transactions	X	X	X	X	X	X	-	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 portfolio

(€ '000)

CHANGES TO HEDGED ASSETS/GROUPS COMPONENTS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Positive changes</b>	<b>4,513,419</b>	<b>5,196,085</b>
1.1 of specific portfolios:		
<i>a) loans and receivables</i>	349,117	377,708
<i>b) available-for-sale financial assets</i>	-	-
1.2 overall	4,164,302	4,818,377
<b>2. Negative changes</b>	<b>1,872,162</b>	<b>2,322,688</b>
2.1 of specific portfolios:		
<i>a) loans and receivables</i>	107,402	36,868
<i>b) available-for-sale financial assets</i>	-	-
2.2 overall	1,764,760	2,285,820
<b>Total</b>	<b>2,641,257</b>	<b>2,873,397</b>

### 9.2 Assets subject to macro-hedging of interest-rate risk

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
1. Loans and receivables	94,910,507	92,959,257
2. Available-for-sale financial assets	-	-
3. Portfolio	90,398,632	37,205,642
<b>Total</b>	<b>185,309,139</b>	<b>130,164,899</b>

## Part B – Consolidated Balance Sheet - Assets

## Section 10 - Equity investments - Item 100

## 10.1 Equity investments: information on shareholders' equity

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	NATURE OF RELATIONSHIP <sup>(5)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
					HELD BY	HOLDING %	
<b>A. VALUED AT EQUITY METHOD</b>							
<b>A.2 INVESTMENTS IN JOINT VENTURES</b>							
1	FIDES LEASING GMBH Issued capital EUR 57.229	VIENNA	VIENNA	7	2	CALG ANLAGEN LEASING GMBH	50.00
2	HETA BA LEASING SUED GMBH Issued capital EUR 36.500	KLAGENFURT	KLAGENFURT	7	2	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	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	YAPI KREDI BANK MALTA LTD. Issued capital EUR 60.000.000	ST. JULIAN'S	ST. JULIAN'S	7	1	KOC FINANSAL HIZMETLER AS YAPI KREDI HOLDING BV	.. 40.90
6	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY Issued capital AZN 47.325.904	BAKU	BAKU	7	1	YAPI KREDI FINANSAL KIRALAMA AO YAPI KREDI YATIRIM MENKUL DEGERLER AS YAPI VE KREDI BANKASI AS	0.04 0.04 40.82
7	YAPI KREDI BANK MOSCOW Issued capital USD 30.760.000	MOSCOW	MOSCOW	7	1	YAPI KREDI FINANSAL KIRALAMA AO YAPI VE KREDI BANKASI AS	0.07 40.83
8	YAPI KREDI BANK NEDERLAND N.V. Issued capital EUR 48.589.110	AMSTERDAM	AMSTERDAM	7	1	YAPI KREDI HOLDING BV YAPI VE KREDI BANKASI AS	13.40 27.50
9	YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE Issued capital USD 1.000	GEORGETOWN	GEORGETOWN	7	2	YAPI VE KREDI BANKASI AS	40.90 <sup>(4)</sup>
10	YAPI KREDI FAKTORING AS Issued capital TRY 75.183.837	ISTANBUL	ISTANBUL	7	2	ENTERNASYONAL TURIZM YATIRIM A.S. YAPI KREDI FINANSAL KIRALAMA AO YAPI VE KREDI BANKASI AS	.. 0.01 40.88
11	YAPI KREDI FINANSAL KIRALAMA AO Issued capital TRY 389.927.705	ISTANBUL	ISTANBUL	7	2	YAPI VE KREDI BANKASI AS	40.90
12	YAPI KREDI HOLDING BV Issued capital EUR 102.000.000	AMSTERDAM	AMSTERDAM	7	2	YAPI VE KREDI BANKASI AS	40.90
13	YAPI KREDI INVEST LIMITED LIABILITY COMPANY Issued capital AZN 110.000	BAKU	BAKU	7	2	YAPI KREDI BANK AZERBAIJAN CLOSED JOINT STOCK COMPANY	40.90
14	YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL	ISTANBUL	7	2	YAPI KREDI YATIRIM MENKUL DEGERLER AS	35.71

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	NATURE OF RELATIONSHIP <sup>(5)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
					HELD BY	HOLDING %	
Issued capital TRY 5.860.131					YAPI VE KREDI BANKASI AS	5.17	
15 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	
16 YAPI VE KREDI BANKASI AS Issued capital TRY 4.298.165.828	ISTANBUL	ISTANBUL	7	1	KOC FINANSAL HIZMETLER AS	40.90	
<b>A.3 COMPANIES UNDER SIGNIFICANT INFLUENCE</b>							
17 ADLER FUNDING LLC Issued capital USD 2.142.857	DOVER	NEW YORK	8	5	UNICREDIT BANK AG	32.81	
18 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	..	
19 ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE DOBROVOLJNIM MIROVINSKIM FONDOM Issued capital HRK 15.000.000	ZAGABREB	ZAGABREB	8	5	ZAGREBACKA BANKA D.D.	49.00	
20 ALLIANZ ZB D.O.O. DRUSTVO ZA UPRAVLJANJIE MIROVINSKIM FONDOM Issued capital HRK 90.000.000	ZAGABREB	ZAGABREB	8	5	ZAGREBACKA BANKA D.D.	49.00	
21 ASSET BANCARI II Issued capital EUR 16.423.429	MILAN	MILAN	8	2	UNICREDIT SPA	36.76	
22 AVIVA SPA Issued capital EUR 247.000.387	MILAN	MILAN	8	4	UNICREDIT SPA	49.00	
23 BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT Issued capital EUR 50.000.000	INNSBRUCK	INNSBRUCK	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	37.53	41.29
					UNICREDIT BANK AUSTRIA AG	9.85	5.42
24 BANQUE DE COMMERCE ET DE PLACEMENTS SA Issued capital CHF 75.000.000	GENEVA	GENEVA	8	1	YAPI VE KREDI BANKASI AS	30.67	
25 BARN BV Issued capital EUR 195.020.000	AMSTERDAM	AMSTERDAM	8	2	UNICREDIT BANK AUSTRIA AG	40.00	
26 BKS BANK AG Issued capital EUR 72.072.000	KLAGENFURT	KLAGENFURT	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	25.47	29.64
					UNICREDIT BANK AUSTRIA AG	7.29	7.46
27 BULKMAX HOLDING LTD Issued capital USD 3.200	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00	
28 CASH SERVICE COMPANY AD Issued capital BGN 12.500.000	SOFIA	SOFIA	8	5	UNICREDIT BULBANK AD	20.00	
29 CBD INTERNATIONAL SP.ZO.O. Issued capital PLN 100.500	WARSAW	WARSAW	8	2	ISB UNIVERSALE BAU GMBH	49.75	
30 CNP UNICREDIT VITA S.P.A.	MILAN	MILAN	8	4	UNICREDIT SPA	38.80	

## Part B – Consolidated Balance Sheet - Assets

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	NATURE OF RELATIONSHIP <sup>(5)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
					HELD BY	HOLDING %	
Issued capital EUR 381.698.528							
31	COINV S.P.A.	MILAN	MILAN	8	5	UNICREDIT SPA	12.00
Issued capital EUR 167.767.089							
32	COMPAGNIA AEREA ITALIANA S.P.A.	FIUMICINO (ROME)	FIUMICINO (ROME)	8	5	UNICREDIT SPA	32.98
Issued capital EUR 358.391.437							
33	COMTRADE GROUP B.V.	AMSTERDAM	AMSTERDAM	8	5	HVB CAPITAL PARTNERS AG	21.05
Issued capital EUR 4.522.000							
34	CONSORZIO SE.TEL. SERVIZI TELEMATICI IN LIQUIDAZIONE	NAPLES	NAPLES	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	33.33
Issued capital EUR 4.647							
35	CREDIFARMA SPA	ROME	ROME	8	2	UNICREDIT SPA	17.00
Issued capital EUR 10.000.000							
36	CREDITRAS ASSICURAZIONI SPA	MILAN	MILAN	8	4	UNICREDIT SPA	50.00
Issued capital EUR 12.000.000							
37	CREDITRAS VITA SPA	MILAN	MILAN	8	4	UNICREDIT SPA	50.00
Issued capital EUR 112.200.000							
38	DA VINCI S.R.L.	ROME	ROME	8	5	IDEA FIMIT SGR FONDO SIGMA IMMOBILIARE	25.00
Issued capital EUR 100.000							
39	ES SHARED SERVICE CENTER SOCIETA' PER AZIONI	CERNUSCO SUL NAVIGLIO	CERNUSCO SUL NAVIGLIO	8	5	UNICREDIT BUSINESS INTEGRATED SOLUTIONS SOCIETA CONSORTILE PER AZIONI	49.00
Issued capital EUR 120.000							
40	EUROPROGETTI & FINANZA S.P.A. IN LIQUIDAZIONE	ROME	ROME	8	2	UNICREDIT SPA	39.79
Issued capital EUR 5.636.400							
41	FENICE HOLDING S.P.A.	CALENZANO	CALENZANO	8	5	UNICREDIT SPA	25.91
Issued capital EUR 25.682.932							
42	INCONTRA ASSICURAZIONI S.P.A.	MILAN	MILAN	8	4	UNICREDIT SPA	49.00
Issued capital EUR 5.200.000							
43	MACCORP ITALIANA SPA	MILAN	MILAN	8	2	UNICREDIT SPA	25.45
Issued capital EUR 1,134,020							
44	MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	MILAN	MILAN	8	1	UNICREDIT SPA	8.56
Issued capital EUR 433.700.000							
45	MEGAPARK OOD	SOFIA	SOFIA	8	5	UNIVERSALE INTERNATIONAL REALITAETEN GMBH	43.50
Issued capital BGN 5.000							
46	MULTIPLUS CARD D.O.O. ZA PROMIDZBU I USLUGE	ZAGREB	ZAGREB	8	2	SUVREMENE POSLOVNE KOMUNIKACIJE D.O.O	75.00
Issued capital HRK 5.000.000							
47	NAUTILUS TANKERS LIMITED	LA VALLETTA	LA VALLETTA	8	5	HVB CAPITAL PARTNERS AG	45.00
Issued capital USD 2.000							
48	NOTARTREUHANDBANK AG	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	25.00

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	NATURE OF RELATIONSHIP <sup>(5)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>	
					HELD BY	HOLDING %		
Issued capital EUR 8.030.000								
49	OBERBANK AG	LINZ	LINZ	8	1	CABO BETEILIGUNGSGESELLSCHAFT M.B.H.	26.02	28.69
Issued capital EUR 96.299.925								
						UNICREDIT BANK AUSTRIA AG	3.74	1.46
50	OBJEKT-LEASE GRUNDSTUECKSV ERWALTUNG SGESELLSCHAFT M.B.H.	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGS GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	49.23	
Issued capital EUR 107.912								
						UNICREDIT LEASING (AUSTRIA) GMBH	0.77	
51	OESTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H.	VIENNA	VIENNA	8	1	UNICREDIT BANK AUSTRIA AG	50.00	
Issued capital EUR 11.628.000								
52	OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	VIENNA	VIENNA	8	1	CABET-HOLDING GMBH	24.75	
Issued capital EUR 130.000.000								
						SCHOELLERBANK AKTIENGESELLSCHAFT	8.26	
						UNICREDIT BANK AUSTRIA AG	16.14	
53	OESTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	29.30	
Issued capital EUR 36.336								
54	PALATIN GRUNDSTUECKVERWALTUNGS GESELLSCHAFT M.B.H.	STOCKER AU	STOCKER AU	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
Issued capital EUR 36.336								
55	PAYDIREKT BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN MBH	BERLIN	BERLIN	8	5	UNICREDIT BANK AG	24.02	
Issued capital EUR 104.082								
56	PSA PAYMENT SERVICES AUSTRIA GMBH	VIENNA	VIENNA	8	2	CAFU VERMOEGENSVERWALTUNG GMBH & CO OG	4.50	
Issued capital EUR 285.000								
						SCHOELLERBANK AKTIENGESELLSCHAFT	0.02	4.52
						UNICREDIT BANK AUSTRIA AG	19.48	
57	PURGE GRUNDSTUECKSV ERWALTUNG S-GESELLSCHAFT M.B.H.	VIENNA	VIENNA	8	2	BETEILIGUNGSVERWALTUNGS GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT LEASING GMBH	50.00	
Issued capital EUR 36.336								
58	RCI FINANCIAL SERVICES S.R.O.	PRAGUE	PRAGUE	8	2	UNICREDIT LEASING CZ. A.S.	50.00	49.86
Issued capital CZK 70.000.000								
59	REMBRA LEASING GESELLSCHAFT M.B.H.	VIENNA	VIENNA	8	2	UNICREDIT LEASING (AUSTRIA) GMBH	50.00	
Issued capital EUR 886.336								
60	SMIA SPA	ROME	ROME	8	5	UNICREDIT SPA	26.38	
Issued capital EUR 1.473.229								
61	SP PROJEKTENTWICKLUNG SCHOENEFELD GMBH & CO.KG	SCHOENEFELD	STUTTGART	8	5	UNICREDIT BANK AUSTRIA AG	50.00	
Issued capital EUR 102.258								
62	SVILUPPO GLOBALE GEIE (IN LIQUIDAZIONE)	ROME	ROME	8	5	UNICREDIT SPA	33.33	
Issued capital EUR 45.000								
63	SWANCAP PARTNERS GMBH	MUNICH	MUNICH	8	2	UNICREDIT BANK AG	75.25	49.00

## Part B – Consolidated Balance Sheet - Assets

NAME	MAIN OFFICE	ADMINISTRATIVE OFFICE	TYPE OF RELATIONSHIP <sup>(1)</sup>	NATURE OF RELATIONSHIP <sup>(5)</sup>	OWNERSHIP RELATIONSHIP		VOTING RIGHTS % <sup>(2)</sup>
					HELD BY	HOLDING %	
Issued capital EUR 1.010.000							
64	TORRE SGR S.P.A.	ROME	ROME	8	2	UNICREDIT SPA	37.50
Issued capital EUR 3.200.000							
65	UNI GEBAEUEDEMANAGEMENT GMBH	LINZ	LINZ	8	2	BA GVG-HOLDING GMBH	50.00
Issued capital EUR 18.168							
66	WKBG WIENER KREDITBUERGSCHAFTS- UND BETEILIGUNGSBANK AG	VIENNA	VIENNA	8	2	UNICREDIT BANK AUSTRIA AG	22.12
Issued capital EUR 15.308.027							
67	YAPI KREDI KORAY GAYRIMENKUL YATIRIM ORTAKLIGI AS	ISTANBUL	ISTANBUL	8	2	YAPI VE KREDI BANKASI AS	30.45
Issued capital TRY 40.000.000							

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 decreased from 73 at the end of December 2014 to 67 at the end of December 2015. This overall decrease of 6 entities result from 2 inclusions and 8 exclusions.

The following table shows changes in equity investments in Joint Ventures and in companies under significant influence consolidated at Net Equity.

**Equity investments in joint ventures and in companies under significant influence (consolidated at net equity): annual changes**

	Number of companies
<b>A. Opening balance 2014</b>	<b>73</b>
<b>B. Increased by</b>	<b>2</b>
B.1 Newly established companies	0
B.2 Change of the consolidation method	2
B.3 Entities consolidated for the first time in 2015	0
<b>C. Reduced by</b>	<b>8</b>
C.1 Disposal / Liquidation	5
C.2 Change of the consolidation method	1
C.3 Absorption by other entities	0
C.4 Other changes	2
<b>D. Closing balance</b>	<b>67</b>

The increase occurred during period refers to the application of the equity method accounting for the company Credifarma S.p.A and Maccorp Italiana S.p.A..

The decreases in the 2015 refer to:

- the sale of Bluvacanze SpA , Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A.S., Schulerrichtungsgesellschaft M.B.H.;
- the liquidation of Tasfiye Halinde Unicredit Menkul Degerler As ( In liquidation), Fidia S.p.A (in liquidation);
- the changes in the consolidation method due to partial sale of società Krajowa Izba Roliczeniowa SA.;
- the reclassification of Marina City Entwicklungs GMBH and Marina Tower Holdings GMBH to Non-current assets and disposal groups classified as held for sale.

The following table shows the investments in Joint Ventures consolidated at Equity Method.

We remind that after the endorsement of IFRS 11 the option to consolidate joint controlled entities proportionally has been eliminated, imposing the net equity method for those companies that fall in the scope of the aforementioned IFRS 11.

#### Investments in joint ventures consolidated with Equity Method (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
YAPI KREDI DIVERSIFIED PAYMENT RIGHTS FINANCE	GEORGE TOWN
FIDES LEASING GMBH	VIENNA

COMPANY NAME	MAIN OFFICE
YAPI KREDI BANK MALTA LTD.	ST. JULIAN'S
YAPI KREDI FINANSAL KIRALAMA AO	ISTANBUL
YAPI KREDI HOLDING BV	AMSTERDAM
YAPI KREDI FAKTORING AS	ISTANBUL
YAPI KREDI YATIRIM MENKUL DEGERLER AS	ISTANBUL
YAPI KREDI INVEST LIMITED LIABILITY COMPANY	BAKU
YAPI KREDI PORTFOEY YOENETIMI AS	ISTANBUL
HYPO-BA LEASING SUD GMBH	KLAGENFURT

#### Joint ventures and the companies under significant influence that changed their names during the 2015.

COMPANY NAME	MAIN OFFICE
COMPAGNIA AEREA ITALIANA S.P.A. (ex. ALITALIA - COMPAGNIA AEREA ITALIANA S.P.A. )	FIUMICINO (ROME)
SVILUPPO GLOBALE GEIE (IN LIQUIDAZIONE) ( ex. SVILUPPO GLOBALE GEIE )	ROME
PAYDIREKT BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN MBH ( ex. BV-BGPB BETEILIGUNGSGESELLSCHAFT PRIVATER BANKEN FUR INTERNET - UND MOBILE BEZAHLUNGEN MBH )	BERLIN

COMPANY NAME	MAIN OFFICE
HETA BA LEASING SUED GMBH ( ex. HYPO-BA LEASING SUED GMBH )	KLAGENFURT
GLAMAS BETEILIGUNGSVERWALTUNGS GMBH & CO "BETA" KG ( ex GLAMAS BETEILIGUNGS GMBH & CO "BETA" KG )	VIENNA

## Part B – Consolidated Balance Sheet - Assets

The following table shows the breakdown of item 100. Investments in associates and joint ventures reporting the adopted accounting method held either directly or through consolidated subsidiaries.

	Number of entities	Carrying Value
Joint ventures accounted for under equity method	14	2,901,464
Associates accounted for under equity method	53	3,628,484
Entities controlled either directly or through consolidated subsidiaries held at cost	148	15,394
Joint Venture held either directly or through consolidated subsidiaries at cost	6	865
Associates held either directly or through consolidated subsidiaries at cost	38	30,396
<b>Total</b>	<b>259</b>	<b>6,576,603</b>

**10.2 Significant Shareholdings: book value, fair value and dividends received**

NAME	BALANCE SHEET VALUE	FAIR VALUE *	DIVIDENDS RECEIVED **	NOTE
<b>A. Companies under joint control</b>				
KOC FINANSAL HIZMETLER AS	2,898,177		56,966	(1) (3)
<b>B. Companies subject to significant influence</b>				
AVIVA SPA	201,041		45,766	
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	564,071	274,511	3,554	(1) (2)
BKS BANK AG	240,231	198,962	2,715	(2)
CNP UNICREDIT VITA S.P.A.	361,882		7,690	(1)
CREDITRAS VITA SPA	337,188			
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	725,214	662,215	18,633	(2)
OBERBANK AG	540,892	494,817	5,277	(2)
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	372,897		9,840	(1)
<b>Total</b>	<b>6,241,593</b>	<b>1,630,505</b>	<b>150,441</b>	

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 recognized when the said recoverable value is lower than the book value.

At December 31, 2015 the recoverable value of the equity investments in associates listed on regulated markets, calculated, was higher than the book value after impairment. For these companies, therefore, no write-downs were recognized in addition to those previously recognized.

Regarding Koc Finansal Hizmetler AS it should be noted that the shareholding in the subsidiary Yapı Ve Kredi Bankası AS (its main asset) has a fair value (quote) pro rata amounting to €1,841,393 thousand. The book value of Koc Finansal Hizmetler AS as at December 31, 2015 was checked through an assessment of the recoverable value measured through the valuation model.

(3) Data taken from the 2015 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.

### 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 LIABILITIES	NON - FINANCIAL LIABILITIES	TOTAL REVENUES	THE INTEREST MARGIN
<b>A. Companies under joint control</b>							
KOC FINANSAL HIZMETLER AS	292,993	28,815,865	810,755	25,088,172	1,933,262	2,881,737	829,625
<b>B. Companies subject to significant influence</b>							
AVIVA SPA	X	9,727,100	217,800	90,100	9,577,715	531,800	X
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	X	8,724,990	422,434	7,890,180	287,019	402,187	X
BKS BANK AG	X	6,624,419	145,614	5,936,379	231,489	275,359	X
CNP UNICREDIT VITA S.P.A.	X	12,426,738	875,141	1,298,858	11,241,310	2,303,225	X
CREDITRAS VITA SPA	X	23,640,940	1,016,663	14,248,613	9,782,766	518,387	X
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	X	67,822,800	1,993,600	59,707,600	1,804,136	3,172,551	X
OBERBANK AG	X	17,365,697	755,650	15,742,575	786,490	702,438	X
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	X	28,658,187	221,764	26,675,433	1,587,942	389,064	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 PROFIT (LOSS) (1)	OTHER COMPREHENSIVE INCOME, NET OF TAX (2)	COMPREHENSIVE INCOME (3)=(1) + (2)
<b>A. Companies under joint control</b>							
KOC FINANSAL HIZMETLER AS	-23,941	436,082	349,498	0	349,498	-14,458	335,040
<b>B. Companies subject to significant influence</b>							
AVIVA SPA	X	62,400	41,000	0	41,000	0	41,000
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	X	173,876	156,958	0	156,958	-74,949	82,009
BKS BANK AG	X	62,812	57,301	0	57,301	-709	56,592
CNP UNICREDIT VITA S.P.A.	X	50,201	37,851	0	37,851	-41,877	-4,026
CREDITRAS VITA SPA	X	72,434	49,374	0	49,374	-24,431	24,943
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	X	819,651	674,051	0	674,051	180,901	854,952
OBERBANK AG	X	176,288	153,425	0	153,425	18,384	171,809
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	X	54,641	40,457	0	40,457	0	40,457

## Part B – Consolidated Balance Sheet - Assets

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
<b>A. Companies under joint control</b>			
KOC FINANSAL HIZMETLER AS	2,898,177	2,879,424	18,753
<b>B. Companies subject to significant influence</b>			
AVIVA SPA	201,041	201,041	0
BANK FUER TIROL UND VORARLBERG AKTIENGESELLSCHAFT	564,071	542,791	21,280
BKS BANK AG	240,231	271,185	0
CNP UNICREDIT VITA S.P.A.	361,882	336,079	25,803
CREDITRAS VITA SPA	337,188	337,188	0
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	725,214	725,214	0
OBERBANK AG	540,892	540,892	0
OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT	372,897	359,154	13,743

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 SHAREHOLDING	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 PROFIT (LOSS) (1)	OTHER COMPREHENSIVE INCOME, NET OF TAX (2)	COMPREHENSIVE INCOME, NET OF TAX (3) = (1) + (2)	NOTES
<b>Companies under joint control</b>	3,287	27,534	24,246	2,221	1,869	0	1,869	0	1,869	
<b>Companies subject to significant influence</b>	285,068	3,177,656	3,062,805	1,108,546	-99,288	0	-99,288	-11,641	-110,929	(1)(2)

Notes to table 10.4 - Non-significant equity investments; accounting information:

- (1) For the following companies, COMPAGNIA AEREA ITALIANA S.P.A., CREDITFARMA SPA, ES SHARED CENTER SOCIETA' PER AZIONI, MACCORP ITALIANA SPA, FENICE HOLDING S.P.A., the book value in the consolidated financial statements reflects the results of a valuation of the investments taking into account the relevant contractual agreements.
- (2) Please note that on the basis of the international accounting standards, equity investments in associates for which there is objective evidence of occurrence of events that may reduced their 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. Please note that a write-down was recognized for company Torre S.G.R. S.p.A. and COMPAGNIA AEREA ITALIANA S.P.A. (for more details see Section 16 of Part C.

## 10.5 Equity investments: annual changes

(€ '000)

	CHANGES IN	
	2015	2014
<b>A. Opening balance</b>	<b>6,479,456</b>	<b>6,481,855</b>
<b>B. Increases</b>	<b>786,944</b>	<b>1,268,302</b>
B.1 Purchases	71,651	139,458
B.2 Write-backs	80	-
B.3 Revaluation	-	-
B.4 Other changes	715,213	1,128,844
<b>C. Decreases</b>	<b>689,797</b>	<b>1,270,701</b>
C.1 Sales	54,032	833,054
C.2 Write-downs	52,503	67,416
C.3 Other changes	583,262	370,231
<b>D. Closing balance</b>	<b>6,576,603</b>	<b>6,479,456</b>
<b>E. Total revaluation</b>	<b>-</b>	<b>-</b>
<b>F. Total write-downs</b>	<b>855,561</b>	<b>827,418</b>

## 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, COINV and Credifarma are classified among associates, although the Group does 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.

As of December 31, 2015 the following were carried at cost:

- 39 equity investments (o.w. 38 held either directly or through consolidated subsidiaries) in associates;
- 15 equity investments (o.w. 6 held either directly or through consolidated subsidiaries) in jointly-controlled companies.

## 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, 2015, 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 €16.97 million;
- the commitment to subscribe the recapitalisation of OGR-CRT-S.c.p.A. with an expense of €938 thousand.

## Part B – Consolidated Balance Sheet - Assets

### 10.9 Significant restrictions

At December 31, 2015, we can note the following:

- **Accenture Back Office And Administration Services S.p.A.:** existence of a shareholders' agreement on the basis of which, starting from 2015, the Group's possibility to participate 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.

Even though not directly concluded by UniCredit S.p.A. or one of its subsidiaries, we disclose the existence of contractual agreements between Compagnia Area Italiana (CAI) and its subsidiary Alitalia SAI that limit the ability of the latter to distribute dividends to the achievement of certain parameters in terms of liquidity and net income margins.

Finally the ability to receive dividends or capital distributions from associates is subordinated to the majority, also qualified, or unanimous decision of the relevant corporate body as provided by the law or by specific shareholder agreements.

### 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 2015 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, 2015 were used, if no more up-to-date reports were available.

However, if financial statements or reports with a date other than December 31, 2015 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.

## Part B – Consolidated Balance Sheet - Assets

**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 €10,031 million at end 2015, down by €246 million over the end of 2014 (€10,277 million).

**12.1 Property, plant and equipment used in the business: breakdown of assets carried at cost**

(€'000)

ASSETS/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Owned assets</b>	<b>7,386,099</b>	<b>7,135,467</b>
a) land	1,275,533	1,299,401
b) buildings	2,674,079	2,683,635
c) office furniture and fitting	297,199	294,197
d) electronic systems	568,935	544,851
e) other	2,570,353	2,313,383
<b>2 Leased assets</b>	<b>55,165</b>	<b>58,991</b>
a) land	14,678	14,697
b) buildings	32,795	33,859
c) office furniture and fitting	-	-
d) electronic systems	-	-
e) other	7,692	10,435
<b>Total</b>	<b>7,441,264</b>	<b>7,194,458</b>

As of December 31, 2015 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 12.31.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Owned assets</b>	<b>2,510,400</b>	-	<b>104,400</b>	<b>2,818,995</b>	<b>3,001,784</b>	-	<b>163,329</b>	<b>3,534,555</b>
a) land	922,654	-	20,543	945,212	1,120,313	-	37,727	1,233,123
b) buildings	1,587,746	-	83,857	1,873,783	1,881,471	-	125,602	2,301,432
<b>2. Leased assets</b>	<b>10,306</b>	-	-	<b>10,306</b>	<b>10,295</b>	-	-	<b>10,296</b>
a) land	10,000	-	-	10,000	10,000	-	-	10,000
b) buildings	306	-	-	306	295	-	-	296
<b>Total</b>	<b>2,520,706</b>	-	<b>104,400</b>	<b>2,829,301</b>	<b>3,012,079</b>	-	<b>163,329</b>	<b>3,544,851</b>
<b>Total Level 1, Level 2 and Level 3</b>				<b>2,933,701</b>				<b>3,708,180</b>

Fair value measurements solely for the purpose of fulfilling 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.

## Part B – Consolidated Balance Sheet - Assets

**12.3 Property, plant and equipment used in the business: breakdown of revalued assets**

There are no revalued 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)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2015			AMOUNTS AS AT 12.31.2014		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>1. Owned assets</b>	-	-	<b>68,860</b>	-	-	<b>70,457</b>
a) land	-	-	257	-	-	267
b) buildings	-	-	68,603	-	-	70,190
<b>2. Leased assets</b>	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
<b>Total</b>	-	-	<b>68,860</b>	-	-	<b>70,457</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>68,860</b>			<b>70,457</b>

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 relevant investments.

## 12.5 Property, plant and equipment used in the business: annual changes

(€'000)

	CHANGES IN 2015					
	LAND	BUILDINGS	OFFICE FURNITURE AND FITTINGS	ELECTRONIC SYSTEMS	OTHER	TOTAL
<b>A. Gross opening balance</b>	<b>1,314,098</b>	<b>5,226,604</b>	<b>1,523,776</b>	<b>2,928,636</b>	<b>3,569,102</b>	<b>14,562,216</b>
A.1 Total net reduction in value	-	(2,509,110)	(1,229,579)	(2,383,785)	(1,245,284)	(7,367,758)
<b>A.2 Net opening balance</b>	<b>1,314,098</b>	<b>2,717,494</b>	<b>294,197</b>	<b>544,851</b>	<b>2,323,818</b>	<b>7,194,458</b>
<b>B Increases</b>	<b>40,823</b>	<b>242,683</b>	<b>108,324</b>	<b>219,166</b>	<b>638,740</b>	<b>1,249,736</b>
B.1 Purchases	12,222	125,929	101,945	198,682	376,304	815,082
B.2 Capitalised expenditure on improvements	-	59,375	-	-	-	59,375
B.3 Write-backs	5,740	9,123	3,571	307	137	18,878
B.4 Increases in fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
B.5 Positive exchange differences	277	2,366	358	639	25,845	29,485
B.6 Transfer from properties held for investment	13,989	19,665	-	-	-	33,654
B.7 Other changes	8,595	26,225	2,450	19,538	236,454	293,262
<b>C. Reductions</b>	<b>64,710</b>	<b>253,303</b>	<b>105,322</b>	<b>195,082</b>	<b>384,513</b>	<b>1,002,930</b>
C.1 Disposals	32,109	44,627	2,717	9,539	68,856	157,848
C.2 Depreciation	-	127,167	43,164	169,959	254,692	594,982
C.3 Impairment losses	560	9,334	3,347	2,475	1,004	16,720
a) in equity	-	-	-	-	-	-
b) through profit or loss	560	9,334	3,347	2,475	1,004	16,720
C.4 Reduction of fair value:	-	-	-	-	-	-
a) in equity	-	-	-	-	-	-
b) through profit or loss	-	-	-	-	-	-
C.5 Negative exchange differences	435	8,283	150	1,141	1,254	11,263
C.6 Transfer to:	27,029	28,738	-	1	25	55,793
a) property, plant and equipment held for investment	23,063	21,963	-	-	-	45,026
b) assets held for sale	3,966	6,775	-	1	25	10,767
C.7 Other changes	4,577	35,154	55,944	11,967	58,682	166,324
<b>D. Net final balance</b>	<b>1,290,211</b>	<b>2,706,874</b>	<b>297,199</b>	<b>568,935</b>	<b>2,578,045</b>	<b>7,441,264</b>
D.1 Total net reduction in value	-	(2,470,796)	(1,105,204)	(2,400,232)	(1,358,027)	(7,334,259)
<b>D.2 Gross closing balance</b>	<b>1,290,211</b>	<b>5,177,670</b>	<b>1,402,403</b>	<b>2,969,167</b>	<b>3,936,072</b>	<b>14,775,523</b>
<b>E. Carried at cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Part B – Consolidated Balance Sheet - Assets

**12.6 Property, plant and equipment held for investment: annual changes**

(€'000)

	CHANGES IN 2015		TOTAL
	LAND	BUILDINGS	
<b>A Opening balances</b>	<b>1,130,580</b>	<b>1,951,956</b>	<b>3,082,536</b>
<b>B. Increases</b>	<b>59,149</b>	<b>100,222</b>	<b>159,371</b>
B.1 Purchases	8,178	34,636	42,814
B.2 Capitalised expenditure on improvements	-	4,820	4,820
B.3 Increases in fair value	-	-	-
B.4 Write backs	21,592	12,759	34,351
B.5 Positive exchange differences	358	6,121	6,479
B.6 Transfer from properties used in the business	23,063	21,963	45,026
B.7 Other changes	5,958	19,923	25,881
<b>C. Reductions</b>	<b>256,818</b>	<b>395,523</b>	<b>652,341</b>
C.1 Disposals	41,934	98,220	140,154
C.2 Depreciation	-	69,671	69,671
C.3 Reductions in fair value	-	1,887	1,887
C.4 Impairment losses	10,546	27,469	38,015
C.5 Negative exchange differences	618	1,854	2,472
C.6 Transfer to:	193,011	168,696	361,707
a) <i>Properties used in the business</i>	13,989	19,665	33,654
b) <i>Non current assets classified as held for sale</i>	179,022	149,031	328,053
C.7 Other changes	10,709	27,726	38,435
<b>D. Closing balances</b>	<b>932,911</b>	<b>1,656,655</b>	<b>2,589,566</b>
<b>E. Measured at fair value</b>	<b>975,755</b>	<b>1,957,946</b>	<b>2,933,701</b>

**12.7 Commitments to purchase property, plant and equipment**

(€'000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
A. Contractual commitments	21,808	39,731

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, 2015 this item was €5,758 million broadly in line with €5,562 million at December 31, 2014.

### 13.1 Intangible assets: breakdown by assets type

(€'000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE
<b>A.1 Goodwill</b>	X	<b>3,618,345</b>	X	<b>3,561,531</b>
A.1.1 attributable to the Group	X	3,618,345	X	3,561,531
A.1.2 attributable to minorities	X	-	X	-
<b>A.2 Other intangible assets</b>	<b>2,047,172</b>	<b>92,957</b>	<b>1,907,045</b>	<b>92,957</b>
A.2.1 Assets carried at cost:	2,047,172	92,957	1,907,045	92,957
a) <i>Intangible assets generated internally</i>	1,420,037	-	1,218,073	-
b) <i>Other assets</i>	627,135	92,957	688,972	92,957
A.2.2 Assets valued at fair value:	-	-	-	-
a) <i>Intangible assets generated internally</i>	-	-	-	-
b) <i>Other assets</i>	-	-	-	-
<b>Total</b>	<b>2,047,172</b>	<b>3,711,302</b>	<b>1,907,045</b>	<b>3,654,488</b>
<b>Total finite and indefinite life</b>		<b>5,758,474</b>		<b>5,561,533</b>

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 €75 million;
- Software of €404 million;
- Licenses, patents and similar rights of €100 million.

## Part B – Consolidated Balance Sheet - Assets

## 13.2 Intangible assets: annual changes

(€'000)

	CHANGES IN 2015 OTHER INTANGIBLE ASSETS					TOTAL
	GENERATED INTERNALLY			OTHER		
	GOODWILL	FINITE LIFE	INDEFINITE LIFE	FINITE LIFE	INDEFINITE LIFE	
<b>A. Gross opening balance</b>	<b>19,908,071</b>	<b>2,340,427</b>	-	<b>7,159,206</b>	<b>994,734</b>	<b>30,402,438</b>
A.1 Total net reduction in value	(16,346,540)	(1,122,354)	-	(6,470,234)	(901,777)	(24,840,905)
<b>A.2 Net opening balance</b>	<b>3,561,531</b>	<b>1,218,073</b>	-	<b>688,972</b>	<b>92,957</b>	<b>5,561,533</b>
<b>B Increases</b>	<b>63,659</b>	<b>492,187</b>	-	<b>185,076</b>	-	<b>740,922</b>
B.1 Purchases	8,000	37,489	-	175,685	-	221,174
B.2 Increases in intangible assets generated internally	X	430,384	-	-	-	430,384
B.3 Write-backs	X	-	-	-	-	-
B.4 Increases in fair value						
- in equity	X	-	-	-	-	-
- through profit or loss	X	-	-	-	-	-
B.5 Positive exchange differences	55,659	211	-	1,929	-	57,799
B.6 Other changes	-	24,103	-	7,462	-	31,565
<b>C. Reduction</b>	<b>6,845</b>	<b>290,223</b>	-	<b>246,913</b>	-	<b>543,981</b>
C.1 Disposals	-	405	-	6,476	-	6,881
C.2 Write-downs						
- amortization	X	262,036	-	203,878	-	465,914
- write-downs	-	9,033	-	342	-	9,375
+ in equity	X	-	-	-	-	-
+ through profit or loss	-	9,033	-	342	-	9,375
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	-	4,251	-	6,321	-	10,572
C.6 Other changes	6,845	14,498	-	29,896	-	51,239
<b>D. Net Closing Balance</b>	<b>3,618,345</b>	<b>1,420,037</b>	-	<b>627,135</b>	<b>92,957</b>	<b>5,758,474</b>
D.1 Total net write-down	(16,395,505)	(1,189,458)	-	(6,436,908)	(901,777)	(24,923,648)
<b>E. Gross closing balance</b>	<b>20,013,850</b>	<b>2,609,495</b>	-	<b>7,064,043</b>	<b>994,734</b>	<b>30,682,122</b>
<b>F. Carried at cost</b>	-	-	-	-	-	-

The purchases of the period is related to the initial recognition of the goodwill recognized by Cordusio SIM Advisory & Family Office S.p.A. for the absorption of Atlantic SIM S.p.A..

The Goodwill book value as at December 31, 2015 (€3,618 million) has positive exchange differences for €56 million related to the change occurred during the period of the original currencies in which the Goodwill was recognized. The positive variations mainly refer to the companies operating in Poland and 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	Amortization	Impairment	(*) Other changes	TOTAL
	12.31.2014				12.31.2015
Trademarks	93	-	-	-	93
Core deposits and customer relationships	92	(17)	-	(1)	75
Goodwill	3,562	-	-	57	3,618
<b>TOTAL</b>	<b>3,747</b>	<b>(17)</b>	<b>-</b>	<b>56</b>	<b>3,786</b>

(\*) 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.

## Part B – Consolidated Balance Sheet - Assets

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, 2015, 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, 2015, 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, 2015, 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, 2015, 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, 2015, 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 12 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.

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:

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.

For a detailed description of the Group's CGU refer to Part - Segment Reporting of this Notes to the Consolidated Accounts.

### **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 the Poland CGU and of the CEE CGU, excluding CEE Leasing, is determined as the total of 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, 2015, determined as described above, and the portions of goodwill and other intangible assets allocated to each of them are shown below.

## Part B – Consolidated Balance Sheet - Assets

(€ million)

Cash Generating Unit (CGU)	Value as at 12.31.2015	of which Goodwill (Group Share)	of which Other Intangible Asset (*)
Commercial Banking Italy	7,021	8	-
Commercial Banking Germany	3,173	261	-
Commercial Banking Austria	2,035	-	-
Poland	7,039	1,030	-
CIB Global	7,131	878	-
Asset Management	1,021	844	-
Asset Gathering	818	597	62
CEE	14,092	-	-
Non Core	7,102	-	-
<b>Total</b>	<b>49,433</b>	<b>3,618</b>	<b>62</b>

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 31<sup>st</sup> 2015 was performed on the basis of the financial projections (Net Profit and RWA) embedded in the Budget for 2016 and the Strategic Plan approved by the Board of Directors on November 11<sup>th</sup> 2015.

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 31<sup>st</sup> 2015, and was unchanged compared to December 31<sup>st</sup> 2014.

With reference to the CGU AM, taking into account the ongoing disposal process of Pioneer Investments, the estimated cash-in from the disposal is considered more representative in measuring the recoverable amount than the estimated value obtained discounting the cash flows from the continuing use. The disposal process does not trigger IFRS 5 classification as of December 31<sup>st</sup> 2015, as the latter requires as well that the disposal group is available for immediate sale in its present condition (and this is not the case as there are several transactions that have to take place precedent to the disposal) and the absence of conditions such as multiple authorizations by the relevant Regulators.

### 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 2016 and the latest Strategic Plan, of which projections have been used for December 2015 Impairment Test purposes.

<b>Italy</b>	<b>2014</b>	<b>2015F</b>	<b>2016F</b>	<b>2017F</b>	<b>2018F</b>
y/y % changes					
<b>GDP</b>	<b>-0,4</b>	<b>0,6</b>	<b>1,2</b>	<b>1,2</b>	<b>1,3</b>
<b>Inflation (CPI)</b>	<b>0,2</b>	<b>0,0</b>	<b>1,0</b>	<b>1,5</b>	<b>1,6</b>
<b>Unemployment rate</b>	<b>12,7</b>	<b>12,7</b>	<b>12,4</b>	<b>11,7</b>	<b>11,0</b>

<b>Germany</b>	<b>2014</b>	<b>2015F</b>	<b>2016F</b>	<b>2017F</b>	<b>2018F</b>
y/y % changes					
<b>GDP</b>	<b>1,6</b>	<b>2,0</b>	<b>2,1</b>	<b>2,3</b>	<b>2,4</b>
<b>Inflation (CPI)</b>	<b>1,5</b>	<b>0,0</b>	<b>1,7</b>	<b>1,9</b>	<b>2,0</b>
<b>Unemployment rate</b>	<b>6,7</b>	<b>6,4</b>	<b>6,2</b>	<b>6,0</b>	<b>5,7</b>

<b>Austria</b>	<b>2014</b>	<b>2015F</b>	<b>2016F</b>	<b>2017F</b>	<b>2018F</b>
y/y % changes					
<b>GDP</b>	<b>0,3</b>	<b>0,9</b>	<b>1,5</b>	<b>1,7</b>	<b>1,8</b>
<b>Inflation (CPI)</b>	<b>1,7</b>	<b>0,9</b>	<b>1,6</b>	<b>1,7</b>	<b>1,8</b>
<b>Unemployment rate</b>	<b>5,6</b>	<b>5,7</b>	<b>5,5</b>	<b>5,2</b>	<b>5,0</b>

<b>Financial indicators</b>	<b>2014</b>	<b>2015F</b>	<b>2016F</b>	<b>2017F</b>	<b>2018F</b>
<b>Euribor 3m avg</b>	<b>0,2</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,1</b>
<b>BTP - Bund spread (10y, eop)</b>	<b>135</b>	<b>80</b>	<b>60</b>	<b>55</b>	<b>50</b>

## Part B – Consolidated Balance Sheet - Assets

## CENTRAL EASTERN EUROPE (CEE)

	Real GDP Growth		Inflation (CPI) yoy, avg	
	2016	2018	2016	2018
Poland	3,5	3,5	1,9	2,5
Hungary	2,4	2,2	2,6	2,9
Czech Rep.	2,7	2,5	1,6	2,2
Slovenia	2,6	2,0	1,1	1,3
Bulgaria	2,3	3,1	0,7	2,7
Romania	2,5	3,4	1,2	3,0
Croatia	0,8	2,0	1,9	2,5
Bosnia-H.	3,5	3,0	2,1	2,2
Serbia	1,3	1,3	4,4	4,0
Turkey	3,5	5,0	6,0	5,7
Russia	-1,4	2,7	7,9	5,5

	Interbank rates, avg		Exchange rates, avg	
	2016	2018	2016	2018
Poland	2,0	3,0	4,1	4,0
Hungary	2,6	2,9	315,0	330,0
Czech Rep.	0,3	1,2	27,3	26,5
Slovenia	EUR	EUR	EUR	EUR
Bulgaria	0,0	0,1	2,0	2,0
Romania	1,6	2,9	4,4	4,3
Croatia	0,9	0,8	7,7	7,5
Bosnia-H.	EUR	EUR	2,0	2,0
Serbia	7,8	8,0	128,0	128,0
Turkey	7,4	7,0	3,3	3,1
Russia	8,3	6,4	74,7	71,6

#### 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 2016 to 2018, which uses the Budget 2016 and the Strategic Plan approved by the Board of Directors on November 11, 2015, 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 2014 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").

#### **Strategic Plan 2015-2018 ("MYP")**

UCG, in line with the previous MYP, aims to confirm the current overall market positioning, being a leading pan-European Commercial bank, but with a recalibration of the business to adapt to a macroeconomic scenario with interest rates at all time lows.

Operating efficiency is envisaged to be increased with a further reduction of the total cost base compared to the previous MYP, whilst increasing capital allocation to high return businesses. The Group digitalization strategy will be accelerated in order to underpin business development and multi-channel transformation.

UCG aims to become simpler, via elimination of sub-holding functions with direct shareholding control of CEE subsidiaries by UC SpA intended by year-end 2016, and more integrated with strengthened holding steering functions and a leaner managerial structure.

UCG will continue to be focused on high growth potential of asset and wealth management contributing to further accelerate fee income growth and to leverage on CIB leadership to improve revenue mix and boost cross selling.

CEE & Poland remain key growth engines leveraging on their leadership position as the preferred partners for local and multi-country clients.

#### **CGUs' STRATEGIC DIRECTIONS**

##### ***Commercial Banking Italy***

Commercial Banking Italy will be focused on exploiting digitalization benefits to innovate the current product offering, while achieving significant cost savings. In line with the previous MYP, an additional branch streamlining is envisaged, leading to additional savings both on HR and non-HR costs side.

In retail segment, it is envisaged an acceleration of clients acquisition, an increase of revenues generated via online bill payments and acquiring services, and an improvement of sales agent network in promoting new products. On corporate side, the Group intends to further leverage on bank's synergies to offer a distinctive service.

Within the private banking business, UCG's market leadership is expected to be further consolidated in Italy and Europe both in terms of growth and profitability recovery on lower PB, giving also a particular focus on ultra-high net worth individuals by setting up a dedicated legal entity to provide a specific service model to such client segment and with a profitability recovery action on lower PB.

##### ***Commercial Banking Germany***

In line with the previous MYP, the Commercial Bank in Germany, aims to restore profitability basing on a growth of affluent customers, a significant growth in Private Banking (structurally growing), a full digital deployment and a selective growth within the Corporate segment (limited growth but with high profitability). Furthermore, the bank continues to significantly reduce its costs within the Corporate Center and GBS' activities.

## Part B – Consolidated Balance Sheet - Assets

### **Commercial Banking Austria**

In line with the previous MYP, the Commercial Bank in Austria continues its digitalization deployment and the respective cost base optimization. The Group will strongly restructure the retail part in order to develop the business in a sustainable way, while significantly bringing down its cost-income-ratio. The Corporate segment's profitability will be increased by mainly leveraging on higher margins, while the Private Banking revenues will be sustained by AUM volumes growth.

### **Corporate & Investment Banking ("CIB")**

UCG intends to leverage on its strong international Network, to increase CIB cross-divisional (in particular on mid-tier corporate segment) and geographical synergies, to reach a high level of revenue diversification. A joint venture CIB-Commercial Banking is going to be set up in order to offer the CIB product expertise also to the CBK network and increase cross selling.

### **Poland**

In line with previous MYP, Poland division aims to continue its growth path and recent positive track record. It envisages a further increase of the client base through new mass market and SME products development, the introduction of mobile advisory model in Affluent segment, implementation of a bancassurance business model. As for the corporate business, Poland aims to boost the customer acquisition improving the sales force presence in under-penetrated areas and enhance the business benefit from GTB and internationalization projects.

### **Central and Eastern Europe ("CEE")**

CEE is expected to remain a major growth engine for the Group by implementing a distinctive client proposition given its operations in multiple CEE countries. Digitalization will support revenue growth and cost reduction, in particular by increasing the share of remote/ digital sales and by proposing tailor-made/ need-based offering through the use of Big Data. The objective is to growth of 1 mn of Clients aiming to the increase loans volumes to support the growth of the market shares marked in recent years

### **Asset Management**

Asset Management remains a strategic/ high profitable division for the Group. Revenues will be sustained by the increasing volumes and further growth in non-captive distribution. In order to improve the managed assets and to benefit from network/ distribution synergies, a combination of Pioneer and SAM has been defined creating a global asset manager, ranking among the top 35 firms globally and top 10 in Europe by AuM.

### **Asset Gathering**

Asset Gathering will keep a strong focus on client acquisition and lending products' enhancement. In particular, TFA growth will be underpinned by acquiring new high-valued clients while enhancing the PFAs' network.

### **Non-Core**

As communicated in the previous 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.

#### Discount rates of cash flows and Capital Targets

The main assumptions used by Management to calculate the CGUs' recoverable amount were as follows:

<b>CGU</b>	<b>Initial discount rate net of tax (Ke)</b>	<b>Final discount rate net of tax (Ke)</b>	<b>Nominal growth rate used to calculate Terminal Value</b>
<b>Commercial Banking Italy</b>	10.7%	9.4%	2.0%
<b>Commercial Banking Germany</b>	8.7%	9.0%	2.0%
<b>Commercial Banking Austria</b>	9.1%	9.1%	2.0%
<b>Poland <sup>(1)</sup></b>	13.0%	9.6%	2.0%
<b>CIB</b>	9.7%	9.0%	2.0%
<b>Asset Management</b>	8.7%	9.0%	2.0%
<b>Asset Gathering</b>	8.8%	9.0%	2.0%
<b>Central Eastern Europe (CEE) <sup>(1)</sup></b>	16.7%	10.5%	2.0%
<b>Non Core</b>	10.7%	9.4%	2.0%

<sup>1</sup> 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.

## Part B – Consolidated Balance Sheet - Assets

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 MYP 2018 and then to the Terminal Value, over the 5 years intermediate period considered in the model, to a specific differentiated value for each CGU. This value is determined taking into account the macro scenario embedded in MYP projections and therefore the specific Net Profit.

Prudentially, cost of equity for the Global Business Lines is increasing during the valuation period, attaining a level of the lowest of Commercial Banking.

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 Common Equity Tier 1 ratio is 9,25 % for 2015 while for CEE countries the initial values correspond to the actual ratios. The Common Equity Tier 1 ratio converges linearly to 11,5% in 2018 in line with the long term strategic target set in the Strategic Plan approved in November 2015, as a result of the regulatory framework becoming more and more prudential (Basel 3, Comprehensive Assessment run by the European Central Bank on the banking sector, the bail-in regulation and the recent consultations of the Basel Committee on the treatment for trading portfolio, and on securitization of investment funds). With reference to some CEE countries the local authorities require additional buffer, thus the target ratio for 2018 has been increased to 12% for Poland, and to 14% for Croatia, Bulgaria and Czech Republic.

### Results of the impairment test

The impairment test result as at December 31, 2015 confirms the sustainability of the goodwill with no need for an impairment on the consolidated accounts of the UniCredit group.

The recoverable amount, affected by the update of the financial projections as described above, reflects in particular a positive contribution from the updated parameter of cost of equity (improved in comparison with the 2014 level as a result of the market conditions) and a negative contribution from the updated level of capital ratios.

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	1.7%	2.9%	-13.4%	-16.4%
Poland	1.1%	1.8%	-1.3%	-10.4%
CIB	2.1%	3.0%	-14.4%	-16.9%
Asset Management	Not applicable	Not applicable	Not applicable	Not applicable
Asset Gathering	16.7%	n.m.	n.m.	n.m.
Commercial Banking Italy	10.2%	19.6%	n.m.	n.m.

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) <sup>(1)</sup>	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
<i>Sensitivity Factor [%]</i>	+1%	+1%	-1%	-5%
Change of Group value in use	-10%	-9%	-6%	-6%

1 The increase of 1% in the discount rate is applied to the whole stream from 2016 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.

## Part B – Consolidated Balance Sheet - Assets

**Section 14 - Tax assets and tax liabilities - Item 140 (assets) and 80 (liabilities)**
**14.1 Deferred tax assets: breakdown**

(€'000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>Deferred tax assets related to:</b>		
Assets/liabilities held for trading	479,448	499,016
Other financial instruments	4,780,290	4,958,705
Property, plant and equipment / Intangible assets	2,009,632	2,019,371
Provisions	1,990,439	2,059,502
Write-downs on loans	6,170,881	6,259,053
Other assets / liabilities	260,926	285,727
Loans and receivables with banks and customers	157,148	161,346
Tax losses carried forward	487,256	383,118
Other	636,755	608,961
Effect of netting gross deferred tax position	(2,601,363)	(2,935,087)
<b>Total</b>	<b>14,371,412</b>	<b>14,299,712</b>

The item "Other financial instruments" includes €3,964,770 thousand in 2015 (€3,961,646 thousand in 2014) related to deferred tax assets (for IRES and IRAP taxation) due to the tax step-up of the value of the investments in subsidiaries pursuant to art. 23 of D.L. 98/2011. Amounts of 2014 have been re-exposed including in the item "Other financial instruments" €657,471 thousand previously included in the item "Property, plant and equipment/Intangible assets".

Following IAS12 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, the recoverability test takes into account, besides the economic projections, the forecasts for the conversion of deferred tax assets into tax credits under the terms of Italian Law No. 214/2011.

The Law Decree 27 June 2015 n. 83, converted by the Law 6 August 2015, n. 132, has modified the tax deductibility regime for IRES and IRAP purposes applicable to loan loss provisions, not deriving from the disposal, pertaining to loans due from customers. The new regime sets the full and immediate deductibility in the year in which the provisions are recognized in the financial statements. The decree has as well introduced transition rules applicable to both the above mentioned loss provisions recognized in the financial statements in 2015 (tax deductibility of 75% in the same year) and the loss provisions recognized in the previous years and not yet tax deducted. For the latter, together with the 25% of loan loss provisions recognized in 2015 and not immediately deductible, the decree sets the deductibility in the subsequent fiscal years until 2025, following percentages defined in the same decree, while it remains confirmed the option to convert the DTA's relating to them into tax credits. The same L.D n. 83/2015 has also confirmed the regime of conversion in tax credit of the DTA's, already recorded in the balance sheet as of December, 31 2014, relating to goodwill and other intangibles assets. Finally, the Law 28 December 2015, n. 208, provides for a change of IRES rate from current 27.5% to 24% starting from 2017 tax period; at the same time, Banks only will be charged of an additional IRES rate of 3.5% from the same tax period 2017, making total IRES tax burden unchanged versus current level.

There are no impacts on the probability test coming from such changes in tax regulation.

**14.2 Deferred tax liabilities: breakdown**

(€'000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>Deferred tax liabilities related to:</b>		
Loans and receivables with Banks and Customers	265,988	345,562
Assets/liabilities held for trading	241,911	395,748
Other financial instruments	1,696,194	1,648,573
Property, plant and equipment / intangible assets	503,412	484,516
Other assets / liabilities	237,525	417,575
Deposits from Banks and Customers	2,764	14,013
Other	241,023	249,719
Effect of netting gross deferred tax position	(2,601,363)	(2,935,099)
<b>Total</b>	<b>587,454</b>	<b>620,607</b>

### 14.3 Deferred tax assets: annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2015	2014
<b>1. Opening balance</b>	<b>13,087,284</b>	<b>17,372,493</b>
<b>2. Increases</b>	<b>3,910,372</b>	<b>2,235,220</b>
2.1 Deferred tax assets arising during the year	1,361,046	1,969,383
a) relating to previous years	79,558	163,438
b) due to change in accounting policies	-	-
c) write-backs	131,783	822
d) other	1,149,705	1,805,123
2.2 New taxes or increases in tax rates	2,139	2,851
2.3 Other increases	2,547,187	262,986
<b>3. Decreases</b>	<b>3,500,502</b>	<b>6,520,429</b>
3.1 Deferred tax assets derecognised during the year	869,479	1,186,586
a) reversals of temporary differences	743,187	968,815
b) write-downs of non-recoverable items	38,533	9,013
c) change in accounting policies	-	-
d) other	87,759	208,758
3.2 Reduction in tax rates	140	375
3.3 Other decreases	2,630,883	5,333,468
a) conversion into tax credit under L. 214/2011	207,675	2,608,894
b) other	2,423,208	2,724,574
<b>4. Final amount</b>	<b>13,497,154</b>	<b>13,087,284</b>

#### 14.3.1 Deferred tax assets (L. 214/2011): annual changes (balancing P&L)

(€'000)

	CHANGES IN	
	2015	2014
<b>1. Opening balance</b>	<b>11,182,084</b>	<b>13,145,129</b>
<b>2. Increases</b>	<b>717,873</b>	<b>867,314</b>
<b>3. Decreases</b>	<b>214,774</b>	<b>2,830,359</b>
3.1 Reversal	154	39,822
3.2 Conversion into tax credits	207,979	2,738,395
a) due to loss positions arising from P&L	207,979	2,643,022
b) due to tax losses	-	95,373
3.3 Other decreases	6,641	52,142
<b>4. Final amount</b>	<b>11,685,183</b>	<b>11,182,084</b>

## Part B – Consolidated Balance Sheet - Assets

**14.4 Deferred tax liabilities: annual changes (balancing P&L)**

(€'000)

	CHANGES IN	
	2015	2014
<b>1. Opening balance</b>	<b>484,645</b>	<b>1,908,113</b>
<b>2. Increases</b>	<b>2,437,341</b>	<b>1,068,266</b>
2.1 Deferred tax liabilities arising during the year	503,800	935,466
<i>a) relating to previous years</i>	15,239	24,077
<i>b) due to change in accounting policies</i>	1,198	539
<i>c) other</i>	487,363	910,850
2.2 New taxes or increases in tax rates	811	439
2.3 Other increases	1,932,730	132,361
<b>3. Decreases</b>	<b>2,447,303</b>	<b>2,491,734</b>
3.1 Deferred tax liabilities derecognised during the year	703,671	491,339
<i>a) reversals of temporary differences</i>	599,893	374,371
<i>b) due to change in accounting policies</i>	-	-
<i>c) other</i>	103,778	116,968
3.2 Reduction in tax rates	136	-
3.3 Other decreases	1,743,496	2,000,395
<b>4. Final amount</b>	<b>474,683</b>	<b>484,645</b>

**14.5 Deferred tax assets: annual changes (balancing Net Equity)**

(€'000)

	CHANGES IN	
	2015	2014
<b>1. Opening balance</b>	<b>1,212,428</b>	<b>1,132,386</b>
<b>2. Increases</b>	<b>557,051</b>	<b>634,239</b>
2.1 Deferred tax assets arising during the year	112,785	599,340
<i>a) relating to previous years</i>	18	5,059
<i>b) due to change in accounting policies</i>	-	-
<i>c) other</i>	112,767	594,281
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	444,266	34,899
<b>3. Decreases</b>	<b>895,221</b>	<b>554,197</b>
3.1 Deferred tax assets derecognised during the year	554,399	56,851
<i>a) reversals of temporary differences</i>	446,421	40,662
<i>b) writedowns of non-recoverable items</i>	-	-
<i>c) due to change in accounting policies</i>	-	97
<i>d) other</i>	107,978	16,092
3.2 Reduction in tax rates	-	-
3.3 Other decreases	340,822	497,346
<b>4. Final amount</b>	<b>874,258</b>	<b>1,212,428</b>

**14.6 Deferred tax liabilities: annual changes (balancing Net Equity)**

(€'000)

	CHANGES IN	
	2015	2014
<b>1. Opening balance</b>	<b>135,962</b>	<b>737,416</b>
<b>2. Increases</b>	<b>1,182,114</b>	<b>549,670</b>
2.1 Deferred tax liabilities arising during the year	147,422	532,511
<i>a) relating to previous years</i>	-	5,041
<i>b) due to change in accounting policies</i>	-	-
<i>c) other</i>	147,422	527,470
2.2 New taxes or increase in tax rates	-	519
2.3 Other increases	1,034,692	16,640
<b>3. Decreases</b>	<b>1,205,305</b>	<b>1,151,124</b>
3.1 Deferred tax liabilities derecognised during the year	277,976	98,139
<i>a) reversal of temporary differences</i>	257,748	93,878
<i>b) due to change in accounting policies</i>	-	-
<i>c) Other</i>	20,228	4,261
3.2 Reduction in tax rates	-	-
3.3 Other decreases	927,329	1,052,985
<b>4. Final amount</b>	<b>112,771</b>	<b>135,962</b>

**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 2015, with reference to the financial statement 2015 of UniCredit Leasing S.p.A., approved by the relevant Shareholders' Meeting, and with reference to the respective income tax return referred to financial year 2014, the conversion of deferred tax assets, IRES and IRAP, into tax credits has been perfected for an amount of €93.4 million.

## Part B – Consolidated Balance Sheet - Assets

**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 value between the book value and the fair value less costs to sell.

In the Balance Sheet at December 31, 2015, compared with December 31, 2014, we note that, following the interruption in the sales negotiations, the company Vienna DC Tower 2 Liegenschaftsbesitz GMBH ceased to be attributed to the non-current assets and asset disposal groups pursuant to IFRS 5. We also note that the real-estate properties held by some companies in the group has been sold during the year.

Data at December 31, 2015 refer mainly, as regards the single assets and liabilities held for sale to the real-estate properties held by some companies in the group.

As regards the data for asset disposal groups, and associated liabilities, the figure at December 31, 2015 refers to the following companies already listed in the consolidated accounting statement at December 31, 2014, based on accounting standard IFRS 5:

- the companies of the Ukrainian Group (PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD);
- the companies of the Immobilien Holding Group.

As of December, 31 2015 the subsidiary Joint Stock Company Ukrsofsbank and its subsidiaries continue to be classified as held for sale (IFRS 5) and their valuation has been adjusted to reflect the estimated result from the expected disposal. For further details refer to Part C - Section 21 – Profit (Loss) after tax from discontinued operations – Item 310.

**15.1 Non-current assets and disposal groups classified as held for sale:  
breakdown by asset type**

(€'000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>A. Individual assets</b>		
A.1 Financial assets	8,800	-
A.2 Equity investments	547	-
A.3 Property, Plant and Equipment	366,518	86,121
A.4 Intangible assets	-	-
A.5 Other non-current assets	5,281	5,913
<b>Total A</b>	<b>381,146</b>	<b>92,034</b>
of which carried at cost	335,054	33,904
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	21,760	24,949
of which designated at fair value – level 3	24,332	33,181
<b>B. Assets groups classified as held for sale</b>		
B.1 Financial assets held for trading	491	64,850
B.2 Financial assets at fair value through profit or loss	-	-
B.3 Available for sale financial assets	4	76,273
B.4 Held to maturity investments	-	-
B.5 Loans and receivables with banks	208,252	174,999
B.6 Loans and receivables with customers	1,367,718	1,698,998
B.7 Equity investments	59,684	60,061
B.8 Property, Plant and Equipment	134,875	169,561
B.9 Intangible assets	35,809	45,147
B.10 Other assets	632,089	1,217,825
<b>Total B</b>	<b>2,438,922</b>	<b>3,507,714</b>
of which carried at cost	-	-
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	-
of which designated at fair value – level 3	2,438,922	3,507,714
<b>Total A+B</b>	<b>2,820,068</b>	<b>3,599,748</b>
<b>C. Liabilities associated with assets classified as held for sale</b>		
C.1 Deposits	2,005	1,305
C.2 Securities	-	-
C.3 Other liabilities	4,073	978
<b>Total C</b>	<b>6,078</b>	<b>2,283</b>
of which carried at cost	6,078	2,283
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	-
of which designated at fair value – level 3	-	-
<b>D. Liabilities included in disposal groups classified as held for sale</b>		
D.1 Deposits from banks	126,705	124,227
D.2 Deposits from customers	1,010,558	1,204,245
D.3 Debt securities in issue	1,917	3,365
D.4 Financial liabilities held for trading	315	263
D.5 Financial liabilities at fair value through profit or loss	-	-
D.6 Provisions	498,218	467
D.7 Other liabilities	236,208	315,608
<b>Total D</b>	<b>1,873,921</b>	<b>1,648,175</b>
of which carried at cost	-	-
of which designated at fair value – level 1	-	-
of which designated at fair value – level 2	-	-
of which designated at fair value – level 3	1,873,921	1,648,175
<b>Total C+D</b>	<b>1,879,999</b>	<b>1,650,458</b>

## Part B – Consolidated Balance Sheet - Assets

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, 2015 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

### 16.1 Other assets: breakdown

(€'000)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Margin with derivatives clearers (non-interest bearing)	279	6,109
Gold, silver and precious metals	12,222	17,976
Accrued income other capitalised income	691,383	665,738
Cash and other valuables held by cashier:	284,807	305,940
- current account cheques being settled, drawn on third parties	283,868	287,389
- current account cheques payable by group banks, cleared and in the process of being debited	219	416
- money orders, bank drafts and equivalent securities	694	18,099
- coupons, securities due on demand, revenue stamps and miscellaneous valuables	26	36
Interest and changes to be debited to:	115,656	110,754
- customers	113,500	107,067
- banks	2,156	3,687
Items in transit between branches not yet allocated to destination accounts	15,280	24,122
Items in processing	1,617,699	1,364,351
Items deemed definitive but not-attributable to other items:	2,274,885	2,184,383
- securities and coupons to be settled	52,262	132,309
- other transactions	2,222,623	2,052,074
Adjustments for unpaid bills and notes	34,258	162,844
Tax items other than those included in item 140	2,480,891	2,438,590
Other items	2,344,378	2,660,183
<b>Total</b>	<b>9,871,738</b>	<b>9,940,990</b>

As at December 31, 2015 "Other items" included €373 million relating to Property, Plant and Equipment, deriving from repossessing and lease, classified as inventories pursuant to IAS 2, €480 million in 2014.

## Part B – Consolidated Balance Sheet - Liabilities

### Liabilities

#### Section 1 - Deposits from banks - Item 10

##### 1.1 Deposits from banks: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Deposits from central banks</b>	<b>29,445,479</b>	<b>26,090,360</b>
<b>2. Deposits from banks</b>	<b>81,927,199</b>	<b>79,946,553</b>
2.1 Current accounts and demand deposits	16,901,680	15,798,564
2.2 Time deposits	7,308,508	11,773,289
2.3 Loans	48,869,644	45,545,017
2.3.1 repos	30,353,733	26,772,247
2.3.2 other	18,515,911	18,772,770
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other liabilities	8,847,367	6,829,683
<b>Total</b>	<b>111,372,678</b>	<b>106,036,913</b>
Fair value - level 1	-	-
Fair value - level 2	59,259,162	55,497,214
Fair value - level 3	52,817,167	52,192,998
<b>Total fair value</b>	<b>112,076,329</b>	<b>107,690,212</b>

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, 2014 and December 31, 2015 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.

##### 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.

## Part B – Consolidated Balance Sheet - Liabilities

**1.4 Deposits from banks: liability items subjected to micro-hedging**

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Liability items subject to micro-hedging of fair value</b>	<b>327,752</b>	<b>330,788</b>
a) Interest rate risk	327,752	330,788
b) Currency risk	-	-
c) Multiple risks	-	-
<b>2. Liability items subject to micro-hedging of cash flows</b>	<b>2,110</b>	-
a) Interest rate risk	2,110	-
b) Currency risk	-	-
c) Other	-	-
<b>Total</b>	<b>329,862</b>	<b>330,788</b>

The figures referred to December 31, 2014 have been adjusted to include UniCredit Bank Austria AG volumes.

**1.5 Amounts payable under finance leases**

There are no amounts payable to banks under finance leases.

## Section 2 - Deposits from customers - Item 20

### 2.1 Deposits from customers: product breakdown

(€ '000)

TYPE OF TRANSACTIONS/GROUP COMPONENTS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
1. Current accounts and demand deposits	296,632,086	258,307,109
2. Time deposits	86,252,931	89,760,649
3. Loans	59,341,080	55,673,038
3.1 repos	51,678,235	49,430,961
3.2 other	7,662,845	6,242,077
4. Liabilities in respect of commitments to repurchase treasury shares	10,200	744,267
5. Other liabilities	7,554,142	5,926,922
<b>Total</b>	<b>449,790,439</b>	<b>410,411,985</b>
Fair value - level 1	10,922	-
Fair value - level 2	144,578,797	134,231,255
Fair value - level 3	306,703,898	277,831,237
<b>Total fair value</b>	<b>451,293,617</b>	<b>412,062,492</b>

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, 2014 and December 31, 2015 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.

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.

Reduction in *Liabilities in respect of commitments to repurchase treasury shares* refers to the settlement of those related to minorities of Unicredit Bank D.D. Mostar and Unicredit Bank S.A. Bucarest.

## Part B – Consolidated Balance Sheet - Liabilities

**2.2 Breakdown of item 20 "Deposits from customers": subordinated debts** (€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Deposits from customers: subordinated debts	290,729	327,234

**2.3 Breakdown of item 20 "Deposits from customers": structured debts** (€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Deposits from customers: structured debts	16,574	22,941

**2.4 Deposits from customers: liability items subject to micro-hedging** (€ '000)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Liability items subject to micro-hedging of fair value</b>	<b>585,354</b>	<b>612,107</b>
a) Interest rate risk	585,354	612,107
b) Currency risk	-	-
c) Other	-	-
<b>2. Liability items subject to micro-hedging of cash flows</b>	<b>189</b>	<b>402</b>
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	189	402
<b>Total</b>	<b>585,543</b>	<b>612,509</b>

The figures referred to December 31, 2014 have been adjusted to include UniCredit Bank Austria AG volumes.

**2.5 Amounts payable under finance leases** (€ '000)

	AMOUNTS AS AT 12.31.2015	
	MINIMUM LEASE PAYMENTS	PRESENT VALUE OF MINIMUM LEASE PAYMENTS
<b>Amounts payable under finance leases:</b>		
Up to 12 months	12,598	12,290
From 1 to 5 years	52,233	47,604
Over 5 years	158,661	140,454
<b>Total value of minimum lease payments</b>	<b>223,492</b>	<b>200,348</b>
<b>Time value effect</b>	<b>(23,154)</b>	<b>X</b>
<b>Present value of minimum payment obligation</b>	<b>200,338</b>	<b>200,348</b>

## Section 3 - Debt securities in issue - Item 30

### 3.1 Debt securities in issue: product breakdown

(€ '000)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 12.31.2015				AMOUNTS AS AT 12.31.2014			
	BOOK VALUE	FAIR VALUE			BOOK VALUE	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3
<b>A. Listed securities</b>								
1. Bonds	122,403,148	60,511,948	53,583,574	15,483,067	136,645,200	60,446,833	68,254,942	17,168,136
1.1 structured	9,605,895	1,552,779	8,184,857	-	11,418,271	927,116	10,733,511	-
1.2 other	112,797,253	58,959,169	45,398,717	15,483,067	125,226,929	59,519,717	57,521,431	17,168,136
2. Other securities	12,074,753	25,644	5,268,629	6,792,328	13,630,604	53,858	8,369,270	5,272,589
2.1 structured	293,001	-	307,349	-	448,501	-	479,255	-
2.2 other	11,781,752	25,644	4,961,280	6,792,328	13,182,103	53,858	7,890,015	5,272,589
<b>Total</b>	<b>134,477,901</b>	<b>60,537,592</b>	<b>58,852,203</b>	<b>22,275,395</b>	<b>150,275,804</b>	<b>60,500,691</b>	<b>76,624,212</b>	<b>22,440,725</b>
<b>Total Level 1, Level 2 and Level 3</b>			<b>141,665,190</b>				<b>159,565,628</b>	

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 €9,899 million and accounted for 7,4% of total debt securities. They mainly refer to interest-rate linked instruments with closely related embedded derivatives identified according to Mifid "structured instruments" definition.

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 €74 million negative.

### 3.2 Breakdown of item 30 "Debt securities in issue": subordinated securities

(€'000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Debt securities in issue: subordinated securities	18,208,511	18,414,565

### 3.3 Breakdown of item 30 "Debt securities in issue": securities subject to micro-hedging

(€ '000)

TYPE OPERATIONS/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Securities subject to micro-hedging of fair value</b>	<b>9,169,713</b>	<b>9,153,342</b>
a) Interest rate risk	9,169,713	9,153,342
b) Currency risk	-	-
c) Multiple risks	-	-
<b>2. Securities subject to micro-hedging of cash flows</b>	<b>229,514</b>	-
a) Interest rate risk	-	-
b) Currency risk	-	-
c) Other	229,514	-
<b>Total</b>	<b>9,399,227</b>	<b>9,153,342</b>

The figures referred to December 31, 2014 have been adjusted to include UniCredit Bank Austria AG volumes.

## Part B – Consolidated Balance Sheet - Liabilities

## Section 4 - Financial liabilities held for trading - Item 40

## 4.1 Financial liabilities held for trading: product breakdown

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	NOMINAL VALUE	AMOUNTS AS AT 12.31.2015				FAIR VALUE*	NOMINAL VALUE	AMOUNTS AS AT 12.31.2014			
		FAIR VALUE			FAIR VALUE*			FAIR VALUE			FAIR VALUE*
		LEVEL 1	LEVEL 2	LEVEL 3				LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Financial liabilities</b>											
1. Deposits from banks	120,853	603,492	129,405	-	732,898	4,006	219,099	101,761	1,187	322,047	
2. Deposits from customers	7,770,473	6,907,832	7,920,641	8,228	14,802,413	2,233,214	5,942,873	2,494,380	11,291	8,420,037	
3. Debt securities	6,358,505	-	5,984,486	563,523	6,582,301	6,090,901	-	6,135,498	290,751	6,454,517	
3.1 Bonds	4,567,194	-	4,257,581	384,405	4,676,278	4,932,570	-	4,980,418	184,376	5,193,062	
3.1.1 Structured	4,250,691	-	3,946,728	384,405	X	4,484,164	-	4,516,260	184,376	X	
3.1.2 Other	316,503	-	310,853	-	X	448,406	-	464,158	-	X	
3.2 Other securities	1,791,311	-	1,726,905	179,118	1,906,023	1,158,331	-	1,155,080	106,375	1,261,455	
3.2.1 Structured	1,791,311	-	1,726,905	179,118	X	1,158,331	-	1,155,080	106,375	X	
3.2.2 Other	-	-	-	-	X	-	-	-	-	X	
<b>Total A</b>	<b>14,249,831</b>	<b>7,511,324</b>	<b>14,034,532</b>	<b>571,751</b>	<b>22,117,612</b>	<b>8,328,121</b>	<b>6,161,972</b>	<b>8,731,639</b>	<b>303,229</b>	<b>15,196,601</b>	
<b>B. Derivatives instruments</b>											
1. Financial derivatives	X	2,058,975	42,927,805	1,129,534	X	X	1,632,770	58,598,692	638,052	X	
1.1 Trading	X	2,058,948	42,594,405	1,055,952	X	X	1,632,751	57,277,948	545,343	X	
1.2 Related to fair value option	X	-	147,130	-	X	X	-	379,954	1,585	X	
1.3 Other	X	27	186,270	73,582	X	X	19	940,790	91,124	X	
2. Credit derivatives	X	76,339	563,671	44,664	X	X	301,324	591,158	175,879	X	
2.1 Trading derivatives	X	76,339	559,765	44,469	X	X	301,324	586,661	175,879	X	
2.2 Related to fair value option	X	-	-	-	X	X	-	-	-	X	
2.3 Other	X	-	3,906	195	X	X	-	4,497	-	X	
<b>Total B</b>	<b>X</b>	<b>2,135,314</b>	<b>43,491,476</b>	<b>1,174,198</b>	<b>X</b>	<b>X</b>	<b>1,934,094</b>	<b>59,189,850</b>	<b>813,931</b>	<b>X</b>	
<b>Total A+B</b>	<b>X</b>	<b>9,646,638</b>	<b>57,526,008</b>	<b>1,745,949</b>	<b>X</b>	<b>X</b>	<b>8,096,066</b>	<b>67,921,489</b>	<b>1,117,160</b>	<b>X</b>	
<b>Total Level 1, Level 2 and Level 3</b>				<b>68,918,595</b>					<b>77,134,715</b>		

\*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, 2015, already included in the net presentation of these transactions, totaled €17,222,039 (€21,230,036 as at December 31, 2014).

“Deposits from banks” and “Deposits from customers” include technical overdrafts totaling € 7,644 million as at 2015 and €6,509 million as at 2014, in respect of which no nominal amount was attributed.

**4.2 Breakdown of item 40 "Financial liabilities held for trading": subordinated liabilities**

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Financial liabilities held for trading: subordinated liabilities	77,438	157,892

**4.3 Breakdown of item 40 "Financial liabilities held for trading": structured debts**

There are no amounts to be shown.

## Part B – Consolidated Balance Sheet - Liabilities

**Section 5 - Financial liabilities at fair value through profit or loss - Item 50**

Liabilities 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.

**5.1 Financial liabilities at fair value through profit or loss: product breakdown**

(€ '000)

TYPE OF OPERATIONS / GROUP COMPONENTS	AMOUNTS AS AT 12.31.2015					AMOUNTS AS AT 12.31.2014				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*	NOMINAL VALUE	FAIR VALUE			FAIR VALUE*
		LEVEL 1	LEVEL 2	LEVEL 3			LEVEL 1	LEVEL 2	LEVEL 3	
<b>1. Deposits from banks</b>	-	-	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
<b>2. Deposits from customers</b>	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
<b>3. Debt securities</b>	<b>403,289</b>	-	<b>451,783</b>	<b>2,873</b>	<b>462,659</b>	<b>508,066</b>	-	<b>562,269</b>	<b>4,698</b>	<b>577,150</b>
3.1 Structured	400,416	-	451,783	-	X	503,368	-	562,269	-	X
3.2 Other	2,873	-	-	2,873	X	4,698	-	-	4,698	X
<b>Total</b>	<b>403,289</b>	-	<b>451,783</b>	<b>2,873</b>	<b>462,659</b>	<b>508,066</b>	-	<b>562,269</b>	<b>4,698</b>	<b>577,150</b>
<b>Total Level 1, Level 2 and Level 3</b>				<b>454,656</b>				<b>566,967</b>		

\*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.

## Section 6 - Hedging derivatives - Item 60

### 6.1 Hedging derivatives: breakdown by type of hedging and by levels

(€ '000)

	AMOUNTS AS AT 12.31.2015				AMOUNTS AS AT 12.31.2014			
	FAIR VALUE			NOTIONAL AMOUNT	FAIR VALUE			NOTIONAL AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		LEVEL 1	LEVEL 2	LEVEL 3	
<b>A. Financial derivatives</b>	<b>2</b>	<b>6,141,795</b>	<b>3,636</b>	<b>149,373,059</b>	-	<b>8,615,274</b>	<b>1,275</b>	<b>157,883,758</b>
1) Fair value	1	5,211,793	3,636	130,552,397	-	7,262,035	-	144,308,162
2) Cash flows	1	930,002	-	18,820,662	-	1,353,239	1,275	13,575,596
3) Net investment in foreign subsidiaries	-	-	-	-	-	-	-	-
<b>B. Credit derivatives</b>	-	<b>3,195</b>	<b>1</b>	<b>52,000</b>	-	<b>5,393</b>	<b>1</b>	<b>180,708</b>
1) Fair value	-	3,195	-	52,000	-	5,393	-	180,708
2) Cash flows	-	-	1	-	-	-	1	-
<b>Total</b>	<b>2</b>	<b>6,144,990</b>	<b>3,637</b>	<b>149,425,059</b>	-	<b>8,620,667</b>	<b>1,276</b>	<b>158,064,466</b>
<b>Total Level 1, Level 2 e Level 3</b>			<b>6,148,629</b>				<b>8,621,943</b>	

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: breakdown by hedged items and risk type

(€ '000)

TRANSACTIONS/HEDGE TYPES	AMOUNTS AS AT 12.31.2015								
	FAIR VALUE					CASH FLOWS			FOREIGN INVESTMENTS
	INTEREST RATE RISK	CURRENCY RISK	CREDIT RISK	PRICE RISK	MULTIPLE RISKS	MACRO-HEDGE	MICRO-HEDGE	MACRO-HEDGE	
1. Available-for-sale financial assets	359,229	-	-	-	-	X	-	X	X
2. Loans and receivables	123	-	3,195	X	-	X	-	X	X
3. Held to maturity investments	X	-	-	X	-	X	-	X	X
4. Portafoglio	X	X	X	X	X	1,518,422	X	557,259	X
5. Others	-	-	-	-	-	X	-	X	-
<b>Total assets</b>	<b>359,352</b>	-	<b>3,195</b>	-	-	<b>1,518,422</b>	-	<b>557,259</b>	-
1. Financial liabilities	181,619	-	-	X	-	X	-	X	X
2. Portfolio	X	X	X	X	X	3,156,037	X	372,745	X
<b>Total liabilities</b>	<b>181,619</b>	-	-	-	-	<b>3,156,037</b>	-	<b>372,745</b>	-
1. Highly probable transactions (CFH)	X	X	X	X	X	X	-	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	-	X	-	-

## Part B – Consolidated Balance Sheet - Liabilities

**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	
	12.31.2015	12.31.2014
1. Positive changes to financial liabilities	6,034,952	7,206,134
2. Negative changes to financial liabilities	(929,840)	(677,607)
<b>Total</b>	<b>5,105,112</b>	<b>6,528,527</b>

**7.2 Liabilities subject to macro-hedging of interest rate risk: breakdown**

(€ '000)

HEDGED LIABILITIES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
1. Deposits	102,020,348	99,000,911
2. Debt securities in issue	2,697,734	3,226,371
3. Portfolio	112,731,711	110,518,165
<b>Total</b>	<b>217,449,793</b>	<b>212,745,447</b>

**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

### 10.1 Other liabilities: breakdown

(€ '000)

ITEM/VALUES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Liabilities in respect of financial guarantees issued	10,238	13,014
Impairment: of financial guarantees issued, of credit derivatives, of irrevocable commitments to distribute funds	774,090	1,275,629
Obligations for irrevocable commitments to distribute funds	-	-
Accrued expenses other than those to be capitalized for the financial liabilities	808,867	795,733
Share Based Payment classified as liabilities under IFRS 2	93,432	45,779
Other liabilities due to employees	1,891,383	1,195,629
Other liabilities due to other staff	12,217	17,295
Other liabilities due to Directors and Statutory Auditors	5,333	5,623
Interest and amounts to be credited to:	241,599	326,222
- customers	188,087	259,466
- banks	53,512	66,756
Items in transit between branches and not yet allocated to destination accounts	129,691	198,856
Available amounts to be paid to others	1,182,613	2,159,540
Items in processing	1,898,524	1,574,340
Entries related to securities transactions	242,515	176,381
Items deemed definitive but not attributable to other lines:	3,204,340	3,115,399
- accounts payable - suppliers	1,034,663	966,198
- provisions for tax withholding on accrued interest, bond coupon payments or dividends	2,762	2,572
- other entries	2,166,915	2,146,629
Liabilities for miscellaneous entries related to tax collection service	167	313
Adjustments for unpaid portfolio entries	819,358	728,433
Tax items different from those included in item 80	1,314,982	1,277,617
Other entries	3,652,301	3,695,048
<b>Total</b>	<b>16,281,650</b>	<b>16,600,851</b>

## Part B – Consolidated Balance Sheet - Liabilities

**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	
	2015	2014
<b>A. Opening balances</b>	<b>1,180,206</b>	<b>1,080,778</b>
<b>B. Increases</b>	<b>27,034</b>	<b>170,145</b>
B.1 Provisions for the year	18,907	34,797
B.2 Other increases	8,127	135,348
<b>C. Reductions</b>	<b>72,464</b>	<b>70,717</b>
C.1 Severance payments	34,046	34,364
C.2 Other decreases	38,418	36,353
<b>D. Closing balance</b>	<b>1,134,776</b>	<b>1,180,206</b>

**Provisions for employee severance pay: other information**

(€ '000)

	CHANGES IN	
	2015	2014
<b>Cost Recognised in P&amp;L:</b>	<b>18,907</b>	<b>34,797</b>
- Current Service Cost	325	775
- Interest Cost on the DBO	18,582	34,022
- Settlement (Gain)/Loss	-	-
- Past Service Cost	-	-
<b>Remeasurement Effects (Gains) Losses Recognised in OCI</b>	<b>(25,423)</b>	<b>98,720</b>
<b>Annual weighted average assumptions</b>		
- Discount rate	1.75%	1.60%
- Price inflation	1.00%	1.10%

Duration of defined benefit obligation equals to 8.8 years; Valuation Reserve negative balance (net of tax) move from -€138 million as at 31 December 2014 to -€120 million as at 31 December 2015.

A change of -25 basis points of Discount Rate would result in an increase of the liability of €25,495 (+2.25%); a correspondent increase would result in a reduction in the liability of €24,659 thousands (-2.17%). A change of -25 basis points of Price Inflation rate would result in a reduction of the liability of €14,876 thousands (-1.31%); a correspondent increase would result in an increase of the liability of €15,137 thousands (+1.33%).

## Section 12 - Provisions for risks and charges - Item 120

### 12.1 Provisions for risks and charges: breakdown

(€ '000)

ITEMS/COMPONENTS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>1. Pensions and other post retirement benefit obligations</b>	<b>5,198,039</b>	<b>7,293,416</b>
<b>2. Other provisions for risks and charges</b>	<b>4,656,577</b>	<b>3,329,596</b>
2.1 Legal disputes	691,994	684,540
2.2 Staff expenses	2,258,103	982,650
2.3 Other	1,706,480	1,662,406
<b>Total</b>	<b>9,854,616</b>	<b>10,623,012</b>

Reduction in Pensions and other post retirement benefit obligations has been mostly determined by extinction of portion of defined benefit obligation for austrian *active* employees (equal to €1,924 million) implemented as part of the new business plan 2015 – 2018 (for additional details please refer to the following paragraph 12.3).

Other provisions related to staff expenses increase in respect of 2014 due to provisions made to face new business plan 2015-2018, mainly in Italy, Austria and Germany.

### 12.2 Provisions for risks and charges: annual changes

(€ '000)

ITEMS/COMPONENTS	PENSION AND POST RETIREMENT BENEFIT OBLIGATIONS	CHANGES IN 2015	
		OTHER PROVISIONS	TOTAL
<b>A. Opening balance</b>	<b>7,293,416</b>	<b>3,329,596</b>	<b>10,623,012</b>
<b>B. Increases</b>	<b>771,276</b>	<b>2,561,506</b>	<b>3,332,782</b>
B.1 Provisions for the year	184,313	2,332,297	2,516,610
B.2 Changes due to the passing time	149,296	27,248	176,544
B.3 Differences due to discount-rate changes	-	2,162	2,162
B.4 Other adjustments	437,667	199,799	637,466
<b>C. Decreases</b>	<b>2,866,653</b>	<b>1,234,525</b>	<b>4,101,178</b>
C.1 Use during the year	1,047,300	903,907	1,951,207
C.2 Differences due to discount-rate changes	-	682	682
C.3 Other adjustments	1,819,353	329,936	2,149,289
<b>D. Closing balance</b>	<b>5,198,039</b>	<b>4,656,577</b>	<b>9,854,616</b>

Other adjustments decreases include Settlement Gains following the extinction of portion of defined benefit obligation for austrian *active* employees (equal to €1,198 million).

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.

More details on legal disputes are presented in Part E - Section 4 "Operational Risk" - item B - "Legal risk" for further information concerning legal disputes.

## Part B – Consolidated Balance Sheet - Liabilities

**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.

Group's plans are not financed with segregated assets except for to the defined-benefits plans in Germany, 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. for 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. no. 21 securities ranging in 15-30y 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 -€2,739 million as at December 31, 2014 to -€2,135 million as at December 31, 2015.

Reduction in net liabilities for the year (from €7,242 millions to €5,148 millions) has been mostly determined by extinction of portion of defined benefit obligation for austrian *active* employees implemented as part of new business plan 2015-2018 (equal to €1,924 millions).

In particular in December 2015, UniCredit Bank Austria AG and the Employees' Council made an agreement to the effect that for almost all of the employees who have rights to future benefits (essentially the active employees covered by the bank's own pension scheme) the bank's own pension system is terminated and the rights to future pension benefits will consequently be transferred to the state scheme under the Austrian General Social Insurance.

The agreement with the Employees' Council was signed with legal effect in December 2015 and terminates the bank's own pension system for the employees concerned upon expiry of 29 February 2016. The employees concerned are, by operation of law, taken over by the state scheme under the Austrian General Social Insurance Act. While the entitlements will not be transferred, and the payments will not be made, until the first quarter of 2016, the effect of this plan curtailment and the related reduction of the present value of the pension obligation has been recognised in 2015 financial statements in accordance with IAS 19.

<b>2. BREAKDOWN OF NET DEFINED BENEFIT LIABILITY/ASSET AND ANY REIMBURSEMENT RIGHTS AS OF THE PERIOD END DATE</b>		
<b>NET DEFINED BENEFIT LIABILITY/ASSET AS OF THE PERIOD END DATE</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
Defined benefit obligation	9,513,138	11,503,596
Fair value of assets	(4,365,131)	(4,261,165)
<b>Deficit/(Surplus)</b>	<b>5,148,007</b>	<b>7,242,431</b>
Irrecoverable surplus (effect of asset ceiling)	-	-
<b>Net defined benefit liability/(asset) as of the period end date</b>	<b>5,148,007</b>	<b>7,242,431</b>

(€ '000)

<b>2.1 CHANGES IN DEFINED BENEFIT OBLIGATIONS</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
Defined benefit obligation as of the prior period end date	11,503,596	9,459,664
Current service cost	180,508	141,220
Settlement (gain)/loss	(1,198,524)	108
Past service cost	1,697	(416)
Interest cost on the defined benefit obligation	250,793	342,963
Net actuarial (gain)/loss	(86,950)	1,993,742
Plan participants' contributions	6,332	5,909
Disbursements from plan assets	(115,735)	(116,671)
Disbursements directly paid by the employer	(318,731)	(323,119)
Settlements	(726,365)	(1,521)
Other changes on defined benefit obligation	16,517	1,717
<b>Total defined benefit obligations as of the period end date</b>	<b>9,513,138</b>	<b>11,503,596</b>

(€ '000)

<b>2.2 CHANGES TO PLAN ASSETS</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
Fair value of plan assets as of the prior period end date	4,261,165	3,807,057
Interest Income on Plan Assets	101,497	141,870
Return on plan assets greater/(less) than discount rate	75,802	51,728
Employer contributions	60,396	395,133
Disbursements from plan assets	(139,218)	(137,683)
Settlements	-	-
Other changes on plan assets	5,489	3,060
<b>Total fair value of plan assets as of the period end date</b>	<b>4,365,131</b>	<b>4,261,165</b>

(€ '000)

<b>3. INFORMATION ABOUT PLAN ASSETS</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
1. Equities	79,612	61,142
2. Bonds	299,615	276,691
3. Units in investment funds	3,508,874	3,559,513
4. Properties	402,614	222,465
5. Derivative instruments	-	-
6. Others	74,416	141,354
<b>Total</b>	<b>4,365,131</b>	<b>4,261,165</b>

<b>4. PRINCIPAL ACTUARIAL ASSUMPTIONS</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
	<b>%</b>	<b>%</b>
Discount rate	2.21	2.25
Expected return on plan assets	2.21	2.25
Rate of increase in future compensation and vested rights	2.40	2.61
Rate of increase in pension obligations	1.90	1.84
Expected inflation rate	1.63	1.59

## Part B – Consolidated Balance Sheet - Liabilities

5. INFORMATION ON AMOUNT, TIMING AND UNCERTAINTY OF CASH FLOWS	12.31.2015
'- Impact of changes in financial/demographic assumptions on DBOs	
<b>a. Discount rate</b>	
a1. -25 basis points	369,747 3.89%
a2. +25 basis points	(347,373) (3.65%)
<b>b. Pensions increase rate</b>	
b1. -25 basis points	(261,390) (2.75%)
b2. +25 basis points	274,543 2.89%
<b>c. Mortality</b>	
c1. Survival rate +1 year	280,117 2.94%
'- Weighted average duration (years)	15.08

**12.4 Provisions for risks and charges - other provisions**

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>2.3 Other provisions for risks and charges - other</b>		
- Real estate risks and costs	123,976	79,982
- Restructuring costs	124,229	118,455
- Out-of-court settlements and legal costs	11,706	30,385
- Allowances payable to agents	142,516	125,386
- Disputes regarding financial instruments and derivatives	148,175	127,893
- Tax Disputes	120,470	198,978
- Costs for liabilities arising from equity investment disposals	118,882	124,572
- Other	916,526	856,755
<b>Total</b>	<b>1,706,480</b>	<b>1,662,406</b>

The sub-item "Real estate risks and costs" increase due to provisions made by the subsidiary Unicredit Business Integrated Solutions.

The sub-item "Restructuring costs", overall stable, is decreased by provisions related to the restructuring plans of the subsidiary UniCredit Leasing S.p.A. and is increased by provisions made by the subsidiary Unicredit Bank Austria.

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 that have been almost completely utilized at December 2015.

**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.



## Part B – Consolidated Balance Sheet - Liabilities

## 15.1 "Share capital" and "treasury shares" - breakdown

(€ '000)

	12.31.2015		12.31.2014	
	ISSUED SHARES	UNDERWRITTEN SHARES	ISSUED SHARES	UNDERWRITTEN SHARES
<b>A. Share Capital</b>				
A.1 ordinary shares	20,249,250	-	19,897,462	-
A.2 savings shares	8,418	-	8,312	-
<b>Total A</b>	<b>20,257,668</b>	-	<b>19,905,774</b>	-
<b>B. Treasury Shares</b>	<b>(8,171)</b>	-	<b>(2,795)</b>	-

In the course of 2015 share capital – which at December 31, 2014 was represented by 5,863,329,150 ordinary shares and 2,449,313 savings shares, both categories with no per-share face value – changed due to the reasons illustrated in the paragraph "Capital Strengthening" of the "Consolidated Report on Operations".

Specifically, share capital rose from €19,905,774 thousand at the end of 2014 to €20,257,668 thousand following the free share capital increases of:

- €54,745 thousand, resolved by the Board of Directors' meeting of April 9, 2015, executed through the concurrent withdrawal from the specifically constituted "reserves related to the medium-term incentive program for Group staff", which resulted in the issue 16,313,933 ordinary shares;
- €297,149 thousand, resolved by the Shareholders' Meeting of May 13, 2015 for the payment of the "Scrip dividend" for 2014, through the concurrent withdrawal from the existing "reserves for allocating profits to shareholders through the issuance of new free shares.

In particular, the Shareholders' Meeting held to approve UniCredit S.p.A.'s financial statements as at December 31, 2014 approved the distribution of a dividend of €694,239,666,96 to shareholders through withdrawal from retained earnings. Specifically, the Meeting approved a scrip dividend scheme under which the holders of UniCredit ordinary shares and the holders of UniCredit savings shares will be allocated 1 new share for every 50 shares held and 1 new share for every 72 shares held, respectively, without prejudice to the shareholders' right to opt for a cash payout in lieu of the allocation of the new shares. The scrip dividend, which took place on June 5, 2015, resulted in:

- with respect to the shareholders who decided to exercise the option to receive a cash dividend, the payment of €168,751,280.40;
- with respect to the shareholders who did not opt for a cash payout, the issue of 87,534,728 new ordinary shares and 31,364 new savings shares, allocated according to the ratios mentioned above. Each new ordinary and savings share issued was recognized in the Shareholders' Equity at approximately €3.39.

As a result, at December 31, 2015, the share capital is represented by 5,967,177,811 ordinary shares and 2,480,677 savings shares.

At the end of December 2015, the number of treasury shares outstanding was 47,600 ordinary shares, unchanged compared to the end of 2014 as no transactions in respect of treasury shares were carried out during the period.

The Group Equity as at December 31, 2015 reflects in addition the changes resulting from the Ordinary Shareholders' Meeting resolutions of May 13, 2015, regarding the allocation of profit for the year 2014, amounting to €79,774 thousand, which brought to:

1. distribute to the 2,449,313 savings shares, pursuant to art. 32, para. 1, let. b) of the Articles of Association a preferred dividend for the year 2012 and 2013 – for which it had not been paid – and for the year 2014 totaling €2,315 thousand.
2. allocate €6,000 thousand to social, charitable and cultural causes;
3. allocate €50,000 thousand to the reserve connected to the medium-term incentive plan for Group staff;
4. allocate €21,459 thousand to the statutory reserve.

## 15.2 Share capital - number of shares owned by the Parent Company: annual changes

ITEMS/TYPE	CHANGES IN 2015	
	ORDINARY	OTHER (SAVINGS)
<b>A. Issued shares as at the beginning of the year</b>	<b>5,863,329,150</b>	<b>2,449,313</b>
- Fully paid	5,863,329,150	2,449,313
- not fully paid	-	-
A.1 Treasury shares (-)	(47,600)	-
A.2 Shares outstanding: opening balance	5,863,281,550	2,449,313
<b>B. Increases</b>	<b>103,848,661</b>	<b>31,364</b>
B.1 New issues	103,848,661	31,364
- against payment	-	-
- <i>business combinations</i>	-	-
- <i>bonds converted</i>	-	-
- <i>warrants exercised</i>	-	-
- <i>other</i>	-	-
- free	103,848,661	31,364
- <i>to employees</i>	16,313,933	-
- <i>to Directors</i>	-	-
- <i>other</i>	87,534,728	31,364
B.2 Sales of treasury shares	-	-
B.3 Other changes	-	-
<b>C. Decreases</b>	<b>-</b>	<b>-</b>
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Business transferred	-	-
C.4 Other changes	-	-
<b>D. Shares outstanding: closing balance</b>	<b>5,967,130,211</b>	<b>2,480,677</b>
D.1 Treasury Shares (+)	47,600	-
D.2 Shares outstanding as at the end of the year	5,967,177,811	2,480,677
- Fully paid	5,967,177,811	2,480,677
- 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

	12.31.2015	12.31.2014
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: other information**

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
Legal Reserve (*)	1,517,514	1,517,514
Statutory Reserve	1,217,304	1,195,845
Other Reserves	6,011,064	4,657,955
<b>Total</b>	<b>8,745,882</b>	<b>7,371,314</b>

(\*) 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.

Refers to Parent Company, for what refer to article 2427, paragraph 22-septies of the Italian Civil Code, refer to to specific Board of Directors' report.

**15.5 Other Information****Revaluation reserve: breakdown**

(€ '000)

ITEM/TYPES	AMOUNTS AS AT	
	12.31.2015	12.31.2014
1. Available-for-sale financial assets	1,873,921	1,570,748
2. Property, plant and equipment	-	-
3. Intangible assets	-	-
4. Hedges of foreign investments	-	-
5. Cash-flow hedges	459,826	626,727
6. Exchange differences	(3,260,329)	(3,011,344)
7. Non-current assets classified as held for sale	-	(3,081)
8. Actuarial gains (losses) on defined benefit plans	(2,256,366)	(2,880,910)
9. Revaluation reserves of investments valued at net equity	(1,071,012)	(713,709)
10. Special revaluation laws	277,020	277,020
<b>Total</b>	<b>(3,976,940)</b>	<b>(4,134,549)</b>

The main reserves for exchange rate gains (losses) at December 31, 2015 are referable to the following currencies:

- Turkish Lira: 1,248 million (negative) included in the share of revaluation reserves of the investments valued at equity in accordance with IFRS 11;
- Ruble: 2,115 million (negative);
- UAH (Ukraine): 701 million (negative).

With reference to the exchange fluctuations reserve relative to the Ukrainian currency, and in respect of the process to dispose of the subsidiaries stated in accordance with IFRS 5, it is noted that IAS 21 requires that net equity is reclassified to the income statement as part of the future final result of the sale. With reference to UAH exchange rate (Ukraine) the negative reserve existing as of December 31, 2015 does not include the negative exchange rate differences already recycled to profit or loss in 2013 (€380 million).

For further details related to the sale of Ukrainian subsidiaries refer to Part C - Section 21 – Profit (Loss) after tax from discontinued operations – Item 310.

## Section 16 - Minorities - Item 210

The table below shows a breakdown of minorities as at December 31, 2015.

### 16.1 Breakdown of item 210 "Shareholders' equity: minorities"

(€ '000)

	2015	2014
<b>Equity investments in consolidated companies with minority interests</b>	<b>3,463,294</b>	<b>3,495,136</b>
Bank Pekao SA Group	2,787,815	2,817,651
UniCredit Bank AG Group	4,524	30,889
UniCredit Bank Austria AG Group	441,816	445,418
Fineco Bank S.p.A	229,139	201,178
<b>Other equity investments</b>	<b>(84,014)</b>	<b>(69,692)</b>
<b>Other consolidation adjustments</b>	<b>19,500</b>	<b>20,375</b>
<b>Total</b>	<b>3,398,780</b>	<b>3,445,819</b>

The shareholders' equity **attributable to minority interests** for 2015 amounted to € 3,399 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 Fineco Bank S.p.A.

In financial year 2014, minority interests were € 3,446 million.

### 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	
	12.31.2015	12.31.2014
<b>1) Financial guarantees given to</b>	<b>23,055,867</b>	<b>23,738,034</b>
a) Banks	9,671,295	9,847,608
b) Customers	13,384,572	13,890,426
<b>2) Commercial guarantees given to</b>	<b>48,846,589</b>	<b>50,489,332</b>
a) Banks	10,193,733	8,710,727
b) Customers	38,652,856	41,778,605
<b>3) Other irrevocable commitments to disburse funds</b>	<b>107,721,461</b>	<b>99,086,141</b>
a) banks:	8,080,801	5,006,287
<i>i) usage certain</i>	3,942,963	3,174,353
<i>ii) usage uncertain</i>	4,137,838	1,831,934
b) customers:	99,640,660	94,079,854
<i>i) usage certain</i>	23,375,364	25,104,357
<i>ii) usage uncertain</i>	76,265,296	68,975,497
<b>4) Underlying obligations for credit derivatives: sales of protection</b>	-	-
<b>5) Assets used to guarantee others' obligations</b>	<b>13,325</b>	<b>12,227</b>
<b>6) Other commitments</b>	<b>2,675,865</b>	<b>5,537,869</b>
<b>Total</b>	<b>182,313,107</b>	<b>178,863,603</b>

## 2. Assets used to guarantee own liabilities and commitments

(€ '000)

PORTFOLIOS	AMOUNTS AS AT	
	12.31.2015	12.31.2014
1. Financial assets held for trading	20,424,477	22,902,564
2. Financial assets designated at fair value	15,515,132	19,359,603
3. Financial assets available for sale	56,178,606	48,325,533
4. Financial assets held to maturity	1,420,988	1,981,554
5. Loans and receivables with banks	1,588,278	2,675,809
6. Loans and receivables with customers	76,384,603	73,540,014
7. Property, plant and equipment	-	-

Deposits from Banks include €28,412 million related to Central Banks' refinancing operations collateralized by securities and loans respectively amounting to nominal €19,676 million and €18,048 million.

Regarding collateral securities, those not recognized on balance-sheet – since they represent repurchased or retained Group's financial liabilities – amount to nominal €6,720 million.

## Security borrowing transactions collateralized by securities or not collateralized

(€ '000)

LENDER BREAKDOWN	AMOUNTS AS AT 12.31.2015			
	AMOUNTS OF THE SECURITIES BORROWED/TRANSACTION PURPOSE			
	GIVEN AS COLLATERAL IN OWN FUNDING TRANSACTIONS	SOLD	SOLD IN REPO TRANSACTIONS	OTHER PURPOSES
A. Banks	1,105,062	1,623,336	3,632,326	1,915,781
B. Financial companies	-	377,186	2,353,885	636,834
C. Insurance companies	-	2,480	7,440	-
D. Non-Financial companies	-	698,423	165,794	547,586
E. Others	-	575	1,089,088	19
<b>Total</b>	<b>1,105,062</b>	<b>2,702,000</b>	<b>7,248,533</b>	<b>3,100,220</b>

## Part B – Consolidated Balance Sheet - Liabilities

**3. Operating leases**

(€ '000)

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>Lessee information</b>		
<b>Operating leases</b>		
Future minimum non-cancellable lease payments:		
- up to twelve months	153,694	152,714
- from one to five years	386,775	327,963
- over five years	118,505	109,632
<b>Total amounts</b>	<b>658,974</b>	<b>590,309</b>
<b>Future minimum non-cancellable lease payments (to be received)</b>		
Total payments	<b>3,719</b>	<b>9,999</b>
<b>Lessor information</b>		
<b>Operating leases</b>		
Future minimum non-cancellable lease payments (to be received):		
- up to twelve months	109,996	102,267
- from one to five years	347,823	333,718
- over five years	151,435	156,359
<b>Total amounts</b>	<b>609,254</b>	<b>592,344</b>

**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	AMOUNT AS AT
	12.31.2015
<b>1. Management and trading on behalf of third parties</b>	
a) purchases	550,373,600
1. Settled	549,929,301
2. Unsettled	444,299
b) sales	417,171,366
1. Settled	416,748,351
2. Unsettled	423,015
<b>2. Portfolio management</b>	
a) Individual	99,453,112
b) Collective	263,691,737
<b>3. Custody and administration of securities</b>	
a) third party securities on deposits: relating to depositary bank activities (excluding portfolio management)	8,995,427
1. Securities issued by companies included in consolidation	26
2. Other securities	8,995,401
b) third party securities held in deposits (excluding portfolio management): other	286,374,339
1. Securities issued by companies included in consolidation	27,581,504
2. Other securities	258,792,835
c) Third party securities deposited with third parties	178,002,107
d) Property securities deposited with third parties	87,675,516
<b>4. Other</b>	<b>14,730,588</b>

**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 12.31.2015 (f=c-d-e)	NET AMOUNTS AT 12.31.2014
				FINANCIAL INSTRUMENTS (d)	CASH COLLATERAL RECEIVED (e)		
1. Derivatives	68,919,666	19,050,960	49,868,706	30,294,696	8,115,526	11,458,484	10,942,506
2. Reverse repos	34,849,591	3,366,439	31,483,152	15,157,846	-	16,325,306	239,224
3. Securities lending	-	-	-	-	-	-	-
4. Others	56,172,543	1,136,372	55,036,171	-	-	55,036,171	22,359,601
<b>Total 12.31.2015</b>	<b>159,941,800</b>	<b>23,553,771</b>	<b>136,388,029</b>	<b>45,452,542</b>	<b>8,115,526</b>	<b>82,819,961</b>	<b>X</b>
<b>Total 12.31.2014</b>	<b>131,690,784</b>	<b>25,171,882</b>	<b>106,518,902</b>	<b>61,435,560</b>	<b>11,542,011</b>	<b>X</b>	<b>33,541,331</b>

**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 12.31.2015 (f=c-d-e)	NET AMOUNTS AT 12.31.2014
				FINANCIAL INSTRUMENTS (d)	CASH COLLATERAL PLEDGED (e)		
1. Derivatives	66,970,390	17,618,378	49,352,012	30,354,932	12,056,758	6,940,322	7,644,982
2. Repos	34,292,039	3,366,439	30,925,600	23,400,493	-	7,525,107	3,371,909
3. Securities lending	-	-	-	-	-	-	-
4. Others	89,291,851	1,137,805	88,154,046	-	-	88,154,046	68,966,895
<b>Total 12.31.2015</b>	<b>190,554,280</b>	<b>22,122,622</b>	<b>168,431,658</b>	<b>53,755,425</b>	<b>12,056,758</b>	<b>102,619,475</b>	<b>X</b>
<b>Total 12.31.2014</b>	<b>186,704,857</b>	<b>25,577,873</b>	<b>161,126,984</b>	<b>68,217,788</b>	<b>12,925,410</b>	<b>X</b>	<b>79,983,786</b>



## Part C – Consolidated Income Statement

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## Part C – Consolidated Income Statement

**Section 1 - Interest income and expense - Items 10 and 20**

In the following table, the columns “Debt Securities” and “Loans” include interest income from impaired assets, other than income recognized under “Write-backs”, amounting to €4 million and €985 million respectively.

**1.1 Interest income and similar revenues: breakdown**

(€ '000)

ITEMS/TYPE	YEAR 2015				YEAR 2014
	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	TOTAL
1. Financial assets held for trading	242,140	-	723,533	965,673	836,243
2. Financial assets at fair value through profit or loss	335,532	41,815	-	377,347	410,579
3. Available-for-sale financial assets	2,042,935	-	-	2,042,935	2,250,480
4. Held-to-maturity investments	38,910	-	-	38,910	75,876
5. Loans and receivables with banks	54,256	405,096	-	459,352	570,882
6. Loans and receivables with customers	277,896	13,513,586	-	13,791,482	15,627,719
7. Hedging derivatives	X	X	1,663,309	1,663,309	1,834,616
8. Other assets	X	X	179,297	179,297	135,476
<b>Total</b>	<b>2,991,669</b>	<b>13,960,497</b>	<b>2,566,139</b>	<b>19,518,305</b>	<b>21,741,871</b>

**1.2 and 1.5 Interest income/expense and similar revenues/charges: hedging differentials**

(€ '000)

ITEMS	YEAR 2015	YEAR 2014
A. Positive differentials relating to hedging operations	6,114,180	7,386,462
B. Negative differentials relating to hedging operations	(4,450,871)	(5,551,846)
<b>C. Net differential</b>	<b>1,663,309</b>	<b>1,834,616</b>

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	YEAR 2015	YEAR 2014
a) Assets denominated in currency	5,788,042	5,913,951

**1.3.2 Interest income from finance leases**

(€ '000)

ITEMS	YEAR 2015	YEAR 2014
a) Financial transactions: contingent rents recognised as income in the period	539,519	640,185

#### 1.4 Interest expense and similar charges: breakdown

(€ '000)

ITEMS/TYPE	YEAR 2015				YEAR 2014
	DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	TOTAL
1. Deposits from Central banks	(133,346)	X	-	(133,346)	(167,097)
2. Deposits from banks	(484,090)	X	-	(484,090)	(657,167)
3. Deposits from customers	(1,888,431)	X	-	(1,888,431)	(2,400,341)
4. Debt securities in issue	X	(4,133,853)	-	(4,133,853)	(5,148,150)
5. Financial liabilities held for trading	(996)	(90,974)	(1,020,705)	(1,112,675)	(1,048,181)
6. Financial liabilities at fair value through profit or loss	-	(3,438)	-	(3,438)	(5,575)
7. Other liabilities and funds	X	X	(104,014)	(104,014)	(253,525)
8. Hedging derivatives	X	X	-	-	-
<b>TOTAL</b>	<b>(2,506,863)</b>	<b>(4,228,265)</b>	<b>(1,124,719)</b>	<b>(7,859,847)</b>	<b>(9,680,036)</b>

#### 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 denominated in currency

(€ '000)

ITEMS	YEAR 2015	YEAR 2014
a) Liabilities denominated in currency	(2,406,244)	(2,246,610)

##### 1.6.2 Interest expense on finance leases

(€ '000)

ITEMS	YEAR 2015	YEAR 2014
a) Financial leasing transaction: contingent rents recognised as expense in the period	(2,548)	(4,789)

The negative interest components on financial assets and financial liabilities, contributing to net interest margin, amount respectively to €132 million and €115 million.

## Part C – Consolidated Income Statement

## Section 2 - Fee and commission income and expense - Items 40 and 50

## 2.1 Fee and commission income: breakdown

(€ '000)

TYPE OF SERVICES/VALUES	YEAR 2015	YEAR 2014
<b>a) guarantees given</b>	<b>543,960</b>	<b>564,868</b>
<b>b) credit derivatives</b>	-	<b>3,010</b>
<b>c) management, brokerage and consultancy services:</b>	<b>4,751,192</b>	<b>4,395,594</b>
1. securities trading	252,082	313,393
2. currency trading	112,734	108,879
3. portfolio management	2,054,985	1,755,550
3.1 individual	230,145	194,475
3.2 collective	1,824,840	1,561,075
4. custody and administration of securities	205,177	178,207
5. custodian bank	37,064	38,843
6. placement of securities	734,775	685,605
7. reception and transmission of orders	173,633	175,900
8. advisory services	107,165	114,510
8.1 related to investments	52,482	42,598
8.2 related to financial structure	54,683	71,912
9. distribution of third party services	1,073,577	1,024,707
9.1 portfolio management	313,963	333,307
9.1.1 individual	1,471	1,144
9.1.2 collective	312,492	332,163
9.2 insurance products	707,563	628,752
9.3 other products	52,051	62,648
<b>d) collection and payment services</b>	<b>1,663,739</b>	<b>1,783,569</b>
<b>e) securitization servicing</b>	<b>9,906</b>	<b>10,835</b>
<b>f) factoring</b>	<b>87,686</b>	<b>89,808</b>
<b>g) tax collection services</b>	-	-
<b>h) management of multilateral trading facilities</b>	-	-
<b>i) management of current accounts</b>	<b>1,334,465</b>	<b>1,346,413</b>
<b>j) other services</b>	<b>1,010,580</b>	<b>942,193</b>
<b>k) security lending</b>	<b>16,023</b>	<b>17,930</b>
<b>Total</b>	<b>9,417,551</b>	<b>9,154,220</b>

Income statement for 2014 differs from the figures disclosed in 2014 as the result of:

- the reclassification of the income arising from the placement fees of Debt Capital Markets “best effort” transactions (i.e. placement of financed instruments without underwriting risks) from “Gains and losses on financial assets and liabilities held for trading” to “Fee and commission income”;
- the reclassification of the margins arising from currency trading with customers of a subsidiary from “Net Fee and Commission income” to “Gains and losses on financial assets and liabilities held for trading”;
- the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis;

Item “j) other services” mainly comprises:

- fees on loans granted: €601 million in 2015, €541 million in 2014 (+11%);
- fees for various services provided to customers (e.g. treasury, merchant banking, etc.): €57 million in 2015, €96 million in 2014 (-41%);
- fees on ATM and credit card services not included in collection and payment services: €60 million in 2015, €50 million in 2014 (+19%);
- fees on foreign transactions and services: €94 million in 2015, €79 million in 2014 (+19%).

## 2.2 Fee and commission expense: breakdown

(€ '000)

SERVICES/VALUES	YEAR 2015	YEAR 2014
<b>a) guarantees received</b>	<b>(86,073)</b>	<b>(91,070)</b>
<b>b) credit derivatives</b>	<b>(3,503)</b>	<b>(9,348)</b>
<b>c) management, brokerage and consultancy services:</b>	<b>(875,054)</b>	<b>(891,294)</b>
1. trading financial instruments	(62,426)	(73,777)
2. currency trading	(20,160)	(16,961)
3. portfolio management	(212,066)	(185,338)
3.1 own portfolio	(191,697)	(152,466)
3.2 third party portfolio	(20,369)	(32,872)
4. custody and administration of securities	(178,636)	(185,290)
5. placement of financial instruments	(130,434)	(147,406)
6. off-site distribution of financial instruments, products and services	(271,332)	(282,522)
<b>d) collection and payment services</b>	<b>(481,197)</b>	<b>(490,407)</b>
<b>e) other services</b>	<b>(128,034)</b>	<b>(136,164)</b>
<b>f) security borrowing</b>	<b>(25,222)</b>	<b>(29,818)</b>
<b>Total</b>	<b>(1,599,083)</b>	<b>(1,648,101)</b>

Income statement for 2014 differs from the figures disclosed in 2014 as the result of the presentation on a gross basis of fees for distribution of funds by a subsidiary previously presented on a net basis.

## Part C – Consolidated Income Statement

**Section 3 - Dividend income and similar revenue - Item 70**

In 2015 dividend income, which is recognized in the accounts in the year in which their distribution is approved, totaled €368,120 thousand, or €402,719 thousand if income from units in investment fund is also considered, as against €402,484 thousand in 2014.

**3.1 Dividend income and similar revenue: breakdown**

(€ '000)

ITEMS/REVENUES	YEAR 2015		YEAR 2014	
	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS	DIVIDENDS	INCOME FROM UNITS IN INVESTMENT FUNDS
A. Financial assets held for trading	222,520	9,595	195,411	7,564
B. Available for sale financial assets	141,269	29,217	119,071	73,159
C. Financial assets at fair value through profit or loss	352	2,787	42	1,690
D. Investments	3,979	X	5,547	X
<b>Total</b>	<b>368,120</b>	<b>41,599</b>	<b>320,071</b>	<b>82,413</b>
<b>Total dividends and income from units in investment funds</b>		<b>409,719</b>		<b>402,484</b>

Sub-item "B. Available for sale financial assets" includes €75 million in dividends received relating to the shareholding in the Bank of Italy (€84 million in 2014) and €41 million in dividends received relating to the shareholding in the Euro Kartensysteme Gesellschaft mit Beschraenkter Haftung.

## Section 4 - Gains and losses on financial assets and liabilities held for trading - Item 80

This table summarizes trading income for 2015 and 2014 with y/y changes.

### Gains and losses on financial assets and liabilities held for trading (€ million)

TRANSACTIONS/P&L ITEMS	YEAR 2015	YEAR 2014	CHANGE
Financial assets held for trading	493	888	(395)
Financial liabilities held for trading	8	(110)	118
Financial assets and liabilities in currency: exchange	1,020	614	406
Financial and credit derivatives	(440)	(778)	338
<b>Total</b>	<b>1,081</b>	<b>614</b>	<b>467</b>

### 4.1 Gains and losses on financial assets and liabilities held for trading: breakdown (€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2015				NET PROFIT
	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	
<b>1. Financial assets held for trading</b>	<b>1,022,500</b>	<b>2,473,067</b>	<b>(513,364)</b>	<b>(2,489,639)</b>	<b>492,564</b>
1.1 Debt securities	112,839	507,876	(227,007)	(415,552)	(21,844)
1.2 Equity instruments	293,180	1,444,151	(208,163)	(1,287,918)	241,250
1.3 Units in investment funds	39,094	370,873	(77,820)	(308,532)	23,615
1.4 Loans	563,024	22,798	(187)	(462,629)	123,006
1.5 Other	14,363	127,369	(187)	(15,008)	126,537
<b>2. Financial liabilities held for trading</b>	<b>407,614</b>	<b>431,834</b>	<b>(342,550)</b>	<b>(489,135)</b>	<b>7,763</b>
2.1 Debt securities	325,828	272,992	(282,588)	(201,527)	114,705
2.2 Deposits	-	-	(2)	(11,824)	(11,826)
2.3 Other	81,786	158,842	(59,960)	(275,784)	(95,116)
<b>3. Financial assets and liabilities: exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>1,019,606</b>
<b>4. Derivatives</b>	<b>74,314,354</b>	<b>54,607,765</b>	<b>(73,470,258)</b>	<b>(55,806,237)</b>	<b>(440,490)</b>
4.1 Financial derivatives:	71,875,673	52,699,669	(70,983,189)	(53,942,193)	(436,154)
- on debt securities and interest rates	62,884,853	46,408,346	(62,500,759)	(46,885,729)	(93,289)
- on equity securities and share indices	7,281,486	4,767,369	(6,889,481)	(5,286,295)	(126,921)
- on currency and gold	X	X	X	X	(86,114)
- other	1,709,334	1,523,954	(1,592,949)	(1,770,169)	(129,830)
4.2 Credit derivatives	2,438,681	1,908,096	(2,487,069)	(1,864,044)	(4,336)
<b>Total</b>	<b>75,744,468</b>	<b>57,512,666</b>	<b>(74,326,172)</b>	<b>(58,785,011)</b>	<b>1,079,443</b>

## Part C – Consolidated Income Statement

**Section 5 - Fair value adjustments in hedge accounting - Item 90**
**5.1 Fair value adjustments in hedge accounting: breakdown**

(€ '000)

P&L COMPONENT/VALUES	YEAR 2015	YEAR 2014
<b>A. Gains on:</b>		
A.1 Fair value hedging instruments	12,775,433	22,442,622
A.2 Hedged asset items (in fair value hedge relationship)	604,578	2,596,539
A.3 Hedged liability items (in fair value hedge relationship)	1,264,093	74,252
A.4 Cash-flow hedging derivatives	3,172	29,493
A.5 Assets and liabilities denominated in currency	-	284
<b>Total gains on hedging activities</b>	<b>14,647,276</b>	<b>25,143,190</b>
<b>B. Losses on:</b>		
B.1 Fair value hedging instruments	(13,125,824)	(21,129,587)
B.2 Hedged asset items (in fair value hedge relationship)	(941,731)	(1,168,527)
B.3 Hedged liability items (in fair value hedge relationship)	(571,703)	(2,831,751)
B.4 Cash-flow hedging derivatives	(22,075)	(22,320)
B.5 Assets and liabilities denominated in currency	(89)	(51)
<b>Total losses on hedging activities</b>	<b>(14,661,422)</b>	<b>(25,152,236)</b>
<b>C. Net hedging result</b>	<b>(14,146)</b>	<b>(9,046)</b>

## Section 6 - Gains (losses) on disposals/repurchases - Item 100

As at December 31, 2015 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of +€380 million (+€686 million in 2014), of which +€427 million on assets and -€47 million on liabilities.

In 2015 net result recognized under sub-item "3. Available-for-sale financial assets – 3.1 Debt securities" was +€351 million and comprised gains on disposal of UniCredit S.p.A. (+€238 million, mainly due to disposal of Italian Government securities and the unwinding of corresponding hedging derivative), Bank Pekao Sa (+€55 million, mainly due to disposal of Polish Government securities), UniCredit Bank Austria Ag (+€25 million, mainly due to disposal of Austrian Government securities), UniCredit Tiriac Bank S.A. (+€20 million, mainly due to disposal of Romanian Government securities).

Net results of sub-item "3. Available-for-sale financial assets – 3.2 Equity Instruments" equal to +€41 million mainly includes gain on disposal of equity investment in Wustenrot & Wurttembergische AG. for +€14 million and Sofia L.P. for +€7 million. Net result also includes gains on disposal of other equity securities realized by UniCredit Bank AG for +€7 million.

The net profit on repurchase of financial liabilities (-€47 million) principally relates to debt securities in issue, of which -€45 million relating to the offer for the partial repurchase of Subordinated Notes issued by UniCredit S.p.A. launched in the second quarter of 2015.

### 6.1 Gains and losses on disposals/repurchases: breakdown

(€ '000)

ITEMS/P&L ITEMS	YEAR 2015			YEAR 2014		
	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
<b>Financial assets</b>						
1. Loans and receivables with banks	10,331	(109)	10,222	4,325	(94)	4,231
2. Loans and receivables with customers	139,888	(121,482)	18,406	129,035	(116,313)	12,722
3. Available-for-sale financial assets	736,274	(337,442)	398,832	801,439	(178,903)	622,536
3.1 Debt securities	685,616	(334,758)	350,858	454,515	(135,636)	318,879
3.2 Equity instruments	43,221	(2,232)	40,989	298,317	(7,729)	290,588
3.3 Units in investment funds	7,437	(452)	6,985	48,606	(35,538)	13,068
3.4 Loans	-	-	-	1	-	1
4. Held-to-maturity investments	80	-	80	4,114	-	4,114
<b>Total assets</b>	<b>886,573</b>	<b>(459,033)</b>	<b>427,540</b>	<b>938,913</b>	<b>(295,310)</b>	<b>643,603</b>
<b>Financial liabilities</b>						
1. Deposits with banks	48,662	(44,771)	3,891	8	(5)	3
2. Deposits with customers	343	(11,781)	(11,438)	3,544	(13,025)	(9,481)
3. Debt securities in issue	50,067	(89,625)	(39,558)	151,168	(99,033)	52,135
<b>Total liabilities</b>	<b>99,072</b>	<b>(146,177)</b>	<b>(47,105)</b>	<b>154,720</b>	<b>(112,063)</b>	<b>42,657</b>
<b>Total financial assets and liabilities</b>			<b>380,435</b>			<b>686,260</b>

As at December 31, 2014 the disposal/repurchase of financial assets/liabilities generated net gains in the amount of +€686 million, 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" was equal to +€291 million and included gain on disposal of Private Equity for €138 million (of which Alliance Boots for +€84 million). Net result also included 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 related 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.

## Part C – Consolidated Income Statement

**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”).

This table summarizes the net result of assets and liabilities valued at fair value for 2015 and 2014, with y/y changes.

**Gains and losses in financial assets and liabilities at fair value through profit or loss:** (€ million)

TRANSACTIONS/P&L ITEMS	YEAR 2015	YEAR 2014	CHANGE
Financial assets	(181)	357	(538)
Financial liabilities	(5)	(6)	1
Financial assets and liabilities in currency: exchange	-	-	-
Financial and credit derivatives	180	(293)	473
<b>Total</b>	<b>(6)</b>	<b>58</b>	<b>(64)</b>

**7.1 Net change in financial assets and liabilities at fair value through profit or loss: breakdown**

(€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2015				NET PROFIT
	UNREALIZED PROFITS	REALIZED PROFITS	UNREALIZED LOSSES	REALIZED LOSSES	
<b>1. Financial assets</b>	<b>123,330</b>	<b>77,742</b>	<b>(290,685)</b>	<b>(90,921)</b>	<b>(180,534)</b>
1.1 Debt securities	99,991	73,171	(231,972)	(82,769)	(141,579)
1.2 Equity securities	1,006	-	(1)	-	1,005
1.3 Units in investment funds	15,555	4,571	(8,727)	(860)	10,539
1.4 Loans	6,778	-	(49,985)	(7,292)	(50,499)
<b>2. Financial liabilities</b>	<b>3,947</b>	<b>547</b>	<b>(9,131)</b>	<b>(138)</b>	<b>(4,775)</b>
2.1 Debt securities	3,947	547	(9,131)	(138)	(4,775)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
<b>3. Financial assets and liabilities in foreign currency: exchange differences</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>
<b>4. Credit and financial derivatives</b>	<b>508,723</b>	<b>33,200</b>	<b>(344,443)</b>	<b>(17,084)</b>	<b>180,396</b>
<b>Total</b>	<b>636,000</b>	<b>111,489</b>	<b>(644,259)</b>	<b>(108,143)</b>	<b>(4,913)</b>

## Section 8 - Impairment losses - Item 130

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)

TRANSACTIONS/P&L ITEMS	YEAR 2015							TOTAL	YEAR 2014 TOTAL
	WRITE-DOWNS			WRITE-BACKS					
	SPECIFIC		PORTFOLIO	SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER		INTEREST	OTHER	INTEREST	OTHER		
<b>A. Loans and receivables with banks</b>	-	(11,070)	(25,065)	150	11,692	-	4,079	(20,214)	(6,956)
- Loans	-	(11,070)	(25,065)	150	11,692	-	2,974	(21,319)	(6,743)
- Debt securities	-	-	-	-	-	-	1,105	1,105	(213)
<b>B. Loans and receivables with customers</b>	(518,775)	(7,540,002)	(933,331)	700,355	3,343,333	-	887,466	(4,060,954)	(4,171,457)
Impaired related to purchase agreements	(4,387)	(16,471)	-	4,148	9,054	-	-	(7,656)	(16,724)
- Loans	(4,387)	(16,471)	X	4,148	9,054	X	X	(7,656)	(16,724)
- Debt securities	-	-	X	-	-	X	X	-	-
<b>Other loans</b>	(514,388)	(7,523,531)	(933,331)	696,207	3,334,279	-	887,466	(4,053,298)	(4,154,733)
- Loans	(514,388)	(7,487,127)	(930,032)	694,540	3,326,343	-	874,929	(4,035,735)	(4,160,526)
- Debt securities	-	(36,404)	(3,299)	1,667	7,936	-	12,537	(17,563)	5,793
<b>C. Total</b>	(518,775)	(7,551,072)	(958,396)	700,505	3,355,025	-	891,545	(4,081,168)	(4,178,413)

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.

Regarding UniCredit S.p.A., it should be noted that the impairment losses on certain non-impaired portfolios incorporate a methodological change in the definition of the Loss Confirmation Period (LCP). This change meant that in 2015 the recording of greater credit allowance for the abovementioned portfolios totalling 123 million, compared to that which would have been applied with the previous methodology. The change in methodology allows better estimation of systematic identification of "loss events", understood as a measure of the deterioration in the financial situation of the counterparty, in line with company procedures adopted in the context of the internal rating system. The change in methodology was recorded as a change in estimate, pursuant to IAS 8.35.

It should be noticed that the impairment losses on 2014 benefitted from a change in valuation methodology of doubtful loans operated by UniCredit S.p.A. that resulted in an overall Profit & Loss benefit of €560 million.

## Part C – Consolidated Income Statement

**8.2 Impairment losses on available for sale financial assets: breakdown**

(€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2015				TOTAL	YEAR
	WRITE-DOWNS		WRITE-BACKS			2014
	SPECIFIC		SPECIFIC			
	WRITE-OFFS	OTHER	INTEREST	OTHER		TOTAL
A. Debt securities	-	(786)	-	580	(206)	(4,976)
B. Equity instruments	-	(38,830)	X	X	(38,830)	(211,988)
C. Units in investment funds	(40)	(23,041)	X	2,952	(20,129)	(31,630)
D. Loans to banks	-	-	-	-	-	-
E. Loans to customers	-	-	-	-	-	-
<b>F. Total</b>	<b>(40)</b>	<b>(62,657)</b>	<b>-</b>	<b>3,532</b>	<b>(59,165)</b>	<b>(248,594)</b>

In 2015 impairment losses on available-for-sale financial assets were -€59 million, principally equity instruments (-€39 million), mainly attributable to: Ergo Versicherung Aktiengesellschaft (-€7 million), Cisfi S.p.A. (-€5 million), FPE (IT) 1 S.p.A. (-€5 million), Bwa Beteiligungs- Und Verwaltungs-Aktiengesellschaft (-€4 million) e Eurofidi Societa' Consortile Di Garanzia Collettiva Fidi S.C.A.R.L. (-€4 million).

In 2015 impairment losses on units in investment funds were -€20 million, mainly attributable to private equity funds.

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 million), 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.

### 8.3 Impairment losses on held-to-maturity investments: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2015							YEAR 2014	
	WRITE-DOWNS			WRITE-BACKS				TOTAL	TOTAL
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER		
A. Debt securities	-	(6,731)	-	-	34	-	426	(6,271)	(242)
B. Loans to banks	-	-	-	-	-	-	-	-	-
C. Loans to customers	-	-	-	-	-	-	-	-	-
<b>D. Total</b>	<b>-</b>	<b>(6,731)</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>426</b>	<b>(6,271)</b>	<b>(242)</b>

### 8.4 Impairment losses on other financial transactions: breakdown

(€ '000)

TRANSACTIONS/P&L ITEMS	YEAR 2015							YEAR 2014	
	WRITE-DOWNS			WRITE-BACKS				TOTAL	TOTAL
	SPECIFIC			SPECIFIC		PORTFOLIO			
	WRITE-OFFS	OTHER	PORTFOLIO	INTEREST	OTHER	INTEREST	OTHER		
A. Guarantees given	-	(126,288)	(50,867)	267	142,973	-	28,141	(5,774)	(59,052)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	(76,635)	(5,277)	2	89,537	-	3,616	11,243	(33,187)
D. Other transactions	(36)	(4,833)	(1,046)	-	3,289	-	865	(1,761)	(904)
<b>E. Total</b>	<b>(36)</b>	<b>(207,756)</b>	<b>(57,190)</b>	<b>269</b>	<b>235,799</b>	<b>-</b>	<b>32,622</b>	<b>3,708</b>	<b>(93,143)</b>

Part C – Consolidated Income Statement

**Section 9 - Premiums earned (net) - Item 150**

There are no premiums earned.

## **Section 10 - Other income (net) from insurance activities - Item 160**

There are no income net from insurance activities.

### **Net result of the insurance business**

There is no net result of the insurance business.

## Part C – Consolidated Income Statement

## Section 11 - Administrative costs - Item 180

## 11.1 Payroll: breakdown

(€ '000)

TYPE OF EXPENSES/SECTORS	YEAR 2015	YEAR 2014
<b>1) Employees</b>	<b>(8,591,352)</b>	<b>(8,114,451)</b>
a) wages and salaries	(5,811,047)	(5,772,490)
b) social charges	(1,330,121)	(1,304,004)
c) severance pay	(39,535)	(41,077)
d) social security costs	-	-
e) allocation to employee severance pay provision	(22,858)	(37,139)
f) provision for retirements and similar provisions:	864,899	(344,407)
- defined contribution	(2,106)	(2,434)
- defined benefit	867,005	(341,973)
g) payments to external pension funds:	(286,223)	(264,542)
- defined contribution	(284,984)	(263,251)
- defined benefit	(1,239)	(1,291)
h) costs related to share-based payments	(147,337)	(97,240)
i) other employee benefits	(1,847,607)	(286,618)
l) recovery payments seconded employees	28,477	33,066
<b>2) Other staff</b>	<b>(65,095)</b>	<b>(74,436)</b>
<b>3) Directors and Statutory Auditors</b>	<b>(12,916)</b>	<b>(14,905)</b>
<b>4) Early retirement costs</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(8,669,363)</b>	<b>(8,203,792)</b>

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

	YEAR 2015	YEAR 2014
<b>Employees:</b>	<b>138,946</b>	<b>142,142</b>
a) Senior managers	2,054	2,353
b) Managers	33,591	33,767
c) Remaining employees staff	103,301	106,022
<b>Other Staff</b>	<b>2,549</b>	<b>2,830</b>
<b>Total</b>	<b>141,495</b>	<b>144,972</b>

### Employees by category at year end

	AMOUNTS AS AT	
	12.31.2015	12.31.2014
<b>Employees:</b>	<b>136,974</b>	<b>140,917</b>
a) Senior managers	2,030	2,078
b) Managers	33,558	33,623
c) Remaining employees staff	101,386	105,216
<b>Other Staff</b>	<b>2,495</b>	<b>2,603</b>
<b>Total</b>	<b>139,469</b>	<b>143,520</b>

### 11.3 Defined benefit company retirement funds: total costs and revenues

(€ '000)

	YEAR 2015	YEAR 2014
Current service cost	(180,516)	(141,217)
Settlement gains (losses)	1,198,514	(107)
Past service cost	(1,696)	416
Interest cost on the DBO	(250,793)	(342,925)
Interest income on plan assets	101,496	141,860
<b>Total recognized in profit or loss</b>	<b>867,005</b>	<b>(341,973)</b>

### 11.4 Other employees benefits

(€ '000)

	YEAR 2015	YEAR 2014
- Seniority premiums	(15,707)	(34,555)
- Leaving incentives	(1,540,835)	4,789
- Other	(291,065)	(256,852)
<b>Total</b>	<b>(1,847,607)</b>	<b>(286,618)</b>

## Part C – Consolidated Income Statement

**11.5 Other administrative expenses: breakdown**

(€ '000)

TYPE OF EXPENSES/SECTORS	YEAR 2015	YEAR 2014
<b>1) Indirect taxes and duties</b>	<b>(921,126)</b>	<b>(866,390)</b>
1a. Settled	(918,937)	(864,654)
1b. Unsettled	(2,189)	(1,736)
<b>2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)</b>	<b>(733,908)</b>	<b>(210,927)</b>
<b>3) Miscellaneous costs and expenses</b>	<b>(4,429,006)</b>	<b>(4,530,204)</b>
<b>a) advertising marketing and communication</b>	<b>(330,449)</b>	<b>(353,221)</b>
<b>b) expenses related to credit risk</b>	<b>(248,618)</b>	<b>(236,450)</b>
<b>c) expenses related to personnel</b>	<b>(234,147)</b>	<b>(242,430)</b>
<b>d) Information &amp; Communication Technology expenses</b>	<b>(1,300,155)</b>	<b>(1,291,161)</b>
lease of ICT equipment and software	(105,048)	(106,179)
software expenses: lease and maintenance	(226,223)	(228,620)
ICT communication systems	(85,491)	(94,183)
services ICT in outsourcing	(725,688)	(715,675)
financial information providers	(157,705)	(146,504)
<b>e) consulting and professionals services</b>	<b>(423,403)</b>	<b>(479,900)</b>
consulting	(280,537)	(310,343)
legal expenses	(142,866)	(169,557)
<b>f) real estate expenses</b>	<b>(1,080,675)</b>	<b>(1,109,100)</b>
premises rentals	(589,389)	(623,181)
utilities	(191,163)	(201,942)
other real estate expenses	(300,123)	(283,977)
<b>g) operative costs</b>	<b>(811,559)</b>	<b>(817,942)</b>
surveillance and security services	(58,852)	(60,807)
money counting services and transport	(75,216)	(74,529)
printing and stationery	(62,468)	(61,636)
postage and transport of documents	(104,737)	(125,366)
administrative and logistic services	(266,096)	(264,058)
insurance	(85,181)	(85,948)
association dues and fees and Contributions to the administrative expenses Deposit Guarantee Schemes	(69,498)	(65,037)
other administrative expenses - Other	(89,511)	(80,561)
<b>Total (1+2+3)</b>	<b>(6,084,040)</b>	<b>(5,607,521)</b>

Income statement for 2014 differs from the figures disclosed in 2014 as the result of : the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

Expenses related to personnel include the expenses that, in compliance with IAS 19, do not represent remuneration of the working activity of an employee.

Following the disposal of the subsidiary UniCredit Credit Management Bank, starting from November 2015 credit recovery services have been outsourced to doBank, an entity external to the Group. Costs related to such services amount to € 25 million.

**Contributions to Resolution and Guarantee Funds**

The year 2015 saw the introduction of the contribution schemes from the European Directives No. 49 and No. 59 of 2014 related to the Deposit Guarantee Schemes (DGS) and Single Resolution Fund (SRF), within the framework of the rules establishing and regulating the Banking Union (involving the banks of the Group in the Euro area and of the other Member States who have joined it). As regards the contribution obligations described below, such schemes have led to costs during the year and will result in costs in future years in respect of the ordinary contribution scheme and the possibility of the need to resort to extraordinary contributions.

The registered costs in 2015, presented under the item Other administrative expenses, amounted to 734 million and relate to:

- 478 million for the SRF, relating to the countries where Directive 59 has already been transposed or substantially transposed (the main ones being Germany, Austria and Italy) and corresponding to the estimate of the annual cost for 2015 (subject to adjustments following the definition of the detailed criteria by the competent authorities on the calculation of contributions) and extraordinary ex post contributions requested by each national authority, if any (among which 219 million from Unicredit S.p.A. as described in the following);
- 256 million for deposit guarantee funds, including contributions to pre-existing funds and the contributions under the DGS Directive.

With the introduction of the European directive 2014/59/EU, the Regulation on the Single Resolution Mechanism ("BRRD Directive" Regulation (EU) No 806/2014 of the European Parliament and of the Council dated July 15, 2014) established a framework for the recovery and resolution of crises in credit institutions, by setting up a single resolution committee and a single resolution fund for banks (Single Resolution Fund for the 2015 National Resolution Fund). The regulatory framework dictated by these provisions alters the previous civil and banking regulations by introducing harmonised rules for the prevention and management of banking crises and giving new powers to the National Resolution Authorities. The directive provides for the launch of a compulsory contribution mechanism at a national level that will allow the collection of the target level of resources by December 31, 2024, equal to 1% of the guaranteed deposits of all the authorised institutions in the respective territory. The accumulation period may be extended for a further four years if the funding mechanisms have made cumulative disbursements for a percentage

higher than 0.5% of the guaranteed deposits. If, after the accumulation period, the available financial resources fall below the target level, the collection of contributions shall resume until that level has been recovered. In addition, having reached the target level for the first time and, in the event that the available financial resources fall to less than two thirds of the target level, these contributions are set at the level which allows the target level to be reached within a period of six years. The contribution mechanism provides for ordinary annual contribution instalments, with the aim of distributing the costs evenly over time for the contributing banks, and also extraordinary additional contributions, of up to three times the specified annual contributions, when the available financial resources are not sufficient to cover the losses and costs of the interventions. Directive 2014/49/EU of April 16, 2014 on DGS - Deposit Guarantee Schemes - aims to enhance the protection of depositors through harmonization of the related national legislation. The directive provides for the launch of a mandatory national contribution mechanism that will allow a target level of 0.8% of the amount of its members' covered deposits to be collected by July 3, 2024. The contribution funding resumes when the financing capacity is below the target level, at least until the target level is reached. If, after the target level has been reached for the first time, the available financial resources have been reduced to below two thirds of the target level, the regular contribution shall be set at a level to achieve the target level within six years. The contribution mechanism provides for ordinary annual contribution instalments, with the aim of distributing the costs evenly over time for the contributing banks, and also extraordinary contributions, if the available financial resources of an DGS are insufficient to repay depositors; the extraordinary contributions cannot exceed 0.5% of covered deposits per calendar year, but in exceptional cases and with the consent of the competent authority the DGSs may demand even higher contributions.

The contributory schemes of Directives 49 and 59 described above fall under the scope of the accounting interpretation IFRIC 21 – Levies. Leading to the existence of a progressive series of annual payment obligations, they determine costs in the income statement for the instalment due in each financial year in the form of ordinary and extraordinary contributions, recorded under “Other administrative expenses”, when the obligation to pay the annual fee arises pursuant to the law of transposition.

Although Directives 49 and 59 specified the possibility of introducing irrevocable payment commitments as an alternative form of collection to cash contributions, up to a maximum of 30% of the total resources target, in the countries where the Group operates, this kind of collection was not made effective as of December 31, 2015. Therefore the contributions for 2015 were made via cash payments.

With reference to Italy, Directive No. 59 was transposed with Italian Legislative Decrees Nos. 180 and 181 of November 16, 2015, making the application of the new rules on banking crises immediately effective, including the write-down or conversion of shares and subordinated loans, including securities, when necessary to prevent a crisis, according to the principle of “burden-sharing”.

For 2015, the ordinary contribution to the SRF was €73 million for UniCredit S.p.A.

In its capacity as National Resolution Authority (“NRA”), the Bank of Italy, with its Provisions dated November 21, 2015, approved by the Italian Minister of Economy and Finance on November 22, 2015, ordered the launch of a resolution programme (for the Banca delle Marche, Banca Popolare dell'Etruria e del Lazio, Cassa di Risparmio di Ferrara, Cassa di Risparmio della Provincia di Chieti). These relate to a restructuring process which resulted in the separation of the non-performing loans of the four banks concerned, which flowed into a “bad bank”, from the rest of the assets and liabilities, that flowed into four new “bridge banks”. As a result of this intervention, the aforementioned ministerial measures led to a request for extraordinary contributions in accordance with Directive 59, established at the maximum rate of three times the ordinary contribution due for 2015. Therefore, UniCredit S.p.A. made an extraordinary contribution of €219 million (equal to 3 times the ordinary annual contribution due in 2015 for the Single Resolution Fund).

The liquidity needed to fund this intervention was provided through a loan which UniCredit participated in. In particular, the intervention of UniCredit entailed:

- the provision of a loan in favour of the Single Resolution Fund for about €783 million (portion of a total loan of Euro 2,350 million disbursed together with Intesa San Paolo and UBI Banca), fully refunded on December 21, 2015 through the liquidity inflow from the ordinary and extraordinary contributions of 2015;
- the provision of funding in favour of the Single Resolution Fund whose value at December 31, 2015 was €516 million in the short term, 18 months minus one day, (portion of a total loan of €1,650 million disbursed along with Intesa San Paolo and UBI Banca) against which the Cassa Depositi e Prestiti has assumed a commitment of financial support in the event of insufficiency of the Fund on the date the loan expires.

It should be noted that with regard to the financing of the resolution of the four banks mentioned above, Italian Legislative Decree 183/2015 also introduced an additional guarantee for 2016, due to the National Resolution Fund, for the payment of contributions of up to twice the ordinary contribution quotas to the Single Resolution Fund, which could be activated if the funds available to the National Resolution Fund net of recoveries arising from the disposal transactions carried out by the Fund from the assets of the four banks mentioned above were not sufficient to cover the bonds, losses and costs payable by the Fund in relation to the measures provided for by the Provisions launching the resolution.

As of the date of this Financial Statements, the process of enacting the law in Italy transposing Directive 2014/49/EU has not yet been completed. Though depending on this transposition, the Italian scheme of deposit guarantees known as the Interbank Deposit Protection Fund proceeded to amend its Statute with a Shareholders' Meeting Resolution dated November 26, 2015, anticipating the introduction of a contributory mechanism ex-ante (aimed at achieving the aforesaid long-term objective with a target of 2024). The costs recorded by UniCredit S.p.A. in “Other administrative expenses” in the fourth quarter of 2015 for the ordinary contribution to the FITD according to this new regime were €32 million.

In relation to the losses incurred by the holders of subordinated loans of the four banks subject to termination under the Italian Decree 183 of 2015, a solidarity fund was established under the 2016 Stability Law (Finance Bill) with a maximum of €100 million; therefore a provision for risks and charges, amounting to its stake (€17 million), has set aside.

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 2015 were as follows:

- legal audit of annual accounts (including the audit of the first half financial report): €4,108 thousand;
- other checks: €1,683 thousand;
- other non-audit services: €7,683 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.

## Part C – Consolidated Income Statement

**Section 12 - Net provisions for risks and charges - Item 190**

In 2015 net provisions for risks and charges, which amounted to -€753 million (-€384 million in 2014), 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 2015			YEAR 2014
	PROVISIONS	REALLOCATION SURPLUS	TOTAL	TOTAL
<b>1. Other provisions</b>				
1.1 legal disputes	(308,146)	114,109	(194,037)	(124,883)
1.2 staff costs	(6)	338	332	885
1.3 other	(868,397)	309,389	(559,008)	(260,387)
<b>Total</b>	<b>(1,176,549)</b>	<b>423,836</b>	<b>(752,713)</b>	<b>(384,385)</b>

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.

## Section 13 - Impairments/write-backs on property, plant and equipment - Item 200

In 2015 impairment/write-backs on property, plant and equipment amounted to -€678 million (as against -€763 million in 2014). This amount includes €11 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)

YEAR 2015				
ASSETS/P&L ITEMS	DEPRECIATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET PROFIT
<b>A. Property, plant and equipment</b>				
<b>A.1 Owned</b>	<b>(661,216)</b>	<b>(54,735)</b>	<b>53,229</b>	<b>(662,722)</b>
- used in the business	(591,628)	(16,720)	18,878	(589,470)
- held for investment	(69,588)	(38,015)	34,351	(73,252)
<b>A.2 Finance lease</b>	<b>(3,437)</b>	-	-	<b>(3,437)</b>
- used in the business	(3,354)	-	-	(3,354)
- held for investment	(83)	-	-	(83)
<b>Total A</b>	<b>(664,653)</b>	<b>(54,735)</b>	<b>53,229</b>	<b>(666,159)</b>
<b>B. Non-current assets and groups of assets held for sale</b>	<b>X</b>	<b>(11,605)</b>	<b>10</b>	<b>(11,595)</b>
- used in the business	X	(321)	-	(321)
- held for investments	X	(11,284)	10	(11,274)
<b>Total A + B</b>	<b>(664,653)</b>	<b>(66,340)</b>	<b>53,239</b>	<b>(677,754)</b>

## Section 14 - Impairments/write-backs on intangible assets - Item 210

In 2015 impairments/write-backs on intangible assets were -€475,829 thousand, against -€430,574 thousand in the previous year.

Apart from depreciation, in 2015 the impairment of the other intangible assets with finite life was approximately €9 Million.

The breakdown is set out in the table below:

### 14.1 Impairment on intangible assets: breakdown

(€ '000)

YEAR 2015				
ASSETS/P&L ITEMS	AMORTISATION	IMPAIRMENT LOSSES	WRITE-BACKS	NET PROFIT
<b>A. Intangible assets</b>				
<b>A.1 Owned</b>	<b>(465,914)</b>	<b>(9,375)</b>	-	<b>(475,289)</b>
- generated internally by the company	(262,036)	(9,033)	-	(271,069)
- other	(203,878)	(342)	-	(204,220)
<b>A.2 Finance leases</b>	-	-	-	-
<b>B. Non-current assets and disposal group classified as held for sale</b>	<b>X</b>	-	-	-
<b>Total</b>	<b>(465,914)</b>	<b>(9,375)</b>	-	<b>(475,289)</b>

With reference to the intangible asset – other, see Part B – Consolidated Balance Sheet – Asset - Section 13 – Intangible Assets.

## Part C – Consolidated Income Statement

**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 2015	YEAR 2014
Total other operating expense	(809,895)	(827,356)
Total other operating revenues	1,948,438	2,090,975
<b>Other net operating income</b>	<b>1,138,543</b>	<b>1,263,619</b>

Income statement for 2014 differs from the figures disclosed in 2014 as the result of the reclassification of the costs for a preexisting local Resolution Funds with reference to a subsidiary from "Other net operating income" to "Other administrative expenses".

**15.1 Other operating expense: breakdown**

(€ '000)

TYPE OF EXPENSE/VALUE	YEAR 2015	YEAR 2014
Costs for operating leases	(5,084)	(5,019)
Non-deductible tax and other fiscal charges	(2,729)	(4,884)
Write-downs on leasehold improvements	(72,719)	(55,755)
Costs related to the specific service of financial leasing	(122,361)	(130,476)
Other	(607,002)	(631,222)
<b>Total other operating expenses</b>	<b>(809,895)</b>	<b>(827,356)</b>

The sub-item "Other" includes:

- various settlements and indemnities of €156 million, €104 million in 2014;
- additional costs for the leasing business of €37 million, €40 million in 2014;
- non-banking business costs €90 million, €156 million in 2014;
- charges relating to Group property of €83 million, €34 million in 2014;
- various payments relating to prior years of €6 million, €9 million in 2014;
- additional costs relating to customer accounts of €14 million, €12 million in 2014;

We can note that as part of the initiatives to optimize the use (also prospective) of the spaces covered by payable rental contracts expenses of €39 million were recognized against a commitment to liquidate a break option for the modification (reduction of the term and of the spaces rented) of the contract relating to the Piazza Cordusio/Palazzo Boggi project.

**15.2 Other operating revenues: breakdown**

(€ '000)

TYPE OF REVENUE/VALUES	YEAR 2015	YEAR 2014
<b>A) Recovery of costs</b>	<b>763,757</b>	<b>811,791</b>
<b>B) Other Revenues</b>	<b>1,184,681</b>	<b>1,279,184</b>
Revenues from administrative services	64,391	68,998
Revenues on rentals Real Estate investments (net of operating direct costs)	115,057	112,122
Revenues from operating leases	146,665	143,452
Recovery of miscellaneous costs paid in previous years	19,825	18,856
Revenues on Financial Leases activities	142,586	152,997
Others	696,157	782,759
<b>Total operating revenues (A+B)</b>	<b>1,948,438</b>	<b>2,090,975</b>

The sub-item *Other* includes:

- additional income received from leasing business of €40 million, €27 million in 2014;
- income from non-banking business of €267 million, €356 million in 2014;
- various income from Group property of €58 million, €45 million in 2014;
- payments of indemnities and compensation of €71 million, €35 million in 2014.

## Section 16 - Profit (Loss) of equity investments - Item 240

In 2015 profit (loss) of associates amounted to +€620 million (+€682 million in 2014), attributable to companies subject to significant influence for +€269 million and to jointly owned companies for +€351 million.

This result consists of **A. Income** of +€694 million and **B. Expense** of -€74 million. In more detail:

- sub-item **A. Income** includes:
  - +€665 million **revaluations** related to gains on companies valued at Equity method: Koc Finansal Hizmetler As consolidato (€349 million), Bank Fuer Tirol Und Vorarlberg Aktiengesellschaft (€74 million), Mediobanca Banca di Credito Finanziario S.p.A. (€58 million), Oberbank AG (€47 million), Creditras Vita S.p.A. (€25 million), Oesterreichische Kontrollbank Aktiengesellschaft (€20 million), CNP Unicredit Vita S.p.A. (€15 million), Aviva S.p.A. (€20 million), BKS Bank AG (€19 million);
  - **gains on disposal** of +€28 million, arising from the disposal of the investments in the companies Martur Sunger Ve Koltuk Tesisleri Ticaret Ve Sanayi A. S. (€12 million) and Krajowa Izba Rozliczeniowa SA (€15 million).
- sub-item **B. Expense** includes:
  - -€14 million **write-downs** largely referred to losses on companies valued at Equity method: Megapark Ood (-€3 million), Coinv S.p.A. (-€3 million);
  - -€53 million **impairment losses**, mainly attributable to write-downs on investments subject to significant influence, mainly including Compagnia Aerea Italiana S.P.A. (-€37 million) and Torre Sgr S.p.A. (-€13 million);
  - -€7 million **loss on disposal**, mainly attributable to the impact arising from the dilution of holding percentage of Oberbank AG (-€6 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 +€2 million and refers to measurement at fair value of 6% of the equity investment in Krajowa Izba Rozliczeniowa SA, classified in the "Financial assets available for sale" portfolio.

### 16.1 Profit (Loss) of investments: breakdown

(€ '000)

P&L ITEMS/SECTORS	YEAR 2015	YEAR 2014
<b>1) Jointly owned companies - Equity</b>		
<b>A. Income</b>	<b>351,367</b>	<b>335,983</b>
1. Revaluations	351,367	335,983
2. Gains on disposal	-	-
3. Writebacks	-	-
4. Other gains	-	-
<b>B. Expense</b>	<b>-</b>	<b>(52)</b>
1. Writedowns	-	(52)
2. Impairment losses	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
<b>Net profit</b>	<b>351,367</b>	<b>335,931</b>
<b>2) Companies subject to significant influence</b>		
<b>A. Income</b>	<b>342,331</b>	<b>517,448</b>
1. Revaluations	313,779	280,290
2. Gains on disposal	28,472	237,158
3. Writebacks	80	-
4. Other gains	-	-
<b>B. Expense</b>	<b>(73,615)</b>	<b>(171,072)</b>
1. Writedowns	(13,479)	(77,655)
2. Impairment losses	(52,689)	(67,484)
3. Losses on disposal	(7,447)	(25,933)
4. Other expenses	-	-
<b>Net profit</b>	<b>268,716</b>	<b>346,376</b>
<b>Total</b>	<b>620,083</b>	<b>682,307</b>

## Part C – Consolidated Income Statement

In 2014 profit (loss) of associates amounted to +€682 million, attributable to companies subject to significant influence for €346 million and to jointly owned companies for +€336 million.

This result consisted of **A. Income** of +€853 million and **B. Expense** of -€171 million. In more detail:

- sub-item **A. Income** included:
  - +€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** included:
  - -€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 percentage of both Ca Immobilien Anlagen Aktiengesellschaft (-€17 million) before the date of sale and Bks Bank AG (-€7 million).

We could 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 referred 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.

## 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)

ASSETS/P&L COMPONENTS	YEAR 2015				NET PROFIT
	REVALUATIONS	WRITEDOWNS	EXCHANGE DIFFERENCES		
			POSITIVE	NEGATIVE	
<b>A. Property, plant and equipment</b>	-	(1,888)	-	-	(1,888)
A.1 Owned:	-	(1,888)	-	-	(1,888)
- <i>used in the business</i>	-	-	-	-	-
- <i>held for investment</i>	-	(1,888)	-	-	(1,888)
A.2 Held by finance leases:	-	-	-	-	-
- <i>used in the business</i>	-	-	-	-	-
- <i>held for investment</i>	-	-	-	-	-
<b>B. Intangible assets</b>	-	-	-	-	-
B.1 Owned:	-	-	-	-	-
- <i>B.1.1 generated internally by the company</i>	-	-	-	-	-
- <i>B.1.2 other</i>	-	-	-	-	-
B.2 Held by finance leases	-	-	-	-	-
<b>Total</b>	-	(1,888)	-	-	(1,888)

Part C – Consolidated Income Statement

**Section 18 - Impairment of goodwill - Item 260**

There is no impairment of goodwill.

## Section 19 - Gains (losses) on disposals of investments - Item 270

At December 31, 2015 **gains (losses) on disposals of investments** were +€114 million (+€319 million in 2014) and comprised:

### A. Property

Net gains of +€71 million (+€80 million in 2014). This item includes the results of the property rationalization carried out by companies of subgroup HVB (+€31 million) including European-Office-Fonds (+€18 million), Hvb Gesellschaft Fur Gebaude Mbh & Co Kg (+€7 million), Rhoterra Gesellschaft Fur Immobilienverwaltung Mbh (+€5 million), by UniCredit S.p.A. (+€23 million), by companies of subgroup Baca (+€11 million).

### B. Other assets

Net gains of +€43 million (+€239 million in 2014). This item includes:

- €9 million net gains on disposal of equity investments, mainly relating to the disposal of group PlanetHome AG (+€5 million), Pioneer Investment Management Shareholder Services Inc. (+€3 million), Center Heinrich-Collin-Strasse 1 Vermietungs Gmbh U.Co Kg (+€3 million);
- €34 million net gains on disposal of other assets, mainly realized by Unicredit Bank Hungary Zrt. (+€10 million), by Unicredit Bank Ag (+€8 million) and by UniCredit S.p.A. (+€11 million).

We can note that during 2015 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/SECTORS	YEAR 2015	YEAR 2014
<b>A. Property</b>		
- gains on disposal	71,247	126,455
- losses on disposal	(740)	(45,809)
<b>B. Other assets</b>		
- gains on disposal	56,150	262,188
- losses on disposal	(12,839)	(23,475)
<b>Net Profit</b>	<b>113,818</b>	<b>319,359</b>

At December 31, 2014 **gains (losses) on disposals of investments** were €319 million and comprised:

### A. Property

Net gains of €80 million. This item included 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 Grundstücksverwaltung Gmbh & Co. Entwicklungs- Und Finanzierungsvermittlungs-Kg (€17 million, relating tot he sale of a land).

### B. Other assets

Net gains of €227 million. This item included:

- €227 million net gains on disposal of equity investments, mainly related 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 related 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 could 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.

## Part C – Consolidated Income Statement

**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 may 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. While the United Kingdom does not have a domestic tax consolidation regime, tax losses can nonetheless be transferred between 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 tax consolidation perimeter.

The requirements to be included in a domestic tax consolidation regime can be very different from those set for the purpose of accounting consolidation for a banking group according to the international IAS/IFRS or local accounting standards.

As for tax rates, and with reference to the Group's key Countries, the nominal corporate income tax rate is 31.4% in Germany (also taking 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, and 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 20.25% in the United Kingdom, 12.5% in Ireland, 29.22% in Luxembourg, 35% in the United States and 25% in China.

In Italy, the nominal corporate income tax (IRES) rate is 27.5%, to which the Italian Regional Tax on Productive Activities (IRAP) rate at a rate of 4.65% for the banking sector must be added (each Region is entitled to autonomously increase the rate 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 that have a 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 2015, please note that:

- Based on the guidelines provided by the Revenue Agency with Resolution No. 55 of May 29, 2015, deferred tax assets were converted into tax credits for an amount of €114 million with regard to the 2013 financial loss. In this Resolution, the Revenue Agency recognised, for tax purposes, the possibility to convert into tax credit a portion of the deferred tax assets accrued on the goodwill stepped-up for tax purposes pursuant to Art. 23, Paragraph 12 of Law Decree No. 98 of December 29, 2011 – which introduced Paragraph 10-bis under Art. 15 of Decree Law No. 185 of November 29, 2008 – in respect of which clarifications were pending after the Bank of Italy Communication issued on May 8, 2013 which disregarded the computation of such goodwill for the purposes of calculating Core Tier1. In 2015 there were no further conversions of deferred tax assets into tax credits (pursuant to Art. 2, Paragraphs 55-58 of Decree Law No. 225 of December 29, 2010), because the 2014 period closed with a financial profit and a positive tax result.
- Art. 1, Paragraphs 20-24 of Law No. 190 of December 23, 2014 (2015 Stability Law) introduced the provision that costs incurred in relation to personnel employed with a permanent work contract are deductible for IRAP purposes. Current IRAP came down by €143 million with the application of these provisions. Furthermore, the IRAP deferred tax assets increased by a net amount of €41.6 million, due to the application of the rules providing for the deferred deduction of personnel costs accrued in the Risks Funds (Revenue Agency Circular letter 22/E of June 9, 2015);
- Art. 16 of Law Decree No. 83 of June 27, 2015 introduced the full deductibility, for both IRES and IRAP purposes, in the period of financial accrual of the loan loss provisions based on estimates, while the previous tax regulation provided for the deductibility of said items over five financial periods in equal installments. Only for 2015 financial period, the deductibility is limited to 75%..
- In 2015 there is a progressive additional reduction of the tax benefit allowed for equity increases (ACE - Allowance for Economic Growth), despite the fact that the rate for calculating the benefit increased from 4% to 4.5% pursuant to the Stability Law for 2014 (Law No. 147 of December 27, 2013), due to the reduction in equity associated with the distribution of reserves to shareholders as dividends and the decrease provided for by ACE regulation in the case of capital or equity contributions to subsidiaries. The ACE benefit for 2015 is €23.8 million.

**20.1 Tax expense (income) related to profit or loss from continuing operations:  
breakdown**

(€ '000)

P&L COMPONENTS/SECTOR	YEAR 2015	YEAR 2014
1. Current tax (-)	(944,954)	(1,903,397)
2. Adjustment to current tax of prior years (+/-)	106,257	250,405
3. Reduction of current tax for the year (+)	125,247	55,735
3. bis Reduction in current tax for the year due tax credit under L. 214/2011 (+)	174,255	2,647,472
4. Changes to deferred tax assets (+/-)	285,408	(1,772,891)
5. Changes to deferred tax liabilities (+/-)	199,196	(444,566)
<b>6. Tax expense for the year (-)</b>	<b>(54,591)</b>	<b>(1,167,242)</b>

**20.2 Reconciliation of theoretical tax charge to actual tax charge**

(€ '000)

	YEAR 2015	YEAR 2014
<b>Total profit or loss before tax from continuing operations (item 280)</b>	<b>2,395,965</b>	<b>3,679,395</b>
Theoretical tax rate	27.5%	27.5%
<b>Theoretical computed taxes on income</b>	<b>(658,890)</b>	<b>(1,011,834)</b>
1. Different tax rates	65,130	216,606
2. Non-taxable income - permanent differences	664,882	581,385
3. Non-deductible expenses - permanent differences	(166,600)	(394,129)
4. Different fiscal laws/IRAP	(14,151)	(186,511)
a) IRAP (italian companies)	29,586	(207,768)
b) other taxes (foreign companies)	(43,737)	21,257
5. Prior years and changes in tax rates	293,451	150,792
a) effects on current taxes	221,382	195,492
- tax loss carryforward/unused tax credit	125,241	55,568
- other effects of previous periods	96,141	139,924
b) effects on deferred taxes	72,069	(44,700)
- changes in tax rates	1,200	792
- new taxes incurred (+) previous taxes revocation (-)	124	1,244
- true-ups/ adjustments of the calculated deferred taxes	70,745	(46,736)
6. Valuation adjustments and non-recognition of deferred taxes	(229,964)	(314,604)
a) deferred tax assets write-down	(85,703)	(35,919)
b) deferred tax assets recognition	190,929	25,666
c) deferred tax assets non recognition	(222,724)	(54,458)
d) deferred tax assets non-recognition according to IAS 12.39 and 12.44	(109,254)	(260,995)
e) other	(3,213)	11,102
7. Amortization of goodwill	-	-
8. Non-taxable foreign income	15,117	10,748
9. Other differences	(23,565)	(219,694)
<b>Recognized taxes on income</b>	<b>(54,591)</b>	<b>(1,167,241)</b>

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	YEAR 2015	YEAR 2014
1. Income	383,508	440,632
2. Expenses	(388,538)	(585,661)
3. Valuation of discontinued operations and related liabilities	(297,754)	-
4. Profit (Loss) on disposal	36,373	-
5. Tax	(29,015)	20,903
<b>Profit (Loss)</b>	<b>(295,426)</b>	<b>(124,126)</b>

In 2015 and 2014 the two groups recognized in item 310. "Profit (loss) after tax from discontinued operations" refer to the Ukrainian subsidiaries (UkrSotsbank and its subsidiaries) and Immobilien Holding group companies.

**Transfer of UkrSotsbank ("USB") to ABH Holdings (Alfa Group)**

In March 2015 a debt forgiveness operation was carried out relative to the subsidiary USB, already classified as held for sale as of December 31 2014, amounting to US\$250 million and relating to pre-existing loans granted by UniCredit Bank Austria and UniCredit S.p.A. Among other things, this operation also increased the capital ratios. In addition, at the end of June 2015, a capital increase of US\$250 million was carried out at USB (through the conversion of existing loans of UniCredit Bank Austria AG into equity) to further strengthen the bank's capital base. As at the end of December 2015, USB complied with the minimum capital adequacy level defined by the local supervisory authority. However, further negative development of the economic conditions and/or of the Ukrainian currency UAH and further protraction of the conflict in the region may significantly impact USB ability to comply with regulatory requirements, in particular as concerns minimum capital requirements. Therefore, and in addition to the capital measures undertaken, UniCredit Bank Austria AG has issued a letter of guarantee in favour of USB in order to support USB's operations also prior to its future sale as well as to sustain the bank's managerial plans.

The contribution of USB and its subsidiaries to the income statement for the financial year, classified based on IFRS 5, was negative at €127 million, to which is added valuation losses of €298 million in 2015. These valuation losses increase the total value of writedowns against said disposal to €498 million (€200 million recognised in 2013). As an effect of these writedowns, the book value of the equity investment was brought to zero and total writedowns reflect the best estimate of the expected results from the transfer, based on the binding agreement signed on December 31, 2015 with the Alfa Group. In particular, this agreement foresees the transfer by UCG of its exposures in relation to USB to ABH Holdings SA ("ABHH" - a holding with its registered office Luxembourg, with investments in banking activities in Russia and countries of the former Soviet Union), in exchange for newly issued shares representing 9.9% of the capital after the transfer. The agreements signed foresee specific protections benefiting both parties, including the possibility for UCG to appoint a member of the ABHH Board of Directors and the activation of a listing process for ABHH, as well as the release of the normal guarantees for this type of transactions by UCG. In addition, the parties have established a Put and Call options mechanism regarding UCG's equity investment in ABHH, which can be activated 5 years after the completion of the transaction.

At December 31, 2015, the Group's exposure to the subsidiary USB includes, in addition to the equity investment, loans totalling around €380 million (which are eliminated for accounting purposes when the consolidated financial statements are prepared). UCG's exposures which will be transferred pursuant to the binding agreement include, in addition to the equity investment, loans granted by Group companies to the subsidiary USB. Total writedowns also take into consideration the planned transfer of the loans and were calculated, in consideration of the transaction structure, on the basis of the estimated economic value of the assets transferred and that of all the assets and rights foreseen as payment for their transfer.

As of the date the transfer takes effect, expected to occur in 2016 upon completion of the authorisation process, the equity investment obtained in ABHH will be recognised, reflecting its updated valuation for initial recognition purposes as of said date. Additionally, on said date, as required under IFRS 5, the cumulative effects of the Exchange Fluctuations Reserve (equal to €701 million as of December 31, 2015 but subject to updating as of the date the transfer takes effect based on prevailing market conditions) will be recognised in the UCG income statement without, however, any impact on the Group's overall equity level.

## 21.2 Breakdown of tax on discontinued operations

(€ '000)

	YEAR 2015	YEAR 2014
1. Current tax (-)	(54,271)	(3,522)
2. Changes in deferred tax assets (+/-)	(4,961)	35,514
3. Changes in deferred tax liabilities (+/-)	30,217	(11,089)
<b>4. Income tax (-1+/-2+/-3)</b>	<b>(29,015)</b>	<b>20,903</b>

## Section 22 - Minorities - Item 330

The profit for 2015 attributable to minority interests amounted to €352 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.

The profit for 2014 attributable to minority interests was equal to €380 million.

### 22.1 Breakdown of item 330 "Minority gains (losses)"

(€ '000)

	2015	2014
<b>Consolidated equity investments with significant minority interests</b>	<b>353,830</b>	<b>404,385</b>
Bank Pekao SA Group	266,443	316,546
UniCredit Bank AG Group	7,360	11,290
UniCredit Bank Austria AG Group	14,064	24,837
Fineco Bank S.p.A	65,963	51,712
<b>Other equity investments</b>	<b>(954)</b>	<b>(24,474)</b>
<b>Other consolidation adjustments</b>	<b>(1,168)</b>	<b>288</b>
<b>Total</b>	<b>351,708</b>	<b>380,199</b>

## 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

	YEAR 2015	YEAR 2014
Net profit for the period attributable to the Group (thousands of euros) <sup>1</sup>	1,593,831	1,972,362
Average number of outstanding shares <sup>2</sup>	5,829,820,906	5,740,053,411
Average number of potential dilutive shares	22,064,400	8,446,613
Average number of diluted shares	5,851,885,307	5,748,500,025
<b>Earnings per share (€)</b>	<b>0.27</b>	<b>0.34</b>
<b>Diluted earnings per share (€)</b>	<b>0.27</b>	<b>0.34</b>

1. €100,409 thousand was deducted from 2015 net profit of €1,694,240 thousand due to disbursements charged to equity made in connection with the contract of usufruct on treasury shares agreed under the 'cashes' transaction (€35,466 thousands was deducted from 2014 net profits).

2. Average of outstanding shares is net of treasury shares and of further 96,756,406 shares held under a contract of usufruct.



Part D – Consolidated Comprehensive Income

Consolidated Analytical Statement of Comprehensive Income

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## 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		
	2015		
	BEFORE TAX EFFECT	TAX EFFECT	AFTER TAX EFFECT
<b>10. Net profit (loss) for the year</b>	<b>X</b>	<b>X</b>	<b>2,045,948</b>
Other comprehensive income not reclassified to profit or loss			
20. Property, plant and equipment	-	-	-
30. Intangible assets	-	-	-
40. Defined benefit plans	848,084	(224,297)	623,787
50. Non-current assets classified as held for sale	-	-	-
60. Portion of revaluation reserves from investments valued at equity	2,588	(494)	2,094
Other comprehensive income 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:	(253,168)	-	(253,168)
a) changes in value	-	-	-
b) reclassification to profit or loss	-	-	-
c) other changes	(253,168)	-	(253,168)
90. Cash flow hedges:	(252,138)	76,338	(175,800)
a) fair value changes	(162,561)	53,504	(109,057)
b) reclassification to profit or loss	4,200	(1,397)	2,803
c) other changes	(93,777)	24,231	(69,546)
100. Available-for-sale financial assets:	337,488	(51,060)	286,428
a) fair value changes	493,420	(102,357)	391,063
b) reclassification to profit or loss	(195,336)	53,258	(142,078)
- impairment losses	(9,422)	21	(9,401)
- gains/losses on disposals	(185,914)	53,237	(132,677)
c) other changes	39,404	(1,961)	37,443
110. Non-current assets classified as held for sale:	4,499	(733)	3,766
a) fair value changes	852	(234)	618
b) reclassification to profit or loss	2,775	(499)	2,276
c) other changes	872	-	872
120. Portion of revaluation reserves from investments valued at equity:	(375,609)	17,718	(357,891)
a) fair value changes	(23,083)	8,342	(14,741)
b) reclassification to profit or loss	(34,565)	4,764	(29,801)
- impairment losses	(253)	-	(253)
- gains/losses on disposals	(34,312)	4,764	(29,548)
c) other changes	(317,961)	4,612	(313,349)
130. Total other comprehensive income	311,744	(182,528)	129,216
140. Comprehensive income after tax (Item 10+130)	311,744	(182,528)	2,175,164
150. Consolidated comprehensive income attributable to minorities	(36,034)	6,517	(322,191)
160. Consolidated comprehensive income attributable to the Parent Company	275,710	(176,011)	1,852,973



## Part E – Information on risks and related risk management policies

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**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.unicreditgroup.eu](http://www.unicreditgroup.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.

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 refers to IFRS 10 Scope of Consolidation, which differs from the Banking Group based on regulatory scope of consolidation, as a result of:

- the inclusion of subsidiaries consolidated line by line (following IFRS 10) but 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 tight methodologies and procedures proving to be effective through all phases of the economic cycle.

The control and steering of the Group's risks is performed by the Parent Company's Group Risk Management function which pursues its 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 the Risk Management functions in the Italian Legal Entities, have been assigned.

In particular, the Risk Management function is responsible for the following tasks:

- optimizing the quality of the Group's assets and minimizing the cost of risk in accordance with the risk/profitability goals set for the business areas;
- ensuring the definition and strategic steering of the Group's risk management policies;
- defining and supplying 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;
- helping to strengthen a risk culture across the Group by risk training initiatives and developing highly qualified staff, in conjunction with the competent COO functions;
- helping to find ways to rectify asset imbalances, where needed in conjunction with Planning, Finance and Administration;
- supporting the Business Functions to achieve their goals, including by assisting in the development of products and business initiatives (e.g. innovation of credit products, competitive opportunities linked to Basel accords, etc.);
- supporting the CEO in defining the Group Risk Appetite proposal, to be shared in the Group Risk & Internal Control Committee and submitted for approval to the Board of Directors, as preliminary and preparatory step for the annual and multi-year 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 Risk Appetite Framework (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 & Internal Control Committee"<sup>6</sup> 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, supporting the Group CEO in the management and oversight of the Internal Control System ("ICS").
- the "Group Portfolio Risks Committees", tasked with addressing, controlling and managing the different portfolio risks;
- the "Transactional Committees" in charge of evaluating and approving the single counterparties / transactions impacting the overall portfolio risk profile.

<sup>6</sup> In order to enhance the supervision on the management of the Internal Control System and as a further step in simplification of governance processes, effective 1<sup>st</sup> October 2015, the Group Risk & Internal Control Committee has been set-up, directly chaired by the CEO. This new Committee is embedding the activities of the former Group Risk Committee (GRC) and Internal Control Coordination Committee (ICCC), allowing a more effective interaction and a closer link between risk management and internal control activities.

The Board of Directors, pursuant to the provisions of the Self-Regulatory Code, and under Bank of Italy supervisory provisions, is supported by the Internal Control & Risk Committee, established among Board members, in order to foster an efficient information and advisory system that enables it to better assess risk related topics for which it is responsible. Further information on corporate governance, inclusive of the Internal Control & Risk Committee and the number of times the this committee has met, 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/en/governance/governance-system-and-policies.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 in UniCredit is defined as the level of risk that the 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 Group Risk Appetite is approved on an annual basis by the Board of Directors and is regularly monitored and reported, at least quarterly, to the relevant committees, with the aim to ensure the Group develops within the desired risk return profile set by the Board. At local level, the risk appetite is set for the main Legal Entities and Subgroups and approved by the local competent functions.

Various level of thresholds are defined such to act as early warning indicators anticipating potential risk situations that will be promptly escalated at relevant organizational level. In the event that the risk appetite thresholds set are met, the necessary management measures have to be adopted for effectively adjusting the risk profile.

The structure of the Risk Appetite in UniCredit 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 definition of the desired risk-return profile, in coherence with the Group's business model predominantly based on being a commercial bank with a diversified presence in Western countries as well as selected CEE economies;
- a long-term rating objective of "A", on the basis of the macro scenario evolution and the sovereign risk performance;
- the fulfillment of regulatory requirements, guaranteeing a solid capital position and a sound liquidity base;
- 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;
- a management model that ensures accountability in the global definition of the risks, through its cascading to the Groups' Legal Entities, and through a regular monitoring and escalation process in place;
- the risk appetite framework also covers other qualitative statements for various other types of risks (e.g. strategic, reputational, compliance) in order to ensure prevention or early intervention.

## Part E – Information on risks and related risk management policies

The quantitative elements of the risk appetite framework are instead represented by a set of KPIs, based on the analysis of the expectations of UniCredit internal and external stakeholders. They develop across the following risk dimensions relevant for the Group:

- Risk ownership and positioning: in order to explicitly indicate main focus activities of the bank and overall risk positioning;
- Regulatory requirements: such to ensure compliance on the capital and liquidity position, with a specific reference to the capital position that the Group wants to have under both normal and stressed conditions;
- Profitability and Risk: with the aim to pursue an efficient risk-adjusted profitability structure, in terms of adequacy and stability of the return on capital, coupled with an efficient cost base also coherent with the risks assumed;
- Control on specific risk types: with the purpose of setting boundaries for management decisions. In particular, there are key references to the level of the average loss on the credit portfolio over a one-year horizon and to the amount of liquidity to be funded in the wholesale market.

In addition the Group has a series of transversal operative limits and metrics that cover the main risk profiles in order to supplement the risk appetite framework.

Moreover, a yearly consolidated report on capital adequacy is prepared in accordance with Banca d'Italia guidelines and including an overview of the main Group companies and is 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.

## Section 1 – Credit Risk

### QUALITATIVE INFORMATION

#### 1. General Aspects

With reference to the Group's risk management model, the risk governance has two levels of control: the Group Risk Governance functions and the Risk functions by Countries. The Group Risk Governance functions perform a managerial coordination with respect to 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 across its 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) in 2010, by UniCredit Bank AG (UCB AG) and UniCredit Bank Austria AG (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 Bank Luxembourg S.A., UniCredit Leasing Finance GmbH (and its subsidiaries) and UniCredit Bank Czech Republic and Slovakia a.s. (portfolio in Czech Republic), as well as, through the adoption of the IRB Foundation method, to UniCredit Bank Ireland p.l.c., UniCredit Banka Slovenija dd, UniCredit Bulbank AD, UniCredit Bank Czech Republic and Slovakia a.s.(portfolio in Slovakia), UniCredit Bank Hungary, UniCredit Bank a.s.in Romania and ZAO UniCredit Bank in Russia.

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 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. The department has the following structures:
  - "Group Risk Strategies & Rating Desk" department responsible for providing top management with an integrated and looking-forward vision of risks affecting the Group, defining and monitoring the Group Risk Appetite and the Group credit strategies processes, preparing the Internal Capital Adequacy Assessment Process (ICAAP) and managing the stress testing process. It is also responsible for assigning and certifying the rating of counterparties in the perimeter of competence. It is composed of:
    - "Credit Risk Analytics & Strategies" unit, responsible for managing scenario analyses for credit risk, managing the credit stress testing process (regulatory and managerial), developing and managing managerial models for credit metrics, defining Group credit risk strategies as well as for defining and managing concentration limits. ;
    - "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 the related corrective measures. ;
    - "Risk Appetite & Integrated Risks Analysis" unit, responsible for defining the proposal of Group Risk Appetite and detailing it both in operational terms and at local level, preparing and coordinating the Internal Capital Adequacy Assessment Process (ICAAP), providing an integrated and looking-forward vision of risks affecting the Group as well as managing the stress testing process (both regulatory and managerial). Moreover, it acts as point of reference towards Supervisory Authorities for issues covering all risks.
  - "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";

## Part E – Information on risks and related risk management policies

- “Group Credit Risk Initiatives, Standards & Reporting” department, responsible for 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 department is composed of:
  - “Credit & Integrated Risks Initiatives & Group Mapping” unit, responsible for the Group Risk Management area, coordinating and/or monitoring the progress of special initiatives and/or projects arisen from regulatory requirements or rationalization needs of internal processes related to credit risk and covering all risks. Furthermore it is responsible for mapping Top Economic Groups and for the definition of related standards.
  - “Group Credit Risk MIS, Standards & Reporting” department, responsible for defining the requirements of data analysis systems used for reporting purposes (Credit Risk Management Information System / MIS), defining the Group risk reporting framework, producing standard reports on credit risk as well as defining the reporting taxonomy.
- “Group Risk Monitoring & Credit Rules” 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 its perimeter of competence. It is responsible for monitoring, on a periodic basis, the Group credit portfolio and the integrated risk assessment. Furthermore it is responsible for defining the Global Credit Rules. The department has the following two structures:
  - “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 processes in cooperation with Organization function;
  - “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 for producing periodic analyses aiming at providing Top Management with an integrated view of risks affecting the Group, as well as the analyses for Rating Agencies, Investors and “ad hoc” requests from external organizations/bodies.
- The “Group Credit Risk Governance” department<sup>7</sup>, responsible for guaranteeing at Group level the coordination and steering of Credit Risk models (and pertinent Pillar 2 models) and architectural framework/ information flow and credit processes also ensuring their integration and alignment. The department is organized as follows:
  - “Group Credit Risk Modeling” department, responsible for developing and maintaining methodologies and group models for Pillar 1 (credit) and pertinent Pillar 2 risk measurement, and provide guidelines, coordinating, interacting with and supporting local development functions in order to guarantee an harmonized methodology implementation at Group level;
  - “Group Credit Risk Processes and information flow” department, responsible for defining and maintaining the group methodologies to be applied to Credit Risk processes and information flow, as well as for their application on UniCredit S.p.A, in line with existing Global Rules;
  - “Group Credit Risk Coordination and Planning” unit, responsible for comprehensive and integrated planning for credit risk models, credit processes and information flow, ensuring resolution of regulatory and audit findings and managing the communication to Governance Bodies and Supervisory Authorities, within the perimeter of competence.
- the “Group Credit Transactions” department, responsible for the assessment, monitoring and oversight of Large Credit Transactions, is composed by the following structures:
  - the “Group Credit Committee Secretariat” unit, responsible for supporting, as a central group-wide reference point for credit transactions above defined thresholds 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.

<sup>7</sup> This new department has become effective in November 2015 with a direct reporting line to the Group CRO, setting a further step of strengthening the steering role of the Holding Company with a maximum coordination across regions and Legal Entities.

At Country level, steering and credit risk control activities, as well as the conducting of “operational” activities (e. g. credit underwriting, loans disbursement, monitoring, etc.) falls under the responsibility of controlled subsidiaries' CRO function.

In UniCredit S.p.A. with reference to Italian perimeter (e.g. “Country Chairman Italy” and “CIB Italy”), these functions are performed by organizational structures of “CRO Italy” department, reporting to the “Group CRO”, and responsible for the governance and control of credit, operational and reputational risks, the coordination and management of credit underwriting activities for UniCredit S.p.A. customers, as well as the overseeing of the post-decision phases of the credit process as well as the coordination and management of restructuring and workout files of the Italian perimeter of UniCredit S.p.A.. The department comprises the following structures:

- “CRO Italy Change Management and Support” unit responsible 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, 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;
  - “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;
  - “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;
  - “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 Credit Underwriting activities in relation to the “Central Credit Risk Underwriting Italy”, 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 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 .
- the “Special Credit” department responsible for credit underwriting activity within the “special portfolio” perimeter, for managing of restructuring and workout activities, identifying and controlling the implementation of the interventions aimed to the cost of risk reduction, in particular:
  - coordinating and managing the credit underwriting activities, for UniCredit S.p.A. customers, within the “special portfolio” perimeter;
  - conducting borrower assessment, credit analysis and preparing the related documentation for applications to be submitted to the competent decision-making Bodies;
  - 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;
  - managing activities aimed at the containment of the cost of risk regarding irregular and problematic credit;
  - making decisions, within its delegated powers, on restructuring and workout proposals.

The department is split in the following structures:

- 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;
- 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;

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- “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 UniCredit S.p.A. The department is split in the following structures:
  - “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, the following Transactional 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 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 S.p.A. . 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 an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the market value of the associated credit exposure and may thus result 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 a 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 affecting 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 credit risk. 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 such 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 therefore monitors and manages the specific risk of each counterparty as well as 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, also aimed to extend their effectiveness to all phases of the economic cycle.

### **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).

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, among other factors, the risk of the Country (rating), the size of the country actual exposure, demand of the bank's export customers and other business opportunities. Cross border plafond are renewed at least on a yearly basis.

The evolution of the macroeconomic and political scenario is constantly monitored in order to be consistently reflected within the internal country ratings; Internal Ratings are therefore revised more frequently 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 - are managed in a prudent way to ensure such limits/exposures are sized primarily by both regulatory and liquidity requirements of the Group.

## **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, shortfall, 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.

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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 functions within the “Group Credit and Integrated Risks” Department.

The Group Credit Risk MIS, Standards & Reporting function is responsible for defining the requirements of data analysis systems used for reporting purposes, defining the Group credit risk reporting framework, producing standard reports on credit risk as well as defining the reporting taxonomy. Furthermore, it is one of the interfaces with “Group Regulatory Reporting” department for second level controls on supervisory reports.

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 Planning & Finance 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**

Specific credit governance rules define the allocation of responsibilities and mechanisms of interaction between the Holding Company and the Group Legal Entities with respect to credit risk management topics and ensure compliance of the overall Group Credit Risk Management framework with the regulatory framework to which the Holding Company is subject to. In this context the Holding Company is assigned with the role of guidance, support and control for the following areas: credit rules (principles, policies and processes), credit strategies and credit risk limits, models development, rating systems validation, large exposures management, 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 new or reviewing existing credit lines to individual borrowers or economic groups, whenever they exceed defined thresholds, also with reference to compliance with the credit risk concentration limits being 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, drafted and issued by the Holding Company and sent to all the Legal Entities. Some examples are the policies on FIBS counterparties (Financial Institutions, Banks and Sovereigns), on Country Limits, on Project Finance and Acquisition & Leveraged Finance transactions, and on assessment, monitoring and management of underwriting risk limits for syndicated loans,;
- policies developed locally by single Legal Entities. 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 guidelines 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. In particular, migration risk will be included in the estimation of Economic Capital resulting from the credit Portfolio Model, starting from 31<sup>st</sup> December 2015.

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 counterparty'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 counterparty'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/updated information. Each borrower is also assessed in the context of the 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.

## Part E – Information on risks and related risk management policies

Value at Risk represents the threshold monetary loss overcome only with a given probability level (VaR at 1- $\alpha$  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. The Basel II Pillar II framework defines the concentration risk as any single exposure or group of exposures with the potential to produce losses large enough (relative to a bank's capital, total assets, or overall risk level) to threaten a bank's health or ability to maintain its core operations and requires that banks have in place effective internal policies, systems and controls to identify, measure, monitor, and control their credit concentrations risk.

UniCredit, in coherence with the regulatory framework manages credit concentration risk through dedicated Limits which represent the maximum risk the Group is willing to accept towards:

- individual counterparties or group of related counterparties (Single Name Bulk Risk);
- counterparties in the same economic sector (Industry Concentration Risk).

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.

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. 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 credit worthiness 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.

## Part E – Information on risks and related risk management policies

### 2.5 Non-Performing Exposures

The Group's approach to the non-performing portfolio is based on the following fundamental aspects:

- prompt action, using a solid and effective monitoring and reporting process. The early identification of possible credit quality deterioration allows the Group to put in place 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 intervention and classification process within the applicable default classification;
- initiating targeted recovery procedures on the basis of the type and amount of exposure and the specific characteristics the customer;
- appropriate provisioning recorded in the Income Statement and reflected in the regulatory capital provisions, in line with the relevant recovery prospects and timing as well as the type of exposure. Provisioning is carried out in line with the principles of IAS 39 and Basel rules;
- accurate and systematic reporting in order to monitor portfolio risk globally over time.

As alternatives to the traditional solutions used to manage non-performing exposures, UniCredit has created a specialised "Distressed Asset Management" structure, to assess and initiate strategies directed at selling portfolios or individual exposures through the secondary market. UniCredit also adopts alternative recovery strategies, such as restructuring joint ventures focusing on specific sectors, as well as other outsourcing or benchmarking measures to leverage market expertise as promptly as possible. The sale of non-performing exposures is carried out using a competitive auction mechanism. A full costing analysis is done to assess how effective this will be, with the objective of maximising the net present value for the Group. The Distressed Asset Management structure has a coordinating role to play within the Group's Risk Management and in respect of the Italian Legal Entities, implements strategies and finalises asset sales, according to what was approved by the relevant governing bodies.

### Loan Categorization in the risk categories and forborne exposures

With effect from January 1, 2015 Bank of Italy reviewed the classification of impaired loans for regulatory and reporting purposes (7<sup>th</sup> update of Circular No. 272 of July 30, 2008 - "Accounts Matrix" issued by the Bank of Italy on January 20, 2015), in order to align with the new definitions of "non-performing exposures" and "forborne exposures" set by the EU Regulation 2015/227, in accordance with the EBA standard (EBA/ITS /2013/03/rev1 24/7/2014). These definitions had been introduced with effect on the consolidated harmonised supervisory reporting (FINREP) as of September 30, 2014.

The new classification process:

- allocates impaired loans into the categories of bad loans, unlikely to pay and past-due loans. The total of these classes corresponds to the overall amount of Non-Performing Exposures mentioned in the EBA standards;
- eliminates the previous concepts of doubtful and restructured loans;
- introduces the qualification of forborne exposures.

With specific reference to the categories making up the "impaired" loans classes:

- the classification made by the subsidiaries in the different "impaired" classes, must be done in accordance with legal and regulatory provisions issued by the local Supervisory Authorities. In light of the fact that the Parent Company is required to comply with the instructions issued by the Italian supervisory authorities, appropriate measures were adopted with reference to the Group's Foreign Entities, with the aim to reconcile "impaired" classes, otherwise not perfectly mutually homogeneous;
- at Group level, the volume of impaired assets according to the IFRS definition is substantially equivalent to the one for non-performing assets referred to in the EBA standards; potential misalignments might refer especially to the Group's non-Italian Entities, for example with reference to fully collateralised loans.

Despite no significant effect on overall volume of impaired loans resulted from the initial application of the new Circular 272 from January 1, 2015, Forborne non performing exposures trend might be impacted by the changes on the risk classification process arising from the introduction of the EBA standards; These dynamics might be potentially justified by differences in the detailed classification criteria as compared by the previously applicable definitions.

Specifically, in view of the changes in the regulatory and reporting scenario, actions are being taken to align the credit process to the new classification rules, to monitor the dynamics of these exposures, and to ensure reporting to the supervisory authority.

In line with EBA Implementing Technical Standards issued on July 2014 and approved by the European Commission on 9th January 2015, a transaction has to be considered as forborne when both of the following conditions are simultaneously met:

- a concession, either (i) contractual modification or (ii) refinancing is granted in favour of the debtor;
- the debtor is facing or about to face financial difficulties.

With reference to the implementation of forbearance definition, it is worth mentioning that:

- pending the completion of the infrastructure changes (processes and related support applications), the database used to define the Forborne exposures perimeter consists of information already available within the management and accounting systems. This approach has enabled the tracking of a concession when:
  - the loan is refinanced through collective agreements, or through internal initiatives supporting certain debtors categories, or through initiatives designed to support the debtor in case of natural disasters;
  - the loan is negotiated through bank's internal initiatives to support specific debtor's categories;
  - pool loans are renegotiated.

Furthermore, during 2015, exposures subject to refinancing have progressively been included within the forborne perimeter, whereas originally they could not be promptly identified;

- in order for these concessions to be included within the forborne perimeter, the condition of "*financial difficulty of the debtor*" has to be assessed by means of the verification of specific criteria (i.e. Troubled Debt Test) 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 recognizing the state of financial difficulty, even though consistently with the EBA definition;
- in consideration of the use of an approach based on the best estimates available at each reporting date and the emergence of a reference implementation practice, the volumes of exposures identified in this phase as forborne could differ from those corresponding to a precise application of the new definition when fully implemented.

On January 22, 2016 the EBA consultation on the Default Definition ("Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013") was completed. Based on its outcome, it is expected that the classification criteria related to impaired loans might be subject to future further changes. The effects of these amendments will become clearer once the final regulation will be issued (including the EBA guidelines on the materiality threshold of past due exposures, on which consultations were completed on January 31, 2015).

## Part E – Information on risks and related risk management policies

**QUANTITATIVE INFORMATION**

In the following tables, the volume of impaired assets according to the IFRS definition is substantially equivalent to the one for non-performing exposures referred to in the EBA standards.

**A. Credit quality**
**A.1 Non-Performing and performing credit exposure: 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.

With reference to the comparative figures as of December 31, 2014 of loans due to customers in tables A.1.1. and A.1.2 starting from the first quarter of 2015 the classification of loans into risk classes was updated in order to reflect the changes provided in Bank of Italy Circular 272. This update adjusts the previous classification instructions to the definition of “Non-Performing Exposure” (NPE) introduced by the European banking authority (EBA) through the issue of EBA/ITS /2013/03/rev1 24/7/2014. The total volume of loans classified in the previous categories that made up the perimeter of impaired loans as at December 31, 2014 (Bad Loans, Doubtful, Restructured, Past-due) were reallocated to new risk classes (Bad Loans, Unlikely to pay other than bad, Past-due) through:

- the elimination of the Restructured loans class and the re-attribution of the loans therein in the “Unlikely to pay” class;
- for entities operating in Italy, the reallocation of loans previously classified as “Doubtful” in the “Unlikely to pay” and “non performing past-due loans”. In particular, loans for which the Bank believes that there is a condition of unlikely to pay as at the reporting date, regardless of the existence of days/instalments past-due, were reclassified in the “Unlikely to pay” class. Conversely, the past due items for which this condition does not apply have been reclassified in the “non performing past-due loans” class;
- for entities not operating in Italy, the class of loans previously included in “Doubtful loans” have been allocated in “Unlikely to pay”.

Non performing assets as of December 31, 2014 restated under the new definitions introduced by the EBA are substantially consistent with impaired assets established in accordance with the previously applicable Bank of Italy instructions.

With reference to the comparative figures as of December 31, 2014 of other portfolios (other than loans with customers), the figures of whole entities, previously conventionally classified as “Doubtful” or as “Restructured loans”, have been allocated in “Unlikely to pay”.

**A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying value)**

(€ '000)

PORTFOLIOS/QUALITY	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	OTHER NON-PERFORMING EXPOSURES	PERFORMING EXPOSURES	TOTAL
1. Available-for-sale financial assets	6,100	6,298	-	-	106,636,697	106,649,095
2. Held-to-maturity financial assets	-	7,793	-	-	2,085,508	2,093,301
3. Loans and receivables with banks	11,635	8,801	9	-	80,052,889	80,073,334
4. Loans and receivables with customers	19,920,381	17,085,179	1,904,695	9,725	435,078,541	473,998,521
5. Financial assets at fair value	-	9,467	-	-	33,941,553	33,951,020
6. Financial assets classified as held for sale	586,100	368,333	47,948	-	582,888	1,585,269
<b>Total 12.31.2015</b>	<b>20,524,216</b>	<b>17,485,871</b>	<b>1,952,652</b>	<b>9,725</b>	<b>658,378,076</b>	<b>698,350,540</b>
<b>Total 12.31.2014</b>	<b>20,184,481</b>	<b>18,889,682</b>	<b>3,021,860</b>	<b>7,137</b>	<b>627,362,919</b>	<b>669,466,079</b>

**Breakdown of financial assets by portfolio and credit quality – of which Forborne exposures  
(carrying value)**

(€ '000)

PORTFOLIOS/QUALITY	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	OTHER NON-PERFORMING EXPOSURES	PERFORMING EXPOSURES	TOTAL
1. Available-for-sale financial assets	-	-	-	-	-	-
2. Held-to-maturity financial instruments	-	-	-	-	-	-
3. Loans and receivables with banks	8,861	-	-	-	78,872	87,733
4. Loans and receivables with customers	2,163,404	7,540,043	281,571	655	5,621,960	15,607,633
5. Financial assets at fair value	-	9,467	-	-	-	9,467
6. Financial instruments classified as held for sale	258,524	231,604	22,250	-	127,647	640,025
<b>Total 12.31.2015</b>	<b>2,430,789</b>	<b>7,781,114</b>	<b>303,821</b>	<b>655</b>	<b>5,828,479</b>	<b>16,344,858</b>

See table A.1.6 for more details about volumes of forborne exposures.

**Breakdown of performing past-due financial assets by portfolio and past-due bucket (gross value)**

(€ '000)

PORTFOLIOS/QUALITY	PAST-DUE LESS THAN 30 DAYS	PAST-DUE BETWEEN 30 AND 60 DAYS	PAST-DUE BETWEEN 60 AND 90 DAYS	PAST-DUE OVER 90 DAYS	TOTAL
1. Available-for-sale financial assets	-	-	-	-	-
2. Held-to-maturity financial assets	-	-	-	-	-
3. Loans and receivables with banks	3,458	11	22	23	3,514
4. Loans and receivables with customers	4,115,625	1,525,941	826,640	3,322,020	9,790,226
5. Financial assets at fair value	-	-	-	-	-
6. Financial assets classified as held for sale	-	-	-	-	-
<b>Total 12.31.2015</b>	<b>4,119,083</b>	<b>1,525,952</b>	<b>826,662</b>	<b>3,322,043</b>	<b>9,793,740</b>

The amounts past due over 90 days refer to loans that do not meet the definition of Non-performing past due (below the materiality threshold).

## Part E – Information on risks and related risk management policies

**A.1.2 Breakdown of credit exposures by portfolio and credit quality (gross and net values)**

(€ '000)

PORTFOLIOS/QUALITY	NON-PERFORMING ASSETS			PERFORMING			12.31.2015 TOTAL (NET EXPOSURE)
	GROSS EXPOSURE	SPECIFIC WRITEDOWNS	NET EXPOSURE	GROSS EXPOSURE	PORTFOLIO ADJUSTMENTS	NET EXPOSURE	
1. Available-for-sale financial assets	65,842	53,444	12,398	106,636,735	38	106,636,697	106,649,095
2. Held-to-maturity financial assets	16,978	9,185	7,793	2,085,508	-	2,085,508	2,093,301
3. Loans and receivables with banks	105,650	85,205	20,445	80,105,052	52,163	80,052,889	80,073,334
4. Loans and receivables with customers	79,760,216	40,840,236	38,919,980	437,495,136	2,416,595	435,078,541	473,998,521
5. Financial assets at fair value	9,467	-	9,467	X	X	33,941,553	33,951,020
6. Financial assets classified as held for sale	1,745,133	742,752	1,002,381	92,633 <sup>5</sup>	9,745	582,888	1,585,269
<b>Total 12.31.2015</b>	<b>81,703,286</b>	<b>41,730,822</b>	<b>39,972,464</b>	<b>626,915,064</b>	<b>2,478,541</b>	<b>658,378,076</b>	<b>698,350,540</b>
<b>Total 12.31.2014</b>	<b>86,217,972</b>	<b>44,114,812</b>	<b>42,103,160</b>	<b>598,598,870</b>	<b>2,551,521</b>	<b>627,362,919</b>	<b>669,466,079</b>

As at December 31, 2015 the partial write-offs of impaired assets amounted to €15 million on exposures towards banks and to €22,181million on exposures towards customers, all attributable to the Banking group.

Loan loss provisions (portfolio adjustments) on loans regarding a number of performing portfolios reflect a methodological change done by UniCredit S.p.A. in the definition of the Loss Confirmation Period (LCP). This change led, in 2015, to the recognition of loan-loss provisions for these groups that were around €123 million higher than they would have been under the previous methodology. The change in the methodology improves the systematic estimation of the "loss event", understood as the date on which the financial condition of the borrower deteriorated, in line with the company processes adopted under the internal rating system. The change in methodology was recognized in the accounts as a change in estimates under IAS 8.35

**Breakdown of credit exposures by portfolio and credit quality - Financial assets held for trading and Hedging instruments (gross and net values)**

(€ '000)

PORTFOLIOS/QUALITY	LOW CREDIT QUALITY ASSETS		OTHER ASSETS
	CUMULATED LOSSES	NET EXPOSURE	NET EXPOSURE
1. Financial assets held for trading	202,145	112,157	77,922,659
2. Hedging derivatives	-	-	5,368,364
<b>Total 12.31.2015</b>	<b>202,145</b>	<b>112,157</b>	<b>83,291,023</b>
<b>Total 12.31.2014</b>	<b>84,235</b>	<b>179,611</b>	<b>98,988,807</b>

### A.1.3 Banking group - On- and off - Balance Sheet credit exposure with banks: gross and net values and past-due buckets

(€ '000)

EXPOSURE TYPES/AMOUNTS	GROSS EXPOSURE				PERFORMING ASSETS	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
	NON-PERFORMING ASSETS							
	PAST-DUE LESS THAN 90 DAYS	PAST-DUE BETWEEN 90 AND 180 DAYS	PAST-DUE BETWEEN 180 DAYS AND 1 YEAR	PAST-DUE OVER 1 YEAR				
<b>A. On-Balance Sheet exposure</b>								
a) Bad exposures	68,170	-	-	26,334	X	82,862	X	11,642
- of which: forborne exposures	17,112	-	-	-	X	8,251	X	8,861
b) Unlikely to pay	5,994	-	-	5,033	X	2,229	X	8,798
- of which: forborne exposures	-	-	-	-	X	-	X	-
c) Non-Performing past due	11	-	-	107	X	114	X	4
- of which: forborne exposures	-	-	-	-	X	-	X	-
d) Performing past-due	X	X	X	X	3,516	X	4	3,512
- of which: forborne exposures	X	X	X	X	-	X	-	-
e) Other performing exposures	X	X	X	X	101,940,180	X	52,197	101,887,983
- of which: forborne exposures	X	X	X	X	78,891	X	19	78,872
<b>Total A</b>	<b>74,175</b>	<b>-</b>	<b>-</b>	<b>31,474</b>	<b>101,943,696</b>	<b>85,205</b>	<b>52,201</b>	<b>101,911,939</b>
<b>B. Off-Balance Sheet exposure</b>								
a) Non-Performing	66,036	-	-	-	X	8	X	66,028
b) Performing	X	X	X	X	55,584,974	X	19,914	55,565,060
<b>Total B</b>	<b>66,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,584,974</b>	<b>8</b>	<b>19,914</b>	<b>55,631,088</b>
<b>Total (A+B)</b>	<b>140,211</b>	<b>-</b>	<b>-</b>	<b>31,474</b>	<b>157,528,670</b>	<b>85,213</b>	<b>72,115</b>	<b>157,543,027</b>

Pursuant to the instructions given by Bank of Italy in Circular 262 of December 22, 2005 (fourth amendment dated December 15, 2015), the off-balance sheet exposures do not include revocable loan commitments to disburse funds, which amount to €7,179,071 thousand.

## Part E – Information on risks and related risk management policies

**A.1.4 Banking Group - Balance-sheet credit exposures with banks: gross changes in Non performing exposures**

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2015		
	BAD EXPOSURES	UNLIKELY TO PAY	NON PERFORMING PAST-DUE
<b>A. Opening balance (gross amount)</b>	<b>143,789</b>	<b>12,604</b>	<b>7,820</b>
- of which sold but not derecognised	-	-	-
<b>B. Increases</b>	<b>20,171</b>	<b>8,824</b>	<b>373</b>
B.1 transfers from performing loans	-	-	6
B.2 transfers from other Non performing exposures	-	7,144	-
B.3 other increases	20,171	1,680	367
<b>C. Reductions</b>	<b>69,456</b>	<b>10,401</b>	<b>8,075</b>
C.1 transfers to performing loans	500	934	-
C.2 write-offs	25,945	-	-
C.3 recoveries	38,442	6,445	-
C.4 sales proceeds	1,591	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other Non performing exposures	-	-	7,144
C.7 other decreases	2,978	3,022	931
<b>D. Closing balance (gross amounts)</b>	<b>94,504</b>	<b>11,027</b>	<b>118</b>
- of which sold but not derecognised	-	-	-

**A.1.5 Banking group - Balance Sheet Non-Performing credit exposures with banks: change in overall impairments**

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2015		
	NON-PERFORMING LOANS	UNLIKELY TO PAY	NON PERFORMING PAST-DUE
<b>A. Opening balance (gross amount)</b>	<b>101,171</b>	<b>1,361</b>	<b>2,094</b>
- of which sold but not derecognised	-	-	-
<b>B. Increases</b>	<b>15,815</b>	<b>2,584</b>	<b>79</b>
B.1 writedowns	10,532	461	77
B.2 losses on disposal	-	-	-
B.3 Transfers from other Non performing exposure	-	2,050	-
B.4 Other increases	5,283	73	2
<b>C. Reductions</b>	<b>34,124</b>	<b>1,716</b>	<b>2,059</b>
C.1 write-backs from assessments	63	1,303	-
C.2 write-backs from recoveries	7,532	409	-
C.3 gains on disposal	-	-	-
C.4 Write-offs	25,945	-	-
C.5 Transfers to other Non performing exposures	-	-	2,050
C.6 Other decreases	584	4	9
<b>D. Closing balance (gross amounts)</b>	<b>82,862</b>	<b>2,229</b>	<b>114</b>
- of which sold but not derecognised	-	-	-

### A.1.6 Banking Group - On and off - Balance sheet credit exposure with customers: gross and net values and past-due buckets

(€ '000)

EXPOSURE TYPES/AMOUNTS	GROSS EXPOSURE				PERFORMING ASSETS	SPECIFIC WRITEDOWNS	PORTFOLIO ADJUSTMENTS	NET EXPOSURE
	NON-PERFORMING ASSETS							
	PAST DUE LESS THAN 90 DAYS	PAST-DUE BETWEEN 90 AND 180 DAYS	PAST-DUE BETWEEN 180 DAYS AND 1 YEAR	PAST-DUE OVER 1 YEAR				
<b>A. Balance Sheet exposure</b>								
<b>a) Bad exposures</b>	<b>3,766,579</b>	<b>317,783</b>	<b>880,106</b>	<b>48,189,029</b>	X	<b>32,402,651</b>	X	<b>20,750,846</b>
- of which: forbore exposures	2,189,606	123,911	283,422	2,003,936	X	2,106,968	X	2,493,907
<b>b) Unlikely to pay</b>	<b>5,553,916</b>	<b>952,682</b>	<b>2,102,155</b>	<b>18,242,937</b>	X	<b>9,190,666</b>	X	<b>17,661,024</b>
- of which: forbore exposures	3,228,182	420,960	781,223	7,239,152	X	3,820,493	X	7,849,024
<b>c) Non-performing past-due</b>	<b>185,240</b>	<b>934,515</b>	<b>780,724</b>	<b>953,779</b>	X	<b>757,445</b>	X	<b>2,096,813</b>
- of which: forbore exposures	66,930	109,905	100,120	105,254	X	78,319	X	303,890
<b>d) Performing past-due</b>	X	X	X	X	<b>10,303,862</b>	X	<b>312,544</b>	9,991,318
- of which: forbore exposures	X	X	X	X	1,590,972	X	85,888	1,505,084
<b>e) Other performing exposures</b>	X	X	X	X	<b>605,976,810</b>	X	<b>2,207,614</b>	603,769,196
- of which: forbore exposures	X	X	X	X	4,552,243	X	114,954	4,437,289
<b>TOTAL A</b>	<b>9,505,735</b>	<b>2,204,980</b>	<b>3,762,985</b>	<b>67,385,745</b>	<b>616,280,672</b>	<b>42,350,762</b>	<b>2,520,158</b>	654,269,197
<b>B. Off-balance sheet exposures</b>								
a) Non-performing	2,578,852				X	505,759	X	2,073,093
b) Performing	X	X	X	X	192,151,539	X	243,027	191,908,512
<b>TOTAL B</b>	<b>2,578,852</b>	-	-	-	<b>192,151,539</b>	<b>505,759</b>	<b>243,027</b>	<b>193,981,605</b>
<b>TOTAL (A+B)</b>	<b>12,084,587</b>	<b>2,204,980</b>	<b>3,762,985</b>	<b>67,385,745</b>	<b>808,432,211</b>	<b>42,856,521</b>	<b>2,763,185</b>	<b>848,250,802</b>

Pursuant to the instructions given by Bank of Italy in Circular 262 of December 22, 2005 (fourth amendment dated December 15, 2015), the off-balance sheet exposures do not include revocable commitments to disburse funds, which amount to €121,506,220 thousand. Balance sheet exposures refer to all the financial assets (held for trading, available for sale, held to maturity, loans&receivables, at fair value through profit or loss, disposal groups/held for sale).

The total amount of forbore exposures (net of those belonging to disposal groups/held for sale) is €22 billion (€15.9 billion non performing and €6.1 billion performing). These exposures refers for 50% to the Italian perimeter, while the remaining amount refer for 24% to Germany, to CEE countries for 15% and for the 11% to Austria and Poland. The geographic distribution is substantially unchanged for performing and non-performing exposures. For a description of the ongoing implementation activities for a better identification of forbore exposures, started in 2014 and continued in 2015, please refer to section E – Risks and Hedging Policies – Section 1 Credit Risk, Paragraph 2.5 (Non performing exposures).

## Part E – Information on risks and related risk management policies

**A.1.7 Banking group - Balance-sheet credit exposures with customers: gross changes in Non-Performing exposures**

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2015		
	BAD EXPOSURES	UNLIKELY TO PAY	NON - PERFORMING PAST DUE
<b>A. Opening balance (gross amount)</b>	<b>53,856,608</b>	<b>29,086,879</b>	<b>4,221,150</b>
- of which sold but not derecognised	6,927,190	276,629	83,909
<b>B. Increases</b>	<b>12,669,349</b>	<b>15,017,534</b>	<b>6,292,203</b>
B.1 transfers from performing exposures	1,727,104	5,288,719	5,582,693
B.2 transfers from other Non performing exposures	8,116,721	4,672,121	176,360
B.3 other increases	2,825,524	5,056,694	533,150
<b>C. Decreases</b>	<b>13,372,460</b>	<b>17,252,723</b>	<b>7,659,095</b>
C.1 Transfers to performing loans (including Performing past-due)	515,856	1,560,230	2,603,998
C.2 Write-offs	4,212,627	843,088	8,835
C.3 recoveries	2,597,001	5,951,713	152,601
C.4 sales proceeds	672,900	207,644	6,829
C.5 Losses on disposals	90,087	30,899	1,212
C.6 Transfers to other Non performing exposures	1,180,413	7,817,778	3,967,011
C.7 Other decreases	4,103,576	841,371	918,609
<b>D. Closing balance (gross amounts)</b>	<b>53,153,497</b>	<b>26,851,690</b>	<b>2,854,258</b>
- of which sold but not derecognised	655,367	586,080	112,983

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.

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 of €5,373 million at December 31, 2015, against which specific impairments have been made for €3,009 million, with a total coverage level of 56%.

**A.1.8 Banking group - Balance Sheet Non-Performing credit exposures with customers: changes in overall impairment**

(€ '000)

SOURCE/CATEGORIES	CHANGES IN 2015		
	BAD EXPOSURES	UNLIKELY TO PAY	NON-PERFORMING PAST DUE
<b>A. Opening balance (gross amount)</b>	<b>33,475,943</b>	<b>10,071,319</b>	<b>1,023,142</b>
- of which sold but not derecognised	5,528,056	46,428	15,606
<b>B. Increases</b>	<b>9,161,488</b>	<b>4,626,133</b>	<b>912,983</b>
B.1 writedowns	4,953,839	2,961,542	592,850
B.2 losses on disposal (+)	90,087	30,899	1,212
B.3 Transfers from other Non performing exposure	2,758,295	1,156,320	38,051
B.4 Other increases	1,359,267	477,372	280,870
<b>C. Reductions</b>	<b>10,234,780</b>	<b>5,506,786</b>	<b>1,178,680</b>
C.1 write-backs from assessments	1,111,201	597,119	66,129
C.2 write-backs from recoveries	1,403,344	901,237	151,239
C.3 gains on disposal (-)	61,856	19,390	102
C.4 Write-offs	4,212,627	843,088	8,835
C.5 Transfers to other Non performing exposures	547,554	2,670,215	734,897
C.6 Other decreases	2,898,198	475,737	217,478
<b>D. Closing balance (gross amounts)</b>	<b>32,402,651</b>	<b>9,190,666</b>	<b>757,445</b>
- of which sold but not derecognised	240,792	208,852	22,189

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 Classification of credit exposures based on internal and external ratings

### A.2.1 Banking group - Balance Sheet and off-Balance Sheet credit exposure by external rating classes

(€ '000)

EXPOSURES	AMOUNTS AS AT 12.31.2015							NO RATING	TOTAL
	EXTERNAL RATING CLASSES								
	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6			
<b>A. On-Balance Sheet exposures</b>	<b>89,715,554</b>	<b>69,493,775</b>	<b>134,232,502</b>	<b>44,965,080</b>	<b>9,668,122</b>	<b>42,203,050</b>	<b>368,650,951</b>	<b>758,929,034</b>	
<b>B. Derivative contracts</b>	<b>20,136,361</b>	<b>14,120,445</b>	<b>5,110,047</b>	<b>1,619,718</b>	<b>445,432</b>	<b>375,818</b>	<b>5,930,043</b>	<b>47,737,864</b>	
B.1 Financial derivative contracts	19,781,262	13,852,910	5,094,812	1,618,869	445,432	375,818	5,929,298	47,098,401	
B.2 Credit derivative contracts	355,099	267,535	15,235	849	-	-	745	639,463	
<b>C. Guarantees given</b>	<b>7,122,816</b>	<b>7,559,140</b>	<b>17,739,019</b>	<b>5,180,215</b>	<b>1,249,926</b>	<b>1,369,201</b>	<b>38,692,354</b>	<b>78,912,671</b>	
<b>D. Other commitments to disburse funds</b>	<b>9,928,094</b>	<b>18,150,351</b>	<b>17,938,136</b>	<b>7,769,586</b>	<b>2,776,857</b>	<b>996,789</b>	<b>62,942,468</b>	<b>120,502,281</b>	
<b>E. Other</b>	<b>5,873</b>	<b>21,828</b>	<b>2,029,498</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>401,174</b>	<b>2,459,877</b>	
<b>Total</b>	<b>126,908,698</b>	<b>109,345,539</b>	<b>177,049,202</b>	<b>59,536,103</b>	<b>14,140,337</b>	<b>44,944,858</b>	<b>476,616,990</b>	<b>1,008,541,727</b>	

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 (4th update dated December 15, 2015); 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 74,9% 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 64,2% of the portfolio, due to the fact that a considerable proportion of borrowers were private individuals or SMEs, which are not externally rated.

## Part E – Information on risks and related risk management policies

## A.2.2 Banking Group - Balance Sheet and off-Balance Sheet exposure by internal rating classes

(€ '000)

EXPOSURES	AMOUNTS AS AT 12.31.2015											
	INTERNAL RATING CLASSES									IMPAIRED EXPOSURES	NO RATING	TOTAL
	1	2	3	4	5	6	7	8	9			
A. On-Balance Sheet exposures	38,025,323	40,760,982	216,956,895	151,774,438	85,023,790	55,270,860	25,887,671	12,858,625	6,927,086	40,392,909	82,302,557	756,181,136
B. Derivative contracts	5,201,793	3,112,321	28,901,849	3,718,970	1,306,302	814,347	364,568	78,823	393,268	-	3,845,623	47,737,864
B.1 Financial derivative contracts	5,201,751	3,000,948	28,395,766	3,698,601	1,305,606	814,194	364,668	78,823	393,268	-	3,844,878	47,098,401
B.2 Credit derivative contracts	42	111,375	506,083	20,369	696	153	-	-	-	-	745	639,463
C. Guarantees given	116,844	2,281,842	25,375,440	20,927,207	7,079,894	5,653,003	2,034,500	865,064	594,171	1,219,936	12,854,680	78,912,671
D. Other commitments to disburse funds	210,633	10,627,318	39,385,652	24,097,680	10,186,878	5,207,263	1,886,768	807,679	242,042	919,167	26,931,281	120,802,281
E. Other	-	343	2,025,332	18,834	138	-	429	-	-	-	414,801	2,459,677
Total	43,854,993	56,782,906	312,646,166	206,537,129	103,597,002	66,945,473	30,173,936	14,610,081	8,066,567	42,632,032	126,348,842	1,005,793,829

Internal rating classes	PD range				
	1	2	3	4	5
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). 69,7% of internally-rated exposures were investment grade (classes 1 to 4), while exposures towards unrated counterparties were 14,3% 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 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 Bank Romania a.s., UniCredit Bank ZAO Russia and UniCredit Leasing GmbH and related subsidiaries UniCredit Leasing Finance GMBH, Structured Lease GMBH, UniCredit Leasing Aviation GMBH.

### A.3 Distribution of secured credit exposures by type of security

#### A.3.1 Banking group - Secured credit exposures with banks

(€ '000)

	AMOUNTS AS AT 12.31.2015														TOTAL (1)+(2)
	NET EXPOSURES	COLLATERAL (1)				CREDIT LINK NOTES	GUARANTEES (2)								
		PROPERTY		SECURITIES	OTHER ASSETS		CREDIT DERIVATIVES				SIGNATURE LOANS (LOANS GUARANTIES)				
		MORTGAGES	FINANCE LEASES				OTHER CREDIT DERIVATIVES				SIGNATURE LOANS (LOANS GUARANTIES)				
							GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	
<b>1. Secured On-Balance Sheet credit exposures:</b>															
1.1 totally secured	7,538,203	-	2,563	6,241,365	132,155	-	-	-	-	-	150,291	16,720	991,165	3,252	7,537,511
- of which impaired	6,527	-	-	-	-	-	-	-	-	-	3,269	-	6	3,252	6,527
1.2 partially secured	6,739,048	-	-	1,670,372	62,119	-	-	-	-	-	418,787	-	271,720	64,243	2,487,241
- of which impaired	3,077	-	-	-	-	-	-	-	-	-	2,794	-	-	-	2,794
<b>2. Secured Off-Balance Sheet credit exposures:</b>															
2.1 totally secured	1,477,893	-	-	985,258	129,747	-	-	-	-	-	-	-	132,115	230,773	1,477,893
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	5,437,922	74,016	-	930	79,497	-	-	-	-	-	17,766	-	329,902	36,932	539,043
- of which impaired	57,442	14,196	-	176	98	-	-	-	-	-	-	-	-	-	14,470

#### A.3.2 Banking group - Secured credit exposures with customers

(€ '000)

	AMOUNTS AS AT 12.31.2015														TOTAL (1)+(2)
	NET EXPOSURES	COLLATERAL (1)				CREDIT LINK NOTES	GUARANTEES (2)								
		PROPERTY		SECURITIES	OTHER ASSETS		CREDIT DERIVATIVES				SIGNATURE LOANS (LOANS GUARANTIES)				
		MORTGAGES	FINANCE LEASES				OTHER CREDIT DERIVATIVES				SIGNATURE LOANS (LOANS GUARANTIES)				
							GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC ENTITIES	BANKS	OTHER ENTITIES	
<b>1. Secured On-Balance Sheet credit exposures:</b>															
1.1 totally secured	216,435,786	125,648,938	18,459,704	30,038,952	12,403,869	-	-	-	11,090	-	2,667,674	839,749	4,888,319	19,962,324	214,920,619
- of which impaired	26,290,759	16,389,750	3,605,516	91,184	1,094,352	-	-	-	-	-	8,034	50,809	52,869	4,491,496	25,784,010
1.2 partially secured	111,685,088	34,422,942	-	3,886,553	8,597,380	-	-	-	5,112	-	6,447,510	1,291,411	2,019,888	2,897,914	59,568,710
- of which impaired	4,647,638	1,872,975	-	119,448	431,290	-	-	-	-	-	197,000	27,112	28,125	607,947	3,283,897
<b>2. Secured Off-Balance Sheet credit exposures:</b>															
2.1 totally secured	38,216,635	2,684,251	-	6,540,515	1,639,660	-	-	-	-	-	103,704	14,412	5,597,974	21,527,601	38,108,117
- of which impaired	824,203	377,214	-	2,611	33,651	-	-	-	-	-	43	971	67,679	283,148	765,317
2.2 partially secured	16,407,656	1,157,060	-	456,932	842,562	-	-	-	-	-	387,094	10,955	1,984,444	881,877	5,720,924
- of which impaired	271,022	13,546	-	13,559	25,546	-	-	-	-	-	18,930	1,537	16,122	3,179	92,419

In accordance with the instructions of Circular 262/2005 of the Bank of Italy, as of December 31, 2015, the value of the collateral cannot exceed the book value of the secured exposures; therefore, from this disclosure onwards, the lower of the loan at the book value and the value of the collateral is presented.

## Part E – Information on risks and related risk management policies

## B. Distribution and concentration of credit exposures

## B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures with customers (carrying 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	
<b>A. Cash exposures</b>										
A.1 Bad exposures	21,996	16,424	X	340,994	142,184	X	430,356	1,122,994	X	
- of which: forbome exposures	5	59	X	54	3,943	X	99,267	174,639	X	
A.2 Unlikely to pay	438	272	X	60,020	23,622	X	693,903	377,380	X	
- of which: forbome exposures	-	-	X	40,723	10,042	X	216,012	83,961	X	
A.3 Non-performing past-due	26,763	1,980	X	10,755	1,566	X	112,833	80,197	X	
- of which: forbome exposures	1,254	400	X	854	865	X	1,527	285	X	
A.4 Performing exposures	124,939,017	X	10,256	38,431,979	X	93,507	70,896,215	X	133,817	
- of which: forbome exposures	642	X	22	18,421	X	107	35,537	X	866	
<b>TOTAL A</b>	<b>124,988,214</b>	<b>18,676</b>	<b>10,256</b>	<b>38,843,748</b>	<b>167,372</b>	<b>93,507</b>	<b>72,133,307</b>	<b>1,580,571</b>	<b>133,817</b>	
<b>B. Off-Balance Sheet exposures</b>										
B.1 Bad exposures	-	-	X	18,769	-	X	48,556	26,531	X	
B.2. Unlikely to pay	1	-	X	6,759	-	X	56,203	4,586	X	
B.3 Other non-performing exposures	-	-	X	11	5	X	25	-	X	
B.4 Performing exposures	7,701,731	X	758	6,123,856	X	3,155	30,899,359	X	8,131	
<b>TOTAL B</b>	<b>7,701,732</b>	<b>-</b>	<b>758</b>	<b>6,149,395</b>	<b>5</b>	<b>3,155</b>	<b>31,004,143</b>	<b>31,117</b>	<b>8,131</b>	
<b>TOTAL (A+B)</b>	<b>12.31.2015</b>	<b>132,689,946</b>	<b>18,676</b>	<b>11,014</b>	<b>44,993,143</b>	<b>167,377</b>	<b>96,662</b>	<b>103,137,450</b>	<b>1,611,688</b>	<b>141,948</b>
<b>TOTAL (A+B)</b>	<b>12.31.2014</b>	<b>114,553,543</b>	<b>1,722</b>	<b>5,791</b>	<b>49,656,140</b>	<b>107,663</b>	<b>91,409</b>	<b>100,006,080</b>	<b>858,488</b>	<b>1,160,047</b>

Continued: B.1 Banking Group - Distribution by segment of On-Balance Sheet and Off-Balance Sheet credit exposures with 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	
<b>A. Cash exposures</b>										
A.1 Bad exposures	7,496	7,108	X	14,245,463	23,860,227	X	5,704,541	7,253,714	X	
- of which: forbome exposures	7,380	5,307	X	2,048,501	1,630,869	X	338,700	292,151	X	
A.2 Unlikely to pay	1,613	273	X	14,592,570	7,926,709	X	2,312,480	862,410	X	
- of which: forbome exposures	1,611	273	X	6,680,935	3,449,539	X	909,743	276,678	X	
A.3 Non-performing past-due	192	19	X	1,095,889	271,207	X	850,381	402,476	X	
- of which: forbome exposures	192	19	X	186,657	41,366	X	113,406	35,384	X	
A.4 Performing exposures	1,467,704	X	3,887	250,386,366	X	1,547,645	127,639,233	X	731,046	
- of which: forbome exposures	17,096	X	456	3,706,618	X	113,633	2,164,059	X	85,758	
<b>TOTAL A</b>	<b>1,477,005</b>	<b>7,400</b>	<b>3,887</b>	<b>280,320,288</b>	<b>32,058,143</b>	<b>1,547,645</b>	<b>136,506,635</b>	<b>8,518,600</b>	<b>731,046</b>	
<b>B. Off-Balance Sheet exposures</b>										
B.1 Bad exposures	129	24	X	356,291	169,972	X	7,599	6,149	X	
B.2. Unlikely to pay	-	-	X	1,327,438	168,199	X	61,260	70,954	X	
B.3 Other non-performing exposures	-	-	X	108,180	11,085	X	81,872	48,254	X	
B.4 Performing exposures	2,098,078	X	885	119,930,921	X	213,197	24,745,445	X	16,901	
<b>TOTAL B</b>	<b>2,098,207</b>	<b>24</b>	<b>885</b>	<b>121,722,830</b>	<b>349,256</b>	<b>213,197</b>	<b>24,896,176</b>	<b>125,357</b>	<b>16,901</b>	
<b>TOTAL (A+B)</b>	<b>12.31.2015</b>	<b>3,575,212</b>	<b>7,424</b>	<b>4,772</b>	<b>402,043,118</b>	<b>32,407,399</b>	<b>1,760,842</b>	<b>161,402,811</b>	<b>8,643,957</b>	<b>747,947</b>
<b>TOTAL (A+B)</b>	<b>12.31.2014</b>	<b>2,463,222</b>	<b>9,640</b>	<b>17,674</b>	<b>398,071,971</b>	<b>34,338,924</b>	<b>1,947,503</b>	<b>171,245,420</b>	<b>9,798,599</b>	<b>677,332</b>

**B.2 Banking group - Distribution of On-Balance Sheet and Off-Balance Sheet credit exposures with customers by geographic area (carrying value)**

(€ '000)

GEOGRAPHIC AREA/EXPOSURES	AMOUNT AS AT 12.31.2015									
	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
<b>A. Cash exposures</b>										
A.1 Bad exposures	16,072,639	24,560,699	4,149,483	7,160,339	58,206	54,416	129,551	43,215	340,967	583,982
A.2 Unlikely to pay	12,568,583	6,251,968	4,871,317	2,756,153	117,615	23,627	541	608	102,968	158,310
A.3 Non-performing past-due exposures	1,499,664	553,782	421,969	137,294	4,283	707	194	206	170,703	65,456
A.4 Performing exposures	257,068,141	1,051,246	319,903,464	1,326,092	6,746,667	25,069	3,716,363	22,037	26,325,879	95,714
<b>Total A</b>	<b>287,209,027</b>	<b>32,417,695</b>	<b>329,346,233</b>	<b>11,379,878</b>	<b>6,926,771</b>	<b>103,819</b>	<b>3,846,649</b>	<b>66,066</b>	<b>26,940,517</b>	<b>903,462</b>
<b>B. Off-Balance Sheet exposures</b>										
B.1 Bad exposures	221,382	45,956	197,781	155,914	1	-	12,180	806	-	-
B.2 Unlikely to pay	1,101,488	50,363	340,821	178,890	9,227	13,804	24	-	101	682
B.3 Other Non-Performing exposures	110,933	11,468	1,931	639	-	-	4	-	77,220	47,237
B.4 Performing exposures	52,206,738	131,450	107,485,345	100,259	12,909,460	4,927	960,462	416	17,937,385	5,975
<b>Total B</b>	<b>53,640,541</b>	<b>239,237</b>	<b>108,025,878</b>	<b>435,702</b>	<b>12,918,688</b>	<b>18,731</b>	<b>972,670</b>	<b>1,222</b>	<b>18,014,706</b>	<b>53,894</b>
<b>TOTAL A+B</b>										
<b>12.31.2015</b>	<b>340,849,568</b>	<b>32,656,932</b>	<b>437,372,111</b>	<b>11,815,580</b>	<b>19,845,459</b>	<b>122,550</b>	<b>4,819,319</b>	<b>67,288</b>	<b>44,955,223</b>	<b>957,356</b>
<b>TOTAL A+B</b>										
<b>12.31.2014</b>	<b>353,370,817</b>	<b>35,684,183</b>	<b>423,385,428</b>	<b>12,154,621</b>	<b>15,347,614</b>	<b>115,333</b>	<b>4,229,130</b>	<b>108,392</b>	<b>39,663,387</b>	<b>952,263</b>

## Part E – Information on risks and related risk management policies

**B.3 Banking Group - Distribution of On-Balance Sheet and Off-Balance Sheet credit exposures with banks by geographic area (carrying value)**

(€ '000)

EXPOSURES/GEOGRAPHIC AREA	AMOUNT AS AT 12.31.2015									
	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
<b>A. Cash exposures</b>										
A.1 Bad exposures	-	-	1,368	31,218	421	6,292	8,645	45,352	1,208	-
A.2 Unlikely to pay	-	7	5,657	314	-	-	3,118	1,908	23	-
A.3 Non-performing past-due	-	-	4	2	-	-	-	112	-	-
A.4 Performing exposures	18,680,693	5,180	72,460,321	40,852	4,191,180	3,457	2,110,065	1,795	4,449,236	917
<b>Total A</b>	<b>18,680,693</b>	<b>5,187</b>	<b>72,467,350</b>	<b>72,386</b>	<b>4,191,601</b>	<b>9,749</b>	<b>2,121,828</b>	<b>49,167</b>	<b>4,450,467</b>	<b>917</b>
<b>B. Off-Balance Sheet exposures</b>										
B.1 Bad exposures	-	-	20	8	-	-	-	-	-	-
B.2 Unlikely to pay	-	-	66,008	-	-	-	-	-	-	-
B.3 Other non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.4 Performing exposures	3,540,741	11,440	42,838,720	6,574	3,642,059	157	2,373,255	1,127	1,119,530	616
<b>Total B</b>	<b>3,540,741</b>	<b>11,440</b>	<b>42,904,748</b>	<b>6,582</b>	<b>3,642,059</b>	<b>157</b>	<b>2,373,255</b>	<b>1,127</b>	<b>1,119,530</b>	<b>616</b>
<b>TOTAL A+B</b>										
<b>12.31.2015</b>	<b>22,221,434</b>	<b>16,627</b>	<b>115,372,098</b>	<b>78,968</b>	<b>7,833,660</b>	<b>9,906</b>	<b>4,495,083</b>	<b>50,294</b>	<b>5,569,997</b>	<b>1,533</b>
<b>TOTAL A+B</b>										
<b>12.31.2014</b>	<b>17,557,809</b>	<b>5,191</b>	<b>99,841,085</b>	<b>617,793</b>	<b>10,117,542</b>	<b>8,836</b>	<b>4,264,652</b>	<b>46,361</b>	<b>7,133,305</b>	<b>1,497</b>

**B.4 Large exposures**

	12.31.2015
a) Amount book value (€ million)	214,676
b) Amount weighted value (€ million)	10,992
c) Number	9

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, both the amounts shown in letter a), b), and the number in the letter c) in the table above 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.

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 be readily used to create liquidity, by retaining the securities issued by the vehicle within the Group.

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 define the structure of the transaction. Once technical feasibility has been established, the transaction is realized.

Eventually it should be noted that "self-securitizations" are not included in the quantitative tables of Part C, as required by regulations.

## Part E – Information on risks and related risk management policies

**Developments of the period**

The Group makes limited use of this type of transactions. The amount of securitized loans<sup>8</sup>, net of the transactions in which the Group has acquired all the liabilities issued by the SPVs (the so-called self-securitizations), accounts for 3.58% of the Group's credit portfolio. Self-securitizations in turn account for 2.11% of the loan portfolio.

During 2015 the Group carried out seven traditional transactions (of which two self-securitizations) and nine synthetic transactions:

UniCredit S.p.A.		
-	Pillarstone Italy - Burgo	(traditional)
-	Pillarstone Italy - Comital	(traditional)
-	Pillarstone Italy - Lediberg	(traditional)
-	Pillarstone Italy - Rainbow	(traditional)
-	Gepafin	(synthetic)
-	ARTS Leonardo	(synthetic)
-	ARTS Midcap2	(synthetic)
-	ARTS Midcap3	(synthetic)
-	Bond Italia1 Investimenti	(synthetic)
-	Bond Italia1 Misto	(synthetic)
-	Bond Italia2 Investimenti	(synthetic)
-	Bond Italia2 Misto	(synthetic)
UniCredit Bank AG		
-	Geldilux-TS-2015	(traditional – self-securitization)
-	Rosenkavalier 2015	(traditional – self-securitization)
UniCredit Bank Austria AG		
-	Amadeus 2015	(synthetic)
UniCredit Leasing (Austria) GmbH		
-	Success 2015	(traditional)

Details are given in the tables published in the “Annexes”, which also describe transactions – traditional and synthetic – carried out in previous financial years.

It should also be noted that, again during 2015:

- repurchase call option clauses on the underlying receivables were exercised in the “Consumer One” and “Impresa One” transactions, both self-securitizations, with the acquisition by UniCredit S.p.A. of the related portfolios from the Special Purpose Vehicles;
- the mezzanine class C1 and C2 securities issued by the “Trevi Finance 3” securitisation were repaid in advance and, consequently, the securities issued by the “Entasi” re-securitization transaction were repaid in advance, leading to the closure of the latter;
- also as part of the “Trevi Finance 3” transaction, the special purpose vehicle sold to another securitization special purpose vehicle, not belonging to the UniCredit group and named “Tiberius SPV S.r.L.”, the bad loans which were included in its separate assets;
- a new securitization transaction called Consumer Three was launched concerning the sale of a portfolio of UniCredit S.p.A. receivables deriving from performing consumer loans, in warehousing as at December 31, 2015, pending the issuance of ABS securities by the Special Purpose Vehicle.

**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.

<sup>8</sup>We refer to loans sold, also synthetically, but not derecognized from balance sheet.

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).

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 is 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 and purchases commercial papers issued when required by market conditions.

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 affected by the difficult situation in 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 of 2009. Since then, this type of asset portfolio subject to reclassification has been managed with a view to gradually reduce its amount (i.e. de-risking/de-leveraging strategy without fire sale) 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 the beginning of 2012, in coherence with the described strategy, it was decided to invest in positions with adequate quality and profitability as far as possible in volatile markets. 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 regularly performs the evaluation of their market value.

In line with the above management principles, risk monitoring and maximizing profit on securitization transactions is achieved by regular credit review that includes:

- the analysis of the monthly or quarterly investor reports produced by the Trustee, paying special attention to the performance of the collateral;
- the monitoring of similar transactions' collateral performance and issues of similar paper;
- the observation of the market fundamentals of the underlying credit;
- 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 which 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 to estimate the possible effects of diversification and to aggregate the VaR with other sections of the portfolio.

## Part E – Information on risks and related risk management policies

## 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 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
<b>A. Totally derecognised</b>	-	-	47,530	2,239	305,746	-
A.1 CLO/CBO OTHERS	-	-	-	-	36,566	-
A.2 OTHERS	-	-	47,530	2,239	269,180	-
<b>B. Partially derecognised</b>	-	-	-	-	-	-
<b>C. Not-derecognised</b>	10,880,421	-10	533,979	-	2,211,122	-65,727
C.1 RMBS Prime	1,158,249	-	178,879	-	618,614	-14,617
C.2 CLO/SME	73,156	-7	-	-	14	-
C.3 CLO/CBO Others	9,500,286	-	181,994	-	107,255	-15,492
C.4 CONSUMER LOANS	-	-	-	-	522,462	-22,629
C.5 LEASES	148,730	-3	86,052	-	947,292	-12,988
C.6 OTHERS	-	-	87,054	-	15,487	-

Write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2015 only.

continued C.1 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	GUARANTEES GIVEN					
	Senior		Mezzanine		Junior	
	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
<b>A. Totally derecognised</b>	-	-	-	-	-	-
A.1 CLO/CBO OTHERS	-	-	-	-	-	-
A.2 OTHERS	-	-	-	-	-	-
<b>B. Partially derecognised</b>	-	-	-	-	-	-
<b>C. Not-derecognised</b>	529,348	-	-	-	-	-
C.1 RMBS Prime	225,348	-	-	-	-	-
C.2 CLO/SME	-	-	-	-	-	-
C.3 CLO/CBO Others	304,000	-	-	-	-	-
C.4 CONSUMER LOANS	-	-	-	-	-	-
C.5 LEASES	-	-	-	-	-	-
C.6 OTHERS	-	-	-	-	-	-

continued C.1 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	CREDIT FACILITIES					
	Senior		Mezzanine		Junior	
	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs	Net exposure	Write-downs / Write-backs
<b>A. Totally derecognised</b>	-	-	-	-	-	-
A.1 CLO/CBO OTHERS	-	-	-	-	-	-
A.2 OTHERS	-	-	-	-	-	-
<b>B. Partially derecognised</b>	-	-	-	-	-	-
<b>C. Not-derecognised</b>	13,709	-	-	-	-	-
C.1 RMBS Prime	-	-	-	-	-	-
C.2 CLO/SME	-	-	-	-	-	-
C.3 CLO/CBO Others	13,709	-	-	-	-	-
C.4 CONSUMER LOANS	-	-	-	-	-	-
C.5 LEASES	-	-	-	-	-	-
C.6 OTHERS	-	-	-	-	-	-

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 €3,910 million as at December 2015 from €3,877 million as at December 2014 was due to five new transactions called Pillarstone Italy – Burgo, Pillarstone Italy – Comital, Pillarstone Italy – Lediberg, Pillarstone Italy – Rainbow (for more details refer to caption “Other Information – Development of Group operations and other corporate transactions” of Consolidated Reports on Operations) and Amadeus 2015, partially offset by the changes in portfolio holdings.

Moreover, the increase in balance-sheet net exposures concerning synthetic transactions from €1,958 million in December 2014 to €9,715 million in December 2015 was due to nine new transactions called Gepafin, ARTS Leonardo, ARTS Midcap2, ARTS Midcap3, Bond Italia1 Investimenti, Bond Italia1 Misto, Bond Italia2 Investimenti, Bond Italia2 Misto e Amadeus 2015, in small part offset by the development of the remaining transactions.

**C.2 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	3,066,209	-	118,176	-	-	-
A.2. RMBS NON CONFORMING	93,584	-	137,715	-	-	-
A.3. RMBS US SUBPRIME	-	-	431	-	-	-
A.4. CMBS	221,548	2	80,594	-	-	-
A.5. CDO OF ABS	6,580	-	-	-	-	-
A.6. CDO - BALANCE SHEET	21,973	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	35,545	-	-	-	-	-
A.8. CDO OTHER	2,912	-	10	-	-	-
A.9. CLO SME	7,181	-	5,787	-1,116	-	-
A.10. CLO ARBITRAGE/BALANCE SHEET	4,563	-	69,159	-	-	-
A.11. CLO OTHER	754,333	-	276,180	-	43,503	-275
A.12. CONSUMER LOANS	1,402,958	-	9	-	-	-
A.13. STUDENT LOANS	49,590	-	3,039	-	-	-
A.14. LEASES	33,329	-	94	-	-	-
A.15. OTHER	37,967	-	9,107	-57	-	-
A.17. CONDUITS	626,838	-	-	-	54,425	-

(§) exposure of subsidiaries included in the scope of consolidation, but not belonging to the banking group.

Write-downs and write-backs, including depreciations and revaluations posted on the income statement or to reserves, refer to financial year 2015 only.

Part E – Information on risks and related risk management policies

continued C.2 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	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.2. RMBS NON CONFORMING	-	-	-	-	-	-
A.3. RMBS US SUBPRIME	-	-	-	-	-	-
A.4. CMBS	-	-	-	-	-	-
A.5. CDO OF ABS	-	-	-	-	-	-
A.6. CDO - BALANCE SHEET	-	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	-	-	-	-	-	-
A.8. CDO OTHER	-	-	-	-	-	-
A.9. CLO SME	-	-	-	-	-	-
A.10. CLO ARBITRAGE/BALANCE SHEET	-	-	-	-	-	-
A.11. CLO OTHER	-	-	-	-	-	-
A.12. CONSUMER LOANS	-	-	-	-	-	-
A.13. STUDENT LOANS	-	-	-	-	-	-
A.14. LEASES	-	-	-	-	-	-
A.15. OTHER	-	-	-	-	-	-
A.17. CONDUITS	-	-	-	-	-	-

continued C.2 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	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.2. RMBS NON CONFORMING	-	-	-	-	-	-
A.3. RMBS US SUBPRIME	-	-	-	-	-	-
A.4. CMBS	-	-	-	-	-	-
A.5. CDO OF ABS	-	-	-	-	-	-
A.6. CDO - BALANCE SHEET	-	-	-	-	-	-
A.7. CDO - PREFERRED STOCK	-	-	-	-	-	-
A.8. CDO OTHER	-	-	-	-	-	-
A.9. CLO SME	-	-	-	-	-	-
A.10. CLO ARBITRAGE/BALANCE SHEET	-	-	-	-	-	-
A.11. CLO OTHER	-	-	-	-	-	-
A.12. CONSUMER LOANS	369,601	-	-	-	-	-
A.13. STUDENT LOANS	-	-	-	-	-	-
A.14. LEASES	-	-	-	-	-	-
A.15. OTHER	-	-	-	-	-	-
A.17. CONDUITS	3,101,869	-	13,778	-	184	-

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 €2,931 million (2,476 million as of 31 December 2014), broken down into asset backed commercial paper for 627 million and undrawn credit lines for 2,304 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.4 Securitization transactions that shows the exposure of the Group toward these SPVs

With reference to sponsor exposures the following table provides information about exposures held toward conduits in which the Group acts as sponsor.

<b>Exposures sponsored by the Group</b>	
	<b>Amounts as at</b>
	<b>12/31/2015</b>
<b>Asset Backed Commercial Paper</b>	<b>626,838</b>
- Arabella Finance Ltd	626,838
- Elektra Purchase No. 17 S.A. - Compartment 2	-
- Elektra Purchase No. 28 Ltd	-
- Elektra Purchase No. 31 Ltd	-
- Elektra Purchase No. 32 Ltd - Compartment 1	-
- Elektra Purchase No. 33 Ltd	-
- Elektra Purchase No. 34 Ltd	-
- Elektra Purchase No. 35 Ltd	-
- Elektra Purchase No. 36 Ltd	-
- Elektra Purchase No. 37 Ltd	-
- Elektra Purchase No. 38 Ltd	-
- Elektra Purchase No. 40 Ltd	-
- Elektra Purchase No. 41 Designated Activity Company	-
- Elektra Purchase No. 911 Ltd	-
<b>Credit facilities</b>	<b>2,304,290</b>
- Arabella Finance Ltd	143,487
- Elektra Purchase No. 17 S.A. - Compartment 2 <sup>(1)</sup>	71,400
- Elektra Purchase No. 28 Ltd	180,667
- Elektra Purchase No. 31 Ltd	93,690
- Elektra Purchase No. 32 Ltd - Compartment 1	204,000
- Elektra Purchase No. 33 Ltd	154,588
- Elektra Purchase No. 34 Ltd	127,500
- Elektra Purchase No. 35 Ltd	234,600
- Elektra Purchase No. 36 Ltd	306,000
- Elektra Purchase No. 37 Ltd	70,788
- Elektra Purchase No. 38 Ltd	73,440
- Elektra Purchase No. 40 Ltd	255,000
- Elektra Purchase No. 41 Designated Activity Company	32,130
- Elektra Purchase No. 911 Ltd	357,000

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.

<b>Exposures toward other consolidated SPV</b>	
	<b>Amounts as at</b>
	<b>12/31/2015</b>
<b>Balance sheet exposures</b>	<b>12,898</b>
- Grand Central Funding Corp	92
- Pure Funding No. 10 Ltd	12,806
<b>Credit facilities</b>	<b>16,152</b>
- Grand Central Funding Corp	13,962
- Pure Funding No. 10 Ltd	2,190

Part E – Information on risks and related risk management policies

C.3 SPVs for securitizations

Name of securitization/SPVs	Country of Incorporation	Consolidation	Assets			Liabilities		
			Loans and Receivables	Debt securities	Others	Senior	Mezzanine	Junior
ARABELLA FINANCE LTD.	2nd Floor, 11/12 Warrington, Dublin 2	Yes	2,408,672	-	-	2,404,147	-	-
Capital Mortgage S.r.l. - 2007	Piazzetta Monte 1 - 37121 Verona	Yes	1,010,786	-	223,227	974,655	74,019	67,419
CONSUMER TWO SRL	Piazzetta Monte 1 - 37121 Verona	Yes	887,832	-	122,611	479,152	-	485,613
Cordusio RMBS S.r.l.	Piazzetta Monte 1 - 37121 Verona	Yes	311,362	-	194,628	295,910	171,200	8,890
Cordusio RMBS Securitisation S.r.l. - Serie 2006	Piazzetta Monte 1 - 37121 Verona	Yes	524,569	-	187,605	520,708	141,700	10,683
Cordusio RMBS Securitisation S.r.l. - Serie 2007	Piazzetta Monte 1 - 37121 Verona	Yes	1,383,376	-	263,094	1,274,680	236,400	2,272
Cordusio RMBS - UCFin S.r.l.	Piazzetta Monte 1 - 37121 Verona	Yes	764,700	-	187,463	682,586	148,000	14,800
ELEKTRA PURCHASE NO. 17 S.A. RE COMPARTMENT 2	52-54 avenue du X Septembre, L-2550 Luxembourg	Yes	70,083	-	-	70,073	-	-
ELEKTRA PURCHASE NO.28 LIMITED	11-12 Warrington Place, Dublin 2.	Yes	177,155	-	-	177,125	-	-
Elektra Purchase No. 31 Limited	2ND FLOOR, 11-12 WARRINGTON PL, Dublin 2, Ireland	Yes	64,900	-	-	64,883	-	-
Elektra Purchase No. 32 S.A. - Compartment 1	52-54 Avenue du X Septembre, L-2550 Luxembourg	Yes	193,676	-	-	193,574	-	-
Elektra Purchase No. 33 Limited	2nd Floor, 11-12 Warrington Place, Dublin 2 - Ireland	Yes	133,300	-	-	133,285	-	-
Elektra Purchase No.34 Limited	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin	Yes	61,786	-	-	61,750	-	-
Elektra Purchase No. 35 Limited	2nd Floor, 11-12 Warrington Place, Dublin 2 - Ireland	Yes	229,690	-	-	229,688	-	-
Elektra Purchase No. 36 Limited	2nd Floor, 11-12 Warrington Place, Dublin 2 - Ireland	Yes	300,016	-	-	300,000	-	-
Elektra Purchase No. 37 Limited	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin	Yes	67,603	-	-	67,496	-	-
Elektra Purchase No. 38 Limited	11-12 Warrington Place, Dublin 2	Yes	39,609	-	-	39,539	-	-
Elektra Purchase No.40 Limited	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin	Yes	76,981	-	-	76,965	-	-
Elektra Purchase No. 41 DAC	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2.	Yes	11,608	-	-	11,608	-	-
Elektra Purchase No. 911 Ltd	OGIER HOUSE, ST. HELIER.	Yes	350,156	-	-	350,000	-	-
F-E Gold S.r.l.	Via Generale Gustavo Fara 26 - 20124 Milano	Yes	127,544	-	25,291	67,998	23,388	58,236
F-E Mortgages S.r.l. - 2003	Piazzetta Monte 1 - 37121 Verona	Yes	175,772	-	27,771	97,769	59,025	7,633
F-E Mortgages S.r.l. - 2005	Piazzetta Monte 1 - 37121 Verona	Yes	278,633	-	16,830	165,399	36,675	32,325
Gelollux TS 2013 S.A.	11, rue Pierre d'Aspett, 1142 Luxembourg	Yes	870,166	-	91	750,301	88,428	12,813
GRAND CENTRAL FUNDING CORPORATION	48 WALL STREET, NEW YORK, NY 10005.	Yes	3,992	-	11,530	12,260	-	-
Heliconus S.r.l	Piazzetta Monte 1 - 37121 Verona	Yes	87,934	-	13,688	46,835	30,840	8,980
LARGE CORPORATE ONE SRL	Piazzetta Monte 1 - 37121 Verona	Yes	199,947	-	85,750	252,612	-	32,254
Locat SV S.r.l. - Serie 2005	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	150,397	-	4,944	-	47,787	10,301
Locat SV S.r.l. - Serie 2006	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	282,808	-	18,328	-	185,912	17,622
Locat SV S.r.l. - Serie 2014	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	1,209,937	-	111,348	715,000	-	585,000
New stone Mortgage Securities No.1 PLC	Fifth Floor, 100 Wood Street, London EC2V 7EX - United Kingdom	Yes	270,398	-	8,478	225,512	-	52,055
Pure Funding No. 10 Limited	11-12 Warrington Place, Dublin 2, Ireland	Yes	12,864	-	-	12,810	-	-
Success 2015 B.V.	Barbara Strozziilaan 101, 1083HN Amsterdam	Yes	338,341	-	14	230,900	-	94,400
Trevi Finance N.3 S.r.l.	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)	Yes	-	241,434	52,738	204,219	-	448,166

continued - C.3 SPVs for securitizations

Name of securitization/SPVs	Country of Incorporation	Consolidation	Assets			Liabilities		
			Loans and Receivables	Debt securities	Others	Senior	Mezzanine	Junior
ACCESS GROUP INC.	3701 Commercial Drive, Wilmington/Del, 60062 - United States	No	70,079	-	3,954	64,844	-	5,990
ARCOBALENO FINANCE SRL	Foro Buonaparte,70 - 20121 Milano	No	107,316	-	7,091	58,658	-	54,700
AUGUSTO SRL	Via Pontaccio, 10 - 20121 Milano	No	1,356	-	2,161	14,103	-	-
BLUESTONE SECURITIES PLC - 2006-1	5th Floor, 100 Wood Street, London EC2V 7EX	No	65,337	-	-	40,216	21,654	3,467
BLUESTONE SECURITIES PLC - 2007-1	5th Floor, 100 Wood Street, London EC2V 7EX	No	209,393	-	-	136,033	63,250	10,110
Caesar Finance S.A.	4 Rue Henry M. Schnadt - 2530 Luxembourg	No	-	36,259	-	-	-	49,275
Carrera Finance S.A. - Compartments 1 and 2	52-54, avenue du X Septembre, L-2550 Luxembourg	No	365,841	-	-	350,000	-	15,841
CHAPEL 2003-1BV	FREDERIK ROESKESTRAAT 123, 1076 EE AMSTERDAM NETHERLANDS	No	231,939	-	20,944	163,182	69,000	20,700
COLOMBO SRL	Via Pontaccio, 10 - 20121 Milano	No	23,389	-	7,280	-	7,189	19,722
CREDIARC SPV S.r.l.	Foro Buonaparte,70 - 20121 Milano	No	93,355	-	13,560	81,200	-	26,411
DANUBIO S.r.l.	Largo Angelo Focchetti, 30 Roma	No	42,617	-	-	26,691	-	19,759
DUKE FUNDING LTD	c/o Maples Finance Ltd, PO Box 1093GT, Queensgate House, South Church Street, Grand Cayman	No	-	3,552	1,344,162	1,146,027	183,687	18,000
DUKE FUNDING V/LTD	c/o Maples Finance Ltd, PO Box 1093GT, Queensgate House, South Church Street, Grand Cayman	No	-	86,480	1,398,577	1,236,160	230,898	18,000
Elektra Purchase No. 3 Limited	OGIER HOUSE, THE ESPLANADE, ST. HELIER, JE4 9WG	No	178,333	-	-	64,200	-	114,133
Elektra Purchase No. 8 Limited	OGIER HOUSE, THE ESPLANADE, ST. HELIER, JE4 9WG	No	135,211	-	-	120,000	-	15,211
Elektra Purchase 17 S.A. RE COMPARTMENT 14	52-54 avenue du X Septembre, L-2550 Luxembourg	No	25,455	-	-	22,400	-	3,055
Elektra Purchase No. 17 S.A. (Re Compartment 18)	52-54 avenue du X Septembre, L-2550 Luxembourg	No	59,155	-	-	51,500	-	7,655
ELEKTRA PURCHASE NO 25 LIMITED	2nd Floor, 11-12 Warrington Place, Dublin 2 - Ireland	No	95,725	-	-	63,600	-	32,125
Elektra Purchase No 29 Limited	2nd Floor, 11-12 Warrington Place, Dublin 2 - Ireland	No	390,623	-	-	309,100	-	81,523
EUROMAX	5 Harbourmaster Place, IFSC, Dublin 1 - Ireland	No	-	161,120	9,570	78,690	72,000	20,000
GRIFONAS FINANCE PLC	c/o Wilmington Trust SP Svcs (London) Ltd, Lvl 11, Tr42, IFC, 25 Old Broad St, London EC2N 1HQ	No	541,372	-	-	489,072	23,800	28,500
HARRIER FINANCE LTD	PO Box 309GT, Ugland House, George Town, Grand Cayman	No	-	1,202,534	-	988,000	-	-
HOUSE OF EUROPE FUNDING	5 Harbourmaster Place, IFSC, Dublin 1 - Ireland	No	-	292,746	45,415	122,461	215,700	-
LANSLOWNE MORTGAGE SECURITIES 2 PLC	Unit 5, Manor Street Business Park, Manor Street, Dublin 7 - Ireland	No	195,491	-	2	148,243	27,550	19,700
MESDAG BV	FREDERIK ROESKESTRAAT 123, 1076 EE AMSTERDAM - NETHERLANDS	No	604,360	-	-	376,420	-	24,720
Perpetual Trustee Company Ltd, Trustee Comp Ltd, to Trilogy Asset Sec Trust S.1	Level 12, 123 Pitt St NSW 2000, Sydney	No	634	-	48	683	-	-
Pillarstone Italy SPV S.r.l. - Burgo	Via Pietro Mascagni, 14 - 20122 Milano	No	193,395	-	4,323	6,959	132,225	27,078
Pillarstone Italy SPV S.r.l. - Corral	Via Pietro Mascagni, 14 - 20122 Milano	No	45,579	-	5,927	1,175	22,330	24,465
Pillarstone Italy SPV S.r.l. - Ledberg	Via Pietro Mascagni, 14 - 20122 Milano	No	52,423	-	1,075	419	7,968	44,035
Pillarstone Italy SPV S.r.l. - Rainbow	Via Pietro Mascagni, 14 - 20122 Milano	No	74,454	-	1,514	890	16,921	56,405
RENOR CDO BV	Fred. Roeskestraat 123 1HG, 1076EE Amsterdam	No	-	99,466	-	45,028	30,775	15,400
Student Loan Asset Funding Inc	c/o Corporation Services Co., 2711 Centerville Road, Wilmington, Delaware, 19808 - United States	No	150,104	-	485	150,268	-	322

C.4 Banking Group – Non consolidated Securitization Vehicles

As mentioned before in the context of securitization transactions the Group may operate as investor, sponsor and originator.

The following table provides indication on assets and liabilities recognized in the balance sheet of the Group toward non-consolidated securitization vehicles and broken down by role of the Group.

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 and reported in column “difference between maximum exposure to loss and accounting value”.

Exposures to Securitization SPVs not subject to consolidation								(€ '000)
Balance sheet item/SPV Type	Amounts as at 12.31.2015							
	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 (Investor)		6,529,610		94,307	6,435,303	6,829,968	394,665	
	HFT	138,674	Deposits	92,972				
	FVO	18,438	Securities	-				
	AFS	83,547	HFT	1,335				
	HTM	93,783	FVO	-				
	LAR	6,195,168		-				
Commercial Paper Conduits (Sponsor)		-		37,815	-37,815	732,510	770,325	
	HFT	-	Deposits	37,815				
	FVO	-	Securities	-				
	AFS	-	HFT	-				
	HTM	-	FVO	-				
	LAR	-		-				
Own securitizations (Originator)		151,017		28,155	122,862	122,862	-	
	HFT	-	Deposits	28,155				
	FVO	-	Securities	-				
	AFS	-	HFT	-				
	HTM	-	FVO	-				
	LAR	151,017		-				
<b>Total</b>		<b>6,680,627</b>		<b>160,277</b>	<b>6,520,350</b>	<b>7,685,340</b>	<b>1,164,990</b>	

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, € 6,462,191 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 88% of these instruments are rated A or better and over 51% of the portfolio is triple-A rated while at December 31, 2014 over 79% of these exposures were rated A and over 39% of the portfolio was rated triple-A.

Over 91% of the exposure was toward countries belonging to European Union.

Exposure to Greece, Ireland, Portugal and Spain accounted for 15.74%, most of which concerns exposures to Spanish underlying assets (12.21%).

Structured credit product exposures broken down by rating class										
Exposure type	AAA	AA	A	BBB	BB	B	CCC	CC	C	NR
RMBS	38.22%	35.51%	13.11%	10.24%	2.24%	0.25%	0.43%	0.00%	0.00%	0.00%
CMBS	34.06%	5.80%	22.81%	21.16%	12.56%	2.70%	0.91%	0.00%	0.00%	0.00%
CDO	0.00%	0.00%	74.50%	21.14%	0.01%	0.00%	4.35%	0.00%	0.00%	0.00%
CLO/CBO	79.46%	14.87%	5.09%	0.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other ABS	67.97%	19.21%	4.30%	1.75%	0.31%	0.11%	0.00%	0.00%	0.00%	6.35%
<b>Total</b>	<b>51.87%</b>	<b>26.27%</b>	<b>10.68%</b>	<b>7.15%</b>	<b>1.85%</b>	<b>0.29%</b>	<b>0.32%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.57%</b>

## Part E – Information on risks and related risk management policies

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	22.22%	77.02%	0.00%	0.00%	0.06%	0.70%
CMBS	8.99%	61.62%	0.00%	0.00%	29.39%	0.00%
CDO	0.00%	14.18%	0.00%	0.00%	53.04%	32.79%
CLO/CBO	0.00%	65.11%	0.00%	0.00%	34.89%	0.00%
Other ABS	17.74%	81.77%	0.00%	0.00%	0.50%	0.00%
<b>Total</b>	<b>16.56%</b>	<b>74.85%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7.88%</b>	<b>0.71%</b>

The following table summarizes exposure to US Subprime and Alt-A mortgages, which was €1,898 thousand at December 31, 2014, i.e. a reduction from both December 31, 2014 when this figure was €3,701 thousand.

US Subprime and Alt-A exposures (€ '000)			
Underlying / exposure type	Amounts as at 12.31.2015		
	CDO of ABS	RMBS	Total
US Alt-A	-	1,467	1,467
US Subprime	-	431	431
<b>Total</b>	<b>-</b>	<b>1,898</b>	<b>1,898</b>

Instruments with US subprime underlying have a coverage ratio of 97.9%.

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
US Alt-A	58.69%	41.31%
US Subprime	100.00%	0.00%
<b>Total</b>	<b>68.07%</b>	<b>31.93%</b>

Exposures toward Commercial Paper Conduit comprise non revocable credit line provided to the purchase companies that acquires the receivables from the originators external to the Group. 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 Pillarstone Italy and Caesar finance.

These SPV are not consolidated as the conditions required by IFRS 10 are not fulfilled. For Pillarstone Italy, the securitized loans have not been derecognized from the balance sheet of the originator in the absence of the conditions requested by IAS 39. For further information on these securitizations please refer to the tables published in the "Annexes".

During the period the Group has not provided financial 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.

C.5 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)					
		Impaired	Performing	Impaired	Performing	Senior		Mezzanine		Junior	
						Impaired assets	Performing assets	Impaired assets	Performing assets	Impaired assets	Performing assets
UniCredit Bank AG / UniCredit Luxembourg S.A.	Geldlux-TS 2013 S.A.	400	852,082	-	6,754,482 (*)	-	1.24%	-	-	-	-
UniCredit Bank AG / Redstone	New stone	5,997	192,462	1,356	25,651	-	-	-	-	-	-
UniCredit Leasing (Austria) GmbH	SUCCESS 2015 B.V.	-	325,300	-	-	-	-	-	-	-	-
UniCredit Leasing S.p.A.	F-E Gold S.r.L.	46,242	81,301	1,555	36,791	-	92.86%	-	64.69%	-	-
	Locat SV S.r.L. - SERIE 2005	75,464	74,933	8,614	32,566	-	100.00%	-	75.24%	-	-
	Locat SV S.r.L. - SERIE 2006	85,750	197,058	19,424	95,235	-	100.00%	-	13.93%	-	-
	LSV 8 - Serie 2014	14,634	1,195,303	2,440	603,474	-	-	-	-	-	-
UniCredit S.p.A.	Capital Mortgage S.r.L.	149,090	861,697	5,331	118,470	-	66.63%	-	-	-	-
	Consumer Two S.r.L.	14,208	873,624	318	577,007	-	41.64%	-	-	-	-
	Cordusio RMBS S.r.L.	20,596	290,795	2,478	108,220	-	95.78%	-	-	-	-
	Cordusio RMBS Securitisation S.r.L.	32,735	491,834	3,322	115,600	-	85.39%	-	-	-	-
	Cordusio RMBS UCFin S.r.L.	88,065	676,635	3,911	108,076	-	77.67%	-	-	-	-
	F-E Mortgage S.r.L.	20,307	155,465	1,965	21,942	-	82.06%	-	-	-	-
	Heliconus S.r.L.	7,557	80,377	586	11,937	-	90.08%	-	-	-	-
	Large Corporate S.r.L.	-	199,947	-	203,632	-	-	-	-	-	-
	Trevi Finance n. 3 s.p.A.	-	331,063	52,834	-	100.00%	-	100.00%	-	-	-
	Ertasi S.r.L.	-	-	-	1,014,191	-	100.00%	-	-	-	-

(\*) replenishing of short term portfolio (3-6 months)

## Part E – Information on risks and related risk management policies

**C.6 Banking Group – Consolidated Securitization Vehicles**

Special Purpose Vehicle	ARABELLA FINANCE LTD.
Country of incorporation	2nd Floor, 11/12 Warrington, Dublin 2
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>2,408,673</b>
A.1 Loans	2,408,673
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>2,408,673</b>
<b>E. Bond issued</b>	<b>2,404,147</b>
E.1 Senior	2,404,147
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>4,526</b>
G.1 Derivatives	2,441
G.2 Due to originator	-
G.3 Other liabilities	2,085
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>2,408,673</b>
<b>H. Interest expense</b>	<b>5,933</b>
H.1 Interest expense on bond issued	5,110
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	823
<b>I. Commissions and fees related to the transaction</b>	<b>12,600</b>
I.1 for servicing	12,600
I.2 for other services	-
<b>J. Other charges</b>	<b>1,997</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	1,997
<b>TOTAL COSTS (H+I+J)</b>	<b>20,530</b>
<b>K. Interest generated by securitised assets</b>	<b>3,109</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>16,630</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	16,630
<b>TOTAL REVENUES (K+L+M)</b>	<b>19,739</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-791</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Capital Mortgage S.r.l.
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>1,010,786</b>
A.1 Loans	1,010,786
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	<b>207,365</b>
C.1 Loans (including bank current account)	207,365
C.2 Bonds	-
<b>D. Other assets</b>	<b>15,862</b>
D.1 Derivatives	-
D.2 Other assets	15,862
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>1,234,013</b>
<b>E. Bond issued</b>	<b>894,233</b>
E.1 Senior	794,358
E.2 Mezzanine	74,019
E.3 Junior	25,856
<b>F. Loans received</b>	<b>221,860</b>
F.1 Senior	180,297
F.2 Mezzanine	-
F.3 Junior	41,563
<b>G. Other liabilities</b>	<b>117,920</b>
G.1 Derivatives	848
G.2 Due to originator	116,764
G.3 Other liabilities	308
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>1,234,013</b>
<b>H. Interest expense</b>	<b>8,836</b>
H.1 Interest expense on bond issued	2,035
H.2 Interest expense on loans received	486
H.3 Interest expense on derivatives	6,315
<b>I. Commissions and fees related to the transaction</b>	<b>1,112</b>
I.1 for servicing	560
I.2 for other services	552
<b>J. Other charges</b>	<b>9,737</b>
J.1 Additional positive returns for exposure junior	2,394
J.2. Other costs	7,343
<b>TOTAL COSTS (H+I+J)</b>	<b>19,685</b>
<b>K. Interest generated by securitised assets</b>	<b>19,367</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>317</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	317
<b>TOTAL REVENUES (K+L+M)</b>	<b>19,684</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	CONSUMER TWO SRL
Country of incorporation	Plazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>887,832</b>
A.1 Loans	887,832
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>113,821</b>
C.1 Loans (including bank current account)	113,821
C.2 Bonds	-
<b>D. Other assets</b>	<b>8,790</b>
D.1 Derivatives	-
D.2 Other assets	8,790
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>1,010,443</b>
<b>E. Bond issued</b>	<b>925,742</b>
E.1 Senior	432,129
E.2 Mezzanine	-
E.3 Junior	493,613
<b>F. Loans received</b>	<b>47,023</b>
F.1 Senior	47,023
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>37,678</b>
G.1 Derivatives	8,753
G.2 Due to originator	28,687
G.3 Other liabilities	238
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>1,010,443</b>
<b>H. Interest expense</b>	<b>40,766</b>
H.1 Interest expense on bond issued	33,816
H.2 Interest expense on loans received	1,459
H.3 Interest expense on derivatives	5,491
<b>I. Commissions and fees related to the transaction</b>	<b>2,785</b>
I.1 for servicing	2,108
I.2 for other services	677
<b>J. Other charges</b>	<b>62,401</b>
J.1 Additional positive returns for exposure junior	39,770
J.2. Other costs	22,631
<b>TOTAL COSTS (H+I+J)</b>	<b>105,952</b>
<b>K. Interest generated by securitised assets</b>	<b>103,931</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>2,023</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	2,023
<b>TOTAL REVENUES (K+L+M)</b>	<b>105,954</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Cordusio RMBS S.r.l.
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>311,362</b>
A.1 Loans	311,362
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>181,253</b>
C.1 Loans (including bank current account)	181,253
C.2 Bonds	-
<b>D. Other assets</b>	<b>13,375</b>
D.1 Derivatives	-
D.2 Other assets	13,375
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>505,990</b>
<b>E. Bond issued</b>	<b>298,705</b>
E.1 Senior	118,615
E.2 Mezzanine	171,200
E.3 Junior	8,890
<b>F. Loans received</b>	<b>177,295</b>
F.1 Senior	177,295
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>29,990</b>
G.1 Derivatives	6,903
G.2 Due to originator	5,219
G.3 Other liabilities	17,868
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>505,990</b>
<b>H. Interest expense</b>	<b>6,524</b>
H.1 Interest expense on bond issued	1,564
H.2 Interest expense on loans received	446
H.3 Interest expense on derivatives	4,514
<b>I. Commissions and fees related to the transaction</b>	<b>2,382</b>
I.1 for servicing	1,851
I.2 for other services	531
<b>J. Other charges</b>	<b>2,614</b>
J.1 Additional positive returns for exposure junior	1,652
J.2. Other costs	962
<b>TOTAL COSTS (H+I+J)</b>	<b>11,520</b>
<b>K. Interest generated by securitised assets</b>	<b>11,324</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>195</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	195
<b>TOTAL REVENUES (K+L+M)</b>	<b>11,519</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Cordusio RMBS Securitisation S.r.l. - Serie 2006
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>524,569</b>
A.1 Loans	524,569
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>175,114</b>
C.1 Loans (including bank current account)	175,114
C.2 Bonds	-
<b>D. Other assets</b>	<b>12,491</b>
D.1 Derivatives	-
D.2 Other assets	12,491
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>712,174</b>
<b>E. Bond issued</b>	<b>501,862</b>
E.1 Senior	349,479
E.2 Mezzanine	141,700
E.3 Junior	10,683
<b>F. Loans received</b>	<b>171,229</b>
F.1 Senior	171,229
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>39,083</b>
G.1 Derivatives	5,282
G.2 Due to originator	17,193
G.3 Other liabilities	16,608
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>712,174</b>
<b>H. Interest expense</b>	<b>6,130</b>
H.1 Interest expense on bond issued	2,156
H.2 Interest expense on loans received	431
H.3 Interest expense on derivatives	3,543
<b>I. Commissions and fees related to the transaction</b>	<b>2,463</b>
I.1 for servicing	1,959
I.2 for other services	504
<b>J. Other charges</b>	<b>2,714</b>
J.1 Additional positive returns for exposure junior	1,598
J.2. Other costs	1,116
<b>TOTAL COSTS (H+I+J)</b>	<b>11,307</b>
<b>K. Interest generated by securitised assets</b>	<b>11,067</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>239</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	239
<b>TOTAL REVENUES (K+L+M)</b>	<b>11,306</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Cordusio RMBS Securitisation S.r.l. - Serie 2007
Country of incorporation	Plazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>1,383,376</b>
A.1 Loans	1,383,376
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>242,993</b>
C.1 Loans (including bank current account)	242,993
C.2 Bonds	-
<b>D. Other assets</b>	<b>20,101</b>
D.1 Derivatives	-
D.2 Other assets	20,101
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>1,646,470</b>
<b>E. Bond issued</b>	<b>1,275,646</b>
E.1 Senior	1,036,974
E.2 Mezzanine	236,400
E.3 Junior	2,272
<b>F. Loans received</b>	<b>237,707</b>
F.1 Senior	237,707
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>133,117</b>
G.1 Derivatives	9,835
G.2 Due to originator	101,298
G.3 Other liabilities	21,984
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>1,646,470</b>
<b>H. Interest expense</b>	<b>11,587</b>
H.1 Interest expense on bond issued	5,070
H.2 Interest expense on loans received	598
H.3 Interest expense on derivatives	5,919
<b>I. Commissions and fees related to the transaction</b>	<b>3,347</b>
I.1 for servicing	2,650
I.2 for other services	697
<b>J. Other charges</b>	<b>10,050</b>
J.1 Additional positive returns for exposure junior	3,918
J.2. Other costs	6,132
<b>TOTAL COSTS (H+I+J)</b>	<b>24,984</b>
<b>K. Interest generated by securitised assets</b>	<b>24,531</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>452</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	452
<b>TOTAL REVENUES (K+L+M)</b>	<b>24,983</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Cordusio RMBS - UCFin S.r.l
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>764,700</b>
A.1 Loans	764,700
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>176,131</b>
C.1 Loans (including bank current account)	176,131
C.2 Bonds	-
<b>D. Other assets</b>	<b>11,333</b>
D.1 Derivatives	-
D.2 Other assets	11,333
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>952,164</b>
<b>E. Bond issued</b>	<b>684,229</b>
E.1 Senior	521,429
E.2 Mezzanine	148,000
E.3 Junior	14,800
<b>F. Loans received</b>	<b>161,157</b>
F.1 Senior	161,157
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>106,778</b>
G.1 Derivatives	8,386
G.2 Due to originator	97,917
G.3 Other liabilities	475
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>952,164</b>
<b>H. Interest expense</b>	<b>8,191</b>
H.1 Interest expense on bond issued	2,523
H.2 Interest expense on loans received	406
H.3 Interest expense on derivatives	5,262
<b>I. Commissions and fees related to the transaction</b>	<b>2,702</b>
I.1 for servicing	2,105
I.2 for other services	597
<b>J. Other charges</b>	<b>7,595</b>
J.1 Additional positive returns for exposure junior	4,264
J.2. Other costs	3,331
<b>TOTAL COSTS (H+I+J)</b>	<b>18,488</b>
<b>K. Interest generated by securitised assets</b>	<b>17,096</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>1,390</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	1,390
<b>TOTAL REVENUES (K+L+M)</b>	<b>18,486</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-2</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	ELEKTRA PURCHASE NO. 17 S.A. RE COMPARTMENT 2
Country of incorporation	52-54 avenue du X Septembre, L-2550 Luxembourg
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>70,083</b>
A.1 Loans	70,083
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>70,083</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>70,073</b>
F.1 Senior	70,073
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>10</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	10
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>70,083</b>
<b>H. Interest expense</b>	<b>417</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	417
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>705</b>
I.1 for servicing	705
I.2 for other services	-
<b>J. Other charges</b>	<b>43</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	43
<b>TOTAL COSTS (H+I+J)</b>	<b>1,165</b>
<b>K. Interest generated by securitised assets</b>	<b>1,166</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,166</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	ELEKTRA PURCHASE NO:28 LIMITED
Country of incorporation	11-12 Warrington Place, Dublin 2
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>177,155</b>
A.1 Loans	177,155
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>177,155</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>177,125</b>
F.1 Senior	177,125
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>30</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	30
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>177,155</b>
<b>H. Interest expense</b>	<b>563</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	563
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>385</b>
I.1 for servicing	385
I.2 for other services	-
<b>J. Other charges</b>	<b>15</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	15
<b>TOTAL COSTS (H+I+J)</b>	<b>963</b>
<b>K. Interest generated by securitised assets</b>	<b>935</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>935</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-28</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 31 Limited
Country of incorporation	2ND FLOOR, 11-12 WARRINGTON PL, Dublin 2, Ireland
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>64,900</b>
A.1 Loans	64,900
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>64,900</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>64,883</b>
F.1 Senior	64,883
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>17</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	17
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>64,900</b>
<b>H. Interest expense</b>	<b>428</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	428
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>1,169</b>
I.1 for servicing	1,169
I.2 for other services	-
<b>J. Other charges</b>	<b>16</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	16
<b>TOTAL COSTS (H+I+J)</b>	<b>1,613</b>
<b>K. Interest generated by securitised assets</b>	<b>1,614</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,614</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 32 S.A. - Compartment 1
Country of incorporation	52-54 Avenue du X Septembre, L-2550 Luxembourg
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>193,677</b>
A.1 Loans	193,677
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>193,677</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>193,574</b>
F.1 Senior	193,574
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>103</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	103
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>193,677</b>
<b>H. Interest expense</b>	<b>683</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	683
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>440</b>
I.1 for servicing	440
I.2 for other services	-
<b>J. Other charges</b>	<b>26</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	26
<b>TOTAL COSTS (H+I+J)</b>	<b>1,149</b>
<b>K. Interest generated by securitised assets</b>	<b>1,104</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,104</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-45</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 33 Limited
Country of incorporation	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>133,301</b>
A.1 Loans	133,301
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>133,301</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>133,285</b>
F.1 Senior	133,285
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>16</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	16
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>133,301</b>
<b>H. Interest expense</b>	<b>930</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	930
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>2,766</b>
I.1 for servicing	2,766
I.2 for other services	-
<b>J. Other charges</b>	<b>148</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	148
<b>TOTAL COSTS (H+I+J)</b>	<b>3,844</b>
<b>K. Interest generated by securitised assets</b>	<b>3,846</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>3,846</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No.34 Limited
Country of incorporation	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>61,766</b>
A.1 Loans	61,766
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>61,766</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>61,750</b>
F.1 Senior	61,750
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>16</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	16
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>61,766</b>
<b>H. Interest expense</b>	<b>330</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	330
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>1,155</b>
I.1 for servicing	1,155
I.2 for other services	-
<b>J. Other charges</b>	<b>364</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	364
<b>TOTAL COSTS (H+I+J)</b>	<b>1,849</b>
<b>K. Interest generated by securitised assets</b>	<b>1,851</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,851</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

<b>Special Purpose Vehicle</b>	<b>Elektra Purchase No. 35 Limited</b>
<b>Country of incorporation</b>	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>229,691</b>
A.1 Loans	229,691
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>229,691</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>229,688</b>
F.1 Senior	229,688
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>3</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	3
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>229,691</b>
<b>H. Interest expense</b>	<b>1,031</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	1,031
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>2,067</b>
I.1 for servicing	2,067
I.2 for other services	-
<b>J. Other charges</b>	<b>211</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	211
<b>TOTAL COSTS (H+I+J)</b>	<b>3,309</b>
<b>K. Interest generated by securitised assets</b>	<b>3,273</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>37</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	37
<b>TOTAL REVENUES (K+L+M)</b>	<b>3,310</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 36 Limited
Country of incorporation	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>300,016</b>
A.1 Loans	300,016
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>300,016</b>
<b>E Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>300,000</b>
F.1 Senior	300,000
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>16</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	16
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>300,016</b>
<b>H. Interest expense</b>	<b>909</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	909
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>1,151</b>
I.1 for servicing	1,151
I.2 for other services	-
<b>J. Other charges</b>	<b>252</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	252
<b>TOTAL COSTS (H+I+J)</b>	<b>2,312</b>
<b>K. Interest generated by securitised assets</b>	<b>2,313</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>2,313</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

<b>Special Purpose Vehicle</b>	<b>Elektra Purchase No. 37 Limited</b>
<b>Country of incorporation</b>	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>67,603</b>
A.1 Loans	67,603
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>67,603</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>67,496</b>
F.1 Senior	67,496
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>107</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	107
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>67,603</b>
<b>H. Interest expense</b>	<b>157</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	157
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>302</b>
I.1 for servicing	302
I.2 for other services	-
<b>J. Other charges</b>	<b>59</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	59
<b>TOTAL COSTS (H+I+J)</b>	<b>518</b>
<b>K. Interest generated by securitised assets</b>	<b>505</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>13</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	13
<b>TOTAL REVENUES (K+L+M)</b>	<b>518</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	-

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 38 Limited
Country of incorporation	11-12 Warrington Place, Dublin 2
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>39,609</b>
A.1 Loans	39,609
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>39,609</b>
<b>E Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>39,539</b>
F.1 Senior	39,539
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>70</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	70
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>39,609</b>
<b>H. Interest expense</b>	<b>138</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	138
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>160</b>
I.1 for servicing	160
I.2 for other services	-
<b>J. Other charges</b>	<b>72</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	72
<b>TOTAL COSTS (H+I+J)</b>	<b>370</b>
<b>K. Interest generated by securitised assets</b>	<b>371</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>371</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No.40 Limited
Country of incorporation	2ND Flr 11-12 WARRINGTON PLACE, 2 Dublin
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>76,981</b>
A.1 Loans	76,981
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>76,981</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>76,965</b>
F.1 Senior	76,965
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>16</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	16
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>76,981</b>
<b>H. Interest expense</b>	<b>190</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	190
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>414</b>
I.1 for servicing	414
I.2 for other services	-
<b>J. Other charges</b>	<b>77</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	77
<b>TOTAL COSTS (H+I+J)</b>	<b>681</b>
<b>K. Interest generated by securitised assets</b>	<b>682</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>682</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 41 DAC
Country of incorporation	2ND FLOOR, 11-12 WARRINGTON PLACE, Dublin 2
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>11,608</b>
A.1 Loans	11,608
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>11,608</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>11,608</b>
F.1 Senior	11,608
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	-
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	-
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>11,608</b>
<b>H. Interest expense</b>	-
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	-
I.1 for servicing	-
I.2 for other services	-
<b>J. Other charges</b>	-
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	-
<b>TOTAL COSTS (H+I+J)</b>	<b>-</b>
<b>K. Interest generated by securitised assets</b>	-
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>-</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Elektra Purchase No. 911 Ltd
Country of incorporation	OGIER HOUSE, ST. HELIER,
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>350,156</b>
A.1 Loans	350,156
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>350,156</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>350,000</b>
F.1 Senior	350,000
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>156</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	156
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>350,156</b>
<b>H. Interest expense</b>	<b>1,221</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	1,221
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>926</b>
I.1 for servicing	926
I.2 for other services	-
<b>J. Other charges</b>	<b>178</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	178
<b>TOTAL COSTS (H+I+J)</b>	<b>2,325</b>
<b>K. Interest generated by securitised assets</b>	<b>2,324</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>2,324</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	F-E Gold S.r.l.
Country of incorporation	Via Generale Gustavo Fara 26 - 20124 Milano
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>127,544</b>
A.1 Loans	127,544
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>25,267</b>
C.1 Loans (including bank current account)	2,582
C.2 Bonds	22,685
<b>D. Other assets</b>	<b>24</b>
D.1 Derivatives	20
D.2 Other assets	4
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>152,835</b>
<b>E Bond issued</b>	<b>91,386</b>
E.1 Senior	67,998
E.2 Mezzanine	23,388
E.3 Junior	-
<b>F. Loans received</b>	<b>58,236</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	58,236
<b>G. Other liabilities</b>	<b>3,213</b>
G.1 Derivatives	-
G.2 Due to originator	2,212
G.3 Other liabilities	1,001
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>152,835</b>
<b>H. Interest expense</b>	<b>684</b>
H.1 Interest expense on bond issued	199
H.2 Interest expense on loans received	465
H.3 Interest expense on derivatives	20
<b>I. Commissions and fees related to the transaction</b>	<b>181</b>
I.1 for servicing	22
I.2 for other services	159
<b>J. Other charges</b>	<b>3,344</b>
J.1 Additional positive returns for exposure junior	1,611
J.2. Other costs	1,733
<b>TOTAL COSTS (H+I+J)</b>	<b>4,209</b>
<b>K. Interest generated by securitised assets</b>	<b>4,050</b>
<b>L. Interest income on derivatives</b>	<b>140</b>
<b>M. Other revenues</b>	<b>20</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	20
<b>TOTAL REVENUES (K+L+M)</b>	<b>4,210</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	F-E Mortgages S.r.l. - 2003
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>175,772</b>
A.1 Loans	175,772
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>27,697</b>
C.1 Loans (including bank current account)	27,697
C.2 Bonds	-
<b>D. Other assets</b>	<b>74</b>
D.1 Derivatives	25
D.2 Other assets	49
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>203,543</b>
<b>E. Bond issued</b>	<b>140,600</b>
E.1 Senior	73,942
E.2 Mezzanine	59,025
E.3 Junior	7,633
<b>F. Loans received</b>	<b>23,827</b>
F.1 Senior	23,827
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>39,116</b>
G.1 Derivatives	-
G.2 Due to originator	36,375
G.3 Other liabilities	2,741
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>203,543</b>
<b>H. Interest expense</b>	<b>1,054</b>
H.1 Interest expense on bond issued	1,045
H.2 Interest expense on loans received	9
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>407</b>
I.1 for servicing	222
I.2 for other services	185
<b>J. Other charges</b>	<b>2,503</b>
J.1 Additional positive returns for exposure junior	2,309
J.2. Other costs	194
<b>TOTAL COSTS (H+I+J)</b>	<b>3,964</b>
<b>K. Interest generated by securitised assets</b>	<b>3,078</b>
<b>L. Interest income on derivatives</b>	<b>208</b>
<b>M. Other revenues</b>	<b>677</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	677
<b>TOTAL REVENUES (K+L+M)</b>	<b>3,963</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles.

Special Purpose Vehicle	F-E Mortgages S.r.l. - 2005
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>278,633</b>
A.1 Loans	278,633
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>16,709</b>
C.1 Loans (including bank current account)	16,709
C.2 Bonds	-
<b>D. Other assets</b>	<b>122</b>
D.1 Derivatives	-
D.2 Other assets	122
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>295,464</b>
<b>E. Bond issued</b>	<b>234,599</b>
E.1 Senior	165,399
E.2 Mezzanine	36,875
E.3 Junior	32,325
<b>F. Loans received</b>	<b>-</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>60,865</b>
G.1 Derivatives	12
G.2 Due to originator	56,539
G.3 Other liabilities	4,314
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>295,464</b>
<b>H. Interest expense</b>	<b>2,661</b>
H.1 Interest expense on bond issued	561
H.2 Interest expense on loans received	5
H.3 Interest expense on derivatives	2,095
<b>I. Commissions and fees related to the transaction</b>	<b>393</b>
I.1 for servicing	250
I.2 for other services	143
<b>J. Other charges</b>	<b>2,914</b>
J.1 Additional positive returns for exposure junior	2,338
J.2. Other costs	576
<b>TOTAL COSTS (H+I+J)</b>	<b>5,968</b>
<b>K. Interest generated by securitised assets</b>	<b>5,227</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>741</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	741
<b>TOTAL REVENUES (K+L+M)</b>	<b>5,968</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

<b>Special Purpose Vehicle</b>	<b>Geldilux TS 2013 S.A.</b>
<b>Country of incorporation</b>	11, rue Pierre d'Aspelt, 1142 Luxembourg
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>870,166</b>
A.1 Loans	870,166
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	<b>91</b>
D.1 Derivatives	-
D.2 Other assets	91
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>870,257</b>
<b>E. Bond issued</b>	<b>852,542</b>
E.1 Senior	750,301
E.2 Mezzanine	89,428
E.3 Junior	12,813
<b>F. Loans received</b>	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>17,715</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	17,715
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>870,257</b>
<b>H. Interest expense</b>	<b>13,934</b>
H.1 Interest expense on bond issued	13,927
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	7
<b>I. Commissions and fees related to the transaction</b>	<b>1,870</b>
I.1 for servicing	1,870
I.2 for other services	-
<b>J. Other charges</b>	<b>177</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	177
<b>TOTAL COSTS (H+I+J)</b>	<b>15,981</b>
<b>K. Interest generated by securitised assets</b>	<b>15,981</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>15,981</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	GRAND CENTRAL FUNDING CORPORATION
Country of incorporation	48 WALL STREET, NEW YORK, NY 10005,
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>3,992</b>
A.1 Loans	3,992
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	<b>11,530</b>
D.1 Derivatives	3,103
D.2 Other assets	8,427
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>15,522</b>
<b>E Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>12,260</b>
F.1 Senior	12,260
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>3,262</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	3,261
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>15,522</b>
<b>H. Interest expense</b>	<b>590</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	584
H.3 Interest expense on derivatives	6
<b>I. Commissions and fees related to the transaction</b>	<b>261</b>
I.1 for servicing	261
I.2 for other services	-
<b>J. Other charges</b>	<b>231</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	231
<b>TOTAL COSTS (H+I+J)</b>	<b>1,082</b>
<b>K. Interest generated by securitised assets</b>	<b>442</b>
<b>L. Interest income on derivatives</b>	<b>605</b>
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,047</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-35</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

<b>Special Purpose Vehicle</b>	<b>Heliconus S.r.l</b>
<b>Country of incorporation</b>	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>87,934</b>
A.1 Loans	87,934
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	<b>13,616</b>
C.1 Loans (including bank current account)	13,616
C.2 Bonds	-
<b>D. Other assets</b>	<b>80</b>
D.1 Derivatives	23
D.2 Other assets	57
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>101,630</b>
<b>E. Bond issued</b>	<b>76,441</b>
E.1 Senior	36,611
E.2 Mezzanine	30,840
E.3 Junior	8,990
<b>F. Loans received</b>	<b>10,224</b>
F.1 Senior	10,224
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>14,965</b>
G.1 Derivatives	-
G.2 Due to originator	14,255
G.3 Other liabilities	710
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>101,630</b>
<b>H. Interest expense</b>	<b>557</b>
H.1 Interest expense on bond issued	454
H.2 Interest expense on loans received	37
H.3 Interest expense on derivatives	66
<b>I. Commissions and fees related to the transaction</b>	<b>329</b>
I.1 for servicing	67
I.2 for other services	262
<b>J. Other charges</b>	<b>1,042</b>
J.1 Additional positive returns for exposure junior	965
J.2. Other costs	77
<b>TOTAL COSTS (H+I+J)</b>	<b>1,928</b>
<b>K. Interest generated by securitised assets</b>	<b>1,609</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>319</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	319
<b>TOTAL REVENUES (K+L+M)</b>	<b>1,928</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	-

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	LARGE CORPORATE ONE SRL
Country of incorporation	Piazzetta Monte 1 - 37121 Verona
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>199,947</b>
A.1 Loans	199,947
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>64,670</b>
C.1 Loans (including bank current account)	64,670
C.2 Bonds	-
<b>D. Other assets</b>	<b>21,081</b>
D.1 Derivatives	686
D.2 Other assets	20,395
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>285,698</b>
<b>E Bond issued</b>	<b>283,528</b>
E.1 Senior	251,274
E.2 Mezzanine	-
E.3 Junior	32,254
<b>F. Loans received</b>	<b>1,338</b>
F.1 Senior	1,338
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>832</b>
G.1 Derivatives	-
G.2 Due to originator	572
G.3 Other liabilities	260
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>285,698</b>
<b>H. Interest expense</b>	<b>9,251</b>
H.1 Interest expense on bond issued	8,956
H.2 Interest expense on loans received	295
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>955</b>
I.1 for servicing	611
I.2 for other services	344
<b>J. Other charges</b>	<b>912</b>
J.1 Additional positive returns for exposure junior	820
J.2. Other costs	92
<b>TOTAL COSTS (H+I+J)</b>	<b>11,118</b>
<b>K. Interest generated by securitised assets</b>	<b>4,591</b>
<b>L. Interest income on derivatives</b>	<b>3,872</b>
<b>M. Other revenues</b>	<b>2,654</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	2,654
<b>TOTAL REVENUES (K+L+M)</b>	<b>11,117</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Locat SV S.r.l. - Serie 2005
Country of incorporation	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>150,396</b>
A.1 Loans	150,396
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>4,944</b>
C.1 Loans (including bank current account)	4,944
C.2 Bonds	-
<b>D. Other assets</b>	<b>-</b>
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>155,340</b>
<b>E Bond issued</b>	<b>54,787</b>
E.1 Senior	-
E.2 Mezzanine	47,787
E.3 Junior	7,000
<b>F. Loans received</b>	<b>3,301</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	3,301
<b>G. Other liabilities</b>	<b>97,252</b>
G.1 Derivatives	-
G.2 Due to originator	10,900
G.3 Other liabilities	86,352
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>155,340</b>
<b>H. Interest expense</b>	<b>475</b>
H.1 Interest expense on bond issued	461
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	14
<b>I. Commissions and fees related to the transaction</b>	<b>85</b>
I.1 for servicing	43
I.2 for other services	42
<b>J. Other charges</b>	<b>8,474</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	8,474
<b>TOTAL COSTS (H+I+J)</b>	<b>9,034</b>
<b>K. Interest generated by securitised assets</b>	<b>5,820</b>
<b>L. Interest income on derivatives</b>	<b>2</b>
<b>M. Other revenues</b>	<b>3,213</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	3,213
<b>TOTAL REVENUES (K+L+M)</b>	<b>9,035</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Locat SV S.r.l. - Serie 2006
Country of incorporation	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>282,808</b>
A.1 Loans	282,808
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>13,604</b>
C.1 Loans (including bank current account)	13,604
C.2 Bonds	-
<b>D. Other assets</b>	<b>4,723</b>
D.1 Derivatives	-
D.2 Other assets	4,723
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>301,135</b>
<b>E. Bond issued</b>	<b>194,822</b>
E.1 Senior	-
E.2 Mezzanine	185,912
E.3 Junior	8,910
<b>F. Loans received</b>	<b>8,712</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	8,712
<b>G. Other liabilities</b>	<b>97,601</b>
G.1 Derivatives	-
G.2 Due to originator	13,684
G.3 Other liabilities	83,917
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>301,135</b>
<b>H. Interest expense</b>	<b>1,283</b>
H.1 Interest expense on bond issued	1,105
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	178
<b>I. Commissions and fees related to the transaction</b>	<b>131</b>
I.1 for servicing	84
I.2 for other services	47
<b>J. Other charges</b>	<b>16,146</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	16,146
<b>TOTAL COSTS (H+I+J)</b>	<b>17,560</b>
<b>K. Interest generated by securitised assets</b>	<b>10,292</b>
<b>L. Interest income on derivatives</b>	<b>2</b>
<b>M. Other revenues</b>	<b>7,266</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	7,266
<b>TOTAL REVENUES (K+L+M)</b>	<b>17,560</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Locat SV S.r.l. - Serie 2014
Country of incorporation	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>1,209,937</b>
A.1 Loans	1,209,937
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>28,168</b>
C.1 Loans (including bank current account)	28,168
C.2 Bonds	-
<b>D. Other assets</b>	<b>83,180</b>
D.1 Derivatives	-
D.2 Other assets	83,180
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>1,321,285</b>
<b>E Bond issued</b>	<b>1,300,000</b>
E.1 Senior	715,000
E.2 Mezzanine	-
E.3 Junior	585,000
<b>F. Loans received</b>	<b>-</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>21,285</b>
G.1 Derivatives	-
G.2 Due to originator	10,615
G.3 Other liabilities	10,670
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>1,321,285</b>
<b>H. Interest expense</b>	<b>58,090</b>
H.1 Interest expense on bond issued	57,003
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	1,087
<b>I. Commissions and fees related to the transaction</b>	<b>372</b>
I.1 for servicing	279
I.2 for other services	93
<b>J. Other charges</b>	<b>17,565</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	17,565
<b>TOTAL COSTS (H+I+J)</b>	<b>76,027</b>
<b>K. Interest generated by securitised assets</b>	<b>72,287</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>3,741</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	3,741
<b>TOTAL REVENUES (K+L+M)</b>	<b>76,028</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Newstone Mortgage Securities No.1 PLC
Country of incorporation	Fifth Floor, 100 Wood Street, London EC2V 7EX - United Kingdom
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>270,398</b>
A.1 Loans	270,398
A.2 Bonds	-
<b>B. Loans disbursed</b>	<b>-</b>
<b>C. Use of liquid assets resulting from loan operations</b>	<b>8,478</b>
C.1 Loans (including bank current account)	8,478
C.2 Bonds	-
<b>D. Other assets</b>	<b>-</b>
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>278,876</b>
<b>E. Bond issued</b>	<b>277,567</b>
E.1 Senior	225,512
E.2 Mezzanine	-
E.3 Junior	52,055
<b>F. Loans received</b>	<b>-</b>
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>1,309</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	1,309
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>278,876</b>
<b>H. Interest expense</b>	<b>8,471</b>
H.1 Interest expense on bond issued	8,471
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>1,407</b>
I.1 for servicing	1,407
I.2 for other services	-
<b>J. Other charges</b>	<b>89</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	89
<b>TOTAL COSTS (H+I+J)</b>	<b>9,967</b>
<b>K. Interest generated by securitised assets</b>	<b>9,949</b>
<b>L. Interest income on derivatives</b>	<b>-</b>
<b>M. Other revenues</b>	<b>-</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>9,949</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-18</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

<b>Special Purpose Vehicle</b>	<b>Pure Funding No. 10 Limited</b>
<b>Country of incorporation</b>	11-12 Warrington Place, Dublin 2, Ireland
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>12,864</b>
A.1 Loans	12,864
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>12,864</b>
<b>E. Bond issued</b>	-
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	-
<b>F. Loans received</b>	<b>12,810</b>
F.1 Senior	12,810
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>54</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	54
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>12,864</b>
<b>H. Interest expense</b>	<b>333</b>
H.1 Interest expense on bond issued	-
H.2 Interest expense on loans received	333
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>280</b>
I.1 for servicing	280
I.2 for other services	-
<b>J. Other charges</b>	<b>71</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	71
<b>TOTAL COSTS (H+I+J)</b>	<b>684</b>
<b>K. Interest generated by securitised assets</b>	<b>651</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>651</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-33</b>

## Part E – Information on risks and related risk management policies

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	SUCCESS 2015 B.V.
Country of incorporation	Barbara Strozzi laan 101, 1083HN Amsterdam
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>338,341</b>
A.1 Loans	338,341
A.2 Bonds	-
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	-
C.1 Loans (including bank current account)	-
C.2 Bonds	-
<b>D. Other assets</b>	<b>14</b>
D.1 Derivatives	-
D.2 Other assets	14
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>338,354</b>
<b>E Bond issued</b>	<b>325,300</b>
E.1 Senior	230,900
E.2 Mezzanine	-
E.3 Junior	94,400
<b>F. Loans received</b>	-
F.1 Senior	-
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>13,054</b>
G.1 Derivatives	-
G.2 Due to originator	-
G.3 Other liabilities	13,054
G.4 Own funds	-
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>338,354</b>
<b>H. Interest expense</b>	<b>412</b>
H.1 Interest expense on bond issued	412
H.2 Interest expense on loans received	-
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	-
I.1 for servicing	-
I.2 for other services	-
<b>J. Other charges</b>	<b>262</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	262
<b>TOTAL COSTS (H+I+J)</b>	<b>674</b>
<b>K. Interest generated by securitised assets</b>	<b>674</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	-
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>674</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-</b>

continued - C.6 Banking Group – Consolidated Securitization Vehicles

Special Purpose Vehicle	Trevi Finance N. 3 S.r.l.
Country of incorporation	Via Vittorio Alfieri, 1 - 31015 Conegliano (TV)
	<b>31/12/2015</b>
<b>A. Securitised Assets</b>	<b>241,434</b>
A.1 Loans	-
A.2 Bonds	241,434
<b>B. Loans disbursed</b>	-
<b>C. Use of liquid assets resulting from loan operations</b>	<b>52,738</b>
C.1 Loans (including bank current account)	52,738
C.2 Bonds	-
<b>D. Other assets</b>	-
D.1 Derivatives	-
D.2 Other assets	-
<b>TOTAL ASSETS (A+B+ C+D)</b>	<b>294,172</b>
<b>E. Bond issued</b>	<b>448,166</b>
E.1 Senior	-
E.2 Mezzanine	-
E.3 Junior	448,166
<b>F. Loans received</b>	<b>204,219</b>
F.1 Senior	204,219
F.2 Mezzanine	-
F.3 Junior	-
<b>G. Other liabilities</b>	<b>-358,213</b>
G.1 Derivatives	-
G.2 Due to originator	1,198,185
G.3 Other liabilities	9,355
G.4 Own funds	-1,565,753
<b>TOTAL LIABILITIES (E+F+G)</b>	<b>294,172</b>
<b>H. Interest expense</b>	<b>130,398</b>
H.1 Interest expense on bond issued	129,736
H.2 Interest expense on loans received	662
H.3 Interest expense on derivatives	-
<b>I. Commissions and fees related to the transaction</b>	<b>2,957</b>
I.1 for servicing	2,585
I.2 for other services	372
<b>J. Other charges</b>	<b>29,900</b>
J.1 Additional positive returns for exposure junior	-
J.2. Other costs	29,900
<b>TOTAL COSTS (H+I+J)</b>	<b>163,254</b>
<b>K. Interest generated by securitised assets</b>	<b>87</b>
<b>L. Interest income on derivatives</b>	-
<b>M. Other revenues</b>	<b>41,318</b>
M.1 Additional returns for exposure junior	-
M.2. Other revenues	-
<b>TOTAL REVENUES (K+L+M)</b>	<b>41,405</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-121,850</b>

## Part E – Information on risks and related risk management policies

**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 in 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 by structured entities 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 are entities that have been set-up in order to fund real estate projects used in the business by the Group or that have been acquired in the course of credit recovery processes.
- **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 that the Group controls under IFRS 10 having acquired 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.

During the period the Group has not provided financial support to consolidated structured entities, other than those for securitization transactions, in absence of contractual obligation to do so 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.

(€ '000)		
Balance sheet item/SPV Type	Total Assets (A)	Off Balance Sheet Exposures
Leasing SPV	4,473,831	71,210
Project Finance SPV	1,712,884	33,557
Real Estate SPV	170,380	10,049
Funding SPV	246,639	-
Investment funds	1,173,421	-
Warehousing SPV	891,308	27,249
<b>Total</b>	<b>8,668,463</b>	<b>142,065</b>

## 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 of returns.
- **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 defined by the contract.  
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 exposures against these vehicles that, however, do not transfer to the Group 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 nor retains significant exposures to its variability of returns.
- **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 customers.  
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 of returns.
- **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 and provides the equity. 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 customers.  
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 of returns.
- **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 customers in the context of their 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 customers.  
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 of returns.
- **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 held towards structured entities different from non-consolidated securitization vehicles and broken down by role of the Group.

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 reported in column “difference between maximum exposure to loss and accounting value”.

## Part E – Information on risks and related risk management policies

Exposure to structured entities different from Securitization SPV not consolidated for accounting purposes (€ '000)							
Balance sheet item/SPV Type	Amounts as at 12.31.2015						
	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)
<b>Acquisition and Leverage Finance SPV</b>		<b>25,488</b>		<b>1,386</b>	<b>24,102</b>	<b>31,903</b>	<b>7,801</b>
	HFT	-	Deposits	1,386	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	25,488					
<b>Leasing SPV</b>		<b>343,025</b>		<b>26,026</b>	<b>316,999</b>	<b>324,595</b>	<b>7,596</b>
	HFT	-	Deposits	26,026	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	665	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	342,360					
<b>Market Related SPV</b>		<b>290,843</b>		<b>12,029</b>	<b>278,814</b>	<b>446,616</b>	<b>167,802</b>
	HFT	25,655	Deposits	12,029	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	265,188					
<b>Notes Issuing Vehicles</b>		<b>487,636</b>		<b>2,264</b>	<b>485,372</b>	<b>485,372</b>	-
	HFT	11,312	Deposits	-	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	24,970	HFT	2,264	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	451,354					
<b>Project Finance SPV</b>		<b>201,681</b>		<b>70,507</b>	<b>131,174</b>	<b>131,784</b>	<b>610</b>
	HFT	-	Deposits	70,507	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	201,681					
<b>Real Estate SPV</b>		<b>405,336</b>		<b>19,831</b>	<b>385,505</b>	<b>414,053</b>	<b>28,548</b>
	HFT	-	Deposits	19,831	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	405,336					
<b>Shipping Aircraft SPV</b>		<b>169,760</b>		<b>36</b>	<b>169,724</b>	<b>179,770</b>	<b>10,046</b>
	HFT	-	Deposits	36	-	-	-
	FVO	-	Securities	-	-	-	-
	AFS	-	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	169,760					
<b>Investment funds</b>		<b>7,622,879</b>		<b>5,508,855</b>	<b>2,114,024</b>	<b>3,198,594</b>	<b>1,084,570</b>
	HFT	1,604,899	Deposits	5,508,855	-	-	-
	FVO	379,165	Securities	-	-	-	-
	AFS	761,726	HFT	-	-	-	-
	HTM	-	FVO	-	-	-	-
	LAR	4,877,089					
<b>Total</b>		<b>9,546,648</b>		<b>5,640,934</b>	<b>3,905,714</b>	<b>5,212,687</b>	<b>1,306,973</b>

HFT= Financial assets held for trading

FVO= Financial assets at fair value through profit or loss

HTM= Held to maturity Investments

AFS= Available for Sale Financial assets

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	31/12/15			
	Interest income	Fees and commissions	Gain (loss) arising from disposal	Other income
Acquisitions and leveraged finance SPVs	0	0	0	0
Leasing SPVs	0	0	0	0
Market Related SPVs	0	0	0	0
Note Issuing Vehicles	0	0	0	0
Project finance SPVs	0	174	0	0
Real estate SPVs	0	0	0	0
Shipping/Aircraft SPVs	0	0	0	0
Investment funds	19	2,113,351	2,553	265
<b>Total</b>	<b>19</b>	<b>2,113,525</b>	<b>2,553</b>	<b>265</b>

Finally, during the period, the Group has not provided financial support absent contractual obligations to do so to any non-consolidated structured entity different from securitization vehicles. In addition it has not current intention to provide such financial support.

## Part E – Information on risks and related risk management policies

**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**

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2015								
	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS			AVAILABLE FOR SALE FINANCIAL ASSETS		
	A	B	C	A	B	C	A	B	C
<b>A. Balance-sheet assets</b>	1,535,868	-	-	6,681,050	-	-	33,959,263	-	-
1. Debt securities	1,535,868	-	-	6,681,050	-	-	33,959,263	-	-
2. Equity securities	-	-	-	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	-	-	-	-	-	-	-
<b>Total 12.31.2015</b>	<b>1,535,868</b>	<b>-</b>	<b>-</b>	<b>6,681,050</b>	<b>-</b>	<b>-</b>	<b>33,959,263</b>	<b>-</b>	<b>-</b>
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-
<b>Total 12.31.2014</b>	<b>2,724,416</b>	<b>-</b>	<b>-</b>	<b>2,045,116</b>	<b>-</b>	<b>-</b>	<b>30,059,008</b>	<b>-</b>	<b>-</b>
<i>of which impaired</i>	-	-	-	-	-	-	-	-	-

Continued E.1 Banking Group - Financial assets sold and not derecognised: book value and gross value

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2015									12.31.2015	12.31.2014	
	HELD-TO-MATURITY INVESTMENTS			LOANS AND RECEIVABLES WITH BANKS			LOANS AND RECEIVABLES WITH CUSTOMERS					TOTAL
	A	B	C	A	B	C	A	B	C			
<b>A. Balance-sheet assets</b>	2,290,341	-	-	514,615	-	-	9,510,209	-	-	54,491,346	47,421,091	
1. Debt securities	2,290,341	-	-	514,381	-	-	143,432	-	-	45,124,335	37,716,640	
2. Equity securities	-	-	-	-	-	-	-	-	-	-	-	
3. UCIS	-	-	-	-	-	-	-	-	-	-	-	
4. Loans	-	-	-	234	-	-	9,366,777	-	-	9,367,011	9,704,451	
<b>B. Derivatives</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>Total 12.31.2015</b>	<b>2,290,341</b>	<b>-</b>	<b>-</b>	<b>514,615</b>	<b>-</b>	<b>-</b>	<b>9,510,209</b>	<b>-</b>	<b>-</b>	<b>54,491,346</b>	<b>-</b>	
<i>of which impaired</i>	-	-	-	-	-	-	999,721	-	-	999,721	-	
<b>Total 12.31.2014</b>	<b>1,904,636</b>	<b>-</b>	<b>-</b>	<b>864,957</b>	<b>-</b>	<b>-</b>	<b>9,822,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,421,091</b>	
<i>of which impaired</i>	-	-	-	-	-	-	673,425	-	-	-	673,425	

**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.  
 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 12.31.2015						TOTAL
	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	
<b>1. Deposits from customers</b>	<b>1,298,624</b>	<b>460,968</b>	<b>21,585,340</b>	-	<b>85,610</b>	<b>5,416,266</b>	<b>28,846,808</b>
a) relating to fully recognised assets	1,298,624	460,968	21,585,340	-	85,610	5,416,266	28,846,808
b) relating to partially recognised assets	-	-	-	-	-	-	-
<b>2. Deposits from Banks</b>	<b>278,519</b>	<b>6,235,734</b>	<b>9,030,555</b>	<b>760,596</b>	<b>112,989</b>	<b>215,600</b>	<b>16,633,993</b>
a) relating to fully recognised assets	278,519	6,235,734	9,030,555	760,596	112,989	215,600	16,633,993
b) relating to partially recognised assets	-	-	-	-	-	-	-
<b>3. Debt Securities in issue</b>	-	-	-	-	-	-	-
a) relating to fully recognised assets	-	-	-	-	-	-	-
b) relating to partially recognised assets	-	-	-	-	-	-	-
<b>Total 12.31.2015</b>	<b>1,577,143</b>	<b>6,696,702</b>	<b>30,615,895</b>	<b>760,596</b>	<b>198,599</b>	<b>5,631,866</b>	<b>45,480,801</b>
<b>Total 12.31.2014</b>	<b>2,727,302</b>	<b>2,036,236</b>	<b>28,849,761</b>	<b>1,919,575</b>	<b>523,422</b>	<b>6,921,270</b>	<b>42,977,566</b>

## 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 12.31.2015					
	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
<b>A. Balance-sheet assets</b>	<b>1,535,868</b>	-	<b>6,681,050</b>	-	<b>33,959,263</b>	-
1. Debt securities	1,535,868	-	6,681,050	-	33,959,263	-
2. Equity securities	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
<b>B. Derivatives</b>	-	-	-	-	-	-
<b>Total assets</b>	<b>1,535,868</b>	-	<b>6,681,050</b>	-	<b>33,959,263</b>	-
<b>C. Associated financial liabilities</b>	<b>1,577,159</b>	-	<b>6,696,702</b>	-	<b>31,526,185</b>	-
1. Deposits from customers	1,352,578	-	460,968	-	21,541,343	-
2. Deposits from banks	224,581	-	6,235,734	-	9,984,842	-
3. Debt securities in issue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,577,159</b>	-	<b>6,696,702</b>	-	<b>31,526,185</b>	-
<b>Total 12.31.2015</b>	<b>(41,291)</b>	-	<b>(15,652)</b>	-	<b>2,433,078</b>	-
<b>Total 12.31.2014</b>	<b>(2,886)</b>	-	<b>8,880</b>	-	<b>750,590</b>	-

## 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

TYPE / PORTFOLIO	AMOUNTS AS AT 12.31.2015						TOTAL	
	HELD-TO-MATURITY INVESTMENTS		LOANS AND RECEIVABLES WITH BANKS		LOANS AND RECEIVABLES WITH CUSTOMERS		12.31.2015	12.31.2014
	A	B	A	B	A	B		
<b>A. Balance-sheet assets</b>	<b>2,309,538</b>	-	<b>514,615</b>	-	<b>10,038,650</b>	-	<b>55,038,984</b>	<b>47,866,985</b>
1. Debt securities	2,309,538	-	514,381	-	143,432	-	45,143,532	37,732,933
2. Equity securities	-	-	-	-	-	-	-	-
3. UCIS	-	-	-	-	-	-	-	-
4. Loans	-	-	234	-	9,895,218	-	9,895,452	10,134,052
<b>B. Derivatives</b>	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>2,309,538</b>	-	<b>514,615</b>	-	<b>10,038,650</b>	-	<b>55,038,984</b>	<b>47,866,985</b>
<b>C. Associated financial liabilities</b>	<b>760,596</b>	-	<b>198,599</b>	-	<b>5,502,298</b>	-	<b>x</b>	<b>X</b>
1. Deposits from customers	-	-	85,610	-	4,787,637	-	x	X
2. Deposits from banks	760,596	-	112,989	-	215,600	-	x	X
3. Debt securities in issue	-	-	-	-	499,061	-	x	X
<b>Total liabilities</b>	<b>760,596</b>	-	<b>198,599</b>	-	<b>5,502,298</b>	-	<b>46,261,539</b>	<b>42,643,023</b>
<b>Totale 12.31.2015</b>	<b>1,548,942</b>	-	<b>316,016</b>	-	<b>4,536,352</b>	-	<b>8,777,445</b>	<b>X</b>
<b>Total 12.31.2014</b>	<b>1,354</b>	-	<b>454,547</b>	-	<b>4,011,477</b>	-	<b>X</b>	<b>5,223,962</b>

**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 and on June 24, 2014.

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 BDO S.p.A. (formerly 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. During 2015 *Obbligazioni Bancarie Garantite* for an amount of € 1,500 millions were issued and placed to institutional investors.

At December 31, 2015 the series of covered bonds issued under the two programs totaled 22 and were worth €20,256 million, of which € 5,050 million was repurchased by UniCredit S.p.A..

## Part E – Information on risks and related risk management policies

<b>Name</b>	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:	19,416,216,920.98 €
Covered Bonds issued at the end of accounting period:	13,706,000,000 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 20,375,276,946.85 euro.
Rating Agencies:	S & P - Moody's - Fitch
Rating:	A (from 12/18/2014) - Aa2 (from 01/21/2015) - AA (from 05/25/2015)

<b>Name</b>	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:	16,567,929,238.36 €
Covered Bonds issued at the end of accounting period:	6,550,000,000.00 €
Other Credit Enhancements:	UniCredit S.p.A. has granted SPV a subordinated loans of total 17,422,429,926.51 euro.
Rating Agencies:	Fitch
Rating:	AA+ (from 12/23/2014)

## Information on Sovereign Exposures

With reference to the Group's sovereign exposures<sup>9</sup>, the book value of sovereign debt securities as at December 31, 2015 amounted to €131,365 million, of which over 89% concentrated in eight countries; Italy, with €58,595 million, represents about 45% 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, 2015.

Breakdown of Sovereign Debt Securities by Country and Portfolio (€ '000)			
Country / portfolio	Amounts as at 12.31.2015		
	Nominal value	Book value	Fair Value
<b>- Italy</b>	<b>53,554,087</b>	<b>58,595,490</b>	<b>58,626,914</b>
financial assets/liabilities held for trading (net exposures *)	3,082,733	2,939,573	2,939,573
financial assets at fair value through profit or loss	1,099	1,104	1,104
available for sale financial assets	49,515,903	54,713,075	54,713,075
loans and receivables	188,858	189,930	193,475
held to maturity investments	765,494	751,808	779,687
<b>- Germany</b>	<b>19,285,858</b>	<b>19,740,444</b>	<b>19,740,444</b>
financial assets/liabilities held for trading (net exposures *)	1,095,123	1,085,399	1,085,399
financial assets at fair value through profit or loss	16,157,035	16,469,556	16,469,556
available for sale financial assets	1,088,700	1,240,308	1,240,308
loans and receivables	945,000	945,181	945,181
held to maturity investments	-	-	-
<b>- Spain</b>	<b>13,672,769</b>	<b>15,297,280</b>	<b>15,297,280</b>
financial assets/liabilities held for trading (net exposures *)	147,138	42,955	42,955
financial assets at fair value through profit or loss	3,732,517	3,957,231	3,957,231
available for sale financial assets	9,785,000	11,291,066	11,291,066
loans and receivables	-	-	-
held to maturity investments	8,114	6,028	6,028
<b>- Austria</b>	<b>8,544,647</b>	<b>9,686,074</b>	<b>9,694,867</b>
financial assets/liabilities held for trading (net exposures *)	171,412	121,897	121,897
financial assets at fair value through profit or loss	293,829	366,146	366,146
available for sale financial assets	7,810,016	9,004,562	9,004,562
loans and receivables	157,940	80,844	80,844
held to maturity investments	111,450	112,625	121,418
<b>- Poland</b>	<b>6,511,358</b>	<b>6,896,122</b>	<b>6,935,156</b>
financial assets/liabilities held for trading (net exposures *)	110,608	105,741	105,741
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	4,576,292	4,966,729	4,966,729
loans and receivables	1,227,763	1,235,853	1,272,085
held to maturity investments	596,695	587,799	590,601
<b>- France</b>	<b>3,188,497</b>	<b>3,144,999</b>	<b>3,144,999</b>
financial assets/liabilities held for trading (net exposures *)	19,497	-207,615	-207,615
financial assets at fair value through profit or loss	389,000	399,888	399,888
available for sale financial assets	2,780,000	2,952,726	2,952,726
loans and receivables	-	-	-
held to maturity investments	-	-	-
<b>- Czech Republic</b>	<b>2,011,385</b>	<b>2,330,593</b>	<b>2,330,593</b>
financial assets/liabilities held for trading (net exposures *)	-11,937	-957	-957
financial assets at fair value through profit or loss	56,752	56,751	56,751
available for sale financial assets	1,966,570	2,274,799	2,274,799
loans and receivables	-	-	-
held to maturity investments	-	-	-
<b>- Hungary</b>	<b>1,563,551</b>	<b>1,795,141</b>	<b>1,795,141</b>
financial assets/liabilities held for trading (net exposures *)	45,091	51,414	51,414
financial assets at fair value through profit or loss	-	-	-
available for sale financial assets	1,518,460	1,743,727	1,743,727
loans and receivables	-	-	-
held to maturity investments	-	-	-
<b>Total on-balance sheet exposures</b>	<b>108,332,152</b>	<b>117,486,143</b>	<b>117,565,394</b>

(\*) including exposures in Credit Derivatives.

<sup>9</sup> 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<sup>10</sup> and trading book, is the following:

Weighted duration (years)		
	Banking book	Trading book
- Italy	2.92	1.44
- Germany	2.61	2.35
- Spain	3.53	17.19
- Austria	4.78	6.56
- Poland	4.09	0.24
- France	4.19	-4.02 (*)
- Czech Republic	4.56	3.95
- Hungary	3.93	3.10

(\*) negative net position.

The remaining 11% of the total of sovereign debt securities, amounting to €13,879 million with reference to the book values as at December 31, 2015, is divided into 50 countries, including Russia (€1,059 million), Slovenia (€409 million), the US (€297 million), Portugal (€107 million), Ireland (€8 million) and Argentina (€5 million). The sovereign exposure to Greece, Cyprus and Ukraine is immaterial.

With respect to these exposures, as at December 31, 2015 there were no indications that impairment may have occurred.

It should moreover be noted that among the aforementioned remaining part of sovereign debt securities as at 31 December 2015 there are also debt securities towards Supranational Organizations such as the European Union, the European Financial Stability Facility and the European Stability Mechanism amounting to €5,258 million.

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 12.31.2015				
	Financial assets at fair value	Available for sale financial assets	Loans	Held to maturity investments	Total
Book value	25,069,876	96,595,442	2,482,144	1,678,368	125,825,830
% Portfolio	72.94%	87.97%	0.45%	80.18%	17.97%

In addition to the exposures to sovereign debt securities, loans<sup>11</sup> 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, 2015 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 12.31.2015
	Book value
- Germany (*)	8,050,051
- Italy	6,616,735
- Austria (**)	5,476,916
- Croatia	2,551,176
- Poland	1,461,464
- Indonesia	332,999
- Serbia	327,081
- Slovenia	210,114
- Turkey	206,819
- Gabon	194,673
- Bosnia and Herzegovina	192,198
- Bulgaria	182,209
<b>Total on-balance sheet exposures</b>	<b>25,802,435</b>

(\*) of which 1,617,874 thousands in financial assets held for trading and those at fair value through profit or loss.

(\*\*) of which 282,927 thousands in financial assets at fair value through profit or loss.

<sup>10</sup> The banking book includes assets at fair value through profit or loss, available-for-sale assets, held to maturity assets and loans.

<sup>11</sup> Tax items are not included.

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.

For more details on the sensitivity analysis of credit spreads and on the results of stress tests see the "Widespread Contagion", "China Hard Landing" and "Interest Rate Shock" scenarios in chapter 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 €1,977 million (nominal value of €1,942 million) and residual maturity less than one year.

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 2015:

- outstanding contracts amounting to nominal €0.99 billion matured;
- no new transactions has been completed.

The overall reduction in the exposures relating to 2015 has been partly off-setted (approximately €240 million) by revaluation of currency denominated investments (USD 2.1 billion nominal at December 31, 2015), resulting in a reduction from nominal €2,695 million to nominal €1,942 million.

The aggregate market value of the transactions described above, if considered collectively as a synthetic derivative, would have been positive for approximately €24 million (before tax) at December 31, 2015 (+44 million at December 31, 2014). The cumulated valuation reserve (before tax) for the above mentioned investments totaled about €7 million positive at December 31, 2015 (€22 million at December 31, 2014).

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 €736 million including accrued interest at December 31, 2015 (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, 2015, 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, 2015, 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.

## Part E – Information on risks and related risk management policies

## Information on Structured Trading Derivatives with customers and exposures 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 fourth update published on December 15, 2015 (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 €15,771 million and €17,222 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 €48,880 million (with a notional value of €1,126,154 million) including €22,281 million with customers. The notional value of derivatives with customers amounted to €670,635 million including €661,974 million in plain vanilla (with a fair value of €21,762 million) and €8,661 million in structured derivatives (with a fair value of €519 million). The notional value of derivatives with banking counterparties totaled €455,519 million (fair value of €26,599 million) including €36,558 million related to structured derivatives (fair value of €814 million).

Customers entered into a total of 3,346 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 30.12% of overall exposure (generating exposure of €156 million for the Group).

The balance of item 40 "Financial liabilities held for trading" of the consolidated accounts with regard to derivative contracts totaled €46,801 million (with a notional value of €1,136,085 million) including €17,098 million with customers. The notional value of derivatives with customers amounted to €677,622 million including €671,671 million in plain vanilla (with a fair value of €16,802 million) and €5,951 million in structured derivatives (with a fair value €296 million). The notional value of derivatives with banking counterparties totaled €458,463 million (fair value of €29,703 million) including €22,476 million related to structured derivatives (fair value of €594 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 <sup>(1)</sup> , 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 bn

(1) Exclusive economic zone.

This power plant has been developed by the BARD Group on behalf of Ocean Breeze Energy GmbH & Co. KG ("OBKG") and has been classified as tangible asset since December 31, 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 net 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 €21.7 million.

After outage experienced in 2014, grid connection is available and stable; wind farm availability has been improved steadily since Q2 2015 with about 70 WECs on average available feeding-in by the end of December.

Final settlement of 2014 outage from grid operator (TenneT) according to relevant compensation regime is still pending; all compensation payments revenues have been recognized only to the extent they have been accepted by TenneT (net of an invoice issued by grid operator to adjust wake-factor calculation). All additional amounts have been invoiced to TenneT but neither recognised in income nor shown as receivables in the balance sheet.

## Part E – Information on risks and related risk management policies

### 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:

- Broad 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 calendar 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:

- Broad 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 Broad 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.

### **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 main 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 take 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.

## Part E – Information on risks and related risk management policies

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.

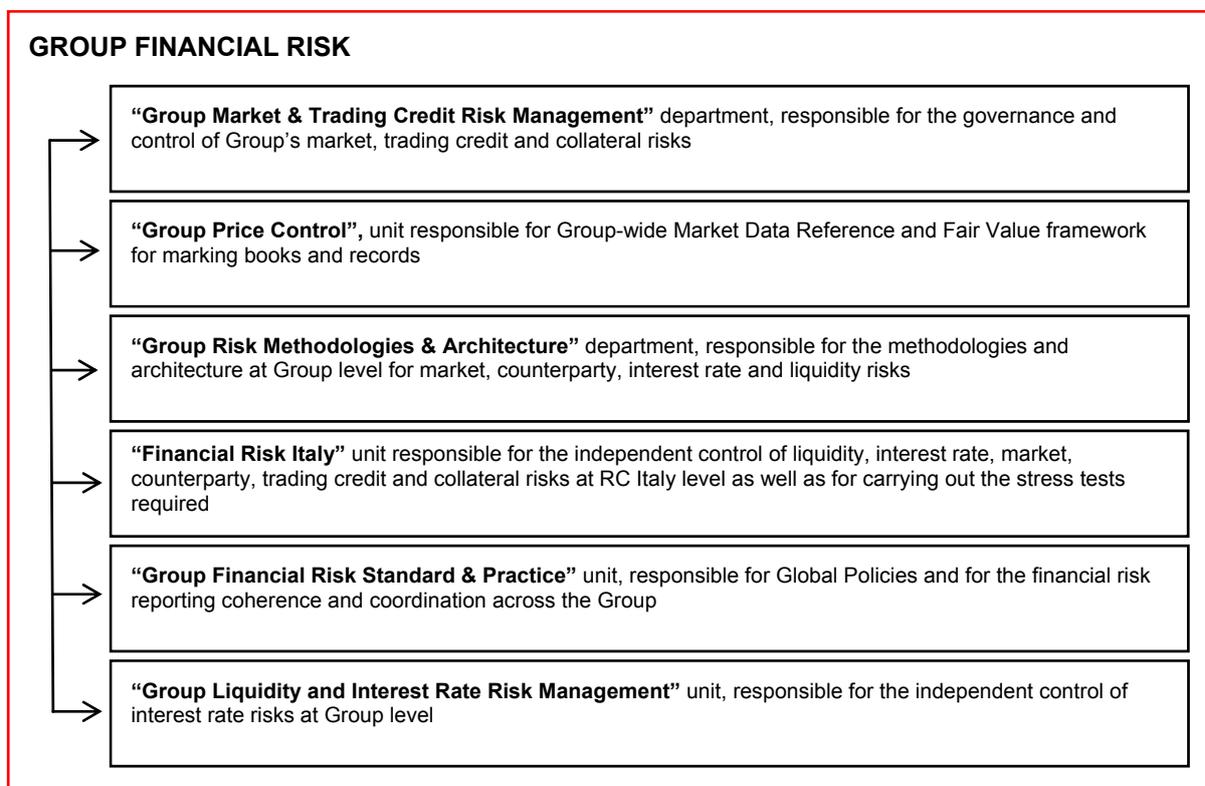
### Structure and Organization

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<sup>12</sup> 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<sup>13</sup>” 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/departments:



<sup>12</sup> I.e. Pre-settlement, Settlement, Money Market and Issuer Risk.

<sup>13</sup> Group Managerial Golden Rules.

## Risk measurement and reporting systems

### Trading Book

During 2015, UniCredit group continued to improve and consolidate market risk models in order to properly measure, represent and control the Group risk profile, reflecting these changes in the reporting activity. As regards market risk measurement, more details can be found in the paragraph “Internal Model for Price, Interest Rate and Exchange Rate Risk of the Regulatory Trading Book”, while for both monthly and daily reporting process Global Operational Instruction are periodically updated.

The monitoring of the risk profiles is made even more effective with the individual granular risk limits, in addition to Broad 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.

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 values at risk measures are based on a historical simulation.

## Part E – Information on risks and related risk management policies

**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, Sovereign Exposure 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 mainly 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 UniCredit Group within the scope of market risk management is aimed at the adoption and use of best practice principles, rules and processes in terms of risk appetite, model development 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 enhanced the consolidated Value-at-Risk (VaR)-based framework with other risk measures: an incremental risk capital charge (IRC) and a stressed Value-at-Risk (sVaR) aimed at reducing the pro-cyclicality of the minimum capital requirements for market risk.

All the regulatory requirements in the market risk arena have been addressed via internal development of the necessary model and IT infrastructure as oppose to the external acquisition of ready-made solutions.

This enabled UniCredit to craft solutions that in many aspects can be considered on the sophisticated end of the spectrum of practices that can be found in the Industry. In this respect one distinctive feature of the market (and counterparty) risk frameworks implemented in UniCredit Group is the full revaluation approach employing the same pricing libraries used in the Front Office.

UniCredit Group calculates both VaR and sVaR for market risk on trading positions using the historical simulation method. Under the historical simulation method positions are revaluated (in full revaluation approach) 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 no trading in the portfolio) has the given confidence level.

Current configuration of the internal model defines VaR at a 99% confidence level on the 1 day P&L distribution obtained from historical scenarios covering the most recent 500 days. The model is recalibrated on a daily basis.

The use of a 1-day time-horizon makes the immediate comparison with realized profits/losses possible and such comparison is at the heart of the backtesting exercise.

The VaR measure identifies a consistent measure across all of our portfolio and products, since it:

- allows a comparison of risk among different businesses
- provides a means of aggregating and netting position within a portfolio to reflect correlation and offsets between different assets classes
- facilitates comparisons of our market risk both over time and against daily results.

Although a valuable guide to risk, VaR should always be viewed within its limitations:

- Historical simulation relies on past occurrences to forecast potential losses. In case of regime shifts this might not be appropriate
- The length of the time window used to generate the forecasted distribution will necessarily embed a trade-off between the responsiveness of the metric to recent market evolutions (short window) and the spectrum of scenarios that will embed (long window)
- Assuming a constant one/ten day horizon there is no discrimination between different risk-factor liquidity

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.

Stress windows are recalibrated on a quarterly basis and are tailored to the portfolio of each Legal Entity of the Group, plus the Group itself (relevant for RWA calculation on a consolidated level).

The SVAR window at Group level and for UCI SpA has been set to the “Sovereign Debt Crisis” window (2012). For UCB AG as the stressed window corresponds instead to the “Lehman crisis” (2008/09) while UCBA AG used in 2015 both the “Lehman” window and “RUB crisis” (2014).

The 10-day capital requirement is however obtained via a convolution approach that turns the one-day distribution into a 10-day distribution for both the VaR and the Stressed VaR. The 1-day measures are instead actively used for market risk management.

The IRC capital charge captures default risk as well as migration risk for un-securitized credit products held in trading book. The internally developed model simulates – via multivariate version of a Merton-type model – the rating migration events of all the issuers relevant to the Group trading positions over a capital horizon of one year. Simulated migration events are turned into credit spread scenarios while default events are associated to a simulated recovery rate. In so doing a constant position assumption is employed and products are conservatively all attributed a common liquidity horizon of 1Y

In each scenario all the relevant product inventory is revaluated under such spread and default events producing a simulated Profit or Loss (P&L) that fully reflects convexity, basis risk, portfolio effects and portfolio concentration risks.

In this way a high-number of paths Monte Carlo simulation generates a P&L distribution for the Group (and each leaf of its portfolio tree). IRC is defined as the 99.9% percentile of such loss distribution.

Additional capital charge for securitizations and credit products not covered by IRC is evaluated through the standardized approach.

The following table summarizes the main characteristics of the different measures that define the Capital requirement for market risk in UniCredit.

Measure	Risk Type	Horizon	Quantile	Simulation	Calibration
VaR	All Market Risk Factors	1d	99%	Historical	2Y window, equally weighted
SVaR	All Market Risk Factors	1d	99%	Historical	1Y window, equally weighted
IRC	Rating Migration & Default	1Y	99.9%	Monte Carlo	Through-the-cycle (min 8Y)

While IRC has a unique view with UniCredit Group, for VaR and Stressed VaR the bank differentiates between regulatory and managerial views. The Managerial measures including VaR, SVaR and IRC, are used for Risk monitoring and Business steering purposes as prescribed by Market Risk Framework: in particular VaR limits represent the main metric translating the Risk Appetite into the Market Risk framework.

The Managerial VaR has a wider scope: it is used to monitor both Trading Book and Overall perimeter (Trading Book + Banking Book), in order to have a complete picture of risk.

The major differences between Regulatory and Managerial VaR and SVaR, as far as Trading Book is concern, are:

- inclusion of the FX risk of the Banking Book for Regulatory purposes as for the approved legal entities (UniCredit Bank AG and UniCredit BankAustria AG); for those where it is not approved yet it is instead being activated in the managerial run
- inclusion in the managerial run of UniCredit BankAustria AG of those positions held in sub Legal Entities (in particular the CEE ones) not subject to the Internal Model for regulatory purposes.

## Part E – Information on risks and related risk management policies

Measure	View	UniCredit Bank AG	UniCredit Bank Austria AG	UniCredit Spa Solo
FX Risk BB	Reg	YES	YES	NO
	Mng	NO	YES	NO
Non IMA Legal Entities	Reg	NO	NO	NO
	Mng	YES	YES	YES

Since November 2015 the Group has introduced some methodological enhancements (related to the negative rates market environment) to the managerial run; such decoupling is only temporarily introduced while awaiting for the model change request to be processed by Joint Supervisory Team dedicated to UniCredit since the introduction of the Single Supervisor Mechanism (ECB). A positive assessment on all the data and paperwork provided by the Bank will allow the authorisation for the same enhancements to be reflected also in the regulatory run.

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 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. Group Internal Validation performed the periodic validation of the VaR framework to assess the compliance with regulatory requirements including an independent backtesting analysis complemented with different parameterization (e.g. different time horizon, percentile).

Finally 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.

All details about policies and procedures for the overall management of the trading book and the prudent valuation of their trading book positions are defined in section

## 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	12.30.2015	AVERAGE LAST 60 DAYS	2015			
			AVERAGE	MAX	MIN	
Diversified UniCredit Group VaR	5.8	6.4	12.7	26.4	0.0	

Daily VaR on Trading Book						(€ million)
Standardized Approach Perimeter	12.30.2015	AVERAGE LAST 60 DAYS	2015			
			AVERAGE	MAX	MIN	
UCBA AG NoN EU Countries <sup>(1)</sup>	2.4	4.4	4.8	7.8	2.4	
Bank Pekao SA	0.3	0.3	0.3	0.5	0.2	

<b>Undiversified Unicredit Group VaR</b>	<b>11.4</b>	<b>15.7</b>	<b>25.1</b>	<b>42.4</b>	<b>9.0</b>
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<sup>(1)</sup> including Turkey, Russia, Serbia, Bosnia

Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

During first half 2015 Group Trading Book VaR was mainly affected by

- the increased FX delta on EUR/RUB due to execution of the strategic FX hedges approved by GALCO combined with market turbulences (Russia-Ukraine conflicts) in UCBA AG. This effect progressively reduced along the year following the gradual expiry of trades
- reduction of exposure to Italian sovereigns in UCI SpA

In the second half of 2015 the negative rates environments in EUR-zone has persisted forcing significant portions of the EURIBOR curves deeply into negative ground, determining Group VaR trend.

### 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 for the risk taking units of subsidiaries having legal residence out of European Union, the relative SVaR, and the Group SVaR calculated including them, are reported for informative purpose (without considering Diversification Benefit).

#### Risk on trading book

SVaR on Trading Book						(€ million)
I-Mod Perimeter	12.30.2015	AVERAGE LAST 12 WEEKS	2015			
			AVERAGE	MAX	MIN	
Diversified UniCredit Group	19.9	15.1	30.7	58.9	1.1	

SVaR on Trading Book						(€ million)
Standardized Approach Perimeter	12.30.2015	AVERAGE LAST 12 WEEKS	2015			
			AVERAGE	MAX	MIN	
UCBA AG Non EU Countries (*)	7.3	10.7	10.3	17.2	5.2	

<b>Undiversified UniCredit Group</b>	<b>48.1</b>	<b>45.5</b>	<b>61.7</b>	<b>92.4</b>	<b>32.6</b>
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(\*) including Turkey, Russia, Serbia, Bosnia

Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

## Part E – Information on risks and related risk management policies

According to recalibration results, during the period 19<sup>th</sup> February 2015-11<sup>th</sup> June 2015, UCBA AG modified Stress VaR window: the “RUB crisis” January 16<sup>th</sup> 2014 –December 31<sup>st</sup> 2014, temporarily replaced the Lehman crisis (21<sup>st</sup> February 2008 - 04<sup>th</sup> February 2009).

During second half 2015 the negative rates environments in EUR-zone has persisted forcing significant portions of the EURIBOR curves deeply into negative ground affecting SVaR trend.

#### 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 for the risk taking units of subsidiaries having legal residence out of European Union, the relative IRC, and the Group IRC calculated including them, are reported for informative purpose (without considering Diversification Benefit).

#### Risk on trading book

IRC on Trading Book						(€ million)
I-Mod Perimeter	12.30.2015	AVERAGE LAST 12 WEEKS	2015			
			AVERAGE	MAX	MIN	
Diversified UniCredit Group	403.1	388.1	395.6	558.1	294.3	

IRC Portafoglio di Negoziazione						(€ million)
Standardized Approach Perimeter	12.30.2015	AVERAGE LAST 12 WEEKS	2015			
			AVERAGE	MAX	MIN	
UCBA AG Non EU Countries (*)	24.8	24.4	23.6	38.0	12.1	

Undiversified UniCredit Group	549.6	516.7	526.7	691.2	403.4
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(\*) including Turkey, Russia, Serbia, Bosnia

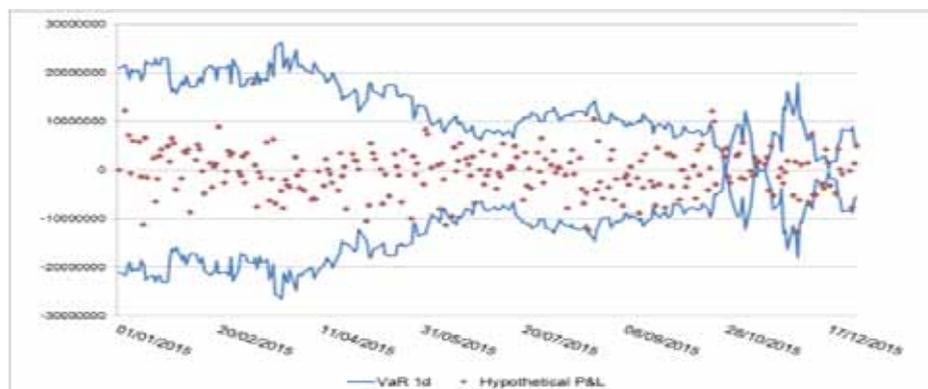
Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

During 2015 IRC maintained almost stable considering average 2015 and the average of last 60 days. Maximum has been registered in first quarter 2015 and it was driven by higher exposure to Italian Sovereign.

#### VaR backtesting

In first half 2015, UniCredit Group’s market risk trend remained aligned to last days of 2014, that were dominated by a general context of market uncertainty, negatively affected by the higher markets’ volatility due to turbulences in Russia. The decreasing trend during the second quarter 2015 is driven by reduced FX exposure to RUB and reduced exposure to Italian sovereigns. In the second half of 2015 the negative rates environments in EUR-zone has persisted forcing significant portions of the EURIBOR curves deeply into negative ground

The following graph 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):



The negative overdraft registered at December 19, 2014 has been caused by higher market’s volatility, driven by Russian market turbulences; the one registered at June 12, 2015 has been driven by increased credit spread on Italian Sovereign. The negative overdrafts occurred in December 2015 have been induced by the negative rates environment and did not materialise under the managerial view. UniCredit is awaiting for the approval to a model change request to re-align managerial and regulatory views.

## Managerial VaR

Below a picture of Managerial Diversified and Undiversified Trading Book VaR at the end of 2015 by Legal Entity

12.30.2015	€ million
<b>TRADIN BOOK</b>	<b>VaR</b>
<b>Diversified Unicredit Group</b>	
<b>Imod Peremiter</b>	<b>16.67</b>
UCB AG Group	6.72
UCBA AG Group	16.02
UCI Group	3.55
<b>Bank Pekao SA</b>	<b>0.31</b>
<b>Undiversified Unicredit Group</b>	<b>26.60</b>

Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

Difference with Regulatory Trading Book has been described above, other contributions from other countries mainly raised from Ukraine subsidiaries:

12.30.2015	€ million
<b>TRADIN BOOK</b>	<b>VaR</b>
<b>UCBA AG Group</b>	<b>16.02</b>
<b>RC Austria</b>	<b>0.40</b>
<b>RC CEE</b>	<b>15.86</b>
<i>Bosnia</i>	0.00
<i>Bulgaria</i>	0.09
<i>Croatia</i>	0.13
<i>Czech Republic</i>	0.41
<i>Hungary</i>	0.68
<i>Latvia</i>	0.01
<i>Romania</i>	0.65
<i>Russia</i>	2.31
<i>Serbia</i>	0.08
<i>Slovenia</i>	0.01
<i>Turkey</i>	0.49
<i>Ukraine</i>	16.66

Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

## 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. 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.

## Part E – Information on risks and related risk management policies

The curves are analyzed using parallel shifts of  $\pm 1\text{bp}/\pm 10\text{bps}$  and  $\pm 100\text{bps}$ .

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 trading book sensitivities.

€ millions

Interest Rates	+1BP less than 1 month	+1BP 1 month to 6 months	+1BP 6 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	+100 BPS	CW	CCW
Total	- 0.1	- 0.2	- 0.2	- 0.2	- 0.2	- 0.2	- 0.0	- 0.6	7.8	- 8.2	75.2	- 74.5	- 5.3	0.9
of which: EUR	- 0.1	- 0.2	- 0.3	- 0.1	- 0.1	- 0.1	- 0.0	- 0.7	8.4	- 8.9	85.4	- 81.6	- 5.5	1.4
USD	- 0.0	- 0.0	- 0.1	- 0.1	- 0.1	- 0.0	- 0.0	- 0.1	- 0.9	- 0.9	- 10.2	- 10.6	- 0.6	- 0.5
GBP	- 0.0	- 0.1	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.1	- 1.0	- 0.9	- 4.0	3.7
CHF	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.7	- 0.7	- 6.5	- 7.2	- 0.6	0.5
JPY	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.5	- 0.5	- 5.0	- 4.8	- 1.5	- 1.5

€ million

Interest Rates	-30%	+30%
EUR	5.425	-1.938
USD	5.329	-1.820
USD	0.035	-0.033

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, 2015, the sensitivity of interest income to an immediate and parallel shift of +100bps was +€515 million. The sensitivity of the economic value of shareholders' equity to an immediate and parallel change in interest rates ("parallel shift") of +200bps was -€1.805 million at December 31, 2015<sup>14</sup>.

<sup>14</sup> The figures include modeled sensitivity estimates for assets and liabilities with not well-defined maturities, such as sight and savings deposits.

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. Yield curve risk referring to the risk resulting from exposure of the bank's positions to changes in the slope and shape of the yield curve. Basis risk resulting from the imperfect correlation in lending and borrowing interest rate changes for different instruments;
- 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 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. Reference shocks for a rate rise and a rate fall scenario are an instantaneous and parallel shock of respectively +/- 100 bps.
- 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 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."

## 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)

TYPE / RESIDUAL MATURITY	AMOUNTS AS AT 12.31.2015							
	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
<b>1. Balance-sheet assets</b>	<b>145,931,400</b>	<b>252,106,626</b>	<b>53,275,331</b>	<b>51,189,227</b>	<b>150,111,736</b>	<b>49,155,787</b>	<b>18,293,422</b>	<b>6,274,145</b>
1.1 Debt securities	151,737	25,477,282	13,312,609	16,038,252	79,275,267	20,648,300	4,006,704	21,491
- With prepayment option	2,000	355,468	85,771	40,718	107,553	48,338	-	-
- Other	149,737	25,121,814	13,226,838	15,997,534	79,167,714	20,599,962	4,006,704	21,491
1.2 Loans to banks	24,123,364	46,167,786	5,050,457	3,911,185	771,821	361,393	328,508	4,293
1.3 Loans to customers	121,656,299	180,461,558	34,912,265	31,239,790	70,064,648	28,146,094	13,958,210	6,248,361
- Current accounts	37,321,670	1,158,917	54,849	2,022,192	3,439,324	636,487	140,678	20,771
- Other loans	84,334,629	179,302,641	34,857,416	29,217,598	66,625,324	27,509,607	13,817,532	6,227,590
- With prepayment option	27,139,699	40,078,274	10,714,067	3,436,924	14,129,199	5,641,854	6,053,495	-
- Other	57,194,930	139,224,367	24,143,349	25,780,674	52,496,125	21,867,753	7,764,037	6,227,590
<b>2. Balance-sheet liabilities</b>	<b>333,485,924</b>	<b>196,633,382</b>	<b>35,287,711</b>	<b>43,426,530</b>	<b>81,928,702</b>	<b>23,535,524</b>	<b>5,783,537</b>	<b>410,360</b>
2.1 Deposits from customers	307,344,406	103,952,409	16,031,599	23,755,659	14,213,406	687,839	881,838	158,332
- Current accounts	298,715,963	8,364,358	2,020,904	4,137,894	705,544	2,770	2,853	-
- Other	8,628,443	95,588,051	14,010,695	19,617,765	13,507,862	685,069	878,985	158,332
- With prepayment option	150,939	344,169	152,854	74,770	232,017	149	3,616	-
- Other	8,477,504	95,243,882	13,857,841	19,542,995	13,275,845	684,920	875,369	158,332
2.2 Deposits from banks	23,310,636	47,517,125	8,304,804	4,663,994	27,677,803	3,260,505	1,047,547	101,310
- Current accounts	14,803,481	1,285,675	117,392	14,250	23,760	-	-	36
- Other	8,507,155	46,231,450	8,187,412	4,649,744	27,654,043	3,260,505	1,047,547	101,274
2.3 Debt securities in issue	2,822,145	45,161,844	10,951,308	15,006,877	40,037,493	19,587,180	3,854,192	150,718
- With prepayment option	-	411,553	36,013	552,681	3,183,229	3,607,506	653,550	-
- Other	2,822,145	44,750,291	10,915,295	14,454,196	36,854,264	15,979,674	3,200,642	150,718
2.4 Other liabilities	8,737	2,004	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	8,737	2,004	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	44,783	22,248	96,439	170,851	91,161	425,482	-
+ Short positions	-	125,917	21,106	92,793	90,596	53,677	384,105	-
- Other derivatives								
+ Long positions	-	1,786,105	50,640	2,776,605	2,284,570	617,014	161,216	-
+ Short positions	-	2,093,885	50,741	1,180,443	2,928,588	652,360	139,000	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	1,185,910	543,371	343,943	6,348,669	839,566	1,223,349	-
+ Short positions	-	2,456,685	525,760	330,299	7,454,820	984,167	1,541,278	-
- Other derivatives								
+ Long positions	1,130,603	191,455,777	32,387,179	17,390,825	65,312,189	25,441,188	8,967,148	380,068
+ Short positions	1,098,046	186,853,261	33,615,687	19,019,997	70,500,236	18,440,798	11,997,383	765,402
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	39,054,840	29,373,831	3,476,892	6,431,169	23,436,179	1,757,602	3,899,174	7,523,163
+ Short positions	55,661,278	19,624,786	3,207,978	5,170,528	18,423,190	1,676,636	3,665,293	7,523,163

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)

TYPE/RESIDUAL MATURITY	AMOUNTS AS AT 12/31/2015							
	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
<b>1. Balance-sheet assets</b>	<b>118,573,313</b>	<b>187,953,992</b>	<b>44,226,596</b>	<b>39,785,435</b>	<b>134,669,246</b>	<b>43,677,681</b>	<b>15,907,192</b>	<b>6,159,357</b>
1.1 Debt securities	111,640	19,073,511	10,534,960	13,578,662	74,055,944	17,618,329	2,929,177	21,479
- With prepayment option	2,000	292,539	85,771	35,919	68,074	48,338	-	-
- Other	109,640	18,780,972	10,449,189	13,542,743	73,987,870	17,569,991	2,929,177	21,479
1.2 Loans to banks	20,257,240	30,849,814	4,393,552	3,570,503	440,696	40,166	328,508	4,293
1.3 Loans to customers	98,204,433	138,030,667	29,298,084	22,636,270	60,172,606	26,019,186	12,649,507	6,133,585
- Current accounts	33,481,647	217,615	45,300	1,697,417	3,385,903	633,824	140,666	20,750
- Other loans	64,722,786	137,813,052	29,252,784	20,938,853	56,786,703	25,385,362	12,508,841	6,112,835
- With prepayment option	26,504,908	39,911,189	10,543,198	3,208,883	13,860,636	5,296,145	5,080,552	-
- Other	38,217,878	97,901,863	18,709,586	17,729,970	42,926,067	20,089,217	7,428,289	6,112,835
<b>2. Balance-sheet liabilities</b>	<b>286,616,408</b>	<b>163,092,444</b>	<b>30,183,449</b>	<b>33,528,889</b>	<b>71,298,702</b>	<b>23,103,882</b>	<b>5,441,349</b>	<b>224,664</b>
2.1 Deposits from customers	263,583,113	81,796,542	12,229,126	15,910,003	7,591,753	662,482	864,125	896
- Current accounts	257,010,387	1,024,275	187,275	865,057	61,586	3	-	-
- Other	6,572,726	80,772,267	12,041,851	15,044,946	7,530,167	662,479	864,125	896
- With prepayment option	145,342	18,060	9,971	5,966	321	7	3,616	-
- Other	6,427,384	80,754,207	12,031,880	15,038,980	7,529,846	662,472	860,509	896
2.2 Deposits from banks	20,210,382	39,152,829	7,945,847	3,649,584	27,363,234	3,143,767	1,042,748	73,050
- Current accounts	13,393,985	742,866	109,403	2,908	15,937	-	-	35
- Other	6,816,397	38,409,963	7,836,444	3,646,676	27,347,297	3,143,767	1,042,748	73,015
2.3 Debt securities in issue	2,814,176	42,141,069	10,008,476	13,969,302	36,343,715	19,297,633	3,534,476	150,718
- With prepayment option	-	409,636	36,013	552,681	3,183,229	3,607,506	653,550	-
- Other	2,814,176	41,731,433	9,972,463	13,416,621	33,160,486	15,690,127	2,880,926	150,718
2.4 Other liabilities	8,737	2,004	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	8,737	2,004	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	44,783	22,248	96,439	170,851	91,161	425,482	-
+ Short positions	-	125,917	21,106	92,793	90,596	53,677	384,105	-
- Other derivatives								
+ Long positions	-	345,696	-	1,821,755	169,679	10,000	101,000	-
+ Short positions	-	785,355	37,076	250,461	790,736	45,346	139,000	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	847,146	412,711	219,969	6,323,995	709,564	1,223,349	-
+ Short positions	-	2,054,610	452,162	233,391	7,407,653	854,165	1,541,278	-
- Other derivatives								
+ Long positions	581,146	185,374,315	30,161,906	15,878,282	63,135,678	23,894,151	8,868,396	87,962
+ Short positions	1,059,004	181,163,499	32,216,140	16,857,120	68,551,195	17,697,610	11,648,522	-
<b>4. Other off-balance sheet transactions</b>								
+ Long positions	37,570,113	28,631,540	2,485,056	4,178,244	19,698,493	1,291,987	2,798,314	1,291,188
+ Short positions	53,441,114	19,063,893	2,515,128	3,006,590	14,712,343	1,225,427	2,689,252	1,291,188

## 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: other currencies

(€ '000)

TYPE/RESIDUAL MATURITY	AMOUNTS AS AT 12.31.2015							
	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
<b>1. Balance-sheet assets</b>	<b>27,358,087</b>	<b>64,152,634</b>	<b>9,048,735</b>	<b>11,403,792</b>	<b>15,442,490</b>	<b>5,478,106</b>	<b>2,386,230</b>	<b>114,788</b>
1.1 Debt securities	40,097	6,403,771	2,777,649	2,459,590	5,219,323	3,029,971	1,077,527	12
- With prepayment option	-	62,929	-	4,799	39,479	-	-	-
- Other	40,097	6,340,842	2,777,649	2,454,791	5,179,844	3,029,971	1,077,527	12
1.2 Loans to banks	3,866,124	15,317,972	656,905	340,682	331,125	321,227	-	-
1.3 Loans to customers	23,451,866	42,430,891	5,614,181	8,603,520	9,892,042	2,126,908	1,308,703	114,776
- Current accounts	3,840,023	941,302	9,549	324,775	53,421	2,663	12	21
- Other loans	19,611,843	41,489,589	5,604,632	8,278,745	9,838,621	2,124,245	1,308,691	114,755
- With prepayment option	634,791	167,085	170,869	228,041	268,563	345,709	972,943	-
- Other	18,977,052	41,322,504	5,433,763	8,050,704	9,570,058	1,778,536	335,748	114,755
<b>2. Balance-sheet liabilities</b>	<b>46,869,516</b>	<b>33,540,938</b>	<b>5,104,262</b>	<b>9,897,641</b>	<b>10,630,000</b>	<b>431,642</b>	<b>342,228</b>	<b>185,696</b>
2.1 Deposits from customers	43,761,293	22,155,867	3,802,473	7,845,656	6,621,653	25,357	17,713	157,436
- Current accounts	41,705,576	7,340,083	1,833,629	3,272,837	643,958	2,767	2,853	-
- Other	2,055,717	14,815,784	1,968,844	4,572,819	5,977,695	22,590	14,860	157,436
- With prepayment option	5,597	326,109	142,883	68,804	231,696	142	-	-
- Other	2,050,120	14,489,675	1,825,961	4,504,015	5,745,999	22,448	14,860	157,436
2.2 Deposits from banks	3,100,254	8,364,296	358,957	1,014,410	314,569	116,738	4,799	28,260
- Current accounts	1,409,496	542,809	7,989	11,342	7,823	-	-	1
- Other	1,690,758	7,821,487	350,968	1,003,068	306,746	116,738	4,799	28,259
2.3 Debt securities in issue	7,969	3,020,775	942,832	1,037,575	3,693,778	289,547	319,716	-
- With prepayment option	-	1,917	-	-	-	-	-	-
- Other	7,969	3,018,858	942,832	1,037,575	3,693,778	289,547	319,716	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- With prepayment option	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
<b>3. Financial derivatives</b>								
3.1 Physically settled financial derivatives								
- Option								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	1,440,409	50,640	954,850	2,114,891	607,014	60,216	-
+ Short positions	-	1,308,530	13,665	929,982	2,137,852	607,014	-	-
3.2 Cash settled financial derivatives								
- Option								
+ Long positions	-	338,764	130,660	123,974	24,674	130,002	-	-
+ Short positions	-	402,075	73,598	96,908	47,167	130,002	-	-
- Other derivatives								
+ Long positions	549,457	6,081,462	2,225,273	1,512,543	2,176,511	1,547,037	98,752	292,106
+ Short positions	39,042	5,689,762	1,399,547	2,162,877	1,949,041	743,188	348,861	765,402
<b>4. Other off-balance sheet</b>								
+ Long positions	1,484,727	742,291	991,836	2,252,925	3,737,686	465,615	1,100,860	6,231,975
+ Short positions	2,220,164	560,893	692,850	2,163,938	3,710,847	451,209	976,041	6,231,975

## 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.

#### 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%, 5%, 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 5%, 10% and 20% is calculated solely on the total.

The Group also calculates sensitivity to the volatility of equities assuming a positive shift of 30% or negative change of 30% in volatility curves or matrixes.

In addition, sensitivity to commodity price changes is calculated 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 trading book sensitivities.

		€ million											
Equities	Delta Cash-equivalent	-20%	-10%	-5%	-1%	+1%	5%	+10%	+20%				
All markets													
Europe	1.7	-	-	-	-	0.0	-	-	-				
USA	9.9	-	-	-	-	0.1	-	-	-				
Japan	-	1.9	-	-	-	0.0	-	-	-				
Asia ex-Japan	4.6	-	-	-	-	0.0	-	-	-				
Latin America	0.2	-	-	-	-	0.0	-	-	-				
Other	-	1.2	-	-	-	0.0	-	-	-				
<b>Totale</b>	<b>13.2</b>	<b>-42.5</b>	<b>0.5</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>1.1</b>	<b>- 12.2</b>			
Commodity	-	2.1	-1.8	-	0.6	-	-	0.1	-	0.0	-	0.4	0.9

		€ million	
		-30%	+30%
Equities		-19.769	-4.624

## Part E – Information on risks and related risk management policies

### **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 stable investments, as well as units in mutual investment funds not included in the trading book as they are also held as stable investments. The assessment of the whole banking book also takes account of this type of risk.

## 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.

### 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 30% or negative change of 30% in volatility curves or matrixes.

The tables below show trading book sensitivities.

Exchange rates	Delta Cash-Equivalent	€ million					
		-10%	-5%	-1%	+1%	+5%	+10%
USD	115.2	- 21.4	- 11.5	- 2.4	2.4	17.6	39.2
GBP	-96.5	12.3	6.0	1.0	- 1.0	- 3.1	- 5.0
CHF	-3.1	5.2	1.6	0.1	- 0.1	- 1.7	- 7.9
JPY	9.0	4.4	0.9	- 0.1	0.1	- 2.7	- 7.3

Exchange Rates	€ million	
	-30%	+30%
Exchange Rates	2.286	-0.736

Main contributors are 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 centers 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 euro zone. The hedging strategies takes into account market circumstances.

The management policy regarding currency risk related to the early repayment option on AT1 capital instruments denominated in a foreign currency already recognized as items of shareholders' equity (anyway subject to prior authorization by the regulator) provides for the maintenance of a long position in foreign currency.

## QUANTITATIVE INFORMATION

(Regulatory trading book and Banking book)

**1. Distribution by currency of assets and liabilities and derivatives**

(€ '000)

(€ '000)

ITEMS	AMOUNTS AS AT 12.31.2015					
	CURRENCIES					
	US DOLLAR	ZLOTY	YEN	TURKISH LIRA	SWISS FRANC	OTHER CURRENCY
<b>A. Financial assets</b>	<b>46,603,355</b>	<b>30,515,944</b>	<b>1,794,055</b>	<b>16,128,039</b>	<b>13,806,188</b>	<b>53,760,946</b>
A.1 Debt securities	6,529,938	7,564,241	280,076	2,656,027	476,028	8,402,852
A.2 Equity securities	389,243	1,679	665,327	1,047	175,490	343,217
A.3 Loans to banks	8,696,261	1,920,122	491,196	498,897	113,315	12,669,667
A.4 Loans to customers	30,779,382	21,029,744	357,385	12,785,375	13,001,232	30,618,897
A.5 Other financial assets	208,531	158	71	186,693	40,123	1,726,313
<b>B. Other assets</b>	<b>616,973</b>	<b>19,076</b>	<b>4,764</b>	<b>189,033</b>	<b>37,353</b>	<b>996,535</b>
<b>C. Financial liabilities</b>	<b>52,411,036</b>	<b>26,258,027</b>	<b>271,011</b>	<b>10,781,336</b>	<b>1,081,074</b>	<b>35,879,729</b>
C.1 Deposits from banks	19,125,108	300,913	44,090	1,462,035	177,165	4,029,217
C.2 Deposits from customers	28,856,454	25,194,462	45,256	8,342,793	578,594	28,615,534
C.3 Debt securities in issue	4,222,116	619,252	181,665	976,508	323,541	3,176,508
C.4 Other financial liabilities	207,358	143,400	-	-	1,774	58,470
<b>D. Other liabilities</b>	<b>791,530</b>	<b>126,706</b>	<b>6,063</b>	<b>1,348,158</b>	<b>33,485</b>	<b>2,927,909</b>
<b>E. Financial derivatives</b>						
- Options						
- Long positions	66,129,680	1,026,751	4,313,805	1,490,210	3,149,608	29,708,445
- Short positions	65,685,371	1,051,345	4,311,516	4,554,822	3,147,792	30,764,241
- Other						
- Long positions	100,237,544	15,018,790	6,930,109	85,070	28,571,433	55,896,729
- Short positions	97,162,731	14,963,610	8,094,550	384,660	30,199,188	60,998,934
<b>Total assets</b>	<b>213,587,552</b>	<b>46,580,561</b>	<b>13,042,733</b>	<b>17,892,352</b>	<b>45,564,582</b>	<b>140,362,655</b>
<b>Total liabilities</b>	<b>216,050,668</b>	<b>42,399,688</b>	<b>12,683,140</b>	<b>17,068,976</b>	<b>34,461,539</b>	<b>130,570,813</b>
<b>Difference (+/-)</b>	<b>(2,463,116)</b>	<b>4,180,873</b>	<b>359,593</b>	<b>823,376</b>	<b>11,103,043</b>	<b>9,791,842</b>

## 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 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.

### QUANTITATIVE INFORMATION

Credit spread sensitivity is calculated by assuming a worsening of creditworthiness seen in a parallel shift of +1bp/+10bp/+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 trading book sensitivities.

€ millions										
	+1BP less than 1 month	+1BP 1 month to 6 months	+1BP 6 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	+10BPS	+100BPS
<b>Total</b>	- 0.0	- 0.1	- 0.2	- 0.1	- 0.7	- 0.7	- 0.1	- 1.6	- 17.4	- 185.6
<b>Rating</b>										
AAA	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.1	- 0.1	- 0.1	- 0.8	- 6.5
AA	- 0.0	- 0.0	- 0.0	- 0.0	- 0.3	- 0.2	- 0.0	- 0.5	- 5.0	- 48.6
A	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.1	- 0.0	- 0.3	- 3.3	- 35.1
BBB	- 0.0	- 0.1	- 0.1	- 0.0	- 0.1	- 0.5	- 0.2	- 0.6	- 6.5	- 70.9
BB	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.0	- 0.0	- 0.1	- 1.0	- 10.3
B	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.4	- 3.7
CCC and NR	-	-	-	-	-	-	-	-	- 0.3	- 2.7
<b>Sector</b>										
<b>Sovereigns &amp; Related</b>	- 0.0	- 0.1	- 0.1	- 0.1	- 0.2	- 0.5	- 0.2	- 0.7	- 7.3	- 70.5
<b>ABS and MBS</b>	-	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.2	- 1.9
<b>Financial Services</b>	- 0.0	- 0.0	- 0.1	- 0.1	- 0.3	- 0.2	- 0.0	- 0.7	- 8.3	- 83.3
<b>All Corporates</b>	- 0.0	- 0.0	- 0.0	- 0.1	- 0.1	- 0.1	- 0.0	- 0.1	- 1.5	- 25.5
<i>Basic Materials</i>	-	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.4	- 3.5
<i>Communications</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 0.0
<i>Consumer Cyclical</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.2
<i>Consumer Non cyclical</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.4	- 4.8
<i>Energy</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.2	- 2.2
<i>Technology</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0
<i>Industrial</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.1	- 1.6
<i>Utilities</i>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.3	- 2.9
<b>-All other Corporates</b>	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 0.2

## 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.

#### Widespread Contagion

In this risk scenario we assume an intensification of political risks across the EU, with tensions arising due to Brexit, a clash between Catalonia and Spain, more extensive policy influence of protest parties in France, Italy and Germany, and renewed political issues in Greece and Portugal. Confidence of financial markets, businesses and households sours, leading to tighter financial conditions and lower economic activity. The ECB would cut the deposit rate; another dose of QE appears very likely at a time of meaningful deviation from the price stability target.

The US economy should be less affected than EU. The reason is that most of the growth in the US comes from domestic demand, notably consumer spending. The main transmission channel of the shock is lower stock prices. Although not particularly severe for the US economy, the shock will dissuade the Fed from any further rate hikes over the coming two years. Credit spreads would come under pressure, particularly in the early stages of the shock. The widening would be more severe for the periphery, but material also for core and semi-core countries.

The deterioration in risk appetite would cause some flight-to-quality, with the focus on German, US and UK bonds. The Widespread Contagion is seen as the most negative scenario for the euro. EUR cross rates will fall accordingly and, in particular, both JPY and CHF are expected to gain ground also given global-risk considerations/hunt for safe-haven currencies. In EU, heightened uncertainty and the deterioration in the growth/inflation outlook leads to lower equity market valuations, with the FTSE 100 seen underperforming in the wake of Brexit.

As for CEE, economic growth slows more in more open economies like the Czech Republic, Hungary and Slovakia. In Poland and Romania, strong domestic demand helps GDP growth to be more resilient. While Bulgaria and the Balkans have weaker ties to the eurozone than Central Europe, domestic demand is not strong enough to prevent a slowdown. Russia, Turkey and Ukraine are less affected due to weaker ties to the eurozone. Russia, however, would be additionally hit by the lower oil prices, which would require further fiscal tightening and currency depreciation and would weigh on growth. Turkey, on its part, would benefit from the lower oil prices, which would cut the C/A deficit and ease financing pressures. Some CEE would cut rates to tackle the negative growth shock. CEE currencies are expected to depreciate as a reaction to the drop in foreign demand.

#### China hard landing

In this new risk scenario we assume a significant deceleration that pushes down Chinese growth driven by a weakening of domestic demand, especially fixed investment. This is a more global shock than “widespread contagion” and the main transmission channels are trade and, especially, financial markets – the latter predominantly via an aggressive sell-off in risky assets and its negative impact on confidence and investment plans. Moreover, as China is a big commodity importer, its slowdown is expected to increase downward pressure on commodity prices, damaging commodity producers like Russia. In a context of a global growth slowdown amid much weaker commodity prices, the ECB would act further by cutting the deposit rate. One or more doses of QE appear very likely also in this scenario.

The US economy should be less affected than the eurozone, due to its stronger reliance on domestic demand. Credit spreads would come under pressure, particularly in the early stages of the shock. The widening would be more severe for the periphery, but material also for core and semi-core countries. We expect a reaction in the first three months after the shock materializes in line with that observed during the 2011-2012 crisis. Over a longer time horizon, the initial widening in sovereign spreads would be partially reabsorbed, due to a step up in policy response.

The deterioration in risk appetite would cause some flight-to-quality, with the focus on German, US and UK bonds, where we expect a moderate richening vs. swap. In this scenario we envisage no particular tensions in money markets (in the eurozone, UK and US), since abundant liquidity related to the ECB’s QE would prevent credit risk re-pricing on the interbank market. The global shock that raises widespread uncertainty and damages the outlook for growth and inflation leads to an aggressive sell-off in the equity market.

As for CEE, the impact is mostly indirect, via the eurozone and especially Germany, with the direct impact stronger for car manufacturers like Slovakia and the Czech Republic. All countries would slip into recession except for Poland, which would avoid outright recession thanks to strong domestic demand. Outside the EU, the magnitude of the deterioration would be much larger. Russia would be hit the hardest, suffering from a triple shock: sharply lower oil and commodity prices; the slowdown in China, which is a major trading partner and the broader financial contagion that would curtail capital inflows. Turkey would suffer a multiple shock from slower growth in the EU and other EM and the broader financial contagion, but these would be mitigated in part by the slump in oil prices. Several countries would cut rates to tackle the abrupt drop in foreign demand. Stronger currency depreciation in CEE-EU than in “widespread contagion” reflects a larger drop in activity, especially in exports.

### Interest Rate Shock

In this new risk scenario we assume that interest rates (IR) in the eurozone move sharply higher, by 250bp at the short end and by 300bp at the long end. This IR increase is assumed to be totally exogenous, i.e. not driven by macro fundamentals like faster growth or inflation, therefore this scenario should mainly be seen as a purely technical exercise. We also assume that the IR increase is totally passed on to households and firms, meaning that there is no ECB facility that is capable to stop the full pass-through to the real economy.

The US economy should remain relatively less affected than the eurozone also in this scenario. As consumer spending is expected to remain the main growth driver, the main transmission channel of this shock are higher interest rates and lower stock prices, which directly affect household finances and balance sheets. To keep the focus on the IR risk, and given the exogenous nature of the shock itself, we assume yield curves stay at the new, higher level for the exercise horizon.

10Y yield are highly positively correlated across western economies. We preserve the correlation structure and, as a result, in this scenario we see a rise in the swap curve in the US, the UK and Japan. The scenario is thought as an IR stress. In this respect the pressure on credit spreads is likely to be smaller compared to other scenarios and relatively small in absolute terms. On the FX front, in this scenario we see a depreciation of the dollar vs. the EUR. Similarly, the EUR would gain vs. the CHF, GBP and JPY.

As for CEE, the Interest Rate Shock coupled with lower growth and inflation is a toxic mix for the equity market, especially in the euro area. Weaker growth or outright recessions in the CEE are caused by the recession in Europe and the sharp tightening in financial conditions. We assume that curves would steepen in countries where the exposure to foreign investors is sizable.

### Stress Test on trading book

Scenario	12.30.2015			2015		
	WideSpread Contagion	China Hard Landing	IR Shock	WideSpread Contagion	China Hard Landing	IR Shock
UniCredit Spa	-46	-48	-103	-46	-48	-103
Bank Pekao SA	2	1	4	2	1	4
UCBA AG Group	27	24	50	27	24	50
UCB AG Group	-353	-460	-128	-353	-460	-128
<b>UniCredit Group Total</b>	<b>-369</b>	<b>-483</b>	<b>-178</b>	<b>-369</b>	<b>-483</b>	<b>-178</b>

Risk Measures VaR, SVaR, IRC and Stress Test refers to 30 December 2015, since Basel 2.5 measures (SVaR, IRC) are updated on a weekly basis, and for December the last available date has been fixed at 30<sup>th</sup>. So VaR and Stress Test have been aligned to this date

The Widespread Contagion is a recurrent stress test scenario which is kept updated to market and macroeconomic dynamics every six months. The China hard landing and the Interest Rate Shock have been introduced at the end of 2015 to deep dive the magnitude of the contagion effects stemming from an unexpected China slowdown and from exogenously driven increase of interest rates respectively.

Most of conditional losses in Trading Book are in UCB AG perimeter, mainly Integrated Credit Trading, FX and Equity Business Lines in CIB perimeter. An additional relevant contribution comes from Italian Sovereign Bond portfolio in UniCredit Spa. The result of stress test scenarios in UCBA AG turned to profit during the year due to reversed USD exposure in FX Open Position.

## Part E – Information on risks and related risk management policies

## 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 12.31.2015		AMOUNTS AS AT 12.31.2014	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
<b>1. Debt securities and interest rate indexes</b>	<b>1,937,867,979</b>	<b>67,809,704</b>	<b>1,957,796,359</b>	<b>83,817,977</b>
a) Options	295,650,045	27,144,004	275,364,674	55,209,000
b) Swap	1,437,640,428	-	1,548,507,821	100,000
c) Forward	64,116,649	720,284	34,334,367	596,266
d) Futures	-	39,945,416	-	27,912,711
e) Others	140,460,857	-	99,589,497	-
<b>2. Equity instruments and stock indexes</b>	<b>31,315,887</b>	<b>38,230,422</b>	<b>36,267,001</b>	<b>34,500,375</b>
a) Options	21,878,759	31,379,947	25,443,991	28,269,502
b) Swap	9,081,000	597,000	9,748,000	425,000
c) Forward	318,007	-	236,009	9
d) Futures	-	6,253,475	-	5,805,864
e) Others	38,121	-	839,001	-
<b>3. Gold and currencies</b>	<b>578,799,163</b>	<b>186,685</b>	<b>532,865,279</b>	<b>23,306</b>
a) Options	44,618,424	-	30,001,430	-
b) Swap	203,029,125	-	229,893,978	-
c) Forward	330,500,277	180,685	272,173,839	-
d) Futures	-	6,000	-	23,306
e) Others	651,337	-	796,032	-
<b>4. Commodities</b>	<b>3,554,282</b>	<b>1,909,000</b>	<b>3,031,908</b>	<b>1,363,000</b>
<b>5. Other underlyings</b>	<b>2,661,967</b>	<b>-</b>	<b>2,006,615</b>	<b>-</b>
<b>Total</b>	<b>2,554,199,278</b>	<b>108,135,811</b>	<b>2,531,967,162</b>	<b>119,704,658</b>

This table refers to the notional values of financial derivatives according to classification within regulatory trading book applied in the separate financial statements of the Legal Entities belonging to Banking Group. 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 mitigating 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 12.31.2015		AMOUNTS AS AT 12.31.2014	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
<b>1. Debt securities and interest rate indexes</b>	<b>25,167,813</b>	<b>2,690,000</b>	<b>27,198,418</b>	<b>4,409,000</b>
a) Options	2,735,750	-	4,707,750	-
b) Swap	22,354,063	520,000	22,490,668	-
c) Forward	78,000	-	-	-
d) Futures	-	2,170,000	-	4,409,000
e) Others	-	-	-	-
<b>2. Equity instruments and stock indexes</b>	<b>-</b>	<b>-</b>	<b>1,288,000</b>	<b>-</b>
a) Options	-	-	-	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	1,288,000	-
<b>3. Gold and currencies</b>	<b>4,472,632</b>	<b>-</b>	<b>5,146,394</b>	<b>-</b>
a) Options	-	-	579,000	-
b) Swap	3,271,765	-	2,823,669	-
c) Forward	1,200,867	-	1,743,725	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
<b>4. Commodities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Other underlyings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29,640,445</b>	<b>2,690,000</b>	<b>33,632,812</b>	<b>4,409,000</b>

This table refers the notional value of hedging financial derivatives belonging to regulatory banking book in accordance with classification applied in the separate financial statements of the Legal Entities belonging to the Banking Group.

### A.2.2 Banking book: end of period notional amounts - Other derivatives

(€ '000)

DERIVATIVE INSTRUMENT TYPES/UNDERLYINGS	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
<b>1. Debt securities and interest rate indexes</b>	<b>18,796,655</b>	<b>3,600,000</b>	<b>37,349,357</b>	<b>-</b>
a) Options	6,010,000	-	6,083,792	-
b) Swap	12,726,439	3,600,000	31,265,565	-
c) Forward	60,216	-	-	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
<b>2. Equity instruments and stock indexes</b>	<b>1,935,584</b>	<b>-</b>	<b>1,901,095</b>	<b>-</b>
a) Options	1,856,184	-	1,901,095	-
b) Swap	-	-	-	-
c) Forward	-	-	-	-
d) Futures	-	-	-	-
e) Others	79,400	-	-	-
<b>3. Gold and currencies</b>	<b>1,018,927</b>	<b>-</b>	<b>1,320,335</b>	<b>-</b>
a) Options	13,606	-	97	-
b) Swap	234,186	-	-	-
c) Forward	771,135	-	1,320,238	-
d) Futures	-	-	-	-
e) Others	-	-	-	-
<b>4. Commodities</b>	<b>3,591</b>	<b>-</b>	<b>3,584</b>	<b>-</b>
<b>5. Other underlyings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>21,754,757</b>	<b>3,600,000</b>	<b>40,574,371</b>	<b>-</b>

This table refers the notional value of the contracts being presented within accounting *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 in dedicated lines within Section B Table 2.1 and 4.1) in accordance with classification applied in the separate financial statements of the Legal Entities belonging to the Banking Group.

## Part E – Information on risks and related risk management policies

**A.3 Financial derivatives: gross positive fair value - breakdown by product**

(€ '000)

TRANSACTION TYPES/UNDERLYINGS	POSITIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
<b>A. Regulatory trading book</b>	<b>69,178,073</b>	<b>1,574,772</b>	<b>91,109,618</b>	<b>1,420,907</b>
a) Options	4,534,032	1,535,988	6,803,640	1,389,413
b) Interest rate swaps	52,709,259	-	71,639,789	-
c) Cross currency swap	6,512,649	-	5,568,692	-
d) Equity swaps	172,000	-	220,000	-
e) Forward	4,886,896	2,342	6,627,315	373
f) Futures	-	36,442	-	31,121
g) Others	363,237	-	250,182	-
<b>B. Banking book - Hedging derivatives</b>	<b>487,090</b>	<b>-</b>	<b>766,684</b>	<b>-</b>
a) Options	8,000	-	16,478	-
b) Interest rate swaps	435,186	-	661,770	-
c) Cross currency swap	36,888	-	11,202	-
d) Equity swaps	-	-	-	-
e) Forward	6,016	-	7,234	-
f) Futures	-	-	-	-
g) Others	1,000	-	70,000	-
<b>C. Banking book - other derivatives</b>	<b>2,205,861</b>	<b>891</b>	<b>2,487,501</b>	<b>-</b>
a) Options	2,845	-	12,763	-
b) Interest rate swaps	2,197,806	891	2,469,949	-
c) Cross currency swap	372	-	-	-
d) Equity swaps	-	-	-	-
e) Forward	4,838	-	4,789	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
<b>Total</b>	<b>71,871,024</b>	<b>1,575,663</b>	<b>94,363,803</b>	<b>1,420,907</b>

This table presents distribution by product of the gross positive financial derivatives' fair values before accounting netting in accordance with regulatory classification applied in the separate financial statements of the Legal Entities belonging to the Banking Group.

#### A.4 Financial derivatives: gross negative fair value - breakdown by product

(€ '000)

PORTFOLIOS/DERIVATIVE INSTRUMENT TYPES	NEGATIVE FAIR VALUE			
	AMOUNTS AS AT 12.31.2015		AMOUNTS AS AT 12.31.2014	
	OVER THE COUNTER	CLEARING HOUSE	OVER THE COUNTER	CLEARING HOUSE
<b>A. Regulatory trading book</b>	<b>65,869,558</b>	<b>2,154,416</b>	<b>87,658,443</b>	<b>1,732,907</b>
a) Options	6,539,359	2,029,823	9,067,441	1,578,476
b) Interest rate swaps	46,290,732	-	64,873,193	-
c) Cross currency swap	7,799,812	-	7,141,773	-
d) Equity swaps	135,000	-	214,000	2,000
e) Forward	4,940,656	131	6,253,928	95
f) Futures	-	124,462	-	152,336
g) Others	163,999	-	108,108	-
<b>B. Banking book - Hedging derivatives</b>	<b>1,227,172</b>	<b>75,292</b>	<b>1,616,532</b>	-
a) Options	8,724	-	33,456	-
b) Interest rate swaps	946,390	75,292	1,335,756	-
c) Cross currency swap	264,379	-	214,621	-
d) Equity swaps	-	-	-	-
e) Forward	7,679	-	32,699	-
f) Futures	-	-	-	-
g) Others	-	-	-	-
<b>C. Banking book - Other derivatives</b>	<b>809,001</b>	<b>108</b>	<b>1,673,492</b>	-
a) Options	77,703	-	95,508	-
b) Interest rate swaps	715,165	108	1,575,476	-
c) Cross currency swap	-	-	-	-
d) Equity swaps	8,780	-	-	-
e) Forward	4,759	-	2,508	-
f) Futures	-	-	-	-
g) Others	2,594	-	-	-
<b>Total</b>	<b>67,905,731</b>	<b>2,229,816</b>	<b>90,948,467</b>	<b>1,732,907</b>

This table presents distribution by product of the gross negative financial derivatives' fair values before accounting netting in accordance with regulatory classification applied in the separate financial statements of the Legal Entities belonging to the Banking Group.

## 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 12.31.2015							
CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1) Debt securities and interest rate indexes</b>							
- notional amount	1,017,244	25,115,843	56,346,003	78,328,747	16,489,112	39,788,960	1,787,811
- positive fair value	499	2,194,500	921,200	2,620,576	23,673	1,913,894	30,685
- negative fair value	23	888,436	2,168,927	2,525,856	343,600	312,641	19,580
- future exposure	-	273,318	380,457	283,707	18,865	329,622	87
<b>2) Equity instruments and stock indexes</b>							
- notional amount	-	-	120,242	72,554	354,218	871,641	994,198
- positive fair value	-	-	8,878	2,861	106	930	2,415
- negative fair value	-	-	13,314	644	13,031	19,430	6,471
- future exposure	-	-	-	2,000	1,473	13,605	2,155
<b>3) Gold and currencies</b>							
- notional amount	1,388,462	3,305,945	21,424,291	9,127,882	489,128	19,057,252	1,698,487
- positive fair value	11,757	33,267	265,209	143,316	5,144	382,545	35,250
- negative fair value	9,063	274,089	520,757	357,443	4,959	628,349	19,986
- future exposure	12,961	93,501	370,400	204,459	8,655	376,245	1,142
<b>4) Other instruments</b>							
- notional amount	-	8,000	673,416	1,904,297	40,000	1,171,485	-
- positive fair value	-	4,000	2,022	24,545	-	114,750	-
- negative fair value	-	-	22,107	20,457	-	90,886	-
- future exposure	-	1,000	67,000	137,916	-	98,254	-

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)

AMOUNTS AS AT 12.31.2015							
CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1) Debt securities and interest rate indexes</b>							
- notional amount	40,993	11,807,792	472,206,696	1,116,585,244	77,929,382	40,149,180	274,976
- positive fair value	14,800	1,213,546	22,775,206	23,393,151	55,363	1,136,710	16,137
- negative fair value	37	371,408	23,327,962	20,891,807	481,335	626,724	-
<b>2) Equity instruments and stock indexes</b>							
- notional amount	-	21,000	19,356,000	8,785,000	642,000	99,035	-
- positive fair value	-	-	575,000	119,000	1,000	1,027	-
- negative fair value	-	4,000	656,000	118,000	25,000	145	-
<b>3) Gold and currencies</b>							
- notional amount	1,470,720	1,161,000	380,157,191	67,721,881	3,379,352	68,380,221	37,347
- positive fair value	7,444	4,000	6,462,766	1,497,768	51,493	2,567,330	11,001
- negative fair value	190,863	3,000	8,022,124	1,207,600	23,553	1,522,364	1
<b>4) Other instruments</b>							
- notional amount	-	-	311,000	186,000	-	1,922,050	-
- positive fair value	-	-	11,000	35,000	-	487,305	-
- negative fair value	-	-	71,000	24,000	-	42,587	-

**A.7 OTC Financial derivatives: banking book - notional amounts, positive and negative gross fair value by counterparty - contracts not included in netting agreement**

(€ '000)

AMOUNTS AS AT 12.31.2015							
CONTRACTS NOT INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1) Debt securities and interest rate indexes</b>							
- notional amount	5,588,138	2,000	17,068,700	4,440,421	552,000	169,125	86,554
- positive fair value	2,124,223	-	331,123	48,402	6,000	2,759	-
- negative fair value	1,335	-	150,815	712,155	-	7,760	2,797
- future exposure	61,017	-	74,212	55,295	8,000	1,000	50
<b>2) Equity instruments and stock indexes</b>							
- notional amount	-	-	290,186	65,084	-	89	1,580,225
- positive fair value	-	-	1,139	1,328	-	-	-
- negative fair value	-	-	8,223	-	-	-	71,310
- future exposure	-	-	-	6,504	-	4	-
<b>3) Gold and currencies</b>							
- notional amount	286,350	-	3,670,535	25,611	-	18,556	1,568
- positive fair value	1,023	-	37,600	173	-	76	1
- negative fair value	-	-	220,388	-	-	87	406
- future exposure	1,823	-	127,676	269	-	78	56
<b>4) Other instruments</b>							
- notional amount	-	-	1,878	-	-	-	1,714
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-

## Part E – Information on risks and related risk management policies

**A.8 OTC Financial derivatives: banking book - notional amounts, positive and negative gross fair value by counterparty - contracts included in netting agreements**

(€ '000)

AMOUNTS AS AT 12.31.2015							
CONTRACTS INCLUDED IN NETTING AGREEMENT	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1) Debt securities and interest rate indexes</b>							
- notional amount	-	71,000	10,809,091	4,762,549	-	414,889	-
- positive fair value	-	5,000	105,345	15,982	-	7,125	-
- negative fair value	-	2,000	375,534	286,523	-	132,061	-
<b>2) Equity instruments and stock indexes</b>							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
<b>3) Gold and currencies</b>							
- notional amount	-	-	1,271,167	217,773	-	-	-
- positive fair value	-	-	5,577	80	-	-	-
- negative fair value	-	-	63,562	1,217	-	-	-
<b>4) Other instruments</b>							
- 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 YEARS	OVER 5 YEARS	TOTAL
<b>A. Regulatory trading book</b>	<b>1,202,621,903</b>	<b>714,773,363</b>	<b>636,804,005</b>	<b>2,554,199,271</b>
A.1 Financial derivative contracts on debt securities	788,124,963	574,229,228	575,513,786	1,937,867,977
A.2 Financial derivative contracts on equity securities	12,509,258	15,140,167	3,666,462	31,315,887
A.3 Financial derivative contracts on exchange rates	397,685,060	123,804,346	57,309,757	578,799,163
A.4 Financial derivative contracts on other values	4,302,622	1,599,622	314,000	6,216,244
<b>B. Banking book</b>	<b>12,823,070</b>	<b>21,493,109</b>	<b>17,079,030</b>	<b>51,395,209</b>
B.1 Financial derivative contracts on debt securities	8,729,732	19,425,830	15,808,909	43,964,471
B.2 Financial derivative contracts on equity securities	1,251,715	457,856	226,013	1,935,584
B.3 Financial derivative contracts on exchange rates	2,838,032	1,609,423	1,044,108	5,491,563
B.4 Financial derivative contracts on other values	3,591	-	-	3,591
<b>Total 12.31.2015</b>	<b>1,215,444,973</b>	<b>736,266,472</b>	<b>653,883,035</b>	<b>2,605,594,480</b>
<b>Total 12.31.2014</b>	<b>1,098,115,179</b>	<b>855,287,466</b>	<b>739,739,490</b>	<b>2,693,142,135</b>

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		BANKING BOOK	
	WITH A SINGLE COUNTERPARTY	WITH MORE THAN ONE COUNTERPARTY (BASKET)	WITH A SINGLE COUNTERPARTY	WITH MORE THAN ONE COUNTERPARTY (BASKET)
<b>1. Protection buyer's contracts</b>				
a) Credit default products	16,958,000	14,095,400	335,100	-
b) Credit spread products	-	-	-	-
c) Total rate of return swap	-	-	-	-
d) Other	-	-	-	-
<b>Total as at 12.31.2015</b>	<b>16,958,000</b>	<b>14,095,400</b>	<b>335,100</b>	<b>-</b>
<b>Total as at 12.31.2014</b>	<b>21,155,000</b>	<b>19,140,400</b>	<b>455,100</b>	<b>-</b>
<b>2. Protection seller's contracts</b>				
a) Credit default products	19,140,000	13,012,000	100,000	-
b) Credit spread products	16,847	-	-	-
c) Total rate of return swap	-	-	-	-
d) Other	-	-	-	-
<b>Total as at 12.31.2015</b>	<b>19,156,847</b>	<b>13,012,000</b>	<b>100,000</b>	<b>-</b>
<b>Total as at 12.31.2014</b>	<b>23,028,070</b>	<b>19,086,000</b>	<b>100,000</b>	<b>-</b>

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 12.31.2015	AMOUNTS AS AT 12.31.2014
<b>A. Regulatory trading book</b>	<b>757,724</b>	<b>1,209,298</b>
a) Credit default products	757,038	1,207,246
b) Credit spread products	686	2,052
c) Total rate of return swap	-	-
d) Others	-	-
<b>B. Banking book</b>	<b>1,000</b>	<b>-</b>
a) Credit default products	1,000	-
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	-
<b>Total</b>	<b>758,724</b>	<b>1,209,298</b>

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	AMOUNTS AS AT
	12.31.2015	12.31.2014
<b>A. Regulatory trading book</b>	<b>774,622</b>	<b>1,172,817</b>
a) Credit default products	774,000	1,172,000
b) Credit spread products	622	817
c) Total rate of return swap	-	-
d) Others	-	-
<b>B. Banking book</b>	<b>5,147</b>	<b>11,567</b>
a) Credit default products	5,147	11,567
b) Credit spread products	-	-
c) Total rate of return swap	-	-
d) Other	-	-
<b>Total</b>	<b>779,769</b>	<b>1,184,384</b>

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 12.31.2015						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>Regulatory trading book</b>							
<b>1) Protection purchase</b>							
- notional amount	-	-	5,000	642,000	-	5,400	-
- positive fair value	-	-	-	49,000	-	38	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	64,000	-	-	-
<b>2) Protection sale</b>							
- notional amount	-	-	21,847	642,000	-	-	-
- positive fair value	-	-	618	68	-	-	-
- negative fair value	-	-	622	55,000	-	-	-
- future exposure	-	-	-	64,000	-	-	-
<b>Banking book</b>							
<b>1) Protection purchase</b>							
- notional amount	-	-	60,100	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	1,147	-	-	-	-
<b>2) Protection sale</b>							
- notional amount	-	-	-	-	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

Tables B.4 and B.5 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).

**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 12.31.2015						
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC-SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>Regulatory trading book</b>							
<b>1) Protection purchase</b>							
- notional amount	-	-	21,556,000	8,845,000	-	-	-
- positive fair value	-	-	177,000	114,000	-	-	-
- negative fair value	-	-	295,000	101,000	-	-	-
<b>2) Protection sale</b>							
- notional amount	-	-	19,064,000	12,441,000	-	-	-
- positive fair value	-	-	285,000	132,000	-	-	-
- negative fair value	-	-	187,000	136,000	-	-	-
<b>Banking book</b>							
<b>1) Protection purchase</b>							
- notional amount	-	-	196,000	79,000	-	-	-
- positive fair value	-	-	1,000	-	-	-	-
- negative fair value	-	-	2,000	2,000	-	-	-
<b>2) Protection sale</b>							
- notional amount	-	-	75,000	25,000	-	-	-
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-

**B.6 Credit derivatives residual maturity: notional amount**

(€ '000)

	UP TO 1 YEAR	OVER 1 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
<b>A. Regulatory trading book</b>	<b>12,826,503</b>	<b>48,702,744</b>	<b>1,693,000</b>	<b>63,222,247</b>
A.1 Credit derivatives with "qualified reference obligation"	7,003,103	21,736,744	356,000	29,095,847
A.2 Credit derivatives with "not qualified reference obligation"	5,823,400	26,966,000	1,337,000	34,126,400
<b>B. Banking book</b>	<b>214,000</b>	<b>221,100</b>	<b>-</b>	<b>435,100</b>
B.1 Credit derivatives with "qualified reference obligation"	200,000	50,100	-	250,100
B.2 Credit derivatives with "not qualified reference obligation"	14,000	171,000	-	185,000
<b>Total</b>	<b>12.31.2015</b>	<b>13,040,503</b>	<b>48,923,844</b>	<b>63,657,347</b>
<b>Total</b>	<b>12.31.2014</b>	<b>20,496,000</b>	<b>68,735,570</b>	<b>91,868,570</b>

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 12.31.2015							
	GOVERNMENTS AND CENTRAL BANKS	OTHER PUBLIC- SECTOR ENTITIES	BANKS	FINANCIAL COMPANIES	INSURANCE COMPANIES	NON-FINANCIAL COMPANIES	OTHER ENTITIES
<b>1) Netting agreements related to Financial Derivatives</b>							
- positive fair value	18,238	117,818	1,974,726	771,225	7,996	1,658,715	-
- negative fair value	190,894	1,679	2,281,987	911,286	16,030	364,090	-
- future exposure	613	8,192	917,383	218,373	4,533	329,151	-
- net counterparty risk	18,852	126,010	2,741,685	1,011,853	12,529	1,983,469	-
<b>2) Netting agreements related to Credit Derivatives</b>							
- positive fair value	-	-	-	-	-	-	-
- negative fair value	-	-	-	-	-	-	-
- future exposure	-	-	-	-	-	-	-
- net counterparty risk	-	-	-	-	-	-	-
<b>3) Cross Product netting agreements</b>							
- positive fair value	3,910	772,668	5,956,620	3,725,819	79,252	1,865,170	43,837
- negative fair value	-	141,761	8,282,062	1,678,325	502,489	1,048,817	208
- future exposure	-	-	619,917	168,778	2,395	124,094	-
- net counterparty risk	5,639	239,630	4,475,830	4,184,654	134,995	2,959,727	58,734

## 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 a level that enables 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<sup>15</sup>.

As a general rule, the Large Exposure Regime, which came into force on December 31, 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.

<sup>15</sup> 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, 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 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 avoid 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 a combination hereof.

Moreover, the liquidity risk is included in the Group's Risk Appetite framework through some specific liquidity indicators. 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 mismatch model, integrated with the Core Banking Book Funding Gap, takes into account all assets, liabilities, off-balance sheet positions and also both 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 contractual 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 takes 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 included 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 above one year and thus reducing refinancing needs in the shorter term. 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 internal limit set at 90% means that at least 90% of the assets with a maturity above 1Y have to be financed with liabilities with maturity above 1Y.

#### **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 funding 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.

## Part E – Information on risks and related risk management policies

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, whereas scenario tests tend to consider the impact of simultaneous moves in a number of risk factors, based on an hypothetical, well defined and consistent stress scenario.

### **Liquidity scenarios**

At macro level the Group identifies three different types of potential liquidity crisis:

- market (systemic, global or 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 assumptions could be operational risk, events related to the worsen perception of the Group reputational risk and a downgrade in UniCredit S.p.A. rating;
- a combination of market and specific crisis: combined scenario.

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 addition, a possible usage of the undrawn portion of the 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 Group. During 2015 the Group liquidity stress test result on the combined scenario was always positive.

### **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 the liquidity risk mainly through different types of restrictions – managerial and regulatory – embedded in risk metrics limits or warning/trigger levels.

In case of limit breach or warning level activation at Group Level, the Group Risk Management function investigates the rationale of the events, triggering the proper escalation and reporting them to the relevant committees.

### **Risk mitigation**

#### **Mitigation factors**

Liquidity risk is considered a relevant risk category for the risk appetite determination of the Group.

The main liquidity mitigation factors for UniCredit group are:

- an accurate plan of short-term and medium to long-term liquidity needs, to be monitored on a monthly basis;
- 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 regular basis.
- a system of early warning indicators such to anticipate any potential liquidity crisis and give enough time to the Group to restore its safe liquidity profile

#### **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 analysis of uses and sources, both on short-term and structural positions. One of the objectives of accessing the medium and long-term channels is to avoid 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 accesses the market for Group 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

A key metric, aimed at measuring the funding needs originated from the commercial activity of the Bank, is the Core Banking Book Funding Gap. It measures the need of funding, the bank has to finance 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.

The Group is also adopting Basel 3 regulatory ratios, such as Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), as integral part of the overall liquidity management analysis. The necessity to meet the LCR and the NSFR requirement is effectively taken into account both in the Group Funding Plan as well as within the Group Risk Appetite framework.

#### **Group Contingency Liquidity Management**

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 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 the Early Warning Indicators the organization may be able to reduce the negative liquidity effects in the initial stages of a crisis.

The 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 clearly identify 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 to the bank), or a combination of both.

The Group contingency liquidity management GOI has the objective of ensuring effective interventions starting from the very outset (initial hours) of the liquidity crisis, through the definition of specific guidelines on activation, meetings, decisions, actions and communications.

This is achieved through:

- a set of early warning indicators that may help to identify emerging vulnerabilities in the Group liquidity risk position
- activation of extraordinary liquidity governance and operating model linked to indicators included in both the risk appetite and recovery and resolution plan framework;
- a set of available standby mitigating liquidity actions;
- consistent internal and external communication.

A relevant part of the contingency liquidity management is the Contingency Funding Plan. Such a plan consists of a set of potential but concrete management actions to be performed in time of crisis. Such actions are described in terms of sizes, instruments, and timing of execution aimed at improving the bank's liquidity position during time of crisis. The Contingency Funding Plan is developed on the basis of the annual Funding Plan and approved by relevant risk committee

#### **Early Warning Indicators**

A system of Early Warning 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 market indicators that also reflect the monetary policy stance of the Central Banks variables, or on specific internal metrics. The system of Early Warning Indicators helps to identify emerging vulnerabilities in the Group's liquidity risk position or potential funding needs, triggering a potential response by the senior management. A "traffic light approach" is adopted for each metric in order to have sufficient time to inform senior management of a deteriorating situation and allow to put in place adequate actions aimed at restoring the business-as-usual state.

## Part E – Information on risks and related risk management policies

## QUANTITATIVE INFORMATION

## 1. Time breakdown by contractual residual maturity of financial assets and liabilities

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2015									
	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
<b>Balance sheet assets</b>	<b>72,402,707</b>	<b>28,391,217</b>	<b>13,683,345</b>	<b>28,679,775</b>	<b>54,948,185</b>	<b>35,391,371</b>	<b>67,120,694</b>	<b>245,598,937</b>	<b>198,095,472</b>	<b>16,845,882</b>
A.1 Government securities	28,473	56,414	18,350	1,027,929	2,457,417	4,618,941	11,605,690	65,856,786	24,174,509	109
A.2 Other debt securities	180,948	52,781	442,463	724,427	1,863,527	2,825,393	5,755,140	28,438,742	19,633,895	385,560
A.3 Units in investment funds	922,892					-		1,020		1,823,669
A.4 Loans	71,270,394	28,282,022	13,222,532	26,927,419	50,627,241	27,947,037	49,759,864	151,302,389	154,287,068	14,636,544
- Banks	21,600,118	10,557,337	3,831,329	5,152,355	20,753,583	5,256,113	4,618,551	990,407	1,448,647	7,867,943
- Customers	49,670,276	17,724,685	9,391,203	21,775,064	29,873,658	22,690,924	45,141,313	150,311,982	152,838,421	6,768,601
<b>Balance sheet liabilities</b>	<b>325,013,330</b>	<b>42,967,903</b>	<b>18,287,915</b>	<b>33,423,441</b>	<b>73,782,225</b>	<b>31,436,284</b>	<b>43,690,957</b>	<b>111,920,222</b>	<b>54,220,424</b>	<b>10,013,365</b>
B.1 Deposits and current accounts	317,187,952	7,515,885	6,405,831	18,615,697	29,973,792	12,526,618	17,489,684	13,811,603	1,363,217	-
- Banks	16,408,884	1,852,449	864,481	1,781,237	945,029	498,025	784,906	1,273,311	386,309	-
- Customers	300,779,068	5,663,436	5,541,350	16,834,460	29,028,763	12,028,593	16,704,778	12,538,292	976,908	-
B.2 Debt securities	2,798,475	760,767	911,831	4,531,316	6,085,599	10,494,940	16,324,151	61,128,252	39,306,036	3,177,462
B.3 Other liabilities	5,026,903	34,691,251	10,970,253	10,276,428	37,722,834	8,414,726	9,877,122	36,980,367	13,551,171	6,835,903
<b>Off-balance sheet "transactions"</b>										
C.1 Physically settled financial derivatives										
- Long positions	172,541	11,260,419	10,316,114	13,594,738	23,595,177	29,869,402	8,574,187	16,319,253	5,083,098	
- Short positions	158,171	11,611,763	10,016,673	13,295,622	23,025,039	29,674,429	8,934,034	17,628,579	5,562,120	1,102
C.2 Cash settled financial derivatives										
- Long positions	18,516,709	1,550,044	806,093	2,541,727	2,107,006	2,538,869	4,658,835	10,791,404	12,690,529	60,309
- Short positions	16,973,581	1,548,822	791,028	2,566,469	2,115,258	2,533,506	4,936,770	10,835,232	12,673,302	60,309
C.3 Deposit to be received										
- Long positions	9,724	10,003,494	-	227,767	750,000					
- Short positions		840,041	829,486	2,574,553	4,531,406	1,260,906	954,594			
C.4 Irrevocable commitments to disburse funds										
- Long positions	39,069,012	11,731,395	1,552,287	1,273,982	14,740,906	4,198,873	7,398,035	28,462,576	7,259,877	1,001,466
- Short positions	63,063,702	9,628,533	42,515	311,910	11,783,389	2,458,781	4,796,308	18,358,977	5,255,678	988,617
C.5 Written guarantees	706,521	1,078	3,488	59,376	105,056	131,289	324,879	1,374,456	591,637	1,472,161
C.6 Financial guarantees received	5,583,313	1,055	5,770	18,263	107,170	171,574	80,281	14,327,846	60,230,671	255,492
C.7 Physically settled credit derivatives										
- Long positions					1,450,847	1,355,000	1,864,000	23,947,000	132,000	
- Short positions			5,000		1,467,847	2,533,000	2,423,000	23,512,000	277,000	
C.8 Cash settled credit derivatives										
- Long positions						1,306,000	306,400	402,100	642,000	-
- Short positions						207,000	158,400	1,109,100	642,000	-

1.1 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: euro

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2015									
	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
<b>Balance sheet assets</b>	<b>60,434,144</b>	<b>21,975,398</b>	<b>10,181,868</b>	<b>21,193,176</b>	<b>42,079,348</b>	<b>29,602,594</b>	<b>52,801,107</b>	<b>208,626,913</b>	<b>162,010,974</b>	<b>15,332,369</b>
A.1 Government securities	28,359	14,423	13,346	130,240	2,218,209	4,232,670	9,160,596	60,604,924	20,136,716	97
A.2 Other debt securities	149,694	47,769	54,415	604,694	1,411,654	2,307,158	5,498,144	25,375,622	16,162,349	341,602
A.3 Units in investment funds	702,263							1,020		1,782,360
A.4 Loans	59,553,828	21,913,206	10,114,107	20,458,242	38,449,485	23,062,766	38,142,367	122,645,347	125,711,909	13,208,310
- Banks	16,004,508	6,716,353	1,560,221	4,745,296	13,712,130	4,543,598	4,203,109	799,895	867,082	7,865,493
- Customers	43,549,320	15,196,853	8,553,886	15,712,946	24,737,355	18,519,168	33,939,258	121,845,452	124,844,827	5,342,817
<b>Balance sheet liabilities</b>	<b>281,008,174</b>	<b>37,892,369</b>	<b>12,671,337</b>	<b>20,235,993</b>	<b>62,811,840</b>	<b>26,474,181</b>	<b>35,088,354</b>	<b>99,943,031</b>	<b>50,786,879</b>	<b>7,601,946</b>
B.1 Deposits and current accounts	274,809,751	3,210,022	1,550,647	7,299,914	20,932,560	8,058,912	12,238,327	7,390,393	1,185,724	-
- Banks	13,988,644	1,199,559	109,074	464,114	635,908	311,010	643,270	894,239	385,937	-
- Customers	260,821,107	2,010,463	1,441,573	6,835,800	20,296,652	7,747,902	11,595,057	6,496,154	799,787	
B.2 Debt securities	2,790,506	753,132	896,057	4,369,056	5,062,752	10,341,650	15,106,710	56,848,012	37,198,383	2,282,213
B.3 Other liabilities	3,407,917	33,929,215	10,224,633	8,567,023	36,816,528	8,073,619	7,743,317	35,704,626	12,402,772	5,319,733
<b>Off-balance sheet "transactions"</b>										
C.1 Physically settled financial derivatives										
- Long positions	2,579	4,969,785	4,697,890	4,945,226	9,126,528	18,322,745	4,159,809	9,045,711	2,697,895	
- Short positions	721	6,502,645	3,631,766	5,899,421	9,690,779	18,700,738	3,899,958	9,633,565	2,710,627	
C.2 Cash settled financial derivatives										
- Long positions	17,375,335	1,080,576	246,233	554,571	1,035,510	1,072,926	1,334,116	3,638,892	8,372,832	60,309
- Short positions	15,600,381	589,086	276,852	167,503	456,624	737,214	1,085,408	3,720,760	8,804,741	60,309
C.3 Deposit to be received										
- Long positions		9,999,854		227,767	750,000					
- Short positions		840,041	829,027	2,565,903	4,530,913	1,257,352	954,385			
C.4 Irrevocable commitments to disburse funds										
- Long positions	32,791,177	11,677,621	1,520,186	820,368	4,272,563	2,929,581	4,910,944	24,416,027	5,813,231	983,774
- Short positions	53,677,101	9,315,074	10,610	140,977	1,602,564	1,570,626	2,435,593	14,352,478	3,946,162	964,803
C.5 Written guarantees	633,262	742	1,544	52,000	47,479	69,419	196,284	1,017,977	541,584	1,472,161
C.6 Financial guarantees received	5,217,222	805	241	10,614	32,627	55,581	36,914	11,405,787	54,991,505	164,003
C.7 Physically settled credit derivatives										
- Long positions					599,000	562,000	1,040,000	14,505,000	60,000	
- Short positions			5,000		485,000	1,320,000	1,270,000	14,160,000	182,000	
C.8 Cash settled credit derivatives										
- Long positions						1,164,000	159,400	237,100	642,000	-
- Short positions						65,000	57,400	903,100	642,000	-

## Part E – Information on risks and related risk management policies

## 1.2 Time breakdown by contractual residual maturity of financial assets and liabilities - Currency: other currencies

(€ '000)

ITEMS/MATURITIES	AMOUNTS AS AT 12.31.2015									
	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
<b>Balance sheet assets</b>	<b>11,968,563</b>	<b>6,415,819</b>	<b>3,501,477</b>	<b>7,486,599</b>	<b>12,868,837</b>	<b>5,788,777</b>	<b>14,319,587</b>	<b>36,972,024</b>	<b>36,084,498</b>	<b>1,513,513</b>
A.1 Government securities	114	41,991	5,004	897,689	239,208	386,271	2,445,094	5,251,862	4,037,793	12
A.2 Other debt securities	31,254	5,012	388,048	119,733	451,873	518,235	256,996	3,063,120	3,471,546	43,958
A.3 Units in investment funds	220,629									41,309
A.4 Loans	11,716,566	6,368,816	3,108,425	6,469,177	12,177,756	4,884,271	11,617,497	28,657,042	28,575,159	1,428,234
- Banks	5,595,610	3,840,984	2,271,108	407,059	7,041,453	712,515	415,442	190,512	581,565	2,450
- Customers	6,120,956	2,527,832	837,317	6,062,118	5,136,303	4,171,756	11,202,055	28,466,530	27,993,594	1,425,784
<b>Balance sheet liabilities</b>	<b>44,005,156</b>	<b>5,075,534</b>	<b>5,616,578</b>	<b>13,187,448</b>	<b>10,970,385</b>	<b>4,962,103</b>	<b>8,602,603</b>	<b>11,977,191</b>	<b>3,433,545</b>	<b>2,411,419</b>
B.1 Deposits and current accounts	42,378,201	4,305,863	4,855,184	11,315,783	9,041,232	4,467,706	5,251,357	6,421,210	177,493	-
- Banks	2,420,240	652,890	755,407	1,317,123	309,121	187,015	141,636	379,072	372	
- Customers	39,957,961	3,652,973	4,099,777	9,998,660	8,732,111	4,280,691	5,109,721	6,042,138	177,121	
B.2 Debt securities	7,969	7,635	15,774	162,260	1,022,847	153,290	1,217,441	4,280,240	2,107,653	895,249
B.3 Other liabilities	1,618,986	762,036	745,620	1,709,405	906,306	341,107	2,133,805	1,275,741	1,148,399	1,516,170
<b>Off-balance sheet "transactions"</b>										
C.1 Physically settled financial derivatives										
- Long positions	169,962	6,290,634	5,618,224	8,649,512	14,468,649	11,546,657	4,414,378	7,273,542	2,385,203	
- Short positions	157,450	5,109,118	6,384,907	7,396,201	13,334,260	10,973,691	5,034,076	7,995,014	2,851,493	1,102
C.2 Cash settled financial derivatives										
- Long positions	1,141,374	469,468	559,860	1,987,156	1,071,496	1,465,943	3,324,719	7,152,512	4,317,697	
- Short positions	1,373,200	959,736	514,176	2,398,966	1,658,634	1,796,292	3,851,362	7,114,472	3,868,561	
C.3 Deposit to be received										
- Long positions	9,724	3,640								
- Short positions			459	8,650	493	3,554	209			
C.4 Irrevocable commitments to disburse funds										
- Long positions	6,277,835	53,774	32,101	453,614	10,468,343	1,269,292	2,487,091	4,046,549	1,446,646	17,692
- Short positions	9,386,601	313,459	31,905	170,933	10,180,825	888,155	2,360,715	4,006,499	1,309,516	23,814
C.5 Written guarantees	73,259	336	1,944	7,376	57,577	61,870	128,595	356,479	50,053	
C.6 Financial guarantees received	366,091	250	5,529	7,649	74,543	115,993	43,367	2,922,059	5,239,166	91,489
C.7 Physically settled credit derivatives										
- Long positions					851,847	793,000	824,000	9,442,000	72,000	
- Short positions					982,847	1,213,000	1,153,000	9,352,000	95,000	
C.8 Cash settled credit derivatives										
- Long positions						142,000	147,000	165,000		
- Short positions						142,000	101,000	206,000		

## 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 & Internal Control Committee, GALCO, 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 Holding company and independent from the Group Operational & Reputational Risks department.

Since March 2008, the UniCredit group has used 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 & Internal Control Committee", for either approval or information, operational and reputational risk strategies, policies, guidelines, methodologies, operational losses trend monitoring based on operational expected losses forecast 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.

## Part E – Information on risks and related risk management policies

The “Group Operational & Reputational Risks Committee” meets with consulting and suggestion functions for submission to the “Group Risk & Internal Control 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;
- estimation model of expected operational losses for the Group and for the main Legal Entities basing on historical losses time series;
- 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 expected operational losses 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 & Internal Control 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.

The Group Operational & Reputational Risks department reports to the head of Group Risk Management and supervises and manages the overall profile of the operational and reputational risks in the Group by defining the strategies, methodologies and forecast on expected operational losses.

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 ICT risks), and monitoring their correct application by the Legal Entities;
- the Operational and Reputational Risk Strategies unit is responsible for defining operational risk strategies, defining expected operational losses and controlling actual expected operational losses trend as well as proposing the 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 regulations, an internal validation process for the operational risk control and measurement system has been set up at the Parent Company and in the relevant Group Entities in order to verify the compliance with regulations and Group standards. This process is responsibility of Operational and Pillar II Risks Validation team, within the Group Internal Validation department.

Group methodologies for measuring and allocating the capital at risk and the IT system are validated at Parent Company level by the abovementioned function, while the implementation of the operational risk control and management system within the relevant Entities is analyzed by local Operational Risk Management functions with a self-assessment, following the technical instructions and policies issued by Group Internal Validation.

The results of the local assessments are annually verified by Group Internal Validation, which also performs additional analysis on data and documentation. Such evidences are the basis for the release of specific Non-Binding Opinions to the relevant subsidiaries. The local validation report, together with the opinion of Group Internal Validation and Internal Audit report are submitted to the Entities' competent governing bodies.

All the validation outcomes on the operational risk control and measurement system, both at Parent Company and controlled entities level, are annually consolidated within the annual validation report which, along with the annual Internal Audit report, is presented 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.

Periodical reporting on validation activities is submitted also to "Group Operational & Reputational Risks Committee".

#### **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.

## Part E – Information on risks and related risk management policies

**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 and/or their current and/or former directors is subject to investigations by the relevant supervisory or prosecutorial 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 lawsuits 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 and costs 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 €692 million as at December 31, 2015. 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 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.

Unless expressly mentioned below, labour law, tax and credit recovery claims are excluded from this section and are described elsewhere in the notes.

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**"), 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.

#### *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 by the United States Court of Appeals for the Second Circuit (the "**Second Circuit**"), and the United States Supreme Court (the "**Supreme Court**") denied the Thema and Herald plaintiffs' petition for review of that decision. All appeals have now been exhausted.

##### *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: avoidance claims (commonly referred to as "claw-back" claims), common law claims and RICO claims. 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 "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 rejected and no further appeals are pending.

The avoidance claims against BAWFM and Bank Medici 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 which the Trustee regarded as satisfying certain pending claw-back claims against UniCredit S.p.A., PAI and BA. Accordingly, the Trustee voluntarily dismissed with prejudice the avoidance claims against UniCredit S.p.A. and PAI, and voluntarily dismissed without prejudice the avoidance claims against BA. Such dismissals were approved by the court on July 22, 2015.

The current or formerly affiliated persons named as defendants in the HSBC case have been omitted as defendants in the SIPA Trustee's proposed amended complaint that was submitted in the HSBC case on June 26, 2015, but which requires permission of the Bankruptcy Court to be filed. The current or formerly affiliated persons may have rights to indemnification from UniCredit S.p.A. and its affiliated entities.

##### *Claim 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.

## Part E – Information on risks and related risk management policies

*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 in Austria, of which 132 with a claimed amount totaling € 43.2 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 10 final decisions with respect to prospectus liability claims asserted in the legal proceedings. With respect to claims related to the Primeo feeder funds, all 8 final Austrian Supreme Court decisions have been in favour of BA. With respect to the Herald feeder funds, the Austrian Supreme Court has ruled three times with respect to prospectus liability, once in favour of BA and twice in favour of the claimant. The Austrian Supreme Court issued one further decision in favour of BA and remanded the Case to the Court of Appeal. At this stage, it is not possible to predict with certainty the impact of these decisions on the remaining Herald cases, and future rulings may be adverse to BA.

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. On the tax issues the tax authorities confirmed in a final report in April 2015 that all taxes had been correctly paid. The criminal proceedings are still at the pre-trial stage. In August 2015, the Public Prosecutor sent a questionnaire asking for a certain documents. The requested documents have been submitted.

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 and has been decided predominantly in favour of HVB but partially in favour of the plaintiffs by the court of appeal. This decision is not final and HVB has lodged an appeal against denial to leave to appeal in front of the German Federal Court of Justice.

*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.

### **Alpine Holding GmbH**

Alpine Holding GmbH (a limited liability company) undertook a bond offering in every year from 2010 to 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as Joint Lead Manager, together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and insolvency proceedings began. Numerous bondholders then started to send letters to the banks involved in issuing the bonds, setting out their claims. Insofar as UniCredit Bank Austria AG is concerned, bondholders based their claims primarily on prospectus liability of the Joint Lead Managers; only in a minority of cases did they also claim mis-selling due to bad investment advice by the banks which sold the bonds to their customers. At this time, UniCredit Bank Austria AG, among other banks, has been named as defendant in civil proceedings initiated by investors including three class actions filed by the Federal Chamber of Labour (with the claimed amount totalling about € 21 million). The principal claim is prospectus liability. These civil proceedings are mainly pending in the first instance. No negative judgments have been issued so far against UniCredit Bank Austria AG. In three first-instance proceedings on the alleged prospectus liability of the Joint Lead Managers, the court dismissed the claim for want of prospectus causality; one of these judgments became final, while the two others were appealed. In addition to the foregoing proceedings against UniCredit Bank Austria AG stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future, inter alia, by investors and/or a consumer protection agency and/or the Chamber of Labour. The pending or future actions may have negative consequences for UniCredit Bank Austria AG. UniCredit Bank Austria AG intends to defend itself vigorously against these claims. At this stage, it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

### **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 and the challenges have been dismissed. Several minority shareholders have filed appeals against this dismissal. The 2006 Resolutions are valid and binding unless and until found void by a court of final instance.

#### *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.

## Part E – Information on risks and related risk management policies

### 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 U.S. 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 and similarly has identified certain historic non-transparent practices, UniCredit SpA is also in the process of conducting a voluntary review of its historic compliance with applicable U.S. financial sanctions. Each Bank is cooperating with various U.S. authorities and remediation activities are ongoing. 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

In 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 indicated 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 has been cooperating with Prosecutors in Frankfurt, Cologne and Munich who have been investigating offences that include 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. Proceedings in Cologne against UCBAG and its former employees were closed in November 2015 by the payment by UCBAG of a fine of EUR 9.8m. The other investigations by the Frankfurt Prosecutor and the Munich Prosecutor, including those against UCBAG under section 30 of the Administrative Offences Act (the "Ordnungswidrigkeitengesetz") are ongoing, and UCBAG will continue to cooperate with these Prosecutors. In relation to these matters, UCB AG could be subject to tax and interest claims, as well as further substantial penalties, administrative fines and profit or revenue claw backs. UCB AG is in communication with its relevant regulators regarding these matters.

### Compound interest

In 2015 the number of claims for refunds/compensation for compound interest did not increase significantly. Specific appropriate provisions have been made for the risks associated with these claims.

### 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. In addition, politicians in a number of countries are proposing or have implemented legislation that impacts FX loans. These developments have resulted in litigation against subsidiaries of UniCredit in a number of countries including Croatia, Hungary, Poland, Romania, Slovenia and Serbia. More specifically, in Croatia, Zagrebačka banka ("Zaba") successfully defended a challenge brought by a consumer association against the validity of FX loans, with the Supreme Court finding in April 2015 that FX loans, and the related currency clause were lawful. As the Court held that the variable interest rate clause was however in principle unfair, this has resulted in individual customers bringing lawsuits to challenge the validity of the interest charged. Following the implementation of a new law in Croatia in September 2015 which purported to rewrite the terms of FX loan contracts, a number of these lawsuits were withdrawn as customers took advantage of the benefits of the new law. Zaba is of the view that the law is unlawful and has challenged it before the Croatian Constitutional Court. The outcome of that challenge is awaited. In the interim, it is complying with the provisions of the new law. More specifically in Hungary, there was comprehensive legislation in 2014 requiring the compulsory conversion of foreign currency based retail home loans into forint based ones, as well as on the compensation banks had to pay to clients, with which the bank has complied. Some legacy litigation remains pending. At this time, it is not possible to reliably assess the ultimate impact of these developments, 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 consolidated UniCredit Group.

### **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.

### **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 (the "Capital Markets Test Case Act"). The Munich Higher Regional Court (Oberlandesgericht) has ordered that several court expert opinions be obtained in order to assess the question of an alleged prospectus liability.

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 was temporarily delayed, and the original litigation was stayed, pending the determination by the New Mexico Supreme Court of a legal question in a lawsuit brought against a different set of defendants in other proceedings. In the interim, two related but largely duplicative suits have been dismissed. The New Mexico Supreme Court issued its ruling on the awaited legal question in June 2015 and in December 2015 VCA, the ERB, SIC, and the State of New Mexico renewed their request for court approval of the settlement. The Court is expected to hold a hearing on the matter no earlier than April 2016.

## Part E – Information on risks and related risk management policies

*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 Vanderbilt Capital Advisors LLC 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 but with leave to replead. Malott filed a further amended complaint in August 2013 which, in October 2013, the defendants once again moved to dismiss. In May 2014, the Court dismissed the lawsuit again, this time with prejudice. Malott has stated his intention to appeal the dismissal once motions by other defendants are also resolved.

Until April 2008, Standard Life Insurance Company of Indiana (SLICOI) was one of the asset management clients of Vanderbilt Capital Advisors, LLC (VCA). A different manager then took over. In December 2008, SLICOI failed and was placed into rehabilitation proceedings by the Indiana State Insurance Commissioner (ISIC). In 2010, ISIC filed a lawsuit in Indiana state court in the USA against the successor manager of SLICOI’s portfolio, the directors of SLICOI’s former parent company, and VCA, alleging against VCA and the successor manager claims for breach of contract, breach of fiduciary duty and violations of the Indiana state Securities Act. Against the directors, ISIC alleged breach of fiduciary duty. The case is still at first instance. Although the alleged damage has not been quantified in the complaint, at year end 2015, ISIC quantified the claimed damage as between \$98-348 million. The defendants deny all the claims.

**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). On September 29, 2014 the judges reserved their decision and, by a decision of 2 February 2015, the judge ordered that the Expert’s Report be repeated. The matter was set down for a further hearing on 6 June 2016.

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; as for the first one the Court is expected to render its decision and, in respect of the second case, on 26 November 2015, the Court of Bari rejected the original claim of Divania, which was then pursued by the Trustee.

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**

On 26 March 2015, the Judge of the preliminary hearing of the Court of Rome ruled that there was no case to answer in respect of any of the defendants, including all current and former employees and representatives of UniCredit. On 27 July 2015 the public prosecutor filed an appeal before the Court of Cassation.

### **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 view is that the claims appear to be groundless.

### **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 for compound interest (including alleged usury component) and €400 million for damages. Conclusions are being heard. The company then went bankrupt. UniCredit SpA's initial view is that no provisions are to be made.

### **Disposal by Nuova Compagnia di Partecipazioni S.p.A. ("NCP") of the business "oil"**

With reference to the disposal by Nuova Compagnia di Partecipazioni S.p.A. ("NCP") of the business "oil" closed on November 28, 2014, the buyer Ludoil Energy S.r.l. ("Ludoil") had raised some claims about:

- the amount of working capital as of the date of disposal, requiring to integrate it;
- alleged environmental issues related to the plants of the entities disposed, considering insufficient the related provisions recognized before the disposal and objecting the legal effectiveness of the agreements.

With reference to such claims, NCP had been confirmed by the same legal advisor that had assisted the disposal transaction that there are not, to date, elements that make the potential liability probable or possible.

In addition, during 2015, in agreement with its legal advisor, NCP has appointed a group of expert on environmental matters and an independent accountant, in order to express an advice on the appropriateness of the financial statements of the related provisions, including their quantification. Both advices have confirmed that the requests are unfounded. Finally, Ludoil has sent a letter dated February 1, 2016 asking for the cancellation of the original disposal contract. On this last request, the legal advisor of NCP has released an advice confirming that it is reasonable to consider unfounded the requests of cancellation of the disposal contract.

### **C. Risks arising from employment law cases**

UniCredit 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 UniCredit 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 by members of the former Cassa di Risparmio di Roma Fund**

Lawsuits have been brought against UniCredit by members of the former Cassa di Risparmio di Roma Fund. These lawsuits, having been won in earlier proceedings by UniCredit, hang on appeal cases brought before the relevant Courts of Appeal and the Court of Cassation (as applicable) in which the main claim is a request that the funding levels 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 were made as these actions are considered to be unfounded.

## Part E – Information on risks and related risk management policies

**D. Risks arising from tax disputes**

In the previous financial statements, information was given on the service of a tax assessment notice relative to tax year 2009, relating to the alleged non-payment of withholding taxes on interest paid in relation to debt instruments issued to strengthen capital, with total taxes and ancillary expenses of approximately €40 million. The dispute was settled on May 18, 2015 through a tax settlement proposal for a total amount of €17.7 million. The dispute was settled by paying only the claimed taxes and interest, without applying the penalties as the Italian Revenue Agency expressly recognized the company's actions in good faith. Provisions of €17.6 million were made in 2014 for this claim.

In addition, during 2015 a tax audit report was served by the Italian Financial Police alleging the same violation referred to in the paragraph above, also for tax year 2010. Before the notice of assessment was serviced, the dispute was settled according to the same criteria used in 2009, through a tax settlement proposal, with payment of €17.8 million.

Eventually, the tax audit has been extended to the fiscal year 2014.

With reference to the tax periods 2011-2014, the audit is still ongoing. As at December 31, 2015, no notices have been served with claims for these tax periods and therefore no such provisions have been made in the financial at December 31, 2015.

New pending cases

During the year UniCredit S.p.A. – on own account and in its capacity as the holding company – together with a number of Group Companies was served several notices of assessment totaling around €55 million.

The matters of particular significance include those served with regard to:

- registration tax allegedly due for the registration of the rulings that had settled a number of opposition proceedings regarding the liability status of the companies of the "Costanzo Group", totaling €23.3 million. The company has promptly submitted appeals against these notices. At the end of the first instance trials, two notices of assessment were cancelled, another four were partially cancelled and another notice is pending for examination. The total amount cancelled, albeit not definitively, amounts to €15.3 million;
- higher IRES for 2010 relating to Pioneer Investment Management SGR S.p.A. regarding transfer pricing disputes for an alleged total claim of €14.3 million in taxes and interest;
- higher IRES and IRAP taxes for 2010 and 2011 relating to FinecoBank S.p.A. for disputes pertaining to a number of costs deemed to be non-deductible, for a total amount of €8.3 million in taxes, penalties and interest;
- higher IRES for 2010 relating to UniCredit Factoring S.p.A. regarding alleged violations, mostly referred to issues relating to the accrual principle, with respect to write-downs of loans and receivables and deductions of losses on loans, for a total amount of €6.3 million in taxes, penalties and interest;
- higher VAT for 2010 relating to UniCredit Leasing S.p.A. regarding alleged non-deductibility of VAT on goods purchases, for a total claim of €1.8 million in taxes, penalties and interest;
- higher registration tax for 2013 relating to UniCredit S.p.A. regarding disputes over the alleged higher taxable value arising from the sale of a business unit, for a total claim of €0.8 million in taxes, penalties and interest;
- higher mortgage registration and Land Register taxes for 2013 relating to UniCredit S.p.A. regarding disputes over the calculation of the alleged value of a building complex purchased in 2013, for a total claim of €0.2 million in taxes and interest.

The necessary actions have been taken in regard to the notices detailed above, ensuring that they have been promptly appealed before the competent Tax Commissions and/or that reduced settlements have been requested where deemed appropriate.

Having assessed tax risks in relation to the nature of the disputes and considering the foremost jurisprudence the Company has decided, in relation to the matters set out above, to make provisions totaling €19.5 million, of which €15.1 million for the disputes for 2010 over the alleged failure to pay withholding tax on interest paid in relation to debt instruments issued to strengthen capital. As previously indicated, the amount equal to €15.1 million has been paid during the fiscal year.

Updates on pending proceedings and tax audits

In the previous year's financial statements, notices of assessment were reported for substitute tax on loans and registration tax, for a total of €22 million; The company has, in turn, promptly submitted appeals to the competent Tax Commissions and at the same time submitted a request for administrative cancellation to their offices. In 2015 the Tax Authorities cancelled, through an internal review, some of the disputed notices for assessment worth a total value of €9 million.

Notices of assessment served on UniCredit S.p.A. as the consolidating entity of Pioneer Investment Management SGR for the financial years 2008 and 2009, for around €52.7 million. The company has promptly submitted appeals against these notices to the competent Tax Commissions. With first-instance proceedings pending, negotiations have been started to settle the disputes out of court both for the disputes relative to the aforesaid years and to 2007 (as referred to in the previous report). With reference to 2007, the litigation has been settled by Pioneer Investment Management SGR therefore, against a request equal to €35.5 million, the company paid €20.6 million.

As regards the additional notices served in the proceedings described in the previous report, the following information is provided:

- disputes for higher IRES tax and IRAP tax for 2009, allegedly due from Fineco Bank S.p.A. arising from the alleged non-deductibility of certain expenses. The company has submitted a tax settlement proposal and, subsequently, appealed to the competent tax commission. Settlement negotiations are currently under way;
- higher IRES and IRAP tax for 2009 relating to the merged companies Unicredit Banca di Roma S.p.A. and UniCredit Private Banking S.p.A, regarding transfer pricing disputes for a total claim of €1.1 million; These notices have been promptly challenged before the competent Tax Commissions and the resulting litigation is pending.

In 2015, the Court of Cassation issued a number of judgments favourable to the group relating to various notices of assessment whereby the Tax Authorities had challenged the failure to invoice transactions subject to VAT for the years 2000, 2001 and 2002. Against a total claim of €97 million, the rulings issued in 2015 have canceled assessments for about €65 million. Therefore, with respect to such assessments the company has no tax debts; for the remaining assessment the litigation is still pending in front of the Court of Cassation.

At December 31, 2014, total provisions for tax risks to cover disputes and audits amounted to over €105 million. As indicated above, €19.5 million of additional provisions were made during 2015, offset by uses and releases of the provision for tax risks totaling €40.5 million. As a result, at December 31, 2015 provisions total about €84 million.

Lastly, as regards the other Group Companies in Italy, the most important audit concluded in 2015 related to UniCredit Bank A.G. – Italian branch, and concerned a number of financial transactions carried out in 2011 as part of the normal performance of its activities. At the end of this audit, a claim of €0.24 million was raised for alleged failure to collect withholding tax. The company has now submitted its observations to the tax audit report.

#### 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), already disclosed in the last financial statements, please note that the Council of State, with a judgment dated September 21, 2015, confirmed the judgment of the Regional Administrative Court of Lazio, which had rejected the request to cancel the interministerial decree of 6 March 2013 concerning the cancellation of the Statute of the ICS 2005; UniCredit, together with other private shareholders, has decided not to submit further appeals difficult to sustain.

#### **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.

## Part E – Information on risks and related risk management policies

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.

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.

In the first half of 2015 Tassara sold listed securities (pledged and not pledged as collateral) and collected dividends worth approximately €159 million, which includes the proceeds from the sale of the Intesa Sanpaolo shares (totaling €70 million) and A2A shares (pledged and not pledged as collateral) amounting to €84 million.

On May 30, 2015, the subsidiaries of Carlo Tassara, Alior Lux Sàrl and Alior Polka signed a preliminary agreement for the sale of the entire shareholding in Alior Bank SA to PZU, representing 25.3% of the Polish Bank's share capital.

The sale was carried out in three stages, two of which had already been partially completed during the second half of 2015, and the third expected by the end of the first half of 2016.

Based on the third amendment agreement on the moratorium on debt payments, following the sale of certain assets during 2015, in the first quarter of 2016 UniCredit S.p.A. shall increase its share of SFP amounting to 326,419 thus reaching to hold a total of 31,996,223, each with a face value of €1.00.

UniCredit S.p.A. credit exposure at December 31, 2015 amounted to approximately €91 million, which was a significant reduction compared to the €463 million at the end of 2013 and the €120 million at the end of 2014, against which impairment losses were recognized of €13 million (down compared to €91 million at December 31, 2013 and €28 million at December 31, 2014).

#### **G. Other claims by customers**

Supporting the business structures, the Compliance function oversees the regulatory environment evolution related to banking services and products in areas like transparency, financial services and anti-usury. Compliance as control function develops rules, check processes and procedures and monitor complaints trends.

Considering the regulatory complexity and interpretations not always homogeneous we created a risk fund to cope possible costs also whereas the complaints increase in the litigiousness.

Considering interest rate market trends, contracts with clients are subject to monitoring with reference to loans with interest rate indexation to benchmarks that, reflecting prevailing market conditions, may have negative values.

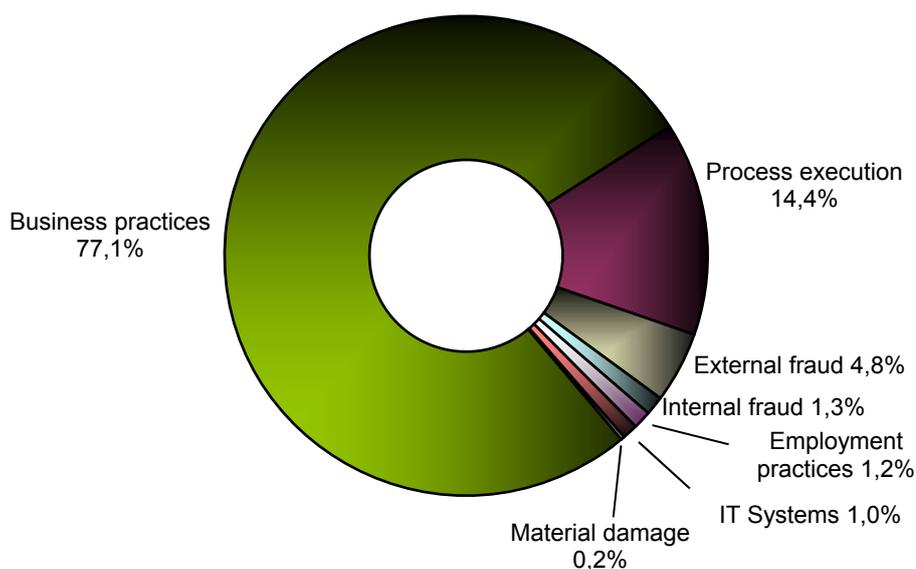
## QUANTITATIVE INFORMATION

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 Regulations for the Prudential Supervision of Banks issued by the Bank of Italy in December 2013 (Circular No. 285/2013 and following 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 2015 divided by risk category



In 2015, the main source of operational risk was "Clients, products and business 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 employment practices. The residual risk categories were IT systems related problems and damage to physical assets from external events.

## Part E – Information on risks and related risk management policies

### Section 5 – Other Risks

The so-called Pillar 1 risk types (credit risk, market risk, operational risk, as described in dedicated chapters) are considered as primary risks, but there are others the Group considers to be significant which include:

- business risk;
- real estate risk;
- financial investment risk;
- strategic risk;
- reputational risk.

These risks are defined as follows:

#### Business Risk

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.

The exposure data used to calculate business risk are taken from the income statements of each Group Entity for which the risk is significant. Volatility and correlation are derived from the relevant profit & loss reports.

Business risk is measured by Earnings at Risk (EaR), defined as the maximum annual loss with a confidence level set according to the rating target, over a one-year time horizon and assuming normal distribution of the risk drivers.

Business Risk is calculated on a quarterly basis for monitoring and for budgeting purposes according to planning time scheduling.

#### Real Estate Risk

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.

The relevant data for the real estate risk calculation include general information related to properties and area or regional price indexes for each property to enable calculation of volatility and correlation in the model.

The calculation of real estate risk estimates the maximum potential loss with a confidence level set according to the rating target over a one-year time horizon, using a variance-covariance approach and assuming normal distribution of the market values.

Real estate risk is calculated for monitoring purposes every six months and for budgeting purposes according to the timelines scheduled in the planning process.

#### Financial Investment Risk

Financial investment risk stems from the equity held in companies not included in the Group and not held in the trading book. The relevant portfolio mainly includes listed and unlisted shares, derivatives with underlying equity, private equity, units of mutual, hedge and private equity funds.

For all Group equity positions, capital charges may be calculated using either a PD/LGD based approach or a market-based one. The PD/LGD approach is used for unlisted or listed but not liquid equities, including direct private equity holdings. The market-based approach is used for traded equities, equity hedges and all mutual, hedge and private equity funds through the mapping to market indexes.

The calculation of financial investment risk is based on the maximum potential loss, i.e. Value at Risk (VaR), with a confidence level set according to the rating target and over a one-year time horizon.

Financial investment risk is calculated quarterly for monitoring and for budgeting purposes according to the timelines scheduled in the planning process.

#### Strategic Risk

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.

UniCredit group has in place a dedicated Corporate Governance Structure – the system of rules and procedures that serve as guidelines for the conduct of the company in carrying out its duties to its stakeholders – that allows the management of Strategic risk at Group level.

It is generally accepted that Strategic Risk cannot be mitigated via capital charges. As a solution, in order to mitigate its strategic risk, UniCredit is strengthening internal risk culture. In this context, an important initiative was the launch of the "Risk Academy", with the aim of creating a center of risk education excellence for the whole Group.

#### 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 S.p.A. 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)" and "Coal fired power generation".

Eventually the Human Rights Commitment aims to identify and manage human rights risks and reduce potential human rights violations.

### **Risk Measurement Methods**

Within the Internal Capital Adequacy Assessment Process (ICAAP) 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 represents the 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 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.

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. 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 assess 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 type 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.

## Part E – Information on risks and related risk management policies

**Top and emerging risks**

In UniCredit, the management and monitoring of risks is based on a dynamic approach; Top Management is promptly informed on top risks and/or emerging risks through a strict monitoring process embedded in the risk assessment process. The Risk Management identifies and estimates these risks and submits them regularly to senior/top management and Board of Directors which take the appropriate to manage and mitigate risks.

Over 2015, the Group paid particular attention to following kind of risks :

- 1) **Geopolitical Risks** existing in the areas where Unicredit operates, especially in **Russia** and **Turkey** and in the **CEE countries** led by nationalist Governments.
- 2) Risks stemming from **current Macroeconomic and Regulatory environments** and in particular:
  - a. *Worldwide economic slowdown*
  - b. *The rebalancing of Chinese economy*
  - c. *Evolution of commodity prices*
  - d. *Regulatory developments affecting Group profitability*

**1) Geopolitical Risks**

In regions such as Russia and Turkey, the weakness of its economy is closely related to the political and social turbulences that currently exist:

In **Russia** the instability of the current geopolitical environment – especially considering the lack of substantial progress in the stabilization of the eastern regions of Ukraine, the extension of the European Union sanctions, the recent military intervention in Syria and growing tensions with Turkey – will continue to affect the economy (worsened by current dropping oil price). The outcomes have been the ruble depreciation, a double-digit drop in private consumption and a worsening of the overall inflation, generating an adverse effect for Russian economy.

In order to mitigate the related risks, UniCredit has been ruling new flows origination to preserve the quality of the portfolio and turning towards Tier1 customers, therefore shrinking retail growth offset by a more selective growth in corporate portfolio. This approach has implied the selection of “natural-hedged” corporations, ie those trading through USD or EUR FX (focusing on large domestic export driven and international corporations holding robust credit indicators).

In **Turkey**, amplified political uncertainty for most of 2015 dented the confidence of the market towards the Country, impacting the economy growth and leading to the currency weakening as well as to a spread increase of its bonds. The AKP’s victory in the 2015 November elections has removed much of the political uncertainty for the near future, improving the outlook and market confidence that will likely help stimulating growth.

In light of this situation and volatility of currency over 2015, UniCredit has focused its own strategy to mitigate the risks on big commercial corporate firms, following a selective underwriting approach with a focus on specific sectors. Particular attention has been dedicated on companies’ cash flow generation capacity and on the increase of tangible collateral ratio for high risky customers.

The growing number of nationalist Governments in several **CEE Countries** (e.g. Hungary, Slovakia) and political uncertainties in Croatia increased instability in the area, mainly characterized by Governments more confrontational towards the European Union and by a deteriorating one business environment for the foreign investors (eg. sectorial discriminatory taxation on banking sector in Poland).

**2) Current Macroeconomic and Regulatory environments**

The key sources of uncertainty, both in terms of macroeconomic scenario and regulatory developments impacting the financial industry, pertain the following aspects:

- a. *Worldwide economic slowdown*  
The international environment is becoming more uncertain and global growth remains moderate: growth in advanced economies in the 2015 remained modest (slight recovery in the euro area, return to positive growth in Japan, and a steady recovery only in the United States, supported by lower energy prices) while for most emerging market economies, external conditions are becoming more difficult. Financial market volatility rose sharply over the year, with declining commodity prices and downward pressure on many emerging market currencies. Capital inflows have slowed, and the liftoff of U.S. policy rates from the zero lower bound is likely to herald some further tightening of external financial conditions. Also in China the growth is slow down so far broadly in line with forecasts but its cross-border effects appear larger than previously envisaged. This is reflected in weakening commodity prices (especially those for metals) and weak exports to China.
- b. *The rebalancing of Chinese economy*  
China’s extraordinary growth rate of the last two decades, driven by heavy investments in public infrastructure, is likely no longer sustainable, mainly due to the slowdown of key sectors: (i) manufacturing sector, contributing for around 59% to the Chinese GDP; (ii) housing sector, accounting for between 25% and 30% of China’s GDP, and (iii) steel sector, which is particularly relevant since China is the world largest producer of steel.

In the medium to longer term, China will likely face significant challenges and a further slowdown of the economy would have global spillovers both through a reduction of investments and trade exchange, and in terms of limited investors' confidence

c. *Evolution in Commodity prices*

During all 2015, commodity prices continued their declining trend started in June 14, reaching their worst levels from 2008: energy prices have declined sharply due to oil and metals dropping prices.

These price trends are of particular concern, given the possibility of sharp price spikes which, depending on their duration, could substantially lower real incomes and demand in importers.

Lower prices, also, led to significant financial stress, defaults, and broad contagion among commodity exporters, the negative impact on activity in these economies would be larger.

UniCredit Group is exposed directly towards the commodity system by ca. 4% of Group Exposure at Default with limited exposure towards Commodity Trading companies.

Looking forward, the 2016 Outlook for Oil and metals prices are expected to remain low while Agricultural prices are expected to slightly increase.

d. *Regulatory development*

A regulatory more demanding environment for financial industry has been shaped in the last few years as well as a greater supervisory focus on risk management.

Regulatory changes could affect the profitability and Capital adequacy of both the Group as a whole and of some or all of its subsidiaries. The most important expected changes are:

- o IFRS9 framework : following the evolution of the regulatory framework, strengthening capital requirements (Basel III), the provision policies are moving towards a new impairment model based on the Expected Loss (EL) instead of the Incurred Loss. This new framework could lead to greater provisions caused by more sophisticated methodologies which will consider "forward looking" information, as well as macroeconomic factors
- o Consequences of sovereign risk removal limitations: there are ongoing discussions among the Regulators at both International and European level to address the preferential treatment of Sovereign exposure in the Banking Book, mainly focusing on removing zero risk weights and/or introducing concentration limits. These kind of changes could affect the Capital adequacy, increasing the Risk Weighted Assets
- o New Regulations could potentially affect the Group: there are, also, other regulations that could impact in the future the capital and profitability structure of the Group. Beyond the introduction of G-SIFI Capital Buffer (introduction of the new mandatory requirements) there are rules still being defined at international level such as higher risk weights through harmonization and greater use of standard risk models; higher risk weights in the trading book; TLAC i.e. much higher level of equity or bail-in securities that will raise the cost of capital.

e. *Swiss Franc*

In UniCredit Group, Swiss Franc-denominated exposure (CHF) is approximately €13.3 billion<sup>16</sup> (gross value), decreasing of about 2.5 billion vis à vis December 2014 and being mainly concentrated in Austria (11.0 billion), Poland (1.1 billion) and CEE (1.2 billion).

Higher volumes are concentrated in Austria where this portfolio is closely monitored and where a strategy aimed at reducing the exposure is in place (-1.6 billion euro at last survey).

The higher risks and negative implications in terms of credit quality, taking into account regulatory developments are potentially more significant in CEE.

- With reference to Croatia, as of 30 September 2015 an amendment to the Croatian Law on Consumer Credit and to Law on Credit Institutions came into force, forcing the banking sector to place borrowers of CHF loans in the same position that they would have been if they had their loans, from inception, denominated in Euro (or denominated in HRK with currency clauses linking payments to Euro). Resulting losses in 2015 due to the conversion of loans into Euro resulted in one-off loan loss provisions in Croatia for € -204,1 million.
- With reference to Poland, since 2003 Bank Pekao S.A. has not granted CHF loans for individuals and almost the entire portfolio of CHF loans for individuals was granted before August 2006 by Bank BPH S.A. and then taken over by Bank Pekao S.A. as a result of the merger. Proposals for restructuring of CHF mortgage loans for individuals have been proposed recently, including the President's draft of the act on the restoration of the equality of parties of certain loan agreements. The proposed solutions are currently under discussion and may change significantly. Therefore, at the moment, the Group is not able to reliably estimate the impact of the proposed solutions on the financial statements. Net book value of loans denominated in CHF and indexed to CHF is respectively €223 million (PLN 952 million) and €875 million (PLN 3,730 million).

<sup>16</sup> Data as of December 2015



## Part F – Consolidated Shareholders' Equity

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### Notes:

The document "Disclosure by Institutions" (Pillar III of Basel 3) is published on UniCredit group's website (<https://www.unicreditgroup.eu/it/investors/third-pillar-basel-two-and-three.html>) according to the deadline defined in the relevant regulations.

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](http://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 high level of probability, 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 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 Fully Loaded Common Equity Tier 1 Ratio Target equal to 11.50% as of 2018, as communicated in November 2015 within the Strategic Plan 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 ([https://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/investors/group-results/2015/3Q15/UCI\\_strategic\\_plan.pdf](https://www.unicreditgroup.eu/content/dam/unicreditgroup/documents/en/investors/group-results/2015/3Q15/UCI_strategic_plan.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<sup>17</sup> 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.

<sup>17</sup> E.g. Basel 2/3, IAS/IFRS etc.

## B. QUANTITATIVE INFORMATION

### B.1 Consolidated Shareholders' Equity: breakdown by type of company

(€ '000)

NET EQUITY ITEMS	AMOUNTS AS AT 12.31.2015				TOTAL
	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS	
Share Capital	20,704,591	-	39,182	(13,350)	20,730,423
Share premium reserve	17,220,372	-	13,333	(8)	17,233,697
Reserves	15,622,999	14,785	384,490	(422,150)	15,600,124
Equity instruments	1,888,463	-	-	-	1,888,463
Treasury shares	(11,152)	-	-	-	(11,152)
Revaluation reserves	(4,001,390)	61,430	(1,133,699)	1,071,679	(4,001,980)
- Available for sale financial assets	1,894,771	-	2	27,475	1,922,248
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedges of foreign investments	-	-	-	-	-
- Cash-flow hedge	498,170	-	1	(34,537)	463,634
- Exchange difference	(4,575,602)	-	-	1,248,244	(3,327,358)
- Non current assets classified held for sale	-	-	-	-	-
- Actuarial gains (losses) on defined benefits plans	(2,265,133)	-	(1,261)	(663)	(2,267,057)
- Valuation reserves from investments accounted for using the equity method	168,839	61,430	(1,132,442)	(168,839)	(1,071,012)
- Special revaluation laws	277,565	-	1	(1)	277,565
Profit (loss) of the year - Minority interests	2,044,145	62,884	596,872	(657,953)	2,045,948
Shareholders' Equity	53,468,028	139,099	(99,822)	(21,782)	53,485,523

### B.2 Revaluation reserves for available-for-sale assets: breakdown

(€ '000)

ASSETS/VALUES	AMOUNTS AS AT 12.31.2015									
	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	1,942,779	(308,575)	-	-	3	(3)	(22,397)	49,874	1,920,385	(258,704)
2. Equity securities	413,923	(132,645)	-	-	7,871	(7,870)	-	(1)	421,793	(140,515)
3. Units in investment fund	16,722	(37,445)	-	-	-	-	-	-	16,722	(37,445)
4. Loans	12	-	-	-	1	-	-	(1)	12	-
<b>Total 12.31.2015</b>	<b>2,373,436</b>	<b>(478,665)</b>	<b>-</b>	<b>-</b>	<b>7,875</b>	<b>(7,873)</b>	<b>(22,397)</b>	<b>49,872</b>	<b>2,358,912</b>	<b>(436,664)</b>
<b>Total 12.31.2014</b>	<b>2,313,188</b>	<b>(612,966)</b>	<b>1</b>	<b>(1)</b>	<b>10,972</b>	<b>(7,910)</b>	<b>(80,145)</b>	<b>12,580</b>	<b>2,244,016</b>	<b>(608,297)</b>

## Part F – Consolidated Shareholders' Equity

**B.3 Revaluation reserves for available-for-sale assets: annual change**

(€'000)

ASSETS/VALUES	CHANGES IN 2015			
	DEBT SECURITIES	EQUITY SECURITIES	UNITS IN INVESTMENTS FUNDS	LOANS
<b>1. Opening balance</b>	<b>1,499,881</b>	<b>155,534</b>	<b>(19,709)</b>	<b>13</b>
<b>2. Positive changes</b>	<b>897,572</b>	<b>186,423</b>	<b>7,229</b>	<b>-</b>
2.1 Fair value increases	654,743	184,097	6,845	-
2.2 Reclassification through profit or loss of negative reserves	199,337	2,063	78	-
- due to impairment	-	837	-	-
- following disposal	199,337	1,226	78	-
2.3 Other changes	43,492	263	306	-
<b>3. Negative changes</b>	<b>(735,772)</b>	<b>(60,679)</b>	<b>(8,243)</b>	<b>(1)</b>
3.1 Fair value reductions	(419,372)	(30,045)	(5,210)	-
3.2 Impairment losses	(9,029)	(1,123)	-	-
3.3 Reclassification through profit or loss of positive reserves:				
following disposal	(305,382)	(24,915)	(3,024)	-
3.4 Other changes	(1,989)	(4,596)	(9)	(1)
<b>4. Closing balance</b>	<b>1,661,681</b>	<b>281,278</b>	<b>(20,723)</b>	<b>12</b>

**B.4 Revaluation reserves related to defined benefit plans: annual changes**

(€'000)

	CHANGES IN 2015				TOTAL
	BANKING GROUP	INSURANCE COMPANIES	OTHER COMPANIES	CONSOLIDATION ELIMINATIONS AND ADJUSTMENTS	
<b>1. Opening balance</b>	<b>(2,892,757)</b>	<b>-</b>	<b>(303)</b>	<b>1,576</b>	<b>(2,891,484)</b>
<b>2. Increases</b>	<b>677,849</b>	<b>-</b>	<b>6</b>	<b>(2,519)</b>	<b>675,336</b>
2.1 Increases in fair value	179,687	-	-	(2,316)	177,371
2.2 Other changes	498,162	-	6	(203)	497,965
<b>3. Decreases</b>	<b>50,225</b>	<b>-</b>	<b>964</b>	<b>(280)</b>	<b>50,909</b>
3.1 Decreases in fair value	49,367	-	1,203	-	50,570
3.2 Other changes	858	-	(239)	(280)	339
<b>4. Closing balance</b>	<b>(2,265,133)</b>	<b>-</b>	<b>(1,261)</b>	<b>(663)</b>	<b>(2,267,057)</b>

## 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, even if maintaining a general alignment, may differ from the scope of the consolidated financial statements, determined under IAS/IFRS.

In more detail, the following consolidation methods are applied:

- the line-by-line consolidation method, to banking, financial and instrumental companies belonging to the banking group;
- the proportionate consolidation method, to banking, financial and instrumental companies in which the banking group or the bank holds a stake of at least 20 per cent, when they are owned by the banking group or the bank jointly with other parties and in accordance with agreements signed with them;
- the equity method: a) to the other banking and financial companies in which the banking group or the bank holds a stake (provided that the bank also holds stakes of at least 20 per cent subject to joint control) of at least 20 per cent or subject to significant influence; b) to businesses, other than banking, financial and instrumental companies, owned exclusively or jointly by the banking group (or the bank) or subject to significant influence.

For more information regarding exclusion and exemption from consolidation see the general instructions contained in Circular no. 115.

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)<sup>18</sup>.
- Entities added to risk-weighted assets
  - investments in companies not belonging to the financial sector subject to weighting for the purposes of risk assets.

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".

### 2.2 Banking Own funds

#### A. QUALITATIVE INFORMATION

Starting from January 1<sup>st</sup>, 2014, the calculation of capital requirements keeps into account the regulatory framework known as "Basel 3", adopted as a result of the EU Regulation No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation – "CRR") and in the EU Directive 2013/36 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive 4 – "CRD 4"), also according to their adoption by Italian Laws.

Such regulation foresees the following breakdown of Own Funds:

- Tier 1 Capital (T1), made by Common Equity Tier 1 Capital (CET1) and Additional Tier 1 Capital (AT1);
- Tier 2 Capital (T2).

The sum of T1 and T2 generates the Total Own Funds (Total Capital).

<sup>18</sup> As at December 31, 2015, no investments in Entities of the financial sector were subjected to deduction from Consolidated Own Funds.

## Part F – Consolidated Shareholders' Equity

**Capital requirements and capital buffers**

- The minimum capital requirements required for UniCredit Group as of December 31<sup>st</sup>, 2015 are equal to the following capital ratios (which also includes the capital conservation buffer set at 2.5% to be fulfilled through CET1, required by Bank of Italy starting by January 1<sup>st</sup>, 2014):
  - CET1: 7%
  - Tier 1 Capital: 8.5%
  - Total Capital: 10.5%
- With still reference to 2015, the European Central Bank (ECB) set the following capital requirements for UniCredit on a consolidated basis:
  - 9.5% CET1 (transitional)
  - 13% Total Capital (transitional)
- Moreover, following the results of the Supervisory Review and Evaluation Process (SREP) performed by ECB, UniCredit is required to meet on a consolidated basis a CET1 ratio transitional of 9.75% starting from January 1<sup>st</sup>, 2016.
- The G-SIB buffer required by the Financial Stability Board (FSB) to be applied on top of SREP ratio is equal to 0.25% on a phase-in basis from January 1<sup>st</sup>, 2016 and will be increased by 0.25% per annum thereafter until reaching 1% on fully loaded basis in 2019.
- The countercyclical capital buffer will be applied starting from January 1<sup>st</sup>, 2016, according to the statement reported by the CRDIV Article 160 (paragraphs from 1 to 4); specifically, for the period from January 1<sup>st</sup>, 2016 until December 31<sup>st</sup>, 2016, institution-specific countercyclical capital buffer shall consist of Common Equity Tier 1 capital and shall be no more than 0.625 % of the total of the risk-weighted exposure amounts of the institution, in coherence with the transitional regime granted by Bank of Italy.

**Transitional consolidated Own Funds**

Regarding the amount of transitional adjustments as of December 31, 2015, it is worth mentioning that such amounts – compared to December 31, 2014 – also reflect the gradual reduction of the transitional adjustment requested for 2015, mainly:

- 60% for the items to be deducted from Common Equity Tier 1 (80% for 2014);
- 60% for unrealized gains on AFS securities other than those issued by EU countries' Central Administrations (80% for 2014);
- 80% for the amount of actuarial losses calculated according to CRR Article 473 (100% for 2014).

**Profit of the period**

The net profit of the year 2015, equal to €1,694 million, is recognized in consolidated Own Funds reduced by foreseeable dividends, equal to €706 million. The year-end result of 2015 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 UniCredit's stake in Bank of Italy, it is worth mentioning that: (I) the carrying value as of December 31, 2015 is risk weighted at 100% (according to the CRR Article 133 "Equity exposure"); (II) the revaluation recognized on P&L as of December 31, 2013 is not filtered out.

**Unrealized gains and losses related to exposures towards Central Administrations classified as 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 from Own Funds the 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.

### **Financial conglomerate**

Despite UniCredit's classification as financial conglomerate especially active in the banking and financial sectors, pursuant to art. 4, paragraph 1, letter a, of Legislative Decree 142/2005 UniCredit is exempted from supplementary supervision .

### **1. Common Equity Tier 1 Capital – CET1**

Common Equity Tier 1 Capital mainly includes the following elements:

- Main Common Equity Tier 1 Capital items, recognised as Common Equity Tier 1 only where they are available to the institution for unrestricted and immediate use to cover risks or losses as soon as these occur: (I) capital instruments, provided the conditions laid down in CRR Article 28 or, where applicable, Article 29 are met (e.g. ordinary shares); (II) share premium accounts related to the instruments referred to in point (I); (III) retained earnings; (IV) accumulated other comprehensive income; (V) other reserves; Common Equity Tier 1 Capital items also include minority interest for the computable amount recognized by CRR.
- Prudential filters of Common Equity Tier 1 Capital: (I) filter related to increase in its equity under the applicable accounting framework that results from securitized assets; (II) filter related to the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value; (III) filter related to gains or losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution; (IV) filter related to all fair value gains and losses arising from the institution's own credit risk related to derivative liabilities; (V) filter related to additional value adjustments (*prudent valuation*).
- Deductions from Common Equity Tier 1 items: (I) intangible assets; (II) deferred tax assets (DTA) that rely on future profitability and do not arise from temporary differences; (III) negative amounts resulting from the calculation of expected loss amounts when compared with credit risk adjustments (shortfall) for those positions evaluated according to IRB methods; (IV) defined benefit pension fund assets on the balance sheet of the institution; (V) direct, indirect and synthetic holdings by an institution of own Common Equity Tier 1 instruments, including own Common Equity Tier 1 instruments that an institution is under an actual or contingent obligation to purchase by virtue of an existing contractual obligation; (VI) the exposure amount of the items which qualify for a risk weight of 1,250 %, where the institution deducts that exposure amount from the amount of Common Equity Tier 1 items as an alternative to applying a risk weight of 1,250 %; (VII) the applicable amount of direct, indirect and synthetic holdings by the institution of Common Equity Tier 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (deducted for the amount exceeding the thresholds foreseen by the regulation); (VIII) deferred tax assets (DTA) that rely on future profitability and arise from temporary differences, and the applicable amount of direct, indirect and synthetic holdings by the institution of the Common Equity Tier 1 instruments of financial sector entities where the institution has a significant investment in those entities (deducted for the amount exceeding the thresholds foreseen by the regulation).

Common Equity Tier 1 includes ordinary shares issued by UniCredit S.p.A, equal to €19,610 million.

Please note that both saving shares, equal to €8 million, and the ordinary shares underlying to the "CASHES" transaction, equal to €609 million, are reclassified in Additional Tier 1 Capital as instruments subject to grandfathering provisions.

### **2. Additional Tier 1 Capital – AT1**

The main Additional Tier 1 Capital elements are the following: (I) capital instruments (e.g. saving shares), where the conditions laid down in CRR Article 52(1) are met; (II) the share premium accounts related to the instruments referred to in point (I); (III) capital instruments for the amount computable in Own Funds according to the transitional provisions foreseen by CRR (grandfathering).

During 2015, UniCredit Group didn't issue further AT1 instruments other than those already issued during 2014, below briefly outlined, and whose terms and conditions are in line with CRDIV regulation in force 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 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%). Bonds are listed on the Luxembourg Stock Exchange.

## Part F – Consolidated Shareholders' Equity

- 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 €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.

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.

**Financial 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; thereafter 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; thereafter fixed every 5 years for 5-Year Mid-Swap Rate + 610bps	Non convertible	yes	Tier 2
yes	UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) SA	XS0372556299	193	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	568	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	19	100	GBP	10.13.2036	10.13.2034	Fixed	7.76% p.a.	Non convertible	yes	Tier 2
yes	ALPINE CAYMAN ISLANDS LTD.	DE00A0DD4K8	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.	DE00A0DYW70	50	150	EUR	No maturity	03.22.2012	Fixed to Floating	1Y 7.5% payable in arrear, max between 8.00% and euro CMS 10y + 0.15% from second year to maturity.	Non convertible	no	Tier 2
yes	HVB FUNDING TRUST	US404398AA77	19	300	USD	06.30.2031	06.30.2029	Fixed	8.741% p.a.	Non convertible	yes	Tier 2
yes	HVB FUNDING TRUST III	US404399AA50	19	200	USD	10.22.2031	10.22.2029	Fixed	9% payable semi-annually	Non convertible	yes	Tier 2

**Note:**

- 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 an internal identification code for those instruments classified as "Loans".
- 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. In case of Additional Tier 1 instruments in the transitional rules, the value represents the total computable amount (including both the quota in Additional Tier 1 and the quota reclassified in Tier 2 when exceeding the grandfathering limit calculated according to regulation).
- 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.

Saving shares for €8 million and related share premium equal to €10 million, in addition to the ordinary shares underlying to the "Cashes" transaction (equal to €609 million), are included in Additional Tier 1 Capital.

### 3. Tier 2 Capital – T2

The main Tier 2 Capital elements are the following: (I) capital instruments and subordinated loans where the conditions laid down in CRR Article 63 are met; (II) the share premium accounts related to instruments referred to in point (I); (III) possible surplus of credit risk adjustments with reference to expected losses for positions evaluated according to IRB methods; (IV) capital instruments and subordinated loans for the amount computable in Own Funds according to the transitional provisions foreseen by CRR (grandfathering).

Consolidated Own Funds as of December 31<sup>st</sup>, 2015 do not include instruments having a contractual amortization plan in line with regulatory rules stated by CRR Article 63; while they includes – according to CRR Article 484(5) – the amount of such instruments issued before December 31, 2011 and subject to the grandfathering provisions.

On February 10, 2015, UniCredit S.p.A. launched Tier 2 notes, denominated in EUR, through own network Retail e Private with characteristics compliant with new “CRD IV” regulation, in place starting from January 1, 2014. The securities have a maturity of 10 years and 2 months and can be called by the Issuer only one after 5 years and 2 months. Notes pay floating rate coupons of Euribor 3M + 275 basis points. It was launched the maximum amount expected, amounting to €2.5 billion.

#### Financial 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 (mm)	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	XS0241369577	13	900	EUR	02.01.2016	-	Fixed	3.95% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0241198315	10	450	GBP	02.01.2016	-	Fixed	5% p.a.	Non Convertible	yes	Lower Tier 2
yes	UNICREDIT SPA	IT0004012552	8	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
yes	UNICREDIT SPA	IT0004012586	11	230	EUR	03.30.2016	03.30.2011	Fixed to Floating	3.5% first year, max between minimum rate and 75% of sw ap Euro 10 y from second year to maturity	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0322918565	334	1,000	EUR	09.26.2017	-	Fixed	5.75% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0332831485	66	171	EUR	12.04.2017	-	Floating	Max between 5.14% and 100% of sw ap Euro 10 y	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0334815601	39	100	EUR	12.11.2017	-	Floating	Minimum between 11% and 113.5% of sw ap 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	7	15	EUR	04.10.2018	-	Floating	Max between 5.535% and 10 y Euro CMS	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0356629369	46	100	EUR	04.24.2018	-	Floating	Max between 5% and 10 y Euro CMS + 0.67%	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0367777884	340	1,000	EUR	06.05.2018	-	Fixed	6.70% p.a.	Non Convertible	yes	Lower Tier 2
no	UNICREDIT SPA	XS0372227982	62	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	43	50	EUR	04.26.2020	-	Fixed	4.75% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004605074	292	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	45	50	EUR	06.14.2020	-	Fixed	5.16% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004615305	95	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	205	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	339	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	194	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	10	20	EUR	07.05.2018	-	Floating	Euribor 3M + 2.50% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	XS0849517650	1,493	1,500	EUR	10.31.2022	-	Fixed	6.95% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004747330	81	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	5	10	EUR	07.21.2018	-	Floating	Euribor 3M + 2.637% p.a.	Non Convertible	no	Senior
yes	UNICREDIT SPA	IT0004764004	232	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

Part F – Consolidated Shareholders’ Equity

continued: Financial instruments included in Tier 2 Capital

SUBJECT TO TRANSITIONAL RULES (GRANDFATHERING)	ISSUER	UNIQUE IDENTIFIER (1)	IMPORTO COMPUTATO DEI 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)
yes	UNICREDIT SPA	IT0004780562	317	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	192	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	686	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	135_SL0001	4	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0002	4	10	EUR	10.30.2017	-	Fixed	5.45% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0003	4	10	EUR	11.13.2017	-	Fixed	5.54% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0004	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0005	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0006	8	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0007	8	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0008	0	1	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0009	15	40	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0010	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0011	8	20	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0012	2	5	EUR	11.27.2017	-	Fixed	5.7% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0013	4	10	EUR	01.30.2018	-	Fixed	5.74% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	135_SL0014	4	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	56	10,000	JPY	03.12.2021	-	Fixed	6.3% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0070770333	6	5,000	JPY	10.31.2016	-	Fixed	5.39% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0071432222	7	5,000	JPY	11.28.2016	-	Fixed	5.2% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	US060587AB85	145	700	USD	02.15.2017	-	Fixed	7.25% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541917	1	45	EUR	01.25.2016	-	Floating	Euribor 6M + 0.40% payable semi-annually	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541719	19	20	EUR	10.06.2020	-	Fixed	6.5% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	AT0000541699	5	5	EUR	08.01.2020	-	Fixed to Floating	7.1% payable until 07/31/2005, thereafter 1.8 x 10y JPY CMS, floor: 3.25%, cap: 8.25%	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	1	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	2	10	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0138294201	5	30	USD	11.14.2016	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	XS0139264682	37	40	USD	12.05.2031	-	Fixed	6.21% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	A111_SL0040	25	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	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	A111_SL0050	25	25	EUR	10.19.2021	-	Fixed	6.01% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AUSTRIA AG	A111_SL0053	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

continued: Financial instruments included in Tier 2 Capital

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	XS0093266939	18	60	DEM	12.21.2018	-	Fixed	5.43% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0097425226	25	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
no	UNICREDIT BANK AG	XS0097950900	2	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	27	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	17	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	14	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	XS0114878233	7	8	EUR	08.03.2020	-	Floating	Euribor 6M + 0.65%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0119485885	13	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 mn. of 4.85% and a max of 5.85%	Non Convertible	no	Senior
no	UNICREDIT BANK AG	A1982_SL0068	4	10	EUR	11.27.2017	-	Fixed	5.85% p.a.	Non Convertible	no	Senior
no	UNICREDIT BANK AG	XS0150812872	3	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	9	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	A1982_SL0085	1	10	EUR	05.30.2016	-	Fixed	6% p.a.	Non Convertible	no	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT0000347695	2	12	EUR	11.02.2016	11.03.2013	Fixed	4.875% p.a.	Convertible - AT1	yes	Senior
no	BANK AUSTRIA WOHNBAUBANK AG	AT0008074141	2	8	EUR	10.22.2017	-	Fixed	4.625% p.a.	Convertible - AT1	no	Senior
no	UNICREDIT LUXEMBOURG FINANCE SA	US90466GAC69	251	750	USD	10.31.2017	-	Fixed	6.00% p.a.	Non Convertible	no	Senior
no	UNICREDIT SPA	IT0005087116	2,496	2,500	EUR	05.03.2025	05.03.2020	Floating	Euribor 3M + 2.75%	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 an internal identification code 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	12.31.2015	12.31.2014
<b>A. Common Equity Tier 1 Capital (CET1) before prudential filters</b>	<b>48,145,784</b>	<b>47,500,669</b>
of/w grandfathered CET1 instruments	-	-
<b>B. CET1 Prudential Filters (+/-)</b>	<b>(1,270,500)</b>	<b>(1,577,383)</b>
<b>C. CET1 gross of deductions and transitional adjustments (A +/- B)</b>	<b>46,875,284</b>	<b>45,923,286</b>
<b>D. Items to be deducted from CET1</b>	<b>6,330,745</b>	<b>6,954,941</b>
<b>E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments</b>	<b>830,619</b>	<b>3,029,343</b>
<b>F. Common Equity Tier 1 Capital (C – D +/- E)</b>	<b>41,375,158</b>	<b>41,997,688</b>
<b>G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments</b>	<b>3,601,536</b>	<b>3,735,578</b>
of/w grandfathered AT1 instruments	1,713,073	1,847,115
<b>H. Items to be deducted from AT1</b>	<b>71,078</b>	<b>71,438</b>
<b>I. Transitional adjustments – Effect on AT1 (+/-), including qualifying instruments issued by subsidiaries and computable in AT1 due to transitional provisions</b>	<b>14,448</b>	<b>(162,529)</b>
<b>L. Additional Tier 1 Capital (G - H +/- I)</b>	<b>3,544,906</b>	<b>3,501,611</b>
<b>M. Tier 2 (T2) Capital gross of deductions and transitional adjustments</b>	<b>10,654,380</b>	<b>9,815,391</b>
of/w grandfathered T2 instruments	1,789,267	2,089,642
<b>N. Items to be deducted from T2</b>	<b>791,726</b>	<b>1,057,928</b>
<b>O. Transitional adjustments – Effect on T2 (+/-), including qualifying instruments issued by subsidiaries and computable in T2 due to transitional provisions</b>	<b>795,962</b>	<b>600,045</b>
<b>P. Tier 2 Capital (M - N +/- O)</b>	<b>10,658,616</b>	<b>9,357,508</b>
<b>Q. Total Own Funds (F + L + P)</b>	<b>55,578,680</b>	<b>54,856,807</b>

The changes in the Own Funds as at December 31, 2015 compared to the previous year, are shown in detail in the Disclosure by Institutions as at December 31, 2015, in the "Own Funds" chapter, on the Group website to the link <https://www.unicreditgroup.eu/it/investors/third-pillar-basel-two-and-three.html>.

## **Description of main capital items as of December 31, 2015**

Regarding the amount of transitional adjustments as of December 31, 2015, it is worth mentioning that such amounts – compared to December 31, 2014 – reflect also the gradual reduction of the transitional adjustment requested for 2015; here follows the main items:

- 60% for the items to be deducted from Common Equity Tier 1 (80% for 2014);
- 60% for unrealized gains on AFS securities other than exposures towards EU Central Administration (80% for 2014);
- 80% for the amount of actuarial losses calculated according to CRR Article 473 (100% for 2014).

### **A. Common Equity Tier 1 Capital (CET1) before prudential filters**

The item includes:

- paid up instruments for €19,610 million; such item includes the effects of the increase related to the scrip dividend scheme as approved by the Extraordinary Shareholders' Meeting of May 13, 2015, under which newly-issued ordinary shares of the Company (n° 1:50) were granted to the shareholders entitled to receive the 2014 dividend not requesting a cash payment;
- share premium for €15,942 million;
- other reserves included retained earnings for €15,243 million; such item includes the net profit of the year 2015 equal to €1,694 million recognized in Own Funds reduced of Group foreseeable dividends calculated at the date, equal to €706 million. The year-end result of 2015 is included in Own Funds according to CRR Article 26(2);
- minority interest given recognition in CET1 capital for €1,328 million;
- accumulated other comprehensive income, negative for €3,977 million; such item includes – among the others – the following items whose regulatory treatment is outlined below:
  - reserves for actuarial losses (IAS19)<sup>19</sup>:
    - amount of the negative reserve: €2,256 million;
    - amount of the positive transitional filter included in section “E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments”: €1,463 million;
  - reserves on available for sale (AFS) securities:
    - amount of the positive reserve: €2,049 million;
    - amount of the negative transitional adjustment for unrealized gains on fair value items included in section “E. Transitional adjustments – Effect on CET1 (+/-), including minority interests subject to transitional adjustments”: €1,796 million, of/w €1,416 million referred to securities issued by UE Central Administrations<sup>20</sup>
  - revaluation reserve on exchange differences: amount of the negative reserve included in this item for € 4,540 million.

The item does not include:

- €609 million related to Cashes<sup>21</sup> reclassified in the Item “G. Additional Tier 1 Capital (AT1) gross of deductions and transitional adjustments”;
- €8 million related to Saving Shares;
- €10 million related to share premium referred to Saving Shares.

<sup>19</sup> 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.

<sup>20</sup> 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 S.p.A. 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 Supervisory Capital (as well as for the calculation of Individual Supervisory Capitals of all banks belonging to UniCredit Banking Group supervised by the Bank of Italy). 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.

<sup>21</sup> The CASHES are equity-linked instruments, issued for a counter value of €2,983,000 thousand 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

**B. CET1 Prudential Filters**

The item includes:

- filters required by CRR including, referred to:
  - negative filter on cash flow hedge reserve of financial instruments (CRR art. 33), equal to €493 million;
  - negative filter on gains on liabilities of the institutions related to changes in own credit standing (CRR art. 33), equal to €214 million;
  - additional value adjustments (CRR art. 34), equal to €201 million;
- national filters as required by Bank of Italy Circular n° 285, referred to:
  - multiple goodwill redemption ("affrancamenti multipli"), equal to € 339 million<sup>22</sup>;
  - gain on sale of properties mainly used in operations ("cessione in blocco"), equal to €24 million.

**D. Items to be deducted from CET1<sup>23</sup>**

The item includes the following main elements:

- goodwill and other intangible assets, for €5,776 million;
- deferred tax assets that rely on future profitability and do not arise from temporary differences, for € 308 million;
- deductions for securitizations, equal to €173 million.

The excess of expected losses compared to provisions related to IRB positions as of December 31, 2015 is equal to €0 million<sup>24</sup>, reflecting a decrease of €885 million compared to the amount deducted as of December 31, 2014.

**E. Transitional adjustments – Effect on CET1, including minority interests subject to transitional adjustments**

The item includes the following elements:

- exclusion of 100% of unrealized gains related to exposures towards EU Central Administrations classified in the portfolio "Available For Sale – AFS", equal to €1,416 million;
- exclusion of 60% of both unrealized gains related to debt instruments other than those issued by EU Central Administration, and capital instruments classified in the portfolio "Available For Sale – AFS", for an overall amount of €380 million;
- positive filter on negative actuarial reserves (IAS19) equal to 80% of the amount calculated according to CRR Article 473, for €1,463 million;
- positive filter for the 60% of the deduction related to deferred tax assets that rely on future profitability and do not arise from temporary differences, for €185 million;
- positive filter due to the inclusion of minority interests subject to transitional adjustments, for €979 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 positive transitional adjustments for €14 million equal to:

- 60% (€28 million) of the amount of the deduction (€46 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 (€14 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 €14 million;
- positive filter due to the inclusion of instruments issued by subsidiaries and included in Tier 2 Capital according to transitional provisions, equal to €620 million;
- national positive filter as regulated by Bank of Italy Circular n° 285, equal to 60% of 50% of unrealized gains on AFS, equal to €190 million.

<sup>22</sup> The calculation takes into account the provisions of the Resolution n. 55/E of the Italian Revenue Agency (Agenzia delle Entrate) issued on May 29th, 2015 concerning "Discipline of the tax credit resulting from the processing of deferred tax assets recorded in the financial statements referred to in Article 2, paragraphs 55 to 58 of Decree-Law 29 December 2010, n. 225" ("*Disciplina del credito d'imposta derivante dalla trasformazione di attività per imposte anticipate iscritte in bilancio di cui all'articolo 2, commi da 55 a 58, del decreto legge 29 dicembre 2010, n. 225*").

<sup>23</sup> 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, 2015 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.

<sup>24</sup> Due to such decrease there are no deductions of the residual transitional amount from Additional Tier 1 and Tier 2.

## 2.3 Capital adequacy

### A. QUALITATIVE INFORMATION

See the "Section 1 – Consolidated Shareholders' Equity" for qualitative information on the procedures adopted by the Banking Group to assess the adequacy of own funds supporting current and future activities.

### B. QUANTITATIVE INFORMATION

#### Capital Adequacy

(€'000)

ITEMS/VALUES	UNWEIGHTED ASSETS		WEIGHTED ASSETS/REQUIREMENTS	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014
<b>A. RISK ASSETS</b>				
<b>A.1 CREDIT AND COUNTERPARTY RISK</b>	<b>893,409,844</b>	<b>864,338,492</b>	<b>333,598,220</b>	<b>344,210,788</b>
1. Standardized approach <sup>(1)</sup>	407,955,532	401,609,123	184,884,012	187,662,040
2. IRB approaches	466,172,785	453,356,258	145,833,652	153,875,480
2.1 Foundation	20,527,719	19,109,484	13,968,643	13,036,617
2.2 Advanced	445,645,066	434,246,774	131,865,009	140,838,863
3. Securitizations	19,281,527	9,373,111	2,880,556	2,673,268
<b>B. CAPITAL REQUIREMENTS</b>				
<b>B.1 Credit and counterparty risk</b>			<b>26,687,858</b>	<b>27,536,863</b>
<b>B.2 Credit valuation adjustment risk</b>			<b>390,513</b>	<b>434,325</b>
<b>B.3 Settlement risk</b>			<b>1,981</b>	<b>4,159</b>
<b>B.4 Market Risk</b>			<b>877,142</b>	<b>1,224,228</b>
1. Standard approach			178,037	181,828
2. Internal Models			699,105	1,042,400
3. Concentration Risk			-	-
<b>B.5 Operational Risk</b>			<b>3,290,415</b>	<b>3,538,233</b>
1. Basic indicator approach			225,086	236,047
2. Traditional standardized approach			300,729	305,834
3. Advanced measurement approach			2,764,601	2,996,352
<b>B.6 Other calculation elements</b>			<b>-</b>	<b>-</b>
<b>B.7 Total capital requirements</b>			<b>31,247,909</b>	<b>32,737,808</b>
<b>C. RISK ASSETS AND CAPITAL RATIOS</b>				
<b>C.1 Risk Weighted Assets</b>			<b>390,598,859</b>	<b>409,222,601</b>
<b>C.2 Common Equity Tier 1 Capital/Risk weighted assets (CET1 capital ratio)</b>			<b>10.59%</b>	<b>10.26%</b>
<b>C.3 Tier 1 Capital/Risk weighted assets (Tier 1 capital ratio)</b>			<b>11.50%</b>	<b>11.12%</b>
<b>C.4 Total Own Funds/Risk weighted assets (Total capital ratio)</b>			<b>14.23%</b>	<b>13.41%</b>

#### Note:

1. The weighted amount as at December 31, 2015 includes the "Exposures with or central counterparties as pre-funded contributions to the default fund".



## Part G – Business Combinations

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## 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 the accounting standard IFRS 3 “Business Combinations”.

Under its reorganization program the Group may carry 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 have no economic substance and are 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

On November 1, 2015 Cordusio SIM Advisory & Family Office S.p.A. (“Cordusio SIM”), after having obtained the authorizations required, has performed a business combination with Atlantic SIM S.p.A., a company not belonging to the Group, through absorption.

This transaction represent the first stage of a more vast project focused in developing the segment of Group customers Ultra High Net Worth Individuals (“UHNWI”) in Italy, with financial assets over €5 million per each client. During 2016 the project will extend the activities currently performed by Cordusio SIM covering portfolio management, reception and transmission of orders and placing activities.

This transaction has been carried out by Cordusio SIM issuing shares having a fair value equal to €10 million, as documented by leading external expert, in exchange for shares of the company then absorbed.

This has determined for Cordusio SIM the recognition of:

- assets, only current accounts, for €2 million;
- goodwill for €8 million as the difference between the fair value of the shares issued and the value of the assets acquired.

The transaction hasn’t determined any form of contingent consideration.

As a result of this transaction, the shareholding of UniCredit S.p.A. in Cordusio SIM was diluted from 100% to 67.3%.

In accordance with the terms of the shareholders’ agreement, after the end of 2019 reporting period the minorities can exercise their put option on Cordusio SIM shares at a strike price determined as the fair value of the shares at the exercise date.

This has led to the recognition in the consolidated financial statements of a deposit from customers for an amount based on the exercise price of the option, determining, for the purpose of consolidated financial statements presentation, the increase to 100% of the shareholding of UniCredit S.p.A. in Cordusio SIM.

The goodwill has been tested for impairment at December 31, 2015 both in the individual financial statements of Cordusio SIM and in the consolidated financial statements, in this latter case the goodwill has been allocated to its Cash Generating Unit. The test has not evidenced the need to recognize any impairment loss.

Finally, it should be noted that in 2016 UniCredit will perform the contribution of a business unit composed by assets and liabilities related to the management of the UHNWI customers segment to Cordusio SIM. This contribution will determine the increase of the shareholding held by UniCredit to 96.1%.

In February 2015, UniCredit has signed an agreement with affiliates of Fortress Investment Group LLC for the disposal of the entire shareholding in UniCredit Credit Management Bank (“UCCMB”).

In preparation to sale of UCCMB shareholding, starting from 1 January 2015 a spin-off has become effective in favour of UniCredit S.p.A. of (i) the going concern of UCCMB dedicated to “non-core Business” and (ii) the real estate going concern of UCCMI (subsidiary controlled at 100% by UCCMB) and formerly belonging to Capitalia.

The completion of the transaction, following the occurred authorisations, took place on October 30, 2015.

#### 2. Business combinations inside the Group

In 2015 the Group has not performed business combinations inside the Group.

## **Section 2 – Business combinations completed after year-end**

No business combination have been completed after year end.

## Part G – Business Combinations

## Section 3 – Retrospective adjustments

**Immobilien Holding GmbH (“Immo Holding”)**

In September 2014 the Group, through its subsidiary UniCredit Bank Austria AG, has acquired the control over Immo Holding, parent company of Immobilien Holding Group, which comprises 57 entities, one of which was sold right after the acquisition, and in which the Group had already been participating in 88% of the results through a profit participation right (PPR).

Due to this acquisition, starting from September 2014, 34 entities have been included in the scope of consolidation as fully consolidated entities, among them Wien Mitte Immobilien GmbH, in which the Group had already had an indirect 50% stake and which had therefore been included in the Group using the equity method until September 30, 2014. Further 10 entities, one of which was sold right after the acquisition, have been included in the scope of consolidation at equity based on the fact that the Group has 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 its real estate participations. As a prerequisite for such a disposal, the remaining 12% of economic participation in the Immobilien Holding Group was purchased in the acquisition along with the gain of the control over the group and simultaneously, the existing profit participation rights structure was wound up. The assets and liabilities have been classified as “held for sale” and are treated as a “discontinued operation”.

The purchase price for the Immobilien Holding Group, composed of the fair value of the PPR derecognized, the fair value of the equity investments held in Immobilien Holding Group entities, as well as the cash consideration transferred, basically equaled the fair value of the net assets less the expected costs to sell according to IFRS 5. A contingent consideration was not part of the purchase agreement. The assets and liabilities recognized in the course of first-time consolidation consisted mainly of real estate assets and related liabilities.

Profit participation right derecognised (fair value)	461
Cash consideration transferred	69
<b>Purchase price for stake in Immobilien Holding GmbH</b>	<b>530</b>
Value of derecognised investments in associates and AFS investments	55
<b>Total purchase price for the Immobilien Holding Group</b>	<b>585</b>

The purchase price allocation has been finalized in the first half of 2015 as detailed in the following table.

Fair values of acquired assets less costs of disposal	1,303
Less: Fair values of acquired liabilities	(714)
<b>Net asset value less costs of disposal</b>	<b>589</b>
Less: non-controlling interests	(2)
<b>Group share of net asset value less costs of disposal</b>	<b>587</b>
Less: Purchase price	(585)
<b>Badwill (gain on bargain purchase)</b>	<b>2</b>

The insignificant effect from final badwill, which resulted from the completion of purchase price allocation has been conventionally reported as positive change in consolidated equity of 2015. All non-controlling interests were measured at cost, the “full goodwill method” was not applied by the Group.

All assets and liabilities acquired as part of the purchase of the Immobilien Holding Group are shown in the statement of financial position in the line 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”, respectively.

The Group keeps its intention to continue the active implementation of the plan to dispose the assets and liabilities of Immo Holding also in 2016.

**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 has been taken by KNF 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 has been proceeded with the financial support granted by the Bank Guarantee Fund ("BFG") pursuant to article 20g of the Act on Bank Guarantee Fund of December 14, 1994.

The amount of the grant received by the BFG, amounting to €23,852 thousand, has been confirmed. Consequently this operation did not determine the payment of any consideration.

On the basis of the provisions provided for by IFRS 3, during the first half of 2015 the re-measurement of identifiable assets and liabilities of SKOK Kopernik has been completed. This process has determined an adjustment of the fair value of the net assets initially recognized, which has been recognized against goodwill.

In particular as of December 31, 2015 the goodwill amounts to €225 thousand, at acquisition exchange rate, against the €7,057 thousand, which had been determined at the acquisition date.



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## Part H – Related-Party Transactions

**1. Details of Top Managers' Compensation**

Details of key management personnel's 2015 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<sup>25</sup> and the other members of UniCredit's CEO Office, as well as the Head of Internal Audit.

**Compensation paid to key management personnel**

(€ thousand)

	YEAR 2015	YEAR 2014
a) short term benefits	22,688	20,950
b) post retirement benefits	2,131	1,837
<i>of which under defined benefit plans</i>	-	-
<i>of which under defined contribution plans</i>	2,131	1,837
c) other long term benefits	-	27
d) termination benefits	9,168	1,859
e) share-based payment	5,993	2,881
<b>Total</b>	<b>39,980</b>	<b>27,554</b>

In the above reported data are included compensation paid to Directors (€ 8,394 thousand), Statutory Auditors (€ 692 thousand), General Manager (€ 7,189 thousand) and other Managers with strategic responsibility (€ 13,567 thousand), as shown in the document "*Compensation tables and information document pursuant Consob regulations*" attached to the 2016 Group Compensation Policy, and € 10,138 thousand 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 increase in the overall compensation (€ 12,426 thousands) vs. 2014 is primarily due the indemnities paid in 2015 for the termination of the employment of the General Manager and of another Executive with strategic responsibilities, and also to the higher costs borne in relation to equity based incentive plans, including the LTI Plan for Top Management.

<sup>25</sup> Role discontinued from 1<sup>st</sup> October 2015

## 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](http://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”.

To this regard, specific guidelines have been distributed to the company’s functions and Group Entities in order to systematically abide to the above-mentioned reporting requirements starting from January 1, 2011.

In 2015, 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;<sup>26</sup>
- 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, 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 Consolidated Report on Operations, chapter “Corporate Governance”.

The following table sets out the assets, liabilities, guarantees and commitments as at December 31, 2015, for each group of related parties, pursuant to IAS 24:

<sup>26</sup> For the purposes of UniCredit’s consolidated financial statements as at December 31, 2015, 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 12.31.2015							SHAREHOLDERS (*)	% ON CONSOLIDATED
	NON-CONSOLIDATED SUBSIDIARIES	JOINT VENTURE	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED		
Financial asset held for trading	-	3,768	678,180	26	1,906	683,880	0.75%	60,631	0.07%
Financial asset designated at fair value	-	-	-	-	38,096	38,096	0.11%	-	0.00%
Available for sale financial asset	7,899	-	140,094	-	302	148,295	0.14%	19,000	0.02%
Held to maturity investments	-	-	-	-	-	-	0.00%	-	0.00%
Loans and receivables with banks	-	2,162,502	1,831,595	-	-	3,994,097	4.99%	466	0.00%
Loans and receivables with customers	70,750	1,077,419	955,403	3,169	83,676	2,190,417	0.46%	348,928	0.07%
Other assets	3,178	1,812	13,112	-	213	18,315	0.19%	104	0.00%
<b>Total Assets</b>	<b>81,827</b>	<b>3,245,501</b>	<b>3,618,384</b>	<b>3,195</b>	<b>124,193</b>	<b>7,073,100</b>	<b>0.88%</b>	<b>429,129</b>	<b>0.05%</b>
Deposits from banks	28	86,036	10,591,490	-	-	10,677,554	9.59%	219,975	0.20%
Deposits from customers	26,080	11,521	665,981	7,343	122,979	833,904	0.19%	365,670	0.08%
Debt securities in issue	-	32,452	192,826	-	20,417	245,695	0.12%	535,665	0.26%
Other liabilities	677	602	46,235	-	711	48,225	0.30%	199	0.00%
<b>Total Liabilities</b>	<b>26,785</b>	<b>130,611</b>	<b>11,496,532</b>	<b>7,343</b>	<b>144,107</b>	<b>11,805,378</b>	<b>1.51%</b>	<b>1,121,509</b>	<b>0.14%</b>
Guarantees given and commitments	126,037	3,628,414	200,894	128	28,961	3,984,434	2.19%	120,125	0.07%

(\*) 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 12.31.2015							SHAREHOLDERS (*)	% ON CONSOLIDATED
	NON-CONSOLIDATED SUBSIDIARIES	JOINT VENTURE	ASSOCIATES	KEY MANAGEMENT PERSONNEL	OTHER RELATED PARTIES	TOTAL	% ON CONSOLIDATED		
Interest income and similar revenues	2,343	110,783	94,247	56	2,391	209,820	1.07%	12,880	0.07%
Interest expense and similar charges	(11)	(812)	(90,239)	(35)	(174)	(91,271)	1.16%	(2,877)	0.04%
Fee and commission income	74	6,379	637,687	61	1,589	645,790	6.86%	12,458	0.13%
Fee and commission expense	1	(34)	(68,225)	(8)	(26)	(68,292)	4.27%	(759)	0.05%
Impairment losses on:	(57,114)	(3)	(25,049)	-	(3,256)	(85,422)	2.06%	1,826	-0.04%
a) loans	(55,748)	(3)	(24,507)	-	(3,231)	(83,489)	2.05%	1,840	-0.05%
b) available for sale assets	-	-	-	-	-	-	0.00%	-	0.00%
c) held-to-maturity assets	-	-	-	-	-	-	0.00%	-	0.00%
d) other financial assets	(1,366)	-	(542)	-	(25)	(1,933)	-52.13%	(14)	-0.38%
Operating costs	131	7,329	(505,828)	14	(46,118)	(544,472)	3.51%	100	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 illustrated the 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 established 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, recognized in the financial statements under trading derivatives and valued on the basis of a valuation model which considers the flows described, was closed during 2015 with a final payment aligned with the valuation of the contract of December 2014 (€98.3 million).
- At December 31, 2015 the Group’s exposure to Nuova Compagnia Partecipazioni (formerly Italtipetroli Group), considered part of the intragroup transactions, consisted mainly of the credit exposure.
- 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. In 2015, since the conditions of the contract were fulfilled, the first three instalments referring to the results for 2014 were paid for a total amount of €100 million. As part of the “CASHES” transaction, Mediobanca also acts as a custodian of the shares issued by UniCredit S.p.A.
- During 2013 UniCredit S.p.A. had entered into two separate 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 there is no domination agreement 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

## Part H – Related-Party Transactions

(“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 to compensate for the damages caused by the cessation of funding for Russian and Ukrainian companies by UniCredit Bank AG. Under that agreement UniCredit S.p.A. acted as guarantor, committing to pay the amount due to UniCredit Bank AG if 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 refinement 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 the first quarter of 2015, following a further joint review of the methods for determining the amounts due, a further modification of the amount determined in December 2013 was agreed, resulting in payment by UniCredit S.p.A. of a further €1 million. 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., a cooperation agreement on the remuneration for these services was entered into, which was also in force for 2015.

- In the period 2008/2009, UniCredit S.p.A. (on its own behalf and as the Parent Company of the former segment banks later merged into UniCredit S.p.A.) and Aspra (later merged into UniCredit Credit Management Bank (UCCMB)) entered into agreements for the sale to UCCMB of loans providing for guarantees and indemnities; such agreements were later extended and partially modified in 2011 by varying the operational conditions for the implementation of these guarantees and indemnities. The original disposal agreements signed by each vendor bank include certain statements and guarantees that, if not observed, would have resulted in the obligation of UniCredit S.p.A. to buy-back the loans in question or in the activation of indemnities with subsequent claims for damages by UCCMB against UniCredit S.p.A. based on the original sale prices. In view of the rights and obligations contained in the prevailing agreements, a provision for risks and charges was recognized as of 31 December 2014 in the separate financial statements of UniCredit S.p.A. (for the preparation of UniCredit Group consolidated financial statement this item of provision for risks and charges is eliminated as it represents an internal transaction and the specific valuation of the loans in question, carried out by UCCMB, prevails over the original purchase price), reflecting the best estimate of risks associated with these guarantees and indemnities, measured on the basis of the information provided by UCCMB (which is currently as well responsible for managing the transferred loans). With reference to this provision for risks that has been recognized in the separate financial statements of UniCredit S.p.A., following the spin-off in favor of UniCredit S.p.A. of a going concern made of non-core assets and liabilities of UCCMB that was effective by 1 January 2015, the residual risk associated with the eventual claims raised by UCCMB (following IAS 37) is limited to exposures that are not included in the going-concern subject to spin-off in favor of UniCredit S.p.A., integrated by the estimate of liability associated to probable ongoing requests of indemnities. At the closing of UCCMB (October 2015) disposal this provision has been fully released into separate financial reporting of UniCredit S.p.A..
- 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 became 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 transfer 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 transfer to Midco S.p.A., by Alitalia CAI, of the investment in SAI deriving from the contribution of the aforementioned 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, reduced at 32.979% at the end of 2015.

- 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 external pension funds (for UniCredit employees), 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 interests).
- Following the Board of Directors' approval of the termination, effective September 30, 2015, of the employment of Mr. Roberto Nicastro, General Manager, and – based on the proposal made by the Remuneration Committee – the Board defined the conditions of his exit package. Mr. Roberto Nicastro's consensual resolution provides for, additionally to the rights to the bonuses and incentives foreseen under the existing plans for the activities rendered (and of the mortgages already granted at the conditions foreseen for the Bank's employees), the payment of the amount of euro 2,716,192.00 gross (corresponding to the cost of the indemnity in lieu of notice and 20% of the severance) upon the employment termination, as well as the deferred payout over further 5 years, in cash and shares, of the remaining part of the severance equal to euro 2,677,499.00 gross, conditional to the preservation by the Bank of adequate capital and liquidity requirements and subject to malus and clawback clauses. All the above in compliance with the applicable Regulatory Provisions and with the Bank's compensation policies. The amounts to be paid at the date of resolution of the employment contract of Mr. Roberto Nicastro are covered by an existing provision. Mr. Roberto Nicastro will keep the offices in the supervisory boards of Bank Pekao, Bank Austria and AO UniCredit Bank (Russia) and the related compensation. Present information are rendered according to Corporate Governance Code.
- With reference to the effects of the subsidiary 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 Part C - Section 21 – Profit (Loss) after tax from discontinued operations.



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## Part I – Share-Based Payments

### A. QUALITATIVE INFORMATION

#### 1. Description of payment agreements based on own equity instruments

##### 1.1 Outstanding instruments

Group Medium & LongTerm Incentive Plans for selected employees include the following categories:

- **Equity-Settled Share Based Payments;**
- **Cash Settled Share Based Payments<sup>27</sup>.**

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 (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 ranging from 1 to 6 years (first year upfront and 4 or 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 – Let's Share)** that offers to eligible Group employees the possibility to buy UniCredit ordinary shares with the advantages to foresee the granting of free ordinary shares ("Free Shares or 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** that offer to eligible FinecoBank 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 FinecoBank ordinary shares, subject to malus and claw back conditions (as legally enforceable) as defined in Plan Rules.

The second category includes synthetic "Share Appreciation Rights" linked to the share-value and performance results of some Group-Companies<sup>28</sup>, and other equity instruments (Phantom Shares) used for Group Incentive System 2015 of FinecoBank Personal Financial Advisors, subject to malus and claw back conditions (as legally enforceable) as defined in Plan Rules.

##### 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 2015.

<sup>27</sup> Linked to the economic value of instruments representing a subsidiaries Shareholders' Equity.

<sup>28</sup> Mainly referred to Pioneer Global Asset Management.

### 1.2.2 Share Plan for Talent

The plan offers "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 2015.

### 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 "Bonus Pool 2014" – 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.

The plan is divided into clusters, each of which can have two or three installments of share-based payments spread over a period defined according to Plan rules.

	Shares Granted			
	Group Executive Incentive System - Bonus Pool 2014			
	Installment (2017)	Installment (2018)	Installment (2019)	Installment (2020)
Date of Bonus Opportunity Economic Value granting	Jan-21-2014	Jan-21-2014	Jan-21-2014	Jan-21-2014
Date of Board resolution (to determine number of shares)	Apr-09-2015	Apr-09-2015	Apr-09-2015	Apr-09-2015
Vesting Period Start-Date	Jan-01-2014	Jan-01-2014	Jan-01-2014	Jan-01-2014
Vesting Period End-Date	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019
UniCredit Share Market Price [€]	6.269	6.269	6.269	6.269
Economic Value of Vesting conditions [€]	-0.240	-0.430	-0.710	-1.069
<b>Performance Shares' Fair Value per unit @ Grant Date [€]</b>	<b>6.029</b>	<b>5.839</b>	<b>5.559</b>	<b>5.200</b>

#### Group Executive Incentive System 2015 (Bonus Pool)

New Group Incentive system 2015 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 for 2015)

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 2014.

#### Measurement of Free Shares ESOP 2015

	Free Shares 1 <sup>st</sup> Election Window	Free Shares 2 <sup>nd</sup> Election Window
Date of Free Shares delivery to Group employees	Jan-30-2015	Jul-31-2015
Vesting Period Start-Date	Jan-30-2015	Jul-31-2015
Vesting Period End-Date	Jan-30-2016	Jul-31-2016
<b>Discount Shares' Fair Value per unit [€]</b>	<b>5.280</b>	<b>6.078</b>

## 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 Plan Let's Share for 2015 provides for the use of shares to be purchased on the market. To that end, Participants give a mandate to a broker (internal or external to UniCredit Group) to purchase the shares to be transferred into an account opened in their name.

### **1.2.5. FinecoBank Stock granting to employees**

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.

## B. QUANTITATIVE INFORMATION

### 1. Annual Changes

UniCredit Stock Options and Performance Stock Options:

Items/Number of options and exercise price		Year 2015 <sup>1</sup>			Year 2014 <sup>1</sup>		
		Number of Options	Average exercise price [€]	Average maturity	Number of Options	Average exercise price [€]	Average maturity
<b>A.</b>	<b>Outstanding at beginning of period</b>	<b>33,250,907</b>	<b>21.444</b>	<b>Jul-2019</b>	<b>45,012,829</b>	<b>18.971</b>	<b>Dec-2019</b>
<b>B.</b>	<b>Increases</b>	-			-		
B.1	New issues	-	-		-	-	
B.2	Other	-			-		
<b>C.</b>	<b>Decreases</b>	<b>911,780</b>			<b>11,761,922</b>		
C.1	Forfeited	911,780	10.435		56,847	27.673	
C.2	Exercised	-			-	-	
C.3	Expired	-			11,705,075		
C.4	Other	-			-		
<b>D.</b>	<b>Outstanding at end of period</b>	<b>32,339,127</b>	<b>21.755</b>	<b>Jul-2019</b>	<b>33,250,907</b>	<b>21.444</b>	<b>Jul-2019</b>
<b>E.</b>	<b>Vested Options at end of period</b>	<b>24,063,841</b>	<b>27.857</b>	<b>Aug-2018</b>	<b>24,303,491</b>	<b>27.863</b>	<b>Ago-2018</b>

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 2015			Year 2014		
		Number of other equity instruments	Average exercise price [€]	Average maturity	Number of other equity instruments	Average exercise price [€]	Average maturity
<b>A.</b>	<b>Outstanding at beginning of period</b>	<b>36,900,821</b>	-	<b>Oct-2015</b>	<b>41,374,465</b>	-	<b>Feb-2015</b>
<b>B.</b>	<b>Increases</b>	<b>12,219,858</b>			<b>10,558,154</b>		
B.1	New issues	12,219,858			10,558,154	-	
B.2	Other	-			-		
<b>C.</b>	<b>Decreases</b>	<b>16,561,462</b>			<b>15,031,798</b>		
C.1	Forfeited	247,529			867,172	-	
C.2	Exercised <sup>(1)</sup>	16,313,933			8,498,340	-	
C.3	Expired	-			5,666,286		
C.4	Other	-			-		
<b>D.</b>	<b>Outstanding at end of period<sup>(2)</sup></b>	<b>32,559,217</b>	-	<b>Mar-2017</b>	<b>36,900,821</b>	-	<b>Oct-2015</b>
<b>E.</b>	<b>Vested instruments at end of period</b>	<b>13,312,560</b>			<b>4,772,750</b>		

(1) As far as the 2015 movement is concerned, the average market price at the exercise date is equal to €6.23 (€6.54 was the price observed at exercise date for 2014 movement)

(2) UniCredit undertakes to grant, conditional upon achieving performance targets set in the Strategic Plan, 32,559,217 ordinary shares at the end of 2015 (36,900,821 ordinary shares at the end of 2014).

According to Let's Share 2015 (ESOP) Plan Rules, had been delivered to Group Participants respectively 595,669 and 178,325 Free Shares in January and in July 2015 related to services rendered during the period 2015-2016.

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 for 2016 (ex 2015) - Employee Share Ownership Plan for 2016

In May 2015 the Ordinary Shareholders' Meeting approved the "UniCredit Group Employee Share Ownership Plan 2015" ("Let's Share for 2016") that offers to eligible Group employees the opportunity to purchase UniCredit ordinary shares at favourable conditions in order to reinforce employees' sense of belonging and commitment to achieve the corporate goals.

According to UniCredit discretionary evaluation, there may be two main election windows:

- 1st election window: within the end of the second quarter of 2016;
- 2nd election window: within the end of the fourth quarter of 2016.

Let's Share for 2016 envisages the following elements:

- during the "Enrolment Period", that will be communicated on due time to the Participants, they can buy UniCredit ordinary shares ("Investment Shares") by means of monthly or one-off contributions taken from their Current Account;
- at the first month of the Enrolment Period, 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", 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 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 2016 will be booked during the holding period.

Let's Share for 2016 has not produced any effect on 2015 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 IFRS 2.

### Financial statement presentation related to share based payments

(€ thousand)

	2015		2014	
	Total	Vested Plans	Total	Vested Plans
<b>(Costs)/Revenues<sup>(1)</sup></b>	<b>(148,597)</b>		<b>(101,837)</b>	
- connected to Equity Settled Plans	(98,314)		(72,524)	
- connected to Cash Settled Plans <sup>(2)</sup>	(50,283)		(29,313)	
<b>Debts for Cash Settled Plans<sup>(2)</sup></b>	<b>93,432</b>	-	<b>45,779</b>	-

(1) Includes costs/revenues and debts for Plans referred to equity instruments of other Group's entities (e.g. Pioneer Global Asset Management and FinecoBank).

(2) The increase of costs and debts for Cash Settled Plans is connected to the effects of the integration transaction between Pioneer Investments and Santander Asset Management.



## Part L – Segment Reporting

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## 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 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 3600 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 765 Managers divided in 129 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 (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services through a network of around 580 branch offices.

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 (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) 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. 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 220 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, transactional advisory, leasing and factoring markets.

Bank Pekao S.A. operates for over 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 1759 ATMs and 975 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 Bank actively promotes innovative solutions 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 2015 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 Large Corporate and Multinational 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.

In 2015 has been set-up a Joint Venture between Commercial Banking and CIB division with the objective to increase cross selling of Investment Banking products such as M&A, Capital Markets and Derivatives to Commercial Banking clients.

## 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 2400 branches (including more than 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 through its CEE Division.

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, 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. It has one of the largest advisory networks in Italy and is the number one broker in Italy for equity trades in terms of volume of orders and number one broker in Europe for number of executed orders. Fineco Bank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services which are also available through applications for smartphone and tablet. With its fully integrated platform, Fineco Bank is the 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, Organization and Legal.

#### **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 and some special vehicles for securitization operations.

# A – Primary Segment

## Segment Reporting by Business Segment - year 2015

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 <sup>1</sup>	NON CORE	CONSOLIDATED GROUP TOTAL 2.312015
Net interest	5,079,369	1,687,538	731,658	995,932	2,388,902	2,278,373	2,965	245,184	(1,500,369)	6,804	11,916,356
Dividends and other income from equity investments	-	51,373	170,779	15,130	363,827	27,968	3,234	-	196,960	-	829,271
Net fees and commissions	3,505,632	751,269	619,976	485,509	717,891	603,783	900,470	247,874	(102,512)	118,595	7,848,487
Net trading, hedging and fair value income	32,192	97,277	40,671	158,503	329,800	819,086	524	53,866	97,163	15,223	1,644,305
Net other expenses/income	(27,691)	113,765	19,895	37,020	25,758	27,526	11,820	(2,971)	1,175	(39,932)	166,365
<b>OPERATING INCOME</b>	<b>8,589,502</b>	<b>2,701,222</b>	<b>1,582,979</b>	<b>1,692,094</b>	<b>3,826,178</b>	<b>3,756,736</b>	<b>919,013</b>	<b>543,953</b>	<b>(1,307,583)</b>	<b>100,690</b>	<b>22,404,784</b>
Payroll costs	(2,728,085)	(1,167,782)	(762,823)	(458,632)	(703,180)	(686,681)	(410,410)	(75,049)	(1,222,838)	(123,676)	(8,339,156)
Other administrative expenses	(1,898,376)	(831,426)	(549,406)	(236,776)	(671,933)	(1,113,334)	(186,570)	(232,866)	1,092,108	(530,027)	(5,158,606)
Recovery of expenses	456,957	27,469	795	813	801	43,682	647	84,346	74,071	118,652	808,233
Amortisation, depreciation and impairment losses on tangible and intangible assets	(61,121)	(44,449)	(23,331)	(79,417)	(107,234)	(2,565)	(12,060)	(8,954)	(588,404)	(1,006)	(928,541)
<b>Operating expenses</b>	<b>(4,230,625)</b>	<b>(2,016,188)</b>	<b>(1,334,765)</b>	<b>(774,012)</b>	<b>(1,481,546)</b>	<b>(1,758,898)</b>	<b>(608,393)</b>	<b>(232,523)</b>	<b>(645,063)</b>	<b>(536,057)</b>	<b>(13,618,070)</b>
<b>OPERATING PROFIT</b>	<b>4,358,877</b>	<b>685,034</b>	<b>248,214</b>	<b>918,082</b>	<b>2,344,632</b>	<b>1,997,838</b>	<b>310,620</b>	<b>311,430</b>	<b>(1,952,646)</b>	<b>(435,367)</b>	<b>8,786,714</b>
Net writedowns of loans and provisions for guarantees and commitments	(1,208,278)	(44,102)	(14,899)	(123,698)	(1,017,263)	(31,055)	(8)	(6,706)	(9,327)	(1,659,033)	(4,114,369)
<b>OPERATING NET PROFIT</b>	<b>3,150,599</b>	<b>640,932</b>	<b>233,315</b>	<b>794,384</b>	<b>1,327,369</b>	<b>1,966,783</b>	<b>310,612</b>	<b>304,724</b>	<b>(1,961,973)</b>	<b>(2,094,400)</b>	<b>4,672,345</b>
Provision for risks and charges	(277,216)	(177,426)	(195,384)	(134,750)	(223,132)	(227,089)	(2,920)	(15,714)	(183,597)	(147,322)	(1,584,550)
Integration costs	(485,492)	(73,684)	320,326	-	(8,339)	(35,000)	(23,958)	(1,246)	(93,409)	(9,420)	(410,222)
Net income from investments	(15,424)	48,909	(17,784)	17,562	(4,142)	(43,924)	3,338	(1)	7,718	(2,414)	(6,162)
<b>PROFIT BEFORE TAX</b>	<b>2,372,467</b>	<b>438,731</b>	<b>340,473</b>	<b>677,196</b>	<b>1,091,756</b>	<b>1,660,770</b>	<b>287,072</b>	<b>287,763</b>	<b>(2,231,261)</b>	<b>(2,253,556)</b>	<b>2,671,411</b>

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 2.312015
<b>Balance Sheet Amounts</b>											
<b>LOANS AND RECEIVABLES WITH CUSTOMERS</b>	132,279,390	80,431,006	49,305,296	28,621,446	57,166,203	96,875,965	2	922,774	(7,639,229)	36,035,668	<b>473,998,521</b>
<b>DEPOSITS FROM CUSTOMERS</b>	122,638,131	80,186,701	45,909,418	30,181,276	55,753,024	88,512,973	-	15,822,459	9,116,137	1,670,320	<b>449,790,439</b>
<b>DEBT CERTIFICATES</b>	23,121,584	23,701,893	17,448,904	680,887	2,911,554	7,668,454	-	261,506	58,626,258	56,861	<b>134,477,901</b>
<b>TOTAL RISK WEIGHTED ASSETS (BASEL 3)</b>	<b>75,775,215</b>	<b>31,488,221</b>	<b>22,085,079</b>	<b>25,809,696</b>	<b>92,531,750</b>	<b>65,381,631</b>	<b>1,914,352</b>	<b>1,713,458</b>	<b>42,688,903</b>	<b>31,210,556</b>	<b>390,598,859</b>

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 2.312015
<b>STAFF (KFS group on a proportional basis)</b>											
Employees (FTE)	37,325	11,781	6,191	17,606	24,143	3,572	1,986	1,019	16,233	717	<b>120,573</b>
<b>STAFF (KFS group fully considered)</b>											
Employees (FTE)	37,325	11,781	6,439	17,606	28,486	3,918	1,986	1,019	16,233	717	<b>125,510</b>

## Part L – Segment Reporting

## 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 2.312014
Net interest	5,134,350	1,718,812	771,946	1,067,982	2,466,228	2,325,670	2,402	228,247	(1,463,793)	190,217	12,442,061
Dividends and other income from equity investments	-	13,263	150,883	16,780	345,579	88,259	4,278	-	174,551	-	793,593
Net fees and commissions	3,303,709	785,247	581,184	500,452	702,128	563,562	769,161	195,464	(21,189)	213,336	7,593,054
Net trading, hedging and fair value income	(10,908)	33,995	174,687	162,201	265,956	803,076	1,074	29,875	80,194	(4,368)	1,535,782
Net other expenses/income	(20,064)	90,753	31,483	21,732	54,477	(21,751)	14,178	(2,594)	43,293	(23,896)	187,611
<b>OPERATING INCOME</b>	<b>8,407,087</b>	<b>2,642,070</b>	<b>1,710,183</b>	<b>1,769,147</b>	<b>3,834,368</b>	<b>3,758,816</b>	<b>791,093</b>	<b>450,992</b>	<b>(1,186,944)</b>	<b>375,289</b>	<b>22,552,101</b>
Payroll costs	(2,666,550)	(1,170,011)	(822,765)	(463,379)	(734,440)	(628,144)	(326,171)	(69,150)	(1,172,677)	(147,689)	(8,200,976)
Other administrative expenses	(1,882,491)	(856,984)	(527,034)	(257,925)	(664,805)	(1,021,365)	(167,114)	(211,311)	940,724	(595,903)	(5,244,208)
Recovery of expenses	457,471	14,271	863	826	875	3,297	7,810	77,170	115,817	155,222	833,622
Amortisation, depreciation and impairment losses on tangible and intangible assets	(71,040)	(46,536)	(23,795)	(78,849)	(111,439)	(2,834)	(10,821)	(8,816)	(538,634)	(3,082)	(895,846)
<b>Operating expenses</b>	<b>(4,162,610)</b>	<b>(2,059,260)</b>	<b>(1,372,731)</b>	<b>(799,327)</b>	<b>(1,509,809)</b>	<b>(1,649,046)</b>	<b>(496,296)</b>	<b>(212,107)</b>	<b>(654,770)</b>	<b>(591,452)</b>	<b>(13,507,408)</b>
<b>OPERATING PROFIT</b>	<b>4,244,477</b>	<b>582,810</b>	<b>337,452</b>	<b>969,820</b>	<b>2,324,559</b>	<b>2,109,770</b>	<b>294,797</b>	<b>238,885</b>	<b>(1,841,714)</b>	<b>(216,163)</b>	<b>9,044,693</b>
Net writedowns of loans and provisions for guarantees and commitments	(1,034,139)	(26,309)	(110,621)	(133,638)	(676,839)	(129,437)	-	(3,179)	(23,279)	(2,154,609)	(4,292,050)
<b>OPERATING NET PROFIT</b>	<b>3,210,338</b>	<b>556,501</b>	<b>226,831</b>	<b>836,182</b>	<b>1,647,720</b>	<b>1,980,333</b>	<b>294,797</b>	<b>235,706</b>	<b>(1,864,993)</b>	<b>(2,370,772)</b>	<b>4,752,643</b>
Provision for risks and charges	(112,300)	(81,269)	(95,600)	(33,653)	(257,599)	(77,422)	1,867	(6,121)	(33,782)	(32,323)	(728,202)
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)	(83,342)	438	(4)	82,014	(84,414)	86,680
<b>PROFIT BEFORE TAX</b>	<b>3,086,976</b>	<b>667,327</b>	<b>133,858</b>	<b>802,958</b>	<b>1,376,476</b>	<b>1,819,934</b>	<b>285,996</b>	<b>229,580</b>	<b>(1,806,890)</b>	<b>(2,505,417)</b>	<b>4,090,798</b>

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 2.312014
<b>Balance Sheet Amounts</b>											
<b>LOANS AND RECEIVABLES WITH CUSTOMERS</b>	130,189,931	78,415,687	47,379,358	26,896,150	57,073,422	89,225,203	42	695,595	(6,708,518)	47,401,896	<b>470,568,766</b>
<b>DEPOSITS FROM CUSTOMERS</b>	111,741,562	76,325,456	45,728,200	29,275,882	49,524,431	80,409,997	-	13,914,712	1,490,721	2,001,024	<b>410,411,985</b>
<b>DEBT CERTIFICATES</b>	33,605,264	25,910,221	17,713,589	902,612	2,689,019	7,080,965	-	339,035	61,716,893	318,206	<b>150,275,804</b>
<b>TOTAL RISK WEIGHTED ASSETS (BASEL 3)</b>	<b>80,603,160</b>	<b>33,607,804</b>	<b>24,046,668</b>	<b>25,894,055</b>	<b>89,278,449</b>	<b>68,631,159</b>	<b>1,692,561</b>	<b>1,741,754</b>	<b>44,102,112</b>	<b>39,624,881</b>	<b>409,222,601</b>

"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 2.312014
<b>STAFF (KFS group on a proportional basis)</b>											
Employees (FTE)	37,316	13,333	6,410	18,160	24,210	3,598	2,021	974	15,704	1,849	<b>123,577</b>
<b>STAFF (KFS group fully considered)</b>											
Employees (FTE)	37,316	13,333	6,658	18,160	29,040	3,954	2,021	974	15,715	1,849	<b>129,021</b>

## B – Secondary Segment

(€ '000)

AMOUNTS AS AT 12.31.2015	TOTAL ASSETS	OPERATING INCOME (*)	COST OF INVESTMENT
Italy	363,027,922	9,278,610	284,315
Germany	218,128,274	2,985,909	352,582
Austria	101,277,278	2,028,242	74,718
Total other european countries	167,677,498	6,683,377	421,698
<i>of which: Western Europe</i>	<i>42,571,505</i>	<i>1,497,694</i>	<i>9,601</i>
<i>of which: Central and Eastern Europe</i>	<i>125,105,993</i>	<i>5,185,683</i>	<i>412,097</i>
America	5,884,600	295,725	1,429
Asia	4,437,123	55,592	218
Rest of the world	680	9	-
<b>Total</b>	<b>860,433,375</b>	<b>21,327,464</b>	<b>1,134,960</b>

(\*) Item 120 in Income Statement

(€ '000)

AMOUNT 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
<i>of which: Western Europe</i>	<i>41,238,802</i>	<i>1,102,699</i>	<i>14,103</i>
<i>of which: Central and Eastern Europe</i>	<i>121,252,314</i>	<i>5,309,691</i>	<i>415,681</i>
America	4,575,456	243,772	2,539
Asia	2,585,212	31,677	267
Rest of the world	812	16	-
<b>Total</b>	<b>844,217,390</b>	<b>21,320,199</b>	<b>1,107,813</b>

(\*) Item 120 in income statement



## Annexes

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## Reconciliation of Condensed Accounts to Mandatory Reporting Schedule

## Consolidated Balance Sheet

(€ million)

ASSETS	AMOUNTS AS AT		SEE THE NOTES
	12.31.2015	12.31.2014	PART B - ASSETS
Cash and cash balances = item 10	10,303	8,051	Section 1
Financial assets held for trading = item 20	90,997	101,226	Section 2
Loans and receivables with banks = item 60	80,073	68,730	Section 6
Loans and receivables with customers = item 70	473,999	470,569	Section 7
Financial investments	152,845	138,503	
Item 30. Financial assets at fair value through profit or loss	34,368	31,803	Section 3
Item 40. Available-for-sale financial assets	109,807	97,636	Section 4
Item 50. Held-to-maturity investments	2,093	2,584	Section 5
Item 100. Equity Investments	6,577	6,479	Section 10
Hedging instruments	8,010	11,988	
Item 80. Hedging derivatives	5,368	9,114	Section 8
Item 90. Changes in fair value of portfolio hedged items	2,641	2,873	Section 9
Property, plant and equipment = item 120	10,031	10,277	Section 12
Goodwill = item 130 - Intangible assets of which: goodwill	3,618	3,562	Section 13
Other intangible assets = item 130 - Intangible assets net of goodwill	2,140	2,000	Section 13
Tax assets = item 140	15,726	15,772	Section 14
Non-current assets and disposal groups classified as held for sale = item 150	2,820	3,600	Section 15
Other assets	9,872	9,941	
Item 160. Other assets	9,872	9,941	Section 16
<b>Total assets</b>	<b>860,433</b>	<b>844,217</b>	

Continued: Consolidated Balance Sheet.

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT		SEE THE NOTES
	12.31.2015	12.31.2014	PART B - LIABILITIES
Deposits from banks = item 10	111,373	106,037	Section 1
Deposits from customers = item 20	449,790	410,412	Section 2
Debt securities in issue = item 30	134,478	150,276	Section 3
Financial liabilities held for trading = item 40	68,919	77,135	Section 4
Financial liabilities at fair value through profit or loss = item 50	455	567	Section 5
Hedging instruments	11,254	15,150	
Item 60. Hedging derivatives	6,149	8,622	Section 6
Item 70. Changes in fair value of portfolio hedged items	5,105	6,529	Section 7
Provisions for risks and charges = item 120	9,855	10,623	Section 12
Tax liabilities = item 80	1,529	1,750	Section 8
Liabilities included in disposal groups classified as held for sale = item 90	1,880	1,650	Section 9
Other liabilities	17,416	17,781	
Item 100. Other liabilities	16,282	16,601	Section 10
Item 110. Provision for employee severance pay	1,135	1,180	Section 11
Minorities = item 210	3,399	3,446	Section 16
Shareholders' Equity, of which:	50,087	49,390	
- Capital and reserves	48,315	48,065	
Item 140. Revaluation reserves, of which: Special revaluation laws	277	277	Section 15
Item 140. Revaluation reserves, of which: Exchange differences	(3,260)	(3,011)	Section 15
Item 140. Revaluation reserves, of which: equity investments valued at equity method	(1,071)	(714)	Section 15
Item 140. Revaluation reserves, of which: non current assets classified held for sale	0	(3)	Section 15
Item 160. Equity instruments	1,888	1,888	Section 15
Item 170. Reserves	14,255	13,748	Section 15
Item 180. Share premium	15,977	15,977	Section 15
Item 190. Issued capital	20,258	19,906	Section 15
Item 200. Treasury shares	(8)	(3)	Section 15
- AfS assets fair value reserve, Cash-flow hedging reserve and Defined benefits plans reserve	77	(683)	
Item 140. Revaluation reserves, of which: Available-for-sale financial assets	1,874	1,571	Section 15
Item 140. Revaluation reserves: actuarial gains (losses) on defined benefits plans	(2,256)	(2,881)	Section 15
Item 140. Revaluation reserves, of which: Cash-flow hedges	460	627	Section 15
- Net profit (loss) = item 220	1,694	2,008	Section 15
<b>Total liabilities and Shareholders' Equity</b>	<b>860,433</b>	<b>844,217</b>	

**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
	2015	2014	
<b>Net interest</b>	<b>11,916</b>	<b>12,442</b>	<b>PART C</b>
Item 30. Net interest margin	11,658	12,062	Section 1
less: Net interest margin of industrial companies	-	1	
less: Purchase Price Allocation effect	258	379	
<b>Dividends and other income from equity investments</b>	<b>829</b>	<b>794</b>	
Item 70. Dividend income and similar revenue	410	402	Section 3
less: Dividends from held for trading equity instruments included in item 70	(232)	(203)	
Item 240. Profit (Loss) of associates - of which: Profit (Loss) of associates valued at equity	652	539	Section 16
less: Profit (Loss) of associates - Debt to equity	-	56	
<b>Net fees and commissions</b>	<b>7,848</b>	<b>7,593</b>	<b>Section 2</b>
Item 60. Net fees and commissions	7,818	7,506	Section 2
less: Other administrative expenses - of which: outsourced services for the management of non-performing loans	(25)	-	
+ Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	55	87	
<b>Net trading income</b>	<b>1,644</b>	<b>1,536</b>	
Item 80. Gains (losses) on financial assets and liabilities held for trading	1,079	615	Section 4
+ Dividends from held for trading equity instruments (from item 70)	232	203	
Item 90. Fair value adjustments in hedge accounting	(14)	(9)	Section 5
Item 100. Gains (Losses) on disposal or repurchase of: d) financial liabilities	(47)	43	Section 6
+ Gains (Losses) on disposal or repurchase of: b) available-for-sale financial assets (from item 100)	399	623	Section 6
+ Gains (Losses) on disposal or repurchase of: c) held-to-maturity investments (from item 100)	-	4	Section 6
Item 110. Gains (Losses) on financial assets and liabilities designated at fair value through profit and loss	(5)	58	Section 7
<b>Net other expenses/income</b>	<b>166</b>	<b>188</b>	
Gains (losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	65	49	
Item 220. Other net operating income	1,139	1,264	Section 15
less: Other operating income - of which: recovery of costs	(709)	(725)	
less: Other operating income - of which: recovery of costs - commissioni istruttoria veloce (CIV)	(55)	(87)	
Net write-downs/-backs of tangible operating lease assets (from item 200)	(122)	(105)	
less: Write-downs on leasehold improvements (on non-separable assets) - No Group	73	56	
less: Other operating income - Other income from invoicing JVs (only with respect to Ubis)	(100)	(109)	
+ Result of industrial companies	(131)	(156)	
Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	6	1	
<b>OPERATING INCOME</b>	<b>22,405</b>	<b>22,552</b>	
<b>Payroll costs</b>	<b>(8,339)</b>	<b>(8,201)</b>	
Item 180. Administrative costs: a) staff expenses	(8,669)	(8,204)	Section 11
less: Administrative expenses: a) employee payroll costs - Provision for post retirement benefit obligations - Settlement Gains (Losses)	(1,199)	-	
less: Administrative costs: a) staff expenses of industrial companies	9	30	
less: Integration costs	1,520	(27)	
<b>Other administrative expenses</b>	<b>(5,159)</b>	<b>(5,244)</b>	
Item 180. Administrative costs: b) other administrative expenses	(6,084)	(5,608)	Section 11
less: Administrative costs: b) other administrative expenses of industrial companies	40	39	
less: Administrative costs - contributions to Resolution funds and to Deposit Guarantee Systems (DGS) and Bank Levy	901	331	
less: Other income/expenses - contributions to Resolution funds and to Deposit Guarantee Systems (DGS)	-	39	
less: outsourced services for the management of non-performing loans	25	-	
Write-downs on leasehold improvements (on non-separable assets) - No Group	(73)	(56)	
less: Integration costs	32	10	
<b>Recovery of expenses</b>	<b>808</b>	<b>834</b>	<b>Section 15</b>
Item 220. Other net operating income - of which: Operating income - recovery of costs	709	725	
+ Other operating income - Other income from invoicing JVs (only with respect to Ubis)	100	109	
<b>Amortization, depreciation and impairment losses on intangible and tangible assets</b>	<b>(929)</b>	<b>(896)</b>	
Item 200. Impairment/Write-backs on property, plant and equipment	(678)	(763)	Section 13
less: Impairment losses/write backs on property owned for investment	15	58	
less: Net write-downs/-backs of tangible operating lease assets (from item 200)	122	105	
less: Integration costs	(5)	0	
Item 210. Impairment/Write-backs on intangible assets	(475)	(431)	Section 14
Net write-downs on property, plant and equipment and intangible assets of industrial companies	69	103	
less: Purchase Price Allocation effect	23	32	
<b>Operating costs</b>	<b>(13,618)</b>	<b>(13,507)</b>	
<b>OPERATING PROFIT (LOSS)</b>	<b>8,787</b>	<b>9,045</b>	

Continued: Consolidated Income Statement.

	YEAR		SEE THE NOTES PART C
	2015	2014	
<b>OPERATING PROFIT (LOSS)</b>	<b>8,787</b>	<b>9,045</b>	
Net impairment losses on loans and provisions for guarantees and commitments	(4,114)	(4,292)	
Item 100. Gains (Losses) on disposal and repurchase of: a) loans	29	17	Section 6
less: Gains (Losses) on disposals/repurchases on loans and receivables - not impaired position (from item 100 a)	(65)	(49)	
Item 130. Net losses/recoveries on impairment: a) loans	(4,081)	(4,178)	Section 8
Item 130. Net losses/recoveries on impairment: d) other financial assets	4	(93)	Section 8
less: Net losses on impairment other financial assets - contribution to National Interbank Deposit Guarantee Fund (F.I.T.D.)	-	11	
<b>NET OPERATING PROFIT (LOSS)</b>	<b>4,672</b>	<b>4,753</b>	
Other charges and provisions	(1,585)	(728)	
Item 190. Provisions for risks and charges	(753)	(384)	Section 12
+ Other income/expenses - contributions to Resolution funds and to Deposit Guarantee Systems (DGS)	-	(39)	
less: Provisions for risks and charges of industrial companies	9	2	
+ Administrative costs - contributions to Resolution funds and to Deposit Guarantee Systems (DGS) and Bank Levy	(901)	(331)	
+ Provisions for risks and charges - contribution to National Interbank Deposit Guarantee Fund (F.I.T.D.)	-	(11)	
Surplus on release of integration provision	61	35	
Integration costs	(410)	(20)	
+ Administrative expenses: a) employee payroll costs - Provision for post retirement benefit obligations - Settlement Gains (Losses)	1,199	-	
Integration costs before Purchase Price Allocation effect	(1,607)	(18)	
less: Purchase Price Allocation effect	(2)	(3)	
Net income from investments	(6)	87	
Item 130. Net losses/recoveries on impairment: b) available-for-sale financial assets	(59)	(249)	Section 8
Item 130. Net losses/recoveries on impairment: c) held-to-maturity investments	(6)	0	Section 8
Item 240. Impairment losses/write backs on property owned for investment (from item 200)	(15)	(58)	
Item 240. Profit (Loss) of associates -of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	(32)	144	Section 16
+ Profit (Loss) of associates - Debt to equity	-	(56)	
Item 250. Net valuation at fair value of tangible and intangible assets	(2)	3	Section 17
Item 270. Gains (Losses) on disposal of investments	114	319	Section 19
less: Gains (Losses) on disposals of investments - assets leasing operation (from item 270)	(6)	(1)	
less: Industrial companies	-	(19)	
less: Purchase Price Allocation effect	-	3	
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>2,671</b>	<b>4,091</b>	
Income tax for the period	(137)	(1,297)	
Item 290. Tax expense related to profit from continuing operations	(55)	(1,167)	Section 20
less: Tax expense related to profit from continuing operations of industrial companies	4	-	
less: Purchase Price Allocation effect	(87)	(130)	
<b>NET PROFIT (LOSS)</b>	<b>2,534</b>	<b>2,793</b>	
Profit (Loss) after tax from discontinued operations = item 310	(295)	(124)	
Item 310. Profit (Loss) after tax from discontinued operations	(295)	(124)	Section 21
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,239</b>	<b>2,669</b>	
Minorities	(352)	(380)	
Item 330. Minorities	(352)	(380)	Section 22
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP BEFORE PPA</b>	<b>1,887</b>	<b>2,289</b>	
Purchase Price Allocation effect	(193)	(281)	
Impairment of goodwill	-	-	
Item 260. Impairment of goodwill	-	-	Section 18
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP</b>	<b>1,694</b>	<b>2,008</b>	

**Note:**

An explanation for the restatement of comparative figures is provided in the previous sections.

## Fees for annual audits and related services

**UniCredit Group 2015 – Deloitte Network**

As prescribed by art.149-duodecies of the Consob Issuers Regulation, the following table gives fees paid in 2015 for services rendered by Deloitte & Touche S.p.A. and firms in its network.

SERVICE TYPE	SERVICE PROVIDER	USER	FEES (€ '000) <sup>1</sup>
Audit <sup>2</sup>	Deloitte & Touche S.p.A.	Parent company – UniCredit S.p.A.	2,392
	Deloitte & Touche S.p.A.	Subsidiaries	1,611
	Deloitte Network	Subsidiaries	18,988
Certification, letters of comfort, etc <sup>3</sup>	Deloitte & Touche S.p.A.	Parent company – UniCredit S.p.A.	1,016
	Deloitte & Touche S.p.A.	Subsidiaries	512
	Deloitte Network	Parent company – UniCredit S.p.A.	155
	Deloitte Network	Subsidiaries	3,710
Other services <sup>4</sup>	Deloitte Network	Parent company – UniCredit S.p.A.	1,158
	Deloitte Network	Subsidiaries	10,673
<b>Total</b>			<b>40,215</b>

1. Excl. VAT and Expenses.
2. Does not include fees for audits of investment funds.
3. Mainly: verification services provided to UniCredit S.p.A. (Issuing Comfort Letter ECB 2015, 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 Process Management evolution model phase II, SPRINT - Roll out dei Modelli, Remarks Consolidation Framework evolution, Process management dashboard and Risk; 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; assistance provided to the subsidiaries UniCredit Bank AG and UniCredit Bank Austria AG.

## Securizations – qualitative tables

**ORIGINATOR: UniCredit S.p.A.**

### New transactions 2015

STRATEGIES, PROCESSES AND GOALS:	<p>The following initiatives, called Pillarstone Italy, were undertaken to allow the Group to improve the management of loan restructuring, also through the innovative use (for this purpose) of securitization. The goal is to facilitate and increase recoveries of the exposures under securitization thanks to:</p> <ul style="list-style-type: none"> <li>- restructuring with long-term industrial logic, focusing on introducing new finance (by third parties) in favour of the debtors sold, with focus on concrete needs and opportunities for the companies involved;</li> <li>- efficient and targeted restructuring and turnaround processes.</li> </ul> <p>Shared acceptance of the economic principles that guide the transactions in question and a strong alignment of the interests between the parties involved, ensures the asset manager's commitment to maximize the value of the said assets, optimising therefore the expected recovery on the junior notes bought by UniCredit S.p.A., through the transferred management of the securitised portfolio.</p>
INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:	<p>UniCredit S.p.A. does not act as Servicer. The business of servicing is carried out by third parties outside the Group, as per the contracts stipulated with the Special Purpose Vehicle issuing the ABS securities, and involves the administration, encashment, restructuring and collection of securitised loans, on behalf thereof, as well as managing any recovery proceedings on non-performing loans. The Servicer of the assets, therefore, has the task, on an ongoing basis, of following the financial flows arising from the securitised loans, constantly monitoring the encashment, also where appropriate making use of third party companies.</p> <p>For each specific transaction, the Servicer provides the Special Purpose Vehicle (in addition to other counterparties as defined in the servicing contracts, including UniCredit S.p.A.) with information on the activities carried out via periodic reports which show, inter alia, the collection and realization of the assigned receivables, the number of defaulted positions and the successfully completed recoveries, the instalments in arrears, restructuring activities, etc. Where contractually provided for, these reports are periodically checked by an independent auditors' firm.</p>
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	<p>The Servicer provides UniCredit S.p.A. with a series of reports that enable the evaluation and monitoring of the underlying portfolios. On a quarterly basis the performances are also presented in the reference internal Credit Committees.</p>
HEDGING POLICIES:	<p>There are no risk hedging derivatives.</p>
OPERATING RESULTS:	<p>Since the transactions were completed mid December 2015, at the end of the financial year there were no particular detectable economic effects, except for those aligned to the flows that would still have been generated on the portfolios in the absence of securitization.</p>

Securizations – qualitative tables

NAME	Pillarstone Italy - Burgo		Pillarstone Italy - Comital	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	Pillarstone Italy SPV S.r.l.		Pillarstone Italy SPV S.r.l.	
Servicer:	Securitisation Services S.p.A.		Securitisation Services S.p.A.	
Arranger:	NA		NA	
Target transaction :	Innovative structure of securitization to manage and overcome the temporary difficulties of the debtor sold, in order to optimize the reimbursement of the securitized portfolio		Innovative structure of securitization to manage and overcome the temporary difficulties of the debtor sold, in order to optimize the reimbursement of the securitized portfolio	
Type of asset:	Corporate loans		Corporate loans	
Quality of Asset:	Unlikely to pay		Unlikely to pay	
Closing date:	12/10/2015		12/10/2015	
Nominal Value of disposal portfolio :	150,646,763 €		33,074,000 €	
Net amount of preexisting w ritedow n/w ritebacks :	-		-	
Disposal Profit & Loss realized :	0 €		0 €	
Portfolio disposal price:	150,646,763 €		33,074,000 €	
Guarantees issued by the Bank:	no		no	
Guarantees issued by Third Parties :	no		no	
Bank Lines of Credit :	no		no	
Third Parties Lines of Credit :	7,000,000 €		2,500,000 €	
Other Credit Enhancements :	21,998,763 €		no	
Other relevant information :	Credit Enhancement is represented by the deferred purchase price (DPP), subordinated to the junior security for the payment, of a convertible loan sold to the vehicle.		no	
Rating Agencies:	no		no	
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Condition of tranching:				
. ISIN	IT0005154809	IT0005154825	IT0005152324	IT0005152340
. Type of security	Senior (*)	Mezzanine (*)	Senior (*)	Mezzanine (*)
. Class	A	B	A	B
. Rating	NA	NA	NA	NA
. Quotation	NA	NA	NA	NA
. Issue date	12/10/2015	12/10/2015	12/10/2015	12/10/2015
. Legal maturity	10/20/2030	10/20/2030	10/20/2030	10/20/2030
. Call option	no		no	
. Expected duration	5.0	5.0	5.0	5.0
. Rate	8.50%	EUR6M(360) + 200bps	8.50%	EUR6M(360) + 78bps
. Subordinated level	-	Sub A	-	Sub A
. Nominal value issued	5,423,000 €	103,043,000 €	810,000 €	15,396,000 €
. Nominal value at the end of accounting period	5,423,000 €	103,043,000 €	810,000 €	15,396,000 €
. Security subscribers	Pall Mall Solutions 1 ICAV	UniCredit S.p.A.	Pall Mall Solutions 1 ICAV	UniCredit S.p.A.
. ISIN	IT0005155251		IT0005152357	
. Type of security	Junior (*)		Junior (*)	
. Class	C		C	
. Rating	NA		NA	
. Quotation	NA		NA	
. Issue date	12/10/2015		12/10/2015	
. Legal maturity	10/20/2030		10/20/2030	
. Call option	no			
. Expected duration	5.0		5.0	
. Rate	EUR6m(360)+1000bps		EUR6m(360)+1000bps	
. Subordinated level	Sub A, B		Sub A, B	
. Nominal value issued	20,182,000 €		16,868,000 €	
. Nominal value at the end of accounting period	20,182,000 €		16,868,000 €	
. Security subscribers	UniCredit S.p.A.		UniCredit S.p.A.	
<b>Distribution of securitised assets by area:</b>				
Italy - Northw est	-		33,074,000 €	
- Northeast	150,646,763 €		-	
- Central	-		-	
- South and Islands	-		-	
Other European Countries - E.U. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>150,646,763 €</b>		<b>33,074,000 €</b>	
<b>the borrower:</b>				
Governments	-		-	
other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	150,646,763 €		33,074,000 €	
Other entities	-		-	
<b>TOTAL</b>	<b>150,646,763 €</b>		<b>33,074,000 €</b>	

(\*) The classification of the field "Type of security" refers to Bank of Italy Circular 262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 - Definitions - 5.23 - Securitisations: senior, mezzanine and junior exposures.

The "Closing date" is the date when the securitization vehicle has issued the securities of the transaction.

NAME:	Pillarstone Italy - Lediberg	Pillarstone Italy - Rainbow		
Type of securitisation:	Traditional	Traditional		
Originator:	UniCredit S.p.A.	UniCredit S.p.A.		
Issuer:	Pillarstone Italy SPV S.r.l.	Pillarstone Italy SPV S.r.l.		
Servicer:	Securitisation Services S.p.A.	Securitisation Services S.p.A.		
Arranger:	NA	NA		
Target transaction :	Innovative structure of securitization to manage and overcome the temporary difficulties of the debtor sold, in order to optimize the reimbursement of the securitized portfolio	Innovative structure of securitization to manage and overcome the temporary difficulties of the debtor sold, in order to optimize the reimbursement of the securitized portfolio		
Type of asset:	Corporate loans	Corporate loans		
Quality of Asset:	Unlikely to pay	Unlikely to pay		
Closing date:	12/10/2015	12/10/2015		
Nominal Value of disposal portfolio :	30,508,000 €	74,216,000 €		
Net amount of preexisting w ritedow n/w ritebacks :	-	-		
Disposal Profit & Loss realized :	0 €	0 €		
Portfolio disposal price:	30,508,000 €	74,216,000 €		
Guarantees issued by the Bank:	no	no		
Guarantees issued by Third Parties :	no	no		
Bank Lines of Credit :	no	no		
Third Parties Lines of Credit :	3,000,000 €	3,500,000 €		
Other Credit Enhancements :	-	no		
Other relevant information :	-	no		
Rating Agencies:	no	no		
Amount of CDS or other supersenior risk transferred :	-	-		
Amount and Condition of tranching:				
. ISIN	IT0005154726	IT0005154734	IT0005155833	IT0005155103
. Type of security	Senior (*)	Mezzanine (*)	Senior (*)	Mezzanine (*)
. Class	A	B	A	B
. Rating	NA	NA	NA	NA
. Quotation	NA	NA	NA	NA
. Issue date	12/10/2015	12/10/2015	12/10/2015	12/10/2015
. Legal maturity	10/20/2030	10/20/2030	10/20/2030	10/20/2030
. Call option	no	no	no	no
. Expected duration	5.0	5.0	5.0	5.0
. Rate	8.50%	Until 06/30/2016: EUR6M(360) + 25bps From 07/01/2016: EUR6M(360) + 200bps	8.50%	EUR6M(360) + 129bps
. Subordinated level	-	Sub A	-	Sub A
. Nominal value issued	244,000 €	4,637,000 €	890,000 €	16,921,000 €
. Nominal value at the end of accounting period	244,000 €	4,637,000 €	890,000 €	16,921,000 €
. Security subscribers	Pall Mall Solutions 1 ICAV	UniCredit S.p.A.	Pall Mall Solutions 1 ICAV	UniCredit S.p.A.
. ISIN	IT0005154759		IT0005155111	
. Type of security	Junior (*)		Junior (*)	
. Class	C		C	
. Rating	NA		NA	
. Quotation	NA		NA	
. Issue date	12/10/2015		12/10/2015	
. Legal maturity	10/20/2030		10/20/2030	
. Call option	no			
. Expected duration	5.0		5.0	
. Rate	EUR6m(360)+1000bps		EUR6m(360)+1000bps	
. Subordinated level	Sub A, B		Sub A, B	
. Nominal value issued	25,627,000 €		56,405,000 €	
. Nominal value at the end of accounting period	25,627,000 €		56,405,000 €	
. Security subscribers	UniCredit S.p.A.		UniCredit S.p.A.	
<b>Distribution of securitised assets by area:</b>				
Italy - Northwest	-		-	
- Northeast	30,508,000 €		74,216,000 €	
- Central	-		-	
- South and Islands	-		-	
Other European Countries - E.U. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>30,508,000 €</b>		<b>74,216,000 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>				
Governments	-		-	
other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	30,508,000 €		74,216,000 €	
Other entities	-		-	
<b>TOTAL</b>	<b>30,508,000 €</b>		<b>74,216,000 €</b>	

(\*) The classification of the field "Type of security" refers to Bank of Italy Circular 262 "The Bank's Financial Statements" - Chapter 1 General principles - Section 5 - Definitions - 5.23 - Securitizations: senior, mezzanine and junior exposures.

The "Closing date" is the date when the securitization vehicle has issued the securities of the transaction.

Securizations – qualitative tables

NAME:	Gepafin		ARTS MidCap2	
Type of securitisation:	Tranché Cover		Tranché 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.		UniCreditBank A.G.	
Target transaction :	Credit risk hedging		Credit risk hedging	
Type of asset:	unsecured loans w with maturity > 18 months, to corporate clients settled in Umbria - granted by Gepafin (finanziaria of Regione Umbria)		underlying pool of loans to small and mid corporates - guarantee from CRC S.à.r.l and AREO S.à.r.l.(Junior risk) and FEI (mezzanine risk)	
Quality of Asset:	in bonis		in bonis	
Closing date:	03/09/2015		06/12/2015	
Nominal Value of reference portfolio :	7,473,980 €		1,618,022,277 €	
Issued guarantees by the Bank:	-		-	
Issued guarantees by third parties:	funded cash collateralized financial guarantee hedging the junior risk		funded cash collateralized financial guarantee hedging the junior risk; unfunded financial guarantee hedging the mezzanine risk	
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	Junior	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	03/09/2015	03/09/2015	06/12/2015	06/12/2015
. Legal maturity	12/31/2019	12/31/2019	12/31/2026	12/31/2026
. Call option	n.a.		Clean-up call, Regulatory Call	
. Expected duration	12/31/2019	12/31/2019	WAL 2,7 regulatory call expected Sep 2019	WAL 2,7 regulatory call expected Sep 2019
. Rate	n.a.	n.a.	n.a.	n.a.
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	6,772,921 €	701,059 €	1,504,772,277 €	32,350,000 €
. Reference Position at the end of accounting period	2,731,932 €	700,686 €	1,207,277,952 €	32,350,000 €
. Security subscribers	UniCredit S.p.A.	partially hedged by protection seller	UniCredit S.p.A.	hedged by protection seller
. ISIN			n.a	
. Type of security			Junior	
. Class			C	
. Rating			n.r.	
. Quotation			not listed	
. Issue date			06/12/2015	
. Legal maturity			12/31/2026	
. Rate			n.a.	
. Subordinated level			Sub A, B	
. Reference Position			80,900,000 €	
. Reference Position at the end of accounting period			80,900,000 €	
. Security subscribers			hedged by protection seller	
<b>Distribution of securitised assets by area:</b>				
Italy - Northwest	-		562,403,692 €	
- Northeast	-		348,489,670 €	
- Central	7,473,980 €		530,561,105 €	
- South and Islands	-		176,567,810 €	
Other European Countries - U.E. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>7,473,980 €</b>		<b>1,618,022,277 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>				
Governments	-		-	
Other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	7,473,980 €		1,618,022,277 €	
Other entities	-		-	
<b>TOTAL</b>	<b>7,473,980 €</b>		<b>1,618,022,277 €</b>	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR) , and earlier by circular 263/2006 of the Bank of Italy.  
 In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula , in accordance with art. 262, taking care to provide 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 concerned tranche;  
 3. the thickness of the tranche;  
 4. the number of securitized assets;  
 5. the average LGD.  
 Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

NAME:	ARTS Leonardo		Bond Italia1 Investimenti	
Type of securitisation:	Tranched Cover		Tranched Cover	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	ARTS LEONARDO 2015-1 S.A.		UniCredit S.p.A.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCreditBank A.G.		UniCredit S.p.A.	
Target transaction :	Credit risk hedging		Credit risk hedging	
Type of asset:	Project financing Loans and Shipping		unsecured loans - maturity between 24 and 60 months - to small and medium enterprises - hedged by FCG	
Quality of Asset:	in bonis		in bonis	
Closing date:	06/26/2015		06/30/2015	
Nominal Value of reference portfolio :	1,519,889,561 €		93,593,038 €	
Issued guarantees by the Bank:	-		-	
Issued guarantees by third parties:	funded cash collateralized financial guarantee hedging the junior risk		unfunded financial guarantee hedging the junior risk	
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	Junior	Senior	Junior
. 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	06/26/2015	06/26/2015	06/30/2015	06/30/2015
. Legal maturity	2040	2040	02/28/2021	02/28/2021
. Call option	Clean-up call, Regulatory Call		n.a.	
. Expected duration	2021	2021	02/28/2021	02/28/2021
. Rate	n.a.	n.a.	n.a.	n.a.
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	1,413,497,292 €	106,392,269 €	86,573,560 €	7,019,478 €
. Reference Position at the end of accounting period	1,218,344,902 €	106,000,000 €	86,403,560 €	7,019,478 €
. Security subscribers	UniCredit S.p.A.	hedged by protection seller	UniCredit S.p.A.	partially hedged by protection seller
<b>Distribution of securitised assets by area:</b>				
Italy - North west	182,041,625 €		30,417,050 €	
- Northeast	161,437,233 €		22,086,028 €	
- Central	294,741,319 €		27,823,530 €	
- South and Islands	881,669,383 €		13,266,430 €	
Other European Countries - U.E. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>1,519,889,561 €</b>		<b>93,593,038 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>				
Governments	-		-	
Other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	1,519,889,561 €		93,593,038 €	
Other entities	-		-	
<b>TOTAL</b>	<b>1,519,889,561 €</b>		<b>93,593,038 €</b>	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

## Securitizations – qualitative tables

NAME	Bond Italia1 Misto		Bond Italia2 Misto	
Type of securitisation:	Tranché Cover		Tranché 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 :	Credit risk hedging		Credit risk hedging	
Type of asset:	unsecured loans - maturity between 18 and 60 months - to small and medium enterprises - hedged by FCG		unsecured loans - maturity between 18 and 60 months - to small and medium enterprises - hedged by FCG	
Quality of Asset:	in bonis		in bonis	
Closing date:	06/30/2015		12/31/2015	
Nominal Value of reference portfolio :	295,689,323 €		299,780,540 €	
Issued guarantees by the Bank:	-		-	
Issued guarantees by third parties:	unfunded financial guarantee hedging the junior risk		unfunded financial guarantee hedging the junior risk	
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 SFA 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	Junior	Senior	Junior
. 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	06/30/2015	06/30/2015	12/31/2015	12/31/2015
. Legal maturity	02/28/2021	02/28/2021	02/28/2021	02/28/2021
. Call option	n.a.		n.a	
. Expected duration	02/28/2021	02/28/2021	02/28/2021	02/28/2021
. Rate	n.a.	n.a.	n.a.	n.a.
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	277,208,740 €	18,480,583 €	281,044,256 €	18,736,284 €
. Reference Position at the end of accounting period	275,438,740 €	18,480,583 €	281,044,256 €	18,736,284 €
. Security subscribers	UniCredit S.p.A.	partially hedged by protection seller	UniCredit S.p.A.	partially hedged by protection seller
<b>Distribution of securitised assets by area:</b>				
Italy - North west	102,233,200 €		103,990,100 €	
- Northeast	58,057,628 €		43,183,000 €	
- Central	68,113,180 €		100,773,940 €	
- South and Islands	67,285,315 €		51,833,500 €	
Other European Countries - U.E. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>295,689,323 €</b>		<b>299,780,540 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>				
Governments	-		-	
Other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	295,689,323 €		299,780,540 €	
Other entities	-		-	
<b>TOTAL</b>	<b>295,689,323 €</b>		<b>299,780,540 €</b>	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

NAME:	Bond Italia2 Investimenti		ARTS MidCap3	
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.	
Service:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.		UniCreditBank A.G.	
Target transaction :	Credit risk hedging		Credit risk hedging	
Type of asset:	unsecured loans - maturity between 24 and 60 months - to small and medium enterprises - hedged by FCG		underlying pool of loans to small and mid corporates - guarantee from CRC S.à.r.l (Junior risk) and FEI (mezzanine risk)	
Quality of Asset:	in bonis		in bonis	
Closing date:	12/31/2015		11/21/2015	
Nominal Value of reference portfolio :	99,861,218 €		4,367,226,943 €	
Issued guarantees by the Bank:				
Issued guarantees by third parties:	unfunded financial guarantee hedging the junior risk		funded cash collateralized financial guarantee hedging the junior risk; unfunded financial guarantee hedging the mezzanine risk	
Bank Lines of Credit:	-		-	
Third Parties Lines of Credit:	-		-	
Other Credit Enhancements:	-		-	
Other relevant information:	-		-	
Rating Agencies:	No rating agency, use of SFA Approach (*)		No rating agency, use of SFA 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	Junior	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	12/31/2015	12/31/2015	11/21/2015	11/21/2015
. Legal maturity	02/28/2021	02/28/2021	12/31/2030	12/31/2030
. Call option	n.a		Clean-up call, Regulatory Call	
. Expected duration	02/28/2021	02/28/2021	WAL 3,36 regulatory call expected Dec 2022	WAL 3,36 regulatory call expected Dec 2022
. Rate	n.a.	n.a.	n.a.	n.a.
. Subordinated level	-	Sub A	-	Sub A
. Reference Position	92,371,627 €	7,489,591 €	4,105,194,943 €	43,672,000 €
. Reference Position at the end of accounting period	92,197,051 €	7,489,591 €	3,829,954,248 €	43,672,000 €
. Security subscribers	UniCredit S.p.A.	partially hedged by protection seller	UniCredit S.p.A.	hedged by protection seller
. ISIN			n.a	
. Type of security			Junior	
. Class			C	
. Rating			n.r.	
. Quotation			not listed	
. Issue date			11/21/2015	
. Legal maturity			12/31/2030	
. Rate			n.a.	
. Subordinated level			Sub A, B	
. Reference Position			218,360,000 €	
. Reference Position at the end of accounting period			218,360,000 €	
. Security subscribers			hedged by protection seller	
<b>Distribution of securitised assets by area:</b>				
Italy - Northwest	34,373,820 €		1,388,953,076 €	
- Northeast	20,111,873 €		755,988,342 €	
- Central	33,558,525 €		1,606,930,240 €	
- South and Islands	11,817,000 €		615,355,284 €	
Other European Countries - U.E. countries	-		-	
- not U.E. countries	-		-	
America	-		-	
Rest of the World	-		-	
<b>TOTAL</b>	<b>99,861,218 €</b>		<b>4,367,226,943 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>				
Governments	-		-	
Other governments agencies	-		-	
Banks	-		-	
Financial Companies	-		-	
Insurance Companies	-		-	
Non-financial companies	99,861,218 €		4,367,226,943 €	
Other entities	-		-	
<b>TOTAL</b>	<b>99,861,218 €</b>		<b>4,367,226,943 €</b>	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

## Securitizations – qualitative tables

### Traditional securitizations of performing and non performing loans from previous years

<p>STRATEGIES, PROCESSES AND GOALS:</p>	<p>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" and "non-performing" loan portfolios through the structuring of such portfolios and the resulting release of financial resources for new investments and also creating eligible securities for refinancing operations with the ECB and/or with third parties (counterbalancing capacity).</p> <p>The main advantages of the transactions can be summarized as follows:</p> <ul style="list-style-type: none"> <li>- improvement in the matching of asset maturities;</li> <li>- diversification of sources of financing;</li> <li>- broadening of investor base and resulting optimization of funding cost;</li> <li>- creating counterbalancing capacity</li> </ul> <p>Moreover, securitization transactions can also be implemented for purposes related to business projects (for better management of assets), corporate restructuring or deleveraging projects.</p>
<p>INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS:</p>	<p>UniCredit S.p.A. acts as "Servicer" for almost 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 (especially for the recovery of impaired loans; the company involved is DoBank S.p.A., which operates as an assistant to the Servicer, governed by a special agreement).</p> <p>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.</p>
<p>ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:</p>	<p>From a strategic point of view, Group Finance Department is responsible for central coordination. In this context, the above structure plays:</p> <p>a) in the launch phase of the operation the role of proposer and provides support to the other Bank's Divisions and to the individual Legal Entities in conducting transactions, cooperating with all the other departments (Planning &amp; Capital Management, Group Risk Management, M&amp;A etc.) in identifying the characteristics and the distinctive features of "true sale" securitizations loans in order to achieve the targets set in the Group's Funding Plan and in the Contingency Funding Plan, approved by the Board of Directors, in the ordinary plan of creating counterbalancing capacity, as well as in organizational strategy and business of Top Management. Specific transactions are subject to prior approval by the competent departments of the Holding and of the Originator Bank (during approval, among other things, the structure, costs and impacts in terms of liquidity, counterbalancing capacity, organizational, business and/or any capital relief are discussed and analyzed), and to final approval by the Board of Directors of the Originator Bank;</p> <p>b) in the management phase of the operation, the monitoring role of the securitized portfolios, the interactions with the Ratings Agencies in order to submit regular information on portfolios and comment rating actions and, more generally, the role of coordination of the Originator Bank to facilitate the solution of events relating to the securitized portfolios (management of actions of payments holidays, downgrading, restructurings, etc.).</p> <p>The Bank has established a special coordination unit (General Ledger &amp; Securitization Reporting) within the Accounting &amp; Regulatory Reporting Department. This unit has been tasked with the administrative coordination 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, Group Finance, Legal Italy, etc.) and the Group (UniCredit Business Integrated Solutions S.C.p.A., etc.). It also provides a 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.</p>
<p>HEDGING POLICIES:</p>	<p>By agreement, securitized portfolios can be 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, always if required by agreements, related back-to-back swap contracts are entered into between the Swap counterparty and UniCredit S.p.A. as Originator, interfaced in some cases by UniCredit Bank AG.</p>
<p>OPERATING RESULTS:</p>	<p>At the end of December 2015, 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. The exercise of the option to repurchase the securitized portfolios underlying operations "Consumer One" and "Impresa One" did not result in significant additional economic impacts.</p>

NAME:	CONSUMER TWO		LARGE CORPORATE ONE	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit S.p.A.		UniCredit S.p.A.	
Issuer:	Consumer TWO S.r.l.		Large Corporate ONE S.r.l.	
Servicer:	UniCredit S.p.A.		UniCredit S.p.A.	
Arranger:	UniCredit S.p.A.		-	
Target transaction :	Funding / Counterbalancing capacity		Funding / Counterbalancing capacity	
Type of asset:	Personal loans		Large Corporate Loans	
Quality of Asset:	Performing		Performing	
Closing date:	11/25/2013		08/13/2013	
Nominal Value of reference portfolio :	1,234,022,049 €		278,606,012 €	
Issued 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:	UniCredit S.p.A. has granted the SPV, with respect to this transaction, two subordinated loans amounting to €24.68 million and € 5 million (at the end of accounting period are fully reimbursed).		-	
Other relevant information:	In the role of Servicer, UniCredit S.p.A. has had to hedge mingling risk, with a collateral amounting to € 47.02 million at 31st December 2015.		The credit line of Interest Shortfall Facility, of the original value of € 15,000,000 , w as used for € 1,291,004	
Rating Agencies:	Moody's / Fitch		Standard & Poor's	
Amount of CDS or other risk transferred:	-		-	
Amount and Condition of tranching:				
. ISIN	IT0004974983	IT0004974777	IT0004955776	IT0004955479
. Type of security	Senior	Senior	Senior	Junior
. Class	A1	A2	A	B
. Rating	Aa2/AA+	Aa2/AA+	BBB-	--
. Nominal Value Issued	250,000,000 €	490,400,000 €	897,000,000 €	103,000,000 €
. Reference Position	250,000,000 €	490,400,000 €	250,000,000 €	28,706,800 €
. Reference Position at the end of accounting period	145,910,750 €	286,218,527 €	250,000,000 €	28,706,800 €
. 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.

## Securitizations – qualitative tables

**ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A.)**
**Transactions from previous periods**

<b>NAME:</b>	<b>Cordusio RMBS UCFin - Serie 2006 (ex Cordusio RMBS 3 - UBCasa 1)</b>	
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, w hich at the end of accounting period that amount is fully reimbursed	
Other relevant information :	Following its down grade 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. Moreover UniCredit S.p.A. has been replaced as swap counterparty w ith another Bank rated as eligible by ratings Agencies.	
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+/Aa2/AA-
. Nominal value issued	600,000,000 €	1,735,000,000 €
. Nominal value at the end of accounting period	0 €	521,428,919 €
. ISIN	IT0004144900	IT0004144934
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	AA/Aa2/A	A+/Aa3/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-/Baa2/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:	3,906,102,838 €		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 reimbursed		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 reimbursed	
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. Moreover UniCredit S.p.A. has been replaced as swap counterparty with another Bank rated as eligible by ratings Agencies.		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. Moreover UniCredit S.p.A. has been replaced as swap counterparty with another Bank rated as eligible by ratings Agencies.		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. Moreover UniCredit S.p.A. has been replaced as swap counterparty with another Bank rated as eligible by ratings Agencies.	
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 super senior 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	-	A+/Aa2/AA-	-	AA+/Aa2/AA-	-	AA+/Aa2/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 €	298,373,654 €	0 €	349,478,888 €	0 €	118,614,800 €
. ISIN	IT0004231244	IT0004231285	IT0004087182	IT0004087190	IT0003844955	IT0003844963
. Type of security	Senior	Mezzanine	Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class	A3	B	B	C	B	C
. Rating	A+/Aa2/A	A+/Aa2/A	AA+/Aa2/A	BBB+/Ba1/A	AA+/Aa2/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/A1/A	B/Ba1/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.

## Securitizations – qualitative tables

**ORIGINATOR: UniCredit S.p.A. (formerly UniCredit Family Financing Bank S.p.A., formerly Bipop-Carire Società per Azioni)**

## 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 1.5 million euro of the principal amount has been repaid.	
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. Moreover UniCredit S.p.A. has been replaced as swap counterparty with another Bank rated as eligible by ratings Agencies.	
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-/Aa2	A/Aa2
. Nominal value issued	666,300,000 €	185,500,000 €
. Nominal value at the end of accounting period	137,401,987 €	185,500,000 €
. ISIN	IT0004302755	IT0004302763
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	A/Aa3	BBB-/A2
. 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-/Baa1	CCC/Baa3
. 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 € 178.71 million at December 31, 2015 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-/Baa2/B+	AA-/Baa2/B+
. Nominal value issued	1,736,000,000 €	644,000,000 €
. Nominal value at the end of accounting period	314,880,194 €	479,341,822 €
. ISIN	IT0004222557	IT0004222565
. Type of security	Mezzanine	Junior
. Class	B	C
. Rating	BB/B3/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.

Securizations – qualitative tables

**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 is fully reimbursed.		-		-	
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 supesenior risk transferred :	-		-		-	
Amount and Conditions of tranching:						
. ISN	IT0003830418	IT0003830426	IT0003575039	IT0003575070	IT0003383855	IT0003383871
. Type of security	Senior	Mezzanine	Senior	Mezzanine	Senior	Mezzanine
. Class	A	B	A1	B	A	B
. Rating	AA-/Aa2/AA+	A/Aa2/AA+	AA-/Aa2/AA+	A/A1/AA+	AA-/Aa2/AA+	-- /A1/AA
. 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	165,389,222 €	36,863,691 €	73,935,040 €	48,000,000 €	36,597,822 €	30,800,000 €
. ISN	IT0003830434		IT0003575088	IT0003575096	IT0003383939	
. Type of security	Junior		Mezzanine	Junior	Junior	
. Class	C		C	D	C	
. Rating	BBB-/Baa1/BBB+		A/Baa2/A	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 UniCredit Credit Management Bank S.p.A.)**

**Transactions from previous periods**

NAME:	ARENA NPL ONE	
Type of securitisation:	Self-securitisation	
Originator:	UCCMB S.p.A.	
Issuer:	Arena NPL S.r.L.	
Servicer:	UniCredit 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 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	UniCredit S.p.A. issued a line of Liquidity Facility revolving amounts to € 100 million, used for € 38.25 million at the end of accounting period.	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	-	
Other relevant information :	UniCredit S.p.A. has granted SPV a loans facility of € 30 million, used for legal expenses.	
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.
. Nominal value issued	304,300,000 €	913,049,310 €
. Nominal value at the end of accounting period	209,286,506 €	913,049,310 €

The "Closing date" is the date when the securitization transaction was completed, i.e. the date when all contractual documents were signed.

## Securitizations – qualitative tables

**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 2015 profits from existing transaction largely reflected the impact of cash flows from collections for the original defaulting loan portfolio and from the sale of the residual securitized portfolio as at 29th September. In particular the collections for the year totalled € 52.83 millions for TREVI 3.

**Transactions from previous periods**

NAME	TREVI FINANCE 3	
Type of securitisation:	Traditional	
Originator:	Banca di Roma S.p.A. 92,2%, Mediocredito Centrale S.p.A. 5,2% Leasing Roma S.p.A. 2,6%	
Issuer:	Trevi Finance N. 3 Srl	
Servicer:	UniCredit S.p.A.	
Arranger:	Finanziaria Internazionale securitization Group S.p.A.	
Target transaction:	Funding	
Type of asset:	ordinary loans - mortgage loans	
Quality of asset:	non performing	special purpose loan
Closing date:	05/25/2001	
Nominal Value of disposal portfolio:	2,745,000,000 €	102,000,000 €
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:	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 nominal value of these collateral securities as at 12/31/2015 was € 241,434,045.22.	
Rating Agencies	Moody's / S&P / Fitch	
Amount of CDS or other supersenior risk transferred:	-	
Amount and conditions of tranching:		
. ISIN	XS0130116568	XS0130117020
. Type of security	Senior	Mezzanine
. Class	A	B
. Rating	-	-
. Nominal value issued	600,000,000 €	150,000,000 €
. Nominal value at the end of accounting period	0 €	0 €
. 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	0 €	0 €
. 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 €	

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.

<b>NAME:</b>	<b>CAESAR FINANCE</b>	
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	-	n.r.
. Nominal value issued	270,000,000 €	90,329,000 €
. Nominal value at the end of accounting per	0 €	49,274,524 €

## Securizations – qualitative tables

**ORIGINATOR: UniCredit S.p.A.****Transactions from previous periods**

<b>NAME:</b>	<b>Confidimpresa Trentino e Cooperativa Artigiana di Garanzia della Provincia di Trento</b>	
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 :	Credit risk hedging	
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 €	
Issued 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 SFA 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.a.	n.a.
. Reference Position	9,874,316 €	665,694 €
. Reference Position at the end of accounting period	4,300,999 €	665,694 €
. Security subscribers	UniCredit S.p.A.	Covered by protection seller

( \*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art . 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR) , and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art . 259 1. b )) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula , in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

NAME:	UniCredit MidCap 2014		Veneto Sviluppo 2014	
Type of securitisation:	Tranché Cover		Tranché 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 :	Credit risk hedging		Credit risk hedging	
Type of asset:	Highly diversified and granular pool of UniCredit's SME loans, guaranteed in erogation phase by CRC European Loan Origination Platform, Areo S.r.l.		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 €	
Issued 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 SFA Approach (*)		No rating agency, use of SFA 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.
. Reference Position	1,715,036,900 €	37,133,644 €	26,266,860 €	1,259,370 €
. Reference Position at the end of accounting period	773,825,529 €	37,133,644 €	1,846,333 €	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.	
. 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	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

Securizations – qualitative tables

NAME	FEDERASCOMFIDI		FEDERCONFIDI	
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 :	Credit risk hedging		Credit risk hedging	
Type of asset:	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	
Closing date:	03/25/2013		03/25/2013	
Nominal Value of reference portfolio :	64,235,679 €		62,470,203 €	
Issued 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 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:	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 which, at the closing date, was equal to € 1,122,090. Financial guarantee to hedge the mezzanine is issued by European Investment Fund (EIF) and hedges the 95% of the tranche which, at the closing date, was equal to € 1,332,481.		Federconfidi's guarantee hedges the 80% of the Junior tranche and the Junior tranche, at the closing date, was equal to € 1,983,528. EIF's guarantee hedges the 95% of the Mezzanine tranche and the Mezzanine tranche, at the closing date, was equal to € 1,344,765.	
Rating Agencies:	No rating agency, use of SFA Approach (*)		No rating agency, use of SFA 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.
. Reference Position	61,430,455 €	1,402,612 €	59,141,910 €	1,344,765 €
. Reference Position at the date of the last servicer report	22,663,384 €	1,396,135 €	25,027,528 €	1,338,104 €
. Security subscribers	UniCredit S.p.A.	Partially covered by protection seller	UniCredit S.p.A.	Partially covered by protection seller
. ISIN	n.a		n.a	
. Type of security	Junior		Junior	
. Class	C		C	
. Rating	n.r.		n.r.	
. Reference Position	1,402,612 €		1,983,528 €	
. Reference Position at the date of the last servicer report	1,008,466 €		1,723,293 €	
. Security subscribers	Partially covered by protection seller		Partially covered by protection seller	

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by art. 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide 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 concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

**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 break down 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 break down 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.

**Transactions from previous periods**

NAME:	Locat SV - Serie 2014		Locat SV - Serie 2011	
Type of securitisation:	Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		UniCredit Leasing S.p.A. (ex Locat S.p.A.)	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l.	
Servicer:	UniCredit Leasing S.p.A. (ex Locat S.p.A.)		UniCredit Leasing S.p.A. (ex Locat S.p.A.)	
Arranger:	UniCredit Bank AG London Branch		UniCredit Bank AG London Branch	
Target transaction :	Funding		Funding / Counterbalancing capacity	
Type of asset:	Leasing loans bearing car, capital goods and real estate.		Leasing loans bearing car, capital goods and real estate.	
Quality of asset:	Performing		Performing	
Closing date:	09/30/2014		02/11/2011	
Nominal Value of disposal portfolio :	1,300,000,000 €		5,150,822,514 €	
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 :	-		UniCredit S.p.A. has granted SPV a subordinated loan of 257 million euro.	
Other relevant information :	True sale - Revolving		Self-securitization	
Rating Agencies:	Moody's / Fitch		S&P / DBRS	
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Condition of tranching:				
. ISIN	IT0005053258	IT0005053266	IT0004690753	IT0004690746
. Type of security	Senior	Senior	Senior	Junior
. Class	A1	A2	A	B
. Rating	Aa2 (sf)/ AA+ (sf)	Aa2 (sf)/ AA+ (sf)	AA- (sf) / AA (low)(sf)	not rated
. Nominal value issued	90,000,000 €	400,000,000 €	3,502,500,000 €	1,648,322,514 €
. Nominal value at the end of accounting period	90,000,000 €	400,000,000 €	501,013,361 €	1,648,322,514 €
. ISIN	IT0005053274	IT0005053282		
. Type of security	Senior	Junior		
. Class	A3	B		
. Rating	Aa2 (sf)/ AA+ (sf)	not rated		
. Nominal value issued	225,000,000 €	585,000,000 €		
. Nominal value at the end of accounting period	225,000,000 €	585,000,000 €		

Securizations – qualitative tables

**ORIGINATOR: UniCredit Leasing S.p.A. (formerly Locat S.p.A.)**

Transactions from previous periods

NAME:	Locat SV - Serie 2006		Locat SV - Serie 2005 (ex Locat Securitisation Vehicle 3)	
Type of securitisation:	Traditional		Traditional	
Originator:	Locat S.p.A.		Locat S.p.A.	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l. (ex Locat Securitisation Vehicle 3 S.r.l.)	
Servicer:	Locat S.p.A.		Locat S.p.A.	
Arranger:	UniCredit Banca Mobiliare S.p.A.		UniCredit Banca Mobiliare S.p.A.	
Target transaction :	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.	
Quality of asset:	Performing		Performing	
Closing date:	11/14/2006		10/14/2005	
Nominal Value of disposal portfolio :	€ 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 :	-		-	
Other relevant information :	Revolving		Revolving	
Rating Agencies:	S&P / Moody's		S&P / Moody's	
Amount of CDS or other supersenior risk transferred :	-		-	
Amount and Conditions of tranching:				
. ISIN	IT0004153661	IT0004153679	IT0003951107	IT0003951115
. Type of security	Senior	Senior	Senior	Senior
. Class	A1	A2	A1	A2
. Rating	-	-	-	-
. Nominal value issued	€ 400,000,000	€ 1,348,000,000	€ 451,000,000	€ 1,349,000,000
. Nominal value at the end of accounting period	€ 0	€ 0	€ 0	€ 0
. ISIN	IT0004153687	IT0004153695	IT0003951123	IT0003951131
. Type of security	Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class	B	C	B	C
. Rating	BBB (sf) / A1 (sf)	CCC (sf) / Caa2 (sf)	BBB+ (sf) / A3(sf)	B / Caa1(sf)
. Nominal value issued	€ 152,000,000	€ 64,000,000	€ 160,000,000	€ 33,000,000
. Nominal value at the end of accounting period	€ 121,911,980	€ 64,000,000	€ 14,787,040	€ 33,000,000
. ISIN	IT0004153885		IT0003951149	
. Type of security	Junior		Junior	
. Class	D		D	
. Rating	not rated		not rated	
. Nominal value issued	€ 8,909,866		€ 7,000,136	
. Nominal value at the end of accounting period	€ 8,909,866		€ 7,000,136	

**ORIGINATOR: UniCredit Leasing (properly Fineco Leasing S.p.A.)**

**Transactions from previous periods**

<b>NAME:</b>	<b>F-E Gold</b>	
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 :	UniCredit Leasing S.p.A. (formerly Fineco Leasing S.p.A.) granted the SPV a subordinated loan of € 31.6 million (as Equity). At the end of 2015 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	-	A2 / A
. Nominal value issued	203,800,000 €	749,000,000 €
. Nominal value at the end of accounting period	0 €	67,990,625 €
. ISIN	IT0004068620	IT0004068638
. Type of security	Mezzanine	mezzanine
. Class	B	C
. Rating	Ba1 / BB+	B2 / BB-
. Nominal value issued	56,000,000 €	10,200,000 €
. Nominal value at the end of accounting period	19,775,101 €	3,601,893 €

## Securitizations – qualitative tables

**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), which provides a breakdown of the status of loans.
ORGANIZATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO SENIOR MANAGEMENT:	The Board Members approve each new transaction and any other related decision and they are informed on the expected performances and on those in the final balance. The bank's annual/interim report contains information on the bank's own ABS transactions.
HEDGING POLICIES:	For true sale transactions the issuer hedged portfolio's interest rate risks through Interest Rate Swaps.
OPERATING RESULTS:	The results achieved up to the present are broadly in line with expectations; payments received from the portfolio ensured punctual and full payment to security holders and other parties to the transaction.

**New transactions 2015**

<b>NAME:</b>	<b>Rosenkavalier 2015</b>	
Type of securitisation:	Traditional	
Originator:	UniCredit Bank AG	
Issuer:	Rosenkavalier 2015 UG	
Servicer:	UniCredit Bank AG	
Arranger:	UniCredit Bank AG (UniCredit Markets & Investment Banking)	
Target transaction:	Liquidity	
Type of asset:	Large Corporate and SME corporate loans	
Quality of Asset:	Performing	
Closing date:	12/18/2015	
Nominal Value of disposal portfolio:	2,517,000,000 €	
Net amount of preexisting writedown/n/writebacks:	-	
Disposal Profit & Loss realized:	-	
Portfolio disposal price:	2,517,000,000 €	
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:	Transaction executed to create ECB collateral	
Rating Agencies:	Fitch/DBRS	
Amount of CDS or other supersenior risk transferred:	-	
Amount and Condition of tranching:		
. ISIN	DE000A1687E2	DE000A1687F9
. Type of security	Senior	Junior
. Class	A	B
. Rating	A/A	NR
. Quotation	Munich	Munich
. Issue date	12/18/2015	12/18/2015
. Legal maturity	11/30/2045	11/30/2045
. Call option	Any payment date	
. Rate	1-month Euribor + 80bp	1-month Euribor + 350bp
. Subordinated level	Waterfall Position 1	Waterfall Position 2
. Nominal value issued	1,728,400,000 €	788,600,000 €
. Nominal value at the end of accounting period	1,728,400,000 €	788,600,000 €
. Security subscribers	UniCredit Bank AG	UniCredit Bank AG
<b>Distribution of securitised assets by area:</b>		
Italy - Northwest	-	
- Northeast	-	
- Central	-	
- South and Islands	-	
Other European Countries - E.U. countries	2,517,000,000 €	
- not U.E. countries	-	
America	-	
Rest of the World	-	
<b>TOTAL</b>	<b>2,517,000,000 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>		
Governments	-	
other governments agencies	-	
Banks	-	
Financial Companies	-	
Insurance Companies	-	
Non-financial companies	2,517,000,000 €	
Other entities	-	
<b>TOTAL</b>	<b>2,517,000,000 €</b>	

NAME		Geldlux-TS-2015	
Type of securitisation:	Traditional		
Originator:	UniCredit Bank AG		
Issuer:	Geldlux-TS-2015 S.A. (Luxembourg)		
Service:	UniCredit Bank AG		
Arranger:	UniCredit Bank AG (UniCredit Markets & Investment Banking)		
Target transaction :	Liquidity		
Type of asset:	SME corporate loans		
Quality of Asset:	Performing		
Closing date:	07/29/2015		
Nominal Value of disposal portfolio :	2,000,000,000 €		
Net amount of preexisting w ritedown n/w ritebacks :	-		
Disposal Profit & Loss realized :	-		
Portfolio disposal price:	2,000,000,000 €		
Guarantees issued by the Bank <sup>(1)</sup> :	2,000,000,000 €		
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, True Sale - Revolving		
Rating Agencies:	Moody's/DBRS		
Amount of CDS or other supersenior risk transferred :	-		
Amount and Condition of tranching:			
. ISIN	XS1261539610	XS1261582545	
. Type of security	Senior	Senior	
. Class	A	Liquidity Note	
. Rating	A1/A	A2/NR	
. Quotation	Luxembourg	Luxembourg	
. Issue date	07/29/2015	07/29/2015	
. Legal maturity	04/11/2023	04/11/2023	
. Call option	Clean-up call		
. Rate	1-month Euribor + 60bp	1-month Euribor + 130bp	
. Subordinated level	Waterfall Position 1	Waterfall Position 2	
. Nominal value issued	1,830,000,000 €	22,000,000 €	
. Nominal value at the end of accounting period	1,830,000,000 €	16,981,130 €	
. Security subscribers	UniCredit Luxembourg S.A.	UniCredit Luxembourg S.A.	
. ISIN	XS1261576810	XS1261577206	
. Type of security	Mezzanine	Mezzanine	
. Class	A	C	
. Rating	A2/NR	Baa2/NR	
. Quotation	Luxembourg	Luxembourg	
. Issue date	07/29/2015	07/29/2015	
. Legal maturity	04/11/2023	04/11/2023	
. Call option	Clean-up call		
. Rate	1-month Euribor + 95bp	1-month Euribor + 150bp	
. Subordinated level	Waterfall Position 3	Waterfall Position 4	
. Nominal value issued	84,000,000 €	36,000,000 €	
. Nominal value at the end of accounting period	84,000,000 €	36,000,000 €	
. Security subscribers	UniCredit Luxembourg S.A.	UniCredit Luxembourg S.A.	
. ISIN	XS1261577628		
. Type of security	Junior		
. Class	D		
. Rating	NR / NR		
. Quotation	Luxembourg		
. Issue date	07/29/2015		
. Legal maturity	04/11/2023		
. Call option	Clean-up call		
. Rate	1-month Euribor + 760bp		
. Subordinated level	Waterfall Position 5		
. Nominal value issued	50,000,000 €		
. Nominal value at the end of accounting period	50,000,000 €		
. Security subscribers	UniCredit Luxembourg S.A.		
<b>Distribution of securitised assets by area:</b>			
Italy - North est	-		
- Northeast	-		
- Central	-		
- South and Islands	-		
Other European Countries - E.U. countries	2,000,000,000 €		
- not U.E. countries	-		
America	-		
Rest of the World	-		
<b>TOTAL</b>	<b>2,000,000,000 €</b>		
<b>Distribution of securitised assets by business sector of the borrower:</b>			
Governments	-		
other governments agencies	-		
Banks	-		
Financial Companies	-		
Insurance Companies	-		
Non-financial companies	2,000,000,000 €		
Other entities	-		
<b>TOTAL</b>	<b>2,000,000,000 €</b>		

<sup>(1)</sup> UniCredit Bank AG guarantee in favour of UniCredit Luxembourg S.A. on the A, B, C, D class notes.

## Securitizations – qualitative tables

## 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 €	
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	Liquidity Note
. Rating	Aaa	A2
. Nominal value issued	750,000,000 €	10,700,000 €
. Nominal value at the end of accounting period	750,000,000 €	0 €
. ISIN	XS0942205211	XS0942206615
. Type of security	Mezzanine	Mezzanine
. Class	B	C
. Rating	A1	Baa2
. Nominal value issued	63,100,000 €	11,100,000 €
. Nominal value at the end of accounting period	63,100,000 €	11,100,000 €
. ISIN	XS0942207936	XS0942209718
. Type of security	Mezzanine	Junior
. Class	D	E
. Rating	Ba2	NR
. Nominal value issued	12,800,000 €	15,400,000 €
. Nominal value at the end of accounting period	12,800,000 €	15,400,000 €

<b>NAME:</b>	<b>Rosenkavalier 2008</b>	
Type of securitisation:	Traditional	
Originator:	UniCredit Bank AG	
Issuer:	Rosenkavalier 2008 GmbH	
Servicer:	UniCredit Bank AG	
Arranger:	UniCredit Bank AG (UniCredit Markets & Investment Banking)	
Target transaction :	Liquidity	
Type of asset:	Mortgage loans	
Quality of Asset:	Performing	
Closing date:	12/12/2008	
Nominal Value of disposal portfolio :	3,140,316,190 €	
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/Moody's	
Amount of CDS or other supersenior risk transferred :	-	
Ammontare e condizioni del <i>tranching</i> :		
. ISIN	DE000A0AEDB2	DE000A0AEDC0
. Type of security	Senior	Junior
. Class	A	B
. Rating	A/Aa1	NR
. Nominal value issued	9,652,700,000 €	2,293,750,000 €
. Nominal value at the end of accounting period	2,445,305,085 €	695,011,105 €

## Securitizations – qualitative tables

**ORIGINATOR: UniCredit Bank AG - UniCredit Bank Austria AG**
**Transactions from previous periods**

<b>NAME:</b>	<b>EuroConnect Issuer SME 2007</b>	
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 supesenior risk transferred :	-	
Amount and Conditions of tranching:		
<b>. Issuer</b>	<b>Bayerische Hypo- und Vereinsbank AG</b>	
. 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 €
<b>. Issuer</b>	<b>UniCredit Bank Austria AG</b>	
. 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 €
<b>. Issuer</b>	<b>EuroConnect Issuer SME 2007 Ltd</b>	
. 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**

**Transactions from previous periods**

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:	UniCredit Bank AG (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 :	€ 277,402,837 *	
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
. Nominal value issued	€ 284,079,297	€ 52,901,538
. Nominal value at the end of accounting period	€ 225,348,326	€ 52,054,511

\* In addition the Liquidity Reserve Fund of 4.17 m £ (equal to € 5.68 million) has to be considered.

\*\*UCB AG issues a guarantee whereby it would repurchase the senior note at expected maturity date.

## Securitizations – qualitative tables

**ORIGINATOR: UniCredit Bank Austria AG**
**New transaction 2015**

NAME:		AMADEUS 2015	
Type of securitisation:	Synthetic		
Originator:	UniCredit Bank Austria AG		
Issuer:	-		
Servicer:	UniCredit Bank Austria AG		
Arranger:	UniCredit Bank AG		
Target transaction :	Risk Transfer and RWA relief		
Type of asset:	Loans and Guarantees granted to SMEs		
Quality of Asset:	Performing		
Closing date:	12/21/2015		
Nominal Value of reference portfolio :	1,964,785,123 € (of which securitised 1,866,545,867 €, corresponding to the 95% of the portfolio)		
Net amount of preexisting w ritedow n/w ritebacks :	-		
Disposal Profit & Loss realized :	-		
Portfolio disposal price:	-		
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:	(*)		
Amount of CDS or other risk transferred:	-		
Amount and Conditions of tranching:			
ISIN	n.a.	n.a.	
Type of security	Senior	Mezzanine	
Class	A	B	
Rating	not rated	not rated	
Quotation	-	-	
Issue date	12/21/2015	12/21/2015	
Legal maturity	11/30/2028	11/30/2028	
Call option	10% Clean Up Call	10% Clean Up Call	
Expected duration	-	-	
Rate	-	-	
Subordinated level	-	Sub A	
Reference Position	1,731,221,292 €	41,997,282 €	
Reference Position at the end of accounting period	1,424,601,725 €	41,997,282 €	
Security subscribers	UniCredit Bank Austria AG	hedged by protection seller	
ISIN	n.a.		
Type of security	Junior		
Class	C		
Rating	not rated		
Quotation	-		
Issue date	12/21/2015		
Legal maturity	11/30/2028		
Call option	10% Clean Up Call		
Expected duration	-		
Rate	-		
Subordinated level	Sub A and B		
Reference Position	93,327,293 €		
Reference Position at the end of accounting period	93,327,293 €		
Security subscribers	hedged by protection seller		
Distribution of securitised assets by area:			
Italy - Northwest	-		
- Northeast	-		
- Central	-		
- South and Islands	-		
Other European Countries - U.E. countries	1,866,545,867 €		
- not U.E. countries	-		
America	-		
Rest of the World	-		
<b>TOTAL</b>	<b>1,866,545,867 €</b>		
Distribution of securitised assets by business sector of the borrower:			
Governments	-		
Other governments agencies	-		
Banks	-		
Financial Companies	-		
Insurance Companies	-		
Non-financial companies	1,866,545,867 €		
Other entities	-		
<b>TOTAL</b>	<b>1,866,545,867 €</b>		

(\*) Synthetic securitizations carried out using the Supervisory Formula Approach ("Supervisory Formula Approach - SFA") as required by article 262 of Regulation (EU) n. 575/2013 (Capital Requirements Regulation - CRR), and earlier by circular 263/2006 of the Bank of Italy.

In case of absence of eligible external rating and if PD and LGD estimations can be provided, the CRR (Art. 259 1. b)) requires that the calculation of capital requirements for the various tranches of the securitization shall be performed using the Supervisory formula, in accordance with art. 262, taking care to provide the following five elements:

1. the capital requirement on the securitized assets calculated using the IRB approach (IRB);
2. the level of credit support of the concerned tranche;
3. the thickness of the tranche;
4. the number of securitized assets;
5. the average LGD.

Then, using the Supervisory Formula Approach, it is possible to calculate the risk equivalent amount for a securitization tranche related to its seniority, granularity, support level and risk of the underlying.

**ORIGINATOR: UniCredit Leasing (Austria) GmbH**

**New transaction 2015**

NAME:	SUCCESS 2015	
Type of securitisation:	Traditional	
Originator:	UNICREDIT LEASING (AUSTRIA) GMBH	
Issuer:	SUCCESS 2015 B.V.	
Servicer:	UNICREDIT LEASING (AUSTRIA) GMBH	
Arranger:	UNICREDIT BANK AG	
Target transaction :	Funding	
Type of asset:	Leasing Assets (Vehicle and Equipment)	
Quality of Asset:	Performing Loans	
Closing date:	11/09/2015	
Nominal Value of disposal portfolio :	325,300,000 €	
Net amount of preexisting w ritedow n/w ritebacks :	-	
Disposal Profit & Loss realized :	-	
Portfolio disposal price:	325,300,000 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	-	
Bank Lines of Credit :	-	
Third Parties Lines of Credit :	-	
Other Credit Enhancements :	Subordinated Loan EUR 4,618,000.	
Other relevant information :		
Rating Agencies:	Fitch & DBRS	
Amount of CDS or other supesenior risk transferred :	-	
Amount and Condition of tranching:		
. ISIN	XS1317727698	XS1317727938
. Type of security	Senior	Junior
. Class	A	B
. Rating	AAA	not rated
. Quotation	listed Luxembourg Stock Exchange	not listed
. Issue date	11/09/2015	11/09/2015
. Legal maturity	31. October 2029	31. October 2029
. Call option	10% clean up call	
. Expected duration	6 Years	6 Years
. Rate	3M Euribor + 0,47%	3M Euribor + 2%
. Subordinated level	-	sub A
. Nominal value issued	230,900,000 €	94,400,000 €
. Nominal value at the end of accounting period	230,900,000 €	94,400,000 €
. Security subscribers	European Investment Bank	UniCredit Leasing (Austria) GmbH
<b>Distribution of securitised assets by area:</b>		
Italy - North west	-	
- Northeast	-	
- Central	-	
- South and Islands	-	
Other European Countries - E.U. countries	325,300,000 €	
- not U.E. countries	-	
America	-	
Rest of the World	-	
<b>TOTAL</b>	<b>325,300,000 €</b>	
<b>Distribution of securitised assets by business sector of the borrower:</b>		
Governments	-	
other governments agencies	7,457,460 €	
Banks	-	
Financial Companies	-	
Insurance Companies	-	
Non-financial companies	230,389,377 €	
Other entities	87,453,163 €	
<b>TOTAL</b>	<b>325,300,000 €</b>	

## Securitized – qualitative tables

**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 UniCredit Bulbank's SME loans.	
Quality of Asset:	Performing	
Closing date:	08/15/2011	
Nominal Value of reference portfolio :	44,932,416 €	
Guarantees issued by the Bank:	-	
Guarantees issued by Third Parties :	First loss cash collateral EIF	
Bank Lines of Credit:	-	
Third Parties Lines of Credit:	-	
Other Credit Enhancements:	-	
Other relevant information:	- 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 25% 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	23,712,586 €	12,233,347 €
. Reference Position at the end of accounting period	23,712,586 €	12,233,347 €

(\*) Synthetic securitization carried out used the Standardized Approach as required under Basel III.

Where there is no eligible external rating, the Bank that holds or guarantees such an exposure may determine the risk weight by applying the "look through" treatment, provided the composition of the underlying pool is known at all times. The unrated most senior position receives the average risk weight of the underlying exposures subject to supervisory review. Where Bank is unable to determine the risk weights assigned to the underlying credit risk exposures, the unrated position must be deducted from regulatory capital.

## 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.).

### **AMA**

Advanced Measurement Approach; applying this methodology the operational risk requirement is obtained with calculation models based on operational loss data and other evaluation elements collected and processed by the bank. Admittance threshold and specific suitability requirements have been provided for the use of the standardized and advanced approaches. For the AMA approach the requirements concern, beside the management system, also the measurement system.

### **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).

### Back-testing

Statistical technique which entails the comparison of model estimates of risk parameters with the ex-post empirical evidences.

### Bad Loans ("Sofferenza")

Exposures to borrowers in a state of insolvency (even when not recognized in a court of law) or in an essentially similar situation, regardless of any loss forecasts made by the bank (i.e. irrespective of whether any - secured or personal - guarantees covering the exposures).

### 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.

### Basel 3

In the light of the crisis that in recent years has hit the financial markets, the Basel Committee on Banking Supervision has approved the substantial enhancement of the minimum capital requirements and the changes to the rules on the liquidity of banks (Basel 3) by providing for the gradual introduction of the new prudential requirements as of January 1, 2014. These rules have been implemented at the European level through the CRD IV "Package".

### 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.

**CEO**

Chief Executive Officer.

**CFO**

Chief Financial Officer.

**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.

**CIU**

Collective investment undertakings.

**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.

**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.

**Counterparty Credit Risk**

The risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flows exchanges.

**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.).

**CRD (Capital Requirement Directive)**

EU directives No. 2006/48 and 2006/49, incorporated into the Bank of Italy circular 263/2006 of December 27, 2006 as amended.

The **CRD IV** "Package" has replaced the two aforementioned Directives and consists of the EU Directive 2013/36 on the taking up of the business of credit institutions and prudential supervision and the EU Regulation 575/2013 on prudential requirements, incorporated into the Bank of Italy circular 285 of December 17, 2013 as amended.

**Credit Quality Step**

Step based on external ratings, which is used to assign risk weights under credit risk Standardized Approach.

## Definition of Terms and Acronyms

### **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.

**Credit Valuation Adjustment** Is the adjustment to the valuation of a portfolio of transactions reflecting the market value of the counterparties' credit risk.

### **CRM**

Credit Risk Mitigation is a set of techniques, contracts accessories to the loan or other instruments (e.g. securities, guarantees), which allows a reduction of the credit risk capital requirements

### **CRO**

Chief Risk Officer.

### **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.

### **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.

### **EBA European Banking Authority**

The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency and orderly functioning of the banking sector.

### **ECA**

Export Credit Agency.

### **ECAI**

External credit assessment institution.

### **ECB European Central Bank.**

The ECB is the central bank for Europe's single currency, the euro. The ECB's main task is to preserve the purchasing power of the single currency thus ensuring the maintenance of price stability in the euro area.

### **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.

### **EL**

Expected Losses are the losses recorded on average over a one year period on each exposure (or pool of exposures).

### **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).

**Forbearance/Forborne exposures**

According to EBA Implementing Technical Standards, forbore exposures consist of exposures to which forbearance measures have been extended, i.e. concessions towards a debtor who is facing or about to face difficulties in meeting its financial commitments ("financial difficulties").

**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.

**IAA**

Internal Assessment Approach.

**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.).

## Definition of Terms and Acronyms

### **IBNR**

Incurred But Not Reported (losses).

### **ICAAP – Internal Capital Adequacy Assessment Process**

See "Basel 2 – Pillar 2".

### **IMA**

Internal Models Approach is an approach to calculate market risk capital requirement using internal models.

### **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.

### **(Internal) validation**

Expert unit, internal but sufficiently independent, that verifies the adequacy of internal models for internal and regulatory purposes and issues a formal opinion about their usefulness and effectiveness. Usually a prerequisite for the validation process carried out by the authorities.

### **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.

### **IPRE** Income Producing Real Estate.

### **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.

### **IRC**

Incremental Risk Charge is a measure of potential losses arising from default and migration risks of unsecuritised credit products over a 1-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions.

### **IRS – Interest Rate Swap**

See "Swap".

### **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/longterm averages of market parameters.

### **KPI - "Key Performance Indicators"**

Set of indicators used to evaluate the success of a particular activity or process.

**LCP** Loss Confirmation Period.

### **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.

## Definition of Terms and Acronyms

### 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.

### Non performing exposures

According to EBA Implementing Technical Standards, non performing exposures are debt instruments and off-balance sheet exposures which satisfy either or both of the following criteria: (i) material exposures which are more than 90 days past-due; (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.

### NOPAT – Net Operating Profit After Tax

Net operating profit remaining after the deduction of taxes.

### Notch

Level, referred to a scale.

### 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.

### Past Due

Problematic exposures that, at the reporting date, are more than 90 days past due on any material<sup>23</sup> obligation, as required by the relevant prudential regulation. Past due can be determined either at individual debtor or at single transaction level according to the relevant local prudential regulation.

### 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.

**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.

**RBA**

Ratings-Based Approach.

**Retail**

Customer segment consisting principally of private individuals, self-employed professionals, traders and artisans.

**RIC**

IRB calculation model - *Rating Integrato Privati* (Individuals Integrate Rating).

**RISB**

IRB calculation model - *Rating Integrato Small Business* (Small Business Integrate Rating).

**RMBS – Residential Mortgage Backed Securities**

Asset Backed Securities (q.v.) with residential mortgages as underlyings.

**ROAC –Return On Allocated Capital**

It is an indicator calculated as ratio between the net profit and the average allocated/absorbed capital. It shows in percentage terms the earning capacity for allocated/absorbed capital units.

**RUF** Revolving Underwriting Facility.

**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.

Securitizedizations 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.

**SFA**

Supervisory Formula Approach.

**SL**

Specialized Lending.

## Definition of Terms and Acronyms

### **SME**

Small and Medium Enterprise.

### **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.

### **SVaR**

Stressed VaR is a quantification of exposures to particular extreme losses that can be inflicted to a Bank during market tensions, by modeling the portfolio response conditional on historical data from a (continuous 12-month) period of significant financial stress.

### **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.

### **UL**

Unexpected Losses are the losses exceeding the expected losses.

### **Unlikely to Pay**

The classification in this category is the result of the judgment of the bank about the unlikelihood, without recourse to actions such as realizing collaterals, that the obligor will pay in full (principal and / or interest) its credit obligations. This assessment should be carried out independently of the presence of any amount (or rate) past due and unpaid.

### **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**

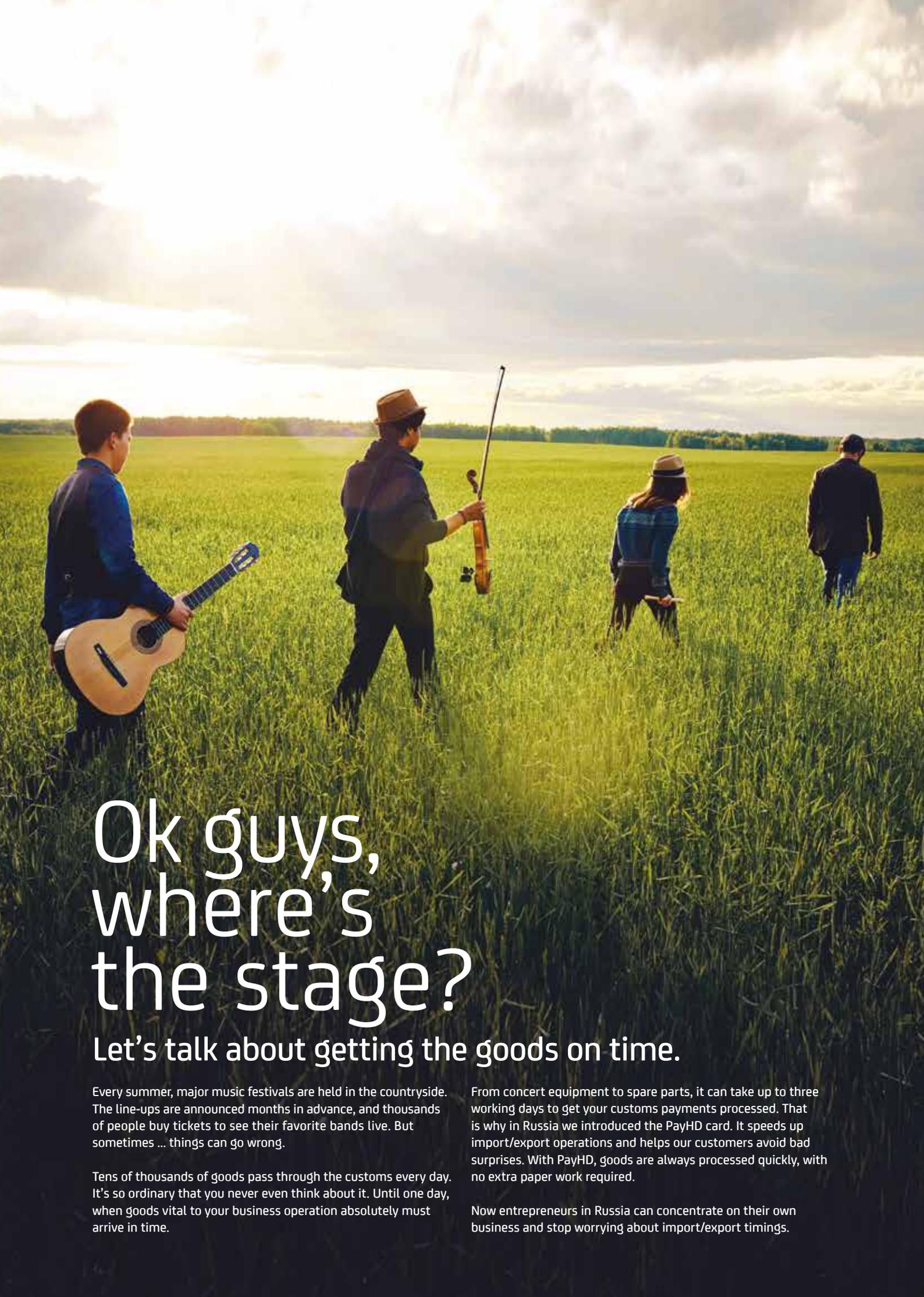
A method used for quantifying risk. It measures potential future losses which will not be exceeded within a specified period and with a specified probability.

**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.



# Ok guys, where's the stage?

Let's talk about getting the goods on time.

Every summer, major music festivals are held in the countryside. The line-ups are announced months in advance, and thousands of people buy tickets to see their favorite bands live. But sometimes ... things can go wrong.

Tens of thousands of goods pass through the customs every day. It's so ordinary that you never even think about it. Until one day, when goods vital to your business operation absolutely must arrive in time.

From concert equipment to spare parts, it can take up to three working days to get your customs payments processed. That is why in Russia we introduced the PayHD card. It speeds up import/export operations and helps our customers avoid bad surprises. With PayHD, goods are always processed quickly, with no extra paper work required.

Now entrepreneurs in Russia can concentrate on their own business and stop worrying about import/export timings.

**Certification pursuant to art. 81-ter of Consob Regulation no. 11971 of May 14, 1999, as amended** 559

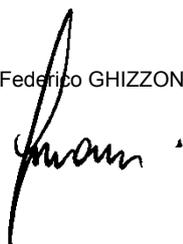


## Consolidated Financial Statements Certification pursuant to art. 81 –ter of Consob Regulation no. 11971 of May 14, 1999, as amended

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 applicationof the administrative and accounting procedures employed to draw up the 2015 Consolidated Financial Statements.
2. The adequacy of administrative and accounting procedures employed to draw up the 2015 Consolidated Financial Statements has been evaluated by applying a model developed by UniCredit S.p.A., in accordance with the "*Internal Controls - 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 2015 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, February 9, 2016

Federico GHIZZONI



Marina NATALE





# Anybody who says that being a student is easy has never been a student.

Let's talk about simplifying your everyday life.

Books, notes, classes, exams. Studying at university is not as easy as they say. Not to mention that studying takes place at the exact moment in life when all you want to do is to have fun, but at the same time you don't want to waste an opportunity that your future life depends on. 'Too much to handle' – Piotr, a law student from Lublin, thinks sometimes. And we understand this.

To make Piotr's and other students' everyday lives easier, we decided to cooperate with the University. Now, once Piotr receives his Student ID Card he can activate the embedded ELS system and use it as a payment card. All he needs to do is to open an Eurokonto Intro account at Bank Pekao S.A.

Apart from its usual functions like allowing access to the university library, thanks to the payment card's activated functionalities, he can withdraw cash or settle payments. As a client of our bank, Piotr can also benefit from other convenient products, such as student loans and multi-currency debit cards.

And if Piotr forgets to return a book to the university's library on time, he will pay the library fee using the payment functionalities of his Student ID Card.

## Report of the External Auditors

<b>Report of the External Auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of January 27, 2010</b>	<b>562</b>
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## INDEPENDENT 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.**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of UniCredit Group, which comprise the balance sheet as at December 31, 2015, 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.

#### *Management's Responsibility for the Consolidated Financial Statements*

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, paragraph 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the UniCredit Group as at December 31, 2015, and of its financial performance and 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.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the consolidated financial statements*

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, paragraph 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of UniCredit S.p.A., with the consolidated financial statements of the UniCredit Group as at December 31, 2015. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of the UniCredit Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

*Signed by*  
Riccardo Motta  
Partner

Milan, Italy  
March, 3, 2016

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

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March 2016

The emissions related to the printing and distribution of the UniCredit S.p.A. 2015 Reports and Accounts, 2015 Consolidated Reports and Accounts and the 2015 Integrated Report have been compensated with the support of Officinæ 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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*Climate Security & Sustainable Development*



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We're there for both.



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