



UniCredito Italiano
Italian Joint Stock Company
Registered Office: Genoa, via Dante, 1
General Management: Milan, Piazza Cordusio
Registered in the Genoa Trade and Companies Register (Courts of Genoa)
Tax Code and VAT No. 00348170101
Entered in the Register of Banks
Parent Company of the UniCredito Italiano Banking Group
Banking Group Register No. 3135.1
Member of the Interbank Deposit Protection Fund
Capital Stock: € 5,213,388,513 fully paid in



BOARD OF DIRECTORS, BOARD OF AUDITORS AND EXTERNAL AUDITORS

as at 22 March 2006

Board of Directors

Dieter Rampl * **Chairman**

Gianfranco Guty * **Deputy Chairmen**
(First Deputy Chairman)

Franco Bellei *
Fabrizio Palenzona *
Carlo Salvatori *

Alessandro Profumo ** **Managing Director/CEO**

Roberto Bertazzoni ** **Directors**
Manfred Bischoff
Vincenzo Calandra Buonauro
Giovanni Desiderio
Volker Doppelfeld
Giancarlo Garino
Francesco Giacomini **
Piero Gnudi
Friedrich Kadroska **
Max Dietrich Kley
Luigi Maramotti **
Diether M \ddot{u} nich **
Carlo Pesenti
Hans J \ddot{u} rgen Schinzler
Giovanni Vaccarino
Paolo Vagnone **
Nikolaus von Bomhard **
Anthony Wyand

Marco Fantazzini **Company Secretary**

Board of Auditors

Gian Luigi Francardo **Chairman**

Giorgio Loli **Statutory Auditors**
Aldo Milanese
Vincenzo Nicastro
Roberto Timo

Giuseppe Armenise **Alternate Auditors**
Marcello Ferrari

KPMG S.p.A. **External Auditors**

* Member of the Chairman's Committee and of the Executive Committee
** Executive Committee Member

GENERAL MANAGEMENT

as at 22 March 2006

Management Committee

| | |
|--------------------|---|
| Alessandro Profumo | Managing Director / CEO |
| Ranieri de Marchis | Planning, Finance and Administration (CFO) * |
| Sergio Ermotti | Multinationals / Investment Banking Division * |
| Paolo Fiorentino | Global Banking Services Division * |
| Dario Frigerio | Private Banking and Asset Management Division * |
| Erich Hampel | Central Eastern Europe (CEE) Division * |
| Andrea Moneta | Chief Integration Officer * |
| Roberto Nicastro | Retail Division * |
| Vittorio Ogliengo | Corporates / SMEs Division * |
| Johann Berger | Commercial Real Estate Financing Division |
| Henning Giesecke | Risk Management (CRO) |
| Franz Herrlein | Deputy Integration Officer |
| Rino Piazzolla | Human Resources Strategy |
| Wolfgang Sprißler | German Region Strategic Advisory Staff |

Other Department Heads

| | |
|-------------------------|---|
| Maurizia Angelo Comneno | Legal, Compliance and Corporate Affairs |
| Chiara Burberi | Group Organisation |
| Elisabetta Magistretti | Internal Audit |
| Edoardo Massaglia | Corporate Identity |
| Umberto Quilici | Group ICT |

| | |
|-------------------|------------------|
| Franco Leccacorvi | Chief Accountant |
|-------------------|------------------|

* Position held by Group Deputy General Manager

Letter to the Shareholders from the CEO

Dear Shareholders,

The year 2005 marked a turning point and a great change for your Group. A friendly approach by UniCredit, HypoVereinsbank and Bank Austria Creditanstalt resulted in the largest business combination at transnational level ever achieved in Europe. By combining our common aspirations, it ensures that your new Group will have a significant competitive edge and highly interesting growth prospects.

For this reason I take pride in presenting to you the first report and accounts of this new Group, and I want to thank you for the trust you have placed in our large-scale and highly innovative project.

Europe is the keystone of what we are building. We know we can compete and achieve excellent results in all the domestic markets where we are present, thanks to our professionalism and quality of service. We have become the first truly European Bank. Our people work in 19 countries and we speak 22 different languages. That is why it is so important that we should feel part of a single culture sharing common values and consider ourselves citizens of Europe.

We have in fact created a leading banking Group in terms of the size of its business as well as the quality of its assets and the uniqueness of its strategic positioning.

The industrial and financial soundness of our project was immediately confirmed by our credibility and the favourable reaction of the markets. Not only did the public share-swap offer for HypoVereinsbank achieve an extremely high level of acceptance

(93.93%), it is also worth recalling that from 30 May 2005, when the first rumours of the deal started to circulate, to 31 December 2005, the value of the UniCredit share rose by 38.5%, more than twice the European Equity Index.

In only seven months, therefore, integration with HVB already created value of over €20 billion in terms of market capitalisation. Even more important than this is the fact that the solid foundations on which your new Group stands are the basis for sustainable growth over the long term.

Our course has already been set. We have a clear, strongly agreed vision of our business model that will enable your new Group to leverage the uniqueness of its assets and make the most of its considerable growth prospects. We intend to become the first bank of choice for our customers in all the markets in which we operate thanks to our highly specialised service offer and thorough knowledge of banking needs based on our closeness to our roots in local communities.

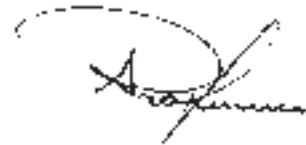
Belonging to a leading European group means sharing best practice and the ability to innovate, and these will be further strengths as we set out to maximise customer satisfaction.

Moreover, the Group will be better placed to use its expertise in those areas of the banking business – such as asset management and investment banking - in which reach and international standing are critical success factors. On the other hand, the setting up of centres of excellence and the development of cost synergy will be the growth drivers in those business lines whose success is based on economies of scale and process efficiency.

Your Group therefore has all the characteristics and the leverage needed to successfully compete in an increasingly dynamic and aggressive market.

Now the integration process, with the complexity typical of a transaction on such a large scale, is continuing as planned and is beginning to produce its first significant results. The business choices we are implementing are aimed at value generation and the establishment of long-term relationships based on the good reputation and social legitimation of your Group. We believe that this can be achieved only with the support of a clear mission and a strong set of values based on integrity - the prerequisite for the sustainability of results over time and the transformation of profit into value for all our stakeholders.

Yours truly,

A handwritten signature in black ink, appearing to read 'A. Profumo', with a large, sweeping flourish above the name.

ALESSANDRO PROFUMO
Managing Director/CEO

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REPORT ON OPERATIONS

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Note to the Report on Operations:

The following conventional symbols have been used in the tables:

- **A dash (-)** indicates that the item/figure is inexistent;
- **Two stops (..)** or **(n.s.)** 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.

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

Introductory Notes to the Accounts

Transition to IFRS

UniCredit's consolidated accounts as at 31 December 2005 were prepared under IFRS as adopted by the EU and contained in Banca d'Italia's Circular #262 dated 22 December 2005 and related transitional regulations. Comparative data as at 31 December 2004 were restated on the basis of IFRS prevailing as at that date. IAS 32 and 39 concerning financial instruments (as adopted by the EU) have been applied with effect from 1 January 2005. Comparisons of balance sheet entries will be made as of this date in the Report on Operations.

For a description of the impact of the transition to IFRS, see part M of the Notes to the Accounts, in which we give reconciliations of shareholders' equity under Italian GAAP (Legislative Decree 87/92) to shareholders' equity under IFRS as at 1 January 2004, 31 December 2004 and 1 January 2005, in addition to a similar reconciliation for the net profit for the period ending 31 December 2004.

The Merger with the HVB Group and other changes in the scope of consolidation

HVB Group was first consolidated on 1 November 2005 using the procedures specified in IFRS 3 – BUSINESS COMBINATIONS, as explained in detail in Part G of the Notes to the Accounts.

The net profit for HVB Group from the acquisition date is reported in the profit and loss account in a separate entry ("HVB Group net profit after acquisition"). This makes it possible to maintain essential comparability between individual items of the profit and loss account between the two years. The chapter of the report entitled "The UniCredit Group as at the end of 2005" also presents the pro-forma profit and loss account for the year, as if the merger had taken place on 1 January 2005.

The consolidated balance sheet as at 31 December 2005 includes the HVB Group on a line-by-line basis. To ensure a like-with-like comparison with the Accounts as of 1 January 2005, the report on operations contains a restated balance sheet as at 31 December 2005, excluding HVB Group from the scope of consolidation and recognising the equity investment at cost.

As regards the Group's scope of consolidation, it should be noted that the Yapi ve Kredi Bankasi Group has been consolidated using the pro-rata method since the end of September 2005. Koç Financial Services, the Turkish joint venture between UniCredit and the Koç Finansal Hizmetler Group, holds a stake of about 57% in the Yapi ve Kredi Bankasi Group.

UniCredit Financial Summary

(€ million)

| | YEAR | | CHANGE |
|---|--------------|--------------|----------------|
| | 2005 | 2004 | |
| PROFIT AND LOSS AND PROFITABILITY RATIOS | | | |
| Total revenues | 11,024 | 10,203 | + 8.0% |
| Operating expenses | 6,045 | 5,701 | + 6.0% |
| Operating profit | 4,979 | 4,502 | + 10.6% |
| Profit before tax | 4,068 | 3,238 | + 25.6% |
| Net Profit attributable to the Group | 2,470 | 2,069 | + 19.4% |
| ROE ¹ | 15.6% | 15.7% | -0.1 |
| Cost/income ratio | 54.8% | 55.9% | -1.1 |

(€ million)

| | AMOUNTS AS AT | | | CHANGE EXCL. HVB |
|---|---------------|----------------------|---------------|------------------|
| | 31.12.2005 | 31.12.2005 EXCL. HVB | 01.01.2005 | |
| BALANCE SHEET | | | | |
| Total assets | 787,000 | 304,517 | 260,909 | + 16.7% |
| Loans and receivables with customers | 426,553 | 160,487 | 139,723 | + 14.9% |
| Deposits from customers and debt certificates | 462,248 | 178,142 | 155,079 | + 14.9% |
| Shareholders' equity | 35,203 | n.s. | 14,373 | n.s. |

CAPITAL RATIOS (%)

| | AS AT | | CHANGE |
|---|------------|------------|--------|
| | 31.12.2005 | 31.12.2004 | |
| Tier 1/Total risk-weighted assets | 6.89% | 7.94% | -1.05 |
| Total regulatory capital/Total risk-weighted assets | 10.34% | 11.64% | -1.30 |

STAFF AND BRANCHES

| | AS AT | | | CHANGE (EQUAL SCOPE OF CONSOLIDATION) |
|------------------------|------------|----------------------|------------|---------------------------------------|
| | 31.12.2005 | 31.12.2005 EXCL. HVB | 31.12.2004 | |
| Employees ² | 132,917 | 71,470 | 68,629 | - 653 |
| Branches ³ | 7,184 | 4,880 | 4,528 | - 68 |

RATINGS

| | SHORT-TERM DEBT | MEDIUM AND LONG-TERM | OUTLOOK |
|--------------------------|-----------------|----------------------|----------|
| FITCH RATINGS | F1 | A+ | STABLE |
| Moody's Investor Service | P-1 | A1 | STABLE |
| Standard & Poor's | A-1 | A+ | NEGATIVE |

1. Calculated on the basis of the average annual shareholders' equity (excluding reserves in respect of AFS assets and dividends to be distributed).

2. "Full time equivalent". Koç Group (including Yapı) is consolidated proportionally. Data as at 31 December 2004 do not include Yapı (3,494 full time equivalent as at 31 December 2005).

3. Koç Group (including Yapı), which is consolidated proportionally, is considered at 100%. Data as at 31 December 2004 do not include Yapı (420 branches as at 31 December 2005).

Shares and Shareholders

SHAREHOLDERS

As at 31 December 2005 UniCredit's share capital totalled €5,195,277,353.00 and was divided into 10,390,554,706 fully subscribed and paid-up shares of €0.50 each, including 10,368,848,154 ordinary shares and 21,706,552 savings shares.

As at 31 December 2005, the Shareholders' Register showed the following:

- There were approximately 316,000 shareholders.
- Italian resident shareholders held around 44% of capital and foreign shareholders 56%.
- 92% of ordinary capital stock is held by legal entities and the remaining 8% by individuals.

As at the same date, the main shareholders were as follows:

| MAIN SHAREHOLDERS | |
|---|---------------------------|
| | PERCENT HELD ¹ |
| 1. Munich Re Group | 4.818% |
| 2. Fondazione Cassa di Risparmio di Torino | 4.743% |
| 3. Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona | 4.742% |
| 4. Carimonte Holding S.p.A. | 4.296% |
| 5. Allianz Group | 2.982% |

1. As a percentage of ordinary capital. The bylaws set a limitation on voting right at 5% of capital.

SHARE PRICE IN 2005 (€)



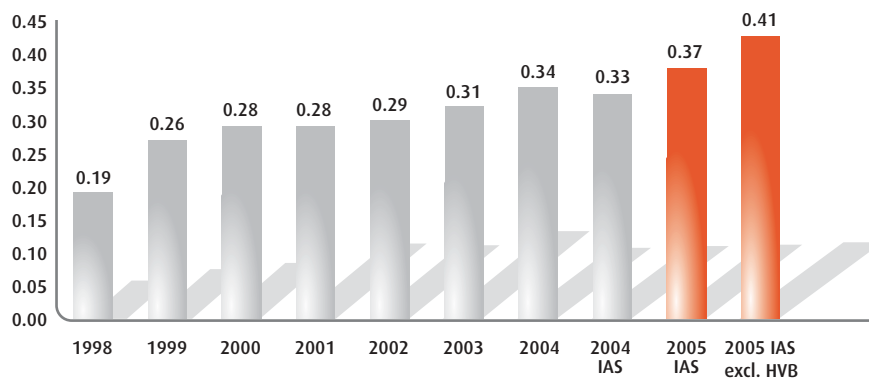
| SHARE INFORMATION | | | | | | | | |
|---|----------|---------|---------|---------|---------|---------|---------|---------|
| | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Share price (€) | | | | | | | | |
| - maximum | 5.864 | 4.421 | 4.425 | 5.255 | 5.865 | 6.115 | 5.787 | 5.395 |
| - minimum | 4.082 | 3.805 | 3.144 | 3.173 | 3.202 | 3.586 | 3.845 | 2.899 |
| - average | 4.596 | 4.083 | 3.959 | 4.273 | 4.830 | 4.976 | 4.606 | 4.360 |
| - end of period | 5.819 | 4.225 | 4.303 | 3.808 | 4.494 | 5.572 | 4.924 | 5.065 |
| Number of outstanding shares (million) | | | | | | | | |
| - at period end ¹ | 10,303.6 | 6,249.7 | 6,316.3 | 6,296.1 | 5,046.4 | 5,024.2 | 4,976.2 | 4,680.9 |
| - shares cum dividend | 10,342.3 | 6,338.0 | 6,316.3 | 6,296.1 | 5,131.1 | 5,024.2 | 5,014.2 | 4,879.0 |
| <i>of which: savings shares</i> | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 | 21.7 |
| - average ¹ | 6,730.3 | 6,303.6 | - | - | - | - | - | - |
| Dividend | | | | | | | | |
| - total dividends (€ million) | 2.276 | 1.282 | 1.080 | 995 | 724 | 649 | 648 | 290 |
| - dividend per ordinary share | 0.220 | 0.205 | 0.171 | 0.158 | 0.141 | 0.129 | 0.129 | 0.059 |
| - dividend per savings share | 0.235 | 0.220 | 0.186 | 0.173 | 0.156 | 0.137 | 0.137 | 0.067 |

| | UNDER IFRS | | UNDER ITALIAN GAAP | | | | | | |
|--|---------------|---------------|--------------------|---------------|---------------|--------------|--------------|--------------|-------------------|
| | 2005 | 2004 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 ² |
| Shareholders' equity (€ mln) | 35,203 | 14,373 | 14,036 | 13,013 | 12,261 | 9,535 | 8,644 | 7,708 | 6,099 |
| Group portion of net profit (€ mln) | 2,470 | 2,069 | 2,131 | 1,961 | 1,801 | 1,454 | 1,395 | 1,287 | 202 |
| Net worth per share (€) | 3.42 | 2.30 | 2.21 | 2.06 | 1.95 | 1.89 | 1.72 | 1.55 | 1.30 |
| Price/ Book value | 1.70 | 1.84 | 1.91 | 2.09 | 1.96 | 2.38 | 3.24 | 3.18 | 3.89 |
| Earnings per share (€) | 0.37 | 0.33 | 0.34 | 0.31 | 0.29 | 0.28 | 0.28 | 0.26 | 0.19 |
| Payout ratio (%) | 92.1 | | 60.2 | 55.1 | 55.2 | 49.8 | 46.5 | 50.3 | n.s. |
| Dividend yield on average price per ordinary share (%) | 4.79 | | 5.02 | 4.32 | 3.70 | 2.92 | 2.59 | 2.80 | 1.36 |

1. The number of shares given for 2004 and 2005 is net of own shares (19.4 million for 2004 average and 87,000,000 from end-2004 to end-2005).

2. Earnings per share do not take extraordinary amortisation of positive consolidation differences amounting to €740 million into account.

EPS - EARNINGS PER SHARE (€)



The UniCredit Group at the end of 2005



The Business Combination with HVB Group

RATIONALE AND MAIN FEATURES OF THE TRANSACTION

In the course of the past decade, the UniCredit Group showed a significant ability to create value, generating, since the year of its privatisation in 1993, average annual earnings-per-share growth of 33%, from the equivalent of €0.02 per share in 1994 to €0.34 per share in 2004.

The UniCredit Group achieved such goals by leveraging both external – through mergers and acquisitions – and organic growth. In particular, as far as external growth is concerned, the UniCredit Group has achieved excellent results in restructuring various companies acquired in Italy and abroad. Bank Pekao, for example, since acquisition in 1999, has reduced its cost/income ratio from 69% to

55%, with corresponding growth of the price per share of over 280%¹. Since 2001, Pioneer has reduced its cost/income ratio from 78% to 51%. Moreover, from 1994 to 2004, the overall Group reduced its cost/income ratio from 86% to 57%, not least due to the S3 Project which entailed the integration of seven regional banks operating in Italy and subsequent reorganisation into three specialised banks each focused on retail, corporate and private banking client segments, respectively.

Capitalising on the S3 Project, which led to a strong focus on client segments, the UniCredit Group also further developed its capabilities for organic growth. Starting from 2002, our market share of lending in Italy has increased and new retail clients have been acquired (net of operational reclassifications). Also the share of managed assets from extra-Group networks increased significantly due to organic growth.

As a result of this track record, UniCredit consistently ranked among the most profitable stocks in the Italian market, with a dividend yield of 5.3% as of mid-June 2005.

Against this background, UniCredit chose to further enhance its external growth strategy in order to create additional value and possibly generate positive effects on the UniCredit share price in the mid-term. This strategy was implemented taking into account certain key target criteria, namely preservation of dividend generation in the short term and growth in the following years. In addition, the growth strategy envisaged the creation of a combined group with wider strategic opportunities, namely increased geographical diversification, economies of scale in product factories, further scope for consolidation. Finally, the potential growth opportunity focused on a clear equity story, namely leveraging on UniCredit's competitive advantages, in particular restructuring skills and integration capabilities, geographical and business fit between UniCredit and the new partner, and generation of significant synergy.

In light of the foregoing, a potential business combination with Bayerische Hypo- und Vereinsbank AG ("HVB") appeared to be the most interesting and appealing consolidation opportunity. As a result, on 12 June 2005 the Board of Directors of UniCredit and the Management Board of HVB, with the consent of HVB's Supervisory Board, resolved to enter into a business combination agreement (the "Business Combination Agreement") setting forth the basic agreements and understandings of the parties with respect to the combination of the UniCredit Group's and the HVB Group's respective businesses (the "Business Combination"), the transaction structure and the future organizational and corporate governance structure of the combined group resulting from the Business Combination (the "Combined Group"). In the Business Combination Agreement, UniCredit and HVB agreed on the terms and conditions of three public tender offers (the "Tender Offers") in Germany, Austria and Poland for all of the shares of (i) HVB (the "HVB Offer"), (ii) Bank Austria Creditanstalt AG (the "BA-CA Offer"), and (iii) Bank BPH S.A. (the "Bank BPH Offer").

On the basis of the originally announced terms for the Tender Offers, viz. (i) 5 new ordinary shares of UniCredit in exchange for each HVB Share under the HVB Offer, (ii) 19.92 new ordinary shares of UniCredit in exchange for each BA-CA Share under the BA-CA Offer and (iii) 33.13 new ordinary shares

¹ On the basis of the price as of 31 December 2005 compared with the market price as at the acquisition date.

of UniCredit in exchange for each Bank BPH Share under the Bank BPH Offer, the shareholders' meeting of UniCredit held on 29 July 2005 passed a resolution pursuant to Article 2440 of the Italian Civil Code (Codice Civile) authorising an increase of UniCredit's share capital of up to €2,343,642,931.00 by means of the issuance of up to 4,687,285,862 ordinary shares of UniCredit, each such share with a nominal value of €0.50 and dividend rights as of 1 January 2005, payable in 2006, against delivery of HVB, BA-CA and Bank BPH shares as tendered in the Tender Offers.

The Business Combination was also approved by UniCredit's and HVB's respective banking supervisors Banca d'Italia and Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") on 21 July 2005.

The Business Combination has led to the creation of a banking group which ranks among the top three European players in the Euro zone, with total assets amounting to approximately €800 billion. In particular, the new group will benefit from both its geographic focus on South Germany, Austria and North Italy - which form together one of the richest regions in Europe - and a divisional organisational structure, already existing in some of the areas where the UniCredit Group and the HVB Group operate. In addition, the Combined Group enjoys an excellent positioning in the main European markets, ranking second in the Italian banking market, second in Germany and first in Austria, and is the first banking group in Central and Eastern Europe ("CEE").

The main strategic goals of the Combined Group are to:

- strengthen its competitive position in the markets where it operates,
- maintain and leverage its leading market positions in key CEE markets,
- optimise and consolidate local entities and operations in various CEE markets,
- exploit complementary strengths and critical mass in scale-driven business areas,
- focus on growth in selected regions and business areas,
- maximise revenues and cost synergy by sharing best practices;
- optimise brand portfolios and production capabilities;
- rationalise overlapping and duplicated functions; and
- implement a fully divisionalised business model.

HVB OFFER

On 26 August 2005 UniCredit published the offer document for the public takeover offer to the shareholders of HVB to acquire all of their common shares in HVB ("HVB Common Shares") and all of their preferred shares ("HVB Preferred Shares") in exchange for UniCredit Ordinary Shares at an exchange ratio of 5 newly issued UniCredit ordinary shares for each HVB share. On 1 September 2005 the Management Board and the Supervisory Board of HVB published their opinions (*Stellungnahmen*) on the HVB Offer supporting the offer.

On 8 October 2005 UniCredit published an amendment to the HVB Offer (the "HVB Offer Amendment") in which it waived all of the conditions precedent set forth in the Offer Document related to merger control clearances and regulatory clearances except for merger control clearance by the EU Commission. As a result of the HVB Offer Amendment, the initial acceptance period of the HVB Offer was automatically extended by two weeks. Until expiry of the acceptance period, the HVB Offer had been accepted

in respect of a total of 647,105,854 HVB Common Shares and 14,553,600 HVB Preferred Shares, corresponding to approximately 88.14% of the registered share capital and the voting rights of HVB. Given that no preferred dividends were paid on HVB Preferred Shares for the three financial years prior to the acquisition, HVB Preferred Shares carried voting rights at the expiry of the acceptance period.

Pursuant to applicable German Tender Offer Law all shareholders of HVB who had not accepted the Tender Offer during the acceptance period were able to accept the HVB Tender Offer during the Additional Acceptance Period which expired on 11 November 2005. Following such Additional Acceptance Period the acceptance level of the HVB Offer increased to approximately 93.93%. Disregarding the HVB Preferred Shares for the purpose of determining the percentage of voting rights shown above, the share of the HVB Common Shares for which the HVB Offer has been accepted would amount to approximately 93.81%.

Following (i) acceptance of the HVB Offer in excess of the minimum acceptance threshold of 65% at the end of the initial acceptance period, (ii) clearance by the EU Commission in relation to the proposed acquisition of HVB by UniCredit on October 18, 2005, and (iii) issuance of the verification by an appointed expert, on 9 November 2005, that the value of the HVB Shares tendered in the HVB Offer conformed to the expert valuation rendered to the shareholders' meeting of UniCredit on 29 July 2005 resolving on the capital increase in order to enable UniCredit's Board of Directors to liberate the UniCredit Shares offered in exchange for the tendered HVB Shares in accordance with Article 2343 of the Italian Civil Code (*Codice civile*), all conditions precedent set forth the Offer Document were either fulfilled or waived by UniCredit. Based on the total number of 705,108,946 HVB Shares tendered and the exchange ratio of 5 new ordinary shares of UniCredit in exchange of each HVB Share, on 18 November 2005 UniCredit's Board of Directors resolved on the liberation of 3,525,544,730 newly issued UniCredit ordinary shares issued for the settlement of the HVB Offer.

Following the HVB Offer and pursuant to the securities prospectus approved by Consob on 4 August 2005, all UniCredit's ordinary shares were admitted to listing on the Frankfurt Stock Exchange on 21 November 2005. Trading of UniCredit's ordinary shares on the Frankfurt Stock Exchange commenced on 23 November 2005.

BA-CA OFFER

On 26 August 2005, UniCredit published the offer document for a voluntary public takeover offer to the shareholders of BA-CA to acquire all no-par-value bearer shares and all registered shares of BA-CA (jointly the "BA-CA Shares") in exchange for UniCredit Ordinary Shares at an exchange ratio of 19.92 newly issued UniCredit ordinary shares for each BA-CA share or, alternatively, for a cash consideration of €79.60 for each BA-CA share. On 12 October 2005, as a consequence of the extension of the acceptance period of the HVB Offer, UniCredit also published an extension of the acceptance period of the BA-CA Offer.

Up to expiry of this extended acceptance period, the BA-CA Offer had been accepted for a total of 15,643,459 BA-CA Shares, corresponding to approximately 10.64% of the share capital and the voting rights of BA-CA.

Pursuant to the applicable Austrian Takeover Act, all shareholders of BA-CA who had not accepted the voluntary public takeover offer during the acceptance period, were able to accept the BA-CA Offer during the Additional Acceptance Period which started on 7 November 2005, and remained open until 18 November 2005. Following such Additional Acceptance Period the BA-CA Offer was accepted in respect of a total of 25,657,724 BA-CA Shares, corresponding to approximately 17.45% of the share capital and voting rights of BA-CA. In detail: 25,598,893 BA-CA Shares were tendered in response to the share-for-share exchange offer and 58,831 BA-CA Share were tendered in response to the cash offer. Taking into account HVB's shareholding in BA-CA of approximately 77.53%, the total shareholding held, directly and indirectly, by the UniCredit Group in BA-CA amounted to approximately 94.98%.

Following transfer of title to the HVB Shares tendered in the HVB Offer to UniCredit, which took place on 17 November 2005, the cash alternative of the BA-CA Offer became unconditional. Additionally, following issuance of the verification by an appointed expert, on 26 November 2005, that the value of the BA-CA Shares tendered in the BA-CA Offer conformed to the expert valuation rendered to the shareholders' meeting of UniCredit on 29 July 2005 resolving on the capital increase in order to enable UniCredit's Board of Directors to liberate the UniCredit Shares offered in exchange for the tendered BA-CA Shares in accordance with Article 2343 of the Italian Civil Code (Codice civile), the share-for-share exchange alternative of the BA-CA Offer also became unconditional. Based on the total number of 25,598,893 BA-CA Shares tendered in the exchange offer and the exchange ratio of 19.92 new ordinary shares of UniCredit in exchange of each BA-CA Share, on 30 November 2005 UniCredit's Board of Directors resolved on the liberation of 509,929,948 newly issued UniCredit ordinary shares issued in settlement of the exchange alternative of the BA-CA Offer.

BANK BPH OFFER

As mentioned above, at the time of the announcement of the Business Combination and at the time of approval of the Business Combination by UniCredit's shareholders' meeting on 29 July 2005, UniCredit intended to launch a voluntary public takeover offer to the shareholders of Bank BPH to acquire all ordinary bearer shares of Bank BPH in exchange for UniCredit Ordinary Shares at an exchange ratio of 33.13 UniCredit Ordinary Shares for each Bank BPH share or, alternatively, for a cash consideration of PLN 497.67 (equivalent to approximately €123.58 on the basis of the then prevailing exchange rate) for each Bank BPH share.

On 29 July 2005, UniCredit filed a request to the Polish Banking Supervisory Commission ("BSC") for the authorization to acquire indirect control of Bank BPH (BA-CA, in turn controlled by HVB, owns a 71.03% shareholding of Bank BPH) and for the exercise of voting rights at Bank BPH's shareholders' meeting in respect of over 75% of votes. Pending such authorisation, the voluntary public takeover offer for Bank BPH was not launched by UniCredit at the envisaged time (i.e. around the time of the launch of the HVB Offer and the BA-CA Offer) and following (i) the acquisition of control of HVB on 17 November 2005 (date of legal transfer of title to the HVB shares) and (ii) the introduction of a new act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies effective as of 24 October 2005, UniCredit became subject to the obligation to launch a mandatory offer for Bank BPH shares within three months from the date of acquisition of indirect control of Bank BPH, i.e. before 17 February 2006.

Consequently, on Friday 20 January 2006, UCI notified the SEC, for its review, as well as the Warsaw Stock Exchange and the Polish Press Agency of its intention to launch the mandatory offer for the remaining 8,318,645 shares (representing 28.97% of the share capital) of Bank BPH that it did not already indirectly own through BA-CA. The price offered, in cash, by UniCredit for each Bank BPH share was PLN 702.11 (equal to the 3-month arithmetical average of average daily volume weighted prices of BPH shares) and complied with the minimum price requirements set by applicable Polish law (minimum price equal to the highest of (i) the 3-month arithmetical average of average daily volume weighted prices, (ii) the 6-month arithmetical average of average daily volume weighted prices and (iii) the price of trades in the target's shares executed by the offeror or its affiliates, respectively, in the 12 months preceding the offer). The acceptance period of the Bank BPH Offer commenced on 31 January 2006 and remained open for 30 calendar days, until 1 March 2006.

Up to expiry of the acceptance period, no Bank BPH shares were tendered. As a result, following the Bank BPH Offer, the total shareholding held by the UniCredit Group in Bank BPH amounted to the approximately 71.03% held by BA-CA.

With regard to the BSC's authorisation to exercise voting rights in the BPH shares that UniCredit owns indirectly through Bank Austria Creditanstalt, following the application submitted on 29 July 2005 UniCredit presented further information requested by the BSC on 3 February and 14 February 2006. The application for authorisation was initially discussed at a meeting of the BSC held on 8 March 2006, during which it was decided to postpone the decision to the meeting of 15 March and then to that of 5 April 2006.

Additionally, with regard to the Polish Treasury Ministry's letter dated 20 December 2005, in which the Polish Treasury Minister ("MST") requested UniCredit to resume observance of the Bank Pekao privatisation agreement entered into by UniCredit, Allianz AG and the Polish Treasury Ministry (the "Privatisation Agreement"), arguing that, having acquired indirect control of Bank BPH by acquiring HVB in November 2005, UniCredit was in breach of the commitment to refrain from competition contained in the Privatisation Agreement, UniCredit replied to the MST's letter stating that, in its opinion, these affirmations and requests were baseless since they were considered to be against EC law.

At a later date, on 1 February 2006, UniCredit received a further letter from the MST, in which the latter reaffirmed UniCredit's alleged breach of the commitment to refrain from competition contained in the Privatisation Agreement, and requested resumption of compliance with the Agreement within 3 months.

On 17 March 2006 a meeting was held between the Polish Prime Minister and UniCredit, following which UniCredit contacted the Treasury Ministry in order to make the necessary amendments to the Privatisation Agreements relating to Pekao and BPH, entered into respectively by UniCredit and HVB in 1999 and 1998.

INTEGRATION

Following the announcement of the transaction in early July, UniCredit and HVB Group agreed on a three-phase approach to the integration process:

1. Pre-Closing: In this phase the two groups, in a context of uncertainty as to the successful completion of the transaction, would focus on closing the transaction, getting to know each other and planning the subsequent integration projects.
2. Integration Start-Up, from Closing to June 2006: In this phase, the new organisation would start by determining group governance systems and key processes, and by preparing the integration Master Plan. During this phase, the key integration projects identified in the previous phase would be launched.
3. Integration Execution, beginning in June 2006 and lasting throughout the integration process: in this phase, the integration Master Plan would be executed, leading to delivery of the expected synergy and results in line with the plan originally agreed amongst the parties.

The two parties also agreed to create and set up an Integration Office immediately, reporting direct to the CEO, to orchestrate, i.e., to guide and co-ordinate the whole integration process in accordance with the strategy and business/governance principles defined in the Business Combination Agreement.

In the Pre-Closing phase, selected members of the two banking groups formed **Co-operation Teams** comprising the Heads of relevant divisions and functions in the various legal entities (UniCredit, HVB, BA-CA) to get to know each other better (in full and total compliance with all legal/regulatory limitations on sharing of information) and to start to prepare an integration roadmap in their own area of responsibility, based on detailed diagnostics and benchmarking and on identification of key strategic pillars. The CEOs (supported by specific head office departments) have also taken the leadership on key initiatives, focused in large part on the fulfillment of all the mandatory requirements necessary for the closing of the transaction/tender offers and activating the key governance processes necessary for the new Group Parent's Organisation and Governance.

The Teams identified were: Retail, Corporate and SMEs (including Real Estate financing), Private Banking and Asset Management, Multinationals and Investment Banking, Central and Eastern Europe (CEE), Global Banking Services (GBS), Chief Risk Officer (CRO) and Chief Financial Officer (CFO).

By the end of the tender offers (18th November 05), the Co-operation Teams' and CEOs' projects delivered the expected results. Specifically:

- Thanks to similarities in buying factors in the customer segments, client product offerings and the banks' dual Retail positioning, the **Retail** Co-operation Team foresees a truly European Retail Strategy. This strategy is based on top-quality, reliable and transHolding service to meet investment and financing needs; well perceived value-for-money services in transactional activities; proximity to clients' needs; reliance on global monoliners for specialist products. All of this in a context of a high priority commitment to customer satisfaction as a key pillar to create sustainable value in retail banking.

- The **Corporate** Co-operation Team focused on completing the evaluation of the market attractiveness analysis, the Group's positioning and on comparison of existing Business Models and Financial Data/Ratios. The Co-operation Team working groups also made a great effort in comparing products: credit, derivatives, foreign trade, transaction/e-banking, Corporate Finance, Leasing, Real Estate, etc. A separate Vision was also foreseen for the professional Real Estate business where the Group could leverage on strong existing competencies to develop this business as a global product line.
- The **Private Banking** Co-operation Team assessed the feasibility of a pan-European Private Banking franchise, that would deliver high value advice on a local basis, with a consistent brand promise and would serve established and emerging high net worth clients. They would leverage the appropriate feeder model for the local retail and corporate customer base of one of the leading pan-European universal banking groups. A strong focus was also placed on assessing the feasibility of becoming a leading European Private Banking group capable of retaining and attracting the best professionals.
- The **Asset Management** Co-operation Teams has identified the opportunity of combining the local investment capabilities of the HVB Group with the global investment capabilities and resources of Pioneer Investments, as well as adopting the Pioneer Investments global business model. This Vision can be built on presenting a cohesive and enlarged global asset management business to proprietary distribution channels, non-proprietary distribution channels and other institutional counterparties.
- The **Multinational and Investment Banking** Co-operation Team has foreseen the opportunity of creating one of the premier and most profitable European investment banks, focusing on derivatives, structured finance, ECM, DCM and corporate finance advice, leveraging on the Group's strong foothold in key European markets. The Vision could be built upon matching the competitors' product capabilities, sales footprint and building a deep home-market franchise in Italy, Germany, Austria and the CEE countries, which today already account for roughly 40% of the European investment banking markets.
- The Co-operation Team working on **CEE** issues has completed the assessment phase and has started the design phase. The output covered: Assessment and Benchmarking, high level Vision, Strategy, Business Model, Structure and Organisation, Key Targets, and Synergies and Quick Wins. The Assessment phase confirmed that CEE is still a very attractive market: sizeable, fast-growing and with further significant growth potential.
- **GBS** co-operation teams looked for best sourcing practices in order to increase service quality and reduce costs, possibly by evaluating the services of global best players. GBS co-operation teams also assessed the usefulness of managing customers' requirements through a network of dedicated reference points in each country by providing services through specialised Service Factories that would exploit the capabilities, competencies and assets existing throughout the Combined Group.

- The **CRO** Co-operation Team's planned activities were completed with a first proposal for the Mission statement and the organisational structure. Day 1 requirements relating to the underwriting and reporting processes, CRO integration initiatives and a possible integration roadmap were also specified.
- The **CFO** Team started the diagnostic phase with the aim of comparing Asset and Liability Management and internal transfer pricing models, cost allocation models, reporting structures and P&C processes, organisation and systems. The main outputs expected are primarily the New Group Divisional baselines and first drafts for the 2006 budget and MIS/reporting. Key findings and implications from the diagnostic phase have already been highlighted and have led to some key working hypotheses for 2006.

The key findings which emerged from the Pre-Closing Phase were valuable for the groups to start focusing on integration synergies and on areas of improvement in operational performances, which is the main focus of the ongoing Integration Start-Up and Post-Closing Phase.

This phase would last until approximately June 2006 upon completion of the three-year Group integration master plan. During this period the main objectives are to kick off of the new organisation, the implementation of the new governance system and the official start-up of the integration activities and initiatives.

Completion of these tasks in this phase will lead UniCredit to the last phase of the Integration Process, Execution, which will be focused on the implementation of the Integration Plan in the forthcoming years, ensuring the future success of our Group. In the coming months, integration objectives will be achieved through a broad number of projects of local and global nature and with short-term and long-term perspectives.

Complex interdependence as between functions and business lines, and the need to co-ordinate and balance the trade-off between "ordinary" operating management and the integration projects, led to the evaluation of a new approach to the structure of the Integration Plan. The Pre-Closing approach, based on Co-operation Teams architecture, has been shifted to an approach based on the new Group's structure, the main Regional entities and on the integration project teams. **Divisional Project Offices** are now responsible for integration project management and monitoring of activities at Divisional level.

At the regional level project structures accountable for integration initiatives at local level have been set up. The **Regional Integration Offices** are now responsible for assisting the Regional Entities Spokesmen in steering, co-ordinating and monitoring integration implementation at regional level. They are also responsible for facilitating the co-ordination of Divisional/Group and Regional initiatives and ensuring alignment between Group and regional entities' initiatives.

A Corporate Performance Committee has been established at Group level, involving all Management Committee members, and Corporate Performance Committee reviews will be held monthly

The UniCredit Group at the end of 2005
The Business Combination with the HVB Group

with the main objective of reviewing the overall implementation process and solving potential critical implementation issues. There will then be Regional Reviews dedicated to the review of the implementation progress at Regional level and to solving implementation issues at regional level. Moreover, monthly Divisional Reviews will be held with the Integration Office to focus on implementation progress at Divisional Level.

UniCredit expects that the integration plan described will lead to decisive EPS growth and high profitability in the coming years, laying the foundations of a strong pan-European player in the financial services industry.

The Organisational Structure

On commencing integration of the UniCredit and HVB Groups, a new organisational model and new regulations governing the Group and its parent company were drawn up in line with the increased size and operational complexity of the Group.

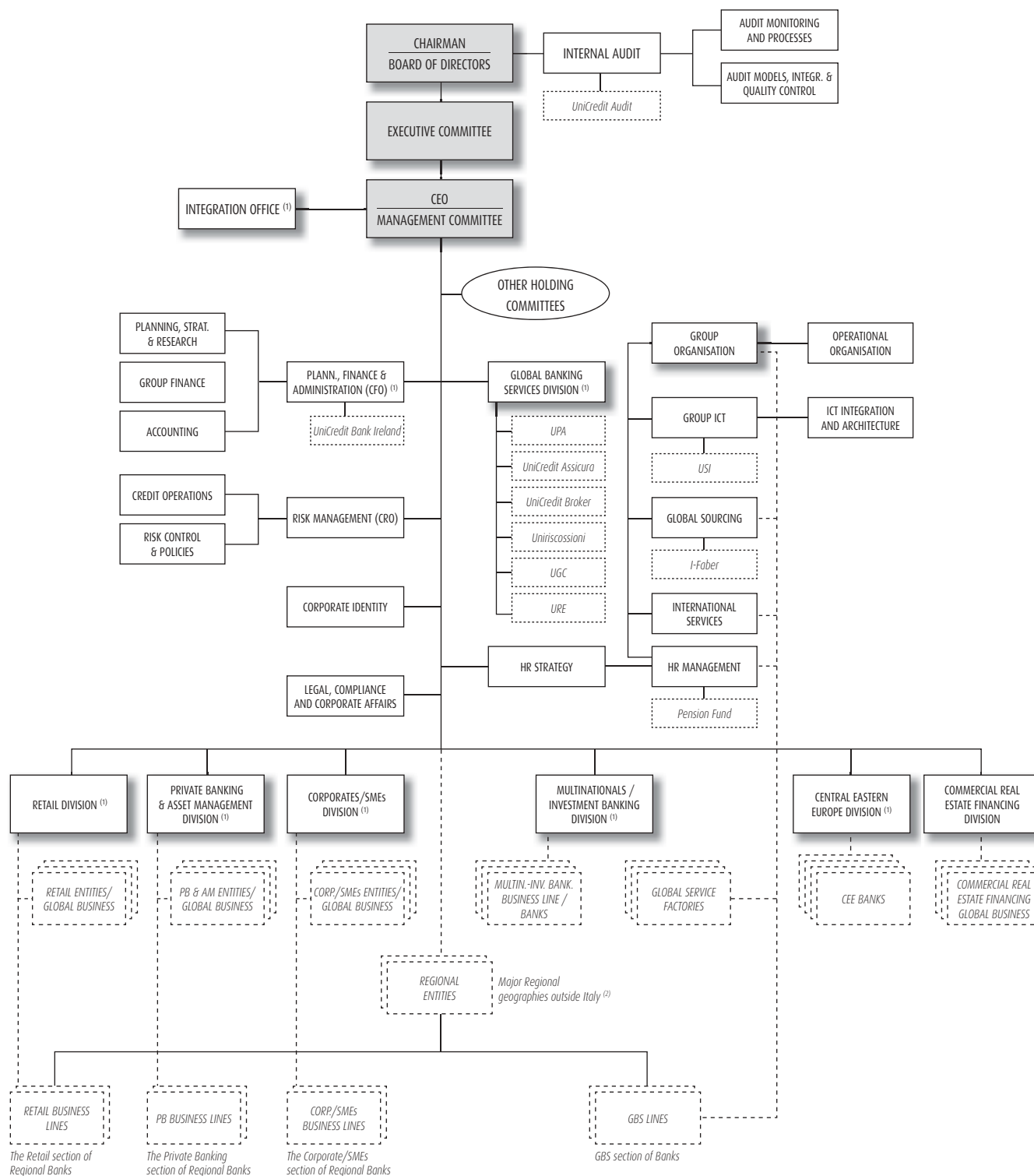
On 18 November 2005 UniCredit's Board of Directors approved an initial set of rules to be known as the Group Managerial Golden Rules (GMGR), in order to enable the Parent Company to carry out its mission: ensuring that, from the inception of the new Group, there would be unified management and control of all the main risks and that the ambitious goals which the Group has set itself to optimise cost structures could be pursued.

On the same date UniCredit's Board of Directors also approved an updated version of the UniCredit Regulations, in accordance with the new managerial system defined in the GMGR and the key processes between the Parent Company and the Group entities. The Regulations take account of the new structure of General Management, specify the membership and working procedures of corporate bodies and management committees, set out the guidelines governing relations between the various Group entities, and outline the responsibilities and duties allocated to the the Parent Company's departments.

The UniCredit Group at the end of 2005
The Organisational Structure



UniCredit General Management



1 Position covered by Group Deputy General Manager;
2 Germany, Austria

There follows a brief description of the principal responsibilities and functions of UniCredit's Divisions and Departments.

INTEGRATION OFFICE

The Integration Office supports the Managing Director/CEO in the direction, co-ordination and monitoring of the Integration Programme. Its purpose is to adopt strategies and define processes for implementing the integration principles drawn up within the Group, and to direct and monitor corporate and restructuring activities in line with those principles.

BUSINESS DIVISIONS

The central purpose of the Business Divisions is to maximise the creation of long-term value in their segments and markets by focusing principally on customer management, product development, marketing and distribution, with primary responsibility within the Group for proposing and implementing Group Strategy. Under its Divisional Head, each Business Division's support functions ensure the consistency of the Group's plans and business operations by co-ordinating and supporting the development of the regional businesses of the Group in Italy, Germany, Austria and Central Eastern Europe (CEE), and of the associated global businesses.

These Divisions are: Retail; Private Banking and Asset Management; Corporate/SMEs; Multinationals/Investment Banking; Central Eastern Europe; and Commercial Real Estate Financing.

RETAIL DIVISION

This Division (whose scope includes customers belonging to the mass-market, affluent and small business segments) directs, supports and controls its business lines and entities, with the primary objective of pursuing a European retail strategy based on the provision of high-quality, reliable and transHolding services to meet customers' financial and investment needs, and transactional services with a favourable perceived price-quality trade-off. The strategy is equally based on a priority commitment to customer satisfaction, to be measured, promoted with the use of incentives and culturally encouraged at all levels of the Division, and on the development of global banks and companies specialising in particular products.

The Retail Division is responsible for the development of the retail segment in Italy, Germany and Austria. In all geographical areas, including CEE, it directs, supports and controls business development and promotes and manages banks and other subsidiaries specialising also in such services as consumer credit, mortgage lending and life insurance.

PRIVATE BANKING AND ASSET MANAGEMENT DIVISION

This Division directs, supports and controls its business lines and entities, with the principal objective of becoming a pan-European private bank. This is achieved by: offering high-value, locally-based advisory services consistent with the brand promise and banking to new or

established high net-worth individuals, relying on a model that maintains links with the local customer base in the retail and corporate segments; and by concentrating the local presence in each national market and promoting the off-shore offer to sophisticated customers; by positioning itself as one of Europe's leading private banking groups; and by building a solid asset management business extending to both proprietary and other distribution channels, as well as to other institutional counterparties.

The Private Banking and Asset Management Division is responsible for the development of the private banking segment in Italy, Germany and Austria, for asset management as a global business in all geographical areas including CEE, and for supporting and monitoring business development at regional level.

CORPORATES/SMEs DIVISION

This Division directs, supports and controls its business lines and entities with the principal objective of becoming the European bank of choice for businesses in the Corporate and SME segment in its key markets in Germany, Austria and Italy. This is achieved by offering: value-added products of higher quality than those of the competition; services and products which provide the mid-cap segment with individual, made-to-measure solutions; widespread know-how in specialised products; decentralised management, bringing the bank closer to customer needs; development of its global businesses; and implementation of a customer-oriented credit process designed to ensure that finance is extended promptly and is of high quality, as well as guaranteeing overall credit quality.

The Corporates/SMEs Division is responsible for the development of its segment in Italy, Germany and Austria; directing, supporting and monitoring business development at regional level; and promoting and managing as global businesses its specialist banks and companies in such sectors as leasing in all geographical areas including CEE.

MULTINATIONALS/INVESTMENT BANKING DIVISION

The primary objective of this Division is the establishment of one of the leading and most profitable European investment banks specialising in derivatives and cash products, structured finance, equity capital markets, debt capital markets and corporate finance advisory services. This is achieved by exploiting the Group's strong position in key European markets, including CEE, and forging strong links with domestic markets in Italy, Germany, Austria and CEE countries; achieving the best cost/income ratio and return on capital of the sector; and establishing a long-term relationship with institutional and corporate clients (including client acquisition through the Retail, Private Banking and Corporate distribution networks).

The Multinationals/Investment Banking Division is responsible for the development of the Multinationals and Large Corporate segment in Italy, Germany and Austria, and for the development of investment banking as a global business, in CEE as well, by supporting and monitoring regional business development through the sharing of best practices and specific business skills.

CENTRAL EASTERN EUROPE (CEE) DIVISION

The primary objective of this Division is to maximise the creation of long-term value in Central Eastern Europe and, by consolidation of the Group's position as market leader in the relevant countries and the integration of banks, to become the leading banking franchise for retail/private and corporate customers (existing and potential) in Central Eastern Europe, focusing principally on customer management, product development, marketing and distribution.

The Central Eastern Europe Division is responsible for the development of banking activities in the CEE regions, directing, supporting and monitoring the development of the CEE Banks.

COMMERCIAL REAL ESTATE FINANCING DIVISION

The principal objective of the Commercial Real Estate Financing Division is to ensure the development of the property finance business in support of corporate investors, ensuring co-ordination of the global business in all geographical areas including CEE, in close liaison with the relevant departments of the Parent Company and other Group entities.

GLOBAL BANKING SERVICES (GBS) DIVISION

The primary objective of this Division, as preferred provider of banking services to Group entities (Group banks and companies), through its Global Service Factories, is to provide strategic support for the sustainable growth of Group businesses and to generate added value for the entities ensuring the maximum quality of the services offered – by meeting specific needs and local requirements – on the basis of indicators which are defined in collaboration with its clients and regularly monitored and reported with full transparency.

GBS is also responsible for optimising the Group's cost structures and internal processes, ensuring the greatest possible synergy and savings, as well as operational excellence, through the promotion of a culture of cost management, process remodelling and a constant striving for best practice.

GBS has further responsibility for minimising the costs of products and services common to the Group by managing procurement at a global level, as well as that of maximising the net financial contribution and long-term growth of international and correspondent banking activities by supplying efficient services to Group customers.

GBS Division directs, supports and controls the GBS lines of Group entities and co-ordinates its Global Service Factories, viz.: back office, credit collection and recovery (including the Government debt collection agency), ICT services, procurement and purchasing, insurance brokerage (P&C), property management, and securities custody and settlement.

STRATEGIC, SUPPORT AND CONTROL FUNCTIONS

INTERNAL AUDIT

Internal Audit contributes to the safeguarding of the Group's assets and stability, and provides a 'reasonable guarantee' that the organisation can pursue its objectives in an efficient manner. This mission is fulfilled through evaluation of the proper functioning of the Group's entire system of internal controls; checking that Group entities are following Parent Company guidelines; monitoring the correctness of operations and due compliance with laws and regulations; assessing the effectiveness and efficiency of operational processes; enabling each Division to have a clear picture of its risk exposure and assessment; and supporting Group entities in the implementation of audit guidelines.

PLANNING, FINANCE AND ADMINISTRATION

The primary objective of this Department, headed by the Chief Financial Officer (CFO), is to maximise the return on capital employed and increase profitability over time. It is responsible for the co-ordination of planning and monitoring processes and of capital allocation at Group level, as well as research. The Department also ensures balanced asset and liability management, and comprises the Group Treasury, which provides centralised management of financing sources and co-ordinated access to capital markets for all Group banks.

This department is also responsible for the Group's consolidated and Parent Company accounts, conformity with accounting policies and principles, reporting to regulators, Group tax strategy, Parent Company taxation and compliance in respect of Group equity investments, as well as Investor Relations, Mergers and Acquisitions, and business development.

RISK MANAGEMENT

This department is headed by the Chief Risk Officer (CRO), and is responsible for the optimisation of the Group's asset quality and the minimisation of risk through strategic management and the definition of risk management policies and criteria for the evaluation, management and monitoring of risks.

The Department is responsible for ensuring the consistency of risk management systems at Group level and within individual Group entities, managing the relevant credit activities of the Parent Company, monitoring the trends of individual types of risk for the Parent Company and Group entities, market risk management, operational risk management and the consolidation of aggregate exposures.

LEGAL, COMPLIANCE AND CORPORATE AFFAIRS

This department is responsible for ensuring the correctness of legal and corporate affairs, overseeing the development of rules and regulations and ensuring consistent interpretation at Group level, as well as ensuring Group-wide compliance independently of the business areas.

This department specifically identifies the optimal legal strategy for the Group's acquisition and reorganisation projects, furnishes opinions, draws up intra-Group service contracts and provides general legal advice.

CORPORATE IDENTITY

This department is responsible for the promotion and development of a unified and strongly shared Group identity through development of the Group's communication strategy, brand management and activities associated with corporate social responsibility. The department is therefore responsible for internal and external communication, external and institutional relations, management of media relations, compilation of the Citizenship Report, co-ordination of local committees and relations with the Unidea Foundation.

HUMAN RESOURCES

The HR Department is responsible for attracting, retaining and developing high-quality personnel, supporting the strategic plans and consistent organisational development of the Group, ensuring managerial continuity within the Group, optimising human capital through the definition of 'Leadership Development Plans' and implementation of 'Group Operating Values', and for defining and implementing 'Performance Management Plans', 'Training Systems' and 'Compensation Systems'. It also draws up guidelines for Group industrial relations and manages industrial relations in Italy and matters of employment law, as well as social security issues, including the functional co-ordination of the Group's pension fund.

GROUP ORGANISATION

This Department is part of the GBS Division and is responsible for ensuring that the Group's organisational and operational models are consistent with business strategies and furthering improvement of the quality of the services delivered by GBS, either directly or through its Global Service Factories. It fulfils this mission by designing organisational structures, defining key/inter-area processes (including credit processes), monitoring the quality of the services delivered to internal customers by departments of the Parent Company, Group entities and Service Factories, drawing up cost management policies, sizing the workforce, managing GBS and interdivisional reorganisation and integration projects, ensuring operational compliance, and defining personal safety rules and information.

GROUP INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

This department is headed by the Chief Information Officer (CIO) and operates within the GBS Division. It comprises the control centre of and functional synthesis for the direction and co-ordination of the Group's Information & Communication Technology (ICT).

ICT is specifically responsible for ensuring the consistency of upgrade strategies for technological and computing systems, providing unified management of the Group's IT plans and associated cost and investment budgets, maximising cost synergy in the IT sector, issuing Group standards and facilitating the integration of hardware and software solutions.

In addition, the Department provides functional supervision and co-ordination of the ICT Companies of the Group (first and foremost USI), and also represents the single ICT reference point for Group entities that do not use the services of USI.

Operating Structure, Balance Sheet and Profit and Loss Account

OPERATING STRUCTURE

The business combination between UniCredit and HVB created one of the foremost banks of the euro area. At the end of 2005 the new Group's total assets were €787 billion and total revenue for 2005 was €20.8 billion on the basis of the pro-forma Profit and Loss Account illustrated hereinafter.

In geographical terms the combination of the two groups has a double advantage:

- A deeply rooted presence in one of the richest regions of Europe, which includes Northern Italy, Bavaria and Austria and where the new Group is market leader with UniCredit, HVB and Bank Austria Credit Anstalt respectively. This region has per capita income 17% higher than the average for the 15 pre-enlargement EU countries; many of Europe's most important industries have their headquarters there; and it is an ideal market for a pan-European bank, not only on account of the significance of internal trade, but also in terms of its position at the centre of the North-South and East-West connections within Europe as a whole.
- A strong presence in Central Eastern Europe – a rapidly growing area where the Group has double the number of bank branches of its nearest competitor. The new Group is market leader in Poland, Bulgaria and Croatia and in the top three or top five in Bosnia Herzegovina, Turkey, the Slovak Republic, Serbia, Romania and the Czech Republic. We also have a significant presence in the Russian Federation, Ukraine, Hungary, Slovenia and the Baltic countries, Lithuania, Latvia and Estonia. The economies of these countries – many of which have good chances of entry into the EU – are forecast to grow by between 5 and 7% over the next three years, and the prospects for growth in banking products are much greater, given the still limited penetration of these products compared to that seen in more advanced countries.

The geographical complementarity of the two groups is evident from the table below.

| | AS AT 31.12.2005 | | | |
|------------------------|------------------------|--------------|--------------------|----------------------|
| | UNICREDIT EXCL. HVB | HVB GROUP | UNICREDIT TOTAL | PERCENT. OF TOTAL |
| Italy | 3,026 | 1 | 3,027 | 42.1% |
| Poland | 778 | 503 | 1,281 | 17.8% |
| Germany | 2 | 684 | 686 | 9.5% |
| Turkey | 590 | - | 590 | 8.2% |
| Austria | - | 401 | 401 | 5.6% |
| Bulgaria | 105 | 228 | 333 | 4.6% |
| Croatia | 127 | 115 | 242 | 3.4% |
| Romania | 49 | 87 | 136 | 1.9% |
| Slovak Republic | 66 | 39 | 105 | 1.5% |
| Bosnia and Herzegovina | 63 | 38 | 101 | 1.4% |
| Czech Republic | 42 | 50 | 92 | 1.3% |
| Hungary | - | 55 | 55 | 0.8% |
| Serbia and Montenegro | - | 43 | 43 | 0.6% |
| Slovenia | - | 15 | 15 | 0.2% |
| Other countries | 32 | 45 | 77 | 1.1% |
| Total | 4,880 | 2,304 | 7,184 | 100.0% |

These figures include all of Koç Group and Yapi Group branches, although they are consolidated proportionally.

The UniCredit Group at the end of 2005
Operating Structure, Balance Sheet and Profit and Loss Account

In terms of business areas, the new Group combines UniCredit's long-standing strength in retail and small-business banking, as well as risk management for corporates provided by UBM, with that of HVB in local markets, especially Austria; in the capital markets and in corporate banking. UniCredit also has a strong asset management capability, thanks to Pioneer Investment Management, while HVB possesses great experience in structured finance, which is a fast-growing sector.

The distinctive characteristics of the two Groups reflect a clear difference in terms of size. HVB has markedly higher total assets, thanks to greater lending volume and capital markets involvement, while UniCredit has higher total revenue, mainly due to higher business volume in its mentioned areas of strength. These sectors have a higher labour content, which explains UniCredit's larger workforce.

| | 31.12.2005 | | | |
|-------------------------------------|------------------------|--------------|------------------------------|--------------------|
| | UNICREDIT EXCL. HVB | HVB GROUP | CONSOLIDATION ADJUSTMENTS | UNICREDIT TOTAL |
| Total assets (€ million) | 304,517 | 493,523 | -11,040 | 787,000 |
| Total revenues (€ million) | 11,024 | 9,697 | 70 | 20,791 |
| Number of employees ¹ | 71,470 | 61,447 | | 132,917 |
| Added value per employee (€ '000) | 122 | 111 | | 117 |
| Staff expense per employee (€ '000) | 52 | 61 | | 56 |

1. "Full time equivalent". Employees of KFS and Yapi ve Kredi Groups are included pro rata to our interest.

Productivity and *per capita* cost complete the personnel picture. Value added, i.e. total revenue less administrative expense other than staff costs, is the best measure of banking productivity, though partly influenced by different pricing policy and the yield on free capital. In 2005 added value per employee was €117 thousand for the whole Group (the result of UniCredit's €122 thousand and HVB's €111 thousand). UniCredit also has a lower *per capita* payroll cost per employee (€52 thousand as against HVB's €61 thousand and the Group's €56 thousand).

The ratio of employees to branch numbers (UniCredit 14.6 as against HVB's 26.7) reflects the two Groups' different businesses: UniCredit is more oriented to retail banking and HVB to corporate banking.

The business combination of UniCredit and HVB has therefore created a Group which is more balanced and diversified (in both regional and business terms); earnings prospects have also improved, since their growth will be less subject to fluctuations in the performance any one business.

CONSOLIDATED BALANCE SHEET

(€ million)

| CONSOLIDATED BALANCE SHEET | | | | |
|---|------------------------|----------------|---|-----------------------------|
| AMOUNTS AS AT 31.12.2005 | | | | |
| | UNICREDIT EXCL. HVB | HVB GROUP | CONSOLIDATION ADJUSTMENTS ¹ | CONSOLIDATED GROUP TOTAL |
| Assets | | | | |
| Cash and cash balances | 2,406 | 1,053 | - | 3,459 |
| Financial assets held for trading | 69,067 | 103,739 | - 519 | 172,287 |
| Loans and receivables with banks | 16,868 | 63,276 | - 4,045 | 76,099 |
| Loans and receivables with customers | 160,487 | 262,300 | + 3,766 | 426,553 |
| Financial investments | 38,850 | 45,638 | - 18,692 | 65,796 |
| Hedging instruments | 2,023 | 2,899 | - 3 | 4,919 |
| Property, plant and equipment | 4,226 | 3,257 | + 490 | 7,973 |
| Goodwill | 2,571 | 2,054 | + 4,577 | 9,202 |
| Other intangible assets | 375 | 721 | + 1,537 | 2,633 |
| Tax assets | 1,912 | 2,891 | + 1,789 | 6,592 |
| Other assets | 5,732 | 5,695 | + 60 | 11,487 |
| Total assets | 304,517 | 493,523 | - 11,040 | 787,000 |
| Liabilities and shareholders' equity | | | | |
| Deposits from banks | 31,910 | 113,739 | - 3,967 | 141,682 |
| Deposits from customers and debt certificates | 178,142 | 280,886 | + 3,220 | 462,248 |
| Financial liabilities held for trading | 42,887 | 64,497 | - 290 | 107,094 |
| Financial liabilities designated at fair value | - | 1,129 | - | 1,129 |
| Hedging instruments | 1,574 | 2,924 | - | 4,498 |
| Provisions for risks and charges | 1,327 | 4,082 | + 1,198 | 6,607 |
| Tax liabilities | 1,818 | 1,891 | + 2,216 | 5,925 |
| Other liabilities | 10,686 | 7,991 | + 34 | 18,711 |
| Minorities | 1,302 | 3,219 | - 618 | 3,903 |
| Shareholders' equity: | 34,871 | 13,165 | - 12,833 | 35,203 |
| - <i>Capital and Reserves</i> | 31,021 | 12,435 | - 12,350 | 31,106 |
| - <i>Available-for-sale assets fair value reserve and cash-flow hedging reserve</i> | 1,395 | 730 | - 498 | 1,627 |
| - <i>Net profit</i> | 2,455 | - | + 15 | 2,470 |
| Total liabilities and shareholders' equity | 304,517 | 493,523 | - 11,040 | 787,000 |

1. This column also includes the adjustments associated with "Purchase Price Allocation", i.e. the effects of fair-value valuation of assets and liabilities arising from the business combination with HVB Group.

The UniCredit Group at the end of 2005
Operating Structure, Balance Sheet and Profit and Loss Account

The new Group's total assets were €787 billion at end-2005, of which about 63% are attributable to the HVB Group. Customer loans amounted to €426.6 billion and were almost 55% of total assets. They are well diversified in terms of geographical distribution, thanks to the complementary nature of the two Groups: loans outstanding by macroregion, according to the location of the lending branch, were 32-33% of the total in both Italy and Germany; Austria and CEE accounted for about 26% of total loans (Austria on its own, about 15%). Most of the remaining 9% of Group lending was located in Luxembourg, the UK and the US.

Financial investments were €65.8 billion, of which financial assets at fair value were €22.6 billion, available-for-sale financial assets €27.9 billion and held-to-maturity investments €11.9 billion, as well as equity investments worth €3.4 billion.

Held-for-trading financial assets and loans and receivables with banks amounted to €248.4 billion, in line with the total for the corresponding liabilities; they are concentrated in HVB's Corporates and Markets Division and in UBM.

Deposits from customers and securities in issue were €462.2 billion or 59% of total liabilities: customer deposits were €268.3 billion and securities in issue €193.9 billion. Customer deposits included current accounts and demand deposits amounting to €137.1 billion and time deposits of €57.1 billion. Bonds were 75% of securities in issue.

SHAREHOLDERS' EQUITY AND GOODWILL

As at 31 December 2005 the Group's shareholders' equity was €35,203 million, an increase of more than €20 billion over the amount at the beginning of 2005, which already included the effects of IAS 39. The increase is mainly attributable to the capital increases relating to the public share exchange offer for HVB and BA-CA shares described above.

(€ million)

| SHAREHOLDERS' EQUITY | AMOUNTS AS AT | |
|---|---------------|---------------|
| | 31.12.2005 | 01.01.2005 |
| Capital | 5,195 | 3,168 |
| Share premium reserve | 16,816 | 2,309 |
| Reserves | 9,177 | 5,752 |
| Revaluation reserves | 1,904 | 1,433 |
| Treasury shares | -359 | -358 |
| Net profit for the year attributable to the Group | 2,470 | 2,069 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP | 35,203 | 14,373 |

The mentioned acquisitions were recognised, as required by IFRS 3, on the date of effective acquisition of control of HVB and BA-CA. As illustrated in detail in the Notes to the Accounts, current allocation of the acquisition price is to be considered as provisional. Its finalization will occur within a year from acquisition, as allowed by IFRS. UniCredit shares issued for the purposes of these transactions were therefore measured at the price of €4.62, giving an acquisition cost of €18.64 billion.

Measurement at fair value of the assets and liabilities acquired gave a gain of €4.7 billion over the carrying value of financial instruments (€3.9 billion in loans and receivables and €0.8 billion in investments) and of €0.5 billion in property, under assets, against an increase of €3.9 billion in financial instruments and €1.2 billion in provisions (mainly due to alignment of the discount rate used for pension obligations with market rates) under liabilities. Intangible assets include the brand and customer relationships and were recognised in the amount of €1.5 billion. Fair value measurement then entailed recognition of deferred tax assets and liabilities, giving a net negative balance of €0.5 billion. Based on these items the value of the net assets acquired was €12 billion, giving goodwill of €6.6 billion, including goodwill already in HVB's accounts (€2.1 billion).

CAPITAL RATIOS

As required by the regulators, the UniCredit Group monitors its Tier 1 Ratio and Total Capital Ratio, while for management purposes the most important indicator is our Core Tier 1 Ratio. Following the acquisition of HVB all our capital ratios are lower than in previous years, but our Tier 1 Ratio and Total Capital Ratio are still well above regulatory requirements and our Core Tier 1 Ratio is higher than the ratio we indicated when presenting the business combination, viz. 5.53% as against 5.3%. Our Core Tier 1 ratio target for 2006 is still 6% thanks to profits growth and increased capital management. Our long-term target is still 6.8%, in line with the main international banking groups rated AA- by S&P.

(€ million)

| CAPITAL RATIOS | AMOUNTS AS AT | |
|--|---------------|---------------|
| | 31.12.2005 | 31.12.2004 |
| Capital for regulatory purposes | 42,560 | 17,405 |
| Tier 1 Capital | 28,847 | 11,876 |
| Core Tier 1 Capital | 23,127 | 11,006 |
| Credit-risk weighted assets | 392,763 | 137,959 |
| Total risk-weighted assets | 418,492 | 149,498 |
| Total Capital Ratio¹ | 10.34% | 11.64% |
| Tier 1 ratio | 6.89% | 7.94% |
| Core Tier 1 Ratio | 5.53% | 7.36% |

1. As at 31 December 2005 Total Capital Ratio included Tier 3 Capital in the amount of €697 million.

The UniCredit Group at the end of 2005
Operating Structure, Balance Sheet and Profit and Loss Account

PRO-FORMA PROFIT AND LOSS ACCOUNT

(€ million)

| | FULL YEAR 2005 | | | |
|--|------------------------|---------------|---|---------------------------------|
| | UNICREDIT EXCL. HVB | HVB GROUP | CONSOLIDATION ADJUSTMENTS ¹ | UNICREDIT PRO-FORMA TOTAL |
| Net interest | 5,394 | 5,575 | 70 | 11,039 |
| Dividends and other income from equity investments | 251 | 670 | - | 921 |
| Net interest income | 5,645 | 6,245 | 70 | 11,960 |
| Net commission | 4,373 | 3,198 | - | 7,571 |
| Net trading, hedging and fair value income | 842 | 576 | - | 1,418 |
| Net other expense/income | 164 | -322 | - | -158 |
| Net non-interest income | 5,379 | 3,452 | - | 8,831 |
| TOTAL REVENUES | 11,024 | 9,697 | 70 | 20,791 |
| Payroll costs | -3,720 | -3,731 | - | -7,451 |
| Other administrative expense | -2,092 | -2,187 | - | -4,279 |
| Recovery of expense | 235 | - | - | 235 |
| Writedowns of intangible and tangible fixed assets | -468 | -690 | -73 | -1,231 |
| Operating expenses | -6,045 | -6,608 | -73 | -12,726 |
| OPERATING PROFIT | 4,979 | 3,089 | -3 | 8,065 |
| Provision for risks and charges | -154 | -98 | - | -252 |
| Restructuring costs | -177 | -546 | 143 | -580 |
| Net writedowns of loans and provisions for guarantees and commitments | -910 | -1,482 | 147 | -2,245 |
| Net income from investments | 330 | 336 | -51 | 615 |
| PROFIT BEFORE TAX | 4,068 | 1,299 | 236 | 5,603 |
| Income tax for the year | -1,396 | -262 | -61 | -1,719 |
| NET PROFIT | 2,672 | 1,037 | 175 | 3,884 |
| Minorities | -217 | -395 | 111 | -501 |
| NET PROFIT ATTRIBUTABLE TO THE GROUP | 2,455 | 642 | 286 | 3,383 |
| NET PROFIT ATTRIBUTABLE TO THE GROUP (NORMALISED) ² | 2,573 | 1,162 | 73 | 3,808 |

1. This column includes the effects of "Purchase Price Allocation".

2. Excludes restructuring costs arising from the business combination with HVB, after tax and minorities.

This 2005 pro-forma profit and loss account for the new Group was prepared under IFRS as if the business combination had occurred on 1 January 2005 and was compiled by adding the UniCredit profit and loss account, net of HVB's attributed profit already recognised in the year results, to that of the HVB Group for the whole year, but making due adjustments for the following:

- the full-year effects on profit and loss of Purchase Price Allocation ("PPA", i.e. the process of rerecognition carried out on first consolidation of HVB's assets and liabilities);
- the further 17.45% interest in BA-CA held directly by UniCredit and HVB minorities (6.07%). The cost of financing the interest in BA-CA acquired for cash (0.04% of capital) is negligible.

Pro-forma net profit attributable to the Group was €3,383 million, of which UniCredit contributed €2,455 million and HVB €642 million, as well as adjustments of €286 million. Normalised net profit – net of restructuring costs already recognised in 2005 in the amount of €580 million (€425 million after tax and minorities) was €3,808 million. UniCredit contributed €2,573 million to this result, HVB €1,162 million and adjustments €73 million.

The new Group's operating profit was €8,065 million, of which UniCredit contributed about 62%. The new Group's cost-income ratio is 61.2%, which is the result of combining UniCredit's 54.8% with HVB's 68.1%. PPA had practically no effect on operating profit thanks to offsetting of increased depreciation due to higher property and intangible asset carrying values by higher net interest income. The latter, given fair value measurement of interest-bearing assets which was higher by €282 million than that of interest-paying liabilities, is attributable to the relatively shorter average life of the liabilities.

The new Group's total revenue was €20,791 million. Net interest income, including dividends and profits of subsidiaries and associates accounted for at net equity, was about 57,5% of total revenue (51.2% in UniCredit and 64.4% in HVB).

The new Group's operating costs were €12,726 million and payroll costs accounted for 58.5% of total costs.

Below operating profit there are provisions for risks and charges of €252 million and restructuring costs of €580 million.

These costs are part of the amount of €1,350 million included in the Business Combination Agreement and could be recognised in 2005. They do not include costs relating to the merger of the Polish banks. Personnel costs were almost €490 million and are the largest component of the total; of this amount €153 million are attributable to UniCredit and €336 million to HVB. Part of the costs sustained by HVB (€143 million mainly attributable to extraordinary software depreciation) were already included in the measurement of assets on first consolidation and therefore adjusted in the pro-forma profit and loss account.

The UniCredit Group at the end of 2005
Operating Structure, Balance Sheet and Profit and Loss Account

Net writedowns of loans and receivables were €2,245 million, equal to 0.53% of total loans and receivables with customers as at 31 December 2005. HVB values were written down by €147 million in respect of measurement of assets already included in the first consolidated balance sheet.

Net gains from investments amounted to €615 million and include a capital gain of €200 million realised by UniCredit on disposing of its shares in the "Serenissima" Autostrada and by HVB on disposing of part of its interest in Munich RE. The €214 million capital gain recognised by HVB on the latter, was adjusted as to €51 million in light of the greater carrying value of the interest in Munich RE in the opening balance sheet.

Profit before tax was €5,603 million. Tax on this profit was €1,719 million at a tax rate of 30.7%, the result of the combination of UniCredit's 34.3% and HVB's 20.2%, which benefits from the recovery of previous tax losses for which no deferred tax assets had been allocated.

Net profit for the year was thus €3,884 million. Minorities amounted to €501 million and include the greater profit attributable to the Group of €170 million on UniCredit's direct interest in BA-CA and minorities of €40 million in HVB.

Pro-forma net profit attributable to the Group was €3,383 million, and normalised net profit (neutralising the effect of restructuring costs) was €3,808 million. Earnings per share and ROE for each amount are given below.

| 2005 | EPS | ROE |
|--|---------------|--------------|
| Pro-forma net profit for the year | € 0.33 | 10.3% |
| <i>Normalised pro-forma net profit</i> | <i>€ 0.37</i> | <i>11.5%</i> |

(€ million)

| | 2005 PRO-FORMA FIGURES | |
|---------------------------|------------------------|-----------------------|
| | UNICREDIT CONSOLIDATED | PERCENTAGE OVER TOTAL |
| Italy | 1,819 | 47.8% |
| Germany | -34 | -0.9% |
| Austria | 500 | 13.1% |
| Poland | 365 | 9.6% |
| Croatia | 152 | 4.0% |
| Bosnia Erzegovina | 15 | 0.4% |
| Czech Republic | 64 | 1.7% |
| Slovak Republic | 35 | 0.9% |
| Bulgaria | 56 | 1.5% |
| Turkey | 62 | 1.6% |
| Other countries | 650 | 17.1% |
| Consolidation adjustments | 124 | 3.3% |
| Total | 3,808 | 100% |

Group Results for 2005

World Economy

MACROECONOMIC SITUATION AND FINANCIAL MARKETS

In 2005, the global economic cycle maintained its solid growth rate, once again due to strong performances by the US and China, together with the continued growth of the Japanese economy. At the end of 2005, the US economy reported average annual growth of 3.4%, in spite of a mixed but overall relatively solid economic climate. In the euro area, the situation was more uncertain. The first half was characterised by sub-potential performance and the second half saw a marked improvement in GDP growth, on the back of a weakening euro and buoyant international expansion. Economic growth in Italy followed a similar path, albeit with much more disappointing results than those of the euro area, with a technical recession in the first quarter and a slight recovery in the second and third, which overall produced an average annual GDP growth rate of close to zero (about 1.5% in the euro area). In general, 2005 confirmed all the structural problems faced by the Italian economy on the supply side, hence the steady loss in export market share. On the demand side a small growth in private consumption and a modest inventory build-up prevented GDP from descending into negative territory, offsetting lower investments and the decidedly negative contribution from foreign trade. The economic growth in New Europe, although compared with 2004 the pace of growth seemed to ease to a certain extent, in line with the slowdown of the global economy – showed signs of gathering speed in the second half, tending to stay well above that of the euro area.

In 2005, to prevent any further inflationary pressure in the US, the Federal Reserve resumed its policy of 'measured' increases of 0.25% introduced in June 2004, taking Fed Fund rates to 4.25% at the year-end. As regards European monetary policy, in December the ECB raised interest rates by 0.25% to 2.25% after two and a half years at historic lows, thereby seeking to slow down inflation in view of the growing threat to price stability posed by moderate economic recovery.

In terms of exchange rates, 2005 saw a healthy rise in the dollar against nearly all the major currencies. In particular, the euro closed 2005 at around \$1.20, with a net fall for the year of around 13%. The recovery of the US currency was largely aided by the Fed increasing interest rates eight times in 2005, as well as by strong demand for US securities among foreign investors.

Throughout 2005, international stock markets consolidated the already considerable gains generated in 2004, with leading international indices embarking on a trend of vigorous growth (with the exception of the US). This trend was boosted by strong company results, which despite the sharp increase in the price of oil and raw materials, signalled healthy profits. In addition, profits growth stimulated a wave of M&A activity, aimed at creating the synergy needed to increase growth and profitability. Among the leading indices, the best performance was that of the Nikkei, which benefited from signs of economic recovery in Japan, particularly in the second

half of the year. Also in evidence was the positive trend witnessed among the European indices (with Austria in the lead) and the S&P/MIB, which closed the year with a gain of over 15%.

THE ITALIAN BANKING SECTOR

Despite an economic climate which remains uncertain, lending grew more quickly in 2005, more so in Italy than in the rest of the euro area, both due to the sustained demand for corporate credit - in part due to merger and restructuring transactions - as well as further expansion of households' indebtedness. Demand was also boosted by low interest rates, given the accommodating pricing policies in the banking sector, which enjoyed solid growth, also in deposits.

Customer lending by Italian banks on average grew by 8.3% in 2005, compared with 5.2% in 2004, and 8.8% at the end of December (up by 5.5% at the end of 2004). This increase was again due to the medium/long term component, up 14.4% on average for 2005 (as against 12.4% in 2004), buoyed both by personal residential mortgages and corporate borrowing, while the short-term component was largely maintained at 2004 average. However, while growth of medium/long-term loans gradually slowed during the year (the rate was 13.1% at the end of 2005), short-term loans were up after almost a two-year downswing (up by 2.2% at the end of December).

Lending rates were down again on 2004. The average rate on short-term loans continued to fall in 2005, albeit with essentially stable market rates, increasing slightly at the year-end following the 0.25 percentage point rise introduced by the ECB: the average decrease for the year was 0.19 percentage points (from an average of 5.51% in 2004 to 5.32% in 2005) compared with 1-month Euribor which rose by 6 basis points over the same period.

Non-performing loans showed signs of gradual improvement, while the trend remained upwards although increasingly contained until November (up by 0.6% over November 2004), when the bad-debt ratio (the ratio of gross non-performing loans to total loans) fell slightly to 4.7% from 5.0% at the end of 2004. In December gross non-performing loans decreased by approximately €9.5 billion, also as a result of securitisation transactions.

In terms of liabilities, direct deposits (current accounts and savings deposits, certificates of deposits and bonds) grew considerably, for the most part in line with 2004: average annual growth was in fact around 8.2% in 2005, compared with 7.9% in 2004. Bonds and current account deposits were again the fastest growing components of deposits: bonds gathered considerable pace in the first part of 2005, only to fall back slightly in the second half (up by 11.3% on average for 2005, as in 2004), while current accounts maintained high although more stable rates of growth during the year (up by 7.6% on 2004, in both 2004 and 2005). Investors remained relatively cautious in 2005, despite the growing interest in assets under management, due in part to the strong recovery of the financial markets.

Unlike the lending rate, the average deposit rate rose moderately during the year, with a marginal increase in annual average terms (from an average of 0.87% in 2004 to 0.90% in 2005).

The spread between short-term lending rates and deposit rates narrowed for the fourth consecutive year (by 22 basis points), falling from 4.64% to 4.42% on average for the year.

Finally, in terms of indirect deposits, assets under administration enjoyed increased growth, benefiting both from the high demand for securities and from stock exchange performance, while even the assets under management market recorded significant growth rates and strong inflows. Mutual investment funds experienced an 8.8% increase year-on-year at the end of 2005 (Source: Assogestioni statistics), mainly due to positive market performance (up by 7.2%), but also due in part to net assets shifting back into positive territory to €8.4 billion. In terms of overall portfolio structure in 2005, there was a tendency to reallocate assets to equity funds (whose share of the total rose to 24.2% from 22.6% in 2004) and flexible funds, including hedge funds (7% from 5.2% in 2004), largely at the expense of monetary funds (down to 15.1% from 18% in December 2004) and bond funds (45.8% down from 46.5% in 2004).

Reclassified Accounts

(€ million)

| CONSOLIDATED BALANCE SHEET | | | | | |
|---|----------------|-------------------------|----------------|----------------------|----------------|
| | AS AT | | | CHANGE EXCLUDING HVB | |
| | 31.12.2005 | 31.12.2005 EXCL. HVB | 01.01.2005 | AMOUNT | PERCENT. |
| Assets | | | | | |
| Cash and cash balances | 3,459 | 2,406 | 2,084 | + 322 | + 15.5% |
| Financial assets held for trading | 172,287 | 69,067 | 70,039 | - 972 | - 1.4% |
| Loans and receivables with banks | 76,099 | 16,868 | 14,996 | + 1,872 | + 12.5% |
| Loans and receivables with customers | 426,553 | 160,487 | 139,723 | + 20,764 | + 14.9% |
| Financial investments | 65,796 | 38,850 | 19,196 | + 19,654 | + 102.4% |
| Hedging instruments | 4,919 | 2,023 | 1,620 | + 403 | + 24.9% |
| Property, plant and equipment | 7,973 | 4,226 | 3,730 | + 496 | + 13.3% |
| Goodwill | 9,202 | 2,571 | 1,950 | + 621 | + 31.8% |
| Other intangible assets | 2,633 | 375 | 328 | + 47 | + 14.3% |
| Tax assets | 6,592 | 1,912 | 1,620 | + 292 | + 18.0% |
| Other assets | 11,487 | 5,732 | 5,623 | + 109 | + 1.9% |
| Total assets | 787,000 | 304,517 | 260,909 | + 43,608 | + 16.7% |
| Liabilities and shareholders' equity | | | | | |
| Deposits from banks | 141,682 | 31,910 | 22,935 | + 8,975 | + 39.1% |
| Deposits from customers and debt certificates | 462,248 | 178,142 | 155,079 | + 23,063 | + 14.9% |
| Financial liabilities held for trading | 107,094 | 42,887 | 54,204 | - 11,317 | - 20.9% |
| Financial liabilities designated at fair value | 1,129 | - | - | - | - |
| Hedging instruments | 4,498 | 1,574 | 1,371 | + 203 | + 14.8% |
| Provisions for risks and charges | 6,607 | 1,327 | 1,151 | + 176 | + 15.3% |
| Tax liabilities | 5,925 | 1,818 | 1,556 | + 262 | + 16.8% |
| Other liabilities | 18,711 | 10,686 | 9,059 | + 1,627 | + 18.0% |
| Minorities | 3,903 | 1,302 | 1,181 | + 121 | + 10.2% |
| Shareholders' equity: | 35,203 | 34,871 | 14,373 | + 20,498 | + 142.6% |
| - Capital and reserves | 31,106 | 31,021 | 11,148 | + 19,873 | + 178.3% |
| - Available-for-sale assets fair value reserve and cash-flow hedging reserve | 1,627 | 1,395 | 1,156 | + 239 | + 20.7% |
| - Net profit | 2,470 | 2,455 | 2,069 | + 386 | + 18.7% |
| Total liabilities and shareholders' equity | 787,000 | 304,517 | 260,909 | + 43,608 | + 16.7% |

Note: Some data have been reclassified in respect of previous reporting in accordance with Banca d'Italia's instructions as per Circular #262 dated 22 December 2005.

(€ million)

| | YEAR | | CHANGE | |
|---|---------------|-------------------|--------------|----------------|
| | 2005 | 2004 ¹ | AMOUNT | PERCENT. |
| Net interest | 5,394 | 4,879 | + 515 | + 10.6% |
| Dividends and other income from equity investments | 251 | 277 | - 26 | - 9.4% |
| Net interest income | 5,645 | 5,156 | + 489 | + 9.5% |
| Net commission | 4,373 | 3,905 | + 468 | + 12.0% |
| Net trading, hedging and fair value income | 842 | 978 | - 136 | - 13.9% |
| Net other expenses/income | 164 | 164 | - | |
| Net non-interest income | 5,379 | 5,047 | + 332 | + 6.6% |
| TOTAL REVENUES | 11,024 | 10,203 | + 821 | + 8.0% |
| Payroll costs | -3,720 | -3,473 | - 247 | + 7.1% |
| Other administrative expenses | -2,092 | -1,992 | - 100 | + 5.0% |
| Recovery of expenses | 235 | 230 | + 5 | + 2.2% |
| Writedowns of intangible and tangible fixed assets | -468 | -466 | - 2 | + 0.4% |
| Operating expenses | -6,045 | -5,701 | - 344 | + 6.0% |
| OPERATING PROFIT | 4,979 | 4,502 | + 477 | + 10.6% |
| Provision for risks and charges | -154 | -265 | + 111 | - 41.9% |
| Restructuring costs | -177 | -238 | + 61 | - 25.6% |
| Net writedowns of loans and provisions for guarantees and commitments | -910 | -888 | - 22 | + 2.5% |
| Net income from investments | 330 | 127 | + 203 | + 159.8% |
| PROFIT BEFORE TAX | 4,068 | 3,238 | + 830 | + 25.6% |
| Income tax for the year | -1,396 | -999 | - 397 | + 39.7% |
| HVB Group net profit after acquisition | 59 | - | + 59 | - |
| NET PROFIT | 2,731 | 2,239 | + 492 | + 22.0% |
| Minorities | -261 | -170 | - 91 | + 53.5% |
| NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP | 2,470 | 2,069 | + 401 | + 19.4% |

1. 2004 figures do not take account of the effects of application of IAS 32 and 39.

(€ million)

| | YEAR | | CHANGE | |
|--|--------------|--------------|----------------|----------------|
| | 2005 | 2004 | AMOUNT | PERCENT. |
| PROFIT BEFORE TAX | 4,245 | 3,238 | + 1,007 | + 31.1% |
| NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE GROUP | 2,573 | 2,069 | + 504 | + 24.4% |

Note: The figures in the table were restated to exclude restructuring costs (€177 million before tax and €118 million after tax) - which UniCredit would not have borne had the transaction not taken place - as well as the net contribution of HVB and BA-CA to profit for the year (€15 million).

Quarterly Figures

(€ million)

| CONSOLIDATED BALANCE SHEET | | | | | | |
|--|----------------|-------------------------|----------------|----------------|----------------|----------------|
| | AS AT | | | | | |
| | 31.12.2005 | 31.12.2005 EXCL. HVB | 30.09.2005 | 30.06.2005 | 31.03.2005 | 01.01.2005 |
| Assets | | | | | | |
| Cash and cash balances | 3,459 | 2,406 | 1,931 | 1,947 | 1,916 | 2,084 |
| Financial assets held for trading | 172,287 | 69,067 | 70,287 | 71,401 | 71,180 | 70,039 |
| Loans and receivables with banks | 76,099 | 16,868 | 17,970 | 13,578 | 16,641 | 14,996 |
| Loans and receivables with customers | 426,553 | 160,487 | 152,324 | 149,659 | 142,701 | 139,723 |
| Financial investments | 65,796 | 38,850 | 22,037 | 21,989 | 23,438 | 19,196 |
| Hedging instruments | 4,919 | 2,023 | 2,138 | 2,218 | 1,811 | 1,620 |
| Property, plant and equipment | 7,973 | 4,226 | 3,871 | 4,025 | 4,728 | 3,730 |
| Goodwill | 9,202 | 2,571 | 2,126 | 2,060 | 1,985 | 1,950 |
| Other intangible assets | 2,633 | 375 | 332 | 326 | 320 | 328 |
| Tax assets | 6,592 | 1,912 | 1,648 | 1,627 | 1,513 | 1,620 |
| Other assets | 11,487 | 5,732 | 5,398 | 5,340 | 6,128 | 5,623 |
| Total assets | 787,000 | 304,517 | 280,062 | 274,170 | 272,361 | 260,909 |
| Liabilities and shareholders' equity | | | | | | |
| Deposits from banks | 141,682 | 31,910 | 30,867 | 28,483 | 28,216 | 22,935 |
| Deposits from customers and debt certificates | 462,248 | 178,142 | 170,045 | 167,898 | 161,210 | 155,079 |
| Financial liabilities held for trading | 107,094 | 42,887 | 47,263 | 46,301 | 50,922 | 54,204 |
| Financial liabilities designated at fair value | 1,129 | - | - | - | - | - |
| Hedging instruments | 4,498 | 1,574 | 1,832 | 2,023 | 1,563 | 1,371 |
| Provisions for risks and charges | 6,607 | 1,327 | 1,214 | 1,175 | 1,201 | 1,151 |
| Tax liabilities | 5,925 | 1,818 | 1,798 | 1,500 | 1,795 | 1,556 |
| Other liabilities | 18,711 | 10,686 | 10,094 | 10,719 | 11,092 | 9,059 |
| Minorities | 3,903 | 1,302 | 1,242 | 1,171 | 1,220 | 1,181 |
| Shareholders' equity: | 35,203 | 34,871 | 15,707 | 14,900 | 15,142 | 14,373 |
| - Capital and reserves | 31,106 | 31,021 | 12,228 | 12,191 | 13,256 | 11,148 |
| - Available-for-sale assets fair value reserve and cash-flow hedging reserve | 1,627 | 1,395 | 1,361 | 1,267 | 1,109 | 1,156 |
| - Net profit | 2,470 | 2,455 | 2,118 | 1,442 | 777 | 2,069 |
| Total liabilities and shareholders' equity | 787,000 | 304,517 | 280,062 | 274,170 | 272,361 | 260,909 |

Note: Some data have been reclassified in respect of previous reporting in accordance with Banca d'Italia's instructions as per Circular #262 dated 22 December 2005.

(€ million)

| | 2005 | | | | 2004 |
|---|---------------|---------------|---------------|---------------|---------------|
| | Q 4 | Q3 | Q2 | Q1 | Q4 |
| Net interest | 1,433 | 1,375 | 1,293 | 1,293 | 1,264 |
| Dividends and other income from equity investments | 71 | 22 | 143 | 15 | 103 |
| Net interest income | 1,504 | 1,397 | 1,436 | 1,308 | 1,367 |
| Net commission | 1,163 | 1,113 | 1,071 | 1,026 | 1,023 |
| Net trading, hedging and fair value income | 96 | 227 | 217 | 302 | 162 |
| Net other expenses/income | 31 | 51 | 49 | 33 | 29 |
| Net non-interest income | 1,290 | 1,391 | 1,337 | 1,361 | 1,214 |
| TOTAL REVENUES | 2,794 | 2,788 | 2,773 | 2,669 | 2,581 |
| Payroll costs | -995 | -916 | -903 | -906 | -862 |
| Other administrative expenses | -551 | -528 | -517 | -496 | -527 |
| Recovery of expenses | 60 | 60 | 61 | 54 | 71 |
| Writedowns of intangible and tangible fixed assets | -138 | -113 | -111 | -106 | -126 |
| Operating expenses | -1,624 | -1,497 | -1,470 | -1,454 | -1,444 |
| OPERATING PROFIT | 1,170 | 1,291 | 1,303 | 1,215 | 1,137 |
| Provision for risks and charges | -52 | -26 | -34 | -42 | -202 |
| Restructuring costs | -177 | - | - | - | -238 |
| Net writedowns of loans and provisions for guarantees and commitments | -314 | -169 | -237 | -190 | -228 |
| Net income from investments | 73 | 27 | 25 | 205 | 99 |
| PROFIT BEFORE TAX | 700 | 1,123 | 1,057 | 1,188 | 568 |
| Income tax for the year | -306 | -383 | -340 | -367 | -112 |
| HVB Group net profit after acquisition | 59 | - | - | - | - |
| NET PROFIT | 453 | 740 | 717 | 821 | 456 |
| Minorities | -101 | -64 | -52 | -44 | -37 |
| GROUP PORTION OF NET PROFIT FOR THE YEAR | 352 | 676 | 665 | 777 | 419 |

Note: Some data have been reclassified in respect of previous reporting in accordance with Banca d'Italia's instructions as per Circular #262 dated 22 December 2005.

Operating Profit

Against a generally favourable background for the banking industry and with positive trends in the financial markets - despite the narrowing spread between lending and deposit rates - the Group made substantial progress in its operating result for the year, which reached €4,979 million, up 10.6% on 2004. Growth of the operating result, which was partly driven by the appreciation of the Polish zloty and of the Turkish lira against the euro (by 12.5% and 6% respectively between 2004 and 2005 in average terms), was nonetheless robust even at constant exchange rates (up by 9%).

This performance is mainly due to the positive performance of lending and asset management, which drove net interest income and net fees and commissions growth. Thanks to these components total revenue showed an 8% increase over 2004 (up by 6.5% at constant exchange rates), reaching €11,024 million in 2005, despite trading losses of €114 million profit, caused by the volatility applied under IAS 39 to the valuation of a few items related to share price performance; these effects were more than offset by the revaluation of equity investments made directly in equity.

Total revenue growth was only partly absorbed by the increase in operating costs: 6% at historical exchange rates and 4.6% at constant exchange rates; this is mostly attributable to healthy growth in our New Europe banks, which operate in more dynamic economies showing generally higher inflation rates. The cost-income ratio fell to 54.8% in 2005 from 55.9% in 2004.

Total revenue and operating costs were also influenced by the inclusion of Yapi ve Kredi Bankasi in the consolidation area as of 1 October 2005, which accounts for almost 1% of cost growth and roughly 0.7% of revenue growth. The impact on operating performance was, on the other hand, marginal.

The positive performance of lending and customer asset management reflected in particular on the Retail Division's performance, which posted operating profit growth of 23.9% over 2004, and on the Private Banking and Asset Management Division's performance, where operating profit jumped by 30% over 2004. These factors also had a beneficial impact on the operating result of the New Europe Division (up by 19.6% over 2004), which was also due to exchange rate movements - the increase was 11.3% at constant exchange rates. The Corporate and Investment Banking Division (up by 4%), on the other hand, suffered from a decrease in net trading profit, due in particular to the decline in derivative sales to corporates, the effects of which were offset by a rise in commissions coming primarily from the Investment Banking segment. The operating result of the Parent Company and other Group companies was negative due to the fact that dividends on shareholdings in consolidated companies are not included at this level and fell by almost €140 million due to the mentioned trading result, while the increase in consolidation adjustment charges (from €107 to €176 million) was mainly due to the effects of the other Divisions having placed larger volumes of Parent Company bonds.

| | YEAR | | | Q 4 | | |
|---------------------------------------|--------------|--------------|----------------|--------------|--------------|---------------|
| | 2005 | 2004 | CHANGE | 2005 | 2004 | CHANGE |
| Retail | 1,641 | 1,324 | + 23.9% | 450 | 407 | + 10.6% |
| Corporate and Investment Banking | 2,108 | 2,026 | + 4.0% | 464 | 430 | + 7.9% |
| Private Banking and Asset Management | 580 | 446 | + 30.0% | 159 | 146 | + 8.9% |
| New Europe | 928 | 776 | + 19.6% | 198 | 171 | + 15.8% |
| Parent Company and other subsidiaries | -102 | 37 | n.s. | -71 | 76 | n.s. |
| Consolidation adjustments | -176 | -107 | n.s. | -30 | -93 | n.s. |
| Total | 4,979 | 4,502 | + 10.6% | 1,170 | 1,137 | + 2.9% |

NET INTEREST INCOME

In Q4 the rising trend recorded since the beginning of 2005 continued, and net interest income for the year totalled €5,394 million, up by 10.6% over 2004 (8.8% at constant exchange rates). Net interest income growth was due to a marked rise in business volumes, the effects of which were only partly offset by the narrowing spread between lending and deposit rates due, in particular, to a greater proportion of bonds in liabilities. Dividends and other income on equity investments, which were influenced during the year by the positive seasonality of the second quarter, recorded however a decrease of 9.4% over 2004 (due to lower dividends received, the fall being 30%), while earnings on the companies accounted for at net equity posted a substantial increase (+86%). Overall net interest income benefited from the rise in net interest, reaching €5,645 million during the year, up 9.5% (+7.8% at constant exchange rates) on 2004.

| | YEAR | | | 2005 QUARTERS | | | |
|---------------------------------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|
| | 2005 | 2004 | CHANGE | Q4 | Q3 | Q2 | Q1 |
| Retail | 2,509 | 2,321 | + 8.1% | 654 | 630 | 618 | 607 |
| Corporate and Investment Banking | 1,609 | 1,561 | + 3.1% | 427 | 401 | 394 | 387 |
| Private Banking and Asset Management | 109 | 102 | + 6.9% | 28 | 26 | 27 | 28 |
| New Europe | 1,290 | 1,070 | + 20.6% | 368 | 327 | 304 | 291 |
| Parent Company and other subsidiaries | 126 | 106 | + 18.9% | 29 | 12 | 89 | -4 |
| Consolidation adjustments | 2 | -4 | - 150.0% | -2 | 1 | 4 | -1 |
| Total | 5,645 | 5,156 | + 9.5% | 1,504 | 1,397 | 1,436 | 1,308 |

All of the Divisions contributed to growth in net interest income. More than one-third of the increase at the consolidated level was due to the Retail Division, up 8.1% over 2004, while the Corporate Division recorded more limited growth (up 3.1% over 2004). For both Divisions, the increase was due to increased lending, in the medium/long-term and leasing sectors in particular, despite narrowing spreads between lending and deposit rates, caused by both an unfavourable mix effect (greater weight of mortgages in assets, a relatively less profitable business, and of bonds in liabilities), and a market effect (the spread at industry level contracted by 22 basis points year-on-year). The New Europe Division, which benefited from exchange differences, posted a 20.6% increase in net interest income during the year (12.5% at constant exchange rates), in this case also on the back of loans growth, while the impressive improvement in net interest income in the Parent Company and other subsidiaries (by about €20 million over 2004), is mainly due to structured finance transactions carried out by Group Treasury.

Overall loans grew 5.4% in the quarter and 14.9% on an annual basis, reaching €160.5 billion at year-end 2005 - excluding HVB Group - some €20 billion more than at the close of 2004. This growth was fuelled in particular by property loans. Thanks to historically low interest rates there was growth both in mortgage lending, mostly due to retail demand for residential mortgages, and in finance leases. In terms of non-derecognised securitised assets, mortgage and leases recorded an overall increase of 17.2% in 2005. Considerable growth, although on a smaller scale, was also recorded in lending on current account (up 4.8% over 2004), while other forms of financing increased overall by 16% over 2004. This expansion was reflected in the Retail Division's performance (up by 14.5% since the start of the year), and in that of the Corporate Division (up by 9.3%). The New Europe Division's growth (up by 45.3%) is attributable as to one-third to the inclusion of Yapi ve Kredi. On a constant business basis, growth of 30% was mainly attributable to the development of business in a more dynamic environment, and was only partly due to the currency effect (the increase was 24% at constant exchange rates).

(€ million)

| LOANS TO CUSTOMERS AND CUSTOMER DEPOSITS (EXCL. HVB) | | | | | | |
|---|---------------------------|-------------------|----------------|---|-------------------|----------------|
| | LOANS TO CUSTOMERS | | | DEPOSITS FROM CUSTOMERS AND SECURITIES | | |
| | 31.12.2005 | 01.01.2005 | CHANGE | 31.12.2005 | 01.01.2005 | CHANGE |
| Retail | 62,572 | 54,648 | + 14.5% | 77,954 | 68,027 | + 14.6% |
| Corporate and Investment banking | 71,810 | 65,698 | + 9.3% | 27,947 | 21,457 | + 30.2% |
| Private Banking and Asset Management | 1,741 | 1,504 | + 15.8% | 7,584 | 7,001 | + 8.3% |
| New Europe | 20,875 | 14,367 | + 45.3% | 29,577 | 23,621 | + 25.2% |
| Parent Company and other subsidiaries | 14,129 | 14,047 | + 0.6% | 74,106 | 63,457 | + 16.8% |
| Consolidation adjustments | -10,640 | -10,541 | + 0.9% | -39,026 | -28,484 | + 37.0% |
| Total (excl. HVB) | 160,487 | 139,723 | + 14.9% | 178,142 | 155,079 | + 14.9% |

Direct deposits amounted to €178.1 billion, up by €23 billion (or 14.9%) over December 2004. Deposit growth by Division is linked, in absolute terms, to that of lending – to a lesser extent in New

Europe, where loans were funded by asset diversification. Deposit growth in the New Europe Division was very positive even net of exchange differences (19.1% over 2004), despite the shift of funds towards asset management accounts, while the substantial growth of the Parent Company, thanks to market transactions, was offset by adjustments of the intra-group accounts due to the Divisions being funded by the Parent Company.

At the consolidated level, the increase in funding was due to debt certificates (up by 16.6% over 2004), and in particular bonds, which grew 28% year-on-year, and customer deposits (which following adoption of IFRS no longer include the most volatile element, repo transactions, now classified as held-for-trading liabilities) recorded a 9.3% increase over 2004, net of the notional funding of securitisations rerecognised in the Accounts. €7,173 million of subordinated liabilities are included in bonds, up by €530 million over 2004. During the year, in order to fund the Group's medium/long-term loan growth plans in a balanced manner, the Parent Company issued non-subordinated bonds in the amount of €8,573 million in addition to €1,269 million of notes.

NET COMMISSIONS AND FEES

Net commission was €1,163 million in Q4, posting the best quarterly result of the year. The figure for the entire year was €4,373 million, up 12% (10.6% at constant exchange rates) over 2004. Commission growth was fuelled both by asset management and administration fees, which were up 14.6% over 2004, and by commission on other sectors (up by 9.2% overall).

(€ million)

| NET COMMISSION | YEAR | | CHANGE | |
|--|--------------|--------------|--------------|----------------|
| | 2005 | 2004 | P&L | PERCENT. |
| Asset management, custody and administration: | 2,338 | 2,041 | + 297 | + 14.6% |
| <i>securities dealing and placement</i> | 213 | 173 | + 40 | + 23.1% |
| <i>segregated accounts</i> | 199 | 132 | + 67 | + 50.8% |
| <i>management of collective investment funds</i> | 1,462 | 1,268 | + 194 | + 15.3% |
| <i>insurance products</i> | 382 | 340 | + 42 | + 12.4% |
| <i>other securities</i> | 82 | 128 | - 46 | - 35.9% |
| Current accounts, loans and guarantees | 1,067 | 1,000 | + 67 | + 6.7% |
| Collection and payment services | 495 | 461 | + 34 | + 7.4% |
| Forex dealing | 93 | 91 | + 2 | + 2.2% |
| Tax collection services | 125 | 131 | - 6 | - 4.6% |
| Other services | 255 | 181 | + 74 | + 40.9% |
| Total net commission | 4,373 | 3,905 | + 468 | + 12.0% |

All the main areas of assets under management recorded substantial increases over 2004. More in detail, the rise in securities trading and placement commissions (23.1%) was mostly due to the placement operations of the Group's investment bank, that of asset management (a rise of 50.8%) was related to the success of highly customised product lines (Focus Invest), which were launched in 2004. The 15.3% rise in investment fund commissions is caused by both the increase in deposit and asset volumes and by the greater weight of equity funds, while the increase in income from insurance products (12.4%) is related to the recovery of sales after the contraction recorded in 2004. The reduction in the other securities business income was, on the other hand, mostly due to a rise in commissions paid to financial consultants and third party distributors, which are not broken down by product unlike the corresponding commissions received.

In the other sectors, there was a 6.7% rise in commission on current accounts, loans and guarantees, partly absorbed by the measurement of some income at amortised cost, thanks to the results achieved by UBM in financing transactions. Net commission on other services was also influenced by the application of amortised cost measurement, into which some commission expense previously included in this item was inserted.

The outstanding result of asset management and administration, driven by rising equity markets, was linked to the continuing growth in customer securities deposits, which at year-end 2005 stood at €296.9 billion at market values (excluding HVB Group data) - an increase of 17.5% over end-2004 and of 3.9% in the last quarter. Within the segment, the administered component reached €142.3 billion at the end of December; this increase of approximately €14 billion or 10.9% over end-2004 was almost entirely produced by the New Europe Division and by the Private Banking Division banks. Managed securities on deposit, excluding duplications with other forms of deposits from customers (such as asset management liquidity, bonds issued by Group companies already included in direct deposits and funds for structured securities), amounted to €154.6 billion at year-end 2005, up 23.7% in the 12 month period, thanks in part to acquisitions.

Group assets under management (including liquidity, bonds issued by Group companies and funds for structured bonds), reached €157 billion at end-2005, up 3.1% in the quarter and 22.6% since the beginning of the year. This marked growth is attributable to several factors: rising net inflows (Pioneer Investments posted net inflows of €9.8 billion as against €3.5 billion in 2004), favourable market trends and the acquisition of US investment funds with assets worth US\$5.5 billion.

(€ million)

| | AMOUNTS AS AT | | CHANGE OVER 31.12.2004 | | AS AT 30.09.2005 | CHANGE OVER 30.09.2005 |
|--|----------------|----------------|------------------------|----------------|---------------------|---------------------------|
| | 31.12.2005 | 31.12.2004 | AMOUNT | PERCENT | | |
| Italy | 105,009 | 90,093 | + 14,916 | + 16.6% | 101,891 | + 3.1% |
| Investment Funds (direct sales) ¹ | 39,216 | 40,438 | - 1,222 | - 3.0% | 39,655 | - 1.1% |
| Segregated Accounts ² | 38,967 | 25,755 | + 13,212 | + 51.3% | 36,005 | + 8.2% |
| - in investment funds | 21,736 | 13,775 | + 7,961 | + 57.8% | 19,464 | + 11.7% |
| - others | 17,231 | 11,980 | + 5,251 | + 43.8% | 16,541 | + 4.2% |
| Insurance policies sold | 26,826 | 23,900 | + 2,926 | + 12.2% | 26,231 | + 2.3% |
| - unit linked | 22,143 | 18,899 | + 3,244 | + 17.2% | 21,446 | + 3.3% |
| - others | 4,683 | 5,001 | - 318 | - 6.4% | 4,785 | - 2.1% |
| United States | 32,981 | 25,026 | + 7,955 | + 31.8% | 32,623 | + 1.1% |
| Other international markets | 11,449 | 8,072 | + 3,377 | + 41.8% | 10,705 | + 7.0% |
| New Europe | 7,544 | 4,835 | + 2,709 | + 56.0% | 7,007 | + 7.7% |
| Total Assets under Management | 156,983 | 128,026 | + 28,957 | + 22.6% | 152,226 | + 3.1% |
| Memorandum: | | | | | | |
| Assets in mutual fund | 132,679 | 109,838 | + 22,841 | + 20.8% | 128,577 | + 3.2% |
| - Securities funds distributed in Italy ³ | 91,006 | 78,122 | + 12,884 | + 16.5% | 88,039 | + 3.4% |
| - other mutual funds | 41,673 | 31,716 | + 9,957 | + 31.4% | 40,538 | + 2.8% |

1. Includes funds underlying structured securities.

2. Segregated accounts do not include insurance-related savings. Amounts include liquidity and securities issued by UniCredit.

3. Assogestioni changed its criteria in 2005 (prior periods restated accordingly).

For an analysis of asset management performance, please see the comment on Pioneer, which managed almost all our assets under management, and specifically the section on the Private Banking and Asset Management Division. Here we will only point out a few trends most closely linked to the growth of commission income in individual asset management segments. More specifically:

- marked growth in asset management (up by 51.3% over end-2004), driven by placement of the Focus Invest product by the Retail and Private Banking Divisions;
- persistent strong increases in technical reserves by the life insurance sector (up by 12.2% in the 12 month period), and unit-linked business in particular (up by 17.2%), fuelled by the new business of the Group, equivalent to some €5 billion for the full year. New business market shares confirm the Group's leadership position in both the unit-linked sector (60% of the bancassurance market and 43% of the total market), and, to a lesser extent, overall (10.9% of the bancassurance market and 7.7% of the total market);
- a sharp rise (of 16.5% in the year) in the assets of Group funds (Assogestioni perimeter), with net inflows of €5.5 billion, driven by the excellent performance of funds and unit-linked products. The UniCredit group has thus become the second player in its domestic market, with a market share of 15.24%, up by two-thirds of a point since the start of the year (14.54% in December 2004). Overall, when also taking into account operations outside Italy, more than €132 billion worth of client assets are managed directly or indirectly through investment funds, equivalent to roughly 85% of the total, and up by 20.8% over end-2004.

OTHER INCOME ITEMS

Net trading, hedging and fair value income of €842 million was down by €136 million (or 13.9%) from 2004 mostly due to the different manner of accounting for changes in the fair value of the call option issued on Assicurazioni Generali stock and of the stake held in it, classified among assets available for sale. The substantial rise in price of the stock in question during the year in fact led to a loss in the fair value of the call option of roughly €114 million, which affects the profit and loss account for the year, while the revaluation of our shareholding, equivalent to €203 million in the twelve-month period, is temporarily entered to equity until the actual realisation. Overall, there was a capital gain on Generali stock of €330 million as at 31 December 2005.

The decrease in the trading, hedging and fair value result can also be explained by a contraction in the sale of derivatives to corporate clients and, to a lesser extent, by lower revenue from the bond structuring segment for retail clients. Revenue from the sale and trading of derivatives for institutional clients increased.

Other net income stood at €164 million, unchanged over 2004.

OPERATING EXPENSE

Operating costs were €6,045 million, up by 6% over 2004, but by only 4.6% at constant exchange rates. Cost performance was also affected by changes in the scope of consolidation, i.e. the entry of the Yapi ve Kredi Group from 1 October 2005 and the expansion of UBM's London branch, as well as costs linked to corporate bonuses. These were provided for in 2005, but will be paid in cash in 2006, instead of in shares as in 2004 (about €30 million). Additionally, it has been decided to make a one-off payment of €10 million to staff and the Cassa di Assistenza di Gruppo – the staff assistance fund, currently being set up and known as UniCA – on termination of the reorganisation of the Group. Excluding these payments, the increase in operating costs would be limited to 2.3%.

Payroll cost grew by 7.1%, but by 3.3% net of the mentioned extra payments. This normalised increase was due mainly to increased expense in connection with the bonus system and the impact of the renewal of the bank employees' national collective bargaining contract in Italy in 2005; these effects were only partly absorbed by an overall reduction in staff numbers since end-2004.

| NUMBER OF EMPLOYEES (EXCL. HVB) ¹ | | | | |
|--|---------------|---------------|---------------|----------------------|
| | 31.12.2005 | | 31.12.2004 | CHANGE EXCL. YAPI |
| | % OF TOTAL | | | |
| Retail | 23,565 | 33.0% | 24,302 | - 737 |
| Corporate and Investment Banking | 5,201 | 7.3% | 5,377 | - 176 |
| Private Banking and Asset Management | 3,499 | 4.9% | 3,626 | - 127 |
| New Europe | 32,264 | 45.1% | 28,619 | + 151 |
| Parent Companies and other subsidiaries | 6,941 | 9.7% | 6,705 | + 236 |
| Total | 71,470 | 100.0% | 68,629 | - 653 |

1. "Full time equivalent". KFS Group (including Yapi ve Kredi) is consolidated proportionally. Data as at 31 December 2004 do not include Yapi ve Kredi (3,494 full-time-equivalent employees as at 31 December 2005).

Other operating expenses were €2,325 million, up by 4.4% over 2004, but by only 0.8% net of exchange rate effects and changes to the scope of consolidation. In the category of administrative expenses there was significant increase in advertising expenses, compensation paid to external consultants and miscellaneous services provided by external suppliers, which on the whole accounted for nearly one half of the increase in miscellaneous costs and expenses. There was a rise in expenses related to premises, and in particular, rental expenses, which were partly due to the greater use of leased office space following the sale of several properties in 2004.

(€ million)

| OPERATING EXPENSES (EXCL. PAYROLL) | | | | |
|---|--------------|--------------|--------------|---------------|
| | YEAR | | CHANGE | |
| | 2005 | 2004 | AMOUNT | PERCENT. |
| External consultants | 166 | 159 | + 7 | + 4.4% |
| Advertising | 145 | 123 | + 22 | + 17.9% |
| Insurance | 49 | 46 | + 3 | + 6.5% |
| Security | 67 | 66 | + 1 | + 1.5% |
| Various services rendered by third parties | 271 | 256 | + 15 | + 5.9% |
| Expenses relating to premises | 408 | 369 | + 39 | + 10.6% |
| <i>Rentals</i> | 247 | 230 | + 17 | + 7.4% |
| <i>Maintenance and cleaning</i> | 84 | 71 | + 13 | + 18.3% |
| <i>Utilities</i> | 77 | 68 | + 9 | + 13.2% |
| Maintenance and lease rentals for furniture and equipment | 206 | 222 | - 16 | - 7.2% |
| Postal, telecom and office supplies | 267 | 277 | - 10 | - 3.6% |
| Travel expense including hire | 74 | 71 | + 3 | + 4.2% |
| Credit information and enquires | 25 | 23 | + 2 | + 8.7% |
| Other | 144 | 123 | + 21 | + 17.1% |
| Total Other Expenses | 1,822 | 1,735 | + 87 | + 5.0% |
| Indirect duties and taxes | 270 | 257 | + 13 | + 5.1% |
| Other administrative expenses | 2,092 | 1,992 | + 100 | + 5.0% |
| Recovery of expenses | -235 | -230 | - 5 | + 2.2% |
| Writedowns of intangible and tangible fixed assets | 468 | 466 | + 2 | + 0.4% |
| Total | 2,325 | 2,228 | + 97 | + 4.4% |

Net Profit

NET INCOME FROM INVESTMENTS

The growth in operating profit was boosted by growth in net income from investments, which benefited, in particular, from a capital gain of about €200 million on the sale of the equity investment in the "Serenissima" motorway (Autostrada Brescia-Verona-Vicenza-Padova S.p.A.). Overall net income from investments totalled €330 million at the end of 2005 compared to €127 million in 2004, and breaks down as follows:

| | YEAR | | CHANGE |
|------------------------|------------|------------|--------------|
| | 2005 | 2004 | |
| Equity investments | 235 | 19 | + 216 |
| Other financial assets | 25 | 11 | + 14 |
| Properties | 64 | 91 | - 27 |
| Other assets | 6 | 6 | - |
| Total | 330 | 127 | + 203 |

PROVISIONS FOR RISKS AND CHARGES

At the end of 2005, provisions for risks and charges totalled €154 million compared to €265 million in 2004. Over two-thirds of the provision for the year was attributable to the Retail and Corporate Divisions, due primarily to pending legal proceedings.

For a more detailed analysis of risks, see the Notes to the Accounts which report on valuation-related activities.

RESTRUCTURING COSTS

The merger with HVB was carried out partly under the assumption of achieving significant cost synergy on the basis of a reorganisation and rationalisation programme that would initially involve integration costs. When the necessary conditions were met, a portion of these costs was posted in 2005, especially in the area of human resources. Charges associated with the acquisition of HVB, which were posted in 2005 by companies that were a part of the Group prior to the acquisition, totalled €177 million. On the other hand, the charges posted by the HVB Group that affect the UniCredit profit and loss account totalled €403 million (€305 million after tax and minority interests) and had an impact on the item "HVB Group net profit after acquisition".

The profit and loss account for 2004 included early-retirement payments with a present value of €238 million, which were mainly tied to the 2004-2007 business plan. For the purposes of like-with-like reporting these charges were classified under this item of the summary profit and loss account.

WRITEDOWNS OF LOANS AND QUALITY OF LOANS TO CUSTOMERS

Net writedowns of loans totalled €910 million compared to €888 million for 2004 (up by 2.5%). The breakdown by Division shows an increase for the Retail Division, related inter alia to a marked growth in lending, and a reduction both in the Corporate Division, which had recorded a high volume of writedowns in the previous period in respect of several large exposures, and in New Europe, which benefited from a favourable economic situation and careful loan approval and risk control processes. Net writedowns as a percentage of total loans dropped from the 2004 level (from 0.64% to 0.57%).

(€ million)

| | 2005 | | 2004 | |
|----------------------------------|-------------|-------------------|-------------|-------------------|
| | AMOUNT | PERCENT. ON LOANS | AMOUNT | PERCENT. ON LOANS |
| Retail | -407 | 0.65% | -277 | 0.51% |
| Corporate and Investment banking | -411 | 0.57% | -484 | 0.74% |
| New Europe | -111 | 0.53% | -118 | 0.82% |
| Other companies | 19 | n.s. | -9 | n.s. |
| Total (excluding HVB) | -910 | 0.57% | -888 | 0.64% |

As regards changes in loan quality, in 2005 Banca d'Italia defined the new aggregate of impaired loans that included non-performing loans, doubtful loans and restructured loans as well as past due loans (i.e., by more than 180 days), which were previously included in performing loans, while non-guaranteed loans to countries at risk are not considered as impaired loans. In addition, in the first half of the year Banca d'Italia introduced new rules for classifying restructured loans including all new lines of credit disbursed to entities that already held restructured lines of credit. As a result, only non-performing loans and doubtful loans can be compared for the two periods.

At the end of December 2005, impaired loans to customers totalled €5,275 million at Carrying Value representing 3.29% of total loans to customers. The Carrying Value amount is the result of a face value of €11,237 million, equal to 6.71% of total loans at face value, and writedowns of €5,962 million, with a coverage ratio of 53.1%. In addition to these writedowns were those for performing loans in the amount of €1,105 million, equal to 0.71% of the corresponding gross loans.

(€ million)

| IMPAIRED LOANS TO CUSTOMERS | | | | | | |
|---------------------------------------|--------------------------------------|---------------------------|--------------|-------------------------------|---------------------------|---------------------------|
| | NON- PERFORMING LOANS | DOUBTFUL LOANS | TOTAL | RESTRUCTURED LOANS | PAST-DUE LOANS | IMPAIRED LOANS |
| As at 31.12.2005 excl. HVB | | | | | | |
| Face value | 7,147 | 2,605 | 9,752 | 491 | 994 | 11,237 |
| <i>as a percentage of total loans</i> | 4.27% | 1.55% | 5.82% | 0.29% | 0.59% | 6.71% |
| Writedowns | 4,929 | 824 | 5,753 | 72 | 137 | 5,962 |
| <i>as a percentage of face value</i> | 69.0% | 31.6% | 59.0% | 14.7% | 13.8% | 53.1% |
| Carrying Value | 2,218 | 1,781 | 3,999 | 419 | 857 | 5,275 |
| <i>as a percentage of total loans</i> | 1.38% | 1.11% | 2.49% | 0.26% | 0.53% | 3.29% |
| As at 01.01.2005 excl. HVB | | | | | | |
| Face value | 6,399 | 2,485 | 8,884 | 332 | - | 9,216 |
| <i>as a percentage of total loans</i> | 4.38% | 1.70% | 6.08% | 0.23% | - | 6.31% |
| Writedowns | 4,341 | 768 | 5,109 | 122 | - | 5,231 |
| <i>as a percentage of face value</i> | 67.8% | 30.9% | 57.5% | 36.7% | - | 56.8% |
| Carrying Value | 2,058 | 1,717 | 3,775 | 210 | - | 3,985 |
| <i>as a percentage of total loans</i> | 1.47% | 1.23% | 2.70% | 0.15% | - | 2.85% |

As can be seen from the table, the percentage of non-performing loans and doubtful loans to total loans dropped overall to 5.82% of face values and .49% of carrying value (6.08% and 2.70% respectively as of 1 January 2005). A decrease was recorded both in the percentage of non-performing loans (from 1.47% to 1.38% of carrying value) and of doubtful loans (from 1.23% to 1.11% of carrying value). In 2005 performing loans worth €1.8 billion were transferred to the non-performing and doubtful categories, with an increase of approximately 8% over 2004.

Finally, below is a breakdown of total non-performing and doubtful loans by Division, compared with the corresponding figures for 2004. The percentage of non-performing and doubtful loans over total loans decreased across all Divisions, both in face values and in carrying value. Only in the Retail Division was this percentage broadly unchanged in carrying value.

(€ million)

| NON-PERFORMING LOANS AND DOUBTFUL LOANS BY DIVISION - CUSTOMERS | | | | | | |
|--|---------------|---|-----------------------|--|----------------------------|-------------------------------|
| | RETAIL | CORPORATE AND INVESTMENT BANKING | NEW EUROPE | PARENT CO. AND OTHER SUBSIDIARIES | AGGREGATE TOTAL | CONSOLIDATED TOTAL |
| As at 31.12.2005 excl. HVB | | | | | | |
| Face value | 3,875 | 2,425 | 3,345 | 107 | 9,752 | 9,752 |
| <i>as a percentage of total loans</i> | 5.96% | 3.30% | 14.15% | 0.67% | 5.47% | 5.82% |
| Writedowns | 2,056 | 1,089 | 2,514 | 94 | 5,753 | 5,753 |
| <i>as a percentage of face value</i> | 53.1% | 44.9% | 75.2% | 87.9% | 59.0% | 59.0% |
| Carrying Value | 1,819 | 1,336 | 831 | 13 | 3,999 | 3,999 |
| <i>as a percentage of total loans</i> | 2.91% | 1.86% | 3.98% | 0.08% | 2.34% | 2.49% |
| As at 01.01.2005 | | | | | | |
| Face value | 3,435 | 2,499 | 2,814 | 136 | 8,884 | 8,884 |
| <i>as a percentage of total loans</i> | 6.04% | 3.70% | 17.01% | 0.87% | 5.67% | 6.08% |
| Writedowns | 1,862 | 1,155 | 1,990 | 102 | 5,109 | 5,109 |
| <i>as a percentage of face value</i> | 54.2% | 46.2% | 70.7% | 75.0% | 57.5% | 57.5% |
| Carrying Value | 1,573 | 1,344 | 824 | 34 | 3,775 | 3,775 |
| <i>as a percentage of total loans</i> | 2.88% | 2.05% | 5.73% | 0.22% | 2.51% | 2.70% |

PROFIT BEFORE TAX AND INCOME TAX

Profit before tax in 2005 were €4,068 million, an increase of 25.6% over the €3,238 million for 2004.

Income tax for the period (€1,396 million) was up by 39.7% over 2004 representing 34.3% of profit before tax, an increase over the 30.9% for 2004.

HVB GROUP NET PROFIT POST ACQUISITION

The profit and loss account of the HVB Group contributed to the consolidated profits of UniCredit as from the acquisition date with net profit before minority interests of €59 million, most of which was allocated to minority interests. This amount was affected by restructuring costs of €322 million after tax (€403 million before tax) which were tied to the merger with the UniCredit Group and primarily due to payroll costs (€336 million before tax). Net profit for the period included the capital gain from the sale of a portion of the equity investment in Munich Re in a net amount of €130.8 million.

NET PROFIT

Thus net profit totalled €2,731 million, an increase of 22% over 2004. All Divisions made a positive contribution to this increase which totalled €492 million. The increase in the contribution of the Parent Company and other companies (up by €116 million over December 2004) was mainly due to capital gains on equity investments, only partly offset by lower trading profits, while consolidation adjustments were down by €43 million essentially due, as noted above, to the impact of the higher placements of Parent Company bonds by the other Divisions.

| | YEAR | | | Q 4 | | |
|---------------------------------------|--------------|--------------|----------------|------------|------------|---------------|
| | 2005 | 2004 | CHANGE | 2005 | 2004 | CHANGE |
| | Retail | 609 | 495 | + 23.0% | 63 | 95 |
| Corporate and Investment Banking | 952 | 877 | + 8.6% | 182 | 175 | + 4.0% |
| Private Banking and Asset Management | 415 | 359 | + 15.6% | 107 | 126 | - 15.1% |
| New Europe | 655 | 540 | + 21.3% | 118 | 117 | + 0.9% |
| Parent Company and other subsidiaries | 159 | 43 | n.s. | -64 | 18 | n.s. |
| HVB Group after acquisition | 59 | - | - | 59 | - | - |
| Consolidation adjustments | -118 | -75 | n.s. | -12 | -75 | n.s. |
| Total | 2,731 | 2,239 | + 22.0% | 453 | 456 | - 0.7% |

The minority interest in profits at the end of December was €261 million, up €91 million compared to year-end 2004, due both to the increase in profits of the Pekao Group as well as the minority interest in HVB profits.

Thus net profit attributable to the Group was €2,470 million, up by 19.4% over the €2,069 million in 2004. Excluding the HVB transaction, HVB's contribution to profit, and restructuring costs incurred by UniCredit, net profit would have been €2,573 million.

Taking into account the 20.9% increase in average shareholders' equity in 2005, ROE was 15.6%, which was in line with 2004. Excluding the HVB transaction and taking into account the impact on shareholders' equity, ROE would be 19%, about 3.3 points higher than 2004. Part of the increase, which can be quantified at about one percentage point, was due to the introduction of IAS 39 in the calculation of shareholders' equity. The main impact on Group shareholders' equity of the first-time application of IAS 39 as at 1 January 2005 was, on the one hand, a reduction in reserves from discounting bad and doubtful debts (about €600 million) and, on the other hand, the creation of a positive reserve (about €1,150 million) for the valuation of available-for-sale financial assets and cash-flow hedging activities. The latter reserve is not taken into account in the calculation of ROE since the changes in fair value on the corresponding items posted in the assets are not recognised through profit or loss.

Earnings per share were 37 €-cents compared to 34 €-cents in 2004; the latter was restated on the basis of profit calculated under IFRS. Excluding the HVB transaction, earnings per share would have been 41 €-cents.

Reconciliation of the Parent Company's Shareholders' Equity and Net Profit to Consolidated Shareholders' Equity and Net Profit

(€ million)

| | SHAREHOLDERS' EQUITY | OF WHICH: NET PROFIT |
|--|-------------------------|-------------------------|
| Balance as at 31 Dec. 2005 as per UniCredit SpA Accounts (under Italian GAAP) | 29,538 | 2,257 |
| Reversal of dividend paid in 2005 | -3,725 | -2,165 |
| Reattribution of dividend received in 2005 | 1,789 | 1,789 |
| Other effects of IFRS adoption | 3,311 | -104 |
| Balance as at 31 December 2005 of UniCredit SpA Accounts (under IFRS) | 30,913 | 1,777 |
| Surplus over carrying values | 4,811 | 2,643 |
| - subsidiaries (consolidated) | 4,592 | 2,537 |
| - associates accounted for at net equity | 219 | 106 |
| Dividends received in the period by the Parent Company | -61 | -1,789 |
| Other reclassifications on consolidation | -460 | -161 |
| Balance as at 31 December 2005 attributable to the Group | 35,203 | 2,470 |
| Minorities | 3,903 | 261 |
| Balance as at 31 December 2005 (minorities included) | 39,106 | 2,731 |

Corporate Transactions in 2005

The 2005 financial year was characterised not only by our business combination with the HVB Group, but also by intense corporate reorganisation and growth by acquisition, consistent with our division and segment model, with the dual aim of consolidating and strengthening the Group's leadership in its various business sectors, and eliminating overlaps, while achieving greater synergy and cost reductions.

RETAIL DIVISION

CORPORATE REORGANISATION OF BANCA DELL'UMBRIA AND CASSA RISPARMIO CARPI

On 1 July 2005, to complete the process that has led, in recent years, to the reorganisation of the Group's Italian banks on the basis of a new *segment banks with national coverage* model, the corporate reorganisation of the businesses of Banca dell'Umbria 1462 S.p.A. and Cassa Risparmio Carpi S.p.A. was concluded. The plan was implemented by means of a merger by absorption of these subsidiaries into UniCredit, which assumed preliminary control from UniCredit Banca and simultaneously transferred their businesses to other Group companies in keeping with their respective business profiles (retail, corporate, private banking and real estate).

On 2 May 2005 an Extraordinary Shareholders' Meeting of UniCredito Italiano approved the merger plan and the necessary capital increase in the maximum amount of €22,489.50 by issuing 44,979 ordinary shares with a par value of €0.50 each, for the purpose of exchanging these shares for those of the absorbed companies held by minorities at the time of the merger, based on an exchange ratio of 1.03 ordinary UniCredit shares for each Banca dell'Umbria 1462 ordinary share and 5.48 ordinary UniCredit shares for each Cassa Risparmio Carpi ordinary preference share.

Integration of the two banks has made it possible to rationalise the banks' respective General Management and business management departments by eliminating duplicate positions and increasing the proportion of staff committed to branch business. Other operating cost savings are attributable to payroll cost-cutting, making indirect costs more efficient, optimising premises use, and managing purchasing and intra-group expenses.

CORPORATE AND INVESTMENT BANKING DIVISION

CORPORATE REORGANISATION OF UNICREDIT BANCA MEDIOCREDITO SPA

In June 2005 a plan to reorganise UniCredit Banca Mediocredito S.p.A. ("UBMC") was launched, in line with the bank's new mission to provide securities services, assigned to it with effect from 1 January 2006. Once full control of UBMC was attained following the acquisition of the 3.94% interest held by minorities, this corporate reorganisation was achieved by transferring UBMC's banking businesses and back-office and support activities to other companies in the Group in keeping with the businesses of the latter.

Specifically, UBMC's core business – medium-to-long term financing and special loans – was assigned to UniCredit Banca d'Impresa, while project finance was assigned to UniCredit Infrastrutture, a subsidiary created last July and wholly controlled by the Parent Company, which is to become the Group's project finance arm, thus putting to best use the capabilities already in place in UBMC.

This corporate reorganisation also entailed the transfer of UBMC's real estate business to UniCredit Real Estate, its IT sector to UniCredit Sistemi Informativi and its back office to UniCredit Produzioni Accentrate. UBMC's pension fund was transferred to UniCredit.

The reorganisation plan was carried out, on the one hand, by means of a split-off of UBMC's mentioned core businesses (Banking and Project Finance) respectively to UniCredit Banca d'Impresa and UniCredit Infrastrutture and, on the other, by sale of the remaining business areas and the pension fund to other Group companies according to their specialisation.

UBMC retained its banking licence and, following this reorganisation, is destined to become a bank specialising in securities services, as described below in the Global Banking Services section.

INVESTMENT BANKING IN CHINA

In September 2005, as part of the plan to gradually develop the Group's operations in the Chinese market, our subsidiary UniCredit Banca Mobiliare acquired, a controlling interest (51%) in a newly created corporate vehicle based in Hong Kong (UniCredit China Capital Ltd), which in turn holds full control of NewCo UniCredit Beijing Consultants Ltd domiciled in Beijing, from local partners possessing experience in M&A advisory. The local partners will retain a minority interest of 49%.

This initiative is part of a plan designed to effect the Group's entry into the corporate advisory business in China.

The newly acquired companies will offer financial advisory services both to Italian and foreign companies intending to expand their operations in China and also to Chinese companies wishing to expand abroad. The services offered will include advisory in the strict sense, excluding capital markets services such as IPOs, bond issues, or securities trading, for which a special licence is necessary.

In addition to these operations, advisory may also, at a later stage, be offered to Italian and international SMEs wishing to expand their operations in the PRC through commercial agreements with Chinese partners or by direct investment. In this case the services offered would be general advisory services for market-entry strategies, such as sector analyses, identification of potential partners/competitors, general information on the regulatory and tax framework, and management and administrative oversight.

NEW INITIATIVE IN THE LEASING SECTOR

As part of the plan to internationalise our leasing business, Locat SpA has set up ZAO Locat Leasing

Russia in the Russian Federation, held as to 51% by Locat itself, 25% by Simest SpA, 8% by Finest SpA and the remaining 16% by OAO Rosno, a Russian insurance company. This Italo-Russian mixed capital joint venture is an initiative that came into being at the prompting of the Ministry of Productive Activities. In October, Locat acquired 11% of the share capital of Locat Leasing Russia from the Russian partner, thus strengthening its controlling position in the company (62%), which has share capital of 107 million roubles (about €3,000,000) and will operate initially in the Moscow region, where it is based, and subsequently throughout the Russian Federation.

PRIVATE BANKING AND ASSET MANAGEMENT DIVISION

THE PIONEER GROUP

In January 2005, as part of its strategy for expansion in the US market, our subsidiary Pioneer Investment Management USA Inc. (PIM USA) acquired a 49% interest in the share capital of Oak Ridge Investments LLC, a company active in the separate managed accounts segment, for US\$17,200,000.

In addition, with the aim of developing new product offerings to customers, in December 2005 PIM USA entered into a Purchase Agreement for the acquisition of 100% of the share capital of Vanderbilt Capital Advisors LLC, an asset management company incorporated under the laws of the state of Delaware. This company is active primarily in the collateralised debt obligation and separate managed accounts businesses and manages assets worth US\$7.5 billion, primarily for institutional customers.

Acquisition of this company, which specialises in short-term fixed-income products and credit risk management, will enable PIM USA to offer a new class of products to its institutional and separate managed accounts clients, and to increase its ability to access a market complementary to the equities, which the subsidiary Oak Ridge is focused on. Access to the collateralised debt obligation market will enable the Pioneer group to develop a global presence in the credit risk segment under institutional mandates over several years (typical term 7 years). Closing of the transaction, subject to the required approvals, is expected in the first half of 2006.

Finally, on 1 January 2006 PIM USA created a new company under US law known as Pioneer Institutional Asset Management Inc, which will be dedicated to the provision of investor services to institutions and individual asset management clients.

As part of the process of rationalising Italian activities, the absorption of PIXel Investment Management SGRpA and UniCredit Private Asset Management SGRpA into Pioneer Investment Management SGRpA (PIM SGR), a Group company concentrating the business of collective and individual portfolio management for clients, became effective on 1 April 2005. The mutual funds promoted and managed by PIXel were merged into the comparable "UniCredit" Mutual Funds promoted and managed by PIM SGR at the same time.

OTHER BUSINESS UNITS

With the objective of simplifying the Group's structure and obtaining economic and operational benefits, the following transactions were completed:

- Absorption into UniCredit Private Banking, effective 30 June 2005, of its direct subsidiary UniCredit Private Wealth Advisory Srl, whose object was the provision of legal, tax, financial, real estate and corporate assistance and advisory primarily to the Division's customers. The absorption is consistent with the new organisational model of the segment bank, with the objective of providing an integrated service to customers, which removed the need for an autonomous advisory structure.
- Integration into UniCredit, effective 1 May 2005, of Sviluppo Finanziaria SpA and of FIDA Sim SpA, a dormant company following transfer of their interests/assets to other companies in the Private Banking and Asset Management Division.

UNICREDIT LUXEMBOURG FINANCE SA

In April 2005, as part of the Group's financial strategy to diversify sources of income and expand the base of institutional investors, UniCredit Luxembourg Finance SA, a financial company under Luxembourg law, was created through UniCredit International Bank Luxembourg; it will issue both senior and subordinated debt on the US market, in addition to other medium- and long-term debt instruments.

UNICREDIT (SUISSE) TRUST SA

In May 2005, UniCredit (Suisse) Trust SA, a Swiss trust company, was set up through UniCredit (Suisse) Bank. The aim of this initiative is to satisfy the Swiss market's strong demand for services that are collateral to pure banking services, such as the assumption and performance of trust mandates for the incorporation and management of Swiss and foreign legal entities, as well as advice on tax, civil law and structured finance matters. These activities had until now been outsourced by UniCredit (Suisse) Bank. The use of a trust company closely related to the bank guarantees greater customer protection in terms of privacy, which increases loyalty. The newly incorporated company is in a position to satisfy the requirements of private banking, corporate and CEE clients.

ASSET GATHERING

On 13 September 2005, UniCredit's Board of Directors resolved to reorganise its business in the asset gathering area, with the aim of concentrating the business skills and operating model of the distribution entities - UniCredit Private Banking S.p.A. (UPB) and UniCredit Xelion Banca S.p.A. (Xelion) - in order to increase their competitive edge by leveraging existing and potential synergy within the Division.

Four areas have been identified where there is industrial synergy arising from:

- alignment on a common operational and IT platform;
- centralisation of some middle office functions and concentration of certain corporate centre functions;
- centralisation of financial intelligence, essential for ensuring maximum rigour and consistency in the methods used within the Division;

- access by Xelion clients to UPB private banking services (such as tax, real estate and trust advisory).

Feasibility studies have been started as the first stage of execution of this plan.

NEW EUROPE DIVISION

YAPI VE KREDI BANKASI

In September 2005, as part of its expansion strategy in CEE countries, the Group strengthened its presence in Turkey by acquiring a controlling interest (57.42%) in Yapi ve Kredi Bankasi A.S. ("YKB") from the Cukurova group (44.53%) and the National Deposit Insurance Fund (12.89%) through KFS (a joint venture held equally by UniCredit and Koç Holding); directly and indirectly, Koçbank holds 58.22% of the share capital of YKB overall. The acquisition was made directly by Koçbank, which is 99.9% owned by KFS, for a price equivalent to €1.182 billion.

Following conclusion of the transaction and approval of the bid price by the Capital Markets Board (the Turkish supervisory authority for listed companies), Koçbank put out a mandatory tender for purchase on behalf of YKB's minority shareholders. The price per share offered, in cash, by Koçbank for every YKB share was YTL6.50, equivalent to US\$4.8476 at a YTL/US\$ exchange rate of 1.34085 (used for acquisition of the controlling interest in YKB by Koçbank). In addition to this price, Koçbank agreed to pay earnings out to the YKB shareholders who accepted the offer, once certain conditions detailed in the tender document had been verified. The tender was launched on 23 February 2006 for a period of 15 days, until 9 March 2006. At the end of the period for acceptance, tender acceptances were equal to 37,331.41 YKB shares, or 0.005% of the bank's share capital, giving an overall cost of close to €152,000 (at the exchange rate current at the time of the transaction). Following the tender, there were no substantial changes in the interest held directly and indirectly by Koçbank in YKB share capital.

In addition, in January and February of 2006, following approval by the Capital Markets Board, Koçbank put out mandatory tenders for purchase of YKB's listed subsidiaries (Yapi Kredi Sigorta AS, Yapi Kredi Finansal Kiralama AO, Yapi Kredi Yatirim Ortakligi AS and Yapi Kredi Koray Gayrimenkul Yatirim Ortakligi AS), which expired with no acceptances.

Following the mandatory tender for the minority shareholdings in YKB, KFS plans to start the process for merging Koçbank and YKB. The entity resulting from the merger would be a major player in the Turkish banking market, with total assets of close to €23 billion. It would operate through a network of over 570 branches with close to 14,000 employees, and would be present in all segments of banking and financial services.

CROATIA AND BOSNIA HERZEGOVINA

In June 2005 our subsidiary Zagrebacka Banka (Croatia) acquired the Croatian bank Dresdner Bank Croatia d.d. ("DBC"), held as to 100% by Dresdner Bank AG Frankfurt, for a price of close to Hrk 96

million (about €13 million). At 31 December 2004 DBC had total assets of Hrk 117 million (about €16 million) and shareholders' equity of Hrk 100 million (about €14 million). At the end of June DBC was merged into Zagrebacka Banka.

NEW INITIATIVES IN BULGARIA

Our growth strategy in Bulgaria has led us to assess two initiatives in sectors undergoing strong expansion: factoring and consumer credit. For the former, market forecasts estimate that the aggregate value (volume) of factoring transactions for the entire Bulgarian market will equal BGN750 million (about €383 million) in 2007. The latter has experienced considerable growth and high profitability in recent years. In particular, the initiatives undertaken concern:

- the creation of a joint stock company under Bulgarian law with share capital equal to BGN 1 million owned outright by our subsidiary Bulbank AD. The company's business will focus primarily on with-recourse factoring, with an initial focus on credits originating from domestic transactions, with the option, however, of undertaking non-domestic transactions if the case should arise. Without-recourse transactions are not planned before 2008, when market conditions and the experience acquired by the company will allow them to be made. Based on the business plan, the company is expected to gain a market share of 16% in 2007.
- the incorporation of a new consumer credit company with an interest of 50.1% held by UniCredit Clarima Banca S.p.A. and the remaining 49.9% by Bulbank AD, based in Sofia and operating throughout Bulgaria. The NewCo's business will concentrate primarily on consumer loans, with an initial focus on finance for the purchase of durable consumer goods (largely excluding cars, since leasing companies dominate the vehicle segment) and subsequent development of personal loans and revolving cards. The 2006-2014 business plan foresees the attainment of a market share of 5% of total consumer lending (14% of the finance provided by specialised companies alone).

GLOBAL BANKING SERVICES DIVISION

REORGANISATION OF SECURITIES SERVICES

In 2005 a plan was launched to centralise our securities services business, then carried on by UniCredit and other Group companies. Our aim was to simplify the Group's business portfolio and raise the level of service offered to institutional customers, at the same time improving protection against operational risk and increasing efficiency with a view to optimising costs. As noted in the Corporate and Investment Banking section above, the corporate vehicle identified is UniCredit Banca Mediocredito (UBMC). Once the reorganisation of UBMC's activities is completed, an operational reconfiguration is planned to transform UBMC into a bank specialising in securities services, under the new name 2S Banca, inter alia with a view to possible future deconsolidation of the securities services business.

To this end, effective 1 January 2006, i.e. immediately following the effectiveness date of the split-off and sale of UBMC's former businesses, UniCredit's Global Investor Services business unit was transferred to 2S Banca and UPA's administrative and back-office securities services business unit was sold to 2S Banca at the same time, as was PIM SGR's fund administration business.

In parallel with the reorganisation project, some research and inquiries were carried out on the business of certain leading firms (with whom we had had preliminary contacts when identifying the best strategic alternative for our Group). The decision to sell our securities services business was taken in light of the fact that UniCredit – while undoubtedly playing a significant role in the Italian market – was overshadowed in the global competitive environment by numerous well integrated and specialised players, precisely on account of the relative size of its domestic market. Moreover, the Group took the view that profit margins in this business will narrow drastically over time: institutional clients are expected to intensify their downward pressure on pricing; the business involves ever-increasing organisational complexity; and the small number of truly global players will exert greater competitive pressure.

UniCredit's objective was to maximise its capital gain and at the same time ensure maximum transparency in the disposal process. To this end the Group structured and then ran an auction in 2005, at the end of which the interested parties presented binding offers. Société Générale Group's offer was the one chosen as being the most satisfactory in financial terms, with the best conditions for the provision of securities services to UniCredit and the Group, and the closest to the terms and conditions laid down by UniCredit during the auction itself.

OTHER TRANSACTIONS INVOLVING SUBSIDIARIES AND ASSOCIATES

REAL ESTATE SECTOR

Cordusio Immobiliare, having transferred its business to Modus Srl (in which the Group currently holds an interest of 16.36%) in late 2004, comprising primarily real estate assets deemed non-strategic for the Group, proved to have substantially served its corporate purpose. Cordusio Immobiliare held some residual non-strategic properties, which were intended to be sold, and some other properties that after further analysis were considered strategic, as being used in the Group's business.

For this reason, with the aim of streamlining the management of all the strategic real estate assets owned by the Group and increasing the levels of efficiency and profitability, not least by obtaining synergy on the costs front, in February 2005 the process was begun of merging Cordusio Immobiliare into UniCredit Real Estate S.p.A. (a company wholly owned by the Parent Company, which manages the Group's strategic assets). The merger was concluded and became effective on 30 June 2005.

INTERNAL AUDIT

With a view to internationalising internal auditing and with the prospect of expanding the operations of the subsidiary UniCredit Audit to other countries, in December 2005 a new company was incorporated under Irish law, based in Dublin, known as UniCredit Audit (Ireland) Ltd, fully owned by UniCredit Audit.

The newly incorporated company, which handles the audit activities of the Group's other Irish companies, may expand its activities in the future to Group companies in other European countries (with similar legal and regulatory environments) which do not have sufficient critical mass to justify a permanent audit structure on site.

IMMOBILIARE LOMBARDA SPA

In September 2005 Immobiliare Lombarda, in which the Group has an interest of 22.32% of share capital, approved a merger with Progestim SpA (Gruppo Fondiaria SAI), which provides for the latter's absorption into Immobiliare Lombarda, with the aim of best exploiting its real estate assets. Immobiliare Lombarda at the same time resolved on an overall capital increase of €128 million (of which €3 million to be contributed by the Parent Company and €18.3 million by UniCredit Banca d'Impresa). Upon completion of this transaction, the Group's interest in Immobiliare Lombarda was reduced to 9.01% of share capital.

ISSUANCE OF A HYBRID CAPITAL INSTRUMENT

On 5 October 2005, through trusts based in the state of Delaware, UniCredit launched a multi-tranche Tier 1 bond issue (included in the innovative Capital Instruments category). The instrument comprises a euro tranche of €750 million and a sterling tranche of £300 million, for an overall total equivalent to about €1.2 billion. The term of the two issues is indefinite and they are redeemable by the issuer from the end of the tenth year, and pay a fixed interest rate equal to 4.028% for the euro tranche and 5.396% for the sterling tranche, respectively, for the first ten years. Both are issued at par. After the first ten years the instruments will pay variable-rate quarterly interest pegged to Euribor and sterling Libor, respectively. The two new instruments have also been listed on the Irish Stock Exchange in Dublin.

COMMERCIAL UNION VITA

In January 2005 UniCredit Banca provided its share (€122.5 billion) of Commercial Union Vita's €250 million capital increase (inclusive of an €83 million issue premium), which is intended to endow the parent with the financial means necessary for making additional investments in the banks in the Banche Popolari Unite group, in connection with the banking and insurance project between the Commercial Union Vita and the BPU group. Following these additional investments, Commercial Union Vita holds an interest equal to 16.64% of the share capital of Banca Popolare Commercio e Industria Srl and an interest equal to 14.15% of the share capital of Banca Carime SpA.

THE FIAT CONVERTENDO BOND

In September 2005 the €3 billion financing provided to FIAT Spa (the FIAT convertendo bond) in 2002 by a banking syndicate including UniCredito Italiano (which sub-participated €625 million to UniCredit Banca d'Impresa), fell due.

On maturity of the convertendo bond the banks underwrote a capital increase of €3 billion, which they paid up by offsetting their credit towards FIAT.

UniCredit Banca d'Impresa underwrote 60.6 million ordinary FIAT shares i.e. 5.55% of the ordinary share capital, paid by offsetting its €625 million credit and recognised in the Accounts in the amount of €445 million, i.e. at the official market price for the stock on 20 September 2005 (the date on which the participating share was underwritten).

OLIMPIA

Following Olimpia Spa's capital increase of €2 billion,- a transaction that forms part of the Telecom

Group's reorganisation plan – which was concluded in 2005 and which the Parent Company did not take part in, our interest was reduced to 4.77% (formerly 8.4%).

This dilution of the interest has no effect on UniCredit's investment, since the agreements signed with the Pirelli group provide, among other things, for clauses safeguarding the entire amount invested (€585 million).

DIVESTMENT OF HOLDINGS

As described in the Parent Company's annual report, the divestment of equity investments considered no longer strategic continued: of these the most significant was our 20.3% interest in the Serenissima motorway. In December 2005 UniCredit entered into an agreement with Banca Popolare dell'Emilia Romagna to sell to the latter our interests in certain savings banks located in the Province of Cuneo, viz. Cassa di Risparmio di Bra, Cassa di Risparmio di Fossano, Cassa di Risparmio di Saluzzo and Cassa di Risparmio di Savigliano. Conclusion of the sale is subject to BPEM obtaining the Italian regulators' approval.

Divisional Operations and Results

In order to present Divisional data, subsidiaries' results have been summarised on the basis of the Divisional model valid until Novembre 2005.

Divisional figures (except those involving the New Europe Division) are restated so as to reflect the effects of the absorption of Banca dell'Umbria and Cassa Risparmio Carpi, which are included in the Retail Division, by UniCredito Italiano SpA, and of the transfer of the related business activities to UniCredit Banca, UniCredit Banca d'Impresa, UniCredit Private Banking and UniCredit Real Estate.

For a detailed Divisional breakdown, please refer to the Scope of Consolidation Section.

(€ million)

| DIVISIONAL HIGHLIGHTS | | | | | | | |
|--|--------|---|---|---------------|--|------------------------------|--------------------------------|
| | RETAIL | CORPORATE AND INVESTMENT BANKING | PRIVATE BANKING AND ASSET MANAGEMENT | NEW EUROPE | PARENT COMPANY AND OTHER SUBSIDIARIES | CONSOLIDATION ADJUSTMENTS | CONSOLIDATED GROUP TOTAL |
| TOTAL REVENUES | | | | | | | |
| 2005 | 4,391 | 3,079 | 1,376 | 2,126 | 321 | -269 | 11,024 |
| 2004 | 4,046 | 2,959 | 1,189 | 1,774 | 419 | -184 | 10,203 |
| Operating expense | | | | | | | |
| 2005 | -2,750 | -971 | -796 | -1,198 | -423 | 93 | -6,045 |
| 2004 | -2,722 | -933 | -743 | -998 | -382 | 77 | -5,701 |
| OPERATING PROFIT | | | | | | | |
| 2005 | 1,641 | 2,108 | 580 | 928 | -102 | -176 | 4,979 |
| 2004 | 1,324 | 2,026 | 446 | 776 | 37 | -107 | 4,502 |
| Adjustments, provisions and income from investments | | | | | | | |
| 2005 | -543 | -493 | -28 | -63 | 211 | 5 | -911 |
| 2004 | -473 | -577 | -34 | -123 | -56 | -1 | -1,264 |
| Income tax for the year | | | | | | | |
| 2005 | -489 | -663 | -137 | -210 | 50 | 53 | -1,396 |
| 2004 | -356 | -572 | -53 | -113 | 62 | 33 | -999 |
| NET PROFIT (EXCLUDING HVB) | | | | | | | |
| 2005 | 609 | 952 | 415 | 655 | 159 | -118 | 2,672 |
| 2004 | 495 | 877 | 359 | 540 | 43 | -75 | 2,239 |
| Cost/income ratio (%) | | | | | | | |
| 2005 | 62.6 | 31.5 | 57.8 | 56.3 | n.s. | n.s. | 54.8 |
| 2004 | 67.3 | 31.5 | 62.5 | 56.3 | n.s. | n.s. | 55.9 |

Note: The Divisional Profit and Loss Account is made up of the results of the Group companies in each Division, net of pertinent adjustments and infradivisional transactions. Other net income of the Parent Company and Other Subsidiaries, mainly represented by expenses claimed back from other Group companies, is deducted from operating expense. Operating expense does not include restructuring costs.

Retail Division

The Retail Division expanded its activities in line with its mission – to consolidate its role as a key partner for households and small businesses, by focusing on quality of service, customer loyalty and personalisation of the customer relationship. Alongside UniCredit Banca (“UCB”), the pursuit of these objectives is shared by the specialist banks of the Division, namely UniCredit Clarima Banca (“Clarima”), our consumer credit and credit card arm, and UniCredit Banca per la Casa (“Banca per la Casa”), which specialises in residential mortgages.

As noted in the introduction, 2004 figures have been restated to take account of the effects of the corporate reorganisation of Banca dell’Umbria and Cassa Risparmio Carpi.

THE DIVISION’S ACTIVITIES

(€ million)

| RETAIL DIVISION | AMOUNTS AS AT | | | CHANGE OVER | |
|---|----------------|----------------|----------------|---------------|----------------|
| | 31.12.2005 | 30.09.2005 | 01.01.2005 | 30.09.2005 | 01.01.2005 |
| Loans and Receivables with Customers | 62,572 | 59,989 | 54,648 | + 4.3% | + 14.5% |
| Direct and Indirect Deposits | 190,533 | 184,878 | 173,317 | + 3.1% | + 9.9% |
| Direct deposits ¹ | 77,954 | 72,521 | 68,027 | + 7.5% | + 14.6% |
| Indirect deposits | 112,579 | 112,357 | 105,290 | + 0.2% | + 6.9% |
| <i>In administration</i> | 51,941 | 53,396 | 52,121 | - 2.7% | - 0.3% |
| <i>Under management</i> | 60,638 | 58,961 | 53,169 | + 2.8% | + 14.0% |

1. Includes subordinated debt.

LOANS TO CUSTOMERS

Loans to customers by the Retail Division showed an increase of 14.5% over 2004, rising to € 62,572 million, driven chiefly by medium- to long-term loans. This trend is reflected in an increase in market share of approximately 0.25% both for total loans – up from 4.95% in December 2004 to 5.18% at the end of 2005 – and for the medium- to long-term component (up from 6.62% at the end of 2004 to 6.81% at the end of 2005). The data is homogeneous between the various periods and therefore does not include the securitisation of residential mortgages carried out in 2005.

The component which contributed most to the rise in lending was personal loans, which showed an increase of approximately €6 billion (or 18.3%) over the twelve months due to new loans of over €9 billion during the year. The buoyancy of the property sector drove up demand during the course of the year, thanks to further containment of the cost of borrowing and the continuation of tax breaks for building renovation, as well as the development of new products and channels and improvements to the efficiency and quality of our service.

The latter is an aspect in which Banca per la Casa has excelled. Its new brand aimed at emphasising its strong identity as a specialist bank and conveying its own distinctive values to the market: professionalism and specific expertise in the mortgage business; product and process innovation; centrality of the customer and sensitivity to her/his needs; accountability and reliability.

During 2005, its product range was enhanced by the addition of home and family insurance cover, as well as insurance for current accounts and credit cards, particularly 'revolving' cards.

Banca per la Casa closed 2005 with a total of €2,874 million of new lending, bringing the gross figure of outstanding mortgages to €11,733 million, representing a total of more than 135,000 loans and over 226,000 customers.

As at 31 December 2005, Banca per la Casa had 354 employees, 34 fixed-term contract workers, 6 staff members seconded from other companies of the Group, 15 branches across the country, a Customer Relations Centre, its own network of 106 financial consultants, and a website which also serves as a distribution channel in its own right.

To complete the distinctive 'multichannel' nature of its distribution strategy, Banca per la Casa is the key partner – with 89 agreements, up from 54 at the end of 2004, 42 new agreements signed in 2005 – for organised distribution networks, banks, insurance companies, stockbrokers and estate agents.

With a broad and flexible range of services, Banca per la Casa is capable of satisfying all of its customers' needs with solutions for all aspects of buying and renovating a home, offering mortgages of up to 40 years and loan-to-value of up to 100%. During the course of the year, the range was renewed both by restyling certain products and by launching new mortgage types and an entirely new range of products offered via Internet.

The consumer credit sector also made a positive contribution to the evolution of the Division's lending, principally in personal loans but also in plastic cards (including both debit cards and revolving cards): at the end of 2005 lending totalled €3.7 billion, with strong growth over the year (approximately €1bn in absolute terms), partly driven by sales campaigns focusing on the growing preference for this type of finance. The Division's production in 2005 included new personal loans to a total value of €1.9 billion (€1.4bn via the UCB network, and the remainder via Clarima branches) and more than 433,000 new cards issued – approximately 300,000 of these being of the revolving type – via Clarima and the distribution network of UCB.

In 2005 Clarima continued to develop its range of finance products to complete its product portfolio while pursuing, as in previous years, its marketing policy of making use of a multiplicity of distribution channels.

Collaboration with UCB's commercial network continued, through constant enhancement of products already launched successfully during 2004. Our *Creditexpress* personal loan continued to find clear favour with customers, enabling achievement of a high level of total credit granted (about €1.4

billion, up by 21% over 2004). A similar success story was witnessed in the distribution of credit cards: in addition to the continuing success of the UniCredit Plus revolving card - as demonstrated by the issuance of approximately 283,000 new cards during 2005 (up by 17% over 2004) - there was the distribution of a new 'gold' credit card to prime customers, approximately 50,000 cards being issued in the last quarter of 2005. Finally, there was the conclusion of an agreement with Banca per la Casa for the distribution of revolving cards to customers with mortgages: the full effects of this agreement will be seen during 2006.

With regard to non-captive distribution channels (i.e. outside the UCB network), there was a further increase in the number of branches dedicated to the placement of consumer credit products: at the end of 2005, the network comprised 11 operational branches and more than 6,000 participating traders, who over the year produced a sharp rise in the volume of credit granted (€315 million, up by 200% over 2004) in all the various consumer credit sectors (car-related, non-car, etc.); this confirms the sustainability of the strategy pursued by Clarima, which aims to become one of the principal players in this sector within a few years.

With a view to diversifying and enriching Clarima's product portfolio, particular emphasis was placed on the relaunch of 'cessione del quinto' loans (i.e. loans collateralised by a charge on one-fifth of an employee's salary), through the conclusion of new distribution agreements with financial companies specialising in the placement of this product: this effort, despite a sharp rise in competition in this sector, produced a substantial result in terms of total credit granted (€110 million, up by 60% over 2004).

Development of the distribution channel through partnership agreements with leading commercial companies was also pursued: during 2005 collaboration continued with some partners already acquired in the past (TIM, Allianz, Panorama, Lufthansa, Sara Assicurazioni), and new agreements were concluded with other well-known companies operating in various economic sectors (the agreement with Fiat Auto being of particular importance).

Overall, marketing through the various channels made it possible to achieve an annual total of €3 billion in new loans and approximately 610,000 new customers, including 135,000 with personal loans, 37,000 with targeted credit products, 6,000 with 'cessione del quinto' loans and 432,000 with new credit cards issued in 2005. At the end of the year there were 900,000 credit cards in circulation (of which over 57% were of the revolving type); in 2005 these cards originated approximately 11 million transactions with an overall value of €1.1 billion (up by 30% over 2004).

Over the year, the policy of recruiting qualified personnel for Clarima's various business areas was continued: as at 31 December 2005 its total workforce stood at 396 employees, of whom 124 work in the commercial network and 272 in head office departments. Worthy of note is the strengthening of the departments dedicated to credit risk management (issuing, monitoring and recovery of credit).

ASSET QUALITY ²

Total non-performing and doubtful loans – which is the only figure that is comparable with 2004, following regulatory changes – grew broadly at the same rate as total loans in 2005. Thus the bad debt ratio (i.e., bad and doubtful debts to total loans) was virtually unchanged at 2.91% as against 2.88% at end-2004. It was the result of an increase in non-performing loans – the amount as well as the percentage of the total – and a drop in doubtful loans. This change in the proportions of bad and doubtful debts was inter alia due to transfer of previous doubtful loans to the non-performing category, as classification terms had expired.

(€ million)

| RETAIL DIVISION | 31.12.2005 | | 01.01.2005 | |
|--|----------------|-----------------------|----------------|-----------------------|
| | CARRYING VALUE | PERCENTAGE OVER TOTAL | CARRYING VALUE | PERCENTAGE OVER TOTAL |
| Non-performing loans | 990 | 1.58% | 737 | 1.35% |
| Doubtful loans | 829 | 1.32% | 836 | 1.53% |
| Non-performing and doubtful loans | 1,819 | 2.91% | 1,573 | 2.88% |
| Restructured and past-due loans | 516 | 0.82% | - | 0.00% |
| Total impaired loans | 2,335 | 3.73% | 1,573 | 2.88% |
| Performing loans | 60,237 | 96.27% | 53,075 | 97.12% |
| Total loans to customers | 62,572 | 100.00% | 54,648 | 100.00% |

CUSTOMER DEPOSITS

Total customer deposits, i.e. the aggregate of direct and indirect deposits, were €190.5 billion at the end of 2005, representing an increase of 9.9% over end-2004. Approximately 58% of the €17.2 billion increase in absolute terms, is attributable to direct deposits and the remainder to indirect deposits (assets under management and in administration). In detail, total direct deposits showed an increase of 14.6% for the year, while indirect deposits recorded an overall rise of 6.9% over end-2004, thanks to a 14% increase in assets under management.

Total direct deposits amounted to €78 billion, supported by bond issues of 8.3 billion during the year, with a €4 billion increase in stock over 2004.

Assets in administration, including securities deposited by customers for custody and administration, but excluding assets under management and mutual fund units purchased, amounted to €51.9 billion

2. The new rules regarding asset reporting, which were introduced in regulatory provisions that came into effect in 2005, call for the elimination of the category of loans "subject to restructuring" (and the inclusion under bad and doubtful debts of all loan exposure to customers that have even a single transaction being restructured) and the introduction of a new aggregate called "past due", which includes "loans that are more than 180 days past due." All customer loans which continuously exceed the due date for a period of over 180 days are to be reported in this category. As at 31 December 2004, past-due loans were included in performing loans.

at end-2005 (about 46% of the total indirect deposits), in line with end-2004. Other issuers' bonds to the value of about €4.2 billion were placed during the year.

Assets under management (asset management accounts, mutual funds sold and bancassurance products) amounted to €60.6 billion at the end of the year (54% of the total indirect deposits), up by €7.5 billion compared with the end of 2004. Analysis of the evolution of assets under management points up, in particular, the efforts made by the commercial network on asset management accounts, which were worth €15.3 billion at the end of 2005 (up by 79% over end-2004), thanks to a net inflow of over €6.6 billion from the Focus Invest product; and on bancassurance (policies and products with single or recurring premiums), the stock of which was at €21.6 billion end-2005, with an increase of approximately €2.7 billion (or 14%) over the twelve months.

SALES CHANNELS

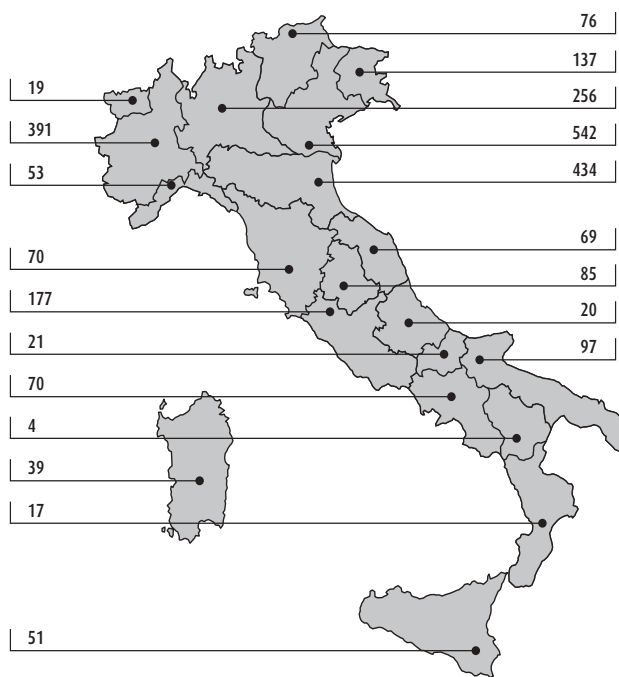
BRANCH NETWORK

Reorganisation of the branch network continued in 2005, particularly that of UCB, on the basis of two guiding principles:

- **Implementation of the Industrial Plan objectives to transform and expand the network.** Criteria were established for the definition of 2006-2007 closures on completion of the Industrial Plan, and the relevant analyses were carried out, focusing not only on the residual overlaps between branches, but also on the selection on a cost/income basis of the branches targeted for possible closure. Altogether, 13 branches were specialised in 2005, and criteria were established for the identification of further branches to be specialised.
- **Drawing up and implementing the network optimisation plan.** The cost/income analyses carried out on each branch revealed areas of inefficiency, which were further examined with regard to profitability; the profit-and-loss accounts of those branches showing marginal profitability were then examined and possible changes were modelled and shared with the Regional Managements concerned. These models were used to identify ways of ensuring customer satisfaction and tools for promoting employee satisfaction; mechanisms for monitoring sales results were also put in place.

At 31 December 2005, the Division had 2,628 branches; this is 114 fewer than in December 2004, 17 new branches having been opened and 131 closed.

RETAIL DIVISION BRANCH NETWORK



| REGION | UNICREDIT BANCA | BANCA PER LA CASA | UNICREDIT CLARIMA BANCA | TOTAL RETAIL |
|-----------------------|-----------------|-------------------|-------------------------|--------------|
| VENETO | 541 | 1 | - | 542 |
| EMILIA-ROMAGNA | 432 | 1 | 1 | 434 |
| PIEDMONT | 389 | 1 | 1 | 391 |
| LOMBARDY | 251 | 4 | 1 | 256 |
| LATIUM | 173 | 3 | 1 | 177 |
| FRIULI-VENEZIA GIULIA | 137 | - | - | 137 |
| APULIA | 95 | 1 | 1 | 97 |
| UMBRIA | 85 | - | - | 85 |
| TRENTINO-ALTO ADIGE | 76 | - | - | 76 |
| TUSCANY | 68 | 1 | 1 | 70 |
| CAMPANIA | 68 | 1 | 1 | 70 |
| MARCHES | 69 | - | - | 69 |
| LIGURIA | 52 | 1 | - | 53 |
| SICILY | 48 | 1 | 2 | 51 |
| SARDINIA | 38 | - | 1 | 39 |
| MOLISE | 21 | - | - | 21 |
| ABRUZZO | 20 | - | - | 20 |
| VAL D'AOSTA | 19 | - | - | 19 |
| CALABRIA | 16 | - | 1 | 17 |
| BASILICATA | 4 | - | - | 4 |
| TOTAL | 2,602 | 15 | 11 | 2,628 |

CALL CENTRE

The number of customers using telephone banking services reached 864,000 at the end of 2005 (up by 35% over 2004).

Inbound activity (incoming calls to the bank) consisted of 3,781,000 calls (up by 21%) to the automatic answering system and 1,268,000 to operators (up by 6%). 91% of the operator telephone traffic related to pre- and after-sale services; the number of transactions carried out on accounts was 107,000. During 2005 there was a pick-up in securities activity: 73,000 transactions (up by 10%) were executed; however, the number of other transactions on accounts remained essentially unchanged. The activities of the Internet help desk involved a total of 212,000 calls (up by 49%), a sign of the growing interest in this channel, which is constantly being enhanced with new functionalities. More than 24,500 e-mail messages were handled.

With regard to Outbound activity (initiated by the Bank, with outgoing calls), 28 campaigns were carried out in 2005, involving 1,083,000 calls. There were 12 telemarketing campaigns, involving 577,000 calls; and 16 customer retention and survey or questionnaire campaigns, involving 506,000 calls.

The rise in operator telephone traffic was handled without any increase in human resources, thanks to the improved efficiency obtained through the training of the operators in order to improve their skills and ability to act in many areas simultaneously.

INTERNET BANKING

The number of UniCredit Banca customers using the *Banca Multicanale* service reached 1.1 million at the end of 2005, representing an increase of 43% over the year, with 1.2 million accounts enabled.

In particular:

- The number of private customers rose by 43% to 910,630.
- The number of small business customers rose by 41% to 187,398.
- The number of customers using the *Banca Multicanale* service represented 60% of the total number of users.

The attention we devoted to the Internet channel made UCB one of the market penetration leaders among online finance websites, with over 1.5 million site visitors per quarter.

The evolution of the service during 2005 focused on security and on the migration of customers from traditional channels to the newly-developed ones. Customers' needs were satisfied by constant updating of the UCB website and by the introduction of new functionalities including:

- *UniCredit Pass*: a real innovation in online security. The new authentication technology enables UniCredit Banca customers to carry out online banking operations with maximum safety and simplicity.
- *BANKPASS Bollette*: among other things, makes it possible to pay RAI television licence fees and AEM electricity bills via the Internet.

- The new Online Documents service makes it possible to consult securities trades records and corporate transactions in electronic format, with the advantage of being able to retrieve the documentation quickly and easily.
- Payment of Italian tax (ICI, Import F24), standing orders, digital TV top-ups and Telecom bills.

In 2005 UCB customers were particularly active in online donations, which confirmed the importance of this channel for this activity. Approximately €550,000 was donated by more than 10,000 transfers to various bodies, such as: AIRC, Lega del filo d'oro, Canguro O.N.L.U.S., Istituto Giannina Gaslini and associations providing aid to populations stricken by the Tsunami in Asia.

The work of the *Banca Multicanale* enabled UniCredit Banca to obtain the following recognition:

- The *Cerchio d'Oro* Award for Financial Innovation, won by the Secure Online Banking project in the Technology category.
- The MF Innovation Award (in its second year), won by *La Banca Multicanale Privati* (private individuals) and the *Genius Revolution* range.

Foremost in the marketing of Web banking services, UniCredit Banca received the award for the best Web banking marketing and confirms the success of its marketing strategy in the online finance sector (*OF - Osservatorio Finanziario*).

PROFIT AND LOSS ACCOUNT

The Retail Division closed 2005 with a net profit of €609 million (up by 23% over 2004).

As mentioned above, 2004 data have been suitably restated to take account of the spin-off from the Division of the non-retail activities connected with the former banks Banca dell'Umbria and Cassa Risparmio Carpi.

REVENUES

Net interest income for 2005 was €2,509 million, a rise of 8.1% on 2004, thanks to favourable trends in both net interest and profits of companies consolidated at equity. The positive trend in net interest, up by 7.4% on 2004, was driven in particular by the growth in total volumes (total customer loans were up by 14.5% on the year), which has more than offset the effect of the narrowing spread between lending and deposit rates. The quarterly total for net interest rose steadily throughout the year, with a fourth-quarter increase of €30 million compared with the third quarter of 2005. Dividends and profits from consolidated companies stand at €40 million at the close of the year, compared with €18 million at the end of 2004, thanks to better results achieved by companies in the insurance sector.

(€ million)

| PROFIT AND LOSS ACCOUNT | | | | | | |
|---|---------------|---------------|-----------------|--------------|--------------|-----------------|
| RETAIL DIVISION | YEAR | | | Q 4 | | |
| | 2005 | 2004 | CHANGE PERCENT. | 2005 | 2004 | CHANGE PERCENT. |
| Net interest income | 2,509 | 2,321 | + 8.1% | 654 | 607 | + 7.7% |
| Net commissions | 1,866 | 1,718 | + 8.6% | 457 | 477 | - 4.2% |
| Other net income | 16 | 7 | + 128.6% | 11 | -17 | - 164.7% |
| Total revenues | 4,391 | 4,046 | + 8.5% | 1,122 | 1,067 | + 5.2% |
| Payroll costs | -1,564 | -1,543 | + 1.4% | -393 | -378 | + 4.0% |
| Other expenses, amortisation and depreciation | -1,186 | -1,179 | + 0.6% | -279 | -282 | - 1.1% |
| Operating expenses | -2,750 | -2,722 | + 1.0% | -672 | -660 | + 1.8% |
| OPERATING PROFIT | 1,641 | 1,324 | + 23.9% | 450 | 407 | + 10.6% |
| Net writedowns on loans | -407 | -277 | + 46.9% | -175 | -82 | + 113.4% |
| Restructuring costs | -85 | - 145 | - 41.4% | -85 | - 145 | - 41.4% |
| Provisions and other items | -51 | -51 | - | -21 | -23 | - 8.7% |
| PROFIT BEFORE TAX | 1,098 | 851 | + 29.0% | 169 | 157 | + 7.6% |
| Income tax for the period | -489 | -356 | + 37.4% | -106 | -62 | + 71.0% |
| NET PROFIT FOR THE PERIOD | 609 | 495 | + 23.0% | 63 | 95 | - 33.7% |
| PROFITABILITY RATIO | | | | | | |
| Cost/Income | 62.6% | 67.3% | | 59.9% | 61.9% | |

Net non-interest income was €1,882 million at the end of 2005 (up by 9.1% on 2004), made up of net commission of €1,866 million (up by 8.6% on 2004) and other net income of €16 million (€7 million in 2004).

The positive trend in commission income, which grew steadily over the year, was largely thanks to UniCredit Banca's sales of investment products (asset management, bancassurance, bond loans), up by approximately €75 million compared with 2004 and largely attributable to commissions received from other Group entities for placement activities. Also notable is the contribution of management fees (up by €45 million compared with 2004) and commission on other services to customers (financing and collection/payment services), up by about €20 million on 2004. Clarima made a good contribution to the increase in aggregated income (about €10 million a year) deriving from the greater sales volumes (loans and cards) achieved during the year.

The total revenue for 2005 therefore stands at €4,391 million, +8.5% compared with €4,046 million in 2004, with a rising quarterly level in 2005 (fourth quarter €1,122 million compared with €1,094 for the third quarter).

OPERATING COSTS

Operating costs amounted to €2,750 million, representing a 1.0% increase on 2004 (€2,722 million). The cost/income ratio of the Division was 62.6%, compared to 67.3% in 2004.

Personnel costs, at €1,564 million, were up by 1.4% compared with 2004 (up by €21 million in absolute terms): the savings achieved through efficiency improvements, which involved a workforce reduction of 737 (full time equivalent) employees compared with end-2004, were offset both by increases attributable to the renewal of the national collective bargaining agreement (CCNL) and by scheduled pay rises and employee incentive schemes. Work continued on a major reshuffle of UniCredit Banca personnel in favour of the sales function (the sales network comprised 1,030 employees at the end of 2005, compared with approximately 700 in 2004), an indicator of the strong drive towards development of the bank's commercial business.

Other non-personnel operating costs, administrative costs, net of the recovered component and inclusive of depreciation, amounted to €1,186 million. The 0.6% increase compared with 2004 is entirely attributable to the indirect tax component for the residual portion not recovered from customers (€8 million for the year), the higher costs of which are caused by the increase in stamp duty under Italy's 2005 Budget. These higher costs – not directly controllable – were due to offsetting of the greater costs for projects and for the services supplied by other companies of the Group, by savings on current expenses and lower levels of depreciation.

Operating profit for 2005 was €1,641 million, a 23.9% increase (equivalent to €317 million) over 2004. With operating profit of €450 million, the fourth quarter was the best of 2005.

NET PROFIT

Net writedowns on loans were €407 million, a rise of €130 million compared with 2004. The increase was attributable both to the sharp rise in lending (not only by UniCredit Banca, but also by Clarima and Banca per la Casa) and to the adjustments entailed by the classification as unrecoverable of items for which the deadline for late payment on contractual due dates has expired. The risk cost (net writedowns/net loans) was 0.65%, compared with 0.51% at the end of 2004.

Provisions for other risks and charges amounted to €51 million, unchanged from 2004, and related principally to debt recovery actions, other legal action in progress and complaints. At the end of the year, expenses were also earmarked for early retirement incentives, for a current value of €85 million, associated with the reorganisation of the Group following the merger with HVB.

Income tax amounted to €489 million (compared with €356 million in 2004) owing to the negative effects, with respect to December 2004, produced by:

- Legislative changes (Decree-Law 168/2004) which have rendered Writedowns on loans to customers non-deductible for the purposes of banks' IRAP (Imposta Regionale sulle Attività Produttive = regional tax on productive activities);
- Introduction by the Veneto Region of an IRAP rate one per cent higher compared with 2004.

The tax rate thus stood at 44.5% at the end of 2005, an increase on the figure of 41.8% for 2004.

Corporate and Investment Banking Division

In 2005, despite a generally lacklustre macroeconomic environment, loans to customers by Corporate and Investment Banking Division banks posted a strong increase. Most manufacturing areas reported a period of cyclical correction, which normally follows a long recessionary period. This period certainly did not benefit from raw material price tensions, and especially those related to primary sources of energy. In addition to this there was the historically inadequate capital structure of Italian companies, and especially small companies, which are frequently under-capitalised and have high debt levels resulting from excessive reliance on short-term sources of finance. On the other hand, for over two years market rates have been at historic lows, which contributed positively to the propensity of companies to borrow allowing them to continue efforts to shift liabilities towards longer term forms of financing, which, compared to short-term loans, have a lower and less volatile cost.

In this environment, UniCredit Group's Corporate and Investment Banking Division continued its support of the economy and the growth of small and medium-sized Italian companies without, however, sacrificing the proper assessment of risk profiles and customer credit ratings. In doing so, it increased its relationships with the business world and provided qualified support to businesses. This support translated into a selective increase in loan volume, especially in the medium and long-term areas, and an expansion in corporate finance and collection and payment services abroad. Efforts (as a result of agreements with industry associations) aimed at supporting the investments of business customers in research, innovation and internationalisation were particularly intense.

THE DIVISION'S BUSINESS ACTIVITIES

LENDING

In 2005, despite the downturn in the domestic economic situation, Italian businesses increased their gross fixed investments and financial investments. In order to cover the resulting financial requirements, the business sector found the UniCredit Group to be a reliable and attentive partner. In fact, the companies of the Corporate and Investment Banking Division showed that they were capable of offering support in line with the growth requirements of the business world by offering specialist services, financial consulting and loans in line with their actual needs, thereby strengthening the operating structure of the business customer through an integrated liability management process aimed at reducing their financial exposure and improving their industrial performance.

Divisional Operations and Results
Corporate and Investment Banking Division

(€ million)

| | AMOUNTS AS AT | | | CHANGE OVER | |
|---------------------------------|---|---------------|---------------|----------------|----------------|
| | 31.12.2005 | 30.09.2005 | 01.01.2005 | 30.09.2005 | 01.01.2005 |
| | Loans and receivables with customers | 71,810 | 70,560 | 65,698 | + 1.8% |
| - UniCredit Banca d'Impresa | 54,019 | 53,017 | 49,504 | + 1.9% | + 9.1% |
| - UniCredit Banca Mediocredito | 4,383 | 4,684 | 4,819 | - 6.4% | - 9.0% |
| - Locat | 10,904 | 10,085 | 9,273 | + 8.1% | + 17.6% |
| - UniCredit Factoring | 1,929 | 1,776 | 2,247 | + 8.6% | - 14.2% |
| - UniCredit Banca Mobiliare | 988 | 1,105 | 813 | - 10.6% | + 21.5% |
| - Other companies | -413 | -107 | -958 | + 286.0% | - 56.9% |
| Direct customer deposits | 27,947 | 24,397 | 21,457 | + 14.6% | + 30.2% |
| Deposits from customers | 17,642 | 15,429 | 15,006 | + 14.3% | + 17.6% |
| Securities in issue | 10,305 | 8,968 | 6,451 | + 14.9% | + 59.7% |

There was a significant increase in loans to customers of the Corporate Banking Division on an annual basis (up by 9.3%) and over the third quarter of 2005 (up by 1.8%) reaching a level of €71,810 million. Although large, the increase in loans was targeted and selective with lending decisions subject to a strong focus on the credit rating of the customer and with the prudent management of prices in relation to risk.

Seventy-five percent of the Division's loan portfolio was with UniCredit Banca d'Impresa, whose loans totalled €54,019 million, representing a 9.1% increase on an annual basis, as a result of €4,515 million in additional utilisation. The bank's lending activities were focused in particular on the segment of non-financial companies with revenues under €100 million and on medium and long-term products.

During the period, Banca d'Impresa provided about 18% of the new loans that non-financial companies (excluding large groups) have obtained from the banking industry. The bank's penetration of this segment of companies was 13.5%. If the aggregate also includes small manufacturing companies, Banca d'Impresa's share of total new loans provided by the industry would rise to 25% with a penetration index of 15.6%.

An analysis of trends of the various loan types is consistent with the process of shifting the loan portfolio towards loans with longer maturities which has taken place over several years. More specifically, the mortgage area, with loans of €15,607 million at year-end, achieved the most significant annual growth (up by about 30%) with a percentage of total loans rising from 24.2% in 2004 to 29.4% at the end of 2005.

About 15% of the Division's overall loans were due to the operations of Locat, which reported leases

of €10,904 million at year-end, a 17.6% increase over December 2004. During the last quarter, the company generated new leasing volume of €819 million, an increase of 8.1% over September 2005.

As regards new leases, overall growth was 15.4% (to €44,068 million) with a 30.8% increase in property leases and a 19.9% increase in aircraft and railway leases. Growth was slower in vehicles (up by 2.8%) and capital assets (up by 1.4%), whose performance is more closely tied to economic activity.

Loans with customers of UniCredit Banca Mobiliare (UBM) totalled €988 million. This aggregate was up by €175 million over 2004. UBM's loans contributed 1.4% to the Division's loan portfolio.

There was a sharp decline in the share of the Division's loans provided by UniCredit Banca Mediocredito from 7.3% in December 2004 to 6.1% at the end of 2005. In absolute terms, this aggregate totalled €4,383 million at year-end representing a 9.0% annual decrease and a 6.4% reduction from September. This significant reduction was attributable to the impact of launching the project to shift the banking division to UniCredit Banca d'Impresa. In fact, this significantly limited (especially in the second half of the period) the growth in new loans to customers in concert with UBI, enabling the latter to hold the new lending on its own books with the aim of providing better customer service.

ASSET QUALITY³

In 2005, the period of cyclical problems that began several years ago continued in the Italian economy. The cyclical recovery, which was forecast to occur in the year just ended, did not in fact take shape, and instead an economic stagnation continued that had major repercussions on domestic demand and corporate profitability.

The Corporate and Investment Banking Division attempted to counter the unfavourable effects of the economic environment by implementing a conservative loan approval policy associated with careful and constant monitoring of the credit quality of borrowers.

3. The new rules regarding asset reporting, which were introduced in regulatory provisions that came into effect in 2005, call for the elimination of the category of loans "subject to restructuring" (and the inclusion under bad and doubtful debts of all loan exposure to customers that have even a single transaction being restructured) and the introduction of a new aggregate called "past due," which includes "loans that are more than 180 days past due." All customer loans which continuously exceed the due date for a period of over 180 days are to be reported in this category. As at December 2004, past-due loans were included in performing loans.

Divisional Operations and Results
Corporate and Investment Banking Division

(€ million)

| CORPORATE AND INVESTMENT BANKING DIVISION | 31.12.2005 | | 01.01.2005 | |
|---|----------------|-----------------------|----------------|-----------------------|
| | CARRYING VALUE | PERCENTAGE OVER TOTAL | CARRYING VALUE | PERCENTAGE OVER TOTAL |
| Non-performing loans | 888 | 1.24% | 960 | 1.46% |
| Doubtful loans | 448 | 0.62% | 384 | 0.59% |
| Non-performing and doubtful loans | 1,336 | 1.86% | 1,344 | 2.05% |
| Restructured and past-due loans | 565 | 0.79% | 208 | 0.32% |
| Total impaired loans | 1,901 | 2.65% | 1,552 | 2.36% |
| Performing loans | 69,909 | 97.35% | 64,146 | 97.64% |
| Total loans to customers | 71,810 | 100.00% | 65,698 | 100.00% |

Comparison with 2004 shows that the Division achieved good results in terms of credit quality in 2005. Total non-performing and doubtful loans – which is the only figure that is comparable with 2004, following regulatory changes – contracted slightly; consequently, the bad debt ratio (bad and doubtful debts to total customer loans) fell from 2.05% to 1.86%, i.e. by almost one-fifth of a point. This was the result of a reduction of €72 million in the carrying value of non-performing loans – which fell from 1.46% to 1.24% of total loans – and a €64 million increase in doubtful loans, which rose only slightly over the 2004 level at 0.62% of total loans, as against 0.59%. Restructured loans and past due loans (overdue by more than 180 days, considered performing in the 2004 Accounts) were €565 million, or 0.79% of total loans. Impaired loans therefore totalled €1,901 million, or 2.65% of total customer loans.

INVESTMENT BANKING & FINANCIAL PRODUCTS

In 2005 UBM's operations generated revenues of €704.9 million, an increase of 8.2% over 2004. Investment Banking contributed about €133.6 million (up by 86.7%), and Financial Products about €571.3 million (down by 1.5%) to this result.

Investment Banking

In 2005 the revenues of Investment Banking totalled €133.6 million, an increase of 87% over 2004 excluding interest income generated on lending transactions structured by UBM and reported by other booking units in the UniCredit Group.

In 2005 UBM confirmed its leadership position in the Italian structured finance and syndications market with revenues of about €61 million, an increase of 84% over 2004. Of this amount, €6 million was from commissions on operations with foreign customers. To be specific, during the year UBM acted as mandated lead arranger in over 30 transactions in the domestic market. As regards the bank's foreign area, the growth initiative at the beginning of the year allowed UBM to establish and strengthen a productive network of relationships with major international players and to take on significant roles in several of the main syndicated transactions in Europe. In the M&A area, which reported revenues of €3 million (a decrease from the previous period), thirteen transactions and special assignments

were carried out and completed. Major customers assisted in the transactions that were successfully completed included: Fiera Bologna, Fidis, Meta (in its merger with Hera), Cassa Depositi e Prestiti (the Terna transaction), RAS (in the sale of Bernese Assicurazioni), Vicenzi Biscotti (in the acquisition of Parmalat bakery business), the sale of Cantieri del Pardo – Dufour Yachts, Agorà (in the sale of AEDES) and AMGA Genova (the purchase of the controlling interest in Acqua Italia).

Revenues generated in the Equity Capital Markets area totalled €24.5 million in 2005, a significant increase over the same period of 2004 (up by 100%). UBM served as global co-ordinator and bookrunner in two major IPOs in the last 5 years (Toro and Safilo), and also played a leading role in several major capital increase transactions (Pirelli, Fastweb and Alitalia) and the exit of Apax from Azimut through accelerated book building. Its activity in public offers was also significant. UBM acted as co-ordinator in the following transactions: Telecom Italia/Telecom Italia Mobile, Telecom Italia Media/Treasury stocks, Allianz/Ras; Della Valle/Marcolin, Amga/Genova Acque and Finmeccanica/Datamat.

The Debt Capital Markets area ended the year with revenues of €10.9 million, a drop of 56% from 2004. During the period under review, despite the de-leveraging policy of many corporate issuers and abundant liquidity in the bank lending market, UBM acted as bookrunner in the main issue carried out in 2005 by an Italian issuer: €1 billion on behalf of Telecom Italia at a variable rate and term of 7 years. The bank also strengthened its position in international markets and its leading role in the domestic market by carrying out some of the most significant transactions in the euro area, acting as joint bookrunner in benchmark issues for the Italian Republic (€6 billion with a 30 year term), the Republic of Greece (€5 billion with a 5 year term), the Republic of Portugal (€3 billion with a 5 year term) and the benchmark issue with a 10 year term for the European Investment Bank (€5 billion with a 10 year term).

In 2005, securitisation transactions generated total revenues of €5.8 million (including revenues of €3.2 million for the subsidiary ECS), a sharp increase (up by 66%) over the €3.5 million in 2004.

Corporate Financial Risk Management transactions in the Investment Banking area generated income of €31 million, an increase of 109% over 2004.

In particular, income totalling €16.4 million was reported in 2005 for Public Authority and Financial Institution customers. Derivative transactions for government customers rose by 152% over 2004 in an environment of growing competition in the domestic market. In 2005, income from Large Corporate customers totalled €14.6 million, a 77% increase over 2004 with a healthy increase in volume.

Financial Products

In 2005, revenues of the Sales area totalled €246.9 million, a fall of 12.8% from 2004.

Derivative structuring and sales for corporate customers were carried out under adverse market conditions and an unfavourable regulatory environment. Continued low interest rates during the year, and the introduction of new international accounting standards at the beginning of 2005 (several of

which – IAS 32 and 39 – led to significant book-keeping innovations) had an impact on the scope for marketing derivative products. In this adverse environment, sales activities were supported by specific initiatives aimed at improving their effectiveness and broadening efforts to obtain new customers. A specific training programme in collaboration with Bocconi University in Milan, was initiated in 2004 and aimed at enhancing the professional skills of derivative product specialists operating in the UniCredit Banca d'Impresa branch network.

In 2005, the Equity area generated revenues of €26 million, an increase of 14% over 2004. During the year, the team arranged meetings between institutional investors and over 45 listed companies in Italy and abroad, and handled research and institutional sales for several major IPOs (Toro Assicurazioni and Safilo). UBM also proved itself as one of the largest players in the Stock Option, Index Options and S&P Future segments of the IDEM derivative market.

Operations in the Trading area were characterised by low profit volatility owing to the diversification of profit-generating capabilities with about 80% coming from the two derivative product areas (Interest Rate, FX and Commodity Trading, and Equity Trading) and the remaining 20% from cash product operations (Fixed Income Trading). In 2005, revenues of the Trading area rose by 9.3% overall ending the year with a total of €324.4 million.

During the year there was a low degree of seasonality, including in less favourable months (the summer and end of year), confirming the ability of the operations area to generate value in markets on a stable basis. The achievement of preset targets, with a significant increase over 2004, occurred using the same stringent risk limits with an average utilisation of daily VaR broadly in line with 2004.

PROFIT AND LOSS ACCOUNT

The Corporate and Investment Banking Division made profits of €952 million, an increase of 8.6% over 2004.

The narrowing of spreads on loans and the reduced need on the part of corporate clients for derivatives (IRS and currency swaps) were offset by marked growth in lending, accompanied by the offer of high-quality services, which boosted commission income, on the one hand, and helped to contain costs, on the other, thanks to increasing use of online services by our corporate clients.

REVENUE

Net interest income rose by 3.1% in 2005 and reached €1,609 million, despite abundant liquidity in the market and strong competition from other banks, which meant that there was constant, intense downward pressure on customer spreads. Growth was sustained by expansion of lending volume, as described in the section on the Division's activity.

(€ million)

| PROFIT AND LOSS ACCOUNT | | | | | | |
|--|--------------|--------------|------------------------|--------------|--------------|------------------------|
| CORPORATE AND INVESTMENT BANKING DIVISION | YEAR | | | Q 4 | | |
| | 2005 | 2004 | CHANGE PERCENT. | 2005 | 2004 | CHANGE PERCENT. |
| Net interest income | 1,609 | 1,561 | + 3.1% | 427 | 385 | + 10.9% |
| Trading, hedging and fair value income | 783 | 813 | - 3.7% | 122 | 127 | - 3.9% |
| Commissions and other net income | 687 | 585 | + 17.4% | 162 | 154 | + 5.2% |
| Total revenues | 3,079 | 2,959 | + 4.1% | 711 | 666 | + 6.8% |
| Payroll costs | -520 | -484 | + 7.4% | -133 | -117 | + 13.7% |
| Other expenses, amortisation and depreciation | -451 | -449 | + 0.4% | -114 | -119 | - 4.2% |
| Operating expenses | -971 | -933 | + 4.1% | -247 | -236 | + 4.7% |
| OPERATING PROFIT | 2,108 | 2,026 | + 4.0% | 464 | 430 | + 7.9% |
| Net writedowns on loans | -411 | -484 | - 15.1% | -118 | -108 | + 9.3% |
| Restructuring costs | -27 | - 33 | - 18.2% | -27 | - 33 | - 18.2% |
| Provisions and other items | -55 | -60 | - 8.3% | -6 | -45 | - 86.7% |
| PROFIT BEFORE TAX | 1,615 | 1,449 | + 11.5% | 313 | 244 | + 28.3% |
| Income tax for the period | -663 | -572 | + 15.9% | -131 | -69 | + 89.9% |
| NET PROFIT FOR THE PERIOD | 952 | 877 | + 8.6% | 182 | 175 | + 4.0% |
| PROFITABILITY RATIO | | | | | | |
| Cost/Income | 31.5% | 31.5% | | 34.7% | 35.4% | |

The other revenue components recorded net income of €1,470 million, an increase of 5.2% over 2004. The expected decline in income from derivative sales (trading profit fell by 3.7%) was effectively offset by energetic marketing of other customer services, which produced €687 million net commission and other income – an increase of €102 million (or 17.4%) over 2004 and quarterly increases constantly better than the average for 2004. This performance comprised new loan-related income (loan fees and guarantee commission both grew) and higher income from foreign business and collection and payment services, as well as greater revenue from UBM's investment banking business.

Total revenue was thus €3,079 million, up by €120 million or 4.1% over 2004. This growth is all the more remarkable if we recall the sharp drop in income from derivative sales, which were influenced by changed market conditions. Excluding the "trading, hedging and fair value" item from total revenues, growth in the latter was 6.4%.

OPERATING COSTS

Operating costs including depreciation were €971 million in 2005, up by €38 million or 4.1% over 2004, the increase being largely due to payroll expense.

The Corporate and Investment Banking Division's payroll was €520 million, up by 7.4% over 2004. This increase was due as to two-thirds to UBM's internationalisation strategy, especially its London branch costs. The impact of the variable pay component was also significant, as were the pay increases following renewal of the collective bargaining contract for Italian bank employees; these increases more than offset the effects of a reduction of 176 in staff numbers over the year.

Other administrative expense, net of recoveries and including depreciation, was stable (up by 0.4%), despite the rise in the cost of outsourced services due to growth in the Division's businesses.

Given the alignment of cost and revenue increases, the Division's cost/income ratio was also stable at 31.5%.

Operating profit was €2,108 million, up by 4% over 2004.

NET PROFIT

Loan writedowns, restructuring costs and allocations to provisions for risks and charges totalled €493 million – a fall of €84 million or about 15% over 2004. This improvement is largely attributable to the trend in loan writedowns, which declined by €73 million (in 2004 loan writedowns were high, not least on account of certain large exposures). The Division's ratio of net writedowns to total customer loans returned to the average for the Group, viz. 0.57% as against 0.74% in 2004.

Profit before tax was thus €1,615 million, up by 11.5% over 2004. Income tax amounted to €663 million (up by 15.9%), and our tax-rate was 41.1%, an increase of 39.5% over 2004. The increase in our tax-rate was due to changes in tax law (Law-Decree 168/04) whereby writedowns on customer loans are no longer deductible from banks' profit subject to IRAP (the regional tax on productive activity) and to the Veneto Region's one percentage point increase in its IRAP rate.

Private Banking and Asset Management Division

Financial assets under administration and management by the Private Banking and Asset Management Division stood at over €209 billion at 31 December 2005, including some €4.3 billion deriving from the acquisition of the AMSouth funds in the US (completed in September). These amounts show an increase of 21% since the beginning of the year.

The increase in assets is due both to the favourable market conditions and to very healthy results achieved in terms of net deposits acquired since the beginning of the year by all of the Division companies.

More specifically:

- Pioneer recorded net inflows of around 9.8 billion, of which €7.5 billion in Italy; the market share of Italian funds was 15.57%, up by 103 basis points compared with 2004, confirming its position as the second leading asset manager.
- UniCredit Private Banking posted a net inflow of approximately €4 billion, of which €1.8 in the managed segment, equivalent to 21% of the system, and thus the positive new asset management (FocusInvest and Investment Program) trend continued.
- Xelion recorded a net total inflow of €1.8 billion, of which almost €1.4 billion in the managed segment, and a market share of 13% (Assoreti figures).

The improvement in the managed segment on total financial assets continued and stood at roughly 80%, on the rise on the 2004 figure by roughly 80 basis points.

(€ million)

| DIRECT AND INDIRECT DEPOSITS | | | | | |
|---|------------|------------|------------|-------------|------------|
| PRIVATE BANKING AND ASSET MANAGEMENT DIVISION | AS AT | | | CHANGE OVER | |
| | 31.12.2005 | 30.09.2005 | 31.12.2004 | 30.09.2005 | 31.12.2004 |
| Direct and indirect deposits | 209,400 | 203,300 | 172,800 | + 3.0% | + 21.2% |

THE DIVISION'S OPERATIONS

UNICREDIT PRIVATE BANKING SPA

In 2005, UPB proved itself to be the largest Italian bank entirely dedicated to the private banking segment via 150 branches and over 1,200 employees, serving approximately 40,000 client families.

The financial year was characterised by an excellent performance trend demonstrated by a significant improvement in principal performance indicators, with ROE up by over 3% to 29.7%, (previously 26.2%).

Divisional Operations and Results
Private Banking and Asset Management Division

The outstanding sales trend made it possible for the bank to achieve net inflows of approximately €4.0 billion (figures inclusive of approximately €1.4 billion relating to extraordinary items).

Managed asset results were excellent, up by about €1.8 billion (amounting to 21% of the System's total borrowing) driven by the flow of the new asset management accounts Investment Program and Focusinvest amounting to approximately €4 billion.

(€ million)

| UNICREDIT PRIVATE BANKING - KEY FIGURES | AS AT | | | CHANGE OVER | |
|--|---|------------|------------|-------------|------------|
| | 31.12.2005 | 30.09.2005 | 31.12.2004 | 30.09.2005 | 31.12.2004 |
| | Clients' total assets under administration ¹ | 54,269 | 52,368 | 46,068 | + 3.6% |
| No. Of Client Managers | 593 | 590 | 575 | + 3 | + 18 |
| Clients' total assets per Client Manager | 91.5 | 88.8 | 80.1 | + 3.1% | + 14.2% |

1. 2004 figure is restated to take into account the effects of the absorption of the private banking business of Banca dell'Umbria and Cassa Risparmio Carpi.

As at 31 December 2005, total assets managed by the Bank and its subsidiaries, net of elisions and duplications, reached €63.1 billion, recording growth of around 21% compared with December 2004. Approximately 86% of this relates to UniCredit Private Banking alone.

UPB's financial assets exceeded €54 billion at the end of the year. Compared with the position at 31 December 2004, closing at €44.6 billion, growth was around 21.8%. Part of the increase (approximately €1.6 of the €9.7 billion) was due to the contribution made by private clients joining the bank following the absorption of Banca dell'Umbria and the Cassa Risparmio Carpi.

At the end of the year, assets under management reached €22.2 billion (up by 21.7% on 2004) with a significant increase in asset management accounts (up by 33.4%), whilst deposits under administration amounted to €27.6 billion (up by 23.0%) and direct deposits amounted to €4.5 billion (up by 15.2).

The progressive development of relationships with top clients sustained credit growth which, as at 31 December 2005, exceeded €1 billion, (up by 38.6% compared with 2004). The increase benefited from an upturn in mortgage loans (up by 25.2%) and current accounts (up by 25.3%) and reflects significant loyalty from prime clientele.

During the year, the drive for maximum flexibility in terms of organisational structures, consolidation of services and products offered and greater employee specialisation, continued.

Initiatives related to:

- The organisational structure, with centralisation of human and organisational resources in a single unit (Organisation and Resources Department), optimisation of some Investment Department structures and formation of the Wealth Advisory Department to boost support in terms of advice for the sales network and for customers of high standing. In addition, responsibility for managing clients with assets in excess of €10 million was attributed to the Sales Department.
- Expansion of the product range, enabling clients to take advantage of new products and services supplied by specialist companies (new hedge funds, new subfunds of the Pioneer Luxembourg-domiciled fund, new insurance policies). In the area of asset management, the new Investment Program service dedicated to clients with potential assets in excess of €1 million was launched, in collaboration with Pioneer and exclusive to UPB. In addition, a new asset management product was introduced, characterised by a total return approach aiming to obtain positive returns in absolute terms by means of monitoring risk using VaR methodology.
- Defining career paths and training schedules, aimed at growth within individual roles to ensure consistency with individual capabilities, skills enhancement and increased employee motivation. The launch of the Masters in Private Banking organised in collaboration with the Faculty of Economics at the University of Turin and the ESCP-EAP European School of Management, should be noted; and
- Completion of numerous initiatives to optimise systems and procedures with the activation of new services, review of the credit provision process aimed at reducing decision times by simplifying the preliminary investigation procedure for small loans and launch of the Business Continuity Plan coordinated by the Parent company.

2005 was also characterised by major wide-ranging initiatives:

- The *Advice* project, which aims to increase and standardise the Network's financial advice skills by means of a single advice process offered to different client segments.
- Continuation of the *Commercial structure rationalisation and resource enhancement* project with the completion of the client potential service model which is dependent upon introducing investment specialists into the distribution structure (currently around 50 employees).
- The *Growth* project aimed at supporting expansion by defining a structured process and a methodology aimed at maximising the probability of success when it comes to acquisitions.

Continuing its corporate rationalisation, UPB sold 100% of the share capital of its subsidiary Fiduciaria Risparmio Torino SIM S.p.A. to Pioneer Global Asset Management S.p.A., and absorbed UniCredit Private Wealth Advisory S.r.l. UniCredit (Suisse) Trust S.A., a trust company governed by Swiss law and 100% owned by UniCredit (Suisse) Bank S.A. was formed and launched. As part of the Group project known as F2, absorption of private banking business from the Banca dell'Umbria and the Cassa Risparmio Carpi continued, strengthening UPB's presence in the Italian market.

UNICREDIT XELION BANCA SPA

During 2005 there was a marked improvement in Xelion's assets (up by 22%), rising from €12.1 billion at the end of 2004 to €14.8 billion.

Divisional Operations and Results
Private Banking and Asset Management Division

(€ million)

| | UNICREDIT XELION BANCA - KEY FIGURES | | | | |
|--|---|------------|------------|-------------|------------|
| | AS AT | | | CHANGE OVER | |
| | 31.12.2005 | 30.09.2005 | 31.12.2004 | 30.09.2005 | 31.12.2004 |
| Clients' total assets under administration | 14,797 | 14,093 | 12,058 | + 5.0% | + 22.7% |
| Financial Studios ¹ | 114 | 117 | 118 | - 3 | - 4 |
| Financial Consultants | 1,967 | 1,977 | 2,067 | - 10 | - 100 |
| Clients' total assets per Financial Consultant | 7.5 | 7.1 | 5.9 | + 5.6% | + 27.1% |

1. These are street-level premises, with display windows and prestigious furnishing. At the end of December there were 243 upper-level consultants offices.

Net new deposits of €1.858 million contributed to this growth, amounting to 13% of market share on the financial consultant network system (against market share in equities of 7%), with the remainder due to positive financial market performances.

The growth in the average portfolio per financial consultant was even greater, up from €5.9 million in December 2004 to €7.5 million, a rise of 27%. This is due to the network's intense qualitative selection procedure which has been operating continuously since 2002 (at the end of 2001 the per capita portfolio amounted to €2.9 million). During the course of the year the number of employees dropped from 2,067 in December 2004 to 1,967 at the end of the year (147 new hires and 247 resignations).

The reduction in the number of financial consultants made it possible to streamline the network, eliminating some duplications arising from the acquisition of the ING network in 2004. At the end of 2005 the Financial Studios network had 114 street-level premises, compared with 118 at the end of 2004, and over 243 offices compared with 279 at the start of the year.

Xelion's business continued to be marked by the drive to break even by means of increasing the unit profitability of realisable assets with an improved portfolio mix and acknowledgement by the client of the added value of independent advice and a strategy of selective growth focused on consultant quality.

PIONEER INVESTMENTS

(€ million)

| | PIONEER INVESTMENTS - ASSETS UNDER MANAGEMENT BY GEOGRAPHICAL AREA | | | | |
|--------------------------------|---|----------------|----------------|---------------|----------------|
| | AS AT | | | CHANGE OVER | |
| | 31.12.2005 | 30.09.2005 | 31.12.2004 | 30.09.2005 | 31.12.2004 |
| Assets under management | 158,553 | 154,185 | 129,802 | + 2.8% | + 22.1% |
| - Italy | 108,241 | 105,416 | 93,008 | + 2.7% | + 16.4% |
| - United States | 32,981 | 32,623 | 25,026 | + 1.1% | + 31.8% |
| - Other International markets | 11,449 | 10,705 | 8,072 | + 7.0% | + 41.8% |
| - New Markets | 5,882 | 5,441 | 3,696 | + 8.1% | + 59.1% |

In 2005, Pioneer Investments achieved a total of €9.8 billion in net sales with an increase of €6.3 billion (+180%) year-on-year, thanks mainly to the Italian business.

Assets managed by the company reached €158.6 billion compared with €133.9 billion at the start of the year (approximately \$5.5 billion was added following the acquisition of AmSouth) with a hike of 18.3% (+7.3% net inflow effect and +11% market effect). Profit margins were up due to a more favourable mix (equities jumped from 28.8% to 32.6%) and strong product innovation.

During the course of 2005, mutual funds obtained excellent performances compared with international competitors, reaching on average the 35th percentile.

To be noted are the performances obtained by Luxembourg-domiciled funds which, compared with the benchmark and respective competitors, were positioned close to the 1st quartile (28th percentile).

On a corporate level, 2005 recorded the following decisions of particular note:

- Corporate rationalisation, in particular, the absorption of UniCredit Private Asset Management SGRpA and PIXel Investment Management SGRpA into Pioneer Investment Management SGRpA (from 1 April);
- Selective acquisitions aimed at supplementing the product range or at restructuring and re-launching management lines including:
 - The acquisition, via Pioneer Investment Management USA Inc. of a 49% share in Oak Ridge Investments LLC (Oak Ridge) and of the right to manage 23 AmSouth funds and 7 social security funds (in September);
 - Product range review with the launch of new sub-funds and asset management products.

The greatest confirmation of Pioneer Investments' position as group leader came in May from the Fitch AMR rating, which raised Pioneer's rating from AM2 to AM2+ thereby proving the company's quality at the highest industry levels, especially in the area of investments and independent governance.

Italy

Managed assets rose by 16.4% over the year, reaching €108 billion. This rise was achieved due to net deposits of €7.5 billion, as well as a positive market effect (+8.3%). During the course of 2005, deposits materialised in the Retail (up by €2.7 billion), Private Banking (up by €1.7 billion), Institutional (up by €0.4 billion) and Other Entity (up by €3.3 billion) segments due to major agreements concluded during the year.

In the mutual funds segment, Pioneer improved its position in the ranks of Asset Management companies, in second place with a market share of 15.57% (up by 103 basis points since the start of the year), due to positive net inflows of €5.5 billion (equal to 66% of that of the system).

United States

The US Division closed 2005 with a net outflow of €979 million, due to the continuing drop in the High Yield bond market.

The Institutional sector bucked this trend and, due to sales concentrated in pension funds, obtained flows in excess of €420 million.

Business deriving from the acquisition of funds from the American AmSouth bank, amounting to approximately \$5.5 billion and posted to pro forma accounts from the start of the year, added to the Division's September activities.

This Division's assets reached €33 billion, up 12.5% compared to the start of the year, on a continuing business basis. In dollar terms there was a rise of 14.1% reaching \$39 billion.

International

The International division (excluding Italy) continued the positive trend with net inflows amounting to €1.9 billion.

The encouraging asset acquisition results obtained in German-speaking countries (up by €512 million), Spain (up by €600 million), France (up by €345 million) and Latin America confirm the enormous capacity for penetration achieved by Pioneer.

The Division increased assets by 41.8% reaching €11.5 billion.

New Markets

The New Markets division grew, with total deposits of €1.3 billion (up by 84% over 2004). Growth was mainly concentrated in Poland thanks to the placement of new funds. There were also positive contributions in the remaining countries included in the Division.

In Poland, Pioneer Pekao confirmed its position as leader amongst the ranks of Asset Management companies with a market share of 31.39%.

Assets managed by the Division reached €5.9 billion and increased by 51.4% in 2005.

Pioneer Alternative Investment Management

Net inflows in excess of €200 million (the data are already included in those for other business areas), due to the placement of Momentum family funds (up by €324 million) and results obtained by the Italian asset management company (up by €61 million).

Total hedge fund assets reached €4.5 billion, up 17.4% from the start of the year.

PROFIT AND LOSS ACCOUNT

The Division closed 2005 with a net profit (pro-forma with the business absorbed from Banca dell'Umbria and Cassa Risparmio Carpi) of €415 million, up by around 39% on 2004, net of one-off tax benefits (some €61 million, of which €41 million for pre-paid tax) enjoyed in 2004. Operating profit growth was also impressive (up by €133 million or 30%), bringing the year-end figure to €580 million.

(€ million)

| PRIVATE BANKING AND ASSET MANAGEMENT DIVISION | YEAR | | | Q 4 | | |
|---|--------------|--------------|-----------------|--------------|--------------|-----------------|
| | 2005 | 2004 | CHANGE PERCENT. | 2005 | 2004 | CHANGE PERCENT. |
| Net interest income | 109 | 102 | + 6.9% | 28 | 28 | - |
| Net commissions | 1,248 | 1,059 | + 17.8% | 355 | 307 | + 15.6% |
| Other net income | 19 | 28 | - 32.1% | 14 | 9 | + 55.6% |
| Total revenues | 1,376 | 1,189 | + 15.7% | 397 | 344 | + 15.4% |
| Payroll costs | -443 | -404 | + 9.7% | -142 | -107 | + 32.7% |
| Other expenses, amortisation and depreciation | -353 | -339 | + 4.1% | -96 | -91 | + 5.5% |
| Operating expenses | -796 | -743 | + 7.1% | -238 | -198 | + 20.2% |
| OPERATING PROFIT | 580 | 446 | + 30.0% | 159 | 146 | + 8.9% |
| Writedowns and provisions | -28 | - 34 | - 17.6% | -20 | - 32 | - 37.5% |
| PROFIT BEFORE TAX | 552 | 412 | + 34.0% | 139 | 114 | + 21.9% |
| Income tax for the period | -137 | -53 | + 158.5% | -32 | 12 | n.s. |
| NET PROFIT FOR THE PERIOD | 415 | 359 | + 15.6% | 107 | 126 | - 15.1% |
| PROFITABILITY RATIO | | | | | | |
| Cost/Income | 57.8% | 62.5% | | 59.9% | 57.6% | |

REVENUES

Total income of €1,376 million in December 2005 shows an improvement of €187 million on year-end 2004 (up by 15.7%). The 4Q result of €397 million shows growth both on the previous quarter (by approximately 14%) and on the same quarter in 2004 (up by 15.4%).

This growth was driven by the net commissions trend, which closed the year at €1,248 million (up by €189 million, up by 17.8%) mainly thanks to:

- The higher average assets under management (up by 15%) of Pioneer, due to an increase in net inflow (up by €6 billion approximately) and to the qualitative improvement in the product range (weight of the equity segment rose from 28.8% in December 2004 to 32.6%). Performance fees

also recorded a very good result (around €55 million compared to €35 million for the same period of 2004);

- Improvement in the profitability of the private bank deriving from the greater weight of the managed segment (up 21.7%), on the total financial available resources;
- the enhanced productivity of the Xelion financial consultants, thanks to an improvement in the mix, where the per capita assets under management grew from €5.9 million in December 2004 to €7.5 million.

OPERATING COSTS

Operating costs amounted to €796 million, including €17 million of amortisation, and thus were up 7.1% on the same period of 2004.

This performance was mainly due to personnel costs which, despite the reduction in the total number of resources by the end of the year (down by 127 full-time-equivalent employees), posted a 9.7% increase resulting from:

- the impact of contract renewal;
- a different composition of Pioneer resources, which were shifted more onto the “investment” component than onto the “operations” component (partially due to the outsourcing of the IT operations in Italy), and the greater weight of the foreign component deriving from the development of the international business;
- a greater weight of the variable salary component in all of the Division companies, related to the business performance and to the excellent performances of the markets.

Other expenses and depreciation rose slightly over 2004 (4%), mainly as a result of costs relating to Xelion growth and aimed at restructuring the former ING network and PFA recruiting. If these costs were not considered, the increase would be around 2%.

The cost-income ratio of the division stood at 57.8% in December, posting a dramatic improvement year-on-year (reduction of 470 bp).

New Europe Division

THE BUSINESS ENVIRONMENT

In 2005, the macroeconomic scenario in New Europe changed largely for the better. Although compared with 2004 the pace of growth seemed to ease to a certain extent – in line with the slowdown of the global economy – economic growth in New Europe showed signs of gathering speed in the second half, tending to stay well above that of the euro area.

The somewhat disappointing performance of Western Europe curtailed export potential, and internal demand emerged almost everywhere as the main driver for economic growth, with the sole exceptions of Poland and the Czech Republic, where exports continued to play a key role.

Despite oil prices remaining high, inflationary pressures eased more or less across the board, encouraged by slower growth. Central banks in the region, having followed a highly accommodating monetary policy in the first six months of the year, through fear of a stronger-than-expected economic slowdown, adopted more prudent positions in the second half pending more precise information about economic and price trends.

The process of economic and legislative convergence for the purposes of EU accession for candidate or aspiring countries and EMU accession for new members continued. This resulted in the opening of accession talks for Croatia and Turkey in October 2005 and the surprise early entry of Slovak Republic to the ERM 2 in November. Exchange rates reacted positively and the general trend was for appreciation, whilst country risk (as measured by the spread over the euro rate curve) continued to be reduced. The only exception was Hungary, where fiscal imbalance resulted in an expected downgrading by Fitch at the end of the year.

| MACROECONOMIC INDICATORS FOR THE MAIN COUNTRIES OF NEW EUROPE WITH A GROUP PRESENCE | | | | | | | | |
|---|------|------|------------------------------|-----------|---------------------------------------|-----------|---|-----------|
| | GDP% | | INFLATION (END OF PERIOD) | | INTEREST RATE (AVERAGE PER MONTH)* | | EXCHANGE RATE AGAINST EURO (END OF PERIOD) | |
| | 2004 | 2005 | DEC. 2004 | DEC. 2005 | DEC. 2004 | DEC. 2005 | DEC. 2004 | DEC. 2005 |
| Poland | 5.4 | 3.2 | 4.4 | 0.7 | 6.6 | 4.5 | 4.08 | 3.86 |
| Croatia | 3.8 | 4.1 | 2.7 | 3.6 | 6.3 | 5.7 | 7.65 | 7.37 |
| Turkey | 8.9 | 5.5 | 9.3 | 7.7 | 21.2 | 14.1 | 1.84 | 1.59 |
| Bulgaria | 5.6 | 5.5 | 4.0 | 6.5 | 2.7 | 2.6 | 1.96 | 1.96 |
| Czech Republic | 4.7 | 5.0 | 2.8 | 2.2 | 2.5 | 2.0 | 30.46 | 29.00 |
| Slovak Republic | 5.5 | 6.0 | 5.9 | 3.7 | 3.7 | 2.9 | 38.75 | 37.88 |
| Romania | 8.3 | 4.2 | 9.3 | 8.6 | 17.1 | 6.4 | 3.94 | 3.68 |
| Bosnia - Erzegovina | 5.0 | 5.5 | 0.9 | 4.1 | N/D | N/D | 1.96 | 1.96 |

* The interest rates are: Poland - 3M Wibor (mid), Croatia - 1W Zibor (mid), Turkey - 1M Interbank, Bulgaria - 1M Interbank (mid), Czech Republic - 1M Pribor (mid), Slovak Republic - 1M Bribor (mid), Romania - 1M Bubor (mid).

POLAND

Despite a slower rate of growth in 2005 than in the previous year, due to a decline in consumption growth and a slowdown in investments, Poland's GDP accelerated in the second half of the year, driven by exports, demonstrating a sharp improvement in the country's competitiveness, despite currency appreciation. In the first part of the year, fear of slower-than-expected growth and the rapid fall in inflation forced the Monetary Policy Council to implement an expansive monetary policy, which resulted in a total rate cut of 200bp. In September, however, the Council returned to a 'wait and see' position, leaving interest rates unchanged.

CROATIA

The acceleration in Croatia's GDP in 2005 was mainly determined by a substantial rise in inventories and slower import growth. The positive trend in net exports did not, however, succeed in halting the deterioration of the current account deficit, due to high profits being repatriated by foreign companies. Monetary policy continued to focus on the growth of foreign debt and monetary aggregates, and on guaranteeing substantial exchange rate and interest rate stability. In October 2005, the commencement of EU accession talks, deferred from March, showed the country's commitment to satisfying the Union's requirements.

TURKEY

Internal consumer and investment demand was the driving force behind economic growth in Turkey during 2005 and was demonstrated by a more sound and sustainable growth trend. In February, as a sign of economic normalisation, the Monetary Policy Council started to meet regularly every month, whilst the good results achieved in terms of disinflation enabled interest rates to continue on a downward path. The start of EU accession talks in October 2005, after lengthy negotiations, showed Turkey's commitment to satisfying the conditions required by the EU and helped to strengthen international investors' trust in the country.

BULGARIA

Strong economic growth in Bulgaria during 2005 was mainly driven by consumption and investments. The trade deficit remained high, despite the measures adopted by the monetary policy authorities to restrain growth in bank lending.

OTHER COUNTRIES

With regard to other New Europe countries, the positive trend in the economic climate was confirmed and the stabilisation and convergence process continued. Strong growth in Slovak Republic's GDP was supported by sustained growth in internal demand and also, in the second half of the year, by an upturn in net exports. After having taken action against currency appreciation in March by cutting rates by 100bp, the Central Bank of Slovak Republic then left rates unchanged in subsequent months. In November, the Slovak Republic Koruna entered the ERM 2 six months early with a central rate of 38.455, resulting in further currency appreciation towards the end of the year. Economic growth in Romania, although remaining sound, experienced a slowdown in 2005 following repeated floods, which hit the agricultural industry very hard during the summer months. The Czech Republic demonstrated an acceleration in the growth of GDP compared with the previous year, due to strong export growth. The Czech Central Bank,

after reducing interest rates by 75bp in the first half of the year, fearing a rapid drop in inflation, raised them again by 25bp in October, bringing them back up to 2%.

STRATEGIC LINES AND ACTIVITIES OF THE DIVISION

During the course of 2005, the Group further strengthened its position in New Europe, confirming its goal of becoming the leading banking institution in a region regarded as our “second domestic market”, due to its significant size and its greater prospects for growth than the EU. This goal was further reinforced by:

- The excellent results achieved by the Division, with total assets for 2005 of €41 billion, net profit of €655 million (up by 12.5% at constant exchange rates and 21.3% at current exchange rates over 2004) and a cost/income ratio of 56.3%.
- The business combination with the German banking group HVB, following which the newly-formed Central and Eastern Europe Division will become the undisputed leader in the area in terms of total net profit, total revenues, total assets and territorial distribution, as it is more than twice the size of the main competitors.

In particular, the results and the value creation which the Division delivered to its shareholders in 2005 testify to the strategic validity of the Group’s expansion in New Europe, initiated in 1999. During the year, the New Europe Division made a significant return on investment which already averages more than 16.5% (excluding Yapi ve Kredi Bankasi).

CORPORATE TRANSACTIONS IN TURKEY

Little more than three years since the signing the equal joint venture with the Koç industrial group and the establishment of Koç Financial Services (KFS), the Group wished to increase its presence in Turkey through the acquisition of a majority holding, via KFS, in the Yapi ve Kredi banking group. The integration of Yapi ve Kredi and KFS should lead to the formation of a market leader in Turkey among the top players in terms of total lending, number of credit cards, total assets managed, number of customers, leasing and factoring.

THE MULTI-CENTRE FEDERAL MODEL

2005 provided further confirmation of the efficacy of the multi-centre federal model for the management of banks operating in New Europe. This model, coherent with the Group’s strategy to create value for shareholders, relies on a matrix structure which provides for the presence of:

- Independent local brands and operational management entities capable of ensuring commercial flexibility, customer focus and high quality service;
- Strong governance of the Group in risk control and management, and the direction of future expansion and joint initiatives between countries;
- Head office departments dedicated to the support of local business, risk control and knowledge transfer;
- Project committees for the joint management, between UniCredit and the Divisional banks, of strategic or otherwise important projects aimed at facilitating the development and integration of the banks;

- Shared services and regionally-based centres of excellence for achieving economies of scope and scale on the basis of parallel business models, while preserving efficiency and flexibility in the management of elements specific to each country.

THE ACTIVITIES OF THE DIVISION

In line with the new organisational model adopted, 2005 saw the consolidation of the structures of the New Europe Division. This includes some 60 employees entirely dedicated to guiding and supporting the development and restructuring of the banks of New Europe in the areas of Planning and Control, Retail, Corporate, Credit Processes and Organisation. A further 30 employees, belonging to other central departments of UniCredit, concentrate principally on providing these services to the banks of the Division.

The Division, jointly with other head office departments, directly carried out risk management and control functions; using this dedicated structure, it also provided constant support to New Europe subsidiaries. This action concerned both major strategic projects (such as the redesign of the computing systems and the credit process, the setting-up of product factories, the development of multi-channel distribution systems, the reviewing of organisation and processes, etc.) and immediate support for the business activity (development and launch of new products, optimisation of productivity, improvement of cost effectiveness, implementation of planning systems, monitoring and promotion, etc.).

Staff at the Division were also given essential support by approximately 45 UniCredit employees seconded to the banks, including the Deputy CEO of each bank in New Europe, who assists the local CEO.

THE PROJECTS

During 2005 the implementation of cross-bank project activities continued, with a view to creating value for the Group, ensuring an increasing capacity for revenue generation, greater efficiency and strengthening of the image and international exposure of UniCredit. These projects were carried out jointly by personnel of the Division and parallel local offices; this allowed for the various problems encountered to be shared, and for knowledge and working methods to be communicated. This will become particularly useful when it comes to future local integration.

PROJECTS IN FAVOUR OF RETAIL CUSTOMERS

From a sales point of view, the most important projects carried out – some of which were initiated in previous years – were concerned with objectives such as the promotion of a “sales performance culture”, establishing Group best practices as the common denominator in sales support tools, training and planning procedures, and the management and monitoring of commercial campaigns for the acquisition, development and retention of customers. Further projects were also implemented with the objective of focusing on the most attractive areas of the market, particularly in the consumer credit sector.

In 2005 the ongoing development of specialised service models continued, differentiated according to sector: at Koçbank, the Small Business service model was successfully introduced, while Bulbank saw the equally successful introduction of the Loan Centres model, branches dedicated to the promotion and sale of medium- to long-term financing products. These common strategic lines were then fine-tuned according to the peculiarities of the individual countries and the various positionings of the banks of the Group in the markets concerned. For the banks which are already leaders in their respective countries (Bank Pekao, Zagrebacka Banka and Bulbank), the focus was placed on greater profitability and the consolidation of existing positions. For UniBanka, Zivnostenska Banka, UniCredit Romania and KFS, on the other hand, there was more emphasis on a strategy aimed at rapid and sustained growth of market share, through aggressive campaigns to win new customers, and expansion of the commercial network. At Bank Pekao, a new commercial tool was also introduced (Asset Allocation Tool - AAT) in order to support consultancy for affluent customers and the management of their investments.

Product innovation activity was extremely lively in 2005. In particular, the range of credit and debit cards among the various foreign banks was completed. In Romania, there was the introduction of targeted loans through agreements with the retail industry. In Croatia, Zagrebacka Banka resumed operations in the car loan sector, thanks to direct agreements with car dealers. In Poland, the personal loans product range was completely overhauled, enabling Bank Pekao to become a reference player; at the end of 2005, again at Bank Pekao, Credit Protection Insurance (CPI) was introduced: a set of insurance policies designed to protect the debtor's capacity for repayment. The positive Polish experience has laid the foundations for the launch of the same insurance package in Croatia, the Czech Republic and, very likely, Bulgaria. Finally, the range of mortgages was boosted by new forms of financing, partly thanks to the development of a product catalogue developed by the Division in collaboration with Banca per la Casa. With regard to investment products, the range of Asset Management products offered to the Private customers of Zivnostenska Banka was completely overhauled, with the collaboration of Pioneer.

2005 saw the commencement of the Retention project at ZABA, with the aim of designing, testing and implementing the commercial Retention model to be subsequently exported to the other banks in New Europe. The project also includes the development and implementation of a Customer Relationship Management (CRM) system for conducting commercial campaigns.

PROJECTS IN SUPPORT OF CORPORATE CUSTOMERS

For the corporate segment, 2005 saw the realisation of various projects aimed principally at the development and improvement of the commercial efficacy of the network, product innovation and support for the generation of commercial activity.

In Turkey, a portfolio management methodology was introduced to increase customer penetration and customer retention capacity. CRM tools were implemented to support managers and sales co-ordination structures. In Poland, the organisational model for the commercial front-end was overhauled, with the result that the manager now serves as the reference point for the customer in all commercial activity, supported by central and regional groups of product specialists. In order to reduce

the administrative load and increase the time available for core activities, various administrative processes were simplified and rationalised.

With regard to product innovation, in 2005 factoring services were introduced in Croatia and Bulgaria.

In certain New Europe countries a start was also made on the extension of product platforms that are already available to Italian customers. The first area concerned was that of transactional services, with the implementation of a collection and reconciliation product for exporters.

2005 saw the implementation of the brokerage service for institutional investors, with a 56% annual increase in revenues. A key strength of the service is the ability to combine Country know-how (particularly in Poland and Turkey) with the Research expertise and international coverage of UBM.

With regard to central support for commercial activity, in addition to strengthening the management of multinational customers with the appointment of dedicated personnel, co-ordination and referral mechanisms were consolidated with UBI for the acquisition and support of Italian businesses investing in the region. The number of businesses supported in New Europe through the New Europe Desks in each bank is now over 4,500 (an average 20% increase over the year), with a market share of between 40% and 70% in the various countries.

Finally, the "Reaching Credit Excellence" programme was completed. For 2005, this provided for the completion and issuing of certain application modules and the continuation of training activities (Learning Organisation) to improve the skills of colleagues in the Banks of New Europe. The planned activities were completed on time, and all the Banks are now operating with common methods, tools and processes adapted to specific local circumstances and in line with Group best practices and the organisational guidelines of Basel II. The skills reinforcement programme involved 1,300 people and approximately 37,000 hours of training, with academics from European and American universities taking part as trainers and co-operating with in-house experts.

ORGANISATIONAL PROJECTS

In 2005 projects aiming to optimise organisational efficiency in New Europe banks continued. Part of this and in anticipation of the integration projects to be undertaken in 2006, an organisational map known as Orga Mapping was drawn up: it includes every organisational unit in terms of its activity and the number of people involved, and it makes infra-temporal variance analysis and benchmarking possible. Two records were made for each New Europe bank, including their subsidiaries. Orga Mapping was also used to simulate the organisational impact of integrating Koçbank and Yapı ve Kredi in Turkey.

In 2005 an operational Tableau de Bord was developed, which identifies a series of key performance indicators (KPIs) associated with the activities described in Orga Mapping, designed to measure workloads. By collecting all the preparatory material and the documentation produced for the

integration in Turkey, we also drew up an Integration Manual which will be useful for future integration projects in the area.

Infrastructure projects included the launching of Eurosig in the Czech Republic; this is the new integrated Group information system, which the Division supported by carrying out preliminary investigations to identify the organisational impact of adopting it.

PROFIT AND LOSS ACCOUNT

The Division closed 2005 with the best result ever attained since its creation, in both absolute terms and in terms of contributing to the group's goals, with a positive trend that was reflected by all of the economic and capital figures.

Profit and loss account by Division is influenced above all by consolidation in 4Q 2005 of Yapi ve Kredi, which was not consolidated in 2004.

Net operating profit was €655 million, up by 21.3% over 2004 (at historical exchange rates and including all consolidated Companies of the new Group). At constant exchange rates and scope of consolidation (i.e., net of Yapi ve Kredi) net profit growth year-on-year was 12%.

Divisional Operations and Results
New Europe Division

(€ million)

| NEW EUROPE DIVISION | YEAR | | CHANGE PERCENT. | | Q4 | | CHANGE PERCENT. | |
|---|---------------------|--------------|-----------------|-------------------------|-------------|-------------|-----------------|-------------------------|
| | 2005 | 2004 | ACTUAL | AT CONSTANT EXCH. RATES | 2005 | 2004 | ACTUAL | AT CONSTANT EXCH. RATES |
| | Net interest income | 1,290 | 1,070 | + 20.6% | + 12.5% | 368 | 261 | + 41.0% |
| Trading, hedging and fair value income | 164 | 122 | + 34.4% | + 25.2% | 42 | 30 | + 40.0% | + 33.7% |
| Commissions and other net income | 672 | 582 | + 15.5% | + 6.9% | 165 | 162 | + 1.9% | - 4.3% |
| TOTAL REVENUES | 2,126 | 1,774 | + 19.8% | + 11.6% | 575 | 453 | + 26.9% | + 19.6% |
| Payroll costs | -596 | -487 | + 22.4% | + 13.7% | -183 | -125 | + 46.4% | + 38.2% |
| Other expenses, amortisation and depreciation | -602 | -511 | + 17.8% | + 9.8% | -194 | -157 | + 23.6% | + 17.3% |
| Operating expenses | -1,198 | -998 | + 20.0% | + 11.7% | -377 | -282 | + 33.7% | + 26.5% |
| OPERATING PROFIT | 928 | 776 | + 19.6% | + 11.3% | 198 | 171 | + 15.8% | + 8.3% |
| Provision for risks and charges | -15 | -14 | + 7.1% | - | -9 | -5 | n.s. | n.s. |
| Net writedowns of loans | -111 | -118 | - 5.9% | - 12.9% | -40 | -24 | + 66.7% | + 60.2% |
| Net income from investments | 65 | 10 | n.s. | n.s. | 46 | 4 | n.s. | n.s. |
| Other adjustments and provisions | -2 | - 1 | n.s. | n.s. | -2 | - 1 | n.s. | n.s. |
| PROFIT BEFORE TAX | 865 | 653 | + 32.5% | + 23.0% | 193 | 145 | + 33.1% | + 23.4% |
| Income tax for the period | -210 | -113 | + 85.8% | + 73.0% | -75 | -28 | n.s. | n.s. |
| NET PROFIT FOR THE PERIOD | 655 | 540 | + 21.3% | + 12.5% | 118 | 117 | + 0.9% | - 8.6% |

| PROFITABILITY RATIO | | | | |
|----------------------------|--------------|--------------|--------------|--------------|
| Cost/Income | 56.3% | 56.3% | 65.6% | 62.3% |

All the Division's banks recorded better than expected performances. More specifically, Pekao, the division's main bank, posted revenue growth with respect to 2004, driven by an increase in both net interest income and services revenue, on the whole stable costs and a large improvement in adjustments that led to a sharp rise in net profit despite an increase in tax. KFS benefited from the positive local economic performance, which translated into stronger than expected volumes, revenue and net profit growth. Bulbank recorded revenue growth, thus further enhancing the already excellent cost/revenue ratio reached the year before.

On the consolidated level, the Division closed the year with total income of €2,126 million, up 19.8% over 2004 (at historical exchange rates and including all consolidated Companies of the new Group). At constant exchange rates and scope of consolidation, total income grew by 7.3% over 2004 thanks to an increase both in net interest income, mainly driven by a volume effect, and in revenue from services.

The rise in costs (20% at current exchange rates and 11.7% at constant exchange rates) was

substantially affected by the consolidation of Yapi ve Kredi in the last quarter of 2005, which had not been included in 2004 results. Excluding this impact, total cost growth would have been much more limited (6%) and mainly due to an increase in payroll costs, in part as an effect of an increase in the variable part of retribution for target achievement and in part due to an increase in minimum salary levels.

Results showed progress in terms of efficiency as well, with the cost-to-income ratio having reached 56.3%. Scope of consolidation being the same, the cost-to-income ratio would be 55.7%, thereby improved by over half a percentage point over the result recorded in 2004.

Operating profit for the entire division reached €928 million, up 19.6% on 2004 (at historical exchange rates and including all consolidated Companies of the new Group). At constant exchange rates and scope of consolidation, operating profit increased by 8.8% over 2004.

The favourable macroeconomic context, as well as a strict lending process (which resulted in a net improvement on loan adjustments of 5.9% at historical exchange rates and including all consolidated Companies of the new Group and of 23.4% at constant exchange rates and scope of consolidation), partially offset by an increase in income tax (in part due to tax benefits used by Pekao in 2004), led to a profit of €655 million for the period at current exchange rates.

ASSETS AND LIABILITIES

Total loans with customers stood at €20,875 million, up by 38.5% year-on-year at constant exchange rates (by 24% net of Yapi ve Kredi), confirming the banks' outstanding commercial policy during 2005. Deposits from customers and securities in issue were €29,577 million, up 18.3% over the beginning of the year. Taking into account historical exchange rates, the growth would be 45.3% for total loans to customers and 25.2% for direct deposits.

Divisional Operations and Results
New Europe Division

(€ million)

| NEW EUROPE DIVISION | AMOUNTS AS AT | | | CHANGE OVER 30.09.2005 | | CHANGE OVER 01.01.2005 | |
|---|---|---------------|---------------|------------------------|----------------------------|------------------------|----------------------------|
| | 31.12.2005 | 30.09.2005 | 01.01.2005 | ACTUAL | AT CONSTANT EXCHANGE RATES | ACTUAL | AT CONSTANT EXCHANGE RATES |
| | Loans and receivables with customers | 20,875 | 17,137 | 14,367 | + 21.8% | + 20.4% | + 45.3% |
| - Pekao Group | 7,507 | 7,020 | 6,438 | + 6.9% | + 5.3% | + 16.6% | + 10.2% |
| - Zagrebačka Banka Group | 5,505 | 5,283 | 4,369 | + 4.2% | + 3.4% | + 26.0% | + 21.8% |
| - Koç Finansal Hizmetler Group | 4,881 | 2,120 | 1,389 | + 130.2% | + 125.9% | + 251.4% | + 205.8% |
| - Other companies ¹ | 2,982 | 2,714 | 2,171 | + 9.9% | + 8.8% | + 37.4% | + 34.1% |
| Deposits from customers and securities in issue ² | 29,577 | 25,006 | 23,621 | + 18.3% | + 17.0% | + 25.2% | + 19.1% |
| - Pekao Group | 12,129 | 11,629 | 11,206 | + 4.3% | + 2.8% | + 8.2% | + 2.3% |
| - Zagrebačka Banka Group | 6,937 | 6,729 | 6,295 | + 3.1% | + 2.3% | + 10.2% | + 6.6% |
| - Koç Finansal Hizmetler Group | 6,407 | 2,750 | 2,177 | + 133.0% | + 128.5% | + 194.3% | + 156.7% |
| - Other companies ¹ | 4,104 | 3,898 | 3,943 | + 5.3% | + 4.0% | + 4.1% | + 1.1% |

1. Includes infradivisional eliminations.

2. Subordinated debt included.

ASSET QUALITY

Over the last few years, numerous projects and interventions were carried out aimed at improving the entire lending process in the various phases of approval, monitoring and recovery in the corporate and retail segments. Specific workshops were created in order to improve the skills of all staff involved in the lending operations. This intervention, coupled with the introduction of cautious lending policies, led to a substantial reduction in adjustments and provisions, with a quality of loans that has improved greatly over 2004. During 2005 total loans to customers grew by 45.3% at current exchange rates. Total impaired loans increased only by 23.6%, while non-performing loans decreased by 1.5% over end-2004. The weight of net non-performing loans on total loans to customers improved by 75 bp,

(€ million)

| NEW EUROPE DIVISION | 31.12.2005 | | 01.01.2005 | |
|--|----------------|-----------------------|----------------|-----------------------|
| | CARRYING VALUE | PERCENTAGE OVER TOTAL | CARRYING VALUE | PERCENTAGE OVER TOTAL |
| Non-performing loans | 330 | 1.58% | 335 | 2.33% |
| Doubtful loans | 501 | 2.40% | 489 | 3.40% |
| Non-performing and doubtful loans | 831 | 3.98% | 824 | 5.73% |
| Restructured and past-due loans | 190 | 0.91% | 2 | 0.01% |
| Total impaired loans | 1,021 | 4.89% | 826 | 5.75% |
| Performing loans | 19,854 | 95.11% | 13,541 | 94.25% |
| Total loans to customers | 20,875 | 100.00% | 14,367 | 100.00% |

going from 2.33% on 1 January 2005 to 1.58% at year-end 2005. Total impaired loans saw a similar positive evolution, as their weight on total loans to customers improved from 5.75% on 1 January 2005 to 4.89% at year end.

STAFF AND BRANCHES

The internal reorganisation process, together with natural turnover at the individual banks, allowed costs and the number of employees of the division to be kept under control during the years, while protecting agreements with social partners. When excluding Yapi ve Kredi, at year-end 2005 the total number of employees (FTE) of the Division companies stood at 28,771, up by 152 people over 2004. Taking into account that the number of branches (excluding Yapi ve Kredi) increased to 1417, as against 1373 in 2004, the total reduction in the average number of employees per branch in 2005 was more than 2.5%. The average profitability per employee was also outstanding, which - net of Yapi ve Kredi - grew by more than 10%.

| NEW EUROPE DIVISION | AS AT | | CHANGE | |
|-----------------------------|------------|------------|---------|----------|
| | 31.12.2005 | 31.12.2004 | | PERCENT. |
| Employees (FTE) | 32,264 | 28,619 | + 3,645 | + 12.7% |
| Employees net of Yapi Kredi | 28,771 | 28,619 | + 152 | + 0.5% |
| Branches | 1,837 | 1,373 | + 464 | + 33.8% |
| Branches net of Yapi Kredi | 1,417 | 1,373 | + 44 | + 3.2% |

Subsequent Events and Outlook

Subsequent Events

On 31 January 2006 UniCredit's Board of Directors approved the sale of 2S Banca Spa to Société Générale for €548 million. Effective 1 January 2006, 2S Banca Spa became responsible for all the Group's securities service activities, together with the arrangement of a strategic long-term agreement with Société Générale relating to these services.

Following the transfer of 2S Banca, Société Générale will become the securities service supplier (through 2S Banca) to the UniCredit Group in Italy under a long-term agreement, subject to the regulatory authorisation.

The transfer of 2S Banca and the outsourcing of its activities are consistent with the strategic objectives of UniCredit, viz. to manage its business portfolio efficiently, improving customer service and optimising the use of capital, as notified to investors and rating agencies following the announcement of the business combination with the HVB Group. Moreover, with its own highly-integrated pan-European platform and the experience acquired in providing services to external clients, Société Générale will be able to satisfy the requirements of customers of the UniCredit Group, in terms of both commitment and required service levels.

The transaction is expected to be completed by the end of 2006; it is subject to regulatory authorisation.

In January 2006, the Parent Company acquired the remaining shares (3.37% of capital) held by the minority shareholders in Zivnostenska Banka A.S., thus becoming owner of 100% of the Czech bank's share capital. The squeeze-out was effected at a price of CZK 5,000 per share. The total amount to be paid by UniCredit for the minority shares in Zivnostenska is equal to around CZK 229 million or approximately €8 million.

In February 2006, as part of the Management Academy project, UniManagement Srl was set up, a new company wholly owned by the Parent Company, in which the design and supply of managerial training and assessment for Group personnel and the activities conducted by the valuation centre will be grouped.

The company will initially conduct assessment activities only and will provide its services solely to Group companies.

On 15 February 2005 Bank Pekao S.A. entered into a contract with Pirelli Real Estate for the sale to the latter of 75% of Pekao Development. A 25% interest will be retained by Bank Pekao, which will take part in Pekao Development's governance on the basis of this shareholding.

From this sale Bank Pekao will receive about €15 million and will maintain its equity investment in Pekao Development (to be renamed Pirelli Pekao RE), sharing control with Pirelli Real Estate and continuing to invest in the real estate industry in Poland (asset management services, management of existing investments and development of future initiatives).

Closing is expected by the end of March 2006, subject to the final approval of the anti-trust authority.

Outlook

The economic outlook for the current year appears to be generally positive. In the USA, growth is expected to be strong, with a gradual slowdown in consumption which will begin to make itself felt particularly in the latter part of the year. In the euro zone domestic demand is expected to support the economic recovery of which signs are already evident, especially in Germany, but also to some extent in Italy. GDP in the USA is forecast to grow at around 4%, while the growth rate in the euro zone is likely to be in the region of 2%. In Italy a moderate economic upswing is expected at growth rates only slightly lower than those of the euro zone (about 1.5%) - a recovery compared with the stagnation of the last two years, supported not only by foreign demand but also by a recovery in domestic demand, in terms of both consumption and investment.

The orientation of ECB's monetary policy should be kept moderately restrictive at least for the first half of the year, with policy rates expected to climb to 2.75% by the end of 2006 (2.25% at the end of 2005). This is in line with a macroeconomic climate of relative acceleration and fears of inflationary repercussions, partly connected with high oil prices. The forecasts for the USA are also for a partial continuation by the Fed of the policy of gradual rate rises, taking the Fed Funds up to 4.75% from 4.25% at the end of 2005.

The European stock markets are expected to settle into a positive trend, albeit more moderate than the exceptional rates of the last two years.

The context outlined above should continue to support the profitability of the banking system in 2006: a further rise in total revenues is forecast, supported in particular by other net revenues, but also by the recovery of the net interest income.

For the Group, 2006 will be characterised by a marked acceleration in the process of integration between UCI, HVB and BA-CA. Work has already begun on redefining the structure of the divisions; this will entail a new segmentation of the customer base and the reallocation of companies in Germany and Austria in accordance with the divisional business models already adopted in Italy.

The Group will present to the market, most likely in July, a new three-year plan drawn up on the basis of the new divisional structure and the associated development strategies.

Against the background outlined above, in terms of both the external environment and the domestic situation, the Group has set itself targets of significant commercial and revenue growth for 2006, in line with those declared to the market at the time of the launch of the public offering on the HVB Group in June 2005.

In particular:

- the projected growth in revenues will be favoured not only by the dynamics of volumes and financial markets, but also by cross-selling actions;
- a significant increase in operational efficiency will be achieved through actions to control costs, reduce employee numbers and redesign service processes and models;
- the prudent policies of risk control and correct capital allocation will also be strengthened further; these have already characterised the Group's activities in previous years, ensuring significant returns for the divisions in terms of the creation of value for shareholders.

Milan, 22 March 2006

BOARD OF DIRECTORS

Chairman
DIETER RAMPL

Managing Director/CEO
ALESSANDRO PROFUMO

CONSOLIDATED ACCOUNTS

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CONSOLIDATED ACCOUNTS

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Consolidated Accounts

(€ '000)

| CONSOLIDATED BALANCE SHEET | | |
|---|-------------------------|-------------------------------|
| BALANCE SHEET | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004¹ |
| Assets | | |
| 10. Cash and cash balances | 3,459,406 | 2,084,477 |
| 20. Financial assets held for trading | 172,286,700 | |
| 30. Financial assets at fair value through profit and loss | 22,571,677 | |
| 40. Available-for-sale financial assets | 27,888,466 | |
| 50. Held-to-maturity investments | 11,897,967 | |
| 60. Loans and receivables with banks | 76,099,475 | |
| 70. Loans and receivables with customers | 426,552,848 | |
| 80. Derivatives used for hedging | 4,337,300 | |
| 90. Changes in fair value of portfolio hedged items (+/-) | 582,282 | |
| Financial instruments (items from 20 to 90)² | 742,216,715 | 248,500,110 |
| 100. Investments in associates and joint ventures | 3,437,950 | 870,690 |
| 110. Insurance reserves attributable to reinsurers | 181 | - |
| 120. Property, plant and equipment | 7,972,620 | 3,730,096 |
| 130. Intangible assets: of which: - goodwill | 11,834,789 9,202,031 | 2,280,096 1,949,812 |
| 140. Tax assets: | 6,591,682 | 905,781 |
| a) current tax assets | 274,890 | 101,981 |
| b) deferred tax assets | 6,316,792 | 803,800 |
| 150. Non-current assets and disposal groups classified as held for sale | 3,309,218 | - |
| 160. Other assets | 8,177,657 | 7,034,964 |
| Total assets | 787,000,218 | 265,406,214 |

1. The Balance Sheet as at 31 December 2004 does not take into account the effects of IAS 32 and IAS 39, which were adopted on 1 January 2005.

2. Please refer to Part L for detailed figures as at 31 December 2004 under Italian GAAP.

(€ '000)

| | AMOUNTS AS AT | |
|---|--------------------|-------------------------|
| | 31.12.2005 | 31.12.2004 ¹ |
| CONSOLIDATED BALANCE SHEET | | |
| Liabilities | | |
| 10. Deposits from banks | 141,682,445 | |
| 20. Deposits from customers | 268,321,646 | |
| 30. Debt certificates including bonds | 193,926,118 | |
| 40. Financial liabilities held for trading | 107,093,636 | |
| 50. Financial liabilities at fair value through profit and loss | 1,129,297 | |
| 60. Derivatives used for hedging | 4,142,267 | |
| 70. Changes in fair value of portfolio hedged items (+/-) | 356,121 | |
| Financial instruments (items from 10 to 70)² | 716,651,530 | 237,308,799 |
| 80. Tax liabilities: | 5,924,628 | 1,107,845 |
| a) current tax liabilities | 1,337,259 | 739,219 |
| b) deferred tax liabilities | 4,587,369 | 368,626 |
| 90. Liabilities included in disposal groups classified as held for sale | 1,886,993 | - |
| 100. Other liabilities | 15,705,971 | 9,791,440 |
| 110. Provision for employee severance pay | 977,308 | 972,121 |
| 120. Provisions: | 6,607,679 | 1,151,028 |
| a) post-retirement benefit obligations | 4,441,421 | 465,872 |
| b) other provisions | 2,166,258 | 685,156 |
| 130. Insurance reserves | 140,409 | - |
| 140. Revaluation reserves | 1,903,723 | 277,020 |
| 170. Reserves | 9,176,698 | 6,426,369 |
| 180. Share premium | 16,816,170 | 2,308,639 |
| 190. Share capital | 5,195,277 | 3,168,355 |
| 200. Treasury shares (-) | (359,039) | (358,416) |
| 210. Minorities (+/-) | 3,902,613 | 1,184,283 |
| 220. Net Profit or Loss (+/-) | 2,470,258 | 2,068,731 |
| Total liabilities, minority interest and equity | 787,000,218 | 265,406,214 |

1. The Balance Sheet as at 31 December 2004 does not take into account the effects of IAS 32 and IAS 39, which were adopted on 1 January 2005.

2. Please refer to Part L for detailed figures as at 31 December 2004 under Italian GAAP.

Managing Director/CEO
ALESSANDRO PROFUMO

Chief Accountant
FRANCO LECCACORVI

(€ '000)

| CONSOLIDATED PROFIT AND LOSS | | |
|---|--------------------|----------------------------|
| | 2005 | 2004 ⁽¹⁾ |
| Items | | |
| 10. Interest income and similar revenues | 11,120,155 | 9,389,509 |
| 20. Interest expense and similar charges | (5,725,925) | (4,510,900) |
| 30. Net interest margin | 5,394,230 | 4,878,609 |
| 40. Fee and commission income | 5,116,691 | 4,485,404 |
| 50. Fee and commission expense | (744,228) | (580,050) |
| 60. Fee and commission net income | 4,372,463 | 3,905,354 |
| 70. Dividend income and similar revenue | 157,572 | 226,592 |
| 80. Gains and losses on financial assets and liabilities held for trading | 746,353 | 978,123 |
| 90. Fair value adjustments in hedge accounting | 8,566 | - |
| 100. Gains (losses) on disposal of: | 254,838 | 28,490 |
| <i>a) loans and receivables</i> | 4,830 | 326 |
| <i>b) available-for-sale financial assets</i> | 249,989 | 28,164 |
| <i>c) held-to-maturity investments</i> | 19 | - |
| <i>d) financial liabilities</i> | - | - |
| 110. Gains (losses) on financial assets/liabilities at fair value through profit and loss | 87,733 | - |
| 120. Operating income | 11,021,755 | 10,017,168 |
| 130. Impairment losses on: | (913,267) | (893,767) |
| <i>a) loans</i> | (907,768) | (886,189) |
| <i>b) available-for-sale financial assets</i> | (4,493) | (5,922) |
| <i>c) held-to-maturity investments</i> | 1,009 | - |
| <i>d) other financial assets</i> | (2,015) | (1,656) |
| 140. Net profit from financial activities | 10,108,488 | 9,123,401 |
| 150. Premiums earned (net) | 18,220 | - |
| 160. Other income (net) from insurance activities | (13,649) | - |
| 170. Net profit from financial and insurance activities | 10,113,059 | 9,123,401 |
| 180. Administrative costs: | (5,984,053) | (5,702,365) |
| <i>a) staff expenses</i> | (3,873,035) | (3,710,692) |
| <i>b) general and administrative expenses</i> | (2,111,018) | (1,991,673) |
| 190. Provisions | (156,876) | (265,163) |
| 200. Impairment/write-backs on property, plant and equipment | (341,789) | (345,288) |
| 210. Impairment/Write-backs on intangible assets | (127,837) | (121,102) |
| 220. Other net operating income | 389,070 | 393,410 |
| 230. Operating costs | (6,221,485) | (6,040,508) |
| 240. Profit (loss) of associates | 105,794 | 51,051 |
| 270. Gains (losses) on disposal of investments | 70,849 | 103,827 |
| 280. Total profit (loss) before tax from continuing operations | 4,068,217 | 3,237,771 |
| 290. Tax expense (income) related to profit or loss from continuing operations | (1,395,923) | (998,775) |
| 295. Profit (Loss) after tax - HVB Group | 59,168 | - |
| 300. Total profit (loss) after tax from continuing operations | 2,731,462 | 2,238,996 |
| 320. Net Profit (Loss) for the year | 2,731,462 | 2,238,996 |
| 330. Minorities | (261,204) | (170,265) |
| 340. Net Profit (Loss) attributable to the Parent Company | 2,470,258 | 2,068,731 |
| Earnings per share (€) | 0.37 | 0.33 |
| Diluted earnings per share (€) | 0.37 | 0.33 |

1. The 2004 Profit and Loss Account does not take into account the effects of IAS 32 and 39, adopted as from 1 January 2005. Gains (losses) from disposal of financial instruments and net writedowns/write-backs of the latter were conventionally classified under the sub-items relating to available-for-sale items.

Managing Director/CEO
ALESSANDRO PROFUMO

Chief Accountant
FRANCO LECCACORVI

Statement of Changes in Shareholders' Equity

| STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | | | | |
|--|--------------------------|---------------------------|------------------------|---|------------|-------------------------|-----------------------------------|--------------------------------|---|------------------------------|-----------------------|-------------------------|---------------------------------------|
| | BALANCE AS AT 31.12.2004 | CHANGE IN OPENING BALANCE | BALANCE AS AT 1.1.2005 | ALLOCATION OF PROFIT FROM PREVIOUS YEAR | | CHANGES DURING THE YEAR | | | | | | | SHAREHOLDERS' EQUITY AS AT 31.12.2005 |
| | | | | RESERVES | DIVIDENDS | CHANGES IN RESERVES | SHAREHOLDERS' EQUITY TRANSACTIONS | | | | | NET PROFIT OR LOSS 2005 | |
| | | | | | | | ISSUE OF NEW SHARES | ACQUISITION OF TREASURY SHARES | DISTRIBUTION OF EXTRAORDINARY DIVIDENDS | CHANGE IN EQUITY INSTRUMENTS | OWN SHARE DERIVATIVES | | |
| Group: | | | | | | | | | | | | | |
| Share capital: | | | | | | | | | | | | | |
| a) ordinary shares | 3,157,502 | - | 3,157,502 | - | - | - | 2,026,922 | - | - | - | - | - | 5,184,424 |
| b) other shares | 10,853 | - | 10,853 | - | - | - | - | - | - | - | - | - | 10,853 |
| Share premium | 2,308,639 | - | 2,308,639 | - | - | - | 14,507,531 | - | - | - | - | - | 16,816,170 |
| Reserves: | | | | | | | | | | | | | |
| a) from profits | 6,335,756 | -674,322 | 5,661,434 | 776,696 | - | 460,697 | -9,163 | - | - | - | - | - | 6,889,664 |
| b) other | 90,613 | - | 90,613 | - | - | 60,245 | 2,118,682 | - | - | - | - | 17,494 | 2,287,034 |
| Revaluation reserves: | | | | | | | | | | | | | |
| a) available-for-sale | - | 1,156,356 | 1,156,356 | - | - | 639,388 | - | - | - | - | - | - | 1,795,744 |
| b) cash-flow hedging | - | -22 | -22 | - | - | -169,019 | - | - | - | - | - | - | -169,041 |
| c) other ² | 277,020 | - | 277,020 | - | - | - | - | - | - | - | - | - | 277,020 |
| Treasury shares: | | | | | | | | | | | | | |
| a) Parent company | - | -358,416 | -358,416 | - | - | - | - | - | - | - | - | - | -358,416 |
| b) subsidiaries ³ | - | - | - | - | - | -623 | - | - | - | - | - | - | -623 |
| Net Profit (Loss) for the year | 2,068,731 | - | 2,068,731 | -776,696 | -1,292,035 | - | - | - | - | - | - | 2,470,258 | 2,470,258 |
| Shareholders' equity | 14,249,114 | 123,596 | 14,372,710 | - | -1,292,035 | 990,688 | 18,643,972 | - | - | - | 17,494 | 2,470,258 | 35,203,087 |
| Minorities: | | | | | | | | | | | | | |
| Share capital | 170,671 | - | - | - | - | 790,356 | - | - | - | - | - | - | 961,027 |
| Share premium and Reserves | 837,920 | - | - | 170,265 | - | 1,627,161 | - | - | - | - | - | - | 2,635,346 |
| Revaluation reserves: | | | | | | | | | | | | | |
| a) available-for-sale | - | - | - | - | - | 40,834 | - | - | - | - | - | - | 40,834 |
| b) cash-flow hedging | - | - | - | - | - | 98 | - | - | - | - | - | - | 98 |
| c) other ² | 5,427 | - | - | - | - | -1,239 | - | - | - | - | - | - | 4,188 |
| Treasury shares | | | | | | | | | | | | | |
| a) Parent company | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b) subsidiaries | - | - | - | - | - | -84 | - | - | - | - | - | - | -84 |
| Net Profit (Loss) for the year | 170,265 | - | - | -170,265 | - | - | - | - | - | - | - | 261,204 | 261,204 |
| Shareholders' equity | 1,184,283 | - | - | - | - | 2,457,126 | - | - | - | - | - | 261,204 | 3,902,613 |

1. Stock Option, Performance Share and Restricted Share

2. Special revaluation laws

3. Amount previously included under "Reserves - Other".

Cash flow statement

| CASH FLOW STATEMENT | | |
|---|--------------------|--------------------|
| | 31.12.2005 | 31.12.2004 |
| A. OPERATING ACTIVITIES | | |
| 1. Operations | 5,426,102 | 3,324,877 |
| - profit (loss) for the year (+/-) | 2,470,258 | 2,068,731 |
| - capital gains/losses on financial assets/liabilities held for trading and on assets/liabilities at fair value through profit and loss (+/-) | -65,328 | - |
| - capital gains/losses on hedging transactions (+/-) | -8,566 | - |
| - net write-offs/write-backs due to impairment (+/-) | 1,400,852 | 1,218,509 |
| - net write-offs/write-backs on tangible and intangible assets (+/-) | 469,626 | 466,390 |
| - provisions and other incomes/expenses (+/-) | 481,303 | 114,615 |
| - other uncollected income and unpaid expense from insurance activities | -3,229 | - |
| - tax not paid (+) | 681,186 | 101,375 |
| - financial instruments (without applying IAS 32 and 39) | - | -644,743 |
| 2. Liquidity generated/absorbed by financial assets | -12,004,653 | -29,695,236 |
| - financial assets held for trading | 1,438,289 | - |
| - financial assets at fair value through profit and loss | 1,232,893 | - |
| - available-for-sale financial assets | -363,687 | - |
| - loans and receivables with banks | 3,325,458 | - |
| - loans and receivables with customers | -17,637,606 | - |
| - financial instruments (without applying IAS 32 and 39) | - | -29,695,236 |
| 3. Liquidity generated/absorbed by financial liabilities | 8,820,538 | 28,191,548 |
| - deposits from banks | 4,161,200 | - |
| - deposits from customers | 7,984,909 | - |
| - debt certificates including bonds | 9,401,053 | - |
| - financial liabilities held for trading | -11,326,589 | - |
| - financial liabilities at fair value through profit and loss | 31 | - |
| - other liabilities | -1,400,066 | 2,901,783 |
| - financial instruments (without applying IAS 32 and 39) | - | 25,289,765 |
| Net liquidity generated/absorbed by operating activities | 2,241,987 | 1,821,189 |
| B. INVESTING ACTIVITIES | | |
| 1. Liquidity generated by: | 788,832 | 168,052 |
| - sales of equity investments | 39,365 | 75,163 |
| - collected dividends on equity investments | 28,339 | 14,156 |
| - sales of financial assets held for trading | 444,535 | - |
| - sales of property, plant and equipment | 267,594 | 77,409 |
| - sales of intangible assets | 3,589 | 1,324 |
| - sales of subsidiaries and divisions | 5,410 | - |
| 2. Liquidity absorbed by: | -1,678,858 | -444,697 |
| - purchases of equity investments | -96,918 | -38,566 |
| - purchases of financial assets held for trading | - | - |
| - purchases of tangible assets | -680,253 | -318,860 |
| - purchases of intangible assets | -226,484 | -87,271 |
| - purchases of subsidiaries and divisions | -675,203 | - |
| Net liquidity generated/absorbed by investing activities | -890,026 | -276,645 |
| C. FINANCING ACTIVITIES | | |
| - issue/purchase of treasury shares | - | -358,416 |
| - issue/purchase of equity instruments | - | - |
| - distribution of dividends and other scopes | -1,292,035 | -1,090,419 |
| Net liquidity generated/absorbed by financing activities | -1,292,035 | -1,448,835 |
| NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR | 59,926 | 95,709 |

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

| RECONCILIATION | | |
|---|-------------------|-------------------|
| | 31.12.2005 | 31.12.2004 |
| Cash and cash equivalents at the beginning of the year | 2,084,477 | 1,952,396 |
| Cash and cash equivalents HVB Group | 1,052,892 | - |
| Cash and cash equivalents Yapi ve Kredi Group | 89,341 | - |
| Net liquidity generated/absorbed during the year | 59,926 | 95,709 |
| Cash and cash equivalents: effect of exchange differences | 172,770 | 36,372 |
| Cash and cash equivalents at the end of the year | 3,459,406 | 2,084,477 |

NOTES TO THE CONSOLIDATED ACCOUNTS

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transparency
прозрачність
transparenz

libertà
szabadság
freedom
Freiheit

Respekt
rispetto
respect

fairness
esitlik
equità

fiducia
zaufanie
trust

uzajamnost
reciprocity
reciprocitate



NOTES TO THE CONSOLIDATED ACCOUNTS

Part A) Accounting Policies

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Part A) Accounting Policies

A1) General

Section 1 - Statement of Compliance with IFRS

Legislative Decree #38/05 introduced EU Regulation #1606 issued on 19 July 2002, under which the UniCredit Group is required to prepare its consolidated accounts in accordance with IFRS issued by the IASB as endorsed by the EU.

Banca d'Italia, whose powers as per LD #87/92 in relation to banks' and regulated financial companies' Accounts were confirmed in the above-mentioned LD, laid down the new formats for the Accounts and the Notes to the Accounts in its circular #262 dated 22 December 2005.

These Accounts have therefore been prepared in accordance with the IFRS issued by the IASB (including the interpretation documents issued by the SIC and the IFRIC) and endorsed by the European Commission up to 31 December 2005, pursuant to the above-mentioned Regulation.

Section 2 - Preparation Criteria

As mentioned above, these Accounts have been prepared in accordance with the IFRS endorsed by the European Commission. The following documents were used to interpret and support the application of IFRS (albeit not endorsed by the EC):

- Framework for the Preparation and Presentation of Financial Statements issued by the IASB in 2001;
- Implementation Guidance, Basis for Conclusions, IFRIC and any other documents prepared by the IASB or IFRIC (International Financial Reporting Interpretations Committee) supplementing IFRS;
- Interpretative documents on the application of IFRS in Italy prepared by the *Organismo Italiano di Contabilità* (OIC) and *Associazione Bancaria Italiana* (ABI).

When compiling our consolidated accounts at 31 December 2005 we took advantage of the option allowed by IFRS 1 to apply IAS 32 and 39 dealing with financial instruments starting from 1 January 2005. Consequently, accounting data at 31 December 2004 relating to items covered by these IAS are stated under Italian GAAP.

The consolidated accounts comprise the balance sheet, the profit and loss account, the statement of changes in equity, the cash-flow statement (compiled using the indirect method) and the notes to the accounts. Figures are given in thousands of euros.

Measurement criteria are intended to reflect the continuity of corporate business and are in line with the principles of competence, relevance and materiality in the accounts and the priority of economic substance over juridical form.

Section 3 - Consolidation Procedures and Scope

The consolidation procedures used are as follows:

CONSOLIDATED ACCOUNTS

The consolidated accounts at 31 December 2005 include the separate accounts of the Parent Company and those of its fully consolidated subsidiaries at the same date, reclassified where necessary to take account of consolidation requirements and to bring them into line with IFRS.

The Bayerische Hypo- und Vereinsbank AG Group ("HVB Group") compiles its accounts under IFRS and was consolidated as from the acquisition date (see Part G Business Combinations).

Given the short time between the acquisition date and the balance-sheet date and the complexity of the acquired group, the consolidated accounts use the HVB consolidated accounts prepared under IFRS. This was done by allocating the acquisition cost, as described in Part G, and by reclassifying and supplementing HVB's consolidated accounts to bring them into line with the requirements of Banca d'Italia Circular #262 dated 22 December 2005. The HVB Group's net profit for the period was taken to profit and loss item 295 "HVB Group net profit after acquisition").

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

Balance Sheet items in foreign currencies are converted at closing exchange rates; the average exchange rate for the year is used for the profit and loss account, which is considered a valid approximation of the rate of exchange at the date of the transaction.

SUBSIDIARIES

Subsidiaries are entities of which:

1. The Parent owns, directly or indirectly through subsidiaries, more than half of the voting power unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
2. The Parent owns half or less of the voting power and has:
 - a) power over more than half of the voting rights by virtue of an agreement with other investors;
 - b) power to govern the financial and operating policies of the entity under a statute or an agreement;
 - c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
 - d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

These definitions include special purpose entities as required by SIC 12.

The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity.

The carrying amount of an investment in a fully consolidated entity held by the Parent or another Group company is eliminated against the recognition of the subsidiary's assets and liabilities as well as the Group's portion of equity of the subsidiary.

Intragroup balances, transactions, income and expenses are eliminated in full.

A subsidiary's income and expenses are included in consolidation from the date the Parent acquires control. On disposal of a subsidiary, its income and expenses are consolidated up to the date of disposal, i.e., when the Parent ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and the carrying amount of its net assets is recognised in item 270 "Gains (Losses) on disposal of investments" in profit and loss.

Minority interests are recognised in the consolidated balance sheet item 210 "Minorities" separately from liabilities and Parent shareholders' equity. Minority interests in the profit or loss of the Group are separately disclosed under item 330 of the consolidated profit and loss account.

On first-time consolidation, subsidiaries are measured at fair value as at the acquisition date, i.e. at the cost of obtaining control of the subsidiary inclusive of ancillary costs.

ASSOCIATES

These are entities over which an investor has significant influence, and which is neither a subsidiary nor an interest in a joint venture. It is presumed that the investor has significant influence if the investor holds, directly or indirectly, at least 20 per cent of the voting power of an investee.

Investments in associates are recognised using the equity method. The carrying amount includes goodwill (less any impairment loss). The investor's share of the profit and loss of the investee after the date of acquisition is recognised in item 240 "Profit (Loss) of associates" in profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

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

Unrealised profits on transactions with associates are eliminated to the extent of the Group's interest. Unrealised losses are likewise eliminated, unless the transactions show evidence of impairment of the assets exchanged.

JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists only when financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Interests in joint ventures are recognised using proportionate consolidation.

The following table shows the companies included in the scope of consolidation, listed by division.

| INVESTMENTS IN SUBSIDIARIES AND INTERESTS IN JOINT VENTURES (recognised using proportionate consolidation) | | | | | |
|---|------------------------|-----------------------------------|--|-----------|--------------------------|
| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
| | | | HELD BY | HOLDING % | |
| COMPANIES | | | | | |
| 1 LINE BY LINE METHOD | | | | | |
| UNICREDITO ITALIANO SPA | Genoa | | Parent company | | |
| RETAIL BANKING DIVISION | | | | | |
| Unicredit Banca SpA | Bologna | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Clarima Banca SpA | Milan | 1 | UniCredit Banca SpA | 100.00% | 100.00% |
| Unicredit Banca per la Casa SpA | Milan | 1 | UniCredit Banca SpA | 100.00% | 100.00% |
| Unicredit Assicura SRL | Milan | 1 | UniCredit Banca SpA | 100.00% | 100.00% |
| CORPORATE AND INVESTMENT BANKING DIVISION | | | | | |
| Unicredit Banca d'Impresa SpA | Verona | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Banca Mobiliare SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Banca Mediocredito SpA (now ZS Banca SpA) | Turin | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Tyrescom Limited (in members' voluntary liquidation) | Dublin | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Locat SpA | Bologna | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Locat Leasing Croatia Doo | Zagreb | 1 | Locat SpA | 100.00% | 100.00% |
| Locat Rent SpA | Milan | 4 | Locat SpA | 50.00% | 50.00% |
| Zao Locat Leasing Russia | Moscow | 1 | Locat SpA | 62.00% | 62.00% |
| S+R Investimenti e Gestioni SGRpA | Milan | 1 | UniCredit Banca d'Impresa SpA | 100.00% | 100.00% |
| UBM Securities Inc (in liquidation) | Dover | 1 | UniCredit Banca Mobiliare Spa | 100.00% | 100.00% |
| Euro Capital Structure (in liquidation) | Dublin | 1 | UniCredit Banca Mobiliare Spa | 100.00% | 100.00% |
| TLX SpA | Milan | 1 | UniCredit Banca Mobiliare Spa | 100.00% | 100.00% |
| Medioinvest SRL | Perugia | 1 | UniCredit Banca d'Impresa SpA | 100.00% | 100.00% |
| Unicredit Broker | Milan | 1 | UniCredit Banca d'Impresa SpA | 100.00% | 100.00% |
| Unicredit Factoring SpA | Milan | 1 | UniCredit Banca d'Impresa SpA | 100.00% | 100.00% |
| Quercia Funding SRL | Verona | 1 | UniCredit Banca d'Impresa SpA | 65.00% | 65.00% |
| PRIVATE BANKING DIVISION | | | | | |
| Unicredit Private Banking SpA | Turin | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit International Bank (Luxembourg) SpA | Luxembourg | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit (Suisse) Bank SA | Lugano | 1 | UniCredit Private Banking SpA | 100.00% | 100.00% |
| BAC Fiduciaria SpA | Republic of San Marino | 1 | Banca Agricola Commerciale della R.S.M. SA | 100.00% | 100.00% |
| Banca Agricola Commerciale della R.S.M. SA | Borgo Maggiore | 1 | UniCredit Private Banking SpA | 85.35% | 85.37% |
| Banque Monegasque de Gestion SA | Munich | 1 | UniCredit Private Banking SpA | 100.00% | 100.00% |
| Cordusio Società Fiduciaria per Azioni | Milan | 1 | UniCredit Private Banking SpA | 100.00% | 100.00% |
| Unicredit Xelion Banca SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Xaa Agenzia Assicurativa SpA | Milan | 1 | UniCredit Xelion Banca SpA | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|--|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| PIONEER GROUP | | | | | |
| Pioneer Global Asset Management SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| FRT - Fiduciaria Risparmio Torino | Turin | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| KI (7) Limited | London | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investment Management Ltd | Dublin | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investment Management (Bermuda) | Hamilton | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investment Management SGRpA | Milan | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investment (Israel) Ltd | Raanana | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investments (New York) Ltd | Dover | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Alternative Investments UK Limited | London | 1 | KI (7) Limited | 100.00% | 100.00% |
| Pioneer Asset Management AS | Prague | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Asset Management SA | Luxembourg | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Czech Financial Company SRO | Prague | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Fonds Marketing GMBH | Munich | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Funds Distributor Inc | Boston | 1 | Pioneer Investment Management USA Inc. | 100.00% | 100.00% |
| Pioneer Global Funds Distributor Ltd | Hamilton | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Global Investments (Australia) PTY Limited | Melbourne | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Global Investments (HK) Limited | Hong Kong | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Global Investments Limited | Dublin | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Investment Company AS | Prague | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Investment Management Inc | Wilmington | 1 | Pioneer Investment Management USA Inc. | 100.00% | 100.00% |
| Pioneer Investment Management Limited | Dublin | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Investment Management Shareholders Services | Boston | 1 | Pioneer Investment Management USA Inc. | 100.00% | 100.00% |
| Pioneer Investment Management SGRpA | Milan | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Investment Management USA Inc | Wilmington | 1 | Pioneer Global Asset Management SpA | 100.00% | 100.00% |
| Pioneer Pekao Investment Fund Company SA | Warsaw | 1 | Pioneer Pekao Investment Management SA | 100.00% | 100.00% |
| Pioneer Pekao Investment Management SA | Warsaw | 1 | Bank Pekao SA | 49.00% | 49.00% |
| | | | Pioneer Global Asset Management SpA | 51.00% | 51.00% |
| NEW EUROPE DIVISION | | | | | |
| Bulbank AD | Sofia | 1 | UniCredito Italiano SpA | 86.13% | 86.13% |
| Unibanka AS | Bratislava | 1 | UniCredito Italiano SpA | 77.21% | 77.21% |
| Unicredit Leasing Auto Bulgaria EOOD | Sofia | 1 | UniCredit Leasing Bulgaria EAD | 100.00% | 100.00% |
| Unicredit Leasing Bulgaria EAD | Sofia | 1 | Bulbank AD | 100.00% | 100.00% |
| Unicredit Leasing Romania SA | Bucarest | 1 | UniCredit Securities SA | .. | .. |
| | | | UniCredit Romania SA | .. | .. |
| | | | UniCredito Italiano SpA | 100.00% | 100.00% |
| | | | LOCAT SPA | .. | .. |
| Unicredit Romania SA | Bucarest | 1 | UniCredit Securities SA | .. | .. |
| | | | UniCredit Leasing Romania SA | .. | .. |
| | | | UniCredito Italiano SpA | 99.95% | 99.95% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Unicredit Securities SA | Bucarest | 1 | UniCredit Romania SA | 99.99% | 99.99% |
| Zivnotenska Banka AS | Prague | 1 | UniCredito Italiano SpA | 96.63% | 96.63% |
| Xelion Doradcy Finansowi SPZOO | Warsaw | 1 | UniCredito Italiano SpA | 50.00% | 50.00% |
| | | | Bank Pekao SA | 50.00% | 50.00% |
| PEKAO GROUP | | | | | |
| Bank Pekao SA | Warsaw | 1 | UniCredito Italiano SpA | 52.93% | 52.93% |
| Bank Pekao (Ukraina) Ltd | Luck | 1 | Bank Pekao SA | 82.84% | 82.84% |
| | | | Drukbank SPZOO | 17.16% | 17.16% |
| BDK Consulting | Luck | 1 | Bank Pekao (Ukraina) SPZOO | 100.00% | 100.00% |
| CDM Centralny Dom Maklerski Pekao SA | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Centrum Kart SA | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Drukbank SPZOO | Zamosc | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Access SPZOO | Warsaw | 1 | Bank Pekao SA | 55.26% | 55.26% |
| Pekao Developement SPZOO | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Faktoring SPZOO | Lublin | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Financial Services SPZOO | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Fundusz Kapitalowy SPZOO | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Leasing SPZOO | Warsaw | 1 | Bank Pekao SA | 100.00% | 100.00% |
| Pekao Pioneer P.T.E. SA | Warsaw | 1 | Bank Pekao SA | 65.00% | 65.00% |
| | | | Pioneer Global Asset Management SpA | 35.00% | 35.00% |
| ZAGREBACKA BANKA GROUP | | | | | |
| Zagrebacka banka DD | Zagreb | 1 | UniCredito Italiano SpA | 81.91% | 82.16% |
| Centarkaptol DOO | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| Istra Golf DOO | Umag | 1 | Istraturist Umag Hotelijerstvo I Turizam DD | 100.00% | 100.00% |
| Istraturist Umag Hoteljertovoi Turizam DD | Umag | 1 | Zagrebacka Banka DD | 71.80% | 71.80% |
| Marketing Zagrebacke Banke DOO | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| Pominvest DD | Split | 1 | Zagrebacka Banka DD | 88.66% | 88.66% |
| Prva Stambena Stedionica DD Zagreb | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| Unicredit Zagrebacka Banka DD | Mostar | 1 | UniCredito Italiano SpA | 4.69% | 4.94% |
| | | | Zagrebacka Banka DD | 93.98% | 94.52% |
| Zaba Turizam DOO | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| Zagreb Nekretnine DOO | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| Zane BH DOO | Sarajevo | 1 | Zagreb Nekretnine DOO | 100.00% | 100.00% |
| ZB invest DOO | Zagreb | 1 | Zagrebacka Banka DD | 100.00% | 100.00% |
| GLOBAL BANKING SERVICES DIVISION | | | | | |
| I-Faber SpA | Milan | 1 | UniCredit Banca d'Impresa SpA | 65.32% | 65.32% |
| Quercia Software SpA | Verona | 1 | UniCredit Servizi Informativi SpA | 100.00% | 100.00% |
| Uni It SRL | Trento | 1 | UniCredit Produzioni Accentrate SpA | 51.00% | 51.00% |
| Breakeven SRL | Verona | 1 | UniCredito Gestione Crediti SpA | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|--|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Unicredit Produzioni Accentrate SpA | Cologno Monzese | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Real Estate SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Servizi Informativi SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Gestione Crediti SpA | Verona | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Uniriscossioni SpA | Turin | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| OTHER COMPANIES | | | | | |
| Trivimm SRL | Verona | 1 | UniCredito Italiano SpA | 29.00% | 29.00% |
| | | | UniCredito Gestione Crediti SpA | 48.00% | 48.00% |
| Unicredit Audit SpA | Milan | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Delaware Inc | Dover | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredit Ireland Financial Services PLC | Dublin | 1 | UniCredito Italiano Bank (Ireland) PLC | 100.00% | 100.00% |
| Unicredito Italiano Bank (Ireland) PLC | Dublin | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Capital Trust I | Newark | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Capital Trust II | Newark | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Capital Trust III | Newark | 1 | UniCredito Italiano Funding LLC III | 100.00% | 100.00% |
| Unicredito Italiano Capital Trust IV | Newark | 1 | UniCredito Italiano Funding LLC IV | 100.00% | 100.00% |
| Unicredito Italiano Funding LLC I | Dover | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Funding LLC II | Dover | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Funding LLC III | Wilmington | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| Unicredito Italiano Funding LLC IV | Wilmington | 1 | UniCredito Italiano SpA | 100.00% | 100.00% |
| HYPOVEREINSBANK DIVISION | | | | | |
| Bayerische Hypo Und Vereinsbank AG | Munich | 1 | UniCredito Italiano SpA | 93.93% | 93.93% |
| Activest Investmentgesellschaft Luxembourg S.A. | Luxembourg | 1 | HVB Asset Management Holding GmbH | 90.00% | 90.00% |
| | | | HVB Banque Luxembourg Société Anonyme | 10.00% | 10.00% |
| Activest Investmentgesellschaft mbH | Munich | 1 | HVB Asset Management Holding GmbH | 100.00% | 100.00% |
| ALINT 458 Grundstücksverwaltung Gesellschaft m.b.H. & Co. Geschäftshaus Wuppertal KG | Bad Homburg | 1 | ALINT 458 Grundstückverwaltung Gesellschaft m.b.H. | 33.33% | 33.33% |
| | | | BA CA Leasing (Deutschland) GmbH | 65.67% | 65.67% |
| ALINT 458 Grundstückverwaltung Gesellschaft m.b.H. | Bad Homburg | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Allegro Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |
| ALLIB Leasing d.o.o. za Najam | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 10.00% | 10.00% |
| Allib Leasing s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| ALLIB ROM s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 10.00% | 10.00% |
| ALMS Leasing GmbH. | Salzburg | 1 | Bank Austria Creditanstalt Leasing GmbH | 95.00% | 95.00% |
| ALV Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |

Notes to the Consolidated Accounts - Part A) Accounting Policies

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|------------------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| ANI Leasing s.r.l | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 10.00% | 10.00% |
| Antares Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Arany Pénzügyi Lizing Rt. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Arno Grundstücksverwaltungs Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Artemus Macro Fund SPC Limited | George Town (Cayman Islands) | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | - |
| | | | HVB Asset Management Asia Ltd. | - | 100.00% |
| ARUNA Immobilienvermietung GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Asset Management GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Augarten - Hotel - Errichtungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | CALG Immobilien Leasing GmbH | 98.80% | 98.80% |
| Austria Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.40% | 99.40% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 0.40% | 0.40% |
| Autogyör Liegenschaftsnutzung Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA Alpine Holdings, Inc. | Wilmington | 1 | Bank Austria Cayman Islands Ltd. | 100.00% | 100.00% |
| BA-CA Administration Services GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| BA-CA Andante Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Betriebsobjekte AG | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| BACA Baucis Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA CENA Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA Cheops Leasing GmbH | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| BACA Export Finance Limited | London | 1 | BACA (London) Limited | 0.10% | 0.10% |
| | | | Bank Austria Creditanstalt Aktiengesellschaft | 99.90% | 99.90% |
| BA-CA Export Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Mobilien Leasing GmbH | 100.00% | 100.00% |
| BA-CA Finance (Cayman) (2) Limited | George Town (Grand Cayman) | 1 | BA-CA Finance (Cayman) Limited | 100.00% | 100.00% |
| BA-CA Finance (Cayman) Limited | George Town (Grand Cayman) | 1 | Bank Austria Cayman Islands Ltd. | 100.00% | 100.00% |
| BA - CA Ingatlanlizing Szolgáltató Részvénytársaság (BA-CA Immobilien Leasing Dienstleistungs AG) | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA KommunalLeasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACAL ALPHA d.o.o. | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |
| BACA Leasing Alfa s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA-Leasing Aquila Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA/CA-Leasing Beteiligungen GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| BACA Leasing Carmen GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BA CA Leasing (Deutschland) GmbH | Bad Homburg | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 94.90% | 94.90% |
| BA-CA Leasing Drei Garagen GmbH | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BA/CA-Leasing Finanzierung GmbH | Vienna | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 100.00% | 100.00% |
| BACA Leasing Gama s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA-Leasing Gemini Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA CA Leasing (Germany) GmbH | Bad Homburg | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA-Leasing Herkules Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA-Leasing Lupus Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Leasing MAR Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA-Leasing Midas Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA LEASING MODERATO d.o.o. | Lubiana | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA Leasing Nekretnine d.o.o. | Banja Luka | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |
| BACA-Leasing Nero Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA-Leasing Omikron Ingatlanhasznosító Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Leasing Polo, leasing d.o.o. | Lubiana | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Leasing TechRent GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 99.00% | 99.00% |
| BACA Leasing und Beteiligungsmanagement GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | CALG Immobilien Leasing GmbH | 98.80% | 98.80% |
| BACA-Leasing Ursus Ingatlanhasznosító Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Leasing Versicherungsservice GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Leasing Versicherungsservice GmbH & Co. KG | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BA-CA Luna Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACAL Versicherungsservice Holding GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA Minerva Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA Minos Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA Mobilien und LKW Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BACA PEGASUS Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | CALG Immobilien Leasing GmbH | 74.80% | 74.80% |
| BA-CA Polaris Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BA-CA Presto Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA Real Estate s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |

Notes to the Consolidated Accounts - Part A) Accounting Policies

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-----------------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| BACA Romus s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |
| BA CA SECUND Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BACA VULCANUS Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BA-CA Zega Leasing-Gesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BA Creditanstalt Leasing Alpha d.o.o. | Belgrade | 1 | HVB Banka Srbija i Crna Gora A.D. | 100.00% | 100.00% |
| BA Creditanstalt Bulus EOOD | Sofia | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| “BA-Creditanstalt Leasing Angla” Sp. z.o.o. | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| “BA-Creditanstalt Leasing Delta” Sp. z. o. o. | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 75.00% | 75.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| “BA-Creditanstalt Leasing Ecos” Sp.z.o.o. | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| “BA-Creditanstalt Leasing Polus” Sp.z.o.o. | Warsaw | 1 | BACA Minerva Leasing GmbH | 90.00% | 90.00% |
| | | | BPH Leasing SA | 10.00% | 10.00% |
| BA Eurolease Beteiligungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BAL Carina Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BAL Demeter Immobilien Leasing GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| BAL Helios Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BAL Hestia Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BAL Horus Immobilien Leasing GmbH | Vienna | 1 | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| BAL Hypnos Immobilien Leasing GmbH | Vienna | 1 | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| BAL Leto Immobilien Leasing GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| BAL Osiris Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BAL Pan Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| BAL Sobek Immobilien Leasing GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Banca Comerciala “Ion Tiriac” S.A. | Bucarest | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 50.00% | 50.00% |
| Bank Austria Cayman Islands Ltd. | Georgetown (Cayman Islands) | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Bank Austria Creditanstalt Aktiengesellschaft | Vienna | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 77.53% | 77.53% |
| | | | UniCredito Italiano SpA | 17.45% | 17.45% |
| Bank Austria Creditanstalt d.d. Ljubljana | Lubiana | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 99.98% | 99.98% |
| Bank Austria Creditanstalt KFZ Leasing GmbH | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 100.00% | 100.00% |
| Bank Austria Creditanstalt Leasing Bauträger GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Bank-Austria Creditanstalt Leasing Crolus d.o.o. za Leasing | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 10.00% | 10.00% |
| Bank Austria Creditanstalt Leasing Immobilienanlagen GmbH | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-----------------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Bank Austria Creditanstalt Leasing, leasing, d.o.o. | Lubiana | 1 | Bank Austria Creditanstalt d.d. Ljubljana | 9.90% | 9.90% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 90.10% | 90.10% |
| Bank Austria Creditanstalt Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 99.98% | 99.98% |
| Bank Austria Creditanstalt Mobilien Leasing GmbH | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Bank Austria Creditanstalt Real Invest GmbH | Vienna | 1 | A & B Banken-Holding GmbH | 5.05% | 5.05% |
| | | | Bank Austria Creditanstalt Aktiengesellschaft | 94.95% | 94.95% |
| Bank Austria Creditanstalt Wohnbaubank AG | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Bank Austria Hungaria Beta Leasing Kft. | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 95.00% | 95.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 5.00% | 5.00% |
| Bank Austria Leasing Argo Immobilien Leasing GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Bank Austria Leasing Aton Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Bank Austria Leasing Hera Immobilien Leasing GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Bank Austria Leasing Ikarus Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Bank Austria Leasing Medea Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Bank Austria Trade Services Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Bank BPH Spolka Akcyjna | Krakau | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 71.03% | ⁽³⁾ 71.03% |
| Bankhaus Neelmeyer AG | Bremen | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| Banking Transaction Services s.r.o. | Prague | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Bankprivat AG | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Baulandentwicklung Gdst 1682/8 GmbH & Co OEG | Vienna | 1 | CALG Anlagen Leasing GmbH | 1.00% | 1.00% |
| | | | CALG Immobilien Leasing GmbH | 99.00% | 99.00% |
| Bayerische Wohnungsgesellschaft für Handel und Industrie mbH | Munich | 1 | HVB Gesellschaft für Gebäude mbH & Co KG | 100.00% | 100.00% |
| Beteiligungs- und Handelsgesellschaft in Hamburg mit beschränkter Haftung | Hamburg | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| BFZ (Overseas) Ltd. Cayman Islands | Georgetown (Cayman Islands) | 1 | Bank Austria Cayman Islands Ltd. | 100.00% | 100.00% |
| BodeHewitt AG & Co. KG | Grünwald | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 72.25% | 72.25% |
| Border Leasing Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| BPH Bank Hipoteczny S.A. | Warsaw | 1 | Bank BPH Spolka Akcyjna | 99.93% | 99.93% |
| | | | BPH Auto Finance SA | 0.07% | 0.07% |
| BPH Finance plc. | London | 1 | Asset S.A. | .. | .. |
| | | | Bank BPH Spolka Akcyjna | 100.00% | 100.00% |
| BPH Leasing SA | Poznan | 1 | BPH PBK Leasing S.A. | 100.00% | 100.00% |
| BPH PBK Leasing S.A. | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 19.90% | 19.90% |
| | | | Bank BPH Spolka Akcyjna | 80.10% | 80.10% |
| Brewo Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|--|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Business City Management GmbH | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CABET-Holding-Aktiengesellschaft | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| CABO Beteiligungsgesellschaft m.b.H. | Vienna | 1 | CABET-Holding-Aktiengesellschaft | 100.00% | 100.00% |
| CAC Full Service Leasing s.r.o. | Bratislava | 1 | CAC Leasing Slovakia a.s. | 100.00% | 100.00% |
| CAC Full Service Leasing, s.r.o. | Prague | 1 | CAC Leasing a.s. | 100.00% | 100.00% |
| CAC IMMO, s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CAC Leasing a.s. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CAC Leasing Slovakia a.s. | Bratislava | 1 | Bank Austria Creditanstalt Leasing GmbH | 44.89% | 44.89% |
| | | | CAC Leasing a.s. | 35.21% | 35.21% |
| | | | HVB Bank Slovakia a.s. | 19.89% | 19.89% |
| CAC poistovaci maklér, s.r.o. | Bratislava | 1 | BACAL Versicherungsservice Holding GmbH | 19.68% | 19.68% |
| | | | CAC Leasing Slovakia a.s. | 80.32% | 80.32% |
| CAC Pojišťovací Makléřská spol. s.r.o. | Prague | 1 | CAC Leasing a.s. | 100.00% | 100.00% |
| CAC Real Estate, s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Caibon.com Internet Services GmbH | Vienna | 1 | Bank Austria Trade Services Gesellschaft m.b.H. | 100.00% | 100.00% |
| CA-Leasing Alpha Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Beta 2 Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Delta Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Epsilon Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Euro s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Iota Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Kappa Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Lamda Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Omega Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Ovus s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Praha s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Senioren Park GmbH | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| CA-Leasing Terra poslovanje z nepremicninami d.o.o. | Lubiana | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Ypsilon Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CA-Leasing Zeta Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| CALG 307 Mobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| CALG 443 Grundstückverwaltung GmbH | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |
| CALG 451 Grundstückverwaltung GmbH | Vienna | 1 | CALG Immobilien Leasing GmbH | 1.00% | 1.00% |
| | | | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| CALG Alpha Grundstückverwaltung GmbH | Vienna | 1 | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| CALG Anlagen Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| CALG Anlagen Leasing GmbH & Co Grundstückvermietung und -verwaltung KG | Munich | 1 | CALG Anlagen Leasing GmbH | 99.90% | 99.90% |
| CALG Anlagen Leasing GmbH & Co. OEG | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.00% | 99.00% |
| | | | CALG Immobilien Leasing GmbH | 1.00% | 1.00% |
| CALG Delta Grundstückverwaltung GmbH | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.80% | 99.80% |
| CALG Gamma Grundstückverwaltung GmbH | Vienna | 1 | CALG Immobilien Leasing GmbH | 99.80% | 99.80% |
| CALG Grundstückverwaltung GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | CALG Immobilien Leasing GmbH | 74.80% | 74.80% |
| CALG Hotelgrundstückverwaltung Gründung 1986 GmbH | Vienna | 1 | CALG Anlagen Leasing GmbH | 100.00% | 100.00% |
| CALG Immobilien Leasing GmbH | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.80% | 99.80% |
| CALG Minal Grundstückverwaltung GmbH | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.80% | 99.80% |
| CAL-Papier Liegenschaftsnutzung Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Capital Invest die Kapitalanlagegesellschaft der Bank Austria/Creditanstalt Gruppe GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Charade Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Chefren Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Civitas Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Closed Joint Stock Company International Moscow Bank | Moscow | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 46.84% | 52.88% |
| Communa-Leasing Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | 1 | Real-Lease Grundstücksverwaltungs-Gesellschaft m.b.H. | 99.80% | 99.80% |
| Contra Leasing-Gesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| | | | Jausem-Leasing Gesellschaft m.b.H. | 25.00% | 25.00% |
| Cristal Palace Real Estate, s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 95.00% | 95.00% |
| Cukor Liegenschaftsnutzung Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| DAB Bank AG | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 76.31% | 76.31% |
| DEBO Leasing s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 10.00% | 10.00% |
| direktanlage.at AG | Salzburg | 1 | DAB Bank AG | 100.00% | 100.00% |
| DLB LEASING s.r.o. | Prague | 1 | CAC Leasing a.s. | 100.00% | 100.00% |
| DLV Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Domus Bistro GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|--|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Domus Clean Reinigungs GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Domus Facility Management GmbH | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| DUODEC Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eggenberg Leasing-Gesellschaft m.b.H. | Vienna | 1 | WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | 100.00% | 100.00% |
| Érdi Projekt Ingatlanhasznosító Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Eurolease Amun Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eurolease Anubis Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eurolease Isis Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eurolease Marduk Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eurolease Ra Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Eurolease Ramses Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Eurolease RAMSES Immobilien Leasing Gesellschaft m.b.H. & Co KEG | Vienna | 1 | Eurolease Ramses Immobilien Leasing Gesellschaft m.b.H. | 99.80% | 99.80% |
| Expanda Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Fides Immobilien Treuhand Gesellschaft m.b.H. | Vienna | 1 | WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | 100.00% | 100.00% |
| Financial Markets Service Bank GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| FMC Leasing Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 30.00% | 30.00% |
| | | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| FM Grundstücksverwaltungs GmbH & Co. KG | Munich | 1 | CALG Immobilien Leasing GmbH | 94.90% | 94.90% |
| FMZ Sigma Projektentwicklungs GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Folia Leasing Gesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 75.00% | 75.00% |
| Fugato Leasing Gesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| GALA Grundstücksverwaltung Gesellschaft m.b.H. | Vienna | 1 | CALG Immobilien Leasing GmbH | 99.80% | 99.80% |
| GBS Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.00% | 99.00% |
| Gebäudeleasing Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |
| Gemeindeleasing Grundstückverwaltung Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 37.30% | 37.30% |
| | | | CALG Immobilien Leasing GmbH | 37.50% | 37.50% |
| G.N.E. Global Grundstücksverwertung Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| GRAND INVESTICIJE d.o.o. za promet nekretninama | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Grundstücksverwaltung Linz-Mitte GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Grundstücksverwaltungsgesellschaft m.b.H. & Co.KG | Dornbirn | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Hebros Auto E.O.O.D. | Sofia | 1 | Hebros Leasing E.A.D. | 100.00% | 100.00% |
| Hebros Bank AD | Plovdiv | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 89.92% | 89.92% |
| | | | HVB Bank Biochim AD | 9.99% | 9.99% |
| Hebros Leasing E.A.D. | Sofia | 1 | Hebros Bank AD | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Herku Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| HFP Ingatlanhasznosító Részvénytársaság | Budapest | 1 | HVB-Leasing Hamlet Ingatlanhasznosító Korlátolt Felelősségű Társaság | 100.00% | 100.00% |
| H.F.S. Hypo-Fondsbeteiligungen für Sachwerte GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| Hoka Leasing-Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | 74.80% | 74.80% |
| Honeu Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Hotel Heiligenblut Betriebs GmbH NfG. KG | Vienna | 1 | Arno Grundstücksverwaltungs Gesellschaft m.b.H. | 1.00% | 1.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 99.00% | 99.00% |
| HVB AGENT d.o.o. | Zagreb | 1 | BACAL Versicherungsservice Holding GmbH | 20.00% | 20.00% |
| | | | HVB Leasing Croatia d.o.o. za leasing | 80.00% | 80.00% |
| HVB Alternative Financial Products AG | Vienna | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Asset Management Holding GmbH | Munich | 1 | HVB Verwa 4 GmbH | 100.00% | 100.00% |
| HVB AUTO LEASING EOOD | Sofia | 1 | HVB LEASING OOD | 100.00% | 100.00% |
| "HVB Banka Srbija i Crna Gora" A.D. | Belgrade | 1 | A & B Banken-Holding GmbH | 0.43% | 0.43% |
| | | | Bank Austria Creditanstalt Aktiengesellschaft | 99.57% | 99.57% |
| HVB Bank Biochim AD | Sofia | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 99.79% | 99.79% |
| HVB Bank Czech Republic a.s. | Prague | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| HVB Bank Hungary Rt. | Budapest | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| HVB Bank Romania S.A. | Bucarest | 1 | Arno Grundstücksverwaltungs Gesellschaft m.b.H. | 0.03% | 0.03% |
| | | | Bank Austria-CEE BeteiligungsgmbH | 0.03% | 0.03% |
| | | | Bank Austria Creditanstalt Aktiengesellschaft | 49.87% | 49.87% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 0.03% | 0.03% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 0.03% | 0.03% |
| HVB Bank Slovakia a.s. | Bratislava | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| HVB Banque Luxembourg Société Anonyme | Luxembourg | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | .. | .. |
| | | | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital Asia Limited | Hong Kong | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital LLC | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital LLC II | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital LLC III | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-----------------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| HVB Capital LLC V | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 50.00% | 50.00% |
| | | | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 50.00% | 50.00% |
| HVB Capital LLC VI | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital LLC VII | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Capital LLC VIII | Wilmington | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 50.00% | 50.00% |
| | | | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 50.00% | 50.00% |
| HVB Central Profit Banka d.d. | Sarajevo | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 80.85% | 80.85% |
| HVB Gesellschaft für Gebäude mbH & Co KG | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Global Assets Company, L.P. | City of Dover (USA) | 3 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 4.99% | 4.99% |
| | | | HVB Global Assets Company (GP), LLC | 0.01% | 0.01% |
| HVB Hong Kong Limited | Hong Kong | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Informations-Verarbeitungs-GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Investments (UK) Limited | Georgetown (Cayman Islands) | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Jelzalogbank Rt. | Budapest | 1 | HVB Bank Hungary Rt. | 100.00% | 100.00% |
| HVB-Leasing Aida Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 96.67% | 96.67% |
| | | | Business City Management GmbH | 3.33% | 3.33% |
| HVB-Leasing Atlantis Ingatlanhasznosító Korlátolt Felelősség Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Biztosítási Alkusz Szolgáltató Korlátolt Felelősségű Társaság | Budapest | 1 | BACAL Versicherungsservice Holding GmbH | 20.00% | 20.00% |
| | | | HVB Leasing Hungary Kereskedelmi Korlátolt Felelősségű Társaság | 80.00% | 80.00% |
| HVB Leasing CPB d.o.o. | Sarajevo | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 30.00% | 30.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| HVB Leasing Croatia d.o.o. za leasing | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Leasing Czech Republic s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Dante Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 30.00% | 30.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| HVB Leasing d.o.o. | Sarajevo | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| “HVB Leasing” d.o.o. Beograd | Belgrade | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Fidelio Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Forte Ingatlanhasznosító Kartátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Leasing GmbH | Hamburg | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|--|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| HVB-Leasing Hamlet Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 30.00% | 30.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| HVB-Leasing Hermes Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Leasing Hungary Kereskedelmi Korlátolt Felelősségű Társaság | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 3.33% | 3.33% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 96.67% | 96.67% |
| HVB Leasing Hungary Pénzügyi Szolgáltató Rt. | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 2.50% | 2.50% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 97.50% | 97.50% |
| HVB Leasing Imobiliár s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Leasing Insurance Broker Bulgaria OOD | Sofia | 1 | BACAL Versicherungsservice Holding GmbH | 20.00% | 20.00% |
| | | | HVB LEASING OOD | 80.00% | 80.00% |
| HVB Leasing Insurance Broker s.r.l. | Bucarest | 1 | BA-CA Leasing Versicherungsservice GmbH | 99.80% | 99.80% |
| HVB Leasing Jupiter Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |
| HVB-Leasing LAMOND Ingatlanhasznosító Kft. | Budapest | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 30.00% | 30.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| HVB-Leasing Maestoso Ingatlanhasznosító Kartátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 71.61% | 71.61% |
| | | | Eurolease Ramses Immobilien Leasing Gesellschaft m.b.H. | 28.39% | 28.39% |
| HVB Leasing Max Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB LEASING OOD | Sofia | 1 | Bank Austria Creditanstalt Leasing GmbH | 90.00% | 90.00% |
| HVB-Leasing Othello Ingatlanhasznosító Kft | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 96.67% | 96.67% |
| | | | Business City Management GmbH | 3.33% | 3.33% |
| HVB Leasing Real Estate Bratislava s.r.o. | Bratislava | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Rocca Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB-Leasing Romania s.r.l. | Bucarest | 1 | Bank Austria Creditanstalt Leasing GmbH | 80.00% | 80.00% |
| | | | HVB Bank Romania S.A. | 20.00% | 20.00% |
| HVB Leasing Slovakia s.r.o. | Bratislava | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 100.00% | 100.00% |
| HVB-Leasing Sport Ingatlanhasznosító Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Payments & Services GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Risk Management Products Inc. | New York | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Splitska banka d.d. | Split | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 99.74% | 99.74% |
| “HVB SUPER LEASING” EOOD | Sofia | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| HVB Systems GmbH | Unterföhring | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB U.S. Finance Inc. | New York | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Verwa 4.4 GmbH | Munich | 1 | HVB Verwa 4 GmbH | 100.00% | 100.00% |

Notes to the Consolidated Accounts - Part A) Accounting Policies

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|--------------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| HVB Verwa 4 GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVB Wealth Management Holding GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| HVZ GmbH & Co. Objekt KG | Munich | 1 | Portia Grundstücks-Verwaltungsgesellschaft mbH & Co. Objekt KG | 100.00% | 100.00% |
| Hypo-Bank Verwaltungszentrum GmbH & Co. KG Objekt Arabellastraße | Munich | 1 | HVB Gesellschaft für Gebäude mbH & Co KG | 100.00% | 100.00% |
| Hypo stavebni sporitelna a.s. | Prague | 1 | HVB Bank Czech Republic a.s. | 60.00% | 60.00% |
| | | | Vereinsbank Victoria Bauspar Aktiengesellschaft | 40.00% | 40.00% |
| Hypo (UK) Holdings Limited | London | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| | | | HVB Immobilien AG | - | - |
| HypoVereinsFinance N.V. | Amsterdam | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| “HypoVereins Immobilien” EOOD | Sofia | 1 | HVB Bank Biochim AD | 100.00% | 100.00% |
| Immobilienleasing Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | Arno Grundstücksverwaltungs Gesellschaft m.b.H. | 74.80% | 74.80% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| INDEXCHANGE Investment AG | Unterföhring bei München | 1 | HVB Verwa 4.4 GmbH | 100.00% | 100.00% |
| Inprox Chomutov, s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Inprox Karlovy Vary s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| INPROX Kladno, s.r.o. | Prague | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| INPROX Poprad, Spol. s.r.o. | Bratislava | 1 | Bank Austria Creditanstalt Leasing GmbH | 70.00% | 70.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 30.00% | 30.00% |
| INPROX SR I., spol. s.r.o. | Bratislava | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Internationales Immobilien-Institut GmbH | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 94.00% | 94.00% |
| Intro Leasing Gesellschaft m.b.H. | Vienna | 1 | Projekt-Lease Grundstücksverwaltungs-Gesellschaft m.b.H. | 100.00% | 100.00% |
| Jausem-Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| KADMOS Immobilien Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Kunsthau Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 95.00% | 95.00% |
| | | | Kutra Grundstücksverwaltungs-Gesellschaft m.b.H. | 5.00% | 5.00% |
| Kutra Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| Lagermax Leasing GmbH | Salzburg | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Lagev Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Largo Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Vape Communa Leasinggesellschaft m.b.H. | 98.80% | 98.80% |
| Lassallestraße Bau-, Planungs-, Errichtungs- und Verwertungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 99.08% | 99.08% |
| LEASFINANZ GmbH | Vienna | 1 | LF Beteiligungen GmbH | 100.00% | 100.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| LEASFINANZ Mobilienvermietung GmbH | Vienna | 1 | LEASFINANZ GmbH | 100.00% | 100.00% |
| Legato Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Lelev Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| LF Beteiligungen GmbH | Vienna | 1 | BACA Leasing und Beteiligungsmanagement GmbH | 100.00% | 100.00% |
| LINO Hotel-Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Lipark Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Liva Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Martianez Comercial S.A. | Puerto de la Cruz | 1 | BACA PEGASUS Leasing GmbH | 100.00% | 100.00% |
| M.A.V.7., Bank Austria Leasing Bauträger GmbH & Co. OHG | Vienna | 1 | Bank Austria Creditanstalt Mobilien Leasing GmbH | 98.04% | 98.04% |
| MBC Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Menuett Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| MID Garagen GmbH | Vienna | 1 | Eurolease Ramses Immobilien Leasing Gesellschaft m.b.H. | 99.80% | 99.80% |
| MIK Beta Ingatlanhasznosító Korfátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| MIK Ingatlankezelő Kft. | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| MM Omega Projektentwicklungs GmbH | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Mögra Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Nage Lokalvermietungsgesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Nata Immobilien-Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 6.00% | 6.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 51.50% | 51.50% |
| NÖ. Hypo Leasing Astricta Grundstückvermietungs Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 95.00% | 95.00% |
| Nordinvest Norddeutsche Investment-Gesellschaft mbH | Hamburg | 1 | Beteiligungs- und Handelsgesellschaft in Hamburg mit beschränkter Haftung | 100.00% | 100.00% |
| Oct Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| OLG 92 - Mobilien- und Anlagenleasing GmbH | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| OLG Handels- und Beteiligungsverwaltungsgesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| OLG Industriegüter Leasing GmbH & Co.KG | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 86.12% | 86.12% |
| OLG - Mobilien- und Anlagenleasing Gesellschaft m.b.H. | Vienna | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Optima Financial Services E.O.O.D. | Sofia | 1 | Hebros Bank AD | 100.00% | 100.00% |
| Panenska Invest Spol.s.r.o. | Bratislava | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |

Notes to the Consolidated Accounts - Part A) Accounting Policies

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|--|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Parzhof-Errichtungs- und Verwertungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 0.20% | 0.20% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 99.60% | 99.60% |
| PAZONYI 098 Ingatlanhasznosító Korlátolt Felelősségű Társaság | Budapest | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| PBK Leasing Spółka Akcyjna | Warsaw | 1 | BPH PBK Leasing S.A. | 100.00% | 100.00% |
| PELOPS Leasing Gesellschaft m.b.H. | Vienna | 1 | Eurolease Ramses Immobilien Leasing Gesellschaft m.b.H. | 99.80% | 99.80% |
| Piana Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Polimar 13 Spółka z ograniczoną odpowiedzialnością | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Polimar 6 Spółka z ograniczoną odpowiedzialnością | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Portia Grundstücks-Verwaltungsgesellschaft mbH & Co. Objekt KG | Munich | 1 | HVB Gesellschaft für Gebäude mbH & Co KG | 100.00% | 100.00% |
| Posato Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Prelude Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.99% | 98.99% |
| Prim Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Projekt-Lease Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | Arno Grundstücksverwaltungs Gesellschaft m.b.H. | 74.80% | 74.80% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| QUADEC Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Quart Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | CALG Anlagen Leasing GmbH | 99.80% | 99.80% |
| Quint Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| “Real Estate Management Poland” Sp. z o.o. | Warsaw | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Real-Lease Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Real-Rent Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Regev Realitätenverwertungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 5.00% | 5.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 94.80% | 94.80% |
| Rondo Leasing GmbH | Vienna | 1 | WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | 100.00% | 100.00% |
| RSB Anlagenvermietung Gesellschaft m.b.H. | Vienna | 1 | CALG Immobilien Leasing GmbH | 100.00% | 100.00% |
| RUBATO LEASING društvo s ograničenom odgovornošću za leasing | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| RWF Real - Wert Grundstücksvermietungsgesellschaft m.b.H. & Co. Objekt Wien-Hietzing Kommanditgesellschaft | Vienna | 1 | CALG Immobilien Leasing GmbH | 99.83% | 99.83% |
| | | | RSB Anlagenvermietung Gesellschaft m.b.H. | 0.17% | 0.17% |
| Salvatorplatz-Grundstücksgesellschaft mbH & Co. OHG Verwaltungszentrum | Munich | 1 | Portia Grundstücks-Verwaltungsgesellschaft mbH & Co. Objekt KG | 97.78% | 97.78% |
| | | | TIVOLI Grundstücks-Aktiengesellschaft | 2.22% | 2.22% |
| Savka Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Schoellerbank Aktiengesellschaft | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Seca-Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | CALG Delta Grundstückverwaltung GmbH | 74.80% | 74.80% |
| Sedec Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Sext Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | CALG Delta Grundstückverwaltung GmbH | 99.80% | 99.80% |
| Shopping Center Győr Errichtungs und Betriebsgesellschaft mbH | Budapest | 1 | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 5.00% | 5.00% |
| | | | Business City Management GmbH | 95.00% | 95.00% |
| SHS Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |
| Sigma Leasing GmbH | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 0.40% | 0.40% |
| | | | CALG Anlagen Leasing GmbH | 99.40% | 99.40% |
| Sonata Leasing-Gesellschaft m.b.H. | Vienna | 1 | Arno Grundstücksverwaltungs Gesellschaft m.b.H. | 1.00% | 1.00% |
| | | | Bank Austria Creditanstalt Leasing GmbH | 98.80% | 98.80% |
| Spectrum Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | 100.00% | 100.00% |
| Stewe Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 75.80% | 75.80% |
| | | | Projekt-Lease Grundstücksverwaltungs-Gesellschaft m.b.H. | 24.00% | 24.00% |
| Terz Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Time Trucks Lastwagen- und Auflieger Vermietungs- und Leasingges.m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| TIVOLI Grundstücks-Aktiengesellschaft | Munich | 1 | Portia Grundstücks-Verwaltungsgesellschaft mbH & Co. Objekt KG | 99.67% | 99.67% |
| Tredec Z Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Ufficium Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 95.00% | 95.00% |
| | | | Kutra Grundstücksverwaltungs-Gesellschaft m.b.H. | 5.00% | 5.00% |
| Unicom Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Vape Communa Leasinggesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 25.00% | 25.00% |
| | | | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 74.80% | 74.80% |
| Vereinsbank Victoria Bauspar Aktiengesellschaft | Munich | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 70.00% | 70.00% |
| Visa-Service Kreditkarten Aktiengesellschaft | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 50.10% | 50.10% |
| WAVE Solutions Information Technology GmbH. | Vienna | 1 | Bank Austria Creditanstalt Aktiengesellschaft | 100.00% | 100.00% |
| Westfalenbank Aktiengesellschaft | Bochum | 1 | Bayerische Hypo- und Vereinsbank Aktiengesellschaft | 100.00% | 100.00% |
| WÖM Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Wüba Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Zagra Leasing d.o.o. za financiranje | Zagreb | 1 | Bank Austria Creditanstalt Leasing GmbH | 100.00% | 100.00% |
| Z Leasing Alfa Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing Arktur Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing Auriga Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Z Leasing Corvus Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 99.80% | 99.80% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|--|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Z Leasing Dorado Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | CALG Grundstückverwaltung GmbH | 99.80% | 99.80% |
| Z Leasing Draco Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing Gama Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing GEMINI Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Z Leasing HEBE Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Gebäudeleasing Grundstücksverwaltungsgesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing HERCULES Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Z Leasing HYDRA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing IPSILON Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Z Leasing ITA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing JANUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing KALLISTO Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing KAPA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing KSI Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing LYRA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | GALA Grundstücksverwaltung Gesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing NEREIDE Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing OMEGA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing PERSEUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | MID Garagen GmbH | 99.80% | 99.80% |
| Z Leasing POLLUX Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing RIGEL Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing SCORPIUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing SIRIUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing TAURUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | BA Eurolease Beteiligungsgesellschaft m.b.H. | 99.80% | 99.80% |
| Z Leasing VELA Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | BACA Leasing und Teilnehmungsmanagement GmbH | 100.00% | 100.00% |
| Z Leasing VENUS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| Z Leasing VOLANS Immobilien Leasing Gesellschaft m.b.H. | Vienna | 1 | Bank Austria Creditanstalt Leasing GmbH | 99.80% | 99.80% |
| 2 COMPANIES RECOGNISED USING PROPORTIONATE CONSOLIDATION | | | | | |
| PRIVATE DIVISION | | | | | |
| Orbit Asset Management Limited | Hamilton | 7 | Pioneer Alternative Investment Management (Bermuda) | 50.00% | 50.00% |
| NEW EUROPE DIVISION | | | | | |
| KOC GROUP | | | | | |
| Koç Finansal Hizmetler AS | Istanbul | 7 | UniCredito Italiano SpA | 50.00% | 50.00% |
| Koç Bank AS | Istanbul | 7 | Koç Finansal Hizmetler AS | 49.88% | 49.88% |
| Koç Portfoy Yonetimi AS | Istanbul | 7 | Koç Bank AS | .. | .. |
| | | | Koç Yatrim Menkul Degerler AS | 49.94% | 49.94% |
| Koç Yatrim Menkul Degerler AS | Istanbul | 7 | Koç Finansal Hizmetler AS | 49.96% | 49.96% |
| Koç Bank Azerbaijan Ltd | Baku | 7 | Koçlease - Koçfinansal Kilarama AS | 0.05% | 0.05% |
| | | | Koç Yatrim Menkul Degerler AS | 0.05% | 0.05% |
| | | | Koç Finansal Hizmetler AS | 39.90% | 39.90% |
| Koç Bank Nederland NV | Amsterdam | 7 | Koç Finansal Hizmetler AS | 50.00% | 50.00% |

Investments in Subsidiaries and Interests in Joint Ventures (recognised using proportionate consolidation) continued

| | REGISTERED OFFICE | TYPE OF RELATIONSHIP ¹ | OWNERSHIP RELATIONSHIP | | EFFECTIVE VOTING POWER % |
|---|-------------------|-----------------------------------|---------------------------------------|-----------|--------------------------|
| | | | HELD BY | HOLDING % | |
| Koç Faktör - Koçfaktoring Hizmetleri AS | Istanbul | 7 | Koçlease - Koçfinansal Kiralama AS | 0.01% | 0.01% |
| | | | Koç Finansal Hizmetler AS | 49.96% | 49.96% |
| Koçlease - Koç Finansal Kiralama AS | Istanbul | 7 | Koç Finansal Hizmetler AS | 49.50% | 49.50% |
| Stiching Custody Services KBN | Amsterdam | 7 | KOCBANK NEDERLAND NV | 50.00% | 50.00% |
| Yapi Kredi Bank Deutschland AG | Frankfurt | 7 | Yapi Kredi Bankasi AS | 18.01% | 18.01% |
| | | | YAPI KREDI HOLDING BV | 10.19% | 10.19% |
| Yapi Kredi Bank Nederland NV | Amsterdam | 7 | YAPI KREDI HOLDING BV | 28.63% | 28.63% |
| Yapi Kredi Bankasi AS | Istanbul | 7 | Koç Bank AS | 28.63% | 28.63% |
| Yapi Kredi Emeklilik AS | Istanbul | 7 | Yapi Kredi Bankasi AS | - | - |
| | | | Yapi Kredi Sigorta AS | 26.88% | 26.88% |
| | | | Yapi Kredi Faktoring AS | 0.01% | 0.01% |
| | | | Yapi Kredi Yatirim Menkul Degerler AS | 0.01% | 0.01% |
| Yapi Kredi Faktoring AS | Istanbul | 7 | Yapi Kredi Bankasi AS | 28.63% | 28.63% |
| Yapi Kredi Finansal Kiralama AO | Istanbul | 7 | Yapi Kredi Bankasi AS | 28.09% | 28.09% |
| | | | Yapi Kredi Emeklilik AS | 0.08% | 0.08% |
| Yapi Kredi Holding BV | Amsterdam | 7 | Yapi Kredi Bankasi AS | 28.63% | 28.63% |
| Yapi Kredi Moscow | Moscow | 7 | Yapi Kredi Bankasi AS | 28.59% | 28.59% |
| | | | Yapi Kredi Bank Deutschland AG | - | - |
| | | | Yapi Kredi Finansal Kiralama AO | 0.04% | 0.04% |
| Yapi Kredi Portfoy Yonetimi AS | Istanbul | 7 | Yapi Kredi Bankasi AS | 8.59% | 8.59% |
| | | | Yapi Kredi Emeklilik AS | 14.12% | 14.12% |
| | | | Yapi Kredi Yatirim Menkul Degerler AS | 4.29% | 4.29% |
| Yapi Kredi Sigorta AS | Istanbul | 7 | Yapi Kredi Bankasi AS | 21.19% | 21.19% |
| | | | Yapi Kredi Faktoring AS | 2.28% | 2.28% |
| | | | Yapi Kredi Yatirim Menkul Degerler AS | 3.43% | 3.43% |
| Yapi Kredi Yatirim Menkul Degerler AS | Istanbul | 7 | Yapi Kredi Bankasi AS | 28.41% | 28.41% |
| | | | Yapi Kredi Finansal Kiralama AO | - | - |
| Yapi Kredi Yatirim Ortakligi AS | Istanbul | 7 | Yapi Kredi Bankasi AS | 3.18% | 3.18% |
| | | | Yapi Kredi Yatirim Menkul Degerler AS | 12.88% | 12.88% |

1. Type of relationship:

- 1 = majority of voting rights in general meeting
- 2 = dominant influence in general meeting
- 3 = shareholders' agreement
- 4 = other forms of control
- 5 = centralised management pursuant to paragraph 1. Section 26. of "LD 87/92";
- 6 = centralised management pursuant to paragraph 2. Section 26. of "LD 87/92";
- 7 = joint control

2. Voting rights available in general meeting

- 3. Voting rights on BPH shares indirectly owned by Unicredit through Bank Austria are suspended, waiting for the authorisation of the Banking Supervision Commission (the regulatory authority in Poland).

Section 4 - Subsequent Events

No events have occurred after the balance sheet date that would make it necessary to change the information given in the Consolidated Accounts.

Section 5 - Other Matters

These Consolidated Accounts are the first set of accounts prepared under IFRS. As required by IFRS 1 in Part M there is the document on the transition to IFRS included in our First Half Report at 30 June 2005, which comprises the following:

- reconciliation of shareholders' equity under Italian GAAP to equity under IFRS at 1 January 2004 and 31 December 2004 excluding IAS 32 and 39;
- reconciliation of shareholders' equity under Italian GAAP to equity under IFRS at 1 January 2005 including IAS 32 and 39;
- reconciliation of net profit for 2004 in Italian GAAP to 2004 net profit in IFRS excluding IAS 32 and 39;
- notes to these reconciliations.

The following exemptions permitted by IFRS 1 were used:

- Business combinations – The rules for business combinations that occurred prior to the transition date (1 January 2004) were not applied retroactively; the latest carrying amount of goodwill under previous GAAP was maintained.
- Property – On the date of first adoption property was recognised at purchase cost less accumulated depreciation and any impairment losses, including any revaluations applied in the past. The exemption allows for maintaining any revaluations made in the past as an integral cost component at the time of first adoption.
- Financial Assets that cannot be derecognised – The Group did not recognise loans securitised in transactions entered into before 1 January 2004 even though IAS 39 requires loans of this type to be recognised in the Accounts.
- Stock option plans and transactions with share-based payment settled using equity instruments – The Group took advantage of the option not to apply IFRS 2 (Share-Based Payment) to equity instruments granted before 7 November 2002 or vested prior to transition to IFRS.
- Employee benefits - IAS 19 allows for the usage of the 'corridor' approach, and thus, a portion of actuarial gains and losses does not have to be reported. This exemption allows for the use of this method only for periods following the first application, and thus, all accumulated actuarial gains and losses as at 1 January 2004 were recognised upon first-time adoption.
- Financial instruments – IAS 32 and IAS 39 were applied effective from 1 January 2005, without remeasuring items relating to 2004; the two years' figures are therefore not comparable.

IFRS require that management provide valuations, estimates and projections with a bearing on the application of accounting principles and the carrying amount of assets, liabilities, expenses and revenue. Estimates and related projections based on experience and other factors judged to be reasonably included were used to estimate the carrying value of assets and liabilities not readily obtainable from other sources. These estimates and projections are regularly reviewed. Any changes arising out of this reappraisal are recognised in the period in which it is carried out, provided that it concerns that period. If the reappraisal concerns both current and future periods it is recognised in both current and future periods as appropriate.

A2) The Main Items of the Accounts

1 - Financial Assets held for trading (HfT)

A financial asset is classified as held for trading if it is:

1. acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
2. 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;
3. a derivative (except for a derivative that is a designated hedging instrument - see Section 6).

When an HfT financial asset is recognised initially, it is measured at its fair value excluding transaction costs that are directly recognised in profit or loss even when directly attributable to the acquisition or issue of the financial asset.

After initial recognition, an entity shall measure these financial assets at their fair value. Equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and settled by delivery of such unquoted equity instruments are 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 recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading". If the fair value of a financial asset falls below zero, it is recognised in item 40 "Financial liabilities held for trading".

If it is deemed that there is objective evidence that an HfT financial asset carried at cost has undergone an impairment loss, the amount of the impairment loss - recognised in profit or loss under item 80 "Gains (losses) on financial assets and liabilities held for trading" - is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses cannot be reversed.

A derivative is a financial instrument or other contract with all three of the following characteristics:

1. 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');
2. 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;
3. it is settled at a future date.

Gains and losses originated from derivatives held for trading, whether realised or not, are recognised in profit or loss in item 80 "Gains (losses) on financial assets and liabilities held for trading".

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. 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.

An embedded derivative is separated from the host contract and recognised as a derivative if:

1. the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
3. the hybrid (combined) instrument is not measured 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 an HfT financial asset or financial liability.

When an embedded derivative is separated, the host contract is recognised according to its category.

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 for the purpose of ensuring liquidity and responding to changes in interest rates, exchange rates and prices.

Afs financial assets are money market instruments, other debt instruments or equity instruments.

On initial recognition, an Afs financial asset is measured at fair value plus transaction costs including expenses, less fees and commissions.

Interest on interest-bearing instruments is recognised at amortised cost using the effective interest rate method.

In subsequent periods available-for-sale financial assets are measured at fair value. Gains or losses arising out of changes in fair value are recognised in equity item 140 "Revaluation reserves" – except losses due to impairment and exchange rate gains or losses on monetary items (debt instruments) which are recognised in item 80 "Gains (losses) on financial assets and liabilities held for trading" - until the financial asset is sold, at which time cumulative gains and losses are recognised in profit or loss in item 100(b) "Gains (losses) on disposal or repurchase of Afs financial assets".

If there is objective evidence of an impairment loss on an available-for-sale financial asset, the cumulative loss that had been recognised directly in equity item 140 "Revaluation reserves", is removed from equity and recognised in profit or loss under item 130(b) "Impairment losses (b) Available for sale financial assets". The amount that is removed is the difference between carrying amount (acquisition cost less any impairment loss already recognised in profit or loss) and fair value.

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

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss, even when the reasons for impairment no longer obtain.

3 - Held to Maturity Investments (HtM)

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which there is the positive intention and ability to hold to maturity.

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 are reclassified as available-for-sale and no financial assets are classified as HtM investments for the two following financial years, unless the sales or reclassifications:

- a) 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;
- b) occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;
- c) 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, a held-to-maturity financial asset is measured at amortised cost using the effective interest method. A gain or loss is recognised in profit or loss in item 100(c) "Gains (losses) on disposal of HtM financial assets" when the financial asset is derecognised.

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 recognised 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 occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same profit or loss item.

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 recognised on the date of disbursement to the borrower.

These items include debt instruments with the same characteristics.

After initial recognition at fair value including transaction costs that are directly attributable to the acquisition or issuance of the financial asset (even if not paid), a loan or receivable is measured at amortised cost using the effective interest method, allowances or reversals of allowances being made where necessary on remeasuring.

A gain or loss on loans and receivables that are not part of a hedging relationship is recognised in profit or loss:

- when a loan or receivable is derecognised: in item 100 (a) "Gains (losses) on disposal";

or:

- when a loan or receivable is impaired: in item 130 (a) "Impairment losses (a) loans and receivables".

Interest on loans and receivables is recognised in profit or loss on an accruals basis under item 10 "Interest income and similar revenue".

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 less recovery costs and any prepayments received; 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.

All problem loans are reviewed and analysed periodically at least once a year. 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 recognised in profit or loss in item 130(a) "Impairment losses (a) loans and receivables".

If the quality of the loan or receivable has improved and there is reasonable certainty that principal and interest will be recovered in a timely manner according to contractual terms, a reversal is made in the same profit or loss item, within the amount of the amortised cost that there would have been if there had been no impairments.

Derecognition of a loan or receivable in its entirety is made when the loan or receivable is deemed to be irrecoverable or is written off. Write-offs are recognised directly in profit or loss under item 130(a) "Impairment losses (a) loans and receivables" and reduce the amount of the principal of the loan or receivable. Reversals of all or part of previous impairment losses are recognised in the same item.

Impaired loans and receivables are divided into the following categories:

- **Non-performing loans** – formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognised in a court of law, or borrowers in a similar situation: measurement is on a loan-by-loan or portfolio basis;
- **Doubtful loans** – exposure to borrowers experiencing temporary difficulties, which the Group believes may be overcome within a reasonable period of time: measurement is generally on a loan-by-loan basis or, for loans singularly not significant, on a portfolio basis for homogeneous categories of loans;
- **Restructured loans** – exposure to borrowers with whom a rescheduling agreement has been entered into including renegotiated pricing at interest rates below market, the conversion of part of a loan into shares and/or reduction of principal: measurement is on a loan-by-loan basis, including the present value of losses due to loan rates being lower than funding cost.
- **Past-due loans** – total exposure to any borrower not included in the other categories, who at the balance-sheet date has expired facilities or unauthorised overdrafts that are more than 180 days past due. Total exposure is recognised in this category if, at the balance-sheet date,

either

- the expired or unauthorised borrowing;

or

- the average daily amount of expired or unauthorised borrowings during the last preceding quarter are equal to or exceed 5% of total exposure. Measurement is on a portfolio basis using historical and statistical information.

Collective assessment is used for groups of loans for which individually there are no indicators of impairment, but to which latent impairment can be attributed, inter alia on the basis of the risk factors in use under Basel II.

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 PD (Probability of Default) and LGD (Loss Given Default); these are uniform for each class of loan.

The IRR implicit in contractual cash-flows is the expected IRR at the time of disbursement of the loan. It does not therefore give rise to an impairment loss on initial recognition of the financial asset.

After initial recognition, changes in the risk represented by a loan or receivable are detected by reference to changes in its risk rating (and consequently in its PD and LGD).

The IRR implicit in expected cash-flows on the basis of the loan's new class of risk is the effective expected IRR used to measure the estimated realisable value.

Impairment losses made in the period are equal to the difference between carrying amount (i.e. amortised cost) at the risk level measured on disbursement and the present value of the estimated recoverable amount, discounted at the new expected effective IRR.

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

Allowances for impairment reduce the loan or receivable's carrying amount. The risk inherent in off-balance-sheet items, such as loan commitments, is recognised in profit or loss under item 130(d) "Impairment losses (d) other financial assets" offsetting the liability item 120(b) "Provision: other provisions" (except for losses due to impairment of guarantees and comparable credit derivatives under IAS 39, offsetting item 100 "Other liabilities". Allowances for unsecured loans to residents of countries experiencing debt service difficulties are generally determined, country by country, with the aim of attributing latent impairment on the basis of shared parameters.

Loans and receivables also include, as "Assets sold but not derecognised", loans securitised after 1 January 2004 which cannot be derecognised under IAS 39 (see Section 18 – Other Information - Derecognition).

Corresponding amounts received for securitised loans net of the amount of any retained risk (issued securities retained in the portfolio) are recognised in liability items 10 "Deposits from banks" and 20 "Deposits from customers" as "Liabilities in respect of assets sold but not derecognised".

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

Impairment losses on retained risk securities (arising out of securitisation transactions carried out by the entity) are recognised 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 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 include non-HfT financial assets, but whose risk is:

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

FiaFV are accounted for in a similar manner to HfT financial assets (see Section 1), however gains and losses, whether realised or not, are recognised in item 110 "Gains (losses) on financial assets and liabilities measured at fair value".

6 - Hedge Accounting

Derivative hedging instruments are of three types:

- a) Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- b) Cash flow hedge: a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss;
- c) Hedge of a net investment in a foreign operation.

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 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, i.e. that the hedge ratio 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 was designated.

Hedge accounting is discontinued prospectively if the hedge is terminated or no longer highly effective; 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.

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 recognised 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 recognised through profit or loss in the same item. If the hedging relationship is terminated for reasons other than the sale of the hedged item, 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 recognised through profit or loss in interest receivable or payable over the residual life of the original hedge, in the case of interest-bearing instruments; if the financial instrument does not bear interest, the difference is recognised in profit or loss under item 90 "Fair value adjustments in hedge accounting" at once.

If the hedged item is sold or repaid, the unamortised portion of fair value is at once recognised through profit or loss in the same item.

Cash Flow Hedging

The portion of the gain or loss on a cash flow hedging instrument that is determined to be an effective hedge is recognised initially in equity item 140 "Revaluation reserves". The ineffective portion of the gain or loss is recognised 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 recognised in "Revaluation reserves" from the period when the hedge was effective remains separately recognised in "Revaluation reserves" until the forecast 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".

Hedging a Net Investment in a Foreign Operation

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in item 140 "Revaluation reserves" through the statement of changes in equity;
- the ineffective portion is however recognised through profit or loss in item 90 "Fair value adjustments in hedge accounting".

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognised directly in equity is recognised through profit or loss on disposal of the foreign operation.

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 made up of 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. Macrohedging may not be used for net positions resulting from the offsetting of assets and liabilities.

As for fair value hedges, 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 almost completely offset by changes in fair value of the hedging instrument, i.e., that the hedge ratio is within the range of 80-125 per cent.

Net changes – gains or losses – in the fair value of macrohedged assets and liabilities are recognised 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 recognised 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, the remeasurement of these items is recognised through profit or loss in interest payable or receivable, for the residual life of the hedged financial assets or liabilities.

If the latter are sold or repaid, unamortised fair value is at once recognised through profit and loss in item 90 "Fair value adjustments in hedge accounting".

7 - Equity Investments

The principles governing the recognition and measurement of equity investments under IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates, and IAS 31 Interests in Joint Ventures, are given in detail in Part A.1, Section 3 – Consolidation Procedures and Scope.

Remaining interests other than subsidiaries, associates and joint ventures, and interests recognised in items 150 “Non-current assets and disposal groups held for sale” and 90 “Liabilities included in disposal groups classified as held for sale” (see Section 10) – are classified as AfS financial assets and treated accordingly (see Section 2).

8 - Property, Plant and Equipment (Tangible Assets)

The item includes:

- land
- buildings
- plant and machinery
- furniture and fixtures
- other machinery and equipment
- leasehold improvements.

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 let under a finance lease.

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.

Leasehold improvements are leasehold improvements and costs relating to property, plant and equipment which can be separately identified, usually borne in order to make leased premises fit for the expected use.

Improvements and additional expenses relating to property, plant and equipment which cannot be separately identified, are recognised 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 recognised 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 recognised 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.

All other expenses borne at a later time (e.g. normal maintenance costs) are recognised 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 recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any cumulative impairment losses.

An item with a finite useful life is subject to straight-line depreciation.

An item with an indefinite useful life is not depreciated, nor is an asset the residual value of which is equal to or greater than its carrying amount.

Land and buildings are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The useful life of an asset is reviewed at each accounting period-end at least 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 recognised 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 recognised on the prior-year impairment.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds and carrying value is recognised 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, from which future economic benefits are probable.

Intangible assets are principally goodwill, software, brands and patents.

This items 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 recognised at purchase cost, i.e. including any cost incurred to bring the asset into use, less accumulated amortisation and impairment losses.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

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 recognised in profit and loss item 210 "Impairment/write-backs on intangible assets".

An intangible fixed asset with indefinite life is not amortised. Even if there are no indications of impairment, each intangible asset's carrying amount is compared annually with its recoverable value. If the carrying amount is greater than the recoverable value, the difference is recognised 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 recognised on the prior-year impairment.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or sale in the future and any difference between sale proceeds and carrying value is recognised in the profit and loss item 270 "Gains (losses) on disposal of investments".

Goodwill

Goodwill is the excess of the cost of a business combination over the net fair value of the identifiable assets and other items acquired at the acquisition date.

Goodwill arising on the acquisition of a subsidiary is recognised as an intangible asset. Goodwill arising from the acquisition of non-controlling interests is recognised through investments in associates.

Goodwill is recognised at cost less any cumulative impairment losses and is not amortised.

Even if there are no indications of impairment, goodwill undergoes an annual impairment test, as for intangible assets with an indefinite useful life.

Impairment losses on goodwill are recognised in profit and loss item 260 "Impairment losses on goodwill" and cannot subsequently be reversed.

10 - Non-current Assets Held for Sale

Non-current assets and the group of associated liabilities (i.e. a group of units generating financial cash flow) whose sale is highly probable, are recognised in item 150 "Non-current assets and disposal groups held for sale" and item 90 "Liabilities associated with held-for-sale assets" respectively at the lesser of the carrying amount and fair value net of disposal costs.

The balance of revenue and expense relating to these assets and liabilities (dividends, interest, etc.) and of their measurement as determined above, net of current and deferred tax, is recognised in the item 310 "Gains (losses) on groups of assets held for sale net of tax".

11 - Current and Deferred Tax

Income tax, calculated in accordance with local tax regulations, is recognised as a cost in relation to the taxable profit for the same period.

In the case of Group companies whose Accounts have been prepared under Italian GAAP, all temporary differences whether deductible or taxable arising from the application of IFRS on consolidation, have been considered deferred tax assets or liabilities.

A deferred tax asset (item 140 b) is recognised for all deductible temporary differences to the extent that it is probable that in the future taxable profit will be available against which the asset can be utilised, unless it arises from the initial recognition of an asset or a liability in a transaction which:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
 - 1) is not a business combination; and
 - 2) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are recognised at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the time of recognition.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries or associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the Parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when owed to (or by) the same tax authority and the right to offset is recognised in law.

Current and deferred tax is recognised in profit and loss item 290 "Tax expense (income) related to profit or loss from continuing operations", except tax relating to AfS financial assets or to changes in the fair value of cash flow hedging instruments, the changes in value of which are recognised directly in the revaluation reserves net of tax.

12 - Provisions for Risks and Charges

Retirement Payments and Similar Obligations

Retirement provisions – i.e. provisions for employee benefits paid after leaving employment – are classified as defined 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 needs. 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 has no risk under this type of plan. since it has no legal or implicit obligation to make further contributions, should the plan assets not be sufficient to provide benefit to all employees. Therefore, under this type of plan actuarial and investment risks are borne by the employee.

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 seniority at the time of benefit payment.

The amount recognised as a liability in item 120(a) is the present value of the obligation at the Balance Sheet Date, plus or minus any actuarial gains or losses not recognised in the Accounts under the 'corridor' method, which permits non-recognition of these when they do not exceed 10% of the present value of the obligation, less any pension charges relating to benefits already provided but not recognised, less the fair value at the Balance Sheet Date of plan assets due to settle the obligations directly.

The discount rate used to present-value obligations (whether financed or not) relating to benefits to be provided after

retirement varies according to the 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 recognised 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.

If these conditions are not met, no liability is recognised.

The amounts recognised 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 temporary value of money is material, the amount of a provision should be the present value of the expenditure expected to be required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the temporary value of money and the risks specific to the liability.

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.

A provision is used only for expenditures for which the provision was originally recognised.

Allocations made in the year are recognised 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 re-attributions.

"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*).

13 - Liabilities, securities in issue and subordinated loans

Liabilities, securities in issue and subordinated loans are initially recognised at fair value, which is the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortised 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 recognised as a derivative, provided

that separation requirements are met, and recognised at fair value. Any subsequent changes in fair value are recognised 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 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, recognised in item 160 "Equity instruments", if a physical delivery settles the contract.

The equity part is 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 recognised at amortised cost using the effective interest method.

14 - Financial Liabilities Held for Trading

Financial liabilities held for trading include:

- a) derivatives that are not recognised as hedging instruments;
- b) obligations to deliver financial assets sold short;
- c) financial liabilities issued with an intention to repurchase them in the near term;
- d) 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.

A 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, which is measured at cost.

15 - Financial Liabilities at Fair Value through Profit and Loss

EU Regulation #1864/05 dated 15 November 2005 amended IAS 39 so that, as well as financial assets, financial liabilities could also be designated on initial recognition as measured at fair value, provided that:

- this designation eliminates or considerably reduces a lack of uniformity as between 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.

These transactions are recognised as per HfT financial liabilities, gains and losses, whether realised or not, being recognised 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 recognised 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 recognised 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 recognised in the entity's equity, and recognised in profit or loss on disposal of the net investment.

Non-monetary assets and liabilities recognised 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 recognised:

- in profit and loss if the asset is Hft; or
- in revaluation reserves if the asset is AfS.

Hedges of a net investment in a foreign operation are recognised similarly to cash flow hedges:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in revaluation reserves;
- the ineffective portion is however recognised in profit and loss item 90 "Fair value adjustments in hedge accounting".

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 assets at the closing rate of the period are recognised in the revaluation reserves.

Any goodwill arising on the acquisition of a foreign operation 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 relating to the foreign operation are recognised in profit or loss when the gain or loss on disposal is recognised.

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 recognised 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 recognised 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 the bringing together of separate entities or businesses into one reporting entity.

A business combination may result in a Parent-subsidary 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, including any goodwill, of another entity rather than 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:

- (a) identifying an acquirer;
- (b) measuring the cost of the business combination; and
- (c) 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, plus any costs directly attributable to the business combination.

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. However, a business combination may involve more than one exchange transaction, for example when it is achieved in stages by successive share purchases. When

this occurs:

- (a) the cost of the combination is the aggregate cost of the individual transactions; and
- (b) the date of exchange is the date of each exchange transaction (i.e. the date that each individual investment is recognised in the financial statements of the acquirer), whereas the acquisition date is the date on which the acquirer obtains control of the acquiree.

The acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria.

The acquirer shall recognise the acquiree's identifiable assets, liabilities and contingent liabilities separately at the acquisition date only if they satisfy the following criteria at that date:

- (a) in the case of an asset other than an intangible asset, it is probable that any associated future economic benefits will flow to the acquirer, and its fair value can be measured reliably;
- (b) in the case of a liability other than a contingent liability, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and its fair value can be measured reliably;
- (c) in the case of an intangible asset or a contingent liability, its fair value can be measured reliably.

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 recognised is accounted for as goodwill.

After initial recognition, goodwill is measured at cost and 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 recognise immediately any excess remaining after that reassessment in profit or loss.

Treasury Shares

Treasury shares held are deducted from equity. The difference between the price on later sale of treasury shares and the related post-tax repurchase cost is recognised directly in 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 contract 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 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 recognised to the extent of the advances granted to customers on their consideration. Loans acquired without recourse are recognised 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.

Repo Transactions

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 recognised nor derecognised. In respect of securities purchased under an agreement to resell, the consideration is recognised 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 recognised as due to banks or customers, or as a 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 recognised 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.

Employee benefits for Italy-based permanent employees (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 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 Section 12 under *Retirement Payments and Similar Obligations*).

The “TFR” cost accrued during the year is recognised in the profit and loss item 180(a) “Staff expenses” and includes the average present value of the benefits accrued during the year by serving employees (“current service cost”) and interest accruing in the year on the obligation (“interest cost”).

Actuarial gains and losses – i.e. the difference between the carrying value of the liabilities and the present value of the obligation at year-end – are recognised using the ‘corridor’ method, i.e. only if they exceed 10% of the present value of the obligation at year-end. Any surplus is recognised through profit or loss by amortising over the residual life of the plan, starting from the next following financial year.

Share-based Payment

Equity-settled payments made to employees in consideration of 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 acquired 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 recognised as cost in profit and loss item 180 “Administrative costs” offsetting the liability 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, recognised 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 recognised 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 recognised in item 100 "Other liabilities" on the basis of the measurement at the Balance Sheet Date of the liability, 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). Gains (losses) on this type of benefit are recognised at once through profit or loss, without using the 'corridor' method.

Guarantees and credit derivatives in the same class

Guarantees and credit derivatives in the same class measured under IAS 39 are initially and subsequently (on remeasurement following impairment losses) recognised in item 100 "Other liabilities". Impairment losses are recognised in profit and loss item 130(d) "Impairment losses on other financial assets".

PROFIT AND LOSS

Interest Income and Expense

Interest and similar income accrue on cash, HfT assets and liabilities and assets and liabilities at fair value through profit and loss, AfS financial assets, HtM investments, loans and receivables, deposits, and securities in issue.

Interest income and expense are recognised through profit or loss with respect to all instruments measured at amortised 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 several maturities.

Fees and Commissions

Fees and commissions are recognised on an accruals basis.

Securities trading commission is recognised at the time the service is rendered. Investment portfolio management fees, advisory fees and investment fund management fees are recognised on a pro-rata temporis basis.

Fees included in amortised 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 recognised in profit or loss as soon as their distribution has been approved.

RELEVANT IFRS DEFINITIONS

The main definitions introduced by IFRS are described below.

Amortised cost

The amortised 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 amortisation 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 recognised.

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:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments;
- (c) 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;
- (d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) 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
- (f) 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:
 - (i) adverse changes in the payment status of borrowers in the group; or
 - (ii) 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 amortised 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 recognised in profit and loss item 130 "Impairment losses" and the asset's carrying value is reduced.

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 amortised 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 in the risk-free 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 temporary 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. 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 recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the amount of the reversal is recognised in profit and loss item 130 "Impairment losses" except in the case of AfS equity instruments (see Section 2 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 amortised cost would have been had the impairment not been recognised.

Fair value

It is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of 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.

The fair value of a financial instrument on initial recognition is normally the transaction price (i.e. the consideration given or received). However, if part of the consideration given or received is for something other than the financial instrument, the fair value of the financial instrument is estimated, using a valuation technique.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure the financial asset or financial liability.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service 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 is determined on the basis of the relevant market prices for the component parts.

If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique, which makes maximum use of market inputs, and relies as little as possible on entity-specific inputs.

The fair value of a financial instrument will be based on one or more of the following factors, if significant: the temporary value of money (i.e. interest at the basic or risk-free rate); credit risk; foreign currency exchange prices; commodity prices; equity prices; volatility (i.e. magnitude of future changes in price of a financial instrument); prepayment risk and surrender risk; and servicing costs for a financial asset or a financial liability.

Derecognition

Derecognition is the removal of a previously recognised 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:

- (i) 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;
- (ii) 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;
- (iii) 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 derecognise 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.

When an entity retains the contractual rights to receive the cash flows from an asset, but assumes a contractual obligation to pay those cash flows to one or more entities, the entity treats the transaction as a transfer of a financial asset if all of the following three conditions are met (pass-through agreement):

- (a) the entity has no obligation to pay amounts not collected from the original asset;
- (b) the entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security for the obligation to pay the cash flows;
- (c) the entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay, and is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of remittance, and interest earned on such investments is also remitted.

Recognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the financial asset (true sale). If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the asset (or group of assets) and recognise 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 recognise the transferred asset(s). In this case it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The transfer of risks and rewards, where this is unclear, is evaluated by comparing the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.

The transfer of risks and rewards is considered to have occurred and thus the transferred asset is to be derecognised, when the entity's exposure to variability in the present value of the future cash no longer material in relation to the variability of the present value of future net cash flows associated with the financial assets.

NOTES TO THE CONSOLIDATED ACCOUNTS

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Part B) Consolidated Balance Sheet

(amounts in thousands of €)

Assets

Section 1 - Cash and cash balances - Item 10

| 1.1 CASH AND CASH BALANCES: BREAKDOWN | | |
|---------------------------------------|------------------|------------------|
| | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| a) Cash | 2,684,663 | 1,667,584 |
| b) Demand deposits with Central Banks | 774,743 | 416,893 |
| Total | 3,459,406 | 2,084,477 |

Section 2 - Financial assets held for trading - Item 20

| 2.1 FINANCIAL ASSETS HELD FOR TRADING: PRODUCT BREAKDOWN | | | |
|--|--------------------------|--------------------|--------------------|
| ITEMS/VALUES | AMOUNTS AS AT 31.12.2005 | | |
| | LISTED | UNLISTED | TOTAL |
| A) Financial assets (non-derivatives) | | | |
| 1. Debt securities | 49,941,525 | 12,669,433 | 62,610,958 |
| 1.1 Structured securities | 18,306,557 | 2,618,196 | 20,924,753 |
| - trading | 18,306,557 | 2,618,196 | 20,924,753 |
| - Other | - | - | - |
| 1.2 Other debt securities | 31,634,968 | 10,051,237 | 41,686,205 |
| 2. Equity instruments | 10,156,719 | 694,494 | 10,851,213 |
| 3. Investment fund units | 1,864,274 | 111,124 | 1,975,398 |
| 4. Loans | 39,307 | 24,050,932 | 24,090,239 |
| 5. Impaired assets | - | - | - |
| 6. Assets sold not derecognised | - | - | - |
| Total (A) | 62,001,825 | 37,525,983 | 99,527,808 |
| B) Derivative instruments | | | |
| 1. Financial derivatives | 6,537,650 | 65,572,486 | 72,110,136 |
| 2. Credit derivatives | - | 648,756 | 648,756 |
| Total (B) | 6,537,650 | 66,221,242 | 72,758,892 |
| Total (A+B) | 68,539,475 | 103,747,225 | 172,286,700 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

| 2.2 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY DEBTORS/ISSUERS | |
|--|-----------------------------|
| ITEMS/VALUES | AMOUNTS AS AT 31.12.2005 |
| A. Financial assets (non-derivatives) | |
| 1. Debt securities | 62,610,958 |
| a) Governments and Central Banks | 7,931,354 |
| b) Other public-sector entities | 7,673,280 |
| c) Banks | 21,358,651 |
| d) Other issuers | 25,647,673 |
| 2. Equity instruments | 10,851,213 |
| a) Banks | 1,657,479 |
| b) Other issuers: | 9,193,734 |
| - Insurance companies | 367,639 |
| - Financial companies | 856,108 |
| - Non-financial institutions | 7,847,000 |
| - Other | 122,987 |
| 3. Investments fund units | 1,975,398 |
| 4. Loans | 24,090,239 |
| a) Governments and Central Banks | 431,062 |
| b) Other public-sector entities | 1,326 |
| c) Banks | 18,013,992 |
| d) Other issuers | 5,643,859 |
| 5. Attività deteriorate | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | - |
| 6. Assets sold not derecognised | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other issuers | - |
| Total (A) | 99,527,808 |
| B. Derivative instruments | |
| a) Banks | 56,064,460 |
| b) Customers | 16,694,432 |
| Total (B) | 72,758,892 |
| Total (A+B) | 172,286,700 |

2.3 FINANCIAL ASSETS HELD FOR TRADING: DERIVATIVES

| TYPE OF DERIVATIVE/UNDERLYING ASSETS | AMOUNTS AS AT 31.12.2005 | | | | | |
|--------------------------------------|--------------------------|-------------------|--------------------|---------------|----------------|-------------------|
| | INTEREST RATES | CURRENCY AND GOLD | EQUITY INSTRUMENTS | LOANS | OTHER | TOTAL |
| A) Listed derivatives | | | | | | |
| 1) Financial derivatives: | 1,046,263 | 21 | 5,488,767 | - | 2,599 | 6,537,650 |
| • with underlying asset exchange | - | - | - | - | - | - |
| - <i>purchased options</i> | - | - | - | - | - | - |
| - <i>other derivatives</i> | - | - | - | - | - | - |
| • without underlying asset exchange | 1,046,263 | 21 | 5,488,767 | - | 2,599 | 6,537,650 |
| - <i>purchased options</i> | 16,024 | 21 | 3,057,332 | - | 2,599 | 3,075,976 |
| - <i>other derivatives</i> | 1,030,239 | - | 2,431,435 | - | - | 3,461,674 |
| 2) Credit derivatives: | - | - | - | - | - | - |
| • with underlying asset exchange | - | - | - | - | - | - |
| • without underlying asset exchange | - | - | - | - | - | - |
| Total (A) | 1,046,263 | 21 | 5,488,767 | - | 2,599 | 6,537,650 |
| B) Unlisted derivatives | | | | | | |
| 1) Financial derivatives: | 52,207,725 | 4,639,243 | 8,601,132 | - | 124,386 | 65,572,486 |
| • with underlying asset exchange | 95,100 | 841,938 | 43,441 | - | 110 | 980,589 |
| - <i>purchased options</i> | 5,893 | 498,499 | 40,371 | - | - | 544,763 |
| - <i>other derivatives</i> | 89,207 | 343,439 | 3,070 | - | 110 | 435,826 |
| • without underlying asset exchange | 52,112,625 | 3,797,305 | 8,557,691 | - | 124,276 | 64,591,897 |
| - <i>purchased options</i> | 4,721,868 | 661,818 | 8,503,802 | - | 1,963 | 13,889,451 |
| - <i>other derivatives</i> | 47,390,757 | 3,135,487 | 53,889 | - | 122,313 | 50,702,446 |
| 2) Credit derivatives: | - | - | - | 58,847 | 589,909 | 648,756 |
| • with underlying asset exchange | - | - | - | 58,847 | 554,553 | 613,400 |
| • without underlying asset exchange | - | - | - | - | 35,356 | 35,356 |
| Total (B) | 52,207,725 | 4,639,243 | 8,601,132 | 58,847 | 714,295 | 66,221,242 |
| Total (A + B) | 53,253,988 | 4,639,264 | 14,089,899 | 58,847 | 716,894 | 72,758,892 |

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

| ITEMS/VALUES | AMOUNTS AS AT 31.12.2005 | | |
|---------------------------------|--------------------------|------------------|-------------------|
| | LISTED | UNLISTED | TOTAL |
| 1. Debt securities | 18,105,433 | 1,701,976 | 19,807,409 |
| 2. Equity instruments | 43,871 | 9,735 | 53,606 |
| 3. Investment fund units | 606,761 | 2,055,005 | 2,661,766 |
| 4. Loans | 11,303 | 37,593 | 48,896 |
| 5. Impaired assets | - | - | - |
| 6. Assets sold not derecognised | - | - | - |
| Total | 18,767,368 | 3,804,309 | 22,571,677 |
| Cost ¹ | 901,214 | 676,065 | 1,577,279 |

1. Does not include financial assets designated as measured at fair value of the HVB Group: their fair value was €20,926,367 thousand, of which €17,823,340 thousand were listed securities and the remaining €3,103,027 thousand unlisted.

3.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS: BREAKDOWN BY DEBTORS/ISSUERS

| ITEMS/ VALUES | AMOUNTS AS AT 31.12.2005 |
|--|-----------------------------|
| 1. Debt securities | 19,807,409 |
| a) Governments and Central Banks | 9,403,144 |
| b) Other public-sector entities | 209,889 |
| c) Banks | 6,803,075 |
| d) Other issuers | 3,391,301 |
| 2. Equity instruments | 53,606 |
| a) Banks | 51 |
| b) Other issuers: | 53,555 |
| - <i>insurance companies</i> | - |
| - <i>financial companies</i> | 22,649 |
| - <i>non-financial companies</i> | 9,709 |
| - <i>other</i> | 21,197 |
| 3. Investments fund units | 2,661,766 |
| 4. Loans | 48,896 |
| a) Governments and Central Banks | 34,530 |
| b) Other public-sector entities | 2,450 |
| c) Banks | 9,809 |
| d) Other entities | 2,107 |
| 5. Impaired assets | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other issuers | - |
| 6. Assets sold not derecognised | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other issuers | - |
| Total | 22,571,677 |

Section 4 - Available for sale financial assets - Item 40

| | AMOUNTS AS AT 31.12.2005 | |
|---|--------------------------|------------------|
| | LISTED | UNLISTED |
| 4.1 AVAILABLE-FOR-SALE FINANCIAL ASSETS: PRODUCT BREAKDOWN | | |
| 1. Debt securities | 15,582,194 | 2,037,422 |
| 2. Equity instruments | 4,126,170 | 3,450,845 |
| 2.1 valued at Fair Value | 4,126,170 | 3,426,974 |
| 2.2 valued at cost | - | 23,871 |
| 3. Investment fund units | 228,520 | 828,614 |
| 4. Loans | 378,071 | 1,255,675 |
| 5. Impaired assets | - | 955 |
| 6. Assets sold not derecognised | - | - |
| Total | 20,314,955 | 7,573,511 |

| | AMOUNTS AS AT |
|--|-------------------|
| | 31.12.2005 |
| 4.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS: BREAKDOWN BY ISSUER/BORROWER | |
| 1. Debt securities | 17,619,616 |
| a) Governments and Central Banks | 10,103,803 |
| b) Other public-sector entities | 334,200 |
| c) Banks | 3,718,261 |
| d) Other issuers | 3,463,352 |
| 2. Equity instruments | 7,577,015 |
| a) Banks | 1,665,179 |
| b) Other issuers: | 5,911,836 |
| - insurance companies | 2,613,374 |
| - financial companies | 100,555 |
| - non-financial companies | 1,746,765 |
| - other | 1,451,142 |
| 3. Investment fund units | 1,057,134 |
| 4. Loans | 1,633,746 |
| a) Governments and Central Banks | 528 |
| b) Other public-sector entities | - |
| c) Banks | 1,633,218 |
| d) Other | - |
| 5. Impaired assets | 955 |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | 955 |
| 6. Assets sold not derecognised | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | - |
| Total | 27,888,466 |

4.3 AVAILABLE-FOR-SALE FINANCIAL ASSETS: HEDGED

| | HEDGED ASSETS | |
|--------------------------|--------------------------|----------------|
| | AMOUNTS AS AT 31.12.2005 | |
| | FAIR VALUE | CASH-FLOW |
| 1. Debt securities | 3,239,733 | 438,628 |
| 2. Equity instruments | 269,185 | - |
| 3. Investment fund units | - | - |
| 4. Loans | - | - |
| 5. Portfolio | - | - |
| Total | 3,508,918 | 438,628 |

4.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS SUBJECT TO MICROHEDGING

| | AMOUNTS AS AT 31.12.2005 |
|--|-----------------------------|
| 1. Financial assets subject to microhedging of fair value | 3,508,918 |
| a) Interest rate risk | 3,239,733 |
| b) Price risk | 269,100 |
| c) Currency risk | 85 |
| d) Credit risk | - |
| e) Multiple risks | - |
| 2. Financial assets subject to microhedging of cash flow | 438,628 |
| a) Interest rate risk | 438,628 |
| b) Currency risk | - |
| c) Other | - |
| Total | 3,947,546 |

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

| 5.1 HELD-TO-MATURITY INVESTMENTS: PRODUCT BREAKDOWN | | |
|---|--------------------------|-------------------|
| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 | |
| | CARRYING VALUE | FAIR VALUE |
| 1. Debt securities | 11,832,825 | 11,928,822 |
| 2. Loans | 65,142 | 66,692 |
| 3. Impaired assets | - | - |
| 4. Assets sold not derecognised | - | - |
| Total | 11,897,967 | 11,995,514 |

| 5.2 HELD-TO-MATURITY INVESTMENTS: BREAKDOWN BY ISSUERS/BORROWERS | |
|--|---------------------------|
| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
| | 1. Debt securities |
| a) Governments and Central Banks | 7,548,694 |
| b) Other public-sector entities | 245,956 |
| c) Banks | 1,589,502 |
| d) Other | 2,448,673 |
| 2. Loans | 65,142 |
| a) Governments and Central Banks | 65,142 |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | - |
| 3. Impaired assets | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | - |
| 4. Assets sold not derecognised | - |
| a) Governments and Central Banks | - |
| b) Other public-sector entities | - |
| c) Banks | - |
| d) Other | - |
| Total | 11,897,967 |

Section 6 - Loans and receivables with banks - Item 60

| 6.1 LOANS AND RECEIVABLES WITH BANKS: PRODUCT BREAKDOWN | |
|---|-----------------------------|
| TYPES OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
| A. Loans to Central Banks | 11,119,989 |
| 1. Time deposits | 140,491 |
| 2. Compulsory reserves | 8,985,825 |
| 3. Repos | 556,627 |
| 4. Other | 1,437,046 |
| B. Loans to Banks | 64,979,486 |
| 1. Current accounts and demand deposits | 8,943,240 |
| 2. Time deposits | 20,340,563 |
| 3. Other loans | 33,106,278 |
| 4. Debt securities | 2,377,168 |
| 5. Impaired assets | 212,237 |
| 6. Assets sold not derecognised | - |
| Total (carrying value) | 76,099,475 |
| Total (fair value) | 76,332,286 |

| 6.2 LOANS AND RECEIVABLES WITH BANKS: SUBJECT TO MICROHEDGING | |
|---|-----------------------------|
| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
| 1. Loans and receivables subject to microhedging of fair value | 1,359 |
| a) Interest rate risk | 1,359 |
| b) Currency risk | - |
| c) Credit risk | - |
| d) Multiple risks | - |
| 2. Loans and receivables subject to microhedging of cash flow | - |
| a) Interest rate risk | - |
| b) Currency risk | - |
| c) Other | - |
| Total | 1,359 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

| LESSOR INFORMATION: | AMOUNTS AS AT 31.12.2005 | |
|---|--------------------------|---|
| | MINIMUM LEASE PAYMENTS | PRESENT VALUE OF MINIMUM LEASE PAYMENTS |
| Amounts receivable under finance leases: | | |
| Up to 12 months | 438 | 299 |
| From 1 to 5 years | 380 | 218 |
| Later than 5 years | 38 | 37 |
| Total | 856 | 554 |
| <i>of which:</i> | | |
| <i>Unguaranteed residual values of assets leased under finance leases</i> | - | - |
| Less: Unearned finance income | -302 | X |
| Present value of minimum lease payments receivable | 554 | 554 |

Section 7 - Loans and receivables with customers - Item 70

| TYPES OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
|--|--------------------------|
| 1. Current accounts | 49,829,754 |
| 2. Repos | 2,884,589 |
| 3. Mortgages | 165,126,832 |
| 4. Credit cards and personal loans, incl. loans guaranteed by salary | 7,283,916 |
| 5. Finance leases | 13,440,643 |
| 6. Factoring | 1,837,406 |
| 7. Others | 149,588,431 |
| 8. Debt securities | 3,429,971 |
| 9. Impaired assets | 18,150,996 |
| 10. Assets sold not derecognised | 14,980,310 |
| Total (carrying value) | 426,552,848 |
| Total Fair Value | 428,743,194 |

7.2 LOANS AND RECEIVABLES WITH CUSTOMERS: BREAKDOWN BY ISSUERS/BORROWERS

| TYPES OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
|--|-----------------------------|
| 1. Debt securities issued by: | 3,429,971 |
| a) Governments | 173,765 |
| b) Other public-sector entities | 182,394 |
| c) Other issuers | 3,073,812 |
| - <i>non-financial companies</i> | 1,524,058 |
| - <i>financial companies</i> | 474,607 |
| - <i>insurance companies</i> | 109,544 |
| - <i>other</i> | 965,603 |
| 2. Loans to: | 389,991,571 |
| a) Governments | 41,464,674 |
| b) Other public-sector entities | 34,786,423 |
| c) Other entities | 313,740,474 |
| - <i>non-financial companies</i> | 149,954,776 |
| - <i>financial companies</i> | 13,149,909 |
| - <i>insurance companies</i> | 1,332,001 |
| - <i>other</i> | 149,303,788 |
| 3. Impaired assets | 18,150,996 |
| a) Governments | 21 |
| b) Other public-sector entities | 24,480 |
| c) Other entities | 18,126,495 |
| - <i>non-financial companies</i> | 9,478,707 |
| - <i>financial companies</i> | 662,573 |
| - <i>insurance companies</i> | 115,519 |
| - <i>other</i> | 7,869,696 |
| 4. Assets sold but not derecognised | 14,980,310 |
| a) Governments | - |
| b) Other public-sector entities | - |
| c) Other entities | 14,980,310 |
| - <i>non-financial companies</i> | 4,550,509 |
| - <i>financial companies</i> | 32,224 |
| - <i>insurance companies</i> | 3,613 |
| - <i>other</i> | 10,393,964 |
| Total | 426,552,848 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

| 7.3 LOANS AND RECEIVABLES WITH CUSTOMERS: SUBJECT TO MICROHEDGING | |
|--|-----------------------------|
| TYPES OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 |
| 1. Loans and receivables subject to microhedging of fair value | 3,021,402 |
| a) Interest rate risk | 3,021,402 |
| b) Currency risk | - |
| c) Credit risk | - |
| d) Multiple risks | - |
| 2. Loans and receivables subject to microhedging of cash flow | 100,337 |
| a) Interest rate risk | 100,337 |
| b) Currency risk | - |
| c) Other | - |
| Total | 3,121,739 |

| 7.4 FINANCE LEASES: CUSTOMERS | | |
|---|------------------------------|---|
| LESSOR INFORMATION | AMOUNTS AS AT 31.12.2005 | |
| | MINIMUM LEASE PAYMENTS | PRESENT VALUE OF MINIMUM LEASE PAYMENTS |
| Amounts receivable under finance leases: | | |
| Up to 12 months | 2,577,119 | 2,294,469 |
| From 1 to 5 years | 5,956,084 | 5,431,528 |
| Over 5 years | 6,001,621 | 5,714,646 |
| Total | 14,534,824 | 13,440,643 |
| <i>of which:</i> | | |
| <i>Unguaranteed residual values of assets leased under finance leases</i> | - | - |
| Less: Unearned finance income | -1,094,181 | X |
| Present value of minimum lease payments receivable | 13,440,643 | 13,440,643 |

Section 8 - Derivatives used for hedging - Item 80

| TYPES OF TRANSACTIONS/INSTRUMENTS | AMOUNTS AS AT 31.12.2005 | | | | | TOTAL |
|-------------------------------------|--------------------------|-------------------|--------------------|-------|----------------|------------------|
| | INTEREST RATES | CURRENCY AND GOLD | EQUITY INSTRUMENTS | LOANS | OTHER | |
| A) Listed | | | | | | |
| 1) Financial derivatives | 173,226 | - | - | - | - | 173,226 |
| • With underlying asset exchange | - | - | - | - | - | - |
| - <i>purchased options</i> | - | - | - | - | - | - |
| - <i>other derivatives</i> | - | - | - | - | - | - |
| • Without underlying asset exchange | 173,226 | - | - | - | - | 173,226 |
| - <i>purchased options</i> | - | - | - | - | - | - |
| - <i>other derivatives</i> | 173,226 | - | - | - | - | 173,226 |
| 2) Credit derivatives | - | - | 254 | - | - | 254 |
| • With underlying asset exchange | - | - | 254 | - | - | 254 |
| • Without underlying asset exchange | - | - | - | - | - | - |
| Total (A) | 173,226 | - | 254 | - | - | 173,480 |
| B) Unlisted | | | | | | |
| 1) Financial derivatives | 2,867,442 | 352,800 | 761,578 | - | - | 3,981,820 |
| • With underlying asset exchange | 378,210 | 6,349 | 582,030 | - | - | 966,589 |
| - <i>purchased options</i> | - | - | 582,030 | - | - | 582,030 |
| - <i>other derivatives</i> | 378,210 | 6,349 | - | - | - | 384,559 |
| • Without underlying asset exchange | 2,489,232 | 346,451 | 179,548 | - | - | 3,015,231 |
| - <i>purchased options</i> | 18,693 | 2,529 | 179,548 | - | - | 200,770 |
| - <i>other derivatives</i> | 2,470,539 | 343,922 | - | - | - | 2,814,461 |
| 2) Credit derivatives | - | - | - | - | 182,000 | 182,000 |
| • With underlying asset exchange | - | - | - | - | 171,080 | 171,080 |
| • Without underlying asset exchange | - | - | - | - | 10,920 | 10,920 |
| Total (B) | 2,867,442 | 352,800 | 761,578 | - | 182,000 | 4,163,820 |
| Total (A+B) | 3,040,668 | 352,800 | 761,832 | - | 182,000 | 4,337,300 |

8.2 DERIVATIVES USED FOR HEDGING: BREAKDOWN BY HEDGED ASSETS AND RISK (carrying value)

| TRANSACTIONS/TYPES OF HEDGING | AMOUNTS AS AT 31.12.2005 | | | | | | | |
|--|--------------------------|---------------|-------------|----------------|---------------|----------------|--------------|----------------|
| | FAIR VALUE | | | | | CASH-FLOW | | |
| | MICRO HEDGE | | | | | MACRO HEDGE | MICRO HEDGE | MACRO HEDGE |
| | INTEREST RATE RISK | CURRENCY RISK | CREDIT RISK | PRICE RISK | MULTIPLE RISK | | | |
| 1. Available-for-sale financial assets | 2,503 | - | - | 582,030 | - | X | 8,774 | X |
| 2. Loans and receivables | 2,362 | 254 | - | X | - | X | - | X |
| 3. Held-to-maturity investments | X | - | - | X | - | X | - | X |
| 4. Portfolio | X | X | X | X | X | 27,348 | X | 976,880 |
| Total assets | 4,865 | 254 | - | 582,030 | - | 27,348 | 8,774 | 976,880 |
| 1. Financial liabilities | 948,538 | - | - | X | - | X | - | X |
| 2. Portfolio | X | X | X | X | X | 816,461 | X | 972,150 |
| Total liabilities | 948,538 | - | - | - | - | 816,461 | - | 972,150 |

Section 9 - Changes in fair value of portfolio hedged items - Item 90

9.1 CHANGES TO HEDGED ITEMS: BREAKDOWN BY PORTFOLIO HEDGED

| CHANGES TO HEDGED ASSETS/VALUES | AMOUNTS AS AT 31.12.2005 |
|---|--------------------------|
| 1. Positive fair value changes | 589,928 |
| 1.1 Of specific portfolios: | 103,807 |
| <i>a) Loans and receivables</i> | 103,807 |
| <i>b) Available-for-sale financial assets</i> | - |
| 1.2 Overall | 486,121 |
| 2. Negative fair value changes | 7,646 |
| 2.1 Of specific portfolios: | 1,038 |
| <i>a) Loans and receivables</i> | 1,038 |
| <i>b) Available-for-sale financial assets</i> | - |
| 2.2 Overall | 6,608 |
| Total | 582,282 |

9.2 ASSETS SUBJECT TO MACRO INTEREST RATE RISK HEDGE: BREAKDOWN

| HEDGED ASSETS | AMOUNTS AS AT 31.12.2005 |
|--|--------------------------|
| 1. Loans and receivables | 15,978,139 |
| 2. Available-for-sale financial assets | - |
| 3. Portfolio | 6,642,795 |
| Total | 22,620,934 |

Section 10 - Investments in associates and joint ventures - Item 100

10.1 EQUITY INVESTMENTS IN JOINTLY CONTROLLED COMPANIES (VALUED AT EQUITY) AND COMPANIES UNDER SIGNIFICANT INFLUENCE: INFORMATION ON SHAREHOLDERS' EQUITY ¹

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP | SHAREHOLDERS' EQUITY | | VOTING RIGHTS |
|--|----------------|---|--|----------|---------------|
| | | | PARENT COMPANY | EQUITY % | |
| COMPANIES | | | | | |
| RETAIL DIVISION | | | | | |
| Commercial Union Vita SpA | Milan | Associate company | UniCredit Banca SpA | 49.00% | 49.00% |
| Creditras Assicurazioni SpA | Milan | Associate company | UniCredit Banca SpA | 50.00% | 50.00% |
| Creditras Vita SpA | Milan | Associate company | UniCredit Banca SpA | 50.00% | 50.00% |
| CORPORATE BANKING DIVISION | | | | | |
| UniCredit China Capital Ltd | Hong Kong | Majority of voting rights at ordinary shareholders' meeting | UniCredit Banca Mobiliare SpA | 51.00% | 51.00% |
| UniCredit Infrastrutture SpA | Turin | Majority of voting rights at ordinary shareholders' meeting | UniCredito Italiano SpA | 100.00% | 100.00% |
| PRIVATE BANKING DIVISION | | | | | |
| S.I.S.S. Società Servizi Informatici Sammarinese | Borgo Maggiore | Associate company | Banca Agricola Commerciale della RSM SA | 50.00% | 50.00% |
| UniCredit (Suisse) Trust SA | Lugano | Majority of voting rights at ordinary shareholders' meeting | UniCredit (Suisse) Bank SA | 100.00% | 100.00% |
| UniCredit Luxembourg Finance SA | Luxembourg | Majority of voting rights at ordinary shareholders' meeting | UniCredit International Bank (Luxembourg) SA | 100.00% | 100.00% |
| Xelion Servizi SRL | Turin | Majority of voting rights at ordinary shareholders' meeting | Unicredit Private Banking SpA | 100.00% | 100.00% |
| PIONEER GROUP | | | | | |
| Oak Ridge Investment LLC | Wilmington | Associate company | Pioneer Investment Management USA Inc | 49.00% | 49.00% |
| NEW EUROPE DIVISION | | | | | |
| Zivnotenska Finance BV | Amsterdam | Majority of voting rights at ordinary shareholders' meeting | Zivnotenka Banka AS | 100.00% | 100.00% |
| PEKAO GROUP | | | | | |
| Anica System SA | Lublin | Associate company | Pekao Fundusz Kapitalowy SPZOO | 33.84% | 13.49% |
| Central Poland Fund | Delaware | Majority of voting rights at ordinary shareholders' meeting | Bank Pekao SA | 53.19% | 53.19% |
| Fabryka Sprzetu Okretowego Meblomor SA | Czarnkow | Associate company | Pekao Fundusz Kapitalowy SPZOO | 23.81% | 23.81% |
| Hotel Jan III Sobieski SPZOO | Warsaw | Associate company | Bank Pekao SA | 37.50% | 37.50% |
| Krajowa Ibza Rozliczeniowa SA | Warsaw | Associate company | Bank Pekao SA | 22.96% | 22.96% |
| | | Associate company | Bank BPH Spolka Akcyjna | 11.48% | 11.48% |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

10.1 Equity investments in jointly controlled companies (valued at equity) and companies under significant influence: information on shareholders' equity *continued*

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP | SHAREHOLDERS' EQUITY | | VOTING RIGHTS |
|--|---------------------|---|---|----------|---------------|
| | | | PARENT COMPANY | EQUITY % | |
| ZAGREBACKA BANKA GROUP | | | | | |
| Allianz ZB DOO Društvo Za Upravljanje Dobrovolj | Zagreb | Associate company | Zagebaka Banka DD | 49.00% | 49.00% |
| Allianz ZB DOO Društvo Za Upravljanje Obveznim | Zagreb | Associate company | Zagebaka Banka DD | 49.00% | 49.00% |
| Upi Poslovni Sistem DOO | Sarajevo | Majority of voting rights at ordinary shareholders' meeting | Zane BH DOO | 12.39% | 12.39% |
| | | Majority of voting rights at ordinary shareholders' meeting | UniCredit Zagrebaka Banka DD | 48.79% | 48.79% |
| KOC GROUP | | | | | |
| Banque de Commerce et De Placement SA | Geneva | Associate company | Yapi Kredi Bankasi AS | 30.67% | 30.67% |
| Yapi Credi Koray Gayrimenkul Yatirim Ortakligi AS | Istanbul | Associate company | Yapi Kredi Bankasi AS | 30.45% | 30.45% |
| GLOBAL BANKING SERVICES DIVISION | | | | | |
| Lamaione SRL | Milan | Associate company | UniCredit Real Estate SpA | 16.36% | 16.36% |
| OTHER COMPANIES | | | | | |
| Consortium SRL | Milan | Associate company | UniCredito Italiano SpA | 31.24% | 31.24% |
| Consorzio Caricese | Bologna | Associate company | UniCredito Banca d'Impresa SpA | .. | .. |
| | | Associate company | UniCredit Private Banking SpA | .. | .. |
| | | Associate company | Banca Agricola Commerciale della RSM SA | .. | .. |
| | | Associate company | Unicredit Xelion Banca SpA | .. | .. |
| | | Associate company | UniCredit Clarima Banca SpA | .. | .. |
| | | Associate company | UniCredit Banca per la Casa SpA | .. | .. |
| | | Associate company | UniCredit Italiano SpA | 33.16% | 33.16% |
| Associate company | UniCredit Banca SpA | .. | .. | | |
| Fidia SGRpA | Milan | Associate company | UniCredito Italiano SpA | 25.00% | 25.00% |
| Iniziativa Urbane SpA | Trento | Associate company | UniCredito Italiano SpA | 27.78% | 27.78% |
| Liseuro SpA | Udine | Associate company | UniCredito Italiano SpA | 35.11% | 35.11% |
| SFET Società Friulana Esazione Tributi | Udine | Associate company | UniCredito Italiano SpA | 33.33% | 33.33% |
| SE.TEL. Servizi Telematici | Naples | Associate company | Quercia Software SpA | 33.33% | 33.33% |
| Serin SRL | Trento | Associate company | UniCredito Italiano SpA | 20.00% | 20.00% |
| Sviluppo Globale GEIE | Rome | Associate company | UniCredito Italiano SpA | 25.00% | 25.00% |
| Synesis Finanziaria SpA | Turin | Associate company | UniCredito Italiano SpA | 25.00% | 25.00% |
| UniCredit Audit (Ireland) LTD | Dublin | Majority of voting rights at ordinary shareholders' meeting | UniCredit Audit SpA | 100.00% | 100.00% |
| HYPO UND VEREINSBANK GROUP | | | | | |
| Adria Bank Aktiengesellschaft | Vienna | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 25.50% | 25.50% |
| Bank Austria Creditanstalt Fuhrparkmanagement GmbH | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |

10.1 Equity investments in jointly controlled companies (valued at equity) and companies under significant influence: information on shareholders' equity *continued*

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP | SHAREHOLDERS' EQUITY | | VOTING RIGHTS |
|---|-------------|----------------------|---|----------|---------------|
| | | | PARENT COMPANY | EQUITY % | |
| Bank für Tirol und Vorarlberg Aktiengesellschaft | Innsbruck | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 4.44% | 4.93% |
| | | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 5.41% | .. |
| | | Associate company | CABO Beteiligungsgesellschaft m.b.H. | 37.53% | 41.70% |
| BKS Bank AG | Klagenfurt | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 1.14% | .. |
| | | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 6.89% | 7.36% |
| | | Associate company | CABO Beteiligungsgesellschaft m.b.H. | 28.01% | 29.93% |
| Bank Austria Leasing IMMORENT Immobilienleasing GmbH | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| Bausparkasse Wüstenrot Aktiengesellschaft | Salzburg | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 24.10% | 24.10% |
| Die Erste-Immorent-Z-Einrichtungshausverwertungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 33.20% | 33.20% |
| Eurolease Immorent Grundverwertungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| HYPO-BA Leasing Süd GmbH | Klagenfurt | Associate company | BA Eurolease Beteiligungsgesellschaft m.b.H. | 50.00% | 50.00% |
| Immorent-Theta Grundverwertungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| INPROX Osijek d.o.o. | Zagreb | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| IPG-Industriepark Győr Projektierungsgesellschaft m.b.H. | Gerasdorf | Associate company | BA Eurolease Beteiligungsgesellschaft m.b.H. | 40.00% | 40.00% |
| LBL drei Grundstückverwaltung Gesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Mobilien Leasing GmbH | 33.40% | 33.40% |
| Liba Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 1.00% | 1.00% |
| | | Associate company | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 49.00% | 49.00% |
| Neubau Augasse 9 Errichtungs- und Vermietungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Oberbank AG | Linz | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 1.10% | 1.25% |
| | | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 3.12% | 0.00% |
| | | Associate company | CABO Beteiligungsgesellschaft m.b.H. | 29.37% | 33.39% |
| Objekt-Lease Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | Associate company | Beteiligungsverwaltungsgesellschaft der Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Oesterreichische Kontrollbank Aktiengesellschaft | Vienna | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 16.14% | 16.14% |
| | | Associate company | CABET-Holding-Aktiengesellschaft | 24.75% | 24.75% |
| | | Associate company | Schoellerbank Aktiengesellschaft | 8.26% | 8.26% |
| Palatin Grundstücksverwaltungs Gesellschaft m.b.H. | Stockerau | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

10.1 Equity investments in jointly controlled companies (valued at equity) and companies under significant influence: information on shareholders' equity *continued*

| NAME | MAIN OFFICE | TYPE OF RELATIONSHIP | SHAREHOLDERS' EQUITY | | VOTING RIGHTS |
|--|-------------|----------------------|--|----------|---------------|
| | | | PARENT COMPANY | EQUITY % | |
| Purge Grundstücksverwaltungs-Gesellschaft m.b.H. | Vienna | Associate company | Beteiligungsverwaltungsge sellschaft der Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Ramius HVB Partners LLC | Delaware | Associate company | HVB Alternative Advisors LLC | 24.89% | 24.89% |
| Rembra Leasing Gesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| RENAULT LEASING CZ, s.r.o. | Praga | Associate company | CAC Leasing a.s. | 50.00% | 50.00% |
| RIL II Raiffeisen Immobilien Leasing Ges.m.b.H. | Vienna | Associate company | Real-Lease Grundstücksverwaltungs- Gesellschaft m.b.H. | 50.00% | 50.00% |
| Schul- und Amtsgebäude Grundstücksverwaltungsgesellsch aft m.b.H. | Graz | Associate company | Bank Austria Creditanstalt Leasing GmbH | 33.33% | 33.33% |
| Schulerrichtungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Steyba Grundstücksverwaltungsgesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Leasing GmbH | 50.00% | 50.00% |
| Union Versicherungs-Aktiengesellschaft | Vienna | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 10.00% | 10.00% |
| Z Leasing Metis Immobilien Leasing Gesellschaft m.b.H. | Vienna | Associate company | Bank Austria Creditanstalt Aktiengesellschaft | 1.00% | 1.00% |

1. Besides above-mentioned companies, there are companies totally controlled, under joint control and under significant influence valued at cost.

**10.2 EQUITY INVESTMENTS IN COMPANIES UNDER JOINT CONTROL AND IN COMPANIES UNDER SIGNIFICANT INFLUENCE:
ACCOUNTING INFORMATION**

| NAME | 31.12.2005 | | | | |
|---|--------------|----------------|-------------------|----------------------|-----------------------------|
| | TOTAL ASSETS | TOTAL REVENUES | NET PROFIT (LOSS) | SHAREHOLDERS' EQUITY | CONSOLIDATED CARRYING VALUE |
| A. Equity method | | | | | |
| A.1 Controlled companies | | | | | |
| Central Poland Fund LLC | 1,663 | -831 | -825 | 1,662 | - |
| Upi Poslovni Sistem DOO | 2,401 | - | - | 2,396 | 1,465 |
| Zivnotenska Finance BV | 1 | - | -8 | -2 | - |
| UniCredit (Suisse) Trust SA | 139 | 46 | 3 | 132 | 132 |
| Xelion Servizi SRL | 100 | - | -5 | 95 | 95 |
| UniCredit Audit (Ireland) LTD | 10 | - | - | 10 | 10 |
| UniCredit Infrastrutture SpA | 590 | 4 | -21 | 579 | 579 |
| Yapi Kredi Gayrmenkul Yatirim Ortakligi SA | 129,135 | 21,422 | 3,088 | 57,930 | 5,051 |
| Banque de Commerce et de Placement | 685,768 | 50,781 | 3,685 | 73,594 | 6,464 |
| UniCredit Luxembourg Finance SA | 15 | - | -135 | 15 | 15 |
| UniCredit China Capital LTD | - | - | - | - | - |
| A.3 Companies under significant influence | | | | | |
| Commercial Union Vita SpA | 8,755,628 | 28,967 | 18,164 | 705,476 | 345,684 |
| Creditras Assicurazioni SpA | 101,623 | 13,038 | 10,677 | 22,674 | 11,337 |
| Creditras Vita SpA | 20,768,730 | 75,313 | 51,223 | 392,829 | 196,414 |
| Fidia SpA | 16,701 | 2,176 | -160 | 14,943 | 3,736 |
| Consorzio Caricese | 1,624 | - | - | 1,624 | 547 |
| Liseuro SpA | 11,730 | 4,508 | - | 3,665 | 1,287 |
| SFET Società Friulana Esazione Tributi Spa | 43,102 | 8,877 | - | 5,354 | 1,784 |
| SISS Società Servizi Informatici Sammarinesi | 1,612 | 2,875 | 36 | 646 | 323 |
| Anica System SA | 4,663 | 671 | 671 | 3,200 | 1,083 |
| Krajowa Rozliczeniowa SA | 27,855 | 26,241 | 7,269 | 24,358 | 5,592 |
| Hotel Jan III SP.ZOO | - | - | - | - | - |
| Fabrika Sprzetu Okretowego | 3,734 | 122 | 122 | 2,382 | 404 |
| SETEL Servizi Telematici | 505 | 1,510 | 13 | 22 | 8 |
| Serin SRL | 289 | 133 | - | 79 | 16 |
| Iniziativa Urbane SpA | 43,977 | 4,355 | -673 | 6,544 | 1,818 |
| Consortium SRL | 1,189,940 | 115,199 | 101,779 | 970,754 | 303,295 |
| Allianz ZB DOO Drustvo ZA Upravljanje Obveznim | 18,923 | 8,372 | 4,889 | 17,116 | 8,387 |
| Allianz ZB DOO Drustvo ZA Upravljanje Obveznim | 1,591 | 1,101 | -215 | 1,079 | 529 |
| Synesis Finanziaria SpA | 438,303 | 29,036 | 29,036 | 438,302 | 109,575 |
| Lamaione SRL | 800,346 | 131,047 | 44,477 | 182,638 | 29,879 |
| Oak Ridge Investment LLC | 3,218 | 9,728 | 2,962 | 1,105 | 541 |
| Sviluppo globale GEIE | 60 | - | - | 60 | 15 |
| Adria Bank Aktiengesellschaft | 234,597 | 6,626 | 917 | 29,532 | 2,224 |
| Bank Austria Creditanstalt Fuhrparkmanagement GmbH | 53,660 | - | 119 | -1,587 | 182 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

(10.2 Equity investments in companies under joint control and in companies under significant influence: accounting information continued)

| NAME | 31.12.2005 | | | | CONSOLIDATED CARRYING VALUE |
|---|-----------------|-------------------|----------------------|-------------------------|-----------------------------------|
| | TOTAL ASSETS | TOTAL REVENUES | NET PROFIT (LOSS) | SHAREHOLDERS' EQUITY | |
| Bank Austria Leasing IMMORENT Immobilienleasing GmbH | 14,314 | - | 36 | 829 | - |
| Bank für Tirol und Vorarlberg Aktiengesellschaft | 6,098,468 | 149,678 | 33,428 | 345,721 | 219,415 |
| Bausparkasse Wüstenrot Aktiengesellschaft | 5,648,403 | 105,376 | 13,584 | 294,613 | 89,715 |
| BKS Bank AG | 4,434,850 | 115,843 | 16,927 | 231,988 | 119,985 |
| Die Erste-Immorent-Z-Einrichtungshausverwe rtungsgesellschaft m.b.H. | 4,518 | - | 7 | 282 | 12 |
| Eurolease Immorent Grundverwertungsgesellschaft m.b.H. | 8,683 | - | 100 | 1,278 | 20 |
| HYPO-BA Leasing Süd GmbH | 30,757 | - | 34 | 59 | 18 |
| Immorent-Theta Grundverwertungsgesellschaft m.b.H. | 12,977 | - | 84 | 2,096 | 18 |
| INPROX Osijek d.o.o. | 6,759 | - | 40 | 7 | 7 |
| IPG-Industriepark Győr Projektierungsgesellschaft m.b.H. | 2,532 | - | 46 | 1,009 | 1,150 |
| LBL drei Grundstückverwaltung Gesellschaft m.b.H. | 2,363 | - | -2 | 198 | 6 |
| Liba Grundstücksverwaltungs-Gesellschaft m.b.H. | 904 | - | -8 | -95 | 18 |
| Neubau Augasse 9 Errichtungs- und Vermietungsgesellschaft m.b.H. | 2,467 | - | 78 | 1,151 | 781 |
| Oberbank AG | 11,112,387 | 261,032 | 40,433 | 526,645 | 243,817 |
| Objekt-Lease Grundstücksverwaltungsgesellschaft m.b.H. | 3,292 | - | 69 | -486 | 130 |
| Oesterreichische Kontrollbank Aktiengesellschaft | 24,605,652 | 109,697 | 15,267 | 244,579 | 68,612 |
| Palatin Grundstückverwaltungs Gesellschaft m.b.H. | 17,087 | - | 681 | 1,854 | 18 |
| Purge Grundstücksverwaltungs-Gesellschaft m.b.H. | 2,066 | - | -121 | 301 | 18 |
| Ramius HVB Partners LLC | 156,063 | - | 3,947 | 73,705 | 108,502 |
| Rembra Leasing Gesellschaft m.b.H. | 1,540 | - | -103 | 103 | 18 |
| RENAULT LEASING CZ. s.r.o. | 64,777 | - | - | 9,686 | 1,711 |
| RIL II Raiffeisen Immobilien Leasing Ges.m.b.H. | 6,584 | - | -30 | 78 | - |
| Grundstücksverwaltungsgesellschaft m.b.H. | 9,073 | - | 91 | 205 | 13 |
| Schulerrichtungsgesellschaft m.b.H. | 11,704 | - | 112 | 1,026 | 18 |
| Steyba Grundstücksverwaltungsgesellschaft m.b.H. | 6,248 | - | 102 | 23 | 169 |
| Union Versicherungs-Aktiengesellschaft | 2,164,300 | 268,755 | 14,257 | 70,512 | 1,648 |
| Z Leasing Metis Immobilien Leasing Gesellschaft m.b.H. | 2,640 | - | 5 | 345 | - |
| B. Proportional method | | | | | |
| B.1 Companies under joint control | | | | | |
| Koç Bank AS | 9,175,169 | 1,039,613 | 141,573 | 1,732,738 | XXXX |
| Koçlease - Koç Finansal Kiralama AS | 525,755 | 77,594 | 35,904 | 159,310 | XXXX |
| Koçfactor - Koçfactoring Hizmetleri AS | 319,387 | 37,680 | 7,107 | 25,981 | XXXX |
| Koç Portfoy Yonetimi AS | 27,250 | 29,095 | 15,463 | 22,722 | XXXX |
| KoçYatırım Menkul Degerler AS | 53,826 | 30,900 | 16,065 | 47,747 | XXXX |
| Orbit Asset Management Limited | 1,593 | 3,665 | 225 | 278 | XXXX |
| Koç Finansal Hizmetler AS | 1,816,050 | 81,360 | 79,858 | 1,783,265 | XXXX |
| Koçbank Nederland NV | 828,212 | 69,929 | 9,930 | 74,754 | XXXX |
| IKB Corporatelab SA | 1,878 | 7,996 | 1,878 | 1,878 | XXXX |
| Stiching Custody Services KBN | 125 | - | - | 125 | XXXX |

(10.2 Equity investments in companies under joint control and in companies under significant influence: accounting information continued)

| NAME | 31.12.2005 | | | | CONSOLIDATED CARRYING VALUE |
|--------------------------------------|--------------|----------------|-------------------|----------------------|-----------------------------|
| | TOTAL ASSETS | TOTAL REVENUES | NET PROFIT (LOSS) | SHAREHOLDERS' EQUITY | |
| Koçbank Azerbaijan LTD | 48,968 | 4,038 | 1,185 | 5,413 | XXXX |
| Yapi Kredi Bankasi AS | 15,341,162 | 559,708 | 1,949 | 1,275,565 | XXXX |
| Yapi Kredi Sigorta AS | 299,065 | 59,883 | -85 | 126,378 | XXXX |
| Yapi Kredi Emeklilik AS | 568,114 | 19,209 | -469 | 36,142 | XXXX |
| Yapi Kredi Factoring AS | 103,805 | 2,680 | 379 | 24,918 | XXXX |
| Yapi Kredi Yatrim Menkul Degerler AS | 97,639 | 8,630 | 625 | 74,944 | XXXX |
| Yapi Kredi Holding BV | 54,008 | 259 | 177 | 47,391 | XXXX |
| Yapi Kredi Moscow | 101,636 | 4,790 | -888 | 33,358 | XXXX |
| Yapi Kredi Bank Deutschland | 232,999 | 6,911 | 4,712 | 75,877 | XXXX |
| Yapi Kredi Finansal Kiralama AO | 135,423 | 5,481 | 2,005 | 70,909 | XXXX |
| Yapi Kredi Yatrim Ortakligi AS | 27,525 | 2,288 | 2,154 | 27,424 | XXXX |
| Yapi Kredi Portfoy Yonetimi AS | 4,543 | 699 | 233 | 4,183 | XXXX |
| Yapi Kredi Bank Nederland NV | 509,062 | 7,408 | 557 | 50,302 | XXXX |

10.4 AND 10.5 COMMITMENTS RELATING TO INTERESTS IN JOINT VENTURES AND ASSOCIATES SUBJECT TO SIGNIFICANT INFLUENCE

Contingent liabilities towards joint ventures total €323 million and contingent liabilities towards associates subject to significant influence total €55 million.

Section 11 - Insurance reserves attributable to reinsurers - Item 110

| 11.1 INSURANCE RESERVES ATTRIBUTED TO REINSURERS: BREAKDOWN | | 31.12.2005 |
|---|--|------------|
| A. Non-life business | | - |
| A.1 Unearned premium reserve | | - |
| A.2 Outstanding claims reserve | | - |
| A.3 Other reserves | | - |
| B. Life business | | 181 |
| B.1 Actuarial reserve | | - |
| B.2 Policy liabilities reserve | | - |
| B.3 Other reserves | | 181 |
| C. Insurance reserves - investment risk borne by the insured | | - |
| C.1 Relating to investment fund-and index-linked contracts | | - |
| C.2 Reserves arising from management of pension funds | | - |
| D. Total insurance reserves attributed to reinsurers | | 181 |

Amounts shown in table 11.1 concern the Yapi Group, which is consolidated as from 1 October 2005.

Section 12 - Property, plant and equipment - Item 120

| | AMOUNTS AS AT 31.12.2005 | | | AMOUNTS AS AT 31.12.2005 | | |
|---|--------------------------|--------------------------------------|------------------|--------------------------|--------------------------------------|------------------|
| | VALUED AT COST | DESIGNATED AT FAIR VALUE OR REVALUED | TOTAL | VALUED AT COST | DESIGNATED AT FAIR VALUE OR REVALUED | TOTAL |
| A. Assets for operational use | | | | | | |
| 1.1 Owned | 5,814,680 | - | 5,814,680 | 2,350,406 | - | 2,350,406 |
| a) Land | 1,377,312 | - | 1,377,312 | 748,675 | - | 748,675 |
| b) buildings | 3,322,461 | - | 3,322,461 | 1,210,041 | - | 1,210,041 |
| c) equipment | 146,460 | - | 146,460 | 92,876 | - | 92,876 |
| d) electronic systems | 421,448 | - | 421,448 | 207,965 | - | 207,965 |
| e) other | 546,999 | - | 546,999 | 90,849 | - | 90,849 |
| 1.2 Leased | 44,996 | - | 44,996 | 63,533 | - | 63,533 |
| a) Land | 7,879 | - | 7,879 | 10,428 | - | 10,428 |
| b) buildings | 21,726 | - | 21,726 | 28,961 | - | 28,961 |
| c) equipment | 297 | - | 297 | 160 | - | 160 |
| d) electronic systems | 3,769 | - | 3,769 | 1,186 | - | 1,186 |
| e) other | 11,325 | - | 11,325 | 22,798 | - | 22,798 |
| 1.3 Improvements to others' assets | - | - | - | 323 | - | 323 |
| Total (A) | 5,859,676 | - | 5,859,676 | 2,414,262 | - | 2,414,262 |
| B. Investment property | | | | | | |
| 2.1 Owned | 2,112,944 | - | 2,112,944 | 1,315,834 | - | 1,315,834 |
| a) land | 201,643 | - | 201,643 | 38,926 | - | 38,926 |
| b) buildings | 470,164 | - | 470,164 | 96,696 | - | 96,696 |
| c) other | 1,441,137 | - | 1,441,137 | 1,180,212 | - | 1,180,212 |
| 2.2 Leased | - | - | - | - | - | - |
| a) land | - | - | - | - | - | - |
| b) buildings | - | - | - | - | - | - |
| c) other | - | - | - | - | - | - |
| Total (B) | 2,112,944 | - | 2,112,944 | 1,315,834 | - | 1,315,834 |
| Total (A + B) | 7,972,620 | - | 7,972,620 | 3,730,096 | - | 3,730,096 |

12.3 TANGIBLE ASSETS HELD FOR OPERATIONAL USE: ANNUAL CHANGES

| | CHANGES IN 2005 | | | | | |
|---|------------------|------------------|----------------|--------------------|----------------|------------------|
| | LAND | BUILDINGS | EQUIPMENT | ELECTRONIC SYSTEMS | OTHER | TOTAL |
| A. Gross opening balance | 759,103 | 1,512,876 | 620,572 | 1,216,537 | 338,267 | 4,447,355 |
| A.1 Net decreases | - | (273,874) | (527,536) | (1,007,386) | (224,297) | (2,033,093) |
| A.2 Net opening balance | 759,103 | 1,239,002 | 93,036 | 209,151 | 113,970 | 2,414,262 |
| B. Increases | 692,496 | 2,414,393 | 105,824 | 346,087 | 532,231 | 4,091,031 |
| B.1 Purchases ¹ | 677,260 | 2,252,849 | 89,542 | 305,142 | 516,161 | 3,840,954 |
| B.2 Capitalised expenditure on improvements | - | 4,830 | 38 | 1,131 | 24 | 6,023 |
| B.3 Write-backs | - | - | - | - | - | - |
| B.4 Positive changes in fair value: | - | - | - | - | - | - |
| <i>a) Net equity</i> | - | - | - | - | - | - |
| <i>b) Profit and Loss account</i> | - | - | - | - | - | - |
| B.5 Positive Exchange differences | 2,828 | 36,926 | 1,102 | 7,055 | 4,887 | 52,798 |
| B.6 Transfer from investment properties | 1,482 | 6,924 | - | 209 | 2 | 8,617 |
| B.7. Other adjustments | 10,926 | 112,864 | 15,142 | 32,550 | 11,157 | 182,639 |
| C. Reductions | 66,408 | 309,208 | 52,103 | 130,021 | 87,877 | 645,617 |
| C.1 Disposals | 46,254 | 142,646 | 7,049 | 6,084 | 10,290 | 212,323 |
| C.2 Depreciation | - | 69,914 | 33,556 | 110,574 | 39,427 | 253,471 |
| C.3 Impairment losses attributable to: | - | 2,762 | - | - | - | 2,762 |
| <i>a) Net equity</i> | - | - | - | - | - | - |
| <i>b) Profit and Loss account</i> | - | 2,762 | - | - | - | 2,762 |
| C.4 Negative changes in fair value: | - | - | - | - | - | - |
| <i>a) Net equity</i> | - | - | - | - | - | - |
| <i>b) Profit and Loss account</i> | - | - | - | - | - | - |
| C.5 Negative exchange difference | 236 | 11,746 | 3,835 | 2,960 | 1,101 | 19,878 |
| C.6 Transfers to: | 8,418 | 15,790 | - | 330 | 6 | 24,544 |
| <i>a) Investment properties</i> | 8,418 | 15,790 | - | 330 | 3 | 24,541 |
| <i>b) assets held for sale</i> | - | - | - | - | 3 | 3 |
| C.7 Other changes | 11,500 | 66,350 | 7,663 | 10,073 | 37,053 | 132,639 |
| D. Net final balance | 1,385,191 | 3,344,187 | 146,757 | 425,217 | 558,324 | 5,859,676 |
| D.1 Total net writedowns | - | (595,589) | (559,704) | (1,178,195) | (354,454) | (2,687,942) |
| D.2 Gross final balance | 1,385,191 | 3,939,776 | 706,461 | 1,603,412 | 912,778 | 8,547,618 |
| E. Cost valuation | 1,385,191 | 3,344,187 | 146,757 | 425,217 | 558,324 | 5,859,676 |

1. Includes the amounts arising from business combinations.

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

12.4 INVESTMENT PROPERTIES: ANNUAL CHANGES

| | CHANGES IN 2005 | | | |
|--|-----------------|----------------|------------------|------------------|
| | LAND | BUILDINGS | OTHER | TOTAL |
| A. Opening balances | 38,926 | 96,696 | 1,180,212 | 1,315,834 |
| B. Increases | 178,195 | 429,874 | 5,483,333 | 6,091,402 |
| B.1 Purchases ¹ | 169,471 | 398,610 | 5,475,418 | 6,043,499 |
| B.2 Capitalised expenditure on improvements | 1 | 3,009 | - | 3,010 |
| B.3 Positive changes in fair value | - | - | - | - |
| B.4 Write-backs | - | - | - | - |
| B.5 Positive exchange differences | 306 | 2,624 | 76 | 3,006 |
| B.6 Transfer from investments properties | 8,417 | 15,786 | 333 | 24,536 |
| B.7 Other variation | - | 9,845 | 7,506 | 17,351 |
| C. Reductions | 15,478 | 56,406 | 5,222,408 | 5,294,292 |
| C.1 Disposals | 8,178 | 28,545 | 55,271 | 91,994 |
| C.2 Depreciation | - | 3,508 | 80,938 | 84,446 |
| C.3 Negative changes in fair value | - | - | - | - |
| C.4 Impairment losses | - | - | 1,110 | 1,110 |
| C.5 Negative exchange differences | 121 | 846 | - | 967 |
| C.6 Transfers to other asset portfolios | 1,482 | 6,924 | 211 | 8,617 |
| <i>a) Properties for operational use</i> | 1,482 | 6,924 | 211 | 8,617 |
| <i>b) Non-current assets classified as held-for-sale</i> | - | - | - | - |
| C.7 Other variation | 5,697 | 16,583 | 5,084,878 | 5,107,158 |
| D. Closing balances | 201,643 | 470,164 | 1,441,137 | 2,112,944 |
| E. Designated at fair value | 218,248 | 533,966 | 1,441,137 | 2,193,351 |

1. Includes the amounts arising from business combinations.

Section 13 - Intangible assets - Item 130

13.1 INTANGIBLE ASSETS: DETAIL BY TYPE OF ASSETS

| | AMOUNTS AS AT 31.12.2005 | | | AMOUNTS AS AT 31.12.2004 | | |
|--|--------------------------|-------------------|-------------------|--------------------------|------------------|------------------|
| | FINITE LIFE | INDEFINITE LIFE | TOTAL | FINITE LIFE | INDEFINITE LIFE | TOTAL |
| A.1 Goodwill | - | 9,202,031 | 9,202,031 | - | 1,949,812 | 1,949,812 |
| A.1.1 Attributable to the Group | - | 9,202,031 | 9,202,031 | - | 1,949,812 | 1,949,812 |
| A.1.2 Attributable to minorities | - | - | - | - | - | - |
| A.2 Other intangible assets: | 1,795,574 | 837,184 | 2,632,758 | 243,034 | 87,250 | 330,284 |
| A.2.1 Assets valued at cost | 1,795,574 | 837,184 | 2,632,758 | 243,034 | 87,250 | 330,284 |
| <i>a) Intangible assets generated internally</i> | 346,182 | 1,893 | 348,075 | 4,003 | 2,761 | 6,764 |
| <i>b) Other assets</i> | 1,449,376 | 835,291 | 2,284,667 | 239,028 | 84,489 | 323,517 |
| <i>c) Intangible assets - leased</i> | 16 | - | 16 | 3 | - | 3 |
| A.2.2 Assets recognised at fair value: | - | - | - | - | - | - |
| <i>a) Intangible assets generated internally</i> | - | - | - | - | - | - |
| <i>b) Other assets</i> | - | - | - | - | - | - |
| <i>c) Intangible assets - leased</i> | - | - | - | - | - | - |
| Total | 1,795,574 | 10,039,215 | 11,834,789 | 243,034 | 2,037,062 | 2,280,096 |

13.2 INTANGIBLE ASSETS: ANNUAL CHANGES

| | CHANGES IN 2005 | | | | | TOTAL |
|---|-------------------|--|--------------------|-----------------------------------|--------------------|-------------------|
| | GOODWILL | OTHER INTANGIBLE ASSETS: INTERNALLY GENERATED | | OTHER INTANGIBLE ASSETS: OTHER | | |
| | | FINITE LIFE | INDEFINITE LIFE | FINITE LIFE | INDEFINITE LIFE | |
| A. Gross Opening Balance | 2,772,140 | 9,898 | 5,157 | 695,546 | 277,479 | 3,760,220 |
| A.1 Net decreases | (822,328) | (5,895) | (2,396) | (456,515) | (192,990) | (1,480,124) |
| A.2 Net opening balance | 1,949,812 | 4,003 | 2,761 | 239,031 | 84,489 | 2,280,096 |
| B. Increases | 7,252,251 | 345,978 | 229 | 1,338,294 | 809,427 | 9,746,179 |
| B.1 Purchases ¹ | 7,033,524 | 345,744 | 229 | 1,302,211 | 806,201 | 9,487,909 |
| B.2 Increases in internal intangible assets | X | 209 | - | - | 1,618 | 1,827 |
| B.3 Write-backs | X | - | - | 1 | - | 1 |
| B.4 Positive changes in fair value | X | - | - | - | - | - |
| - <i>shareholders' equity</i> | X | - | - | - | - | - |
| - <i>profit and loss account</i> | X | - | - | - | - | - |
| B.5 Exchange differences | 218,727 | 1 | - | 10,794 | 252 | 229,774 |
| B.6 Changes | - | 24 | - | 25,288 | 1,356 | 26,668 |
| C. Reductions | 32 | 3,799 | 1,097 | 127,933 | 58,625 | 191,486 |
| C.1 Disposals | - | - | - | 3,232 | 1,698 | 4,930 |
| C.2 Writedowns | - | 490 | 1,012 | 70,306 | 56,030 | 127,838 |
| - <i>Amortisations</i> | X | 490 | 1,012 | 69,356 | 56,030 | 126,888 |
| - <i>Writedowns</i> | - | - | - | 950 | - | 950 |
| + <i>Net Equity</i> | X | - | - | - | - | - |
| + <i>Profit and loss account</i> | - | - | - | - | - | - |
| C.3 Negative changes in fair value | X | - | - | - | - | - |
| - <i>to shareholders' equity</i> | X | - | - | - | - | - |
| - <i>profit and loss account</i> | X | - | - | - | - | - |
| C.4 Transfers to non-current assets held-for-sale | - | - | - | - | - | - |
| C.5 Exchange difference | - | - | - | 662 | - | 662 |
| C.6 Changes | 32 | 3,309 | 85 | 53,733 | 897 | 58,056 |
| D. Closing Balance | 9,202,031 | 346,182 | 1,893 | 1,449,392 | 835,291 | 11,834,789 |
| D.1 Total net writedowns | (822,327) | (1,211) | (3,463) | (501,776) | (247,713) | (1,576,490) |
| E. Gross closing balance | 10,024,358 | 347,393 | 5,356 | 1,951,168 | 1,083,004 | 13,411,279 |
| F. Valued at cost | 9,202,031 | 346,182 | 1,893 | 1,449,392 | 835,291 | 11,834,789 |

1. Includes the amounts arising from business combinations.

Section 14 - Tax assets and tax liabilities - Item 140 (assets) and 80 (liabilities)

| 14.1 DEFERRED TAX ASSETS: BREAKDOWN | | |
|--|------------------|----------------|
| DEFERRED TAX ASSETS RELATED TO: | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| Asset/liabilities held for trading | 604,859 | - |
| Investments | 306,897 | 15,690 |
| Property, plant and equipment | 72,926 | -17,464 |
| Provisions | 1,012,357 | 210,251 |
| Other assets/liabilities | 697,116 | 299,312 |
| Loans and receivables with banks and customers | 691,740 | 98,009 |
| Tax losses carried forward | 584,119 | 13,622 |
| Other | 2,346,778 | 184,380 |
| Total | 6,316,792 | 803,800 |

| 14.2 DEFERRED TAX LIABILITIES: BREAKDOWN | | |
|---|------------------|----------------|
| DEFERRED TAX LIABILITIES RELATED TO: | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| Loans and receivables with Banks and Customers | 1,649,110 | 24,691 |
| Asset/liabilities held for trading | 337,255 | - |
| Equity Investments | 678,115 | 1,243 |
| Property, plant and equipment/intangible assets | 1,049,522 | 254,452 |
| Other assets/liabilities | 318,463 | 27,234 |
| Deposits from Banks and Customers | 8,196 | 15 |
| Other | 546,708 | 60,991 |
| Total | 4,587,369 | 368,626 |

14.3 DEFERRED TAX ASSETS: ANNUAL CHANGES (BALANCING P&L)

| | CHANGES IN | |
|---|-------------------|----------------|
| | 2005 ¹ | 2004 |
| 1. Opening balance | 803,099 | 390,109 |
| 2. Increases | 5,562,249 | 562,868 |
| 2.1 Deferred tax assets of the year | 951,092 | 242,857 |
| <i>a) relating to previous year</i> | 7,748 | 29,318 |
| <i>b) due to change in accounting policies</i> | 176,136 | 26,114 |
| <i>c) write-backs</i> | 1,261 | 7,021 |
| <i>d) other</i> | 765,947 | 180,404 |
| 2.2 New taxes or increases in tax rates | 3,402 | 12,677 |
| 2.3 Other increases ² | 4,607,755 | 307,334 |
| 3. Reductions | 451,102 | 149,878 |
| 3.1 Deferred tax liabilities derecognised in the year | 322,015 | 140,543 |
| <i>a) transfers</i> | 313,068 | 138,204 |
| <i>b) writedowns of non-recoverable items</i> | 2,345 | 1,447 |
| <i>c) change in accounting policies</i> | 6,602 | 892 |
| 3.2 Reductions in tax rates | 44,753 | 42 |
| 3.3 Other decreases | 84,334 | 9,293 |
| 4. Final amount | 5,914,246 | 803,099 |

1. Includes the adjustments balanced to equity due to the first time adoption of IAS 39.

2. Includes the amounts arising from business combinations.

14.4 DEFERRED TAX LIABILITIES: ANNUAL CHANGES (BALANCING P&L)

| | CHANGES IN | |
|---|-------------------|----------------|
| | 2005 ¹ | 2004 |
| 1. Opening balance | 368,564 | 83,400 |
| 2. Increases | 4,298,552 | 335,047 |
| 2.1 Deferred tax liabilities arising during the year | 427,138 | 48,829 |
| <i>a) relating to previous years</i> | 435 | 1,825 |
| <i>b) due to change in accounting policies</i> | 5,960 | 2,576 |
| <i>c) other</i> | 420,743 | 44,428 |
| 2.2 New taxes or increase in tax rates | 2,298 | 2,060 |
| 2.3 Other increases ² | 3,869,116 | 284,158 |
| 3. Reductions | 234,367 | 49,883 |
| 3.1 Deferred tax liabilities derecognised during the year | 123,036 | 49,010 |
| <i>a) transfers</i> | 91,091 | 44,690 |
| <i>b) due to change in accounting policies</i> | 241 | 1,697 |
| <i>c) other</i> | 31,704 | 2,623 |
| 3.2 Reductions in tax rates | 7 | 1 |
| 3.3 Other Reductions | 111,324 | 872 |
| 4. Final amount | 4,432,749 | 368,564 |

1. Includes the adjustments balanced to equity due to the first time adoption of IAS 39.

2. Includes the amounts arising from business combinations.

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Assets

| | CHANGES IN | |
|--|----------------|---------------|
| | 2005 | 2004 |
| 14.5 CHANGES TO DEFERRED TAX ASSETS (OFFSETTING EQUITY) | | |
| 1. Opening balance | 701 | - |
| 2. Increases | 411,644 | 10,274 |
| 2.1 Deferred tax assets arising during the year | 49,042 | 1,957 |
| <i>a) relating to previous years</i> | 3 | - |
| <i>b) due to change in accounting policies</i> | 38,146 | 1,957 |
| <i>c) other</i> | 10,893 | - |
| 2.2 New taxes or increase in tax rates | - | - |
| 2.3 Other increases ¹ | 362,602 | 8,317 |
| 3. Reductions | 9,799 | 9,573 |
| 3.1 Deferred tax assets derecognised during the year | 3,299 | - |
| <i>a) transfers</i> | 3,299 | - |
| <i>b) Writedowns of non-recoverable items</i> | - | - |
| <i>c) due to change in accounting policies</i> | - | - |
| 3.2 Reductions in tax rates | - | - |
| 3.3 Other decreases | 6,500 | 9,573 |
| 4. Final amount | 402,546 | 701 |

1. Includes the amounts arising from business combinations.

| | CHANGES IN | |
|---|----------------|--------------|
| | 2005 | 2004 |
| 14.6 DEFERRED TAX LIABILITIES: ANNUAL CHANGES (BALANCING NET EQUITY) | | |
| 1. Opening balance | 62 | 1,231 |
| 2. Increases | 203,815 | - |
| 2.1 Deferred tax liabilities arising during the year | 17,567 | - |
| <i>a) relating to previous years</i> | 770 | - |
| <i>b) due to change in accounting policies</i> | 6,153 | - |
| <i>c) other</i> | 10,644 | - |
| 2.2 New taxes or increase in tax rates | 345 | - |
| 2.3 Other increases ¹ | 185,903 | - |
| 3. Reductions | 49,257 | 1,169 |
| 3.1 Deferred tax liabilities derecognised during the year | 2,209 | 860 |
| <i>a) relating to previous years</i> | - | - |
| <i>b) due to change in accounting policies</i> | - | - |
| <i>c) Other</i> | 2,209 | 860 |
| 3.2 Reductions in tax rates | - | - |
| 3.3 Other decreases | 47,048 | 309 |
| 4. Final amount | 154,620 | 62 |

1. Includes the amounts arising from business combinations.

According to IAS 12, deferred tax assets arising from HVB Group and related to tax losses carried forward (these losses amount to € 5,937 million) and to not deductible temporary differences (that amount to €1,104 million), have not been recognized.

DOMESTIC TAX CONSOLIDATION

Legislative Decree 344/03, on the reform of corporation tax, introduced the principle of domestic consolidation of the income tax of groups of companies.

This treatment is optional and valid for three years. It is subject to several conditions being met (controlling relationship and same tax year) and provides economic and/or financial tax benefits, including:

- Immediate use of consolidated companies' tax losses by off-setting them against other consolidated companies' profits; as soon as the option is exercised and for the whole period of three years thereafter, total Group profit is calculated by the Parent Company as the arithmetical sum of Group Companies' profits and losses.
- Dividends distributed by consolidated companies are totally free of tax, as opposed to the normal treatment whereby they are tax free as to 95%.
- Interest paid on financing the acquisition of interests in consolidated companies is tax deductible, instead of being only partly deductible pro rata to total capital, which was introduced as part of corporation tax reform.
- Fiscally neutral transfers of positively valued assets or businesses are permitted between consolidated companies.

In respect of the 2005 tax year, the main economic advantages of tax consolidation for the Parent Company are as follows:

- allocation of €149 million of current tax credit, due to an off-settable tax loss on consolidation, which will also constitute a financial advantage when corporation tax for 2005 is paid in June 2006.
- A reduction by approximately €26.9 million of deferred taxation payable due to the tax-free status of a further 5% of consolidated companies' dividends received and accounted for on receipt, at the time of receipt. The financial advantage will actually accrue in June 2007 on payment of 2006 corporation tax.

Further benefits of this kind have been achieved by other fiscally consolidated companies, as follows:

- €26.8 million current tax credits due to losses recovered on consolidation.
- Deferred taxation payable reduced by €0.3 million, due to the tax-free status of a further 5% of dividends received from consolidated companies.

However, pursuant to Legislative Decree 247/05 (the 'IRES corrective'), group taxation now requires that the subsidiary be jointly responsible with the parent in respect of any increased group tax as a consequence of adjustment to the taxable income of the subsidiary; this joint responsibility also covers delay interest, while any penalties are for the charge of the subsidiary.

As a result, the balancing payments and payments on account for company income tax (IRES) are the sole responsibility of the consolidating company in respect of Group IRES; tax paid on account for 2005 amounts to approximately €596.2 million, of which €220.6 million were paid and €375.6 million were offset against the positive balance from the previous consolidated tax return.

Section 15 - Non-current assets and disposal groups classified as held for sale Item 150 (assets) and 90 (liabilities)

| 15.1 NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE: BREAKDOWN BY ASSETS | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2005 |
| A. Individual assets | |
| A.1 Investments | 69,620 |
| A.2 Tangible Assets (Property, Plant and Equipment) | - |
| A.3 Intangible assets | - |
| A.4 Other non-current assets | - |
| Total A | 69,620 |
| B. Asset groups sold | |
| B.1 Financial assets held for trading | 226,328 |
| B.2 Financial asset designated at fair value | - |
| B.3 Available for sale financial assets | 193,016 |
| B.4 Held to maturity investments | 74,274 |
| B.5 Loans and receivables with banks | 169,067 |
| B.6 Loans and receivables with customers | 1,854,177 |
| B.7 Equity investments | - |
| B.8 Tangible assets (Property, Plant and Equipment) | 31,632 |
| B.9 Intangible assets | 67,110 |
| B.10 Other assets | 623,994 |
| Total B | 3,239,598 |
| C. Liabilities associated with assets classified as held for sale | |
| C.1 Other liabilities | - |
| C.2 Securities | - |
| C.3 Other liabilities | - |
| Total C | - |
| D. Liabilities included in disposal groups classified as held for sale | |
| D.1 Deposits from banks | 443,575 |
| D.2 Deposits from customers | 1,360,436 |
| D.3 Securities in issue | - |
| D.4 Financial liabilities held for trading | 13,525 |
| D.5 Financial liabilities designated at fair value | - |
| D.6 Reserves | 23,199 |
| D.7 Other liabilities | 46,258 |
| Total D | 1,886,993 |

Assets classified as held for sale and associated liabilities, as indicated in points B and D of table 15.1, refer to HVB-Splitska Banka d.d. (to be sold) according to what disposed by Croatian Authority.

15.3 DETAILS OF INVESTMENTS IN COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE NOT VALUED AT NET EQUITY

| | AMOUNTS AS AT 31.12.2005 | | | | CONSOLIDATED CARRYING VALUE |
|---|--------------------------|-------------------|---------------|-------------------------|-----------------------------------|
| | TOTAL ASSETS | TOTAL REVENUES | PROFIT (LOSS) | SHAREHOLDERS' EQUITY | |
| Companies not valued at net equity | | | | | |
| A.1 subject to joint control | - | - | - | - | - |
| A.2 subject to significant influence | | | | | |
| Cassa di Risparmio di Bra SpA | 632,931 | 17,989 | 1,850 | 47,566 | 14,755 |
| Cassa di Risparmio di Fossano SpA | 833,071 | 20,857 | 2,027 | 76,076 | 17,556 |
| Cassa di Risparmio di Saluzzo SpA | 644,224 | 19,426 | 2,657 | 65,545 | 20,331 |
| Banca Cassa di Risparmio di Savigliano SpA | 631,885 | 15,555 | 1,444 | 54,758 | 16,978 |

Section 16 - Other assets - Item 160

16.1 OTHER ASSETS: BREAKDOWN

| | AMOUNTS AS AT | |
|---|------------------|------------------|
| | 31.12.2005 | 31.12.2004 |
| Margin with derivatives clearers (non-interest bearing) | 2,926 | 4,195 |
| Gold, silver and precious metals | 29,158 | 4,415 |
| Positive value of "servicing contracts" for financial assets sold and derecognised | 3,181 | 23 |
| Accrued income other than income capitalised in related financial assets | 591,121 | 39,342 |
| Cash and other valuables held by cashier: | 888,974 | 494,819 |
| - current account cheques being drawn on third parties | 764,985 | 383,047 |
| - current account cheques payable by group banks, cleared and in the process of being debited | 2,004 | 2,905 |
| - money orders, bank drafts and equivalent securities | 121,843 | 108,714 |
| - coupons, securities due on demand, revenue stamps and miscellaneous valuables | 142 | 153 |
| Interest and charges to be debited to: | 9,688 | 89,903 |
| - customers | 5,404 | 81,981 |
| - banks | 4,284 | 7,922 |
| Items in transit between branches not yet allocated to destination accounts | 41,735 | 73,244 |
| Items in processing | 682,774 | 373,814 |
| Items deemed definitive but non-attributable to other items: | 812,882 | 1,454,708 |
| - securities and coupons to be settled | 118,151 | 46,632 |
| - other transactions | 694,731 | 1,408,076 |
| Adjustments for unpaid bills and notes | 39,571 | 14,173 |
| Tax items different from those included in item 140 | 2,334,023 | 1,964,280 |
| Other entries | 2,741,624 | 2,522,048 |
| Total | 8,177,657 | 7,034,964 |

Liabilities

Section 1 - Deposits from banks - Item 10

| 1.1 DEPOSITS FROM BANKS: PRODUCT BREAKDOWN | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2005 |
| 1. Deposits from central banks | 6,209,674 |
| 2. Deposits from banks | 135,472,771 |
| 2.1 Current accounts and demand deposits | 19,680,178 |
| 2.2 Time deposits | 75,424,321 |
| 2.3 Loans | 16,163,634 |
| 2.4 Liabilities in respect of commitments to repurchase own shares | - |
| 2.5 Liabilities relating to assets sold but not derecognised | - |
| 2.6 Other liabilities | 24,204,638 |
| Total | 141,682,445 |
| Fair Value | 141,770,189 |

| 1.4 BREAKDOWN OF ITEM 10 DEPOSITS FROM BANKS: LIABILITY ITEMS SUBJECT TO MICROHEDGING | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2005 |
| 1. Liability items subject to microhedging of fair value | 2,795,727 |
| a) Interest rate risk | 2,795,727 |
| b) Currency risk | - |
| c) Multiple risks | - |
| 2. Liability items subject to microhedging of cash flow | 1 |
| a) Interest rate risk | - |
| b) Currency risk | - |
| c) Other | 1 |
| Total | 2,795,728 |

Section 2 - Deposits from customers - Item 20

| 2.1 DEPOSITS FROM CUSTOMERS: PRODUCT BREAKDOWN | |
|---|-------------------------------------|
| | AMOUNTS AS AT 31.12.2005 |
| 1. Current accounts and demand deposits | 137,085,242 |
| 2. Time deposits | 55,644,283 |
| 3. Deposits received in administration | 150,596 |
| 4. Loans | 11,331,147 |
| 5. Liabilities in respect of commitments to repurchase treasury shares | - |
| 6. Liabilities relating to assets sold but not derecognised in the accounts | 8,938,881 |
| 7. Other liabilities | 55,171,497 |
| Total | 268,321,646 |
| Fair value | 268,344,047 |

| 2.5 AMOUNTS PAYABLE UNDER FINANCE LEASES - CUSTOMERS | | |
|---|--------------------------------------|---|
| | AMOUNTS AS AT 31.12.2005 | |
| | MINIMUM LEASE RENTALS | PRESENT VALUE OF MINIMUM LEASE RENTALS |
| Amounts payable under finance leases | | |
| Up to twelve months | 2,650 | 2,548 |
| From one to five years | 4,354 | 4,322 |
| Over five years | - | - |
| Less: unearned finance income | -134 | X |
| Present value of lease obligations | 6,870 | 6,870 |

Section 3 - Debt certificates including bonds - Item 30

| | AMOUNTS AS AT 31.12.2005 | |
|--|--------------------------|--------------------|
| | CARRYING VALUE | FAIR VALUE |
| 3.1 SECURITIES IN ISSUE BY TYPE | | |
| A. Listed securities | 134,215,417 | 134,133,953 |
| 1. Bonds | 115,089,262 | 115,007,798 |
| 2. Other securities | 19,126,155 | 19,126,155 |
| B. Unlisted securities | 59,710,701 | 59,710,703 |
| 1. Bonds | 30,049,727 | 30,049,730 |
| 2. Other securities | 29,660,974 | 29,660,973 |
| Total | 193,926,118 | 193,844,656 |

Item 30 includes subordinated liabilities for €24,747,988 thousand.

| | AMOUNTS AS AT 31.12.2005 |
|---|--------------------------|
| 3.3 BREAKDOWN OF ITEM 30 DEBT CERTIFICATES INCLUDING BONDS: MICROHEDGING | |
| 1. Debt certificates including bonds subject to microhedging of fair value | 4,121,166 |
| a) Interest rate risk | 2,468,456 |
| b) Currency risk | 1,652,710 |
| c) Multiple risks | - |
| 2. Debt certificates including bonds subject to microhedging of cash flow | 14,188 |
| a) Interest rate risk | 14,188 |
| b) Currency risk | - |
| c) Other | - |
| Total | 4,135,354 |

Section 4 - Financial liabilities held for trading - Item 40

| 4.1 FINANCIAL LIABILITIES HELD FOR TRADING: PRODUCT BREAKDOWN | | | |
|--|---------------------------------|-------------------|-------------------|
| | AMOUNTS AS AT 31.12.2005 | | |
| | NOMINAL VALUE | FAIR VALUE | |
| | | QUOTED | UNQUOTED |
| A. Balance sheet liabilities | | | |
| 1. Deposits from banks | 20,720,009 | 2,245,820 | 18,470,496 |
| 2. Deposits from customers | 9,944,384 | 2,057,493 | 7,887,188 |
| 3. Debt securities | 6,483,632 | 1,303,641 | 5,152,460 |
| 3.1 Bonds | 6,483,267 | 1,303,641 | 5,152,095 |
| 3.2 Other securities | 365 | - | 365 |
| Total (A) | 37,148,025 | 5,606,954 | 31,510,144 |
| B. Derivative instruments | | | |
| 1. Financial derivatives | X | 8,690,919 | 60,502,992 |
| 2. Credit derivatives | X | - | 782,627 |
| Total (B) | X | 8,690,919 | 61,285,619 |
| Total (A+B) | X | 14,297,873 | 92,795,763 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Liabilities

| 4.4 FINANCIAL LIABILITIES HELD FOR TRADING: DERIVATIVE INSTRUMENTS | | | | | | |
|--|--------------------------|-------------------|--------------------|---------------|------------------|-------------------|
| TYPE OF DERIVATIVE/UNDERLYING ASSET | AMOUNTS AS AT 31.12.2005 | | | | | |
| | INTEREST RATES | CURRENCY AND GOLD | EQUITY INSTRUMENTS | LOANS | OTHER | TOTAL |
| A) Listed derivatives | | | | | | |
| 1) Financial derivatives | 859,889 | 624 | 7,830,406 | - | - | 8,690,919 |
| • with underlying asset exchange | 1,882 | 270 | - | - | - | 2,152 |
| - options issued | - | - | - | - | - | - |
| - other derivatives | 1,882 | 270 | - | - | - | 2,152 |
| • without underlying asset exchange | 858,007 | 354 | 7,830,406 | - | - | 8,688,767 |
| - options issued | 3,303 | 354 | 82,684 | - | - | 86,341 |
| - other derivatives | 854,704 | - | 7,747,722 | - | - | 8,602,426 |
| 2) Credit derivatives | - | - | - | - | - | - |
| • with underlying asset exchange | - | - | - | - | - | - |
| • without underlying asset exchange | - | - | - | - | - | - |
| Total (A) | 859,889 | 624 | 7,830,406 | - | - | 8,690,919 |
| B) Unlisted derivatives | | | | | | |
| 1) Financial derivatives | 45,275,716 | 4,400,373 | 10,508,197 | - | 318,706 | 60,502,992 |
| • with underlying asset exchange | 107,369 | 582,987 | 129,130 | - | - | 819,486 |
| - options issued | 4,389 | 102,716 | 126,275 | - | - | 233,380 |
| - other derivatives | 102,980 | 480,271 | 2,855 | - | - | 586,106 |
| • without underlying asset exchange | 45,168,347 | 3,817,386 | 10,379,067 | - | 318,706 | 59,683,506 |
| - options issued | 1,182,170 | 116,655 | 4,782,194 | - | 196,701 | 6,277,720 |
| - other derivatives | 43,986,177 | 3,700,731 | 5,596,873 | - | 122,005 | 53,405,786 |
| 2) Credit derivatives | - | - | - | 53,109 | 729,518 | 782,627 |
| • with underlying asset exchange | - | - | - | 53,109 | 685,747 | 738,856 |
| • without underlying asset exchange | - | - | - | - | 43,771 | 43,771 |
| Total (B) | 45,275,716 | 4,400,373 | 10,508,197 | 53,109 | 1,048,224 | 61,285,619 |
| Total (A+B) | 46,135,605 | 4,400,997 | 18,338,603 | 53,109 | 1,048,224 | 69,976,538 |

Section 5 - Financial liabilities at fair value through profit and loss - Item 50

| 5.1 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS: PRODUCT BREAKDOWN | | | |
|--|--------------------------|------------------|-----------|
| TYPE OF TRANSACTIONS/VALUES | AMOUNTS AS AT 31.12.2005 | | |
| | NOMINAL VALUE | FAIR VALUE | |
| | | LISTED | UNLISTED |
| 1. Deposits from banks | - | - | - |
| 2. Deposits from customers | - | - | - |
| 3. Debt securities | 1,129,297 | 1,129,266 | 31 |
| Total | 1,129,297 | 1,129,266 | 31 |

Section 6 - Derivatives used for hedging purposes - Item 60

| 6.1 DERIVATIVES USED FOR HEDGING PURPOSES: BREAKDOWN BY TYPE OF DERIVATIVE AND UNDERLYING ASSETS | | | | | | |
|--|------------------|-------------------|--------------------|------------|----------------|------------------|
| AMOUNTS AS AT 31.12.2005 | | | | | | |
| TYPE OF DERIVATIVE/UNDERLYING ASSET | INTEREST RATES | CURRENCY AND GOLD | EQUITY INSTRUMENTS | LOANS | OTHER | TOTAL |
| A) Listed derivatives | | | | | | |
| 1) Financial derivatives | 108,089 | - | 11,059 | - | - | 119,148 |
| • with underlying asset exchange | - | - | - | - | - | - |
| - options issued | - | - | - | - | - | - |
| - other derivatives | - | - | - | - | - | - |
| • without underlying asset exchange | 108,089 | - | 11,059 | - | - | 119,148 |
| - options issued | - | - | - | - | - | - |
| - other derivatives | 108,089 | - | 11,059 | - | - | 119,148 |
| 2) Credit derivatives | - | - | - | 569 | - | 569 |
| • with underlying asset exchange | - | - | - | 569 | - | 569 |
| • without underlying asset exchange | - | - | - | - | - | - |
| Total (A) | 108,089 | - | 11,059 | 569 | - | 119,717 |
| B) Unlisted derivatives | | | | | | |
| 1) Financial derivatives | 3,091,393 | 371,020 | 10,137 | - | - | 3,472,550 |
| • with underlying asset exchange | 27,304 | - | - | - | - | 27,304 |
| - options issued | - | - | - | - | - | - |
| - other derivatives | 27,304 | - | - | - | - | 27,304 |
| • without underlying asset exchange | 3,064,089 | 371,020 | 10,137 | - | - | 3,445,246 |
| - options issued | 148,876 | - | - | - | - | 148,876 |
| - other derivatives | 2,915,213 | 371,020 | 10,137 | - | - | 3,296,370 |
| 2) Credit derivatives | - | - | - | - | 550,000 | 550,000 |
| • with underlying asset exchange | - | - | - | - | 517,000 | 517,000 |
| • without underlying asset exchange | - | - | - | - | 33,000 | 33,000 |
| Total (B) | 3,091,393 | 371,020 | 10,137 | - | 550,000 | 4,022,550 |
| Total (A+B) | 3,199,482 | 371,020 | 21,196 | 569 | 550,000 | 4,142,267 |

6.2 DERIVATIVES USED FOR HEDGING PURPOSES: BREAKDOWN BY HEDGED ITEMS AND RISK TYPE

| TRANSACTIONS/HEDGE TYPES | AMOUNTS AS AT 31.12.2005 | | | | | | | |
|--|--------------------------|---------------|-------------|------------|----------------|-------------------|---------------|------------------|
| | FAIR VALUE HEDGING | | | | | CASH FLOW HEDGING | | |
| | MICRO HEDGE | | | | | MACRO HEDGE | MICRO HEDGE | MACRO HEDGE |
| | INTEREST RATE RISK | CURRENCY RISK | CREDIT RISK | PRICE RISK | MULTIPLE RISKS | | | |
| 1. Available-for-sale financial assets | 33,320 | 6,995 | - | - | - | X | - | X |
| 2. Loans and receivables | 11,375 | - | - | X | - | X | - | X |
| 3. Held-to-maturity investments | X | - | - | X | - | X | - | X |
| 4. Portfolio | X | X | X | X | X | 1,235,601 | X | 996,223 |
| Total assets | 44,695 | 6,995 | - | - | - | 1,235,601 | - | 996,223 |
| 1. Financial liabilities | 725,578 | 569 | - | - | - | X | 30,167 | X |
| 2. Portfolio | X | X | X | X | X | 4,378 | X | 1,098,061 |
| Total liabilities | 725,578 | 569 | - | - | - | 4,378 | 30,167 | 1,098,061 |

Section 7 - Changes in fair value of portfolio hedged items - Item 70

7.1 CHANGES TO HEDGED FINANCIAL LIABILITIES

| | AMOUNTS AS AT 31.12.2005 |
|--|--------------------------|
| 1. Positive changes to financial liabilities | 534,426 |
| 2. Negative changes to financial liabilities | 178,305 |
| Total | 356,121 |

7.2 LIABILITIES MACROHEDGED AGAINST INTEREST RATE RISK: BREAKDOWN

| | AMOUNTS AS AT 31.12.2005 |
|--------------------------------------|--------------------------|
| 1. Deposits | - |
| 2. Debt certificates including bonds | - |
| 3. Portfolio | 16,814,846 |
| Total | 16,814,846 |

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 - ITEM 100 | | |
|--|-------------------|------------------|
| ITEMS/VALUES | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| Obligations for financial guarantees issued | 499,796 | 10,942 |
| Impairment of financial guarantees issued | 36,230 | 38,349 |
| Accrued expenses other than those to be capitalized for the financial liabilities concerned | 1,959,084 | 75,144 |
| Share based payment that IFRS 2 requires to be classified as debt | 93,616 | 68,698 |
| Other liabilities due to employees | 1,133,039 | 971,591 |
| Other liabilities due to other staff | 1,594 | 30,486 |
| Other liabilities due to Directors and Statutory Auditors | 1,302 | 914 |
| Interests and amounts to be credited to: | 12,003 | 80,638 |
| - <i>customers</i> | 6,285 | 42,821 |
| - <i>banks</i> | 5,718 | 37,817 |
| Items in transit between branches and not yet allocated to destination accounts | 175,810 | 78,204 |
| Available amounts to be paid to others | 1,183,403 | 1,393,521 |
| Items in processing | 1,812,562 | 636,822 |
| Entries related to securities transactions | 388,936 | 2,031,659 |
| Items deemed definitive but non attributable to other lines: | 2,677,896 | 1,556,544 |
| - <i>account payable - suppliers</i> | 1,336,383 | 745,837 |
| - <i>provisions for tax withholding on accrued interest, bond coupon payments or dividends</i> | 136,332 | 4,601 |
| - <i>other entries</i> | 1,205,181 | 806,106 |
| Payables for miscellaneous entries related to tax collection service | 12,950 | 12,460 |
| Adjustments for unpaid portfolio entries | 468,650 | 1,007,466 |
| Tax items different from those included in item 80 | 780,504 | 416,594 |
| Other entries | 4,468,596 | 1,381,408 |
| Total Other Liabilities | 15,705,971 | 9,791,440 |

Section 11 - Provision for employee severance pay - Item 110

| 11.1 PROVISION FOR EMPLOYEE SEVERANCE PAY: ANNUAL CHANGES | |
|---|--------------------|
| | CHANGES IN 2005 |
| A. Opening balances | 972,121 |
| B Increase | 177,852 |
| B.1 Provisions for the year | 103,321 |
| B.2 Other increases | 74,531 |
| C. Reductions | 172,665 |
| C.1 Severance payments | 106,309 |
| C.2 Other decreases | 66,356 |
| D. Closing balances | 977,308 |

Section 12 - Provisions - Item 120

| 12.1 PROVISIONS: BREAKDOWN | | |
|--|------------------|------------------|
| ITEMS/COMPONENTS | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| 1. Pensions and other post retirement benefit obligations | 4,441,421 | 465,872 |
| 2. Other provisions | 2,166,258 | 685,156 |
| 2.1 Legal disputes | 490,567 | 302,159 |
| 2.2 Staff expenses | 148,162 | 68,833 |
| 2.3 Other | 1,527,529 | 314,164 |
| Total | 6,607,679 | 1,151,028 |

12.2 PROVISIONS: ANNUAL CHANGES

| | CHANGES IN 2005 | | |
|--|--|-------------------|--|
| | PENSIONS AND POST RETIREMENT BENEFIT OBLIGATIONS | OTHER RESERVES | TOTAL PROVISION FOR RISK AND CHARGES |
| A. Opening balance | 465,872 | 685,156 | 1,151,028 |
| B. Increases | 4,087,059 | 1,698,773 | 5,785,832 |
| B.1 Provisions for the year | 7,437 | 206,867 | 214,304 |
| B.2 Changes due to the passing time | 15,905 | 8,668 | 24,573 |
| B.3 Differences due to discount-rate changes | - | - | - |
| B.4 Other increases ¹ | 4,063,717 | 1,483,238 | 5,546,955 |
| C. Reductions | 111,510 | 217,671 | 329,181 |
| C.1 Use during the year | 50,847 | 154,606 | 205,453 |
| C.2 Differences due to discount-rate changes | 86 | 698 | 784 |
| C.3 Other reductions | 60,577 | 62,367 | 122,944 |
| D. Closing balance | 4,441,421 | 2,166,258 | 6,607,679 |

1. Includes the amounts arising from business combinations.

UniCredit Group sponsors various defined benefit pension plans in Italy and outside Italy, in addition to post retirement medical plans and other long term benefits such as jubilee payments.

As a result of HVB Group acquisition, the recognition of defined benefit pension plans in the consolidated financial statement has been made, according to IFRS 3, at the fair value of the liabilities at the acquisition date, thus involving, for the purchase price allocation:

- the definition of the present value of defined benefit obligations, according to consistent financial and actuarial assumptions;
- the adjustment of the liability recognized in the balance sheet at the present value and, consequently, the elimination of unrecognized actuarial gains and losses at the time of acquisition.

All Group pension plans are unfunded, except for the Contractual Trust Arrangement (CTA), set up by HVB AG in respect of the German defined benefit pension plans and for some minor defined benefit pension plans in the UK and USA.

Most of the Group's defined benefit pension plans are closed plans and so it is not possible for new recruits to enter. In Italy, Germany and Austria there are some defined contribution plans that are open to new recruits. Contributions to defined contribution plans are recognized in the profit and loss account when they occur.

The present value of defined benefit obligations, inclusive of the reserve for severance pay, the post employment medical plans and other long term employees benefits, has been determined using the projected unit credit method. For funded or partially funded plans, the fair value of plan assets is calculated at the balance sheet date. The plan deficit or surplus (i.e. the difference between the present value of the defined benefit obligation and the fair value of plan assets) is recognized in the balance sheet net of unrecognized actuarial gains or losses. In the profit and loss the portion of actuarial gains or losses in excess of the 10% of

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Liabilities

the corridor, which has been calculated in respect of the previous period end divided by the residual expected average working life of employees, is then recognized.

The financial and actuarial assumptions used to determine the present value of the obligations may vary based on plan terms and related country of origin, in accordance with IAS 19. Discount rates have been set in each country by referring to yields on high quality corporate bonds that are consistent with the currency and with the maturity of the benefit obligation.

12.3 PROVISIONS FOR DEFINED-BENEFIT GROUP PENSIONS

| 2. CHANGES IN RECOGNIZED PENSION PROVISIONS DURING THE YEAR | 31.12.2005 |
|---|------------------|
| Opening recognized pension provisions | 336,963 |
| Service cost | 1,355 |
| Interest cost | 16,454 |
| Actuarial gains (losses) | 117 |
| Gains (losses) on curtailments | 2,664 |
| Benefit paid | -42,185 |
| Other increases ¹ | 4,030,642 |
| Other decreases | - |
| Closing recognized pension provisions | 4,346,010 |

1. Includes the amounts arising from business combinations.

| 3. CHANGES TO PLAN ASSETS | 31.12.2005 |
|---|-------------------|
| Opening present value of plan assets | 15,024 |
| Expected return | 828 |
| Actuarial gains (losses) | - |
| Contributions by employer | 4,787 |
| Benefit paid | -2,664 |
| Other increases ¹ | 2,255,684 |
| Other decreases | - |
| Closing present value of plan assets | 2,273,659 |
| BREAKDOWN OF PLAN ASSETS BY TYPE | 31.12.2005 |
| 1. Equities | - |
| 2. Bonds | - |
| 3. Property | - |
| 4. Other assets | 23,659 |
| 5. Investment fund shares | 2,250,000 |
| Total | 2,273,659 |

1. Includes the amounts arising from business combinations.

| 4. RECONCILIATION OF PRESENT VALUES OF PROVISIONS, PRESENT VALUE OF PLAN ASSETS, ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET | 31.12.2005 |
|--|--------------------------------------|
| AMOUNTS RECOGNIZED IN THE BALANCE SHEET | DEFINED BENEFIT PENSION PLANS |
| Present value of funded defined benefit obligations | 2,387,480 |
| Present value of unfunded defined benefit obligations | 4,176,649 |
| Present value of plan assets | -2,273,659 |
| | 4,290,470 |
| Unrecognized actuarial gains (losses) | -208,283 |
| Capitalized excess cover of plan assets | 263,823 |
| Unrecognised pension cost in respect of past service | - |
| Recognized pension provisions | 4,346,010 |

The above shown tables describe UniCredit Group liabilities related to pension plans.

According to IAS 19, the reserve for severance pay has been also considered as a defined benefit obligation plan and has been calculated by using the actuarial methodology previously described.

The following tables summarize the financial and actuarial assumptions used and the present value of the Group defined benefit obligations (inclusive of the reserve for severance pay):

| 5. PRINCIPAL ACTUARIAL ASSUMPTIONS | 31.12.2005 |
|---|-------------------|
| Discount rate | 4.25 |
| Expected return on plan assets | 5.0 |
| Rate of increase in future compensation and vested rights | 2.4 |
| Rate of increase in pension obligations | 1.5 |
| Expected inflation rate | 2.0 |

| 6. COMPARATIVE DATA | 31.12.2005 |
|---|-------------------|
| DEFINED BENEFIT OBLIGATIONS: TOTAL | |
| Present value of defined benefit obligation | 7,622,723 |
| Present value of plan assets | -2,276,180 |
| Plan surplus/(deficit) | 5,346,543 |
| Unrecognized actuarial gains (losses) | -287,184 |
| Capitalized excess cover of plan assets | 263,823 |
| Recognized provisions | 5,323,182 |

Provisions in respect of events to be clarified

UNICREDITO ITALIANO LEGAL RISKS

INTEREST CAPITALISATION

As forecast in the notes to last year's Accounts, the number of new claims and lawsuits brought against the company in 2005 was limited.

The group companies named as defendants have continued, as in previous years, to make appropriate provisions for all proceedings still pending.

ARGENTINA

This issue emerged at the end of 2001. Up until 2004 the number of litigation cases was limited. At the beginning of 2005 the Republic of Argentina launched a share exchange offer on bonds that it had previously issued: the terms and conditions of the offer were considered highly unfavorable by the bondholders, many of whom did not accept it, preferring to present redemption applications to the banks, in the hope of obtaining a better price.

Despite the substantial increase in redemption applications and the, albeit lower, increase in the number of proceedings during 2005, a trend which may well continue in 2006, we believe it can be proven in court that no breach was committed by the banks involved (since bonds issued by the Argentine government should not be traded differently from any other financial instrument), and accordingly we continued (as in previous years) to make prudent provisions for each individual position.

CIRIO

In 2005 the Group banks continued to make provision solely for existing proceedings, (about the same number as last year), the result of which will largely depend on the possibility of proving that the bank concerned complied with its reporting obligations in accordance with the prevailing laws and regulations and correctly carried out the purchase transaction (this has been proved in most cases).

PARMALAT

Parmalat is a complex and atypical story: certain aspects are subject to criminal investigation, and this has affected not only the banks but also the holders of bonds issued by Parmalat companies.

Our Group banks have helped their customers holding Parmalat bonds to be included at no cost in the list of creditors in the proceedings being brought before the courts of Parma.

Even though the total number of lawsuits started in 2005 was higher than in 2004, the total value of these proceedings is low when compared with either the total value of litigation proceedings relating to the Group's day-by-day business or its financial and assets position. In the small number of proceedings involving Group companies (about 6.8% of all claims brought against the Group) we believe our defence representations will be able to show that no breach was committed in the course of operations by the bank.

The Group's banks have accordingly made provision only for pending proceedings.

As has already been stated, last financial year, in early August 2005, some Parmalat group companies in receivership sent:

1. UniCredito Italiano Spa, UniCredit Banca d'Impresa Spa, UniCredit Banca Mobiliare Spa and two other intermediaries a writ of summons relating to a claim for the joint payment of about EUR4.4 billion damages arising from their "participation as co-lead manager", together with other intermediaries, in bond issues made between 1997 and 2001 and also because they held "a large number of current accounts for the banks of the insolvent group". The first hearing will be on 22 May, 2006;
2. UniCredit Banca Mobiliare Spa of Gruppo UniCredito Italiano and two other intermediaries a writ of summons relating to a claim for the joint payment of EUR1,861.8 million damages arising from their role in promoting and participating in the renewal of a programme (the "Debt Issuance Programme") for the issue of medium-term bonds, under which, between the second half of 2001 and the end of 2003, bonds with a total nominal value of EUR1,870 were issued on the Euromarket (subject and without prejudice to the joint liability of the other intermediaries – not party to the proceedings – which subscribed the bonds issued under the Debt Issuance Programme as "relevant dealers"), as well as from their "co-lead manager" roles in another bond issue (not under the Debt Issuance Programme) in 2002, total nominal value EUR 306.8 million. The first hearing will be on 22 March, 2006.

Despite the complexity of both judgments, UniCredit Group believes – having consulted its counsel for their legal opinion – it can prove that no breach was committed by the company and that the Group was not aware, nor could it have been, that Parmalat was insolvent at the time of the issues or when the Debt Issuance Programme was signed and (subsequently) renewed, subject – however – and without prejudice to the joint liability of the other intermediaries (not party to the proceedings) which participated in the allegedly wrongful transactions or in the placement of bonds under the Debt Issuance Programme as Relevant Dealers. Considering all above mentioned, as matters stands the conditions that would justify provisions with respect to the alleged claims do not exist.

As part of its defence strategy UniCredit lodged four appeals with the Lazio TAR for annulment of the court orders allowing four Luxembourg and Dutch Parmalat companies to join the (Italian) receivership proceedings (some of the plaintiff companies in the two cases mentioned above). These appeals are based on the opinion of the Advocate-General of the Court of Justice of the European Communities on a judgment issued in connection with Eurofood (an Irish company of the Parmalat Group that was also allowed to join the Italian receivership procedure), published at the end of last September, according to which for the purpose of identifying which insolvency law is applicable it can be assumed that the business interests of a foreign subsidiary, being an independent legal entity from its holding company, are centred in the foreign country where such subsidiary has its registered office.

HVB LEGAL RISKS

REAL ESTATE FINANCE / FINANCING OF PURCHASES OF SHARES IN REAL ESTATE FUNDS

- HVB AG will not suffer negative legal consequences if customers cancel their property loan agreements under the Doorstep Transactions Act. According to the law and the opinion on this subject expressed in the ruling by the German Supreme Court, the customer must repay the loan to the Bank, including interest at customary market rates, even after cancellation of the loan agreement. The ruling of October 25, 2005 by the European Court of Justice does not change this state of affairs. According to the ruling, the applicable laws in Germany regarding the obligation to repay the loans with interest immediately after canceling the loan agreement are not in violation of European law. The European Court of Justice also called for the investment risk to be assumed by the Bank in certain cases because of a failure to explain the right to cancel the contract, In our view, however,

this demand cannot be enforced retroactively through a court decision because of the lack of statutory regulations in Germany, so that there is no reason for concern about negative effects from cases in the past. The Bank's claim to repayment remains in effect even if the borrower issued an invalid proxy to a third party and the Bank relied on the validity of the proxy.

- From the standpoint of HVB AG, the decisions of the Second Civil Court of Appeal of the German Federal Supreme Court pertaining to the financing of purchases of shares in real estate funds by the borrower also result in no change in the assessment of the legal situation when third parties arrange loans for real estate purchases. In other decisions on loans taken out to purchase shares in real estate funds and not secured by real property liens, the Second Civil Court of Appeal of the German Federal Supreme Court ruled that the bank has no claim against the borrower to repayment of the loan if it utilized the sales organization of the agent arranging the sale of shares in the fund, the loan was disbursed directly to the fund, and the investor was misled when purchasing the shares, or when the borrower has the right to cancel the transaction. This ruling prompted shareholders of the parent bank to initiate a court challenge to the validity of the Bank's financial statements for 1999 – 2002. The suit was dismissed at all levels of appeal. The ruling also stated that the borrower in each individual case would have to demonstrate that these prerequisites were met. From today's standpoint, we assume that these circumstances will apply, if at all, only in exceptional cases.

COURT PROCEEDINGS OF HVB AG SHAREHOLDERS

- In a ruling in November 2002, the German Supreme Court nullified the resolutions of HVB AG's Annual General Meeting concerning the appointment of the auditor of the 1999 financial statements on grounds of bias. Lawsuits filed for this reason by shareholders challenging the validity of the Bank's financial statements for 1999 – 2002 have failed at all levels of appeal.
- A suit was filed challenging the election of shareholder representatives to the Supervisory Board at the Annual General Meeting of our Bank on May 14, 2003, stating that the "block voting" procedure used at that time was inadmissible, Munich Regional Court I sustained the legal challenge in a ruling dated April 15, 2004. After the shareholder representatives were appointed by the Munich Local Court and re-elected as individual candidates for the remainder of their term of office at the Annual General Meeting on April 29, 2004, the Bank withdrew its appeal against the ruling of April 15, 2004. Consequently, the court ruling stating that the election of the shareholder representatives to the Supervisory Board of HVB AG of May 14, 2003 was null and void is now final. Because the Supervisory Board repeated and confirmed the resolutions passed since May 14, 2003 at its meeting on February 25, 2004, this has no impact on the resolutions passed by the Supervisory Board in the period subsequent to May 14, 2003.
- Shareholders have filed suit against the discharge of the Supervisory Board for the 2003 fiscal year, the re-election of the shareholder representatives to the Supervisory Board, and the election of the auditor for the 2004 fiscal year at the Annual General Meeting of our Bank on April 29, 2004. This suit was also rejected on second appeal by the Munich Higher Regional Court in a ruling dated January 18, 2006.
- In addition, a shareholder has filed a separate suit claiming that the annual financial statements for 2004 are null and void, claiming that the nomination and election of the auditor of the financial statements at the Annual General Meeting of Shareholders in 2004 was null and void. Because of the decision of January 18, 2006 of the Munich Higher Regional Court mentioned above, we do not expect this suit to succeed.
- And finally, some of the parties who filed the legal challenge have filed a motion requesting the removal from the Commercial Register of the capital increase carried out in spring 2004, stating that the appointment of Supervisory Board members in the Commercial Register in 2004 and the annual financial statements are null and void, In view of the result of the proceedings described above, we expect the Munich Registration Court to reject the motion.
- In addition, shareholders have filed a legal challenge against resolutions adopted by the Annual General Meeting of our Bank on May 12, 2005. In a ruling dated December 22, 2005, Munich Regional Court sustained the suit to the extent that it related

to the discharge of Supervisory Board members for the 2004 fiscal year because the report of the Supervisory Board did not mention the withdrawal of the appeal against the ruling of Munich Regional Court I of April 15, 2004 and the fact, resulting from that ruling, that the election in 2003 was null and void; in this respect, the ruling is final. The failure to ratify the actions of the Supervisory Board members at the Annual General Meeting of May 12, 2005 has no material effect for the Bank, Munich Regional Court I dismissed the suit contesting the election of the Supervisory Board members and the auditor of the financial statements; the plaintiffs have appealed against the ruling.

LEGAL CHALLENGE TO SQUEEZE-OUT OF VEREINS- UND WESTBANK AG SHAREHOLDERS

- The extraordinary shareholders' meeting of Vereins- und Westbank AG on June 24, 2004 approved the transfer of shares of minority shareholders of Vereins- und Westbank AG to HVB AG in exchange for a cash payment of €25.00 per share. Although we are convinced that the shareholders' meeting was conducted properly with no breaches of procedural rules, in the interest of rapid integration we undertook in a court settlement to pay cash compensation of €26.65 per share (the "26.65 settlement") as soon as the legal challenges of the minority shareholders of Vereins- und Westbank AG are settled, and to pay interest on this compensation as of the date on which the transfer resolution is entered in the commercial register for Vereins- und Westbank AG. Notwithstanding this arrangement, numerous minority shareholders have utilized their right to have the €26.65 compensation reviewed in special judicial proceedings pursuant to Section 1 (3) of the Act on the Procedure Regarding the Compensation of Minority Shareholders. We assume that no further payments to the excluded shareholders of Vereins- und Westbank AG will be required.

CLAIMS ASSERTED BY THE LIQUIDATOR OF A CORPORATE CUSTOMER

- In 2002 a corporate customer of HVB AG filed for bankruptcy. The liquidator subsequently asserted claims out of court against a consortium made up of several banks, HVB AG had a share in this consortium amounting to approximately 9.25% of the outstanding credit facilities. The banks participating in the consortium have appointed a bankruptcy law specialist to review the related issues. The expert does not believe that the liquidator is in a particularly strong position and advises the banks in the consortium to reject the out-of-court claims. At present the outcome of the out-of-court claims is uncertain. Although we are of the opinion that the above-mentioned claims are unfounded, a successful lawsuit on the part of the liquidator would result in a claim against HVB AG in the low nine-figure range (in euros).

EU ANTITRUST PROCEEDINGS AND CLAIMS OF CONSUMER PROTECTION ASSOCIATIONS

- In December 2001 the European Commission fined HVB AG and its Vereins- und Westbank AG subsidiary a total of €31 million for alleged illegal price-fixing of currency exchange fees for exchanging the national currencies of future member states of the European Monetary Union. This ruling was lifted in November 2004 in a first appeal filed with the European Court of Justice, The European Commission in turn appealed this decision. Because the reasons given in the ruling by the European Court of Justice show that the underlying reasons for the decision by the European Commission were not sufficient to impose a fine, we assume that this decision will come into force.

- In June 2002 the European Commission imposed a €30 million fine on Bank Austria Creditanstalt AG for alleged illegal collusion in connection with interest rates, prices of various banking products for retail customers, and other terms. In the same connection, fines totaling approximately €94 million were imposed on seven other Austrian banks, Bank Austria Creditanstalt AG filed a first-level appeal with the European Court against the fine itself and the amount. At present, the outcome of these proceedings is uncertain.

- Austrian consumer protection associations and politicians have announced their intention of possibly asserting damage claims against the banks involved in the above-mentioned proceedings, including Bank Austria Creditanstalt AG. In our view, it is uncertain from a legal standpoint whether a violation of Article 81 of the EC Treaty provides grounds for damage claims of

individual customers under civil law, and we also regard such lawsuits as unfounded for a number of reasons. Furthermore, Austrian consumer protection associations have alleged that banks in Austria have been charging their customers excessive interest and fees in contravention of Austrian consumer protection laws. Whether and to what extent such claims are justified depends on the individual circumstances and various legal issues which to date have not been finally resolved by the Austrian courts. We believe that the declaration by Bank Austria Creditanstalt that it will comply with the settlement arrangements entered into by the Austrian Savings Banks Association with the Austrian consumer protection associations will largely avert detrimental consequences for HVB Group.

TREUHANDANSTALT LITIGATION

- A pending lawsuit against Bank Austria Creditanstalt AG is related to alleged claims of the Treuhandanstalt, the predecessor of the Bundesanstalt für vereinigungsbedingte Sonderaufgaben ("BvS"), against Bank Austria (Schweiz) AG, a former subsidiary of Bank Austria Creditanstalt AG. One of the claims in the proceedings, which were initiated in 1993, is that the former subsidiary participated in the embezzlement of funds by companies in the former East Germany, BvS is seeking damages in the amount of approximately €128 million plus interest. However, we believe that these claims are unfounded.

CONSTELLATION 3D

- In December 2002, Bank Austria Creditanstalt was named (among others) as defendant in an action brought by Constellation 3D, Inc, (a debtor in Chapter 11 proceedings) in the U.S, Bankruptcy Court for the Southern District of New York. The plaintiff is claiming from Bank Austria Creditanstalt AG an amount of up to \$45 million as compensation for offenses allegedly committed in connection with a loan contract between the pre-petition principal shareholder of the plaintiff and a prospective investor. The charges include, among others, negligent misrepresentation and fraud. We are convinced that these claims are unfounded.

PRELIMINARY INVESTIGATIONS ON TAX PROSECUTION IN RUSSIA

- Two criminal investigations are under way in Russia concerning alleged tax evasion and illegal entrepreneurial activity purportedly engaged in by a former indirect subsidiary of Bank Austria Creditanstalt AG. The investigations also concern another company in which Bank Austria Creditanstalt AG's subsidiary held a participating interest of approximately 25%. We cannot exclude the possibility that an attempt would be made by the relevant tax authorities or the buyer of the subsidiary to claim that Bank Austria Creditanstalt AG's intermediate subsidiary or Bank Austria Creditanstalt AG should bear all or part of the alleged overdue taxes, interest, and penalties, although we do not believe that Bank Austria Creditanstalt AG should have any liability in this regard.

Section 13 - Insurance reserves - Item 130

| | AMOUNTS AS AT 31.12.2005 | | |
|---|---|-------------------|----------------|
| | DIRECT BUSINESS | INDIRECT BUSINESS | TOTAL |
| | 13.1 INSURANCE RESERVES: BREAKDOWN | | |
| A. Non-life business | 33,610 | - | 33,610 |
| A.1 premium reserves | 22,786 | - | 22,786 |
| A.2 claim reserves | 10,824 | - | 10,824 |
| A.3 other reserves | - | - | - |
| B. Life business | 106,799 | - | 106,799 |
| B.1 actuarial reserves | 56,773 | - | 56,773 |
| B.2 reserves for amounts payable | 777 | - | 777 |
| B.3 other reserves | 49,249 | - | 49,249 |
| C. Insurance reserves when investment risk is borne by the insured party | - | - | - |
| C.1 reserves relating to investment funds and index-linked contracts | - | - | - |
| C.2 reserves arising from management of pension funds | - | - | - |
| D. Total insurance reserves | 140,409 | - | 140,409 |

The figures in the table concern the Yapi Group which is consolidated as from 1 October 2005.

Section 15 - Shareholders' Equity Group - Items 140, 160, 170, 180, 190, 200 and 220

| ITEMS/VALUES | AMOUNTS AS AT | |
|--------------------------|-------------------|-------------------|
| | 31.12.2005 | 31.12.2004 |
| 1. Share capital | 5,195,277 | 3,168,355 |
| 2. Share premium reserve | 16,816,170 | 2,308,639 |
| 3. Reserves | 9,176,698 | 6,426,369 |
| 4. (Treasury shares) | (359,039) | (358,416) |
| a) Parent Company | (358,416) | (358,416) |
| b) Subsidiaries | (623) | - |
| 5. Revaluation reserves | 1,903,723 | 277,020 |
| 6. Equity instruments | - | - |
| 7. Net profit (loss) | 2,470,258 | 2,068,731 |
| Total | 35,203,087 | 13,890,698 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Liabilities

15.2 CAPITAL AND TREASURY SHARES: BREAKDOWN

| | AMOUNTS AS AT 31.12.2005 | | AMOUNTS AS AT 31.12.2004 | |
|---------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | ISSUED SHARES | UNDERWRITTEN SHARES | ISSUED SHARES | UNDERWRITTEN SHARES |
| A. Share Capital | | | | |
| A.1 Ordinary shares | 5,184,424 | - | 3,157,502 | - |
| A.2 Savings shares | 10,853 | - | 10,853 | - |
| Total (A) | 5,195,277 | - | 3,168,355 | - |
| B. Treasury Shares | | | | |
| B.1 Ordinary shares | -359,039 | - | -358,416 | - |
| B.2 Savings shares | - | - | - | - |
| Total (B) | -359,039 | - | -358,416 | - |

15.3 CAPITAL STOCK - NUMBER OF PARENT COMPANY SHARES: ANNUAL CHANGES

| ITEMS/TYPE OF TRANSACTIONS | CHANGES IN 2005 | |
|--|-----------------------|-------------------|
| | ORDINARY | OTHERS (SAVING) |
| A. Shares outstanding as at the beginning of the year | 6,315,002,731 | 21,706,552 |
| - fully paid | 6,315,002,731 | 21,706,552 |
| - not fully paid | - | - |
| A.1 Treasury shares (-) | -87,000,000 | - |
| A.2 Shares outstanding as at the start of the year | 6,228,002,731 | 21,706,552 |
| B. Increases | 4,053,845,423 | - |
| B.1 New issues | 4,053,845,423 | - |
| • against payment | 4,035,519,657 | - |
| - <i>business combinations</i> | 4,035,519,657 | - |
| - <i>bonds converted</i> | - | - |
| - <i>warrants exercised</i> | - | - |
| - <i>other</i> | - | - |
| • free | 18,325,766 | - |
| - <i>to employees</i> | 18,325,766 | - |
| - <i>to Directors</i> | - | - |
| - <i>other</i> | - | - |
| B.2 Sales of treasury shares | - | - |
| B.3 Other changes | - | - |
| C. Reductions | - | - |
| C.1 Cancellation | - | - |
| C.2 Purchase of treasury shares | - | - |
| C.3 Business transferred | - | - |
| C.4 Other changes | - | - |
| D. Shares outstanding: closing balance | 10,281,848,154 | 21,706,552 |
| D.1 Treasury Shares (+) | 87,000,000 | - |
| D.2 Shares outstanding as at the end of the year | 10,368,848,154 | 21,706,552 |
| - <i>fully paid</i> | 10,368,848,154 | 21,706,552 |
| - <i>not fully paid</i> | - | - |

15.4 CAPITAL: OTHER INFORMATION

| | AMOUNTS AS AT | |
|--|---------------|------------|
| | 31.12.2005 | 31.12.2004 |
| Par value for share | 0.50 | 0.50 |
| Number of shares reserved for issue under option | - | - |
| Number of contracts for the sale of shares | - | - |

15.5 RESERVES FROM ALLOCATION OF PROFIT FROM PREVIOUS YEARS: OTHER INFORMATION

| | AMOUNTS AS AT 31.12.2005 |
|-------------------|-----------------------------|
| Legal reserve | 633,805 |
| Statutory reserve | 2,048,905 |
| Other reserves | 4,206,954 |
| Total | 6,889,664 |

Other reserves include FTA reserves.

15.6 REVALUATION RESERVE: BREAKDOWN

| ITEMS/COMPONENTS | AMOUNTS AS AT | |
|---|------------------|----------------|
| | 31.12.2005 | 31.12.2004 |
| 1. Available-for-sale financial assets | 1,795,744 | - |
| 2. Property, plant and equipment | - | - |
| 3. Intangible assets | - | - |
| 4. Hedges of foreign investments | - | - |
| 5. Cash-flow hedges | -169,041 | - |
| 6. Exchange differences | - | - |
| 7. Non-current assets classified as held for sale | - | - |
| 8. Special revaluation laws | 277,020 | 277,020 |
| Total | 1,903,723 | 277,020 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Liabilities

15.7 REVALUATION RESERVES: ANNUAL CHANGES

| | CHANGES IN 2005 | | | | | | | | |
|--------------------------------|-------------------------------------|-------------------------------|-------------------|--------------------------------|----------------------|----------------------|--|--------------------------|------------------|
| | AVAILABLE-FOR-SALE FINANCIAL ASSETS | PROPERTY, PLANT AND EQUIPMENT | INTANGIBLE ASSETS | HEDGING ON FOREIGN INVESTMENTS | HEDGING OF CASH FLOW | EXCHANGE DIFFERENCES | NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE | SPECIAL REVALUATION LAWS | TOTAL |
| A. Opening balance | - | - | - | - | - | - | - | 277,020 | 277,020 |
| B. Increases | 2,073,738 | - | - | - | 24,664 | - | - | - | 2,098,402 |
| B.1 Fair value increases | 905,486 | - | - | - | - | - | - | X | 905,486 |
| B.2 Other changes ¹ | 1,168,252 | - | - | - | 24,664 | - | - | - | 1,192,916 |
| C. Reductions | 277,994 | - | - | - | 193,705 | - | - | - | 471,699 |
| C.1 Fair value decreases | 56,892 | - | - | - | 193,560 | - | - | X | 250,452 |
| C.2 Other changes | 221,102 | - | - | - | 145 | - | - | - | 221,247 |
| D. Closing balance | 1,795,744 | - | - | - | (169,041) | - | - | 277,020 | 1,903,723 |

1. Includes the amounts arising from business combinations.

15.8 REVALUATION RESERVES FOR AVAILABLE-FOR-SALE FINANCIAL ASSETS: BREAKDOWN

| ASSETS/VALUES | AMOUNTS AS AT 31.12.2005 | | |
|--------------------------|--------------------------|------------------|------------------|
| | POSITIVE RESERVE | NEGATIVE RESERVE | TOTAL |
| 1. Debt securities | 172,354 | (15,390) | 156,964 |
| 2. Equity investments | 1,654,732 | (13,238) | 1,641,494 |
| 3. Investment fund units | 1,092 | (3,806) | (2,714) |
| 4. Loans | - | - | - |
| Total | 1,828,178 | (32,434) | 1,795,744 |

15.9 REVALUATION RESERVES FOR AVAILABLE-FOR-SALE FINANCIAL ASSETS: ANNUAL CHANGES

| | CHANGES IN 2005 | | | | |
|--|--------------------|-----------------------|----------------|-------|------------------|
| | DEBT SECURITIES | EQUITY INVESTMENTS | UCIS SHARES | LOANS | TOTAL |
| 1. Opening balance | - | - | - | - | - |
| 2. Positive changes | 202,995 | 1,869,662 | 1,081 | - | 2,073,738 |
| 2.1 Fair value increases | 110,567 | 793,838 | 1,081 | - | 905,486 |
| 2.2 Reclassification through profit or loss of negative provision: | 3,096 | 260 | - | - | 3,356 |
| - due to impairment | - | - | - | - | - |
| - following disposal | 3,096 | 260 | - | - | 3,356 |
| 2.3 Other changes ¹ | 89,332 | 1,075,564 | - | - | 1,164,896 |
| 3. Negative changes | 46,031 | 228,168 | 3,795 | - | 277,994 |
| 3.1 Negative changes in fair value | 41,236 | 11,861 | 3,795 | - | 56,892 |
| 3.2 Impairment losses | - | - | - | - | - |
| 3.3 Reclassification through profit or loss of positive allowances following disposal | 1,032 | 216,307 | - | - | 217,339 |
| 3.4 Other changes | 3,763 | - | - | - | 3,763 |
| 4. Closing Balance | 156,964 | 1,641,494 | (2,714) | - | 1,795,744 |

1. Includes the amounts arising from business combinations.

Section 16 - Minorities - Item 210

16.1 MINORITIES: BREAKDOWN

| ITEMS/VALUES | AMOUNTS AS AT | |
|--|------------------|------------------|
| | 31.12.2005 | 31.12.2004 |
| 1) Share Capital | 961,027 | 170,671 |
| 2) Share premium reserve | 2,102,538 | 140,600 |
| 3) Reserves ¹ | 532,808 | 697,320 |
| 4) (Treasury shares) | -84 | - |
| 5) Revaluation reserves | 45,120 | 5,427 |
| 6) Equity instruments | - | - |
| 7) Profit (loss) for the year - Minority interests | 261,204 | 170,265 |
| Total | 3,902,613 | 1,184,283 |

1. Includes HVB Group reserves as per its consolidated accounts including the share premium reserve.

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Liabilities

16.2 REVALUATION RESERVES: BREAKDOWN

| ITEMS/VALUES | AMOUNTS AS AT | |
|--|---------------|--------------|
| | 31.12.2005 | 31.12.2004 |
| 1) Available for sale financial assets | 40,834 | - |
| 2) Tangible assets | - | - |
| 3) Intangible assets | - | - |
| 4) Hedging on foreign investments | - | - |
| 5) Cash-flow hedge | 98 | - |
| 6) Exchange difference | - | - |
| 7) Non-current assets classified held for sale | - | - |
| 8) Special revaluation laws | 4,188 | 5,427 |
| Total | 45,120 | 5,427 |

16.4 REVALUATION RESERVES FOR AVAILABLE-FOR-SALE FINANCIAL ASSETS: BREAKDOWN

| ASSETS/VALUES | AMOUNTS AS AT 31.12.2005 | |
|------------------------------|--------------------------|------------------|
| | POSITIVE RESERVE | NEGATIVE RESERVE |
| 1. Debt securities | 12,886 | (764) |
| 2. Equity securities | 28,680 | (4) |
| 3. Units in investment funds | 36 | - |
| 4. Loans | - | - |
| Total | 41,602 | (768) |

16.5 REVALUATION RESERVES: ANNUAL CHANGES

| | CHANGES IN 2005 | | | | | | | |
|--------------------------------|-------------------------------------|-------------------------------|-------------------|--------------------------------|----------------------|---------------------|--|--------------------------|
| | AVAILABLE-FOR-SALE FINANCIAL ASSETS | PROPERTY, PLANT AND EQUIPMENT | INTANGIBLE ASSETS | HEDGING OF FOREIGN INVESTMENTS | HEDGING OF CASH FLOW | EXCHANGE DIFFERENCE | NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE | SPECIAL REVALUATION LAWS |
| A. Opening balance | - | - | - | - | - | - | - | 5,427 |
| B. Increases | 42,055 | - | - | - | 169 | - | - | 85 |
| B.1 Fair value increases | 24,494 | - | - | - | - | - | - | X |
| B.2 Other changes ¹ | 17,561 | - | - | - | 169 | - | - | 85 |
| C. Decreases | 1,221 | - | - | - | 71 | - | - | 1,324 |
| C.1 Fair value decreases | 1,129 | - | - | - | - | - | - | X |
| C.2 Other changes | 92 | - | - | - | 71 | - | - | 1,324 |
| D. Closing balance | 40,834 | - | - | - | 98 | - | - | 4,188 |

1. Includes amounts arising from business combinations.

Other Information

| 1. GUARANTEES GIVEN AND COMMITMENTS | | |
|---|--------------------|-------------------|
| TRANSACTIONS | AMOUNTS AS AT | |
| | 31.12.2005 | 31.12.2004 |
| 1) Financial guarantees given to: | 40,979,416 | 5,254,422 |
| a) Banks | 6,781,128 | 426,669 |
| b) Customers | 34,198,288 | 4,827,753 |
| 2) Commercial guarantees given to: | 14,868,224 | 8,378,952 |
| a) Banks | 1,674,141 | 834,975 |
| b) Customers | 13,194,083 | 7,543,977 |
| 3) Other irrevocable commitments to disburse funds: | 79,909,482 | 17,264,837 |
| a) banks: | 13,539,822 | 4,540,259 |
| <i>i) Usage certain</i> | 3,158,279 | 4,246,228 |
| <i>ii) Usage uncertain</i> | 10,381,543 | 294,031 |
| b) customers: | 66,369,660 | 12,724,578 |
| <i>i) Usage certain</i> | 11,431,950 | 6,583,949 |
| <i>ii) Usage uncertain</i> | 54,937,710 | 6,140,629 |
| 4) Underlying obligations for credit derivatives: sale of protection | 3,950,834 | 1,088,983 |
| 5) Assets used to guarantee others' obligations | - | 53,647 |
| 6) Other commitments | 9,226,534 | 9,744,151 |
| Total | 148,934,490 | 41,784,992 |

| 2. ASSETS USED TO GUARANTEE OWN LIABILITIES AND COMMITMENTS | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2005 |
| 1. Financial instruments held for trading | 6,827,062 |
| 2. Financial instruments designated at fair value | 51,201 |
| 3. Financial instruments available for sale | 1,911,010 |
| 4. Financial instruments held to maturity | 425,935 |
| 5. Loans and receivables with banks | 1,304,898 |
| 6. Loans and receivables with customers | 354,919 |
| 7. Property, plant and equipment | 10,764 |

Notes to the Consolidated Accounts
Part B) Consolidated Balance Sheet - Other Information

| 3. OPERATING LEASES | | AMOUNTS AS AT 31.12.2005 |
|--|--|-------------------------------------|
| Lessee information: | | |
| B) Operating leases | | |
| Future minimum non-cancellable lease payments | | |
| Up to twelve months | | 536 |
| From one to five years | | 42 |
| Over five years | | - |
| Total amounts | | 578 |
| Future minimum non-cancellable sublease payments | | |
| Total payments | | - |
| Lessor information: | | |
| B) Operating leases | | |
| Future minimum non-cancellable lease payments (to be received) | | |
| Up to twelve months | | 131,563 |
| From one to five years | | 163,561 |
| Over five years | | 40,555 |
| Total amounts | | 335,679 |

| 5. ASSET MANAGEMENT AND TRADING ON BEHALF OF OTHERS | | AMOUNTS AS AT 31.12.2005 |
|--|--|-------------------------------------|
| TYPE OF SERVICES | | |
| 1. Trading of financial instruments on behalf of others: | | 377,718,556 |
| a) Purchases | | 189,908,549 |
| 1. Settled | | 189,908,549 |
| 2. Unsettled | | - |
| b) Sales | | 187,810,007 |
| 1. Settled | | 187,810,007 |
| 2. Unsettled | | - |
| 2. Asset management accounts | | 65,000,019 |
| a) individual | | 62,474,345 |
| b) Collective | | 2,525,674 |
| 3. Custody and administration of securities | | 354,870,460 |
| a) non-proprietary securities on deposit associated with the custodian bank operations (excluding segregated accounts) | | 6,045,628 |
| 1. Securities issued by companies included in consolidation | | 12,351 |
| 2. Other securities | | 6,033,277 |
| b) Other non-proprietary securities on deposit (excluding asset management accounts) | | 148,280,403 |
| 1. Securities issued by companies included in consolidation | | 23,429,968 |
| 2. Other securities | | 124,850,435 |
| c) Non-proprietary securities deposited with others | | 137,814,821 |
| d) Investment and trading securities deposited with others | | 62,729,608 |
| 4. Other transactions | | 21,570,823 |

Data given in this table do not include HVB Group data.

NOTES TO THE CONSOLIDATED ACCOUNTS

Part C) Consolidated Profit and Loss Account

| | |
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Part C) Consolidated Profit and Loss Account

(amounts in thousands of €)

Section 1 - Interest income and similar revenues - Item 10 and 20

| 1.1 INTEREST INCOME AND SIMILAR REVENUES: BREAKDOWN | | | | | |
|---|-----------------------------|------------------|---------------------------|----------------|-------------------|
| ITEMS/TYPE | 2005 | | | | |
| | UNIMPAIRED FINANCIAL ASSETS | | IMPAIRED FINANCIAL ASSETS | OTHER ASSETS | TOTAL |
| | DEBT SECURITIES | LOANS | | | |
| 1. Financial instruments held for trading | 431,276 | 410,666 | - | 1,263 | 843,205 |
| 2. Financial instruments designated at fair value | 1,103,441 | 1 | - | 354 | 1,103,796 |
| 3. Available for sale financial instruments | 474,220 | - | - | - | 474,220 |
| 4. Held to maturity investments | 277,503 | 195 | - | - | 277,698 |
| 5. Loans and receivables with banks | 32,495 | 193,466 | - | 248,087 | 474,048 |
| 6. Loans and receivables with customers | 41,422 | 7,178,565 | 184,382 | 185,144 | 7,589,513 |
| 7. Hedging derivatives | X | X | X | - | - |
| 8. Financial instruments sold but not derecognised | - | 284,730 | - | 477 | 285,207 |
| 9. Other assets | X | X | X | 72,468 | 72,468 |
| Total | 2,360,357 | 8,067,623 | 184,382 | 507,793 | 11,120,155 |

| 1.3.1 INTEREST INCOME FROM FINANCIAL ASSETS DENOMINATED IN CURRENCY | |
|---|-----------|
| INTEREST INCOME ON: | 2005 |
| a) Assets denominated in currency | 2,855,660 |

| 1.3.2 AND 1.3.3 INTEREST INCOME FROM OTHER TRANSACTIONS | |
|---|----------------|
| INTEREST INCOME ON: | 2005 |
| a) Rents recognised | 340,588 |
| b) Deposits received in administration | 411,447 |
| Total | 752,035 |

Notes to the Consolidated Accounts
Part C) Consolidated Profit and Loss Account

| ITEMS/TYPE | 2005 | | | TOTAL |
|---|--------------------|--------------------|-------------------|--------------------|
| | DEPOSITS | SECURITIES | OTHER LIABILITIES | |
| 1. Deposits from banks | (725,441) | X | (55,770) | (781,211) |
| 2. Deposits from customers | (1,337,640) | X | (6,666) | (1,344,306) |
| 3. Securities in issue | X | (2,280,459) | - | (2,280,459) |
| 4. Financial liabilities held for trading | (373,350) | (4,898) | - | (378,248) |
| 5. Financial liabilities designated at fair value | - | (25) | - | (25) |
| 6. Financial liabilities relating to assets sold but not derecognised | (118,072) | - | (82,187) | (200,259) |
| 7. Other liabilities | X | X | (122,112) | (122,112) |
| 8. Derivatives used for hedging | X | X | (619,305) | (619,305) |
| Total | (2,554,503) | (2,285,382) | (886,040) | (5,725,925) |

| 1.6.1 INTEREST EXPENSES ON LIABILITIES DENOMINATED IN CURRENCY | | 2005 |
|--|--|-------------|
| INTEREST EXPENSES ON: | | |
| a) Liabilities denominated in currency | | (2,213,857) |

| 1.6.2 AND 1.6.3 INTEREST EXPENSES ON OTHER TRANSACTIONS | | 2005 |
|---|--|------------------|
| INTEREST EXPENSES ON: | | |
| a) Rents recognised | | (51) |
| b) Deposits received in administration | | (179,676) |
| Total | | (179,727) |

Section 2 – Fee and commission income – Item 40 e 50

| 2.1 FEE AND COMMISSION INCOME: BREAKDOWN | | |
|---|------------------|------------------|
| TYPE OF SERVICE | 2005 | 2004 |
| a) guarantees given | 152,555 | 140,867 |
| b) credit derivatives | 664 | 428 |
| c) administration, brokerage and consultancy services: | 2,819,866 | 2,354,500 |
| 1. financial instrument dealing | 45,846 | 46,458 |
| 2. currency dealing | 82,208 | 78,038 |
| 3. asset management accounts | 1,569,196 | 1,338,750 |
| 3.1. individual | 204,328 | 154,772 |
| 3.2. collective | 1,364,868 | 1,183,978 |
| 4. custody and administration of securities | 55,105 | 56,507 |
| 5. depositary bank | 27,957 | 25,140 |
| 6. placement of securities | 475,606 | 315,094 |
| 7. acceptance of trading instructions | 110,894 | 102,092 |
| 8. consultancy activities | 1,987 | 1,087 |
| 9. distribution of third party services: | 451,067 | 391,334 |
| 9.1. Segregated accounts | 51,821 | 30,371 |
| 9.1.1. Individual | 8,833 | 2,934 |
| 9.1.2. Collective | 42,988 | 27,437 |
| 9.2. insurance products | 384,497 | 342,059 |
| 9.3. other products | 14,749 | 18,904 |
| d) collection and payment services | 642,553 | 587,495 |
| e) servicing for securisation transactions | 10,761 | 14,709 |
| f) factoring | 24,401 | 18,940 |
| g) tax collection services | 125,407 | 131,511 |
| h) other services | 1,340,484 | 1,236,954 |
| Total | 5,116,691 | 4,485,404 |

Notes to the Consolidated Accounts
Part C) Consolidated Profit and Loss Account

| 2.2 FEE AND COMMISSION INCOME BY DISTRIBUTION CHANNEL | | |
|---|------------------|------------------|
| CHANNELS | 2005 | 2004 |
| a) through Group bank branches | 768,491 | 751,361 |
| 1. asset management | 92,115 | 242,021 |
| 2. security dealing | 321,297 | 172,725 |
| 3. others' products and services | 355,079 | 336,615 |
| b) off-site | 1,727,378 | 1,293,817 |
| 1. asset management | 1,477,081 | 1,096,729 |
| 2. security dealing | 154,309 | 142,369 |
| 3. others' products and services | 95,988 | 54,719 |
| c) other distribution channels | - | - |
| 1. asset management | - | - |
| 2. security dealing | - | - |
| 3. others' products and services | - | - |
| Total | 2,495,869 | 2,045,178 |

| 2.3 FEE AND COMMISSION EXPENSE: BREAKDOWN | | |
|---|------------------|------------------|
| SERVICES | 2005 | 2004 |
| a) guarantees received | (7,162) | (9,893) |
| b) loan-related derivatives | (2,632) | (5,136) |
| c) administration and brokerage services: | (402,689) | (235,989) |
| 1. security dealing | (14,141) | (13,803) |
| 2. currency dealing | (2,955) | (2,769) |
| 3. segregated accounts | (13,795) | (25,815) |
| 3.1. own portfolio | (519) | (1,989) |
| 3.2. others' portfolios | (13,276) | (23,826) |
| 4. custody and administration of securities | (5,578) | (6,507) |
| 5. placement of securities | (240,384) | (118,286) |
| 6. off-site distribution of securities, products and services | (125,836) | (68,809) |
| d) collection and payment services | (158,523) | (141,683) |
| e) other services | (173,222) | (187,349) |
| Total | (744,228) | (580,050) |

Section 3 - Dividend income and similar revenue - Item 70

| ITEMS/REVENUES | 2005 | | 2004 | |
|--|----------------|-----------------------------------|----------------|-----------------------------------|
| | DIVIDENDS | INCOME FROM INVESTMENT FUND UNITS | DIVIDENDS | INCOME FROM INVESTMENT FUND UNITS |
| A. Financial assets held for trading | 25,943 | - | - | - |
| B. Available for sale financial assets | 81,985 | 252 | - | - |
| C. Financial assets designed at fair value | 48,751 | 641 | - | - |
| D. Investments | - | X | - | X |
| Financial instruments (items from A to D) | 156,679 | 893 | 226,592 | - |
| Total | 156,679 | 893 | 226,592 | - |

Section 4 - Gains and losses on financial assets and liabilities held for trading Item 80

| TRANSACTIONS/PROFIT COMPONENTS | 2005 | | | | |
|--|-------------------|--------------------|---------------------|---------------------|------------------------|
| | CAPITAL GAINS (A) | TRADING PROFIT (B) | CAPITAL LOSSES (C) | TRADING LOSSES (D) | NET PROFIT (A+B)-(C+D) |
| 1. Financial assets held for trading | 510,466 | 374,161 | (301,709) | (299,586) | 283,332 |
| 1.1 Debt securities | 187,292 | 169,072 | (69,817) | (166,565) | 119,982 |
| 1.2 Equity instruments | 185,588 | 118,039 | (73,846) | (84,459) | 145,322 |
| 1.3 Units of investment funds | 33,999 | 25,272 | (5,946) | (475) | 52,850 |
| 1.4 Loans | - | 568 | - | (13,247) | (12,679) |
| 1.5 Other | 103,587 | 61,210 | (152,100) | (34,840) | (22,143) |
| 2. Financial liabilities held for trading | 13,712 | 29,538 | (28,385) | (20,605) | (5,740) |
| 2.1 Debt securities | 9,125 | 18,838 | (17,222) | (20,515) | (9,774) |
| 2.2 Deposits | - | 325 | - | (85) | 240 |
| 2.3 Other | 4,587 | 10,375 | (11,163) | (5) | 3,794 |
| 3. Other financial assets and liabilities: exchange differences | X | X | X | X | 280,308 |
| 4. Derivatives | 58,692,701 | 34,191,785 | (58,813,445) | (33,796,330) | 188,453 |
| 4.1 Derivatives: | 58,624,080 | 34,167,936 | (58,754,140) | (33,768,512) | 183,106 |
| - with underlying debt securities and interest rates | 48,676,252 | 31,756,706 | (48,591,869) | (31,258,153) | 582,936 |
| - with underlying equity securities and share indices | 9,605,248 | 328,743 | (9,704,510) | (399,838) | (170,357) |
| - with underlying currency and gold | X | X | X | X | (86,258) |
| - other | 342,580 | 2,082,487 | (457,761) | (2,110,521) | (143,215) |
| 4.2 Credit derivatives | 68,621 | 23,849 | (59,305) | (27,818) | 5,347 |
| Total | 59,216,879 | 34,595,484 | (59,143,539) | (34,116,521) | 746,353 |

Section 5 - Fair value adjustments in hedge accounting - Item 90

| 5.1 NET PROFIT FROM HEDGING ACTIVITIES: BREAKDOWN | |
|--|------------------|
| PROFIT COMPONENT/VALUES | 2005 |
| A. Income from: | |
| A.1 Fair value hedging instruments | 336,129 |
| A.2 Hedged asset items (fair value) | 41,622 |
| A.3 Hedged liability items (fair value) | 118,440 |
| A.4 Cash-flow hedges | 483 |
| A.5 Assets and liabilities denominated in currency | - |
| Total income from hedging activities (A) | 496,674 |
| B. Expense from: | |
| B.1 Fair value hedging instruments | (221,158) |
| B.2 Hedged asset items (fair value) | (199,832) |
| B.3 Hedged liability items (fair value) | (65,384) |
| B.4 Cash-flow hedges | (1,633) |
| B.5 Assets and liabilities denominated in currency | (101) |
| Total expense from hedging activities (B) | (488,108) |
| C. Net profit from hedging activities (A - B) | 8,566 |

Section 6 - Gains (losses) on disposals/repurchases - Item 100

| ITEMS/PROFIT COMPONENTS | 2005 | | |
|---|----------------|----------------|----------------|
| | GAINS | LOSSES | NET PROFIT |
| Financial assets | | | |
| 1. Loans and receivables with banks | - | (55) | (55) |
| 2. Loans and receivables with customers | 5.685 | (800) | 4.885 |
| 3. Available-for-sale financial assets | 250.346 | (357) | 249.989 |
| 3.1 Debt securities | 24.310 | (256) | 24.054 |
| 3.2 Equity instruments | 225.499 | (45) | 225.454 |
| 3.3 Investment fund units | 537 | (56) | 481 |
| 3.4 Loans | - | - | - |
| 4. Held-to-maturity investments | 24 | (5) | 19 |
| Total assets | 256.055 | (1.217) | 254.838 |
| Financial liabilities | | | |
| 1. Deposits with banks | - | - | - |
| 2. Deposits with customers | - | - | - |
| 3. Securities in issue | - | - | - |
| Total liabilities | - | - | - |

Section 7 - Gains and losses on financial assets/liabilities at fair value through profit and loss – Item 110

| TRANSACTIONS/PROFIT COMPONENTS | 2005 | | | | NET PROFIT (A+B)-(C+D) |
|--|---------------|-----------------------|-----------------|------------------------|---------------------------|
| | GAINS (A) | REALISED GAINS (B) | LOSSES (C) | REALISED LOSSES (D) | |
| 1. Financial assets | 22,240 | 99,300 | (30,390) | (3,555) | 87,595 |
| 1.1 Debt securities | 20,474 | 20,473 | (30,042) | (1,763) | 9,142 |
| 1.2 Equity securities | 1,309 | 27 | (60) | (22) | 1,254 |
| 1.3 Investment fund units | 452 | 4,318 | (288) | (1,770) | 2,712 |
| 1.4 Loans | 5 | 74,482 | - | - | 74,487 |
| 2. Financial liabilities | 138 | - | - | - | 138 |
| 2.1 Debt securities | 138 | - | - | - | 138 |
| 2.2 Due to banks | - | - | - | - | - |
| 2.3 Due to customers | - | - | - | - | - |
| 3. Financial assets and liabilities in foreign currency: exchange differences | X | X | X | X | - |
| 4. Derivatives | - | - | - | - | - |
| 4.1 Derivatives: | - | - | - | - | - |
| - on debt securities and interest rate | - | - | - | - | - |
| - on equity securities and share indices | - | - | - | - | - |
| - on currency and gold | X | X | X | X | - |
| - other | - | - | - | - | - |
| 4.2 Credit derivatives | - | - | - | - | - |
| Total | 22,378 | 99,300 | (30,390) | (3,555) | 87,733 |

Section 8 - Impairment losses - Item 130

8.1 IMPAIRMENT LOSSES ON LOANS: BREAKDOWN

| OPERATIONS / P&L ITEMS | WRITEDOWNS ¹ | | | WRITE-BACKS ² | | | | 2005 TOTAL (3)=(1)-(2) | 2004 TOTAL |
|---|-------------------------|--------------------|------------------|--------------------------|----------------|---------------|----------------|------------------------------|------------------|
| | SPECIFIC | | PORTFOLIO | SPECIFIC | | PORTFOLIO | | | |
| | WRITE-OFFS | OTHER | | FROM INTEREST | OTHER | FROM INTEREST | OTHER | | |
| A. Loans and receivables with banks | (5) | (10,388) | (2,644) | - | 23,876 | - | 2,104 | 12,943 | (38,631) |
| B. Loans and receivables with customers | (454,200) | (1,198,520) | (505,716) | 75,027 | 709,512 | 95 | 453,091 | (920,711) | (847,558) |
| C. Total | (454,205) | (1,208,908) | (508,360) | 75,027 | 733,388 | 95 | 455,195 | (907,768) | (886,189) |

8.2 IMPAIRMENT LOSSES ON HELD-TO-MATURITY FINANCIAL ASSETS: BREAKDOWN

| OPERATIONS / P&L ITEMS | WRITEDOWNS ¹ | | WRITE-BACKS ² | | TOTAL 2005 (3)=(1)-(2) |
|--------------------------|-------------------------|----------------|--------------------------|----------|------------------------------|
| | SPECIFIC | | SPECIFIC | | |
| | WRITE-OFFS | OTHER | FROM INTEREST | OTHER | |
| A. Debt securities | - | (313) | - | - | (313) |
| B. Equity securities | - | (4,180) | X | X | (4,180) |
| C. Investment fund units | - | - | X | - | - |
| D. Loans to banks | - | - | - | - | - |
| E. Loans to customers | - | - | - | - | - |
| Total | - | (4,493) | - | - | (4,493) |

8.3 IMPAIRMENT LOSSES ON HELD-TO-MATURITY INVESTMENTS: BREAKDOWN

| OPERATIONS / P&L ITEMS | WRITEDOWNS ¹ | | | WRITE-BACKS ² | | | | TOTAL 2005 (3)=(1)-(2) |
|------------------------|-------------------------|-------------|-----------|--------------------------|--------------|-----------|----------|------------------------------|
| | SPECIFIC | | PORTFOLIO | SPECIFIC | | PORTFOLIO | | |
| | WRITE-OFFS | OTHER | | INTEREST | OTHER | INTEREST | OTHER | |
| A. Debt securities | - | (47) | - | - | 1,056 | - | - | 1,009 |
| B. Loans to banks | - | - | - | - | - | - | - | - |
| C. Loans to customers | - | - | - | - | - | - | - | - |
| D. Total | - | (47) | - | - | 1,056 | - | - | 1,009 |

8.4 IMPAIRMENT LOSSES ON OTHER FINANCIAL TRANSACTIONS: BREAKDOWN

| OPERATIONS / P&L ITEMS | WRITEDOWNS ¹ | | | WRITE-BACKS ² | | | | TOTAL 2005 (3)=(1)-(2) |
|-------------------------------------|-------------------------|----------------|-----------------|--------------------------|--------------|-----------|---------------|------------------------------|
| | SPECIFIC | | PORTFOLIO | SPECIFIC | | PORTFOLIO | | |
| | WRITE-OFFS | OTHER | | INTEREST | OTHER | INTEREST | OTHER | |
| A. Guarantees given | (2,356) | (2,484) | (14,269) | - | 897 | - | 15,800 | (2,412) |
| B. Credit derivatives | - | - | - | - | - | - | - | - |
| C. Commitments to disburse funds | - | - | (2) | - | - | - | - | (2) |
| D. Other transactions | - | (554) | (336) | - | 719 | - | 570 | 399 |
| E. Total | (2,356) | (3,038) | (14,607) | - | 1,616 | - | 16,370 | (2,015) |

Section 9 - Premiums earned (net) - Item 150

9.1 PREMIUMS EARNED (NET): BREAKDOWN

| INSURANCE PREMIUMS | 2005 | | | 2004 TOTAL |
|---|--------------------|----------------------|---------------|---------------|
| | DIRECT BUSINESS | INDIRECT BUSINESS | TOTAL | |
| A. Life business | | | | |
| A.1 Gross premiums collected (+) | 4,413 | - | 4,413 | - |
| A.2 Reinsurance premiums paid (-) | (149) | - | (149) | - |
| A.3 Total | 4,264 | - | 4,264 | - |
| B. Non-life business | | | | |
| B.1 Gross premiums collected (+) | 19,808 | - | 19,808 | - |
| B.2 Reinsurance premiums paid (-) | (5,317) | - | (5,317) | - |
| B.3 Change in gross value of premium reserve (+/-) | (558) | - | (558) | - |
| B.4 Change in reserve for premiums attributable to reinsurers (-/+) | 23 | - | 23 | - |
| B.5 Total | 13,956 | - | 13,956 | - |
| C. Total net premiums | 18,220 | - | 18,220 | - |

The amounts in the table concern the Yapi Group, which is consolidated as from 1 October 2005.

Section 10 - Other income (net) from insurance activities - Item 160

| 10.1 OTHER INCOME (NET) FROM INSURANCE BUSINESS: BREAKDOWN | | |
|--|-----------------|------|
| ITEMS | 2005 | 2004 |
| 1. Net change in insurance reserves | 324 | - |
| 2. Claims settled during the year | (16,878) | - |
| 3. Other income (net) from insurance business | 2,905 | - |
| Total | (13,649) | - |

The amounts in the table concern the Yapi Group, which is consolidated as from 1 October 2005.

| 10.2 NET CHANGE IN INSURANCE RESERVES: BREAKDOWN | | |
|---|------------|------|
| ITEMS | 2005 | 2004 |
| 1. Life business | | |
| A. Actuarial reserves | 324 | - |
| A.1 Gross amount for the year | 324 | - |
| A.2 Amount attributable to reinsurers (-) | - | - |
| B. Other insurance reserves | - | - |
| B.1 Gross amount for the year | - | - |
| B.2 Amount attributable to reinsurers (-) | - | - |
| C. Insurance reserves when investment risk is borne by the insured party | - | - |
| C.1 Gross amount for the year | - | - |
| C.2 Amount attributable to reinsurers (-) | - | - |
| Total "life business reserves" | 324 | - |
| 2. Non-life business | | |
| Change in insurance reserves for the non-life business other than claim reserves, net of amounts attributable to reinsurers | - | - |

The amounts in the table concern the Yapi Group, which is consolidated as from 1 October 2005.

10.3 CLAIMS SETTLED DURING THE YEAR: BREAKDOWN

| CLAIMS EXPENSE | 2005 | 2004 |
|--|-----------------|------|
| Life business: expense relating to claims, net of reinsurers' portions | | |
| A. Amounts paid out | (6,126) | - |
| <i>A.1 Gross amount for the year</i> | (6,205) | - |
| <i>A.2 Amount attributable to reinsurers (-)</i> | 79 | - |
| B. Change in reserve for amounts payable | (141) | - |
| <i>B.1 Gross amount for the year</i> | (66) | - |
| <i>B.2 Amount attributable to reinsurers (-)</i> | (75) | - |
| Total life business claims | (6,267) | - |
| Non-life business: expense relating to claims, net of amounts recovered from reinsurers | | |
| C. Amounts paid out | (10,367) | - |
| <i>C.1 Gross amount for the year</i> | (13,184) | - |
| <i>C.2 Amount attributable to reinsurers (-)</i> | 2,817 | - |
| D. Change in recoveries net of reinsurers' portion | - | - |
| E. Change in claims reserve | (244) | - |
| <i>E.1 Gross amount for the year</i> | (1,294) | - |
| <i>E.2 Amount attributable to reinsurers (-)</i> | 1,050 | - |
| Total non-life business claims | (10,611) | - |

The amounts in the table concern the Yapi Group, which is consolidated as from 1 October 2005.

Section 11 - Administrative costs - Item 180

| 11.1 STAFF EXPENSES: BREAKDOWN | | |
|--|--------------------|--------------------|
| TYPE OF EXPENSE | 2005 | 2004 |
| 1) Payroll for employees | (3,780,847) | (3,614,702) |
| a) Wages and salaries | (2,612,679) | (2,404,708) |
| b) Social security contributions | (637,479) | (624,010) |
| c) Severance pay | (18,997) | (13,541) |
| d) Pension fund | (25,619) | (30,043) |
| e) Allocation to employee severance pay provision | (117,098) | (117,596) |
| f) Provision for retirement payments and similar provisions: | (27,015) | (32,951) |
| - defined contribution | (5,717) | (6,888) |
| - defined benefit | (21,298) | (26,063) |
| g) Payments to external pension funds: | (59,601) | (58,983) |
| - defined contribution | (59,014) | (58,168) |
| - defined benefit | (587) | (815) |
| h) Costs related to share-based payments | (44,344) | (35,364) |
| i) Other employee benefits | (240,846) | (301,914) |
| l) Recovery of compensation | 2,831 | 4,408 |
| 2) Other staff | (75,593) | (79,304) |
| 3) Directors | (16,595) | (16,686) |
| Total | (3,873,035) | (3,710,692) |

Subitem "l) other employee benefits" includes costs for leaving incentives for the present value of € 152,718 thousand as at 31.12.2005 and of € 237,596 thousand as at 31.12.2004.

| 11.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY (GROUP HVB EXCLUDED) | | |
|---|---------------|--------------------|
| STAFF AVERAGE NUMBER | 31.12.2005 | 31.12.2004 |
| | TOTAL | TOTAL ¹ |
| a) Employees (permanent) | 71,384 | 69,954 |
| 1) Senior managers | 1,126 | 1,106 |
| 2) Managers ² | 19,034 | 17,878 |
| 3) Remaining staff | 51,224 | 50,970 |
| b) Other staff | 1,026 | 1,025 |
| Total | 72,410 | 70,979 |

1. Exact number of employees at the end of the year.

2. 3rd and 4th level managers of Italian companies are 6,667.

| NUMBER OF EMPLOYEES AT THE END OF THE YEAR | | | |
|---|-------------------|---------------|----------------|
| | 31.12.2005 | | |
| | UCI | HVB | TOTAL |
| a) Employees (permanent) | 72,814 | 64,973 | 137,787 |
| 1) Senior managers | 1,145 | 299 | 1,444 |
| 2) Managers | 20,191 | 8,947 | 29,138 |
| 3) Remaining staff | 51,478 | 55,727 | 107,205 |
| b) Other staff | 1,028 | - | 1,028 |
| Total | 73,842 | 64,973 | 138,815 |

| 11.3 DEFINED BENEFIT COMPANY PENSION FUNDS: TOTAL COST | | |
|---|-----------------|-----------------|
| PENSION AND SIMILAR FUNDS ALLOWANCES - WITH DEFINED BENEFITS | 2005 | 2004 |
| Current service cost | (1,445) | (6,124) |
| Interest cost | (15,733) | (16,898) |
| Expected return on plan assets | - | - |
| Net actuarial gain/loss recognized in year | (1,493) | (3,191) |
| Past service cost | - | - |
| Gains/losses on curtailments and settlements | (2,627) | 150 |
| Total | (21,298) | (26,063) |

Notes to the Consolidated Accounts
Part C) Consolidated Profit and Loss Account

| 11.5 GENERAL AND ADMINISTRATIVE EXPENSES: BREAKDOWN | | |
|---|--------------------|--------------------|
| ITEMS | 2005 | 2004 |
| 1) Indirect taxes and duties | (269,795) | (256,523) |
| 1a. Settled: | (103,366) | (133,776) |
| 1b. Unsettled: | (166,429) | (122,747) |
| 2) Miscellaneous costs and expenses | (1,841,223) | (1,735,150) |
| Fees paid to external professionals | (175,104) | (158,638) |
| Insurance | (48,844) | (45,556) |
| Advertising | (153,773) | (123,421) |
| Security: | (67,034) | (66,453) |
| - Internal and external surveillance of premises | (36,050) | (36,469) |
| - Transportation and safekeeping of cash and valuables | (30,984) | (29,984) |
| Supply of miscellaneous services rendered by third parties | (271,005) | (256,402) |
| Property related expense: | (407,542) | (367,919) |
| - rental expense | (247,054) | (229,583) |
| - maintenance of premises | (47,844) | (33,403) |
| - cleaning of premises | (35,884) | (37,361) |
| - electricity, gas, heating, concierge services and drinking water | (76,760) | (67,572) |
| Maintenance and lease rentals for plant and equipment: | (205,967) | (222,301) |
| - repair and maintenance of furniture, machinery and equipment | (64,109) | (87,244) |
| - lease rentals on electronic systems and software | (141,858) | (135,057) |
| Postage, telephone, printed materials and other office expenses: | (266,643) | (276,844) |
| - postage, telephone, telegraph and telex | (216,420) | (215,144) |
| - printing and stationery | (32,694) | (38,874) |
| - various office equipment | (17,529) | (22,826) |
| Hire charges and other expenses: | (73,809) | (71,242) |
| - travel expense | (65,314) | (63,180) |
| - various hire charges | (8,495) | (8,062) |
| Credit information and searches | (25,705) | (23,481) |
| Other costs: | (145,797) | (122,893) |
| - Directors' and Statutory Auditors' fees | (3,192) | (3,585) |
| - charitable donations | (7,372) | (6,369) |
| - other costs and expenses | (135,233) | (112,939) |
| Total (1 + 2) | (2,111,018) | (1,991,673) |

Other administrative expense for 2005 include extraordinary charges associated with the HVB business combination in the amount of € 19,475 thousand, almost entirely attributable to external consultants' fees and advertising costs.

Section 12 - Provisions - Item 190

| 12.1 PROVISIONS: BREAKDOWN | | | | |
|----------------------------|------------------|----------------------|------------------|------------------|
| ITEMS/COMPONENTS | PROVISIONS | REALLOCATION SURPLUS | 2005 | 2004 |
| 1. Other provisions | | | | |
| 1.1 Legal disputes | (77,273) | 21,577 | (55,696) | (79,126) |
| 1.2 Staff costs | (2,143) | 13 | (2,130) | (6,327) |
| 1.3 Other | (108,455) | 9,405 | (99,050) | (179,710) |
| Total | (187,871) | 30,995 | (156,876) | (265,163) |

Provisions for 2005 include charges associated with the HVB business combination in the amount of €3,353 thousand.

Section 13 - Impairments/write-backs on property, plant and equipment - Item 200

| 13.1 NET VALUE ADJUSTMENTS ON PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN | | | | |
|--|------------------|-----------------------|-----------------|--------------------|
| ASSETS/PROFIT COMPONENTS | DEPRECIATION (A) | IMPAIRMENT LOSSES (B) | WRITE-BACKS (C) | NET PROFIT (A+B-C) |
| A. Property, plant and equipment | | | | |
| A.1 Owned | (334,259) | (3,872) | - | (338,131) |
| - for operational use | (249,813) | (2,762) | - | (252,575) |
| - for investment | (84,446) | (1,110) | - | (85,556) |
| A.2 Finance leases | (3,658) | - | - | (3,658) |
| - for operational use | (3,658) | - | - | (3,658) |
| - for investment | - | - | - | - |
| Total | (337,917) | (3,872) | - | (341,789) |

2005 writedowns include an amount of €648 thousand attributable to the business combination with HVB.

Section 14 - Impairments/write-backs on intangible assets - Item 210

| 14.1 IMPAIRMENT ON INTANGIBLE ASSETS: BREAKDOWN | | | | |
|---|---------------------|-----------------------------|--------------------|-----------------------|
| ASSETS/PROFIT COMPONENTS | AMORTISATION (A) | IMPAIRMENT LOSSES (B) | WRITE-BACKS (C) | NET PROFIT (A+B-C) |
| A. Intangible assets | | | | |
| A.1 Owned | (126,871) | (950) | 1 | (127,820) |
| - generated internally by the company | (37,069) | - | - | (37,069) |
| - other | (89,802) | (950) | 1 | (90,751) |
| A.2 Finance leases | (17) | - | - | (17) |
| Total | (126,888) | (950) | 1 | (127,837) |

2005 writedowns include an amount of €907 thousand attributable to the business combination with HVB.

Section 15 - Other operating net income - Item 220

| 15.1 OTHER OPERATING EXPENSE: BREAKDOWN | | |
|---|------------------|------------------|
| | 2005 | 2004 |
| 1) Finance Lease: contingent rent disclosed as cost in the year | (19) | (1,868) |
| 2) Costs for operating leases | (989) | (10,087) |
| 3) Reclassification of gains/losses associated with cash-flow hedges of non-financial assets or liabilities from equity to profit or loss (IAS 39 §98a) | - | - |
| 4) Non-deductible tax and other fiscal charges | (8,458) | (12,294) |
| 5) Other | (291,736) | (94,129) |
| Total Other operating expense | (301,202) | (118,378) |

15.2 OTHER OPERATING INCOME: BREAKDOWN

| | 2005 | 2004 |
|---|----------------|----------------|
| A) Recovery of expense | 234,722 | 229,651 |
| B) Other Revenues | 455,550 | 282,137 |
| 1) Revenue from administrative services | 6,103 | 4,257 |
| 2) Reclassification of valuation reserve re cash-flow hedging of non-financial assets/liabilities | - | 1,288 |
| 3) Rentals (gross of operating costs input in the previous line) | 12,540 | 15,839 |
| 4) Financial leases: contingent rental recognised as revenue | - | - |
| 5) Revenues from operating leases - rentals | 45,385 | 51,453 |
| 6) Revenues from operating leases - others | 6,910 | - |
| 7) Direct operating costs (including repairs and maintenance) re investment properties | 210 | 1,419 |
| 8) Recovery of interest on cleared collections and payments | 168 | 322 |
| 9) sundry refunds of costs paid in previous years | 10,118 | 8,331 |
| 10) Others | 374,116 | 199,228 |
| Total Other Operating Income | 690,272 | 511,788 |

Section 16 - Profit (loss) of associates - Item 240

| 16.1 PROFIT OR LOSS OF EQUITY INVESTMENTS: BREAKDOWN | | | | |
|--|-------------------------------------|---|----------------|-----------------|
| PROFIT COMPONENTS | 1) JOINTLY OWNED COMPANIES - EQUITY | 2) COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE | 2005 | 2004 |
| A. Income | - | 106,617 | 106,617 | 62,496 |
| 1. Revaluations | - | 93,443 | 93,443 | 50,233 |
| 2. Gains from disposals | - | 12,990 | 12,990 | 8,925 |
| 3. Write-backs | - | 184 | 184 | 3,338 |
| 4. Other positive changes | - | - | - | - |
| B. Expense | - | (823) | (823) | (11,445) |
| 1. Writedowns | - | - | - | - |
| 2. Impairment losses | - | (654) | (654) | (106) |
| 3. Losses from disposals | - | (169) | (169) | (5,782) |
| 4. Other negative changes | - | - | - | (5,557) |
| Total | - | 105,794 | 105,794 | 51,051 |

Section 19 - Gains (losses) on disposals of investments - Item 270

| 19.1 GAINS AND LOSSES ON DISPOSALS OF INVESTMENTS | | | |
|---|--|---------------|----------------|
| PROFIT COMPONENTS | | 2005 | 2004 |
| A. Property | | | |
| - Gains from sales | | 70,931 | 99,146 |
| - Losses from sales | | (7,145) | (8,572) |
| B. Other assets | | | |
| - Gains from sales | | 10,422 | 14,531 |
| - Losses from sales | | (3,359) | (1,278) |
| Total | | 70,849 | 103,827 |

Section 20 - Tax expense (income) related to profit or loss from continuing operations - Item 290

| 20.1 TAX EXPENSE (INCOME) RELATED TO PROFIT OR LOSS FROM CONTINUING OPERATIONS: BREAKDOWN | | |
|--|--------------------|------------------|
| PROFIT COMPONENTS | 2005 | 2004 |
| 1. Current tax expense (-) | (1,477,364) | (1,137,289) |
| 2. Adjustment to current tax of prior years (+/-) | (196,396) | 1,782 |
| 3. Reduction in current tax for the year (+) | (3,496) | 52,770 |
| 4. Adjustment to deferred tax income (+/-) | 587,726 | 114,949 |
| 5. Adjustment to deferred tax expense (+/-) | (306,393) | (30,987) |
| 6. Accrued income tax for the year (-) (-1+/-2+3+/-4+/-5) | (1,395,923) | (998,775) |

| 20.2 RECONCILIATION BETWEEN THEORETICAL AND EFFECTIVE TAX CHARGES RECOGNISED IN THE FINANCIAL STATEMENTS | |
|---|--------------------|
| | 2005 |
| TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (item 280) | 4,068,217 |
| Applicable Tax rate | 33% |
| Computed income tax | (1,342,512) |
| 1. Different tax rates(*) | 205,207 |
| 2. Non-taxable income | 253,900 |
| 3. Non-deductible expense | (216,874) |
| 4. Italian regional tax on production | (315,383) |
| 5. Prior years and changes in tax rates | (46,243) |
| a) effects on current taxes | 30,697 |
| - losses carried forward | 6,450 |
| - other effects of previous years | 24,247 |
| b) effects on deferred tax | (76,940) |
| - changes in tax rates | (41,474) |
| - new tax imposed (+) previous tax revoked (-) | (35,466) |
| 6. Valuation adjustments and the non-application of deferred taxes | 25,998 |
| - deferred tax assets writedown | (10,858) |
| - deferred tax assets recognition | 42,024 |
| - deferred tax assets non-recognition | 809 |
| - deferred taxes non-recognition according to IAS 12.39 e 12.44 | (5,977) |
| 7. Valuation of associates | 31,138 |
| 8. Other differences | 8,846 |
| Recognized taxes on income | (1,395,923) |

Section 22 - Minorities - Item 330

| ITEM 330 "MINORITIES": BREAKDOWN | | |
|---|----------------|-----------------|
| | 2005 | 2004 |
| Net profit (loss) of the following companies | 250,762 | 191,733 |
| Bank Pekao S.A. Group | 170,672 | 158,028 |
| HVB Group | 44,293 | - |
| Zagrebacka Banka Group | 25,052 | 22,620 |
| Bulbank A.D. | 6,681 | 6,530 |
| Unibanka D.D. | 2,156 | 2,079 |
| Banca Agr. Comm. Rep. S. Marino S.A. | 2,093 | 1,782 |
| Locat Rent | 580 | (1,517) |
| Xelion Doradcy Finansow | (1,343) | (1,280) |
| Other | 578 | 3,491 |
| Adjustments on consolidation | 10,442 | (21,468) |
| Total | 261,204 | 170,265 |

Section 23 - Other information

| 23.1 SYNTHESIS OF PROFIT AND LOSS DATA OF HYPOVEREINSBANK USED FOR CONSOLIDATED FINANCIAL STATEMENTS | |
|--|-----------|
| ITEMS | AMOUNTS |
| 30. Net interest income | 948,059 |
| 60. Net commissions | 563,815 |
| 170. Net income of financial and insurance business | 1,663,798 |
| 300. Net income of current activity, net of taxes | 59,168 |

Section 24 - Earnings per share

| EARNINGS PER SHARE | | |
|---|---------------|---------------|
| | 2005 | 2004 |
| Net profit for the year attributable to the Group | 2,470,258 | 2,068,731 |
| Average number of outstanding shares | 6,730,276,460 | 6,303,570,521 |
| Average number of potential dilutive shares | 20,910,652 | 315,171 |
| Average number of diluted shares | 6,751,187,112 | 6,303,885,692 |
| Earnings per share (€) | 0.367 | 0.328 |
| Diluted earnings per share (€) | 0.366 | 0.328 |

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Part D) Segment Reporting

(amounts in thousands of €)

The Organisational Structure

Disclosure relating to segment reporting reflects the organisational structure through which the Group operated and monitored its results in 2005. A new structure was approved at the end of the year following the business combination with HVB Group and will not be adopted for segment reporting purposes until after the presentation of our new three-year plan, which will take place in July 2006. Group HVB's contribution to our 2005 Accounts will be disclosed as a separate segment.

Up to the end of 2005 the UniCredit Group conducted its operations through four business divisions: Retail; Corporate and Investment Banking; Private Banking and Asset Management; and New Europe. Each of these divisions was organised around one or more lead banks which, through their distribution network, supply its clients with products and services engineered and packaged by the other banks and financial services companies comprising the Division (and other Divisions as in the case of asset management products). In addition, the Company established the Global Banking Services Division which operates as the UniCredit Group's execution unit and provides Group-wide services to all business lines in the areas of human resources, IT, organisation, operations, procurement, security and premises management.

RETAIL BANKING DIVISION

The Retail Banking Division provides commercial banking services to Italian consumer households and small businesses (defined as businesses with annual revenues of less than €3.5 million), predominantly through UniCredit Banca's network of local branches. This division comprises UniCredit Banca per la Casa, which focuses on mortgage lending, and Clarima, which focuses on consumer credit activities (principally credit cards). The Division includes other subsidiaries, consolidated at net equity, operating in the insurance sector (CreditRas Vita S.p.A., CreditRas Assicurazioni S.p.A. and Commercial Union Vita S.p.A).

CORPORATE AND INVESTMENT BANKING DIVISION

The Corporate and Investment Banking Division, acting through UniCredit Banca d'Impresa, UBM and the division's subsidiaries, is responsible for managing the UniCredit Group's relationships with corporate clients. The division, which operates as a network of specialized banks and "product factories", offers a broad variety of financial services, including lending and other traditional commercial banking services, corporate financial risk management and investment banking services, structuring securitization transactions, leasing services, project finance, acquisition finance and other medium- and long-term lending services and factoring services.

UniCredit Banca d'Impresa serves as the main relationship bank for the UniCredit Group's corporate banking customers, while UBM acts as a product innovation and market risk management center and provides consulting support to the UniCredit Group's corporate customers. UBM also serves as the relationship bank for the UniCredit Group's largest Italian corporate customers.

PRIVATE BANKING AND ASSET MANAGEMENT DIVISION

The Private Banking and Asset Management Division operates in the wealth management business and acts through three main entities:

- UniCredit Private Banking and its subsidiaries, which offer private banking services to the UniCredit Group's mid- (defined as families or individuals with total financial assets above € 500,000) to high- (individuals with total financial assets above €5 million) net worth clients;
- UniCredit Xelion Banca, which engages in the business of raising funds from customers with the purposes of investing in mutual fund, insurance and other asset management products ("asset gathering"), focusing primarily on the affluent client segment (clients with at least € 75,000 in total financial assets); and
- Pioneer Global Asset Management and its subsidiaries, which operate in the asset management business.

The division covers the entire territory of Italy and maintains a presence in selected international markets (Boston, Dublin, London, Paris, Madrid, Hong Kong, Singapore, Lugano, Monaco and the Republic of San Marino).

NEW EUROPE DIVISION

The New Europe Division comprises the seven banks owned by UniCredit in central and eastern Europe, viz.: Poland's leading private-sector bank, Pekao; the largest banks in Croatia, Zagrebacka Banka, and Bulgaria, Bulbank; the fifth largest in the Slovak Republic, UniBanka; one of the Czech Republic's leading commercial banks, Zinvostenská Banka; and UniCredit Romania S.A., a rapidly growing Romanian bank. In Turkey UniCredit has an agreement with the Koç Group relating to a joint venture in banking and financial services.

The New Europe Division is responsible for guiding the development and restructuring of the UniCredit Group's New Europe banks and supporting their planning, control and loan processing.

HOLDING COMPANY AND OTHER SUBSIDIARIES

The holding company manages selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale. These activities include asset and liability management, funding and treasury activities and the UniCredit Group's foreign branches. This segment also includes the subsidiaries that make up our Global Banking Services Division.

The breakdown of figures by Division, with the exception of New Europe figures, has been restated to take account of the effect of the merger into UniCredito Italiano SpA of Banca dell'Umbria and Cassa di Risparmio di Carpi, previously included in the Retail Division, and of the resulting transfer of their business activities/assets respectively to UniCredit Banca, UniCredit Banca d'Impresa, UniCredit Private Banking and UniCredit Real Estate.

The list of all the subsidiaries included in each Division is given in Part A.1 – Section 3 (fully or proportionally consolidated companies) and in Part B – Section 10 (companies recognised at net equity).

Segment Reporting by Business Segment - Year 2005

| SEGMENT REPORTING BY BUSINESS SEGMENT - YEAR 2005 | | | | | | | | |
|---|-------------------|----------------------------------|------------------------------|-------------------|---------------------------------------|---------------|---------------------------|--------------------------|
| | RETAIL | CORPORATE AND INVESTMENT BANKING | PRIVATE AND ASSET MANAGEMENT | NEW EUROPE | PARENT COMPANY AND OTHER SUBSIDIARIES | HVB GROUP | CONSOLIDATION ADJUSTMENTS | CONSOLIDATED GROUP TOTAL |
| Net interest | 2,468,893 | 1,583,252 | 105,657 | 1,272,056 | -51,596 | - | 15,971 | 5,394,233 |
| Dividends and other income from equity investments | 39,853 | 26,180 | 3,176 | 17,400 | 178,097 | - | -13,691 | 251,015 |
| Net interest income | 2,508,746 | 1,609,432 | 108,833 | 1,289,456 | 126,501 | - | 2,280 | 5,645,248 |
| Net commission | 1,865,888 | 534,046 | 1,247,702 | 653,882 | 317,215 | - | -246,270 | 4,372,463 |
| Net trading, hedging and fair value income | 9,976 | 783,532 | 6,384 | 164,770 | -121,856 | - | -154 | 842,652 |
| Net other expenses/income | 5,753 | 152,982 | 13,073 | 17,997 | 878,736 | - | -903,800 | 164,741 |
| Net non-interest income | 1,881,617 | 1,470,560 | 1,267,159 | 836,649 | 1,074,095 | - | -1,150,224 | 5,379,856 |
| TOTAL REVENUES | 4,390,363 | 3,079,992 | 1,375,992 | 2,126,105 | 1,200,596 | - | -1,147,944 | 11,025,104 |
| Payroll costs | -1,564,408 | -520,183 | -443,348 | -595,864 | -593,931 | - | -2,583 | -3,720,317 |
| Other administrative expenses | -1,335,475 | -369,901 | -341,101 | -441,394 | -654,211 | - | 1,050,539 | -2,091,543 |
| Recovery of expenses | 196,401 | 23,109 | 5,380 | 1,181 | 83,703 | - | -75,744 | 234,030 |
| Writedowns of intangible and tangible fixed assets | -46,341 | -104,305 | -17,289 | -162,320 | -137,758 | - | -59 | -468,072 |
| Operating expenses | -2,749,823 | -971,280 | -796,358 | -1,198,397 | -1,302,197 | - | 972,153 | -6,045,902 |
| OPERATING PROFIT | 1,640,540 | 2,108,712 | 579,634 | 927,708 | -101,601 | - | -175,791 | 4,979,202 |
| Provision for risks and charges | -54,858 | -53,592 | -17,110 | -15,137 | -12,826 | - | - | -153,523 |
| Restructuring costs | -84,848 | -27,902 | -10,576 | -1,554 | -52,523 | - | - | -177,403 |
| Net writedowns of loans and provisions for guarantees and commitments | -406,710 | -411,062 | 311 | -111,148 | 18,826 | - | - | -909,783 |
| Net income from investments | 3,507 | -1,045 | -170 | 65,394 | 257,441 | - | 4,597 | 329,724 |
| PROFIT BEFORE TAX | 1,097,631 | 1,615,111 | 552,089 | 865,263 | 109,317 | - | -171,194 | 4,068,217 |
| Income tax for the year | -488,924 | -662,650 | -136,715 | -210,013 | 49,637 | - | 52,742 | -1,395,923 |
| HVB Group net profit after acquisition | - | - | - | - | - | 59,168 | - | 59,168 |
| NET PROFIT | 608,707 | 952,461 | 415,374 | 655,250 | 158,954 | 59,168 | - 118,452 | 2,731,462 |

The profit and loss by business segment was reclassified on the basis of the same assumptions adopted in the "Report on Operations".

| | | | | | | | | |
|---|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|---------------------|--------------------|
| CAPITAL EXPENDITURES | 70,798 | 156,756 | 69,953 | 160,296 | 171,186 | - | - | 628,989 |
| TOTAL ASSETS | 92,447,591 | 147,026,969 | 11,414,688 | 41,029,137 | 175,705,239 | 501,366,085 | -181,989,491 | 787,000,218 |
| STAFF AND BRANCHES (Koç Group on a proportional basis) | | | | | | | | |
| Employees (FTE) | 23,565 | 5,201 | 3,499 | 32,264 | 6,941 | 61,447 | - | 132,917 |
| Branches | 2,628 | 250 | 160 | 1,446 | 5 | 2,304 | - | 6,793 |
| STAFF AND BRANCHES (Koç Group fully considered) | | | | | | | | |
| Employees (FTE) | 23,565 | 5,201 | 3,499 | 43,022 | 6,941 | 61,447 | - | 143,675 |
| Branches | 2,628 | 250 | 160 | 1,837 | 5 | 2,304 | - | 7,184 |

Notes to the Consolidated Accounts - Part D) Segment Reporting

| SEGMENT REPORTING BY BUSINESS SEGMENT – YEAR 2004 | | | | | | | |
|---|-------------------|----------------------------------|------------------------------|------------------|---------------------------------------|---------------------------|--------------------------|
| | RETAIL | CORPORATE AND INVESTMENT BANKING | PRIVATE AND ASSET MANAGEMENT | NEW EUROPE | PARENT COMPANY AND OTHER SUBSIDIARIES | CONSOLIDATION ADJUSTMENTS | CONSOLIDATED GROUP TOTAL |
| Net interest | 2,298,300 | 1,542,939 | 100,930 | 1,062,254 | -122,078 | -3,736 | 4,878,609 |
| Dividends and other income from equity investments | 22,244 | 18,054 | 694 | 7,512 | 228,332 | -11 | 276,825 |
| Net interest income | 2,320,544 | 1,560,993 | 101,624 | 1,069,766 | 106,254 | -3,747 | 5,155,434 |
| Net commission | 1,717,631 | 449,311 | 1,058,911 | 551,253 | 287,371 | -159,123 | 3,905,354 |
| Net trading, hedging and fair value income | 12,705 | 813,652 | 4,359 | 121,607 | 25,762 | 38 | 978,123 |
| Net other expenses/income | -5,150 | 134,570 | 23,853 | 31,737 | 864,526 | -885,451 | 164,085 |
| Net non-interest income | 1,725,186 | 1,397,533 | 1,087,123 | 704,597 | 1,177,659 | -1,044,536 | 5,047,562 |
| TOTAL REVENUES | 4,045,730 | 2,958,526 | 1,188,747 | 1,774,363 | 1,283,913 | -1,048,283 | 10,202,996 |
| Payroll costs | -1,543,319 | -484,339 | -404,042 | -486,581 | -550,690 | -4,125 | -3,473,096 |
| Other administrative expenses | -1,306,511 | -376,412 | -328,215 | -370,930 | -631,423 | 1,021,818 | -1,991,673 |
| Recovery of expenses | 183,265 | 30,989 | 13,614 | 1,635 | 75,665 | -75,517 | 229,651 |
| Writedowns of intangible and tangible fixed assets | -55,427 | -102,865 | -24,027 | -142,073 | -141,299 | -699 | -466,390 |
| Operating expenses | -2,721,992 | -932,627 | -742,670 | -997,949 | -1,247,747 | 941,477 | -5,701,508 |
| OPERATING PROFIT | 1,323,738 | 2,025,899 | 446,077 | 776,414 | 36,166 | -106,806 | 4,501,488 |
| Provision for risks and charges | -52,958 | -60,255 | -26,065 | -14,191 | -111,694 | - | -265,163 |
| Restructuring costs | -145,464 | -32,295 | -7,492 | -947 | -51,398 | - | -237,596 |
| Net writedowns of loans and provisions for guarantees and commitments | -276,646 | -483,999 | -1,786 | -118,414 | -1,009 | -5,991 | -887,845 |
| Net income from investments | 1,841 | -367 | 1,339 | 10,185 | 109,309 | 4,580 | 126,887 |
| PROFIT BEFORE TAX | 850,511 | 1,448,983 | 412,073 | 653,047 | -18,626 | -108,217 | 3,237,771 |
| Income tax for the year | -355,649 | -572,043 | -52,763 | -113,422 | 62,075 | 33,027 | -998,775 |
| NET PROFIT | 494,862 | 876,940 | 359,310 | 539,625 | 43,449 | -75,190 | 2,238,996 |

The profit and loss by business segment was reclassified on the basis of the same assumptions adopted in the "Report on Operations".

| | | | | | | | |
|---|-------------------|--------------------|-------------------|-------------------|--------------------|---------------------|--------------------|
| CAPITAL EXPENDITURES | 54,477 | 144,235 | 15,127 | 120,353 | 115,079 | - | 449,271 |
| TOTAL ASSETS | 82,883,387 | 145,600,801 | 10,729,765 | 30,606,498 | 131,390,958 | -135,805,195 | 265,406,214 |
| STAFF AND BRANCHES (Koç Group on a proportional basis) | | | | | | | |
| Employees (FTE) | 24,302 | 5,377 | 3,626 | 28,619 | 6,705 | - | 68,629 |
| Branches | 2,742 | 243 | 164 | 1,287 | 6 | - | 4,442 |
| STAFF AND BRANCHES (Koç Group fully considered) | | | | | | | |
| Employees (FTE) | 24,302 | 5,377 | 3,626 | 30,588 | 6,705 | - | 70,598 |
| Branches | 2,742 | 243 | 164 | 1,373 | 6 | - | 4,528 |

Geographic Breakdown

The geographic breakdown is based on the location of the subsidiary in which the transaction is recorded.

| SEGMENT REPORTING BY GEOGRAPHICAL LOCATION – YEAR 2005 | | | |
|---|---------------------|---------------------------|-----------------------------|
| AMOUNTS AS AT 31.12.2005 | TOTAL ASSETS | OPERATING INCOME * | CAPITAL EXPENDITURES |
| Italy | 192,117,339 | 8,124,451 | 379,926 |
| Germany | 259,927,755 | 305 | 136 |
| Austria | 119,607,427 | - | - |
| Total other European countries | 183,595,894 | 2,666,473 | 191,968 |
| <i>of which: Western Europe</i> | 100,877,648 | 491,244 | 7,300 |
| <i>of which: Eastern Europe</i> | 82,718,246 | 2,175,229 | 184,668 |
| America | 17,004,067 | 229,456 | 56,916 |
| Asia | 14,746,881 | 1,036 | 41 |
| Rest of the world | 855 | 34 | 2 |
| Total | 787,000,218 | 11,021,755 | 628,989 |

* item 120 in profit and loss account.

| SEGMENT REPORTING BY GEOGRAPHICAL LOCATION – YEAR 2004 | | | |
|---|---------------------|---------------------------|-----------------------------|
| AMOUNTS AS AT 31.12.2005 | TOTAL ASSETS | OPERATING INCOME * | CAPITAL EXPENDITURES |
| Italy | 225,886,919 | 7,523,048 | 310,029 |
| Germany | 3,527 | 13 | 89 |
| Austria | - | - | - |
| Total other European countries | 38,644,441 | 2,276,443 | 138,230 |
| <i>of which: Western Europe</i> | 7,816,662 | 512,715 | 5,431 |
| <i>of which: Eastern Europe</i> | 30,827,779 | 1,763,728 | 132,799 |
| America | 859,836 | 207,995 | 570 |
| Asia | 10,815 | 9,648 | 349 |
| Rest of the world | 676 | 21 | 4 |
| Total | 265,406,214 | 10,017,168 | 449,271 |

* item 120 in profit and loss account.



NOTES TO THE CONSOLIDATED ACCOUNTS

Part E) Risks and Hedging Policies

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Part E) Risks and Hedging Policies

(amounts in thousands of €)

Section 1 - Credit risk

QUALITATIVE INFORMATION

1.1 GENERAL CONSIDERATIONS

In November 2005 the integration between UniCredit and HVB has been finalised, generating a great impact into the respective activities and organisational structures. Therefore, the necessity to redefine credit risk management is just one of the effects determined by the integration.

The mission of the Chief Risk Officer (C.R.O.), established at holding level, can be summarised in the following goals: managing group-wide asset quality, defining policies and criteria for evaluating and managing risk, supporting active balance-sheet management, supporting the business divisions and establishing a group-wide risk culture.

Among the first integration activities defined during the exercise a mention shall go to the setup of a new process regarding Large exposures, the definition of a new process related to the control of concentration risk, the adjustment of credit committee structure at holding level to reflect new portfolio composition and a first consolidation of risk reporting across the new group.

Moreover CRO is responsible for Basel 2 project, whose implementation is under definition due to the new Group's structure.

In this regard, an overview of the current status of the Basel II projects across all major locations of the new Group (Italy, Germany, Austria, CEE) has been reached and critical issues have been identified. These achievements will allow the new Group to define within the first half year of 2006 a group-wide Basel II strategy in terms of aligned target settings, implementation approaches and timelines.

Through the above mentioned Integrated Basel II Project, the CRO intends to establish a group-wide governance structure for Basel II that integrates the current efforts. It is also CRO's intention to reach alignment with Banca d'Italia and other local regulators on compliance requirements and implementation approach from both group-wide and domestic perspective.

For the near future CRO will concentrate its efforts on top-priority issues such as realignment of legal entities functions to the new holding CRO-organisation; homogenisation of governance principles, policies and risk culture across the new group; support to the redesign of credit processes to improve credit risk management; alignment with Banca d'Italia and local regulators on regulatory requirements and implementation (i.e. Basel II).

1.2 CREDIT RISK MANAGEMENT POLICIES

1.2.1 Organisational considerations

Reflecting the main area of activities mentioned at paragraph 1 "Chief Risk Officer" Department carries out its functions through four Units. The more complex and articulated Areas are those focused on credit risk: "Credit Operations" that is in charge for loan granting and workout activities as well as "Risk Control & Policies" that is in charge for Risk integration, Reporting, Credit risk models, Credit policies, Credit risk Monitoring, Internal control and Basel II compliance.

Market and Operational risks are also managed by CRO, respectively by the units "Market Risk Management" and "Operational Risk Management".

Credit risk factors

Through its banking operations the new Group will be exposed to the risk that receivables from third parties owing money, securities or other assets to them will not be fulfilled when due and must be written-off, in whole or in part, due to the deterioration of such third parties' respective financial standing. This risk is present in both the traditional on-balance sheet uncollateralized and collateralized lending business and off-balance sheet business, e.g., when extending credit by means of a bank guarantee.

Potential causes of a default include the counterparty's lack of economic viability (lack of liquidity, insolvency, etc.) as well as reasons independent of the counterparty's individual financial standing such as country risk (country risks concern the risk that cross-border receivables may not be satisfied generally, for example due to overriding economic developments) or operational risks.

The new Group will monitor and manage credit quality, the specific risk of each counterparty and the overall risk of the respective loan portfolios. Possible deterioration of the creditworthiness of individual customers, or of the performance of loans and other receivables, as well as wrong assessments of creditworthiness or country risks, may have a material adverse effect on the new Group's business, financial position and results of operations.

Many of the business activities that go beyond the traditional banking business of lending and deposit-taking, further expose the new Group to credit risk. Non-traditional credit risk can, for example, arise from:

- entering into derivative contracts under which counterparties have obligations to make payments to entities of the Group;
- executing securities, futures, currency or commodity trades;
- holding securities of third parties;
- extending credit through other arrangements.

Parties to these transactions, such as trading counterparties or counterparties issuing securities held by entities of the Group, may default on their obligations due to insolvency, political and economic events, lack of liquidity, operational failure or other reasons. Defaults with respect to a significant number of transactions or one or more transactions that involve significant volumes would have a material adverse effect on the Group's business, financial condition and results of operations.

Please note that in previous paragraphs and chapters has been described the treatment of risk related to the new UniCredit Group and its organisation. This is the result of the integration activities started since November 2005.

Therefore, considering that for a large part of 2005 the management of risk has been performed separately in UniCredit and HVB Group, and in order to better illustrate the activities done during 2005, in the following pages we will explain separately the process of risk management of the two former Groups.

1.2.2 Management, measurement and control systems (UniCredit)

The management of credit risk of 2005 has been carried out by Credit Department, based on the principle of a clear separation between business responsibilities (covered by business areas) and functions that are strictly credit-related.

The Credit Department was in charge of updating methodologies developed and ensuring, in collaboration with Global Banking Services, responsible for organisational processes, the consistent implementation in relation to BIS 2 standards, in compliance with the requirement indicated by Banca d'Italia.

Credit quality is monitored by managing the specific risk of the counterparty, as well as portfolio risk.

With regard to the specific risk component, associated with individual borrowers, the focus of approaches and tools used to support loan operations during the loan approval phase and the performance management phase is to assign each customer, excluding individuals, a succinct, standardised assessment in the form of a rating. Regarding individuals risk measurement, such evaluation is not made on a counterparty level but, for each customer, differentiating by pools of products. Therefore the loan being approved and monitored is subject to a credit standing assessment with a high added value, which is differentiated by customer type.

To be specific, loans are granted to corporate customers following a process of analysing of operating, balance sheet and cash flow figures; this analysis is combined with qualitative information on the company and the market in which it operates (e.g. the assessment of management quality, competitive position, sector performance and environmental factors). All information is statistically summarised in an internal rating that takes quantitative and qualitative assessment elements into account, as well as performance information taken from the management "scoring" procedures, described below. The rating has also been used by UniCredit Banca d'Impresa to determine lending authorities. Furthermore, during 2005 has been set up a Rating Desk in UniCredit Banca d'Impresa that, unrelated to lending tasks, permit to rectify the automatic assessment coming from the model through the override process.

Specific thresholds have been established above which each Legal Entity of the Group has to request the positive consideration from the Parent Company before granting or renewing loans to a company or economic Groups.

Appropriate forecasting models reflecting the specific characteristics of the countries in which Foreign Bank branches are situated have been implemented for their Corporate customers. These take into account the elements of quantitative and qualitative analyses mentioned earlier, the risk of a country not allowing payments in foreign currency (transfer risk) and the support of the member group.

In the second half of 2004, in a manner similar to that of the Corporate segment, the assessment made during the loan approval process (outcome based on a statistical scoring process) was combined, for resident companies categorised as small businesses (a portfolio under the sole responsibility of UniCredit Banca), with the performance scoring category reported below into in a new tool called the R.I.S.B. (small business combined rating). This tool has proven to be capable of forecasting events of default, and in the first quarter of 2005 has become a regular part of the lending process linking approval authorities to rating categories through an appropriate weighting structure.

Both UniCredit Banca d'Impresa's Small Business and Corporate rating systems, originally developed on a default definition that included non performing loans, doubtful loans and restructured loans, had been calibrated in the last part of 2005, to the Basel 2 default definition, including past-due loans above 180 days.

Regular loan monitoring is performed using a tool known as Risk Monitoring System (S.M.R.). This process provides monthly monitoring of loans to customers classified as "Businesses" and "Small Businesses". Management scoring algorithms, which are differentiated by customer segment, predict and analyse a number of data selected by the Bank in order to identify, with sufficient lead-time, any loans showing signs of risk deterioration. Each risk profile identified is associated with precise rules and operating performance standards, which the network must adhere to, and which are monitored centrally using an application created on an ad hoc basis.

In July, the new integrated Individual Rating System (R.I.P.) was put into operation for product groups (models are specific for each portfolio: mortgage loans in UniCredit Banca, mortgage loans in UniCredit Banca per la Casa, personal credit in Clarima, unsecured loans in UniCredit Banca, current account overdraft in UniCredit Banca). The rating is obtained by taking into account the loan score as well as performance information (summarised in the performance score or represented by individual performance indicators depending on the product).

The loan score blended in the rating system is differentiated by product and was developed through statistical analysis based both on socio-demographic inputs provided by Public and Private Credit Bureau and performance behaviour.

The development of the different version of the internal rating system R.I.P. has been defined coherently with BIS 2 default definition, inclusive of past due above 180 days.

As Small Business and Corporate segments, lending authorities of individual customers has been differentiated on the basis of the rating.

It is under revision the loan score for credit cards in Clarima; this activity is preliminary for the development of a new integrated rating system R.I.P. also for this type of product.

A project aimed at carrying out a Management scoring for individuals related to personal credit and credit cards of Clarima is also being completed, after the release of management scoring related to mortgages and current account overdraft that took place in July 2005, with control of the overall risk related to the single counterparties.

With regard to both Italian and foreign banking counterparties, a new version of the credit rating model in use is being defined, derived from the integration of the cues related to the back-testing activities carried out during the first two years of rating's application. At final decision stage, the rating is further reviewed by using an "environmental module" that assesses the degree to which the banking counterparty takes environmental factors into account in its policies. This process of evaluation has been further completed with the development of a model for the assignment of a probability of default to the entire Banking Group. We're also defining the method to make a link between lending authorities and internal rating.

During 2005 an internal validation process of rating systems has been established; its task is to monitor the correct working of internal rating systems in terms of efficiency, integrity and stability. The activities, which are already in progress in UniCredit Banca d'Impresa, are being extended also to other Legal Entities, starting from UniCredit Banca.

As for the Group's foreign banks, special task forces, combining resources from the Parent Company and its subsidiaries, were set up with the purpose of harmonising organisational structures, processes and credit instruments already adopted by the

Group in Italy. The organisational structure of all Credit Departments was reviewed, and Parent Company staff were assigned to key positions in the credit organisation of several banks. For the seven banks, the Group has also already approved and implemented a more complex plan for Credit Corporate Governance for the management of large exposure, bank and country risk, credit policies and reporting instruments. For the remaining two, Bank Pekao and Koç Bank, it is expected that Corporate Governance will be operational in 2006 in relation to the new Polish law allowing for the transfer of data within a group. At the same time, meetings have commenced with the other equal shareholders in Koç to determine the content of the agreement on loan governance.

Within the Credit Department, oversight of support for banks in the New Europe Division is provided by the Foreign Bank Credit unit whose mission is to transfer to these banks the best practices developed by UniCredit in terms of methodology and tools to promote the evolution of credit processes. In order to make these innovations effective, an intensive training programme (Credit Learning Organisation) was launched in collaboration with the Human Resources Department, the New Europe Division and foreign banks.

An internal rating system for Corporate customers, which was designed on the basis of the Group's best practices, was developed at Bank Pekao, Koç, Zagrebacka, Bulbank, Zivnostenska and Unibanka.

At Bank Pekao, the internal rating contributes to the determination of the position's category and indicates the amount of provisions needed taking into account any collateral securing the loan.

In all the Banks of New Europe the rating is also included in the process of determining lending authorities, in the granting process and in the electronic loan approval system (ACE). The above mentioned tool allow to use methodologies and structured credit processes, homogeneous and aligned with Group fundamental principles.

For "individual" customers, a mandatory loan approval system was implemented at Bank Pekao and gradually extended to other banks in New Europe. The system has been developed using the same approach used in Italy. This system is based on socio-demographic information, and if available, on data from outside sources (e.g. Credit Bureaus) which is summarised by scoring systems acquired from suppliers operating in these countries, however the group intends to develop its own internal models as soon as a sufficient historical database is available. A very similar procedure was also implemented for Small Business customers at Bulbank, Unibanka, Bank Pekao, Koç Bank and Zivnostenska. For both customer segments, these tools are now being offered to banks that do not have them.

The automated performance monitoring tool for Corporate and Small Business customers was developed first of all for Zagrebačka Banka and Koç Bank, and it is about to be provided to Pekao and Zivnostenska Banks (other banks will follow).

With regard to the loan recovery process, a tool for the management of loan positions is being disseminated. Through the use of LGD (loss given default) as the decision-making variable, this tool makes it possible to gather data that will be useful for estimating LGD and EAD (exposure at default). This system is already operational at Zivnostenska Banka, Unibanka, Pekao and Bulbank.

Loan portfolios of banks in New Europe are monitored using the Credit Tableau de Bord. This Credit Tableau de Bord has been further implemented in the context of Basel 2 (e.g., the distribution of the portfolio by rating category has been included).

Finally, portfolio risk for the UniCredit Group is monitored using a Credit Risk Management model developed internally on the basis of a default mode methodological approach which was implemented to take into account portfolio concentration and correlations, as well as transfer risk and counterparty risk for OTC derivatives. This model currently assesses about 90% of loan exposure. By using the simulations obtained with the portfolio model we have taken part to the stress test exercises made by FMI in the evaluation Programme of financial sector, quantifying the impact of macroeconomic stressed scenarios on Bank's default rates and consequently, by increasing the Expected Loss, on the economic and financial balance sheet items.

Country Risk

Country risk is managed by determining appropriate commercial and financial maximum operational levels of risk that can be assumed by companies belonging to the Unicredito Italiano Group with respect of banks, government entities, financial institutions and companies residing in, or related to, the country.

In accordance with the requirements of the New Basel Capital Accord (BIS II), pursuant to which the Group opted to adopt the "Advanced IRB" approach, the previous country "scoring" model, which, on the basis of standard criteria applicable to all countries, made it possible to identify the overall potential maximum risk level that the Group can assume with respect to a single country, was replaced with the New Internal Country Rating Model, which provides a calculation of 12-month default probability for each individual sovereign state, that has permitted to define a better internal classification of the countries and to link the internal rating system with lending authorities.

1.2.3 Credit risk mitigation strategies (UniCredit)

The credit exposures of the Group are principally related to loans to individuals and companies; these loans can be guaranteed both by collateral (especially: mortgages and pledges) and personal guarantees (basically: guarantees granted by individuals or enterprises).

Personal guarantees are given, generally, by the owners of the companies to which the loans are granted or by other members of their family. Rarely from third parties not directly interested in the operation guaranteed.

The guarantees represent an accessory element of the secured loans, and in this way they have to be considered in the credit evaluation process. Such evaluation must take into account the capability of the applicant of a loan to repay its liability as an essential element, without taking into consideration the amount of the collateral (the so-called repayment capability).

The concept described above implies that a collateral, as a rule, is not taken into account for the definition of loan's risk class; an exception to this rule is a loan that is totally secured by regular pledge of cash (or listed or marketable securities) in this case the loan can be classified in a specific mitigated risk class.

For precautionary purposes, an adequate safety margin is applied on the current value of financial instruments given in pledge.

Collateral disclosure is made through the analysis of suitability of the legal status of the guarantor and the adequacy of the collateral. The first requirement is mandatory, meaning that an unsuitable guarantor affect the effectiveness of a guarantee. The legal status of the guarantor is considered suitable if does not implies the risk that the effectiveness of the guarantee would fail for formal or substantial reasons (for example: interest conflicts, the signatory of the act has no authority, etc.).

The guarantee is consistent if on the guarantor there are no elements of high riskiness (i.e. in the event of personal guarantees: advanced age, subduable to bankruptcy, etc.) and if it is consistent with the amount of loan.

The analysis of the "guarantee" in the above mentioned terms and the formal examination of the act are in charge of the relationship manager.

As regards segment Italian Banks (UniCredit Banca, UniCredit Banca d'Impresa, UniCredit Private Banking) the relationship manager sends the acts of pledge and personal guarantee to a specific structure in Perugia (UniCredit Produzioni Accentrate) which is in charge of its conservation.

The acts related to mortgages, convention guarantee (Confidi), delegation of payment, agrarian backed bills, irrevocable mandate, assignment of credit are normally guarded in the structures which manage the secured positions.

The new European Directive, aligned with what defined by the New Basel Capital Accord (BIS II), specifies new rules for the treatment of collaterals and of some credit derivatives (so called "risk mitigants") and the requirements to satisfy for the mitigation of credit risk. A collateral recognised as risk mitigant allows a Bank to hold a lower amount of regulatory capital; in order to benefit of risk mitigation techniques (Credit Risk Mitigation) minimum legal criterion must be respected, independently from the Bis II approach adopted (Standard, IRB Foundation or IRB Advanced this one chosen by UniCredit Group).

Starting from 2005, in order to optimise the protection of credit and operative risks, a specific screening process on pledges collected by the Italian Banks (S3 segment) and UniCredit Clarima Banca has been implemented. The check, which is in charge of the relationship manager, is focused on all the juridical, formal and operative topics that allow to define the consistency of the pledge and, consequently, its validity. After receiving the acts, UniCredit Produzioni Accentrate makes a further examination on them; any anomaly is reported to the relationship manager for the appropriate and prompt interventions on the secured position. The act is however, basically, retained in UPA, with the exclusion of the cases in which the arrangement requires the relationship manager to have the original document.

The centralisation of an act in UniCredit Produzioni Accentrate – Perugia is possible under the following conditions:

- the act has to be formally correct,
- all the data contained in the act (including fixed date) have to be clearly and unequivocally readable,
- the relationship manager has to accomplish all the necessary actions requested by the regulations.

Furthermore, in case of pledges, records of each single position are stored to ensure constant monitoring of the observance of the regulations and of the results of each inspection made.

Afterwards further similar verification will start for other types of collateral, on the basis of the priority that will be identified. Regarding the activities related to derivatives, treasury and change specific limits have been established towards banking and institutional counterparties which, on the basis of contractual agreements (ISDA agreements) define the possibility to compensate credit and debt positions in order to fix credit exposure.

The acceptance of a counterpart as guarantor of a personal guarantee or as a seller of protection (CDS) is subject to a regular credit analysis.

1.2.4 Impaired financial assets (UniCredit)

Problematic portfolio deals with bad and doubtful loans which, on the basis of Banca d'Italia regulation, are aligned with the default definition contained in Basel Committee's Proposal; problematic portfolio can be splitted in four categories:

- Non Performing loans
- Restructured loans
- Doubtful loans
- Past due loans

Non performing loans are cash-loans (whole amount) for which a capital or interest loss is sure towards borrowers in clear financial/ liquidity troubles (even if not judicially assessed), not likely to end in a short time, independently from the existence of any real or personal guarantee and from any loss-forecast made by the lender.

Restructured loans are loans for which a bank (or a pool of banks) renegotiates with the borrower terms and conditions of loans due to the deteriorated economic and financial condition of the borrower, taking a loss.

Doubtful loans are loans (whole amount) towards borrowers in a temporary condition of financial/liquidity trouble, that is likely to end in a reasonable time, independently from the existence of any real or personal guarantee.

Past due and overdrafts are loans (whole amount) towards borrowers (not already classified as doubtful, restructured or NPL) presenting past due and/or non authorised overdrafts for more than 90 days. For "Retail" and "Public Administration" the limit of 90 days has been raised to 180 days by Banca d'Italia. Also loans granted to Corporate clients has been raised to "180 days" but this represent a transitory exception granted to the Italian Banking System for a limited timeframe (5 years starting from 1.1.2007). Past due or overdrafts must be continuous over the defined period and relevant in term of size.

Regarding New Europe Banks, the definition of problematic portfolio basically reflects the above mentioned concept of default. In particular, regarding the "past due" concept, the central banks of the countries in which the banks work, establish to classify the customers, both Corporate and Retail, also in the event of past due and/or non authorised overdrafts more than 90 days.

In order to draft the consolidated financial statements the different categories of problematic loans are reconciled to "Italian" categories through a specific link table.

For Italian Banks, worsened loans, intercepted by S.M.R. (the tool used for monitoring), are automatically loaded in a tool named P.E.I.S. and directly subject to the evaluation of the workout manager. The workout manager must analyse the impaired position and operates all the necessary actions aimed to the prompt protection of the risk. Then the first amounts of provisions are estimated and, afterwards, the positions are basically transferred for management to U.G.C. Banca spa specialised in managing non performing loans. Thanks to its activities U.G.C. Banca spa provides further information related to the status of the borrowers and of the guarantors. On the basis of this further information the mandator Bank provides to update the estimates of loss.

In each Bank there are specific decentralised task forces for workout management; these task forces are dependent on a Head Office and operate with specific delegation of powers whose use is monitored in P.E.I.S.

Therefore, in Italian Banks, workout process is managed with a specific organisational structure whose tasks are:

- to manage workout process;

- to classify to problem loans (doubtful loans, non performing loans) and to manage those processes which fall within their province;
- to manage relationship with U.G.C. Banca spa to which the Bank confers the task to manage (with the aim of recovery) those problem loans which have been found out on the basis of a specific agreement;
- to manage directly the recovery process for those positions which have not been conferred to U.G.C.;
- to monitor the results of U.G.C.'s activity and the activity directly carried out.

In order to manage non performing loans the structure uses a specific tool named P.E.I.S. which allows:

- to improve the efficiency of the entire management process, reducing the time necessary to transfer the positions to the structures of M.P.P. (Problematic Portfolio Monitoring) and, consequently, to U.G.C.;
- to reduce paper forms, through the automatic gathering of the information;
- to have a complete, updated and shareable set of information among the operators;
- to conform and automate the decision-making process;
- to improve the control on worsened loans management.

Regarding Zivnostenska Banka, Unibanka, Pekao and Bulbank (New Europe Division) the management of Corporate problem loans is carried out by using a specific tool named Workout Evaluation Tool (W.E.T.). This tool allows:

- to collect automatically from the electronic loan approval system the data related to the defaulted customer and, basically, those data related to loans and guarantees existing at the event of default;
- to elaborate the best recovery strategy by using a specific tool of analysis helpful for the final decision;
- to manage the practices through:
 - the introduction of the information related to recovery process from the moment of classification until the closing of the practice, particularly those related to recoveries and expenses and the main events which have characterized dispute management;
 - Loss Given Default estimate, both at single credit line and customer level; for the entire duration of the dispute;
 - the production of an executive summary in order to propose possible deliberation to the competent Credit Committee.
- to save the main information at an aggregate level in a specific database;
- to produce a report related to the whole non performing portfolio.

In order to assess the appropriateness of write-downs, the positions are periodically reviewed in order to express a possible change related to the evolution of risk profile and to the active management set up.

The main elements considered for a correct evaluation of provisions are:

- patrimonial consistency of the customer and of the guarantors (net of possible burdens);
- patrimonial-economic-financial standing, present and perspective, of customer;
- type of existing loan and related Group and Banking Industry exposures, in particular self liquidating loans
- existence of a pay-back call, duly signed also by the guarantors and of its regular repayment;
- consistency and execution of the existing guarantees;
- collaterals (more often) or personal guarantees obtained voluntarily or acquired through judicial activities.

1.2.5 Management, measurement and control systems (HVB Group)

Risk management

Credit risk is defined as potential losses arising from a customer default or downgraded credit rating. We distinguish here between the risk categories of loan default risk, counterparty risk, issuer risk, and country risk.

- Loan default risk is defined as the potential losses arising from commercial lending operations. It is taken into account when creating loan-loss provisions.
- Counterparty risk is defined as the potential losses arising from the default or deterioration of credit ratings of counterparties with whom we have engaged in OTC derivative transactions involving interest rates, foreign currencies, equities/indices, or other futures or derivative transactions. It can be broken down into settlement and replacement risk. For the Bank there is a settlement risk whenever payments are exchanged and, when processing the transaction, we make advance payments without being certain at the time of the payment that the counterparty will make the corresponding payment. The replacement risk is defined as the risk that the Bank must replace a transaction at less favorable market conditions following a default by the counterparty.
- Issuer risk reflects the risk from an issuer's default or downgraded credit rating. It arises in connection with the purchase of securities for own account, securities issuance and placement transactions, and credit derivatives.
- Country risk is defined as potential losses arising from transfer/conversion restrictions, bans, or other sovereign measures imposed by the borrower's country (transfer risk). Country risk arises in cross-border transactions in foreign currencies. The loan default risk of central governments and central banks is also taken into account (sovereign risk). This includes all positions from lending and trading activities, including internal transactions within the corporate group and the issuer risk associated with tradeable fixed-interest securities.

Credit risk is managed on the basis of an integrated concept of clearly defined policies, approval authority structures and risk assessment processes.

With reference to credit risk, all HVB Group units involved in credit business must take organisational steps to segregate business origination functions ("front office") and credit risk management functions ("back office") at all levels by way of fully independent reporting lines. The back-office functions are grouped together under the Chief Risk Officer. In addition, centrally positioned senior risk managers are involved in the decision-making process in all business segments for exposures in excess of a certain amount. They bear risk responsibility for their assigned portfolios and manage the sectors in accordance with the portfolio strategies adopted by the Strategic Group Credit Committee.

The credit equivalents (exposure values) of a given treasury transaction serve as a basis for the credit decision within the framework of the credit process, and are examined in conjunction with the exposure values from commercial lending operations. This applies both to individual credit decisions and to the management of concentration risk at Group level.

Country risk is managed on the basis of value-at-risk and volumes. For this purpose, a Group-wide strategy is established annually and compared over the course of the year with the actual situation.

Emphasis in 2005:

- Our credit risk strategy comprises both quality and quantity standards. In the course of 2005 we added new structural standards, including portfolio-based exposure limits and expected loss limits as well as concentration limits for individual customers, regions/countries and industries, to the existing quantitative limits such as risk-weighted assets and planned loan-loss provisions. These new standards were also implemented in our credit risk management activities.

- The processes which we developed and implemented in 2004 within "active credit portfolio management" proved their worth in 2005 as an integral component of our risk management.

Measurement methods

We use differentiated risk measurement instruments to assess our loan default risk:

- Rating analysis

It is vitally important for us to reliably assess the default probabilities of our customers in the interest of credit decisions, pricing, regulatory capital coverage under Basel II (under the IRB approach), and for our internal credit risk model. For this reason we place particular emphasis on the ongoing development and fine-tuning of our internal credit analysis instruments.

HVB Group has a wide range of rating and scoring processes tailored to the needs of the various business segments and customer groups. We continually optimize these systems, applying modern statistical processes, in order to ensure the best possible selectivity and forecasting accuracy with regard to the default probability of a loan.

The result of a rating or scoring process is the classification in a rating class with a ten-point scale. Rating classes 1-7 are set aside for performing loans and classes 8-10 for problem loans. For some processes, finer distinctions are made by subdividing each rating class into three subclasses.

The rating and scoring processes are subject to ongoing monitoring. They are validated at regular intervals and recalibrated or fundamentally revised as required.

- Internal credit risk model

To measure credit risk, we employ an internal credit risk model to quantify and assess our loan default and counterparty risks on a Group-wide basis. The advantage of this internally devised model is that its methodology and parameters perfectly match our portfolio and that it can be updated at any time to take account of new knowledge. Country risk is also assessed using a portfolio model.

- Expected loss

For purposes of credit risk measurement, we distinguish between the expected loss and the unexpected loss (expressed as credit value-at-risk). The expected loss reflects the default losses expected from the current loan portfolio over the next twelve months, taking into account the assigned ratings and the collateral on hand.

To calculate the expected loss, the exposure at default is calculated as stipulated by Basel II. For loan default risk and country risk, this amount is equal to the line utilisation at the reporting date plus portions of the unused, externally committed credit lines. The calculation takes into account differences in the risk inherent in various credit types.

A credit equivalent is computed as a calculation basis for OTC derivatives (counterparty risk): the so-called expected exposure. The credit equivalent is equal to the current fair value of a transaction increased by the amount of the so-called add-on, a premium for potential future market movements. The counterparty exposure calculated in this way takes into account both risk-reducing netting agreements and dynamic collateral contracts that oblige the counterparty to provide collateral on a daily basis to match the fair value of current transactions. The parameters assumed for measuring the exposure at default and the loss given default are based on long-term statistical averages derived from internal defaults and losses, and from external reference parameters.

- Credit value-at-risk

The credit value-at-risk (unexpected loss) provides information about the maximum negative deviation of the possible loss from the expected loss (99.95% probability) within one year. This potential loss is backed by risk capital as a safety cushion, taking portfolio effects into account.

- Scenario analysis

The credit value-at-risk is calculated under the assumption of normal conditions. Scenario analysis helps us to simulate the effects of future macroeconomic trends or exogenous shocks and quantify their impact on the potential losses in the credit portfolio of HVB Group. The analysis includes multi-year forecasts of interest rate trends, economic growth, or unemployment, but also such events as extreme changes the price of oil or political crises. The results of these scenario evaluations are used to manage and limit loan default and country risk.

- Risk-based and market-oriented pricing

To optimize the loan portfolio and hence enhance the profitability of our lending business, we apply a pricing methodology with an orientation toward the risk-reward ratio. The credit margin takes into account the internal rating, collateral coverage, loss ratios, internal costs, maturity, existing country risks, and the contribution of the loan to the diversification of the HVB portfolio. This methodology ensures coverage of the processing and risk costs (for expected and unexpected losses) while reducing to a minimum any future price changes resulting from Basel II. To ensure consistency with capital markets, we carry out regular benchmarking of our lending margins against market prices.

- Implementation of Basel II

A core element of the new Basel Capital Accord in the area of loan default risk is a stronger differentiation of risk for regulatory capital requirements for loans according to customers' rating classes and the collateral structure of the transactions. This applies in particular to the most sophisticated approach, the so-called IRB Advanced Approach, which we intend to implement. The related implications from Basel II are moving the regulatory viewpoint toward the economic viewpoint of risk-adjusted management, which is already established as an approach within our Bank through our internal instruments.

In the context of Pillar 1, we continually improved the methods for risk assessment by using scoring and rating processes, particularly in the Germany segment, adjusting and streamlining the internal processes accordingly. In the area of validation and calibration, we defined and implemented Basel II compliant standard processes in 2005. Another aspect involved the implementation of the so-called loss database for risk parameterisation. In the year under review we also finalized to a large extent the so-called Basel II calculation engine. In addition, the corresponding database was developed, particularly for treasury products.

With regard to the requirements of Pillar 2 and Pillar 3 under to the Basel II regulations and the EU Directive, the divisions concerned carried out a comprehensive in-house audit. Essential aspects of Pillar 2 have already been implemented in our Bank. These include the treatment of concentration risk, stress-testing, and the calculation of the ability to bear risk.

The Bank's involvement in the QIS 4.0 quantitative impact study should also be considered. For this purpose we were able to use the operational risk systems and the Basel II calculation engine.

Measuring country risk

At HVB Group, we measure country risk mainly by using short-term and medium-term country ratings. The country ratings consist of two components: empirically calculated statistical models permit the determination of default probabilities and loss ratios on the basis of macroeconomic factors. Along with the probability of default and the loss ratio, the measurement of country risk takes the structure of transactions into account.

A portfolio model building on this information is used to calculate the value-at-risk stemming from country risks for HVB Group every month. Due to the small number of countries, country portfolios tend by their nature to be rather undiversified. For this reason an accurate reflection of the portfolio and diversification effects among countries, regions and loan default risks (exceeding the Basel II standards) is an integral part of our portfolio model. The use of an internal portfolio model thus enables us even today to achieve important management effects anticipated through the Basel II requirements.

Risk Monitoring

Risk monitoring takes place at two different levels:

- at the level of individual exposures,
- at the portfolio level.

Individual exposures are monitored in both lending and trading operations with the aid of classical monitoring systems such as rating analysis and early warning systems. Individual exposure limits serve to limit the risks assumed by the Group.

At the corporate level, loan default risk concentrations with subsidiaries are limited by credit ratings together with a uniform methodology for all subsidiaries. For this purpose we use a Group-wide database encompassing all exposures to a given borrower within HVB Group worldwide. This ensures that information is regularly provided on concentrations of loan default risk and related limits.

We employ limit systems as a key element of our management and control of counterparty and issuer risk to prevent the unintended and uncontrolled increase of our risk positions. These systems are available online at all key HVB Group facilities engaged in trading activities, except for the Bank Austria Creditanstalt Group, where limits are still monitored using separate systems. Each new trade is immediately entered and applied to the corresponding limit. For counterparty risk, this applies to both replacement risk and settlement risk. For the latter, the risk for the future value date is limited and monitored right from the time the Bank enters into the transaction, so that a concentration of payments on a single value date is prevented beforehand. This enables each trader to check current limit utilisation and lets the risk controller perform direct limit monitoring for each counterparty or issuer.

Country risk is managed on the basis of the measurement methods described above with the aid of regional value-at-risk limits. Transactions with high levels of country risk are given a higher weighting for inclusion in regional risk limits than transactions with low levels. In taking this approach, we are striving to limit country risk while implementing risk-oriented portfolio management and an exposure management based on transaction potential. In addition, country risk management works with volume limits for each country, broken down by product risk group.

All credit risks are also monitored at portfolio level. Particular attention is paid to country, industry or regional concentrations and their impact on the Bank's ability to support risk.

Another instrument for risk monitoring, particularly at portfolio level, is internal reporting. In accordance with the Minimum Requirements for Risk Management (MaRisk), the Management Board and Supervisory Board must receive a report on the credit portfolio on a quarterly basis. In addition to this MaRisk reporting, risk reports are produced with a special focus on specific divisions, products or industries.

Emphasis in 2005:

- The scoring and rating processes for private and business customers were refined and improved in 2005.
- The reporting system was further developed in 2005, and additional special-focus reports were added. A Pfandbrief limit system complying with the Pfandbrief Act was developed and implemented, and reporting on limit utilisation was established.

Reporting on concentration risk was further optimized in 2005 as a basis for defining and successfully implementing risk reduction measures if required.

1.2.6 Credit risk mitigation strategies (HVB Group)

Collateral management and evaluation

We accept following collateral and divide them into six collateral groups:

- Real property liens (especially registered land charge, mortgage, shipping mortgage)
- Pledges (especially account balance, securities, registration lien on aircraft)
- Collateral assignments (especially motor vehicle, spatial assignment)
- Assignments (especially life insurance, building savings agreement, accounts receivable from sales and services)
- Personal collateral (especially surety, guarantee, credit derivative) and
- Other collateral (especially letter of comfort, declaration of subordination, debenture)

The bank uses a proprietary developed web-based management system for entry, processing and monitoring of credit collateral. It can be accessed in all branches of the bank in- and outside Germany via intranet.

Across the entire group, the defined value for collateral is based on the liquidation principle in case of a default by a borrower. These factors are determined by credit risk management ("Marktfolge"). An exception to this rule is made for real property liens, which are valued in accordance with long-term market values.

The defined value is expressed as a percentage of the market or nominal value; these "haircuts" are regularly adjusted on the basis of the bank's recovery experience.

Factors determining the value of collateral include:

- The extent to which legal agreements are valid and enforceable
- The bank's ability to sell or take possession of the collateral in case of insolvency.

Uniform regulations for monitoring and managing collateral shall be stipulated in detail in special operating guidelines and standardised for the entire hvb-group, taking into account special circumstances that may exist in individual countries. This also includes the special tasks of credit risk management ("Marktfolge") as explicitly stipulated in the minimum requirements.

The review of certain types of collateral – see the above collateral groups – is to be conducted outside the front office. The value of collateral is generally to be assessed prior to granting any loan.

The creditworthiness assessment and the risk classification of the borrower determine the usage of collateral.

Credit derivatives

Credit Default Swaps (CDS) are insurances against credit defaults concluded as bilateral OTC-contracts. In case of a "credit event" the insurer ("protection seller") compensates the loss of the insurant ("protection buyer") by means of physical delivery (physical settlement, i.e. total compensation payment for delivery of the asset) or compensation in cash (cash settlement, i.e. compensation payment of the difference between carrying value and residual value of the receivables). During the maturity of the CDS the insurant pays a premium to the insurer. According to ISDA standard documentation bankruptcy, restructuring and failure to pay pass in general for credit events. The risk transfer and thus the hedge against the default risk of the borrower of the risk asset, holds consequently if the amount of the default payment is adequately specified and the methodology assessment for the reference asset is agreed on.

Credit default swaps for hedging purposes are executed either on single name basis or on baskets (indices, n-to-default-baskets etc.). Main counterparties are other European commercial and investment banks.

1.2.7 Impaired financial assets (HVB Group)

Procedures for managing and monitoring impaired financial assets

For the transfer of loans to impaired assets there are some specific rules which are partly automated e.g. by the early warning system or certain criteria like 90-days default or can be processed manually by the credit officer.

If a customer's rating falls to rating category 7, the customer is placed on HVB Group's internal credit watch list. In addition, customers are also placed on the watch list for other reasons, for instance, in the case of corporate customers, if a problem affects a whole industry, or, in the case of commercial customers, if a borrower covers operating losses with extraordinary income, or, in the case of private customers, if payments are made too late or credit lines are drawn to their maximum levels for extended periods.

A customer placed on the watch list becomes subject to detailed review and intense monitoring to enable HVB Group to develop a strategy for dealing with its exposure to the customer. Initially, the credit officer continues to administer the loan. If, within one year, there is no improvement or additional warning signs occur, a restructuring unit (Sanierungseinheit) is notified of the credit exposure and takes an active role in its handling. If there are signs that the credit exposure may result in a partial or total loss or if the loan is 90 days overdue, the borrower's rating is reduced to rating category 8 and responsibility for the credit exposure is transferred to the restructuring unit. Such transfer generally takes place before a loan loss allowance is made.

If HVB Group decides to cancel the loan and/or liquidate the collateral or if insolvency proceedings with respect to a customer are initiated, the restructuring unit transfers the responsibility for the loan to the workout unit, after providing a follow-up risk report. The workout unit will make attempts to recover the amounts outstanding on the loan, particularly by liquidating any collateral. The transfer of the loan to the workout unit results in a transfer to rating category 9 or 10. If a loan loss allowance is made the loan is transferred to rating category 10.

Special credit approval for restructuring/workout transactions are made by authorized members of the restructuring/workout unit which has approval competence for such loan. In the case of transactions up to € 25 million, the head of the restructuring unit responsible for the relevant transaction has approval authority. The division head of the restructuring unit has approval authority for all transactions between € 25 million and € 100 million. For all transactions over € 100 million, approval is required

from the Group Credit Committee. When a loan has been restructured, the borrower's internal rating is increased and the loan is no longer handled by the restructuring or workout units. If it becomes a potential or actual problem loan once again, the monitoring and, if necessary, restructuring and workout units reassume the related responsibility for it.

Allowances for losses on loans and advances and for losses on guarantees and indemnities

Anticipated future loan losses, the structure and quality of the loan portfolios, and general economic factors are taken into account when calculating allowances for losses on loans and advances.

Specific loan-loss allowances to the amount of the anticipated loss have been made to cover all identifiable risks arising from lending operations. Specific loan-loss allowances are reversed as soon as the loan default risk has ceased, or used if the receivable is classified as irrecoverable and derecognised.

The Bank makes general loan-loss allowances or sets aside provisions for loans to borrowers in countries exposed to acute transfer risk or guarantees with comparable risk. Country-specific risk allowances are created to cover renegotiated loans and other finance facilities (due in more than one year). Sound assets pledged to the Bank as security reduce the Bank's exposure to loan-loss risk. The group of countries with acute transfer risk and the corresponding write-down rates are updated regularly to take account of the current risk situation. Latent lending risks are covered by general provisions measured on the basis of historic loan-loss rates taking into account the economic environment and current events. Loan losses for which no or inadequate specific provisions have been set aside are treated as consumption of general provisions.

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

A.1 DOUBTFUL AND PERFORMING FINANCIAL INSTRUMENTS: AMOUNTS, WRITEDOWNS, CHANGES, ECONOMIC AND GEOGRAPHICAL DISTRIBUTION

A.1.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY PORTFOLIO AND CREDIT QUALITY (CARRYING VALUE)

| PORTFOLIO/QUALITY | NON-PERFORMING LOANS | DOUBTFUL | RESTRUCTURED EXPOSURE | PAST-DUE | COUNTRY RISK | OTHER ASSETS | TOTAL |
|--|----------------------|------------------|-----------------------|------------------|---------------|--------------------|--------------------|
| 1. Financial instruments held for trading | 3,680 | 49,363 | 27,445 | 14,307 | - | 172,191,905 | 172,286,700 |
| 2. Available-for-sale financial instruments | 955 | - | - | - | - | 27,887,511 | 27,888,466 |
| 3. Held-to-maturity financial instruments | - | - | - | - | - | 11,897,967 | 11,897,967 |
| 4. Loans and receivables with banks | 19,975 | 15,013 | - | 177,248 | 48,378 | 75,838,861 | 76,099,475 |
| 5. Loans and receivables with customers | 6,860,246 | 8,941,916 | 419,697 | 1,932,385 | 46,058 | 408,352,546 | 426,552,848 |
| 6. Financial instruments designated at fair value | - | - | - | - | - | 22,571,677 | 22,571,677 |
| 7. Financial instruments classified as held for sale | - | - | - | - | - | 3,309,218 | 3,309,218 |
| 8. Hedging instruments | - | - | - | - | - | 4,337,300 | 4,337,300 |
| Total as of 31.12.2005 | 6,884,856 | 9,006,292 | 447,142 | 2,123,940 | 94,436 | 726,386,985 | 744,943,651 |

A.1.2 BREAKDOWN OF FINANCIAL INSTRUMENTS BY PORTFOLIO AND CREDIT QUALITY (GROSS AND NET VALUE)

| PORTFOLIO/QUALITY | IMPAIRED ASSETS | | | | OTHER ASSETS | | | TOTAL (NET EXPOSURE) |
|--|-------------------|----------------------|-----------------------|-------------------|--------------------|-----------------------|--------------------|----------------------|
| | GROSS EXPOSURE | SPECIFIC WRITE DOWNS | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | GROSS EXPOSURE | PORTFOLIO ADJUSTMENTS | NET EXPOSURE | |
| 1. Financial instruments held for trading | 94,795 | - | - | 94,795 | X | X | 172,191,905 | 172,286,700 |
| 2. Available-for-sale financial instruments | 2,957 | 2,002 | - | 955 | 27,943,005 | 55,494 | 27,887,511 | 27,888,466 |
| 3. Held-to-maturity financial instruments | - | - | - | - | 11,898,248 | 281 | 11,897,967 | 11,897,967 |
| 4. Loans and receivables with banks | 395,905 | 175,491 | 8,178 | 212,236 | 75,931,580 | 44,341 | 75,887,239 | 76,099,475 |
| 5. Loans and receivables with customers | 35,855,506 | 16,614,874 | 1,086,388 | 18,154,244 | 410,106,317 | 1,707,713 | 408,398,604 | 426,552,848 |
| 6. Financial instruments designated at fair value | - | - | - | - | X | X | 22,571,677 | 22,571,677 |
| 7. Financial instruments classified as held for sale | - | - | - | - | 3,309,218 | - | 3,309,218 | 3,309,218 |
| 8. Hedging instruments | - | - | - | - | X | X | 4,337,300 | 4,337,300 |
| Total | 36,349,163 | 16,792,367 | 1,094,566 | 18,462,230 | 529,188,368 | 1,807,829 | 726,481,421 | 744,943,651 |

Notes to the Consolidated Accounts
 Part E) Risks and Hedging Policies

| A.1.3 ON-BALANCE AND OFF-BALANCE SHEET EXPOSURE TO BANKS: GROSS AND NET VALUES | | | | |
|---|-----------------------|----------------------------|------------------------------|---------------------|
| EXPOSURE TYPE / VALUES | GROSS EXPOSURE | SPECIFIC WRITEDOWNS | PORTFOLIO ADJUSTMENTS | NET EXPOSURE |
| A. BALANCE SHEET EXPOSURE | | | | |
| a) Non-performing loans | 116,715 | 94,911 | 1,829 | 19,975 |
| b) Doubtful loans | 83,261 | 66,544 | 1,704 | 15,013 |
| c) Restructured exposure | - | - | - | - |
| d) Past due | 195,929 | 14,036 | 4,645 | 177,248 |
| e) Country risk | 91,671 | X | 43,293 | 48,378 |
| f) Other assets | 138,192,545 | X | 56,391 | 138,136,154 |
| Total (A) | 138,680,121 | 175,491 | 107,862 | 138,396,768 |
| B. OFF-BALANCE SHEET EXPOSURE | | | | |
| a) Impaired | 56,026 | 23 | - | 56,003 |
| b) Other | 29,130,059 | X | 1,431 | 29,128,628 |
| Total (B) | 29,186,085 | 23 | 1,431 | 29,184,631 |

Exposure booked to the balance sheet includes all classes of financial asset, whether held-for-trading, available-for-sale, held-to-maturity, loans and receivables, assets designated as measured at fair value or held-for-sale assets.

| A.1.4 BALANCE-SHEET EXPOSURE TO BANKS: GROSS CHANGE IN IMPAIRED EXPOSURES SUBJECT TO "COUNTRY RISK" | | | | | |
|--|-----------------------------|-----------------------|-------------------------------|-----------------|---------------------|
| DESCRIPTIONS/CATEGORIES | 31.12.2005 | | | | |
| | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED EXPOSURES | PAST DUE | COUNTRY RISK |
| A. Opening balance | 65,093 | - | - | 16,352 | 19,728 |
| <i>Sold not derecognised</i> | - | - | - | - | - |
| B. Increases | 83,801 | 83,826 | - | 182,852 | 89,182 |
| B.1 transfers from performing loans | 44 | 4,539 | - | - | - |
| B.2 Transfer from other impaired exposure | - | 547 | - | - | - |
| B.3 Other increases | 83,757 | 78,740 | - | 182,852 | 89,182 |
| C. Reductions | 32,179 | 565 | - | 3,275 | 17,239 |
| C.1 transfers to performing loans | - | - | - | - | - |
| C.2 Derecognised items | 69 | 21 | - | - | - |
| C.3 Recoveries | 15,084 | 544 | - | - | 2,949 |
| C.4 Sales proceeds | - | - | - | - | - |
| C.5 Transfer to other impaired exposure | - | - | - | - | 547 |
| C.6 Other reductions | 17,026 | - | - | 3,275 | 13,743 |
| D. Closing balance | 116,715 | 83,261 | - | 195,929 | 91,671 |
| <i>Sold not derecognised</i> | - | - | - | - | - |

| A.1.5 BALANCE-SHEET EXPOSURE TO BANKS: CHANGE IN OVERALL IMPAIRMENTS | | | | | |
|---|-----------------------------|-----------------------|-------------------------------|-----------------|---------------------|
| SOURCE/CATEGORIES | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED EXPOSURES | PAST DUE | COUNTRY RISK |
| A.1 Opening balance | 64,084 | - | - | 16,352 | 2,153 |
| <i>Sold not derecognised</i> | - | - | - | - | - |
| B. Increases | 64,785 | 68,358 | - | 5,607 | 45,898 |
| B.1 Writedowns | 26 | 2,280 | - | 625 | 95 |
| B.2 Transfers from other impaired exposure | - | 109 | - | - | - |
| B.3 Other increases | 64,759 | 65,969 | - | 4,982 | 45,803 |
| C. Reductions | 32,129 | 110 | - | 3,278 | 4,758 |
| C.1 Transfers to performing loans | 1 | - | - | - | 471 |
| C.2 Write-backs from recoveries | 15,090 | 89 | - | 128 | 4,131 |
| C.3 Write-offs | 69 | 21 | - | - | - |
| C.4 Transfers to other impaired exposure | - | - | - | - | 109 |
| C.5 Other reductions | 16,969 | - | - | 3,150 | 47 |
| D. Final gross writedowns | 96,740 | 68,248 | - | 18,681 | 43,293 |
| <i>Sold not derecognised</i> | - | - | - | - | - |

| A.1.6 ON-BALANCE AND OFF-BALANCE SHEET EXPOSURE TO CUSTOMERS: GROSS AND NET VALUES | | | | |
|---|-----------------------|----------------------------|------------------------------|---------------------|
| EXPOSURE TYPE / VALUES | GROSS EXPOSURE | SPECIFIC WRITEDOWNS | PORTFOLIO ADJUSTMENTS | NET EXPOSURE |
| A. BALANCE SHEET EXPOSURE | | | | |
| a) Non-performing loans | 17,107,881 | 9,200,457 | 1,046,223 | 6,861,201 |
| b) Doubtful loans | 15,704,770 | 6,747,575 | 15,279 | 8,941,916 |
| c) Restructured exposure | 491,510 | 71,813 | - | 419,697 |
| d) Past due | 2,554,302 | 597,031 | 24,886 | 1,932,385 |
| e) Country risk | 65,673 | X | 19,615 | 46,058 |
| f) Other assets | 512,776,560 | X | 1,688,530 | 511,088,030 |
| Total (A) | 548,700,696 | 16,616,876 | 2,794,533 | 529,289,287 |
| B. OFF BALANCE SHEET EXPOSURES | | | | |
| a) Impaired | 380,341 | 13,577 | - | 366,764 |
| b) Other | 186,291,727 | X | 15,520 | 186,276,207 |
| Total (B) | 186,672,068 | 13,577 | 15,520 | 186,642,971 |

Exposure booked to the balance sheet includes all classes of financial asset, whether held-for-trading, available-for-sale, held-to-maturity, loans and receivables, assets designated as measured at fair value or held-for-sale assets.

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| A.1.7 BALANCE-SHEET EXPOSURE TO CUSTOMERS: GROSS CHANGE IN IMPAIRED EXPOSURE SUBJECT TO COUNTRY RISK | | | | | |
|---|----------------------|-------------------|------------------------|------------------|---------------|
| SOURCE/CATEGORIES | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED EXPOSURES | PAST DUE | COUNTRY RISK |
| A. Opening balance - gross exposure | 6,586,017 | 2,484,325 | 266,751 | - | 29,103 |
| <i>Sold not derecognised</i> | - | - | - | - | - |
| B. Increases | 12,969,346 | 16,110,804 | 617,140 | 3,797,713 | 52,822 |
| B.1 Transfers from performing loans | 315,924 | 1,875,510 | 36,077 | 2,054,095 | 11,244 |
| B.2 Transfers from other impaired exposures | 1,503,479 | 272,687 | 30,484 | 26,582 | 207 |
| B.3 Other increases | 11,149,943 | 13,962,607 | 550,579 | 1,717,036 | 41,371 |
| C. Reductions | 2,447,482 | 2,890,359 | 392,381 | 1,243,411 | 16,252 |
| C.1 Transfers to performing loans | 78,052 | 292,605 | 74,413 | 742,397 | 3,150 |
| C.2 Derecognised items | 816,467 | 29,742 | 10,894 | - | 277 |
| C.3 Recoveries | 646,804 | 825,481 | 183,579 | 215,802 | 8,846 |
| C.4 Sales proceeds | 200,513 | 3,924 | 1,290 | - | - |
| C.5 Transfers to other impaired exposures | 64,563 | 1,446,377 | 45,680 | 276,438 | 381 |
| C.6 Other reductions | 641,083 | 292,230 | 76,525 | 8,774 | 3,598 |
| D. Closing balance gross exposure | 17,107,881 | 15,704,770 | 491,510 | 2,554,302 | 65,673 |
| <i>Sold not derecognised</i> | 2,452 | - | - | 931 | - |

| A.1.8 BALANCE-SHEET EXPOSURE TO CUSTOMERS: CHANGES IN OVERALL IMPAIRMENT | | | | | |
|---|----------------------|------------------|------------------------|----------------|---------------|
| SOURCE/CATEGORIES | NON-PERFORMING LOANS | DOUBTFUL LOANS | RESTRUCTURED EXPOSURES | PAST DUE | COUNTRY RISK |
| A. Opening gross writedowns | 3,992,606 | 485,106 | 88,643 | - | 7,243 |
| <i>Sold not derecognised</i> | - | - | - | - | - |
| B. Increases | 7,937,878 | 6,870,244 | 89,759 | 622,335 | 15,800 |
| B.1 Writedowns | 1,228,680 | 565,108 | 49,573 | 35,647 | 3,703 |
| B.2 Transfers from other impaired exposure | 276,331 | 10,477 | 6,761 | 69 | - |
| B.3 Other increases | 6,432,867 | 6,294,659 | 33,425 | 586,619 | 12,097 |
| C. Reductions | 1,683,807 | 592,496 | 106,589 | 418 | 3,428 |
| C.1 Transfers to performing loans | 197,426 | 168,975 | 79,603 | 224 | 879 |
| C.2 Write-backs from recoveries | 369,862 | 89,461 | 6,694 | 11 | 2,119 |
| C.3 Write-offs | 816,467 | 29,742 | 10,894 | - | 277 |
| C.4 Transfers to other impaired exposure | 9,519 | 277,675 | 7,426 | 47 | 9 |
| C.5 Other reductions | 290,533 | 26,643 | 1,972 | 136 | 144 |
| D. Closing gross writedowns | 10,246,680 | 6,762,854 | 71,813 | 621,917 | 19,615 |
| <i>Sold not derecognised</i> | 29 | - | - | 105 | - |

A.3 DISTRIBUTION OF SECURED LOANS FOR TYPE OF GUARANTEE

| A.3 SECURED LOANS TO CUSTOMERS | |
|---------------------------------------|--------------------|
| SECURED LOANS TO CUSTOMERS | 31.12.2005 |
| a) mortgage loans | 154,205,429 |
| b) charges over: | 19,793,379 |
| 1. cash deposits | 2,659,007 |
| 2. securities | 8,329,065 |
| 3. other assets | 8,805,307 |
| c) guarantees provided by: | 61,357,959 |
| 1. Governments | 3,608,373 |
| 2. other public entities | 342,114 |
| 3. banks | 3,445,794 |
| 4. other entities | 53,961,678 |
| Total | 235,356,767 |

B. DISTRIBUTION AND CONCENTRATION OF LOANS

| | B.1 DISTRIBUTION OF LOANS AND GUARANTEES GIVEN TO CUSTOMERS BY MAIN BUSINESS SECTOR | |
|----------------------------------|--|-------------------------|
| | 31.12.2005 | |
| | LOANS | GUARANTEES GIVEN |
| a) Governments | 41,995,936 | 388,757 |
| b) Other public entities | 34,790,199 | 177,568 |
| c) Financial companies | 17,265,649 | 8,913,240 |
| d) Insurance companies | 1,332,001 | 2,116,860 |
| e) Non-financial companies | 151,690,089 | 33,661,999 |
| - <i>non-financial companies</i> | 145,644,031 | 33,520,746 |
| - <i>family firms</i> | 6,046,058 | 141,253 |
| f) Other borrowers | 149,135,479 | 2,133,947 |
| Total | 396,209,353 | 47,392,371 |

| B.2 DISTRIBUTION OF LOANS TO NON-FINANCIAL COMPANIES AND FAMILY FIRMS BY SECTOR | |
|--|--------------------|
| ECONOMIC SECTORS | 31.12.2005 |
| Other services to be sold | 58,174,251 |
| Trade, recovery and repairing services | 22,328,277 |
| Building industry and public works | 9,347,676 |
| Energy products | 7,721,828 |
| Food and drink products and tobacco based products | 4,807,885 |
| Other | 49,310,172 |
| Total | 151,690,089 |

| B.3 - B.4 GEOGRAPHICAL DISTRIBUTION OF LOANS AND GUARANTEES AND COMMITMENTS | | | | |
|--|--------------------|-------------------------|-------------------|-------------------------|
| GEOGRAPHIC AREAS / EXPOSURES | 31.12.2005 | | | |
| | CUSTOMERS | | BANKS | |
| | LOANS | GUARANTEES GIVEN | LOANS | GUARANTEES GIVEN |
| Italy | 127,409,440 | 10,576,292 | 8,409,877 | 384,835 |
| Other European countries | 247,998,964 | 31,772,537 | 70,542,470 | 6,265,366 |
| America | 6,968,049 | 4,502,605 | 1,431,158 | 1,094,863 |
| Asia | 4,000,621 | 291,691 | 3,642,281 | 73,038 |
| Rest of the world | 9,832,279 | 249,246 | 9,457,351 | 637,167 |
| Total | 396,209,353 | 47,392,371 | 93,483,137 | 8,455,269 |

| B.5 LARGE EXPOSURES | |
|----------------------------|-------------------|
| GROSS EXPOSURE | 31.12.2005 |
| a) Amount | - |
| b) Number | - |

C. SECURITISATION AND SALE TRANSACTIONS

C.1 SECURITISATION TRANSACTIONS

Qualitative information

In 2005 the Group carried out five transactions:

| | |
|-------------------------------|----------------------------------|
| UniCredit Banca S.p.A. | - Cordusio RMBS |
| Locat S.p.A. | - Locat Securitisation Vehicle 3 |
| HVB AG | - Provide-A-2005-1 |
| | - Geldilux-TS-2005-1 |
| BACA AG | - Success-2005 B.V. |

All peculiarities are broken-down on the following charts, which illustrate also operations of previous accounting periods.

| ORIGINATOR LOCAT S.P.A. | | | |
|--|---|--|--|
| STRATEGIES, PROCESSES AND GOALS: | The main motivations of transactions are: improvements of asset allocation, diversification of funding sources and improvements of Regulatory Ratios. | | |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | Each portfolio is monitored on an ongoing basis and is illustrated in the form of monthly and quarterly reports (as provided for by contracts) with a breakdown of loan Status and Trend of collections. | | |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO GENERAL MANAGEMENT: | Locat set up a Coordination Structure in the Accounting Manager Department. Locat's General Management is provided with a report including a breakdown of collections and a status of loans. | | |
| HEDGING POLICIES: | <table> <tr> <td>The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart).</td> <td>The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart).</td> </tr> </table> | The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart). | The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart). |
| The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart). | The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Swap Counterpart). | | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| ORIGINATOR LOCAT S.P.A. | | | | |
|--|--|----------------------|--|----------------------|
| NAME: | LOCAT SECURITISATION VEHICLE 3 S.R.L. | | LOCAT SECURITISATION VEHICLE 2 S.R.L. | |
| Type of securitisation: | Traditional | | Traditional | |
| Originator: | Locat S.p.A. | | Locat S.p.A. | |
| Issuer: | Locat Securitisation Vehicle 3 S.r.l. | | Locat Securitisation Vehicle 2 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. | |
| Goals: | 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 | |
| Nominal Value of disposal portfolio: | €2,000,000,136 | | €2,525,254,058 | |
| Guarantees issued by the Bank: | - | | - | |
| Guarantees issued by Third Parties: | - | | - | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | Revolving | | Revolving | |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | | - | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | IT0003951107 | IT0003951115 | IT0003733083 | IT0003733091 |
| - Type of Security | Senior | Senior | Senior | Mezzanine |
| - Class | A1 | A2 | A | B |
| - Rating * | AAA/Aaa | AAA/Aaa | AAA/Aaa | A/A2 |
| - Quotation | Dublin | Dublin | Dublin | Dublin |
| - Issue Date | 18/11/2005 | 18/11/2005 | 18/10/2004 | 18/10/2004 |
| - Legal Maturity | Dec-26 | Dec-26 | Dec-24 | Dec-24 |
| - Call option | Clean-up call | | Clean-up call | |
| - Rate | 3m Euribor + 7 b.p. | 3m Euribor + 15 b.p. | 3m Euribor + 18 b.p. | 3m Euribor + 55 b.p. |
| - Subordinated Level | - | - | - | Sub. B |
| - Issued Nominal Value | €451,000,000 | €1,349,000,000 | €2,374,000,000 | €126,000,000 |
| - Security Subscribers | Institutional Investors | | Institutional Investors | |
| - ISIN | IT0003951123 | IT0003951131 | - | |
| - Type of Security | Mezzanine | Mezzanine | D.P.P. | |
| - Class | B | C | - | |
| - Rating * | A/A2 | BBB/Baa2 | - | |
| - Quotation | Dublin | Dublin | - | |
| - Issue Date | 18/11/2005 | 18/11/2005 | 18/10/2004 | |
| - Legal Maturity | Dec-26 | Dec-26 | Dec-24 | |
| - Call option | Clean-up call | | Clean-up call | |
| - Rate | 3m Euribor + 39 b.p. | 3m Euribor + 61 b.p. | 3m Euribor + 50 b.p. | |
| - Subordinated Level | Sub. A1, A2 | Sub A1, A2, B | Equity | |

ORIGINATOR LOCAT S.P.A.

| NAME: | LOCAT SECURITISATION VEHICLE 3 S.R.L. | | LOCAT SECURITISATION VEHICLE 2 S.R.L. | |
|---|--|-------------|--|--|
| - Issued Nominal Value | €160,000,000 | €33,000,000 | €25,254,058 | |
| - Security Subscribers | Institutional Investors | | retained risk | |
| - ISIN | IT0003951149 | | | |
| - Type of Security | Junior | | | |
| - Class | D | | | |
| - Rating * | - | | | |
| - Quotation | - | | | |
| - Issue Date | 18/11/2005 | | | |
| - Legal Maturity | Dec-26 | | | |
| - Call option | Clean-up call | | | |
| - Rate | 3m Euribor + 200 b.p. | | | |
| - Subordinated Level | Equity | | | |
| - Issued Nominal Value | €7,000,136 | | | |
| - Security Subscribers | Locat S.p.A. | | | |
| * Rating Agencies | Standard & Poor's / Moody's | | Standard & Poor's / Moody's | |
| Distribution of securitised assets by area: | | | | |
| Italy - Northwest | €656,960,269 | | | |
| - Northeast | €790,431,655 | | | |
| - Central | €390,114,896 | | | |
| - South and Islands | €162,493,316 | | | |
| Other European Countries - EU countries | - | | | |
| - non-EU countries | - | | | |
| America | - | | | |
| Rest of the world | - | | | |
| TOTAL | €2,000,000,136 | | | |
| Distribution of securitised assets by business sector of the borrower: | | | | |
| Governments | - | | | |
| Other government agencies | - | | | |
| Banks | €19,001 | | | |
| Financial Companies | €7,302,903 | | | |
| Insurance companies | €13,154 | | | |
| Non-financial companies | €1,797,467,937 | | | |
| other entities | €195,197,141 | | | |
| TOTAL | €2,000,000,136 | | | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| ORIGINATOR LOCAT S.P.A. | | |
|--|--|---|
| STRATEGIES, PROCESSES AND GOALS: | The main motivations of transactions are: improvements of asset allocation, diversification of funding sources and improvements of Regulatory Ratios. | |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | Each portfolio is monitored on an ongoing basis and is illustrated in the form of monthly and quarterly reports (as provided for by contracts) with a breakdown of loan Status and Trend of collections. | |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO GENERAL MANAGEMENT: | Locat set up a Coordination Structure in the Accounting Manager Department. Locat's General Management is provided with a report including a breakdown of collections and a status of loans. | |
| HEDGING POLICIES: | Special Purpose Vehicle bought two IRS for fair value hedge and two Basis Swap for Cash flow hedge (and related back to back between Originator and Swap Counterparties). | - |

| NAME: | LOCAT SECURITISATION VEHICLE S.R.L. | ABSOLUTE FUNDING S.R.L. |
|--|--|--|
| Type of securitisation: | Traditional | Traditional |
| Originator: | Locat S.p.A. | Locat S.p.A. |
| Issuer: | Locat Securitisation Vehicle S.r.l. | Absolute Funding S.r.l. |
| Servicer: | Locat S.p.A. | Locat S.p.A. |
| Arranger: | UniCredit Banca Mobiliare S.p.A., BNP Paribas, Finanziaria Internazionale S.p.A. | UniCredit Banca Mobiliare S.p.A. |
| Goals: | Capital Relief / Funding | 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 |
| Nominal Value of disposal portfolio: | €1,707,105,053 | €549,002,986 |
| Guarantees issued by the Bank: | - | - |
| Guarantees issued by Third Parties: | - | - |
| Bank Lines of Credit: | - | - |
| Third-Party Lines of Credit: | - | - |
| Other Credit Enhancements: | - | - |
| Other relevant information: | Revolving | Revolving - matured June 05 |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | - |

| NAME: | LOCAT SECURITISATION VEHICLE S.R.L. | | ABSOLUTE FUNDING S.R.L. | |
|-------------------------------------|-------------------------------------|----------------------|--------------------------------|-------------------------|
| Amount and Conditions of tranching: | | | | |
| - ISIN | IT0003188304 | IT0003188312 | IT0003125470 | - |
| - Type of Security | Senior | Senior | Senior | D.P.P. not subordinated |
| - Class | A1 | A2 | A | - |
| - Rating * | AAA/Aaa | AAA/Aaa | AAA | (AAA) |
| - Quotation | Luxembourg | Luxembourg | - | - |
| - Issue Date | 12/12/2001 | 12/12/2001 | 25/05/2001 | - |
| - Legal Maturity | Jun-17 | Jun-17 | 15/06/2015 | - |
| - Call option | Call matured | Call - March 07 | Clean-up call | |
| - Rate | 3m Euribor + 27 b.p. | 3m Euribor + 37 b.p. | EIB Rate + 5 b.p. | EIB Rate + 30 b.p. |
| - Subordinated Level | - | - | - | Pari passu Class A |
| - Issued Nominal Value | €800,000,000 | €800,000,000 | €400,000,000 | €96,700,000 |
| - Security Subscribers | Institutional Investors | | European Investment Bank (EIB) | |
| - ISIN | IT0003188320 | IT0003188338 | - | |
| - Type of Security | Mezzanine | Mezzanine | D.P.P. | |
| - Class | B1 | B2 | - | |
| - Rating * | A/A2 | A/A2 | - | |
| - Quotation | Luxembourg | Luxembourg | - | |
| - Issue Date | 12/12/2001 | 12/12/2001 | 25/05/2001 | |
| - Legal Maturity | Jun-17 | Jun-17 | 15/06/2015 | |
| - Call option | Call matured | Call - March 07 | Clean-up call | |
| - Rate | 3m Euribor + 60 b.p. | 3m Euribor + 85 b.p. | - | |
| - Subordinated Level | Sub. A1, A2 | Sub. A1, A2 | Equity | |
| - Issued Nominal Value | €44,000,000 | €44,000,000 | €52,302,896 | |
| - Security Subscribers | Institutional investors | | Retained risk | |
| - ISIN | IT0003188346 | - | | |
| - Type of Security | Junior | D.P.P. | | |
| - Class | C | - | | |
| - Rating * | - | - | | |
| - Quotation | - | - | | |
| - Issue Date | 12/12/2001 | 12/12/2001 | | |
| - Legal Maturity | Jun-17 | Jun-17 | | |
| - Call option | Call - March 07 | Clean-up call | | |
| - Rate | 3m Euribor + 200 b.p. | 3m Euribor + 20 b.p. | | |
| - Subordinated Level | Equity | Equity | | |
| - Issued Nominal Value | €3,400,000 | €15,705,053 | | |
| - Security Subscribers | Locat S.p.A. | Retained risk | | |
| * Rating Agencies | Standard & Poor's / Moody's | | Fitch Rating Ltd | |

| ORIGINATOR UNICREDIT BANCA S.P.A. | |
|--|--|
| STRATEGIES, PROCESSES AND GOALS: | <p>The main motivation of Strategic Instructions of Bank are competitive rate funding and for big loans the development of long-term outstanding loans, with a structural action on these for Capital Relief for new investments.</p> <p>The main benefits are:</p> <ul style="list-style-type: none"> - improvements of mismatching maturities; - diversification of funding sources; - benefits for Capital Relief (according to present law); - widening of investor base with improvement of collecting costs. |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | All accounting and collecting matters are monitored on an ongoing basis with regards to Servicer Activity of UCB with the help of other companies of Group (specially for collecting impaired loans UGC, that is Subsidiary Servicer as provided for by a specific contract). |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO GENERAL MANAGEMENT: | UCB set up a Coordination Structure in the Accounting Manager Department which organizes, with help of Specific Executives, all accounting, collecting and loan matters. It also draws up quarterly reports, provided for contracts to SPV and transactions counterparties. |
| HEDGING POLICIES: | The Special Purpose Vehicle bought an IRS for fair value hedge and a Basis Swap for Cash flow hedge (and related back-to-backs between Originator and Counterpart). |

| NAME: | CORDUSIO RMBS |
|--|---|
| Type of securitisation: | Traditional |
| Originator: | UniCredit Banca S.p.A. |
| Issuer: | Cordusio RMBS S.r.l. |
| Servicer: | UniCredit Banca S.p.A. |
| Arranger: | Euro Capital Structures Ltd. |
| Goals: | Capital Relief / Funding / mismatching maturity |
| Type of asset: | Private Mortgage Loans |
| Quality of asset: | performing |
| Nominal Value of disposal portfolio: | €2,990,089,151 |
| Guarantees issued by the Bank: | - |
| Guarantees issued by Third Parties: | - |
| Bank Lines of Credit: | - |
| Third-Party Lines of Credit: | - |
| Other Credit Enhancements: | - |
| Other relevant information: | UniCredit Banca SpA granted to the SPV a restricted loan of €6,127 million redeemed at the end of accounting period for €3 million. |
| Amount of C.D.S. or other Super Senior Risk transferred: | - |

| NAME: | | CORDUSIO RMBS | |
|--|--|---------------|-------------------------|
| Amount and Conditions of tranching: | | | |
| - ISIN | IT0003844930 | | IT0003844948 |
| - Type of Security | Senior | | Senior |
| - Class | A1 | | A2 |
| - Rating * | AAA/Aaa/AAA | | AAA/Aaa/AAA |
| - Quotation | Dublin | | Dublin |
| - Issue Date | 06/05/2005 | | 06/05/2005 |
| - Legal Maturity | 30/06/2033 | | 30/06/2033 |
| - Call option | Clean-up Call | | Clean-up Call |
| - Rate | 3m Euribor + 6 b.p. | | 3m Euribor + 12 b.p. |
| - Subordinated Level | - | | Sub A1 |
| - Issued Nominal Value | €750,000,000 | | €2,060,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors |
| - ISIN | IT0003844955 | | IT0003844963 |
| - Type of Security | Mezzanine | | Mezzanine |
| - Class | B | | C |
| - Rating * | AA/Aa1/AA+ | | BBB/Baa1/BBB |
| - Quotation | Dublin | | Dublin |
| - Issue Date | 06/05/2005 | | 06/05/2005 |
| - Legal Maturity | 30/06/2033 | | 30/06/2033 |
| - Call option | Clean-up Call | | Clean-up Call |
| - Rate | 3m Euribor + 18 b.p. | | 3m Euribor + 48 b.p. |
| - Subordinated Level | Sub A1, A2 | | Sub A1, A2, B |
| - Issued Nominal Value | €52,000,000 | | €119,200,000 |
| - Security Subscribers | Institutional investors | | Institutional investors |
| - ISIN | IT0003844971 | | |
| - Type of Security | Junior | | |
| - Class | D | | |
| - Rating * | - | | |
| - Quotation | - | | |
| - Issue Date | 06/05/2005 | | |
| - Legal Maturity | 30/06/2033 | | |
| - Call option | Clean-up Call | | |
| - Rate | 3m Euribor + 200 b.p. | | |
| - Subordinated Level | Sub A1, A2, B, C | | |
| - Issued Nominal Value | €8,889,150 | | |
| - Security Subscribers | UniCredit Banca S.p.A. | | |
| * Rating Agencies | Fitch Rating Ltd /Moody's /Standard & Poor's | | |
| Distribution of securitised assets by area: | | | |
| Italy - Northwest | €1,037,859,755 | | |
| - Northeast | €598,684,981 | | |
| - Central | €695,868,942 | | |
| - South and Islands | €657,675,473 | | |
| Other European Countries - EU countries | - | | |
| - non-EU countries | - | | |
| America | - | | |
| Rest of the world | - | | |
| TOTAL | €2,990,089,151 | | |

| NAME: | | CORDUSIO RMBS |
|---|--|-----------------------|
| Distribution of securitised assets by business sector of the borrower: | | |
| Governments | | - |
| Other government agencies | | - |
| Banks | | - |
| Financial Companies | | - |
| Insurance companies | | - |
| Non-financial companies | | - |
| Other entities | | €2,990,089,151 |
| TOTAL | | €2,990,089,151 |

| ORIGINATOR UNICREDIT BANCA D'IMPRESA S.P.A. - EX CARIVERONA S.P.A. AND EX MEDIOVENEZIE S.P.A. | | |
|---|--|---|
| STRATEGIES, PROCESSES AND GOALS: | The main motivations of transactions are: improvements of asset allocation, diversification of funding sources and improvements of Regulatory Ratios. | The main motivations are: - improvements of Quality of Assets (with disposal of non-performing loans); - improvements of collecting loans and capital allocation; - development of the UGC role as servicer of non performing loans. |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | Each portfolio is monitored on an ongoing basis and is illustrated in the form of monthly and quarterly reports (as provided for by contracts) with a breakdown of loan Status and Trend of collections. | Asset portfolio is monitored on an ongoing basis with a quarterly report to the Servicer, with a breakdown of status and collecting of loans. |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO GENERAL MANAGEMENT: | The Board of Bank is provided with a report including a breakdown of collections and a status of loans. | Collection of loans are monitored with reports to Servicer's Board which sends these to the Board of UBI. |
| HEDGING POLICIES: | Consortium of transactions guarantee the capital amount related to junior securities. The Special Purpose Vehicle buys a Basis Swap for Cash Flow Hedge. | The SPV buys an Interest Rate Cap (strike 5%), to hedge rate risk on A, B, C and D class securities. |

| NAME | PMI DUE | | PMI UNO | | QUERCIA FUNDING | |
|--|---|----------------------|---|----------------------|--|---|
| Type of securitisation: | Traditional | | Traditional | | Traditional | |
| Originator: | UniCredit Banca d'Impresa S.p.A. | | UniCredit Banca d'Impresa S.p.A. | | Cariverona (now UniCredito Italiano SpA) and Mediovenezie (now UGC Banca SpA) | |
| Issuer: | PMI Due Finance S.r.L. | | PMI Uno Finance S.r.L. | | Quercia Funding S.r.L. | |
| Servicer: | UGC Banca S.p.A. | | UGC Banca S.p.A. | | UGC Banca S.p.A. | |
| Arranger: | Euro Capital Structure Ltd Dublin, UniCredit Banca Mobiliare S.p.A. | | Euro Capital Structure Ltd Dublin, UniCredit Banca Mobiliare S.p.A. | | Euro Capital Structure Ltd Dublin, Lehman Brothers International (Europe) | |
| Goals: | Capital Relief / Funding / mismatching maturity | | Capital Relief / Funding / mismatching maturities | | Capital Relief | |
| Type of asset: | Mortgage medium term loans with Eurofidi Consortium guarantee | | Mortgage medium term loans with Eurofidi and Neafidi Consortium guarantee | | Mortgage and unsecured loans | |
| Quality of asset: | performing | | performing | | non-performing | |
| Nominal Value of disposal portfolio: | €307,305,000 | | €231,827,000 | | €253,282,272 | |
| Guarantees issued by the Bank: | - | | - | | - | |
| Guarantees issued by Third Parties: | 3.5 % Consortium Eurofidi | | 3% Consortiums Neafidi and Confidi | | - | |
| Bank Lines of Credit: | - | | - | | Loan to bear € 100,000 costs and Loan to bear € 4,000,000 interests on mezzanine securities, now charged by UBI. | |
| Third-Party Lines of Credit: | - | | - | | - | |
| Other Credit Enhancements: | - | | - | | - | |
| Other relevant information: | - | | - | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | | - | | - | |
| Amount and Conditions of tranching: | | | | | | |
| - ISIN | IT0003766109 | IT0003766117 | IT0003635414 | IT0003653422 | XS0139937188 | XS0140094003 |
| - Type of Security | Senior | Mezzanine | Senior | Mezzanine | Senior | Senior |
| - Class | A | B | A | B | A | B |
| - Rating * | AAA/Aaa/AAA | AA/Aa2/AA | AAA/Aaa | AA/Aa2 | AAA/AAA | A/A |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg | Luxembourg | - |
| - Issue Date | 16/12/2004 | 16/12/2004 | 15/04/2004 | 15/04/2004 | 14/12/2001 | 14/12/2001 |
| - Legal Maturity | 20/10/2013 | 20/10/2013 | 20/07/2012 | 20/07/2012 | 14/12/2015 | 14/12/2015 |
| - Call option | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call |
| - Rate | 3m Euribor + 16 b.p. | 3m Euribor + 24 b.p. | 3m Euribor + 30 b.p. | 3m Euribor + 50 b.p. | 6m Euribor + 52 b.p. | 6m Euribor + 110 b.p. |
| - Subordinated Level | - | Sub. A | - | Sub. A | - | Sub. A |
| - Issued Nominal Value | €271,000,000 | €10,700,000 | €198,900,000 | €10,700,000 | €111,700,000 | €39,500,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | | Institutional investors | UniCredit Ireland Plc (ex Cariverona Ireland Plc) |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME | PMI DUE | | PMI UNO | | QUERCIA FUNDING | |
|------------------------|--|-----------------------|-------------------------------|-------------------------------|---|-----------------------|
| - ISIN | IT0003766125 | IT0003766133 | IT0003653430 | IT0003653463 | XS0140095158 | XS0140095406 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | C | D | C | D | C | D |
| - Rating * | BBB/Baa2/BBB | BB/Ba3/BB | BBB/Baa2 | BB/Ba3 | AA/AAA | A/AAA |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg | - | - |
| - Issue Date | 16/12/2004 | 16/12/2004 | 15/04/2004 | 15/04/2004 | 14/12/2001 | 14/12/2001 |
| - Legal Maturity | 20/10/2015 | 20/10/2015 | 20/07/2014 | 20/07/2014 | 14/12/2015 | 14/12/2015 |
| - Call option | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call | Clean-up Call |
| - Rate | 3m Euribor + 75 b.p. | 3m Euribor + 250 b.p. | 3m Euribor + 130 b.p. | 3m Euribor + 450 b.p. | 6m Euribor + 225 b.p. | 6m Euribor + 600 b.p. |
| - Subordinated Level | Sub. A, B | Sub. A, B, C | Sub. A, B | Sub. A, B, C | Sub. A, B | Sub. A, B, C |
| - Issued Nominal Value | €11,400,000 | €6,200,000 | €8,300,000 | €4,900,000 | €26,000,000 | €19,400,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | UniCredit Banca d'Impresa SpA | UniCredit Ireland Plc (ex Cariverona Ireland Plc) | |
| - ISIN | IT0003766141 | | IT0003653471 | | IT0003382451 | |
| - Type of Security | Junior | | Junior | | Junior | |
| - Class | E | | E | | E | |
| - Rating * | - | | - | | - | |
| - Quotation | - | | - | | - | |
| - Issue Date | 16/12/2004 | | 15/04/2004 | | 14/12/2001 | |
| - Legal Maturity | 20/10/2015 | | 20/07/2014 | | 14/12/2015 | |
| - Call option | Clean-up Call | | Clean-up Call | | Clean-up Call | |
| - Rate | - | | - | | Variable Redemption Yield | |
| - Subordinated Level | Equity | | Equity | | Equity | |
| - Issued Nominal Value | €11,705,000 | | €9,027,000 | | €20,752,372 | |
| - Security Subscribers | UniCredit Banca d'Impresa SpA | | UniCredit Banca d'Impresa SpA | | UniCredit Banca d'Impresa SpA (ex Cariverona SpA) | |
| * Rating Agencies | Fitch Rating Ltd / Moody's / Standard & Poor's | | Fitch Rating Ltd / Moody's | | Fitch Rating Ltd / Standard & poor's | |

ORIGINATOR GROUP HVB

| | |
|--|--|
| STRATEGIES, PROCESSES AND GOALS: | The main motivation for the Bank's securitisation programs is the Capital relief and Funding for True Sale Transactions. |
| INTERNAL MEASUREMENT AND RISK MONITORING SYSTEMS: | Each portfolio is monitored by our servicing department on an ongoing basis and it is illustrated in the form of a quarterly report (investor report), which provides a breakdown of the status of loans. |
| ORGANISATIONAL STRUCTURE AND SYSTEM FOR REPORTING TO GENERAL MANAGEMENT: | The board members get a quarterly report about the status of the transaction (e.g. transaction volume, reduction in risk weighted assets). Also in the annual / interim report information about the bank own ABS transactions can be found. |
| HEDGING POLICIES: | - |

| NAME: | PROVIDE-A 2005-1 | | SUCCESS 2005 | |
|--|--------------------------------|--------------|--------------------------|--------------|
| Type of securitisation: | Synthetic | | Traditional | |
| Originator: | HVB AG | | BACA Leasing | |
| Issuer: | Provide-A 2005-1 plc (Ireland) | | Success 2005 B.V. | |
| Servicer: | HVB AG | | BACA Leasing | |
| Arranger: | HVB AG | | HVB AG | |
| Goals: | Capital Relief | | Capital Relief / Funding | |
| Type of asset: | Private Mortgage Loans | | Leasing Assets | |
| Quality of asset: | performing | | performing | |
| Nominal Value of disposal portfolio: | €4,778,419,283 | | €424,600,000 | |
| Guarantees issued by the Bank: | - | | - | |
| Guarantees issued by Third Parties: | KfW Bank | | - | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | - | | replenishing | |
| Amount of C.D.S. or other Super Senior Risk transferred: | €4,273,519,283 | | - | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE000A0GJ2T4 | DE000A0GJ2U2 | XS0230700493 | XS0230700816 |
| - Type of Security | Senior | Senior | Senior | Mezzanine |
| - Class | A+ | A | A | B |
| - Rating * | Aaa/AAA | Aaa/AAA | Aaa/AAA | A2/A |
| - Quotation | Dublin | Dublin | Amsterdam | Amsterdam |
| - Issue Date | 15/12/2005 | 15/12/2005 | 17/10/2005 | 17/10/2005 |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | PROVIDE-A 2005-1 | | SUCCESS 2005 | |
|------------------------|---|-------------------------|---|-------------------------|
| - Legal Maturity | 25/08/2048 | 25/08/2048 | 15/07/2015 | 15/07/2015 |
| - Call option | Time Call, Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 19 bp | 3m Euribor + 19 bp | Euribor + 12 bp | Euribor + 23 bp |
| - Subordinated Level | - | Sub A+ | - | Sub A |
| - Issued Nominal Value | €500,000 | €239,000,000 | €390,600,000 | €8,500,000 |
| - Security Subscribers | Institutional investors | | Inst. Investors/retained by HVB (51,6M) | Institutional investors |
| - ISIN | DE000A0GJ2V0 | DE000A0GJ2W8 | XS023071202 | XS0230701467 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | B | C | C | D |
| - Rating * | Aa2/AA | A1/A | Baa2/BBB | Ba2/BB |
| - Quotation | Dublin | Dublin | Amsterdam | Amsterdam |
| - Issue Date | 15/12/2005 | 15/12/2005 | 17/10/2005 | 17/10/2005 |
| - Legal Maturity | 25/08/2048 | 25/08/2048 | 15/07/2015 | 15/07/2015 |
| - Call option | Time Call, Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 33 bp | 3m Euribor + 62 bp | Euribor + 44 bp | Euribor + 300 bp |
| - Subordinated Level | Sub A+, A | Sub A+, A, B | Sub A, B | Sub A, B, C |
| - Issued Nominal Value | €88,400,000 | €66,900,000 | €8,500,000 | €8,500,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | retained byBACA Leasing |
| - ISIN | DE000A0GJ2X6 | DE000A0GJ2Y4 | XS0230701897 | |
| - Type of Security | Mezzanine | Mezzanine | Junior | |
| - Class | D | E | Liquidity Note | |
| - Rating * | Baa2/BBB | Ba2/BB | privately rated | |
| - Quotation | Dublin | Dublin | - | |
| - Issue Date | 15/12/2005 | 15/12/2005 | 17/10/2005 | |
| - Legal Maturity | 25/08/2048 | 25/08/2048 | 15/07/2015 | |
| - Call option | Time Call, Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 100 bp | 3m Euribor + 250 bp | Euribor + 300 bp | |
| - Subordinated Level | Sub A+, A, B, C | Sub A+, A, B, C, D | Sub A, B, C, D | |
| - Issued Nominal Value | €47,800,000 | €26,300,000 | €8,500,000 | |
| - Security Subscribers | Inst. Investors (27,3M) / retained by HVB (20,5M) | Institutional investors | Retained by BACA Leasing | |
| - ISIN | DE000A0GJ2Z1 | | | |
| - Type of Security | Junior | | | |
| - Class | F | | | |
| - Rating * | n.r. | | | |
| - Quotation | Dublin | | | |
| - Issue Date | 15/12/2005 | | | |
| - Legal Maturity | 25/08/2048 | | | |
| - Call option | Time Call, Clean-up Call | | | |
| - Rate | 3m Euribor + 1300 bp | | | |
| - Subordinated Level | Sub A+, A, B, C, D, E | | | |
| - Issued Nominal Value | €36,000,000 | | | |
| - Security Subscribers | Institutional investors | | | |
| * Rating Agencies | Moody's/Fitch | | Moody's/Fitch | |

| NAME: | PROVIDE-A 2005-1 | SUCCESS 2005 |
|---|-----------------------|---------------------|
| Distribution of securitised assets by area: | | |
| Italy - Northwest | - | - |
| - Northeast | - | - |
| - Central | - | - |
| - South and Islands | - | - |
| Other European Countries | | |
| - EU countries | €4,778,419,283 | €424,600,000 |
| - non-EU countries | - | - |
| America | - | - |
| Rest of the world | - | - |
| TOTAL | €4,778,419,283 | €424,600,000 |
| Distribution of securitised assets by business sector of the borrower: | | |
| Governments | - | - |
| Other government agencies | - | - |
| Banks | - | - |
| Financial Companies | - | - |
| Insurance companies | - | - |
| Non-financial companies | - | - |
| Other entities | €4,778,419,283 | €424,600,000 |
| TOTAL | €4,778,419,283 | €424,600,000 |

| ORIGINATOR HVB GROUP | | | |
|--------------------------------------|------------------------------------|--|--|
| NAME: | GELDILUX-TS-2005 | | |
| Type of securitisation: | Traditional | | |
| Originator: | HVB AG | | |
| Issuer: | Geldilux-TS-2005 S.A. (Luxembourg) | | |
| Servicer: | HVB AG / HVB LUX | | |
| Arranger: | HVB AG | | |
| Goals: | Capital Relief/Funding | | |
| Type of asset: | Euro Loans | | |
| Quality of asset: | performing | | |
| Nominal Value of disposal portfolio: | €5,513,750,000 | | |
| Guarantees issued by the Bank: | - | | |
| Guarantees issued by Third Parties: | - | | |
| Bank Lines of Credit: | - | | |
| Third-Party Lines of Credit: | - | | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: GELDILUX-TS-2005 | | | | |
|--|-------------------------|----------------------|-------------------------|----------------------|
| Other Credit Enhancements: | - | | | |
| Other relevant information: | replenishing | | | |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | | | |
| Amount and Conditions of tranching: | Series 1 | | Series 2 | |
| - ISIN | XS0221114696 | XS0221115743 | XS0221120156 | XS0221120826 |
| - Type of Security | Senior | Mezzanine | Senior | Mezzanine |
| - Class | A | B | A | B |
| - Rating * | Aaa/AAA | A1/A | Aaa/AAA | A1/A |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/06/2005 | 17/06/2005 | 17/06/2005 | 17/06/2005 |
| - Legal Maturity | 10/12/2012 | 10/12/2012 | 10/12/2012 | 10/12/2012 |
| - Call option | Clean-up Call | | Clean-up Call | |
| - Rate | 3m Euribor + 14 bp | 3m Euribor + 24 bp | 3m Euribor + 15 bp | 3m Euribor + 26 bp |
| - Subordinated Level | - | Sub A | - | Sub A |
| - Issued Nominal Value | €2,101,000,000 | €36,300,000 | €1,241,500,000 | €21,450,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | XS0221116634 | XS0221116980 | XS022121477 | XS0221121980 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | C | D | C | D |
| - Rating * | Baa2/BBB | Ba2/BB | Baa2/BBB | Ba2/BB |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/06/2005 | 17/06/2005 | 17/06/2005 | 17/06/2005 |
| - Legal Maturity | 10/12/2012 | 10/12/2012 | 10/12/2012 | 10/12/2012 |
| - Call option | Clean-up Call | | Clean-up Call | |
| - Rate | 3m Euribor + 57 bp | 3m Euribor + 170 bp | 3m Euribor + 58 bp | 3m Euribor + 240 bp |
| - Subordinated Level | Sub A, B | Sub A, B, C | Sub A, B | Sub A, B, C |
| - Issued Nominal Value | €25,300,000 | €11,000,000 | €14,950,000 | €6,500,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | XS0221117442 | XS0221118093 | XS0221122442 | XS0221123176 |
| - Type of Security | Junior | Junior | Junior | Junior |
| - Class | E | F | E | F |
| - Rating * | B2/B | n.r. | B2/B | n.r. |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/06/2005 | 17/06/2005 | 17/06/2005 | 17/06/2005 |
| - Legal Maturity | 10/12/2012 | 10/12/2012 | 10/12/2012 | 10/12/2012 |
| - Call option | Clean-up Call | | Clean-up Call | |
| - Rate | 3m Euribor + 600 bp | 3m Euribor + 1100 bp | 3m Euribor + 650 bp | 3m Euribor + 1200 bp |
| - Subordinated Level | Sub A, B, C, D | Sub A, B, C, D, E | Sub A, B, C, D | Sub A, B, C, D, E |
| - Issued Nominal Value | €4,400,000 | €22,000,000 | €2,600,000 | €13,000,000 |
| - Security Subscribers | retained by HVB Lux | | retained by HVB Lux | |
| | Series 3 | | | |
| - ISIN | XS0221125114 | XS0221132086 | XS0221126195 | XS0221127326 |
| - Type of Security | Senior | Senior | Mezzanine | Mezzanine |

| NAME: GELDILUX-TS-2005 | | | | |
|---|--|----------------------|-------------------------|--------------------|
| - Class | A | Liquidity Note | B | C |
| - Rating * | Aaa/AAA | Aaa/AAA | A1/A | Baa2/BBB |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/06/2005 | 17/06/2005 | 17/06/2005 | 17/06/2005 |
| - Legal Maturity | 10/12/2012 | 10/12/2012 | 10/12/2012 | 10/12/2012 |
| - Call option | Clean-up Call | | Clean-up Call | |
| - Rate | 3m Euribor + 17 bp | - | 3m Euribor + 28 bp | 3m Euribor + 60 bp |
| - Subordinated Level | - | - | Sub A | Sub A , B |
| - Issued Nominal Value | €1,910,000,000 | €13,750,000 | €33,000,000 | €23,000,000 |
| - Security Subscribers | Inst. Investors /retained by HVB (61M) | retained by HVB Lux. | Institutional investors | |
| - ISIN | XS0221127912 | XS0221128647 | XS0221129702 | |
| - Type of Security | Mezzanine | Junior | Junior | |
| - Class | D | E | F | |
| - Rating * | Ba2/BB | B2/B | n.r. | |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | |
| - Issue Date | 17/06/2005 | 17/06/2005 | 17/06/2005 | |
| - Legal Maturity | 10/12/2012 | 10/12/2012 | 10/12/2012 | |
| - Call option | Clean-up Call | Clean-up Call | Clean-up Call | |
| - Rate | 3m Euribor + 290 bp | 3m Euribor + 700 bp | 3m Euribor + 1300 bp | |
| - Subordinated Level | Sub A, B, C | Sub A, B, C, D | Sub A, B, C, D, E | |
| - Issued Nominal Value | €10,000,000 | €4,000,000 | €20,000,000 | |
| - Security Subscribers | Institutional investors | retained by HVB Lux. | | |
| * Rating Agencies | Moody's/Fitch | | | |
| Distribution of securitised assets by area: | | | | |
| Italy - Northwest | - | | | |
| - Northeast | - | | | |
| - Central | - | | | |
| - South and Islands | - | | | |
| Other European Countries | | | | |
| - EU countries | €5,513,750,000 | | | |
| - non-EU countries | - | | | |
| America | - | | | |
| Rest of the world | - | | | |
| TOTAL | €5,513,750,000 | | | |
| Distribution of securitised assets by business sector of the borrower: | | | | |
| Governments | - | | | |
| Other government agencies | - | | | |
| Banks | - | | | |
| Financial Companies | - | | | |
| Insurance companies | - | | | |
| Non-financial companies | - | | | |
| Other entities | €5,513,750,000 | | | |
| TOTAL | €5,513,750,000 | | | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| ORIGINATOR HVB GROUP | | | | |
|--|-----------------------|-----------------|--------------------------|--------------------|
| NAME: | WOLFGANG | | PROVIDE-A 2004-1 | |
| Type of securitisation: | Synthetic | | Synthetic | |
| Originator: | HVB AG, London | | HVB AG | |
| Issuer: | Wolfgang | | Provide-A 2004-1 Plc | |
| Servicer: | HVB AG, London Branch | | HVB AG | |
| Arranger: | HVB AG | | HVB AG | |
| Goals: | Capital Relief | | Capital Relief | |
| Type of asset: | Securities | | Private Mortgage Loans | |
| Quality of asset: | performing | | performing | |
| Nominal Value of disposal portfolio: | €800,000,000 | | €3,500,000,012 | |
| Guarantees issued by the Bank: | - | | - | |
| Guarantees issued by Third Parties: | - | | KfW Bank | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | - | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | €720,000,000 | | €3,125,250,012 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | - | - | DE000A0AUQ00 | DE000A0AUQ18 |
| - Type of Security | Senior | Mezzanine | Senior | Senior |
| - Class | A | B | A+ | A |
| - Rating * | AAA | AA | Aaa/AAA/AAA | Aaa/AAA/AAA |
| - Quotation | - | - | Luxembourg | Luxembourg |
| - Issue Date | 31/12/2004 | 31/12/2004 | 29/12/2003 | 29/12/2003 |
| - Legal Maturity | 30/12/2040 | 30/12/2040 | 27/11/2045 | 27/11/2045 |
| - Call option | - | - | Time Call, Clean-up Call | |
| - Rate | - | - | 3m Euribor + 30 bp | 3m Euribor + 30 bp |
| - Subordinated Level | - | - | - | Sub A+ |
| - Issued Nominal Value | €65,538,563 | €6,636,771 | €250,000 | €175,000,000 |
| - Security Subscribers | retained by HVB | retained by HVB | Institutional investors | |
| - ISIN | - | - | DE000A0AUQ26 | DE000A0AUQ34 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | C | D | B | C |
| - Rating * | A | BBB | Aa2/AA/AA | A2/A/A |
| - Quotation | - | - | Luxembourg | Luxembourg |
| - Issue Date | 31/12/2004 | 31/12/2004 | 29/12/2003 | 29/12/2003 |
| - Legal Maturity | 30/12/2040 | 30/12/2040 | 27/11/2045 | 27/11/2045 |
| - Call option | - | - | Time Call, Clean-up Call | |

| NAME: | WOLFGANG | | PROVIDE-A 2004-1 | |
|------------------------|-------------------------|-----------------|--------------------------|--|
| - Rate | - | - | 3m Euribor + 58 bp | 3m Euribor + 80 bp |
| - Subordinated Level | - | - | Sub A+, A | Sub A+, A, B |
| - Issued Nominal Value | €2,885,945 | €1,206,936 | €91,000,000 | €33,250,000 |
| - Security Subscribers | retained by HVB | retained by HVB | Institutional investors | |
| - ISIN | - | - | DE000A0AUQ42 | DE000A0AUQ59 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | E1 | E2 | D | E |
| - Rating * | BB | BB | Baa2/BBB/BBB | Ba2/BB/BB |
| - Quotation | - | - | Luxembourg | Luxembourg |
| - Issue Date | 31/12/2004 | 31/12/2004 | 29/12/2003 | 29/12/2003 |
| - Legal Maturity | 30/12/2040 | 30/12/2040 | 27/11/2045 | 27/11/2045 |
| - Call option | Callable | - | Time Call, Clean-up Call | |
| - Rate | - | - | 3m Euribor + 180 bp | 3m Euribor + 450 bp |
| - Subordinated Level | - | - | Sub A+, A, B, C | Sub A+, A, B, C, D |
| - Issued Nominal Value | €2,000,000 | €1,000,000 | €26,250,000 | €24,500,000 |
| - Security Subscribers | Institutional investors | retained by HVB | Institutional investors | Inst. Inv. (10,0M) / retained by HVB (14,5M) |
| - ISIN | - | - | DE000A0AUQ67 | |
| - Type of Security | Junior | | Junior | |
| - Class | Equity | | F | |
| - Rating * | - | | n.r. | |
| - Quotation | - | | Luxembourg | |
| - Issue Date | 31/12/2004 | | 29/12/2003 | |
| - Legal Maturity | 30/12/2040 | | 27/11/2045 | |
| - Call option | - | | Time Call, Clean-up Call | |
| - Rate | - | | 3m Euribor + 950 bp | |
| - Subordinated Level | - | | Sub A+, A, B, C, D, E | |
| - Issued Nominal Value | €731,785 | | €24,500,000 | |
| - Security Subscribers | retained by HVB | | retained by HVB | |
| * Rating Agencies | S&P | | Moody's/Fitch/S&P | |

| ORIGINATOR HVB GROUP | | |
|--------------------------------------|------------------------------------|------------------------|
| NAME: | GELDILUX-TS-2003 S.A. | PROMISE XXS-2003-1 |
| Type of securitisation: | Traditional | Synthetic |
| Originator: | HVB LUX | HVB AG |
| Issuer: | Geldilux-TS-2003 S.A. (Luxembourg) | Promise XXS-2003-1 Plc |
| Servicer: | HVB AG / HVB LUX | HVB AG |
| Arranger: | HVB AG | HVB AG |
| Goals: | Capital Relief/Funding | Capital Relief |
| Type of asset: | Euro Loans | Corporate loans |
| Quality of asset: | performing | performing |
| Nominal Value of disposal portfolio: | €1,403,500,000 | €2,153,000,000 |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | GELDILUX-TS-2003 S.A. | | PROMISE XXS-2003-1 | |
|--|-------------------------|---------------------|--------------------------|---------------------|
| Guarantees issued by the Bank: | - | | - | |
| Guarantees issued by Third Parties: | - | | KfW Bank | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | replenishing | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | | €1,698,450,000 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE000A0AB404 | DE000A0AB412 | DE0008078809 | DE0008078817 |
| - Type of Security | Senior | Senior | Senior | Senior |
| - Class | A1 | A | A+ | A |
| - Rating * | Aaa/AAA | Aaa/AAA | Aaa/AAA | Aaa/AAA |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/12/2003 | 17/12/2003 | 03/11/2003 | 03/11/2003 |
| - Legal Maturity | 15/06/2009 | 15/06/2009 | 28/09/2015 | 28/09/2015 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3,45% | 3m Euribor + 22 bp | 3m Euribor + 38 bp | 3m Euribor + 38 bp |
| - Subordinated Level | - | Sub A1 | - | Sub A+ |
| - Issued Nominal Value | €3,500,000 | €1,332,100,000 | €250,000 | €107,650,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE000A0AB420 | DE000A0AB438 | DE0008078825 | DE0008078833 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | B | C | B | C |
| - Rating * | A2/A | Baa2/BBB | Aa1/AA | A1/A |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/12/2003 | 17/12/2003 | 03/11/2003 | 03/11/2003 |
| - Legal Maturity | 15/06/2009 | 15/06/2009 | 28/09/2015 | 28/09/2015 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 49 bp | 3m Euribor + 95 bp | 3m Euribor + 70 bp | 3m Euribor + 120 bp |
| - Subordinated Level | Sub A1, A | Sub A1, A, B | Sub A+, A | Sub A+, A, B |
| - Issued Nominal Value | €18,900,000 | €23,100,000 | €104,200,000 | €73,400,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE000A0AB446 | DE000A0AB453 | DE0008078841 | DE0008078858 |
| - Type of Security | Junior | Junior | Mezzanine | Mezzanine |
| - Class | D | E | D | E |
| - Rating * | Ba1/BB | n.r. | Baa2/BBB | Ba2/BB |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 17/12/2003 | 17/12/2003 | 03/11/2003 | 03/11/2003 |
| - Legal Maturity | 15/06/2009 | 15/06/2009 | 28/09/2015 | 28/09/2015 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 375 bp | 3m Euribor + 880 bp | 3m Euribor + 275 bp | 3m Euribor + 600 bp |

| NAME: | | GELDILUX-TS-2003 S.A. | | PROMISE XXS-2003-1 | |
|------------------------|-------------------------|-----------------------|--------------------------|--------------------------|--|
| - Subordinated Level | Sub A1, A, B, C | Sub A1, A, B, C, D | Sub A+, A, B, C | Sub A+, A, B, C, D | |
| - Issued Nominal Value | €7,000,000 | €18,900,000 | €46,100,000 | €36,600,000 | |
| - Security Subscribers | Institutional investors | | Institutional investors | | |
| - ISIN | | | DE0008078866 | DE0008078874 | |
| - Type of Security | | | Junior | Junior | |
| - Class | | | F | G | |
| - Rating * | | | B2/B | n.r. | |
| - Quotation | | | Luxembourg | Luxembourg | |
| - Issue Date | | | 03/11/2003 | 03/11/2003 | |
| - Legal Maturity | | | 28/09/2015 | 28/09/2015 | |
| - Call option | | | Time Call, Clean-up Call | - | |
| - Rate | | | 3m Euribor + 900 bp | 3m Euribor + 1360 bp | |
| - Subordinated Level | | | Sub A+, A, B, C, D, E | Sub A+, A, B, C, D, E, F | |
| - Issued Nominal Value | | | €12,050,000 | €74,300,000 | |
| - Security Subscribers | | | retained by HVB | | |
| * Rating Agencies | Moody's/Fitch | | Moody's/S&P | | |

| ORIGINATOR HVB GROUP | | |
|--|---|--------------------------|
| NAME: | PROVIDE-A 2003-1 | PROMISE COLOR-2003-1 |
| Type of securitisation: | Synthetic | Synthetic |
| Originator: | HVB AG | HVB AG |
| Issuer: | Provide-A 2003-1 Plc | Promise Color-2003-1 Plc |
| Servicer: | HVB AG | HVB AG |
| Arranger: | HVB AG | HVB AG |
| Goals: | Capital Relief | Capital Relief |
| Type of asset: | Private Mortgage Loans | Corporate Loans |
| Quality of asset: | performing | performing |
| Nominal Value of disposal portfolio: | €3,099,999,963 | €1,132,900,000 |
| Guarantees issued by the Bank: | €68,199,999 (Interest Subparticipation) | - |
| Guarantees issued by Third Parties: | KfW Bank | KfW Bank |
| Bank Lines of Credit: | - | - |
| Third-Party Lines of Credit: | - | - |
| Other Credit Enhancements: | - | - |
| Other relevant information: | - | - |
| Amount of C.D.S. or other Super Senior Risk transferred: | €2,644,049,964 | €894,450,000 |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | PROVIDE-A 2003-1 | | PROMISE COLOR-2003-1 | |
|-------------------------------------|--------------------------|--------------------|-------------------------|----------------------------|
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE0009106724 | DE0009106732 | DE0008439217 | DE0008439225 |
| - Type of Security | Senior | Senior | Senior | Senior |
| - Class | A+ | A | A1+ | A2+ |
| - Rating * | Aaa/AAA/AAA | Aaa/AAA/AAA | AAA/AAA | AAA/AAA |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 16/10/2003 | 16/10/2003 | 04/07/2003 | 04/07/2003 |
| - Legal Maturity | 28/07/2055 | 28/07/2055 | 28/02/2016 | 28/02/2016 |
| - Call option | Time Call, Clean-up Call | | Time Call | |
| - Rate | 3m Euribor +37 bp | 3m Euribor + 37 bp | 3m Euribor + 50bp | 3m Euribor + 50 bp |
| - Subordinated Level | - | Sub A+ | - | Sub A1+ |
| - Issued Nominal Value | €250,000 | €155,000,000 | €250,000 | €250,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0009106740 | DE0009106757 | DE0003939211 | DE0003939229 |
| - Type of Security | Mezzanine | Mezzanine | Senior | Mezzanine |
| - Class | B | C | A | B |
| - Rating * | Aa2/AA/AA | A2/A/A | AAA/AAA | A/A |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 16/10/2003 | 16/10/2003 | 04/07/2003 | 04/07/2003 |
| - Legal Maturity | 28/07/2055 | 28/07/2055 | 28/02/2016 | 28/02/2016 |
| - Call option | Time Call, Clean-up Call | | Time Call | |
| - Rate | 3m Euribor +68 bp | 3m Euribor +95 bp | 3m Euribor + 53 bp | 3m Euribor + 120 bp |
| - Subordinated Level | Sub A+, A | Sub A+, A, B | Sub A1+, A2+ | SubA1+, A2+, A |
| - Issued Nominal Value | €117,800,000 | €65,100,000 | €126,350,000 | €27,750,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0009106765 | - | DE0003939237 | DE0003939245 |
| - Type of Security | Mezzanine | Junior | Mezzanine | Mezzanine |
| - Class | D | E | C | D |
| - Rating * | Baa2/BBB/BBB | - | BBB/BBB | BB/BB |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 16/10/2003 | 16/10/2003 | 04/07/2003 | 04/07/2003 |
| - Legal Maturity | 28/07/2055 | 28/07/2055 | 28/02/2016 | 28/02/2016 |
| - Call option | Time Call, Clean-up Call | | Time Call | |
| - Rate | 3m Euribor +210 bp | - | 3m Euribor + 260 bp | 3m Euribor + 700 bp |
| - Subordinated Level | Sub A+, A, B, C | Sub A+, A, B, C, D | Sub A1+, A2+, A, B | Sub A1+, A2+, A, B, C |
| - Issued Nominal Value | €49,600,000 | €68,199,999 | €13,600,000 | €44,400,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | retained by HVB |
| - ISIN | | | DE0003939252 | DE0003939260 |
| - Type of Security | | | Junior | Junior |
| - Class | | | E | F |
| - Rating * | | | B/B | n.r. |
| - Quotation | | | Luxembourg | Luxembourg |
| - Issue Date | | | 04/07/2003 | 04/07/2003 |
| - Legal Maturity | | | 28/02/2016 | 28/02/2016 |
| - Call option | | | Time Call | |
| - Rate | | | 3m Euribor + 800 bp | 3m Euribor + 900 bp |
| - Subordinated Level | | | SubA1+, A2+, A, B, C, D | SubA1+, A2+, A, B, C, D, E |
| - Issued Nominal Value | | | €5,550,000 | €20,300,000 |
| - Security Subscribers | | | retained by HVB | |
| * Rating Agencies | Moody's/Fitch/S&P | | S&P/Fitch | |

ORIGINATOR HVB GROUP

| NAME: | LOMBARD SECURITIES NO.1 | | BUILDING COMFORT 2003-1 | |
|--|-----------------------------|----------------------|---|--------------------|
| Type of securitisation: | Traditional | | Synthetic | |
| Originator: | HVB AG, London Branch | | HVB AG | |
| Issuer: | Lombard Securities No.1 Plc | | HVB AG | |
| Servicer: | Hypo Real Estate | | HVB AG | |
| Arranger: | Hypo Real Estate | | HVB AG | |
| Goals: | Capital Relief / funding | | Capital Relief | |
| Type of asset: | Corporate loans | | Mortgage Loans | |
| Quality of asset: | performing | | performing | |
| Nominal Value of disposal portfolio: | £576,763,399 | | €4,835,632,301 | |
| Guarantees issued by the Bank: | - | | €25,001,095 (Interest Subparticipation) | |
| Guarantees issued by Third Parties: | - | | - | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | - | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | - | | €4,585,630,206 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | XS0168953775 | XS0168953858 | DE0002109758 | DE002109766 |
| - Type of Security | Senior | Senior | Senior | Senior |
| - Class | A1 | A2A | A+ | A |
| - Rating * | AAA/AAA/Aaa | AAA/AAA/Aaa | AAA/AAA | AAA/AAA |
| - Quotation | Dublin | Dublin | Luxembourg | Luxembourg |
| - Issue Date | 28/05/2003 | 28/05/2003 | 27/12/2002 | 27/12/2002 |
| - Legal Maturity | 31/12/2017 | 31/12/2017 | 23/07/2054 | 23/07/2054 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m STG Libor + 40 bp | 3m STG Libor + 46 bp | - | 3m Euribor + 39 bp |
| - Subordinated Level | - | Sub A1 | - | Sub A+ |
| - Issued Nominal Value | £150,000,000 | £217,165,000 | €1,000 | €115,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | XS0168953932 | XS0168954237 | DE0002109774 | DE002109782 |
| - Type of Security | Senior | Mezzanine | Mezzanine | Mezzanine |
| - Class | A2B | B | B | C |
| - Rating * | AAA/AAA/Aaa | AA/AA/--- | AA/AA | A/A |
| - Quotation | Dublin | Dublin | Luxembourg | Luxembourg |
| - Issue Date | 28/05/2003 | 28/05/2003 | 27/12/2002 | 27/12/2002 |
| - Legal Maturity | 31/12/2017 | 31/12/2017 | 23/07/2054 | 23/07/2054 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | LOMBARD SECURITIES NO.1 | | BUILDING COMFORT 2003-1 | |
|------------------------|-------------------------------------|----------------------------------|--------------------------|--------------------|
| - Rate | 3m Euribor + 44 bp | 3m STG Libor + 80 bp | 3m Euribor + 59 bp | 3m Euribor + 95 bp |
| - Subordinated Level | Sub A1, A2A | Sub A1, A2A, A2B | Sub A+, A | Sub A+, A, B |
| - Issued Nominal Value | €100,000,000 | £31,725,000 | €60,000,000 | €35,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | XS0168954310 | XS0168954401 | DE002109790 | - |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Junior (CDS) |
| - Class | C | D | D | E |
| - Rating * | A/A/--- | BBB/BBB/--- | BBB/BBB | - |
| - Quotation | Dublin | Dublin | Luxembourg | - |
| - Issue Date | 28/05/2003 | 28/05/2003 | 27/12/2002 | 27/12/2002 |
| - Legal Maturity | 31/12/2017 | 31/12/2017 | 23/07/2054 | 23/07/2054 |
| - Call option | Clean-up Call | | Time Call, Clean-up Call | |
| - Rate | 3m STG Libor + 120 bp | 3m STG Libor + 150 bp | 3m Euribor + 205 bp | - |
| - Subordinated Level | Sub A1, A2A, A2B, B | Sub A1, A2A, A2B, B, C | Sub A+, A, B, C | Sub A+, A, B, C, D |
| - Issued Nominal Value | £31,725,000 | £43,255,000 | €15,000,000 | €25,001,095 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | XS0168954583 | XS0168954740 | | |
| - Type of Security | Mezzanine | Junior | | |
| - Class | E | F | | |
| - Rating * | BB/BB/--- | BB-/---/--- | | |
| - Quotation | Dublin | Dublin | | |
| - Issue Date | 28/05/2003 | 28/05/2003 | | |
| - Legal Maturity | 31/12/2017 | 31/12/2017 | | |
| - Call option | Clean-up Call | | | |
| - Rate | 3m STG Libor + 225 bp | 3m STG Libor + 265 bp | | |
| - Subordinated Level | Sub A-1, A-2a, A-2b1, B, C, D | Sub A-1, A-2a, A-2b1, B, C, D, E | | |
| - Issued Nominal Value | £20,155,000 | £5,985,000 | | |
| - Security Subscribers | Institutional investors | | | |
| - ISIN | - | | | |
| - Type of Security | Junior | | | |
| - Class | G | | | |
| - Rating * | n.r. | | | |
| - Quotation | - | | | |
| - Issue Date | 28/05/2003 | | | |
| - Legal Maturity | 31/12/2017 | | | |
| - Call option | Clean-up Call | | | |
| - Rate | - | | | |
| - Subordinated Level | Sub A-1, A-2a, A-2b1, B, C, D, E, F | | | |
| - Issued Nominal Value | £5,578,399 | | | |
| - Security Subscribers | Inst. Investors | | | |
| * Rating Agencies | S&P/Fitch/Moody's | | S&P/Fitch | |

ORIGINATOR HVB GROUP

| NAME: | PROMISE AUSTRIA-2002 | | BUILDING COMFORT 2002-1 | |
|--|------------------------------------|---------------------|---|--------------------|
| Type of securitisation: | Synthetic | | Synthetic | |
| Originator: | Bank Austria Credit Anstalt | | HVB AG | |
| Issuer: | Promise Austria-2002 plc (Ireland) | | HVB AG | |
| Servicer: | HVB AG | | HVB AG | |
| Arranger: | HVB AG | | HVB AG | |
| Goals: | Capital Relief | | Capital Relief | |
| Type of asset: | Corporate Loans | | Private Mortgage Loans | |
| Quality of asset: | performing | | performing | |
| Nominal Value of disposal portfolio: | €1,007,450,000 | | €5,000,151,970 | |
| Guarantees issued by the Bank: | - | | €25,050,000 (Interest Subparticipation) | |
| Guarantees issued by Third Parties: | KfW Bank | | - | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | replenishment option | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | €802,650,000 | | €4,749,851,970 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE0003938502 | DE0003938510 | DE0002109709 | DE002109717 |
| - Type of Security | Senior | Senior | Senior | Senior |
| - Class | A+ | A | A+ | A |
| - Rating * | Aaa/AAA | Aaa/AAA | AAA/AAA | AAA/AAA |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 27/12/2002 | 27/12/2002 | 02/12/2002 | 02/12/2002 |
| - Legal Maturity | 28/02/2013 | 28/02/2013 | 31/10/2054 | 31/10/2054 |
| - Call option | Time Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 38 bp | 3m Euribor + 38 bp | 3m Euribor + 33 bp | 3m Euribor + 33 bp |
| - Subordinated Level | - | Sub A+ | - | Sub A+ |
| - Issued Nominal Value | €250,000 | €90,700,000 | €250,000 | €120,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0000003938528 | DE0003938536 | DE002109725 | DE002109733 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | B | C | B | C |
| - Rating * | A2/A | Baa2/BBB | AA/AA | A/A |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 27/12/2002 | 27/12/2002 | 02/12/2002 | 02/12/2002 |
| - Legal Maturity | 28/02/2013 | 28/02/2013 | 31/10/2054 | 31/10/2054 |
| - Call option | Time Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 85 bp | 3m Euribor + 175 bp | 3m Euribor + 50 bp | 3m Euribor + 80 bp |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | PROMISE AUSTRIA-2002 | | BUILDING COMFORT 2002-1 | |
|------------------------|--|--------------------|--------------------------|--------------------|
| - Subordinated Level | Sub A+, A | Sub A+, A, B | Sub A+, A | Sub A+, A, B |
| - Issued Nominal Value | €43,300,000 | €4,050,000 | €55,000,000 | €35,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0003938544 | DE0003938551 | DE002109741 | - |
| - Type of Security | Mezzanine | Junior | Mezzanine | Junior |
| - Class | D | E | D | E |
| - Rating * | Ba2/BB | B2/B | BBB/BBB | privately rated |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | - |
| - Issue Date | 27/12/2002 | 27/12/2002 | 02/12/2002 | 02/12/2002 |
| - Legal Maturity | 28/02/2013 | 28/02/2013 | 31/10/2054 | 31/10/2054 |
| - Call option | Time Call | | Time Call, Clean-up Call | |
| - Rate | 3m Euribor + 500 bp | 3m Euribor + 36 bp | 3m Euribor + 170 bp | - |
| - Subordinated Level | Sub A+, A, B, C | Sub A+, A, B, C, D | Sub A+, A, B, C | Sub A+, A, B, C, D |
| - Issued Nominal Value | €23,650,000 | €3,550,000 | €15,000,000 | €25,050,000 |
| - Security Subscribers | Inst. Investors (5,0M) / HVB (18,65M) | retained by BA-CA | Institutional investors | |
| - ISIN | DE0003938569 | | | |
| - Type of Security | Junior | | | |
| - Class | F | | | |
| - Rating * | n.r. | | | |
| - Quotation | Luxembourg | | | |
| - Issue Date | 27/12/2002 | | | |
| - Legal Maturity | 28/02/2013 | | | |
| - Call option | Time Call | | | |
| - Rate | 3m Euribor + 36 bp | | | |
| - Subordinated Level | Sub A+, A, B, C, D, E | | | |
| - Issued Nominal Value | €39,300,000 | | | |
| - Security Subscribers | retained by BA-CA | | | |
| * Rating Agencies | Moody's/Fitch | | S&P/Fitch | |

| ORIGINATOR HVB GROUP | | |
|--------------------------------------|--------------------------------|--------------------------------|
| NAME: | PROMISE-A-2002-1 | PROVIDE-A 2001-1 |
| Type of securitisation: | Synthetic | Synthetic |
| Originator: | HVB AG | HVB AG |
| Issuer: | Promise-A-2002-1 plc (Ireland) | Provide-A 2001-1 plc (Ireland) |
| Servicer: | HVB AG | HVB AG |
| Arranger: | HVB AG | HVB AG |
| Goals: | Capital Relief | Capital Relief |
| Type of asset: | Corporate Loans | Private Mortgage Loans |
| Quality of asset: | performing | performing |
| Nominal Value of disposal portfolio: | €1,618,100,000 | €999,841,593 |
| Guarantees issued by the Bank: | - | - |
| Guarantees issued by Third Parties: | KfW Bank | KfW Bank |

| NAME: | PROMISE-A-2002-1 | | PROVIDE-A 2001-1 | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | - | | - | |
| Amount of C.D.S. or other Super Senior Risk transferred: | €1,440,000,000 | | €854,591,593 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE0008523119 | DE0008523143 | DE0007489940 | DE0007489957 |
| - Type of Security | Senior | Senior | Senior | Senior |
| - Class | A+ | A | A+ | A |
| - Rating * | Aaa/AAA | Aaa/AAA | Aaa/AAA | Aaa/AAA |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 28/03/2002 | 28/03/2002 | 29/10/2001 | 29/10/2001 |
| - Legal Maturity | 28/07/2012 | 28/07/2012 | 27/12/2039 | 27/12/2039 |
| - Call option | Time Call | | Time Call | |
| - Rate | 3m Euribor + 30 bp | 3m Euribor + 30 bp | 3m Euribor + 27 bp | 3m Euribor + 27 bp |
| - Subordinated Level | - | Sub A+ | - | Sub A+ |
| - Issued Nominal Value | €250,000 | €64,700,000 | €250,000 | €45,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0008523150 | DE0008523184 | DE0007489965 | DE0007489973 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Mezzanine |
| - Class | B | C | B | C |
| - Rating * | Aa1/AA | Aa3/A | A2/A | Baa2/BBB |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 28/03/2002 | 28/03/2002 | 29/10/2001 | 29/10/2001 |
| - Legal Maturity | 28/07/2012 | 28/07/2012 | 27/12/2039 | 27/12/2039 |
| - Call option | Time Call | | Time Call | |
| - Rate | 3m Euribor + 46 bp | 3m Euribor + 65 bp | 3m Euribor + 65 bp | 3m Euribor + 160 bp |
| - Subordinated Level | Sub A+, A | Sub A+, A, B | Sub A+, A | Sub A+, A, B |
| - Issued Nominal Value | €11,000,000 | €8,750,000 | €60,000,000 | €20,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | |
| - ISIN | DE0008523192 | DE0008523218 | DE0007489981 | DE0007489999 |
| - Type of Security | Mezzanine | Mezzanine | Mezzanine | Junior |
| - Class | D | E | D | E |
| - Rating * | A2/BBB | Ba2/BB | Ba2/BB | n.r. |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | Luxembourg |
| - Issue Date | 28/03/2002 | 28/03/2002 | 29/10/2001 | 29/10/2001 |
| - Legal Maturity | 28/07/2012 | 28/07/2012 | 27/12/2039 | 27/12/2039 |
| - Call option | Time Call | | Time Call | |
| - Rate | 3m Euribor + 142 bp | 3m Euribor + 425 bp | 3m Euribor + 180 bp | 3m Euribor + 250 bp |
| - Subordinated Level | Sub A+, A, B, C | Sub A+, A, B, C, D | Sub A+, A, B, C | Sub A+, A, B, C, D |
| - Issued Nominal Value | €18,450,000 | €35,600,000 | €10,000,000 | €10,000,000 |
| - Security Subscribers | Institutional investors | | retained by HVB | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| NAME: | PROMISE-A-2002-1 | | PROVIDE-A 2001-1 | |
|------------------------|-----------------------|--------------------------|------------------|--|
| - ISIN | DE0008583234 | DE0008523275 | | |
| - Type of Security | Junior | Junior | | |
| - Class | F | G | | |
| - Rating * | B3/B | n.r. | | |
| - Quotation | Luxembourg | Luxembourg | | |
| - Issue Date | 28/03/2002 | 28/03/2002 | | |
| - Legal Maturity | 28/07/2012 | 28/07/2012 | | |
| - Call option | Time Call | | | |
| - Rate | 3m Euribor + 500 bp | 3m Euribor + 600 bp | | |
| - Subordinated Level | Sub A+, A, B, C, D, E | Sub A+, A, B, C, D, E, F | | |
| - Issued Nominal Value | €11,800,000 | €27,550,000 | | |
| - Security Subscribers | retained by HVB | | | |
| * Rating Agencies | Moody's/Fitch | | Moody's/Fitch | |

| ORIGINATOR HVB GROUP | | | | |
|--|--------------------------------|---------------|---|--------------------------|
| NAME: | PROMISE-A-2000-1 | | AMADEUS | |
| Type of securitisation: | Synthetic | | Synthetic | |
| Originator: | HVB AG | | HVB AG, London (ex Creditanstalt London) | |
| Issuer: | Promise-A 2000-1 plc (Ireland) | | Amadeus Funding 1 Ltd | |
| Servicer: | HVB AG | | HVB AG | |
| Arranger: | HVB AG | | Citibank | |
| Goals: | Capital Relief | | Capital Relief / mitigation credit risk / funding (partial) | |
| Type of asset: | Corporate Loans | | Securities | |
| Quality of asset: | performing | | performing | |
| Nominal Value of disposal portfolio: | €1,000,000,000 | | USD 1,200,000,000.00 | |
| Guarantees issued by the Bank: | - | | - | |
| Guarantees issued by Third Parties: | KfW Bank | | - | |
| Bank Lines of Credit: | - | | - | |
| Third-Party Lines of Credit: | - | | - | |
| Other Credit Enhancements: | - | | - | |
| Other relevant information: | replenishment option | | Renegotiated Dec. 2003 (first step-up date) | |
| Amount of C.D.S. or other Super Senior Risk transferred: | €853,000,000 | | USD 1,028,000,000 | |
| Amount and Conditions of tranching: | | | | |
| - ISIN | DE0006006513 | DE00060006521 | XS0090349357 | - |
| - Type of Security | Senior | Mezzanine | Mezzanine | Mezzanine |
| - Class | A | B | A | Retained additional risk |
| - Rating * | Aaa/AAA | Aa2/AA | Aa2 | - |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | - |

| NAME: | PROMISE-A-2000-1 | | AMADEUS | |
|------------------------|-------------------------|---------------------|----------------------------|-----------------|
| - Issue Date | 22/12/2000 | 22/12/2000 | 21/12/1998 | 23/12/2003 |
| - Legal Maturity | 28/02/2011 | 28/02/2011 | 01/07/2038 | 01/07/2038 |
| - Call option | Time Call | | Callable by the issuer | - |
| - Rate | 3m Euribor + 32bp | 3m Euribor + 50 bp | 3m USD Libor + 312,5 bp | - |
| - Subordinated Level | - | Sub A | - | Sub. A |
| - Issued Nominal Value | €40,000,000 | €24,000,000 | USD 48,000,000 | USD 100,000,000 |
| - Security Subscribers | Institutional investors | | Institutional investors | retained by HVB |
| - ISIN | DE0006006539 | DE0006006547 | XS0090349431 | |
| - Type of Security | Mezzanine | Mezzanine | Junior | |
| - Class | C | D | B | |
| - Rating * | A2/A | Baa2/BBB | B2 | |
| - Quotation | Luxembourg | Luxembourg | Luxembourg | |
| - Issue Date | 22/12/2000 | 22/12/2000 | 21/12/1998 | |
| - Legal Maturity | 28/02/2011 | 28/02/2011 | 01/07/2038 | |
| - Call option | Time Call | | Callable at issuers option | |
| - Rate | 3m Euribor + 70 bp | 3m Euribor + 145 bp | 3m USD Libor + 650 bp | |
| - Subordinated Level | Sub A, B | Sub A, B, C | Sub. A, Additional Risk | |
| - Issued Nominal Value | €16,000,000 | €15,000,000 | USD 24,000,000 | |
| - Security Subscribers | Institutional investors | | retained by HVB | |
| - ISIN | DE0006006554 | DE0006006562 | | |
| - Type of Security | Mezzanine | Junior | | |
| - Class | E | F | | |
| - Rating * | Ba2/BB | n.r./B- | | |
| - Quotation | Luxembourg | Luxembourg | | |
| - Issue Date | 22/12/2000 | 22/12/2000 | | |
| - Legal Maturity | 28/02/2011 | 28/02/2011 | | |
| - Call option | Time Call | | | |
| - Rate | 3m Euribor + 370 bp | 3m Euribor + 700 bp | | |
| - Subordinated Level | Sub A, B, C, D | Sub A, B, C, D, E | | |
| - Issued Nominal Value | €11,000,000 | €15,000,000 | | |
| - Security Subscribers | Inst. Investors | retained by HVB | | |
| - ISIN | DE0006006570 | | | |
| - Type of Security | Junior | | | |
| - Class | G | | | |
| - Rating * | n.r. | | | |
| - Quotation | Luxembourg | | | |
| - Issue Date | 22/12/2000 | | | |
| - Legal Maturity | 28/02/2011 | | | |
| - Call option | Time Call | | | |
| - Rate | 3m Euribor + 1000 bp | | | |
| - Subordinated Level | Sub A, B, C, D, E, F | | | |
| - Issued Nominal Value | €26,000,000 | | | |
| - Security Subscribers | retained by HVB | | | |
| * Rating Agencies | Moody's/Fitch | | Moody's | |

Quantitative information

| C.1.1. - EXPOSURE RESULTING FROM SECURITISATION TRANSACTIONS BROKEN DOWN BY QUALITY OF UNDERLYING ASSETS | | | | | | | | |
|---|------------------------|------------------|----------------|----------------|----------------|----------------|------------------|--------------|
| QUALITY OF UNDERLYING ASSETS/EXPOSURES | BALANCE-SHEET EXPOSURE | | | | | | GUARANTEES GIVEN | |
| | SENIOR | | MEZZANINE | | JUNIOR | | SENIOR | |
| | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE |
| A. With own underlying assets: | 593,650 | 587,653 | 350,462 | 343,166 | 561,768 | 528,975 | - | - |
| a) Impaired | - | - | 13,283 | 13,087 | 34,528 | 34,528 | - | - |
| b) Other | 593,650 | 587,653 | 337,179 | 330,079 | 527,240 | 494,447 | - | - |
| B. With third-party underlying assets: | 2,918,995 | 2,926,016 | 32,595 | 32,625 | 30,006 | 29,885 | - | - |
| a) Impaired | 824,322 | 823,329 | - | - | 9,213 | 9,213 | - | - |
| b) Other | 2,094,673 | 2,102,687 | 32,595 | 32,625 | 20,793 | 20,672 | - | - |

(C.1.1. - Exposure resulting from securitisation transactions broken down by quality of underlying assets continued)

| QUALITY OF UNDERLYING ASSETS/EXPOSURES | GUARANTEES GIVEN | | | | CREDIT FACILITIES | | | | | |
|---|------------------|--------------|----------------|----------------|-------------------|--------------|----------------|--------------|----------------|--------------|
| | MEZZANINE | | JUNIOR | | SENIOR | | MEZZANINE | | JUNIOR | |
| | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE | GROSS EXPOSURE | NET EXPOSURE |
| A. With own underlying assets: | - | - | 118,983 | 117,627 | - | - | 4,100 | 4,100 | - | - |
| a) Impaired | - | - | - | - | - | - | 4,100 | 4,100 | - | - |
| b) Other | - | - | 118,983 | 117,627 | - | - | - | - | - | - |
| B. With third-party underlying assets: | - | - | - | - | - | - | - | - | - | - |
| a) Impaired | - | - | - | - | - | - | - | - | - | - |
| b) Other | - | - | - | - | - | - | - | - | - | - |

C.1.2 - EXPOSURE RESULTING FROM THE PRINCIPAL "IN HOUSE" SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF SECURITISED ASSET AND BY TYPE OF EXPOSURES *

| TYPE OF SECURITISED ASSET/EXPOSURE | BALANCE-SHEET EXPOSURE | | | | | |
|--|------------------------|--------------------------|----------------|--------------------------|----------------|--------------------------|
| | SENIOR | | MEZZANINE | | JUNIOR | |
| | CARRYING VALUE | WRITE-DOWNS/ WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/ WRITE-BACKS | CARRYING VALUE | WRITE-DOWNS/ WRITE-BACKS |
| A. Totally derecognised | - | - | - | - | - | - |
| B. Partially derecognised | - | - | - | - | - | - |
| C. Non-derecognised | 501,503 | 962 | 50,833 | -103 | 152,768 | -133 |
| C.1 Locat Securitisation Vehicle 2 <i>Car leasing/Capital Goods/Real Estate</i> | 64,535 | -732 | 759 | 10 | 37,411 | - |
| C.2 Locat Securitisation Vehicle 3 <i>Car leasing/Capital Goods/Real Estate</i> | 35,301 | -2 | - | - | 13,714 | - |
| C.3 Cordusio RMBS <i>Mortgage Loans</i> | 173,355 | 1,644 | 5,482 | -124 | 11,143 | -133 |
| C.4 Building Comfort 2002-1 <i>Residential Mortgage Loans</i> | 150 | - | - | - | - | - |
| C.5 Building Comfort 2003-1 <i>Residential Mortgage Loans</i> | 503 | - | 103 | 3 | - | - |
| C.6 Provide-A 2003-1 <i>Residential Mortgage Loans</i> | 1,965 | -1 | 2,375 | 8 | - | - |
| C.7 Provide-A 2004-1 <i>Residential Mortgage Loans</i> | 4,010 | - | 15,810 | - | 24,500 | - |
| C.8 Provide-A 2005-1 <i>Residential Mortgage Loans</i> | - | - | 22,500 | - | - | - |
| C.9 Geldilux-TS-2005 <i>Private Loans</i> | 221,684 | 53 | 3,804 | - | 66,000 | - |

* Breakdown of all transactions with underlying assets over €2 billion.

C.1.2 - EXPOSURE RESULTING FROM THE PRINCIPAL "IN HOUSE" SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF SECURITISED ASSET AND BY TYPE OF EXPOSURES *

| TYPE OF SECURITISED ASSET/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. Totally derecognised | - | - | - | - | - | - |
| B. Partially derecognised | - | - | - | - | - | - |
| C. Non-derecognised | - | - | - | - | 116,896 | - 1,184 |
| C.1 Locat Securitisation Vehicle 2 | - | - | - | - | - | - |
| <i>Car leasing/Capital Goods/Real Estate</i> | - | - | - | - | - | - |
| C.2 Locat Securitisation Vehicle 3 | - | - | - | - | - | - |
| <i>Car leasing/Capital Goods/Real Estate</i> | - | - | - | - | - | - |
| C.3 Cordusio RMBS | - | - | - | - | - | - |
| <i>Mortgage Loans</i> | - | - | - | - | - | - |
| C.4 Building Comfort 2002-1 | - | - | - | - | 24,342 | - 603 |
| <i>Residential Mortgage Loans</i> | - | - | - | - | 24,496 | -476 |
| C.5 Building Comfort 2003-1 | - | - | - | - | 68,058 | - 105 |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.6 Provide-A 2003-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.7 Provide-A 2004-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.8 Provide-A 2005-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.9 Geldilux-TS-2005 | - | - | - | - | - | - |
| <i>Private Loans</i> | - | - | - | - | - | - |

* Breakdown of all transactions with underlying assets over €2 billion.

C.1.2 - EXPOSURE RESULTING FROM THE PRINCIPAL "IN HOUSE" SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF SECURITISED ASSET AND BY TYPE OF EXPOSURES *

| TYPE OF SECURITISED ASSET/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. Totally derecognised | - | - | - | - | - | - |
| B. Partially derecognised | - | - | - | - | - | - |
| C. Non-derecognised | - | - | - | - | - | - |
| C.1 Locat Securitisation Vehicle 2 | - | - | - | - | - | - |
| <i>Car leasing/Capital Goods/Real Estate</i> | - | - | - | - | - | - |
| C.2 Locat Securitisation Vehicle 3 | - | - | - | - | - | - |
| <i>Car leasing/Capital Goods/Real Estate</i> | - | - | - | - | - | - |
| C.3 Cordusio RMBS | - | - | - | - | - | - |
| <i>Mortgage Loans</i> | - | - | - | - | - | - |
| C.4 Building Comfort 2002-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.5 Building Comfort 2003-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.6 Provide-A 2003-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.7 Provide-A 2004-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.8 Provide-A 2005-1 | - | - | - | - | - | - |
| <i>Residential Mortgage Loans</i> | - | - | - | - | - | - |
| C.9 Geldilux-TS-2005 | - | - | - | - | - | - |
| <i>Private Loans</i> | - | - | - | - | - | - |

* Breakdown of all transactions with underlying assets over €2 billion.

C.1.3 - EXPOSURE RESULTING FROM THE MAIN THIRD-PARTY SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF

| TYPE OF UNDERLYING ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE | | | | | |
|---|------------------------|----------------------------|----------------|----------------------------|----------------|----------------------------|
| | SENIOR | | MEZZANINE | | JUNIOR | |
| | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS |
| A.1 Various SCCI series Public Agency Loans (INPS) (\$) | 823,329 | -993 | - | - | - | - |
| A.2 Various SCIC series Public Agency Loans (INPDAP) (\$) | 305,456 | 307 | - | - | - | - |
| A.3 Various SCIP series Public Agency Loans (Real Estate) (\$) | 275,037 | -326 | 21,347 | 6 | 6,061 | -30 |
| A.4 CGP 03-22 TV (IT0003469019) Cassa DDPP Loans | 216,161 | 6,296 | - | - | - | - |
| A.5 Augusto/Diocleziano/Colombo (ex-Fonspa) Public works and Mortgage Loans (\$) | 154,653 | - | - | - | 3,406 | - |
| A.6 Siena Mortgage Residential Mortgage Loans (\$) | 74,855 | 53 | - | - | - | - |
| A.7 Nesea Fin. Short term loans guaranteed by Creditfarma (\$) | 63,303 | - | 5,102 | - | - | - |
| A.8 Santander Leasing Car Loans (\$) | 61,738 | -18 | - | - | - | - |
| A.9 Sagres Portuguese Public Agencies Loans (\$) | 55,937 | 113 | - | - | - | - |
| A.10 Harbourmaster Secured Loans (\$) | 35,830 | -5 | 5,018 | 18 | 11,205 | -91 |
| * Closing statement of securities over €50 million. (\$) details below. | | | | | | |
| Breakdown: | | | | | | |
| A.1 SCCI | | | | | | |
| IT0003749352 - SCCI series 5 (A) | 120,121 | | - | | - | |
| IT0003341770 - SCCI series 6 (A) | 168,763 | | - | | - | |
| IT0003505440 - SCCI series 7 | 243,583 | | - | | - | |
| IT0003953350 - SCCI series 7 | 44,997 | | - | | - | |
| IT0003749360 - SCCI series 8 | 150,861 | | - | | - | |
| IT0003953376 - SCCI series 9 | 45,000 | | - | | - | |
| IT0003953384 - SCCI series 10 | 50,004 | | - | | - | |
| | 823,329 | | - | | - | |

(C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure * continued)

| TYPE OF UNDERLYING ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE | | | | | |
|---|------------------------|----------------------------|----------------|----------------------------|----------------|----------------------------|
| | SENIOR | | MEZZANINE | | JUNIOR | |
| | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS |
| Breakdown: | | | | | | |
| A.2 SCIC | | | | | | |
| IT0003566665 - SCIC (A2) | 69,114 | | - | | - | |
| IT0003566681 - SCIC (A3) | 40,249 | | - | | - | |
| IT0003566699 - SCIC (A4) | 46,945 | | - | | - | |
| IT0003731426 - SCIC 04-23 TV | 146,150 | | - | | - | |
| IT0003731418 - SCIC 2 A1 | 2,998 | | - | | - | |
| | 305,456 | | - | | - | |
| A.3 SCIP | | | | | | |
| IT0003402929 - SCIP 2 (A3) | 121,688 | | - | | - | |
| IT0003837058 - SCIP 2 (A4) | 68,490 | | - | | - | |
| IT0003837074 - SCIP 2 (A5) | 84,859 | | - | | - | |
| IT0003402937 - SCIP 2 B | - | | 21,347 | | 6,061 | |
| IT0003402945 - SCIP 2 C | - | | - | | - | |
| | 275,037 | | 21,347 | | 6,061 | |
| A.5 Ex-Fonspa securitisations | | | | | | |
| IT0003224232 - AUGUSTO Cl. A2 - 1 st issue | 30,215 | | - | | - | |
| IT0003224273 - AUGUSTO Cl. A1 - 2 nd issue | 12,540 | | - | | - | |
| IT0003224083 - DIOCLEZIANO Cl. A2 | 111,898 | | - | | - | |
| (subordinated deposit) - COLOMBO | - | | - | | 3,406 | |
| | 154,653 | | - | | 3,406 | |
| A.6 Siena Mortgage | | | | | | |
| XS0137928106 - SIENA MORTGAGE Cl. A2 | 367 | | - | | - | |
| IT0003386270 - SIENA MORTGAGE Cl. A2 | 56,508 | | - | | - | |
| IT0003388958 - SIENA MORTGAGE Cl. A2 | 17,980 | | - | | - | |
| | 74,855 | | - | | - | |
| A.7 Nesea Fin. | | | | | | |
| IT0003829121 - NESAEA FIN. 19 A | 63,303 | | - | | - | |
| IT0003829170 - NESAEA FIN. 19 B | - | | 5,102 | | - | |

(C.1.3 - Exposure resulting from the main third-party securitisation transactions broken down by type of securitised asset and by type of exposure continued)

| TYPE OF UNDERLYING ASSETS/EXPOSURE | BALANCE-SHEET EXPOSURE | | | | | |
|---|------------------------|----------------------------|----------------|----------------------------|----------------|----------------------------|
| | SENIOR | | MEZZANINE | | JUNIOR | |
| | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS | CARRYING VALUE | WRITEDOWNS/ WRITE-BACKS |
| Breakdown: | | | | | | |
| A.8 Santander | | | | | | |
| ES 0338300009 - CONSUMO SANTANDER Cl. A | 47,888 | | - | | - | |
| ES 0309363002- SANTANDER Cl. A1 | 13,850 | | - | | - | |
| | 61,738 | | - | | - | |
| A.9 Sagres | | | | | | |
| XS0190179746 - SAGRES Cl. A1 | 19,444 | | - | | - | |
| XS0190180678 - SAGRES Cl. A2 | 36,493 | | - | | - | |
| | 55,937 | | - | | - | |
| A.10 Harbourmaster | | | | | | |
| XS0126520203 - HARBOURMASTER 1 A | 20,330 | | - | | - | |
| XS0138853972 - HARBOURMASTER 2 A1 | 15,500 | | - | | - | |
| XS0138865125 - HARBOURMASTER 2 B1 | | | 5,018 | | - | |
| XS0138876320 - HARBOURMASTER 2 M1 | - | | - | | 5,400 | |
| XS0126522084 - HARBOURMASTER M2 | | | | | 5,805 | |
| | 35,830 | | 5,018 | | 11,205 | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| | GUARANTEES GIVEN | | | | | | CREDIT FACILITIES | | | | | |
|---|------------------|----------------------------|--------------|----------------------------|--------------|----------------------------|-------------------|----------------------------|--------------|----------------------------|--------------|----------------------------|
| | SENIOR | | MEZZANINE | | JUNIOR | | SENIOR | | MEZZANINE | | JUNIOR | |
| | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS | NET EXPOSURE | WRITEDOWNS/ WRITE-BACKS |
| | | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |

C.1.4 - EXPOSURE RESULTING FROM SECURITISATION TRANSACTIONS BROKEN DOWN BY PORTFOLIO AND TYPE

| EXPOSURE/PORTFOLIO | TRADING | DESIGNATED AT FAIR VALUE | AVAILABLE-FOR-SALE | HELD-TO-MATURITY | LOANS | TOTAL (T) |
|---------------------------------------|------------------|--------------------------|--------------------|------------------|----------------|------------------|
| 1. Balance-sheet exposures | 2,815,525 | - | 82,871 | - | 230,385 | 3,128,781 |
| - Senior | 2,771,439 | - | 20,238 | - | 154,653 | 2,946,330 |
| - Mezzanine | 32,625 | - | 13,087 | - | - | 45,712 |
| - Junior | 11,461 | - | 49,546 | - | 75,732 | 136,739 |
| 2. Off-balance-sheet exposures | - | - | - | - | - | - |
| - Senior | - | - | - | - | - | - |
| - Mezzanine | - | - | - | - | - | - |
| - Junior | - | - | - | - | - | - |

C.1.5 - SECURITISED ASSETS UNDERLYING JUNIOR SECURITIES OR OTHER FORMS OF CREDIT SUPPORT

| ASSETS/SECURITIES | TRADITIONAL | SYNTHETIC |
|--|-------------------|-------------------|
| A. Own underlying assets: | 16,064,529 | 16,121,871 |
| A.1 Totally derecognised | 1,116,198 | - |
| 1. Non-performing loans | 68,534 | X |
| 2. Doubtful loans | 1,798 | X |
| 3. Restructured exposures | - | X |
| 4. Past-due exposures | - | X |
| 5. Other assets | 1,045,866 | X |
| A.2 Partially derecognised | - | - |
| 1. Non-performing loans | - | X |
| 2. Doubtful loans | - | X |
| 3. Restructured exposures | - | X |
| 4. Past-due exposures | - | X |
| 5. Other assets | - | X |
| A.3 Non-derecognised | 14,948,331 | 16,121,871 |
| 1. Non-performing loans | 6,049 | - |
| 2. Doubtful loans | 1,056 | - |
| 3. Restructured exposures | - | - |
| 4. Past-due exposures | 826 | - |
| 5. Other assets | 14,940,400 | 16,121,871 |
| B. Third party underlying assets: | 280,337 | - |
| 1. Non-performing loans | 9,329 | - |
| 2. Doubtful loans | - | - |
| 3. Restructured exposures | - | - |
| 4. Past-due exposures | - | - |
| 5. Other assets | 271,008 | - |

C.1.6 - STAKES IN SPECIAL PURPOSE VEHICLES

| NAME | HEADQUARTERS | STAKE % |
|------------------------|----------------------------|---------|
| Quercia Funding S.r.L. | Verona - Via Garibaldi,1 | 65% |
| Breakeven S.r.L. | Verona - Piazzetta Monte,1 | 100% |

C.1.7 - SERVICER ACTIVITIES - COLLECTIONS OF SECURITISED LOANS AND REDEMPTIONS OF SECURITIES ISSUED BY THE SPECIAL PURPOSE VEHICLE

| SERVICER | SPECIAL PURPOSE VEHICLE | SECURITISED ASSETS (YEAR END FIGURE) | | LOANS COLLECTED DURING THE YEAR | | PERCENTAGE OF SECURITIES REDEEMED (YEAR END FIGURE) | | | | | |
|------------------------|---------------------------------------|--------------------------------------|------------|---------------------------------|----------------|---|-------------------|-----------------|-------------------|-----------------|-------------------|
| | | IMPAIRED | PERFORMING | IMPAIRED | PERFORMING | SENIOR | | MEZZANINE | | JUNIOR | |
| | | | | | | IMPAIRED ASSETS | PERFORMING ASSETS | IMPAIRED ASSETS | PERFORMING ASSETS | IMPAIRED ASSETS | PERFORMING ASSETS |
| Locat S.p.A. | Locat Absolute Funding S.r.L. | 3,368 | 216,082 | 3,564 | 200,724 | - | 64.66% (a) | - | - | - | - |
| Locat S.p.A. | Locat Securitisation Vehicle S.r.L. | 4,893 | 829,784 | 3,110 | 323,951 | - | 47.30% (b) | - | 2.60% (c) | - | - |
| Locat S.p.A. | Locat Securitisation Vehicle 2 S.r.L. | 4,501 | 2,487,500 | 1,938 | 845,302 | - | - | - | - | - | - |
| Locat S.p.A. | Locat Securitisation Vehicle 3 S.r.L. | 181 | 1,959,451 | 43 | 119,321 | - | - | - | - | - | - |
| UniCredit Banca S.p.A. | Cordusio RMBS S.r.L. | 936 | 2,676,380 | 2 | 423,053 | - | - | - | - | - | - |
| UCG Banca S.p.A. | Quercia Funding S.r.L. | 62,071 | - | 25,871 | - | 100.00% | - | 84.59% (d) | - | - | - |
| UCG Banca S.p.A. | Breakeven S.r.L. | 9,329 | - | 5,140 | - | 100.00% | - | - | - | 38.74% (e) | - |
| UCG Banca S.p.A. | PMI Uno Finance S.r.L. | - | 192,111 | - | 46,029 | - | 9.80% (f) | - | - | - | - |
| UCG Banca S.p.A. | PMI Due Finance S.r.L. | - | 307,188 | - | 11,488 | - | - | - | - | - | - |
| H.V.B. AG | Geldlux-TS-2003 | - | 1,399,921 | - | 9,140,905 (*) | - | - | - | - | - | - |
| H.V.B. AG | Geldlux-TS-2005 S.A. | - | 5,495,562 | - | 20,617,071 (*) | - | - | - | - | - | - |
| H.V.B. AG | Success-2005 B.V. | - | 424,600 | - | - | - | - | - | - | - | - |

(*) Replenishing of short term portfolio (3-6 months)
(a) 42.42% (€170 million) in 2005 and 22.24% (€ 89 million) in 2004
(b) € 800 million in 2004
(c) € 44 million in 2004
(d) Of which 31.29% in 2005 (€ 26.6 million)
(e) Of which 35.77% in 2005 (€ 4.0 million)
(f) €19.5 million

C.1.8 - SPECIAL-PURPOSE VEHICLE BELONGING TO THE BANKING GROUP

| |
|------------------------|
| Geldilux-TS-2005 S.A. |
| Success-2005 B.V. |
| Breakeven S.r.L. |
| Quercia Funding S.r.L. |

C2. SALES TRANSACTION

C.2.1 - FINANCIAL ASSETS SOLD AND NOT DERECOGNISED

| TYPE/PORTFOLIO | FINANCIAL ASSETS HELD FOR TRADING | | | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS | | | AVAILABLE-FOR-SALE FINANCIAL ASSETS | | | HELD-TO MATURITY INVESTMENTS | | |
|--------------------------------|-----------------------------------|---|---|--|---|---|-------------------------------------|---|---|------------------------------|---|---|
| | A | B | C | A | B | C | A | B | C | A | B | C |
| A. Balance-sheet assets | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Debt securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Equity securities | - | - | - | - | - | - | - | - | - | X | X | X |
| 3. UCIS | - | - | - | - | - | - | - | - | - | X | X | X |
| 4. Loans | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Impaired assets | - | - | - | - | - | - | - | - | - | - | - | - |
| B. Derivatives | - | - | - | X | X | X | X | X | X | X | X | X |
| Total (T) | - | - | - | - | - | - | - | - | - | - | - | - |

| TYPE/PORTFOLIO | LOANS AND RECEIVABLES WITH BANKS | | | LOANS AND RECEIVABLES WITH CUSTOMERS | | | TOTAL |
|--------------------------------|----------------------------------|----------|----------|--------------------------------------|----------|----------|-------------------|
| | A | B | C | A | B | C | T |
| A. Balance-sheet assets | - | - | - | 14,948,330 | - | - | 14,948,330 |
| 1. Debt securities | - | - | - | - | - | - | - |
| 2. Equity securities | X | X | X | X | X | X | - |
| 3. UCIS | X | X | X | X | X | X | - |
| 4. Loans | - | - | - | 14,948,330 | - | - | 14,948,330 |
| 5. Impaired assets | - | - | - | - | - | - | - |
| B. Derivatives | X | X | X | X | X | X | - |
| Total (T) | - | - | - | 14,948,330 | - | - | 14,948,330 |

LEGEND:

- A = Financial assets sold and fully recognised (carrying value).
 B = Financial assets sold and partially recognised (carrying value).
 C = Financial assets sold and partially recognised (total value).

C.2.2 - FINANCIAL LIABILITIES RELATING TO FINANCIAL ASSETS SOLD AND NOT DERECOGNISED

| LIABILITIES/ASSET PORTFOLIOS | FINANCIAL ASSETS HELD FOR TRADING | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS | AVAILABLE-FOR-SALE FINANCIAL ASSETS | HELD-TO-MATURITY INVESTMENTS | LOANS AND RECEIVABLES WITH BANKS | LOANS AND RECEIVABLES WITH CUSTOMERS | TOTAL |
|--|-----------------------------------|--|-------------------------------------|------------------------------|----------------------------------|--------------------------------------|-------------------|
| 1. Deposits from customers | - | - | - | - | - | 14,186,618 | 14,186,618 |
| a) Relating to fully recognised assets | - | - | - | - | - | 14,186,618 | 14,186,618 |
| b) Relating to partially recognised assets | - | - | - | - | - | - | - |
| 2. Deposits from Banks | - | - | - | - | - | - | - |
| a) Relating to fully recognised assets | - | - | - | - | - | - | - |
| b) Relating to partially recognised assets | - | - | - | - | - | - | - |
| Total (T) | - | - | - | - | - | 14,186,618 | 14,186,618 |

Section 2 - Market risks

2.1 QUALITATIVE INFORMATION

Financial risk includes fluctuations in the value of the bank's positions owing to changes in prices or market factors. Financial risk affects all UniCredit Group's positions from the trading book to the banking book.

Organisational structure

The Parent Company's Board of Directors establishes strategic guidelines for assuming market risk by defining capital allocation for the Parent Company and subsidiaries according to risk propensity and value creation goals in relation to risk taken.

The role of the Parent Company's Risk Committee is to consult and make proposals concerning the decisions of the Managing Director/CEO, and to clarify proposals from the Managing Director/CEO to the Executive Committee or the Board of Directors, on the following matters:

- Definition of Group risk policies (identification of risk, analysis of the level of risk propensity, definition of capital allocation objectives and the structure of limits for each type of risk, allocation of the associated functional responsibilities to the relevant Departments and Divisions).
- Definition of corrective actions aimed at rebalancing the Group's risk positions.

The Committee consists of the Managing Director, the Heads of Divisions, and the Heads of the Planning and Finance, Administration and Credit Departments.

This body is chaired by the Managing Director. In the Managing Director's absence the Committee is chaired by the Head of the Planning and Finance.

The Market Risk Management unit of the Parent Company ensures the consistency of the measurement models used to evaluate the Group's market risks and the uniformity of the risk monitoring and management processes for subsidiary companies.

The Market Risk Management unit measures market risk by means of controls on the positions of the Parent Company and on the overall positions deriving from individual Group entities, in order to ensure monitoring of the total exposure. However, each Group company is directly responsible for control of the risks assumed in conformity with the guidelines issued by the Parent Company.

The Market Risk Management unit of the Parent Company proposes limits and investment policies for the Group and its entities in concert with the capital allocation process during the drafting of the annual budget.

The Asset and Liability Management (ALM) unit of the Parent Company carries out the strategic and operational management of assets and liabilities. The objective is to ensure the equilibrium of the asset structure and the economic and financial sustainability of the Group's growth policies in the loans market, by optimising the Group's currency and liquidity risk profile and centralising activities of strategic funding on the capital markets.

Methods and tools

The tool used by the UniCredito Italiano Group for the measurement of market risk on trading positions is Value at Risk (VaR), calculated according to the historical simulation approach.

The historical simulation method requires the daily revaluation of positions on the basis of the trends in market prices over the last twelve months. The empirical distribution of gains and losses which derives from this process is analysed to determine the effect of extreme market movements on the portfolios. The value of the distribution in percentage terms which corresponds to the fixed confidence interval represents the VaR measurement. In conformity with the Basel rules on internal models, the parameters used for calculating VaR are as follows: observation period of 1 year; confidence interval of 99%; time horizon of 1 day; daily updating of historical series.

The use of a time horizon of 1 day allows an immediate comparison with the profits/losses realised.

The methodology adopted makes it possible to flexibly monitor a broad range of risks (delta; gamma – for products with a non-linear profile; vega – over the entire volatility curve; rho – due to the discount rate), while maintaining accuracy in the calculation of volatilities and correlations.

For risk calculation and monitoring activities, UniCredit uses the internal model created by UBM and validated by Banca d'Italia in a letter dated 23 December 2003.

For banking book positions, UniCredito Italiano currently also uses Sensitivity Analysis and Gap Liquidity Analysis methodologies.

Sensitivity Analysis makes it possible to measure the variation in the value of positions on the basis of pre-determined shocks on the interest rate curve (with and without parallel shifts). Generally speaking, a parallel shift of 100 b.p. is assumed for all time buckets on the curve.

The purpose of the analysis is to assess the impact of rate shock on net interest income for the current period by taking into consideration different assumptions on the elasticity of on-demand entries.

Gap Liquidity Analysis provides the liquidity position for each time bucket on a precise, cumulative basis. The analyses described are differentiated by currency.

Financial risk – Trading

The financial risk inherent in trading derives from financial positions assumed by centres charged with keeping the Group's market risks within the assigned limits and adhering to the assigned levels of autonomy.

This risk therefore affects positions originating from transactions in fixed-income and equities, forex deals, derivatives and money market instrument transactions.

The table below shows the 2005 daily trading VaR as calculated by UniCredit Group entities.

(€ units)

| DAILY VaR FOR TRADING ACTIVITIES (DATA INCLUDES MINORITIES) | | | | |
|--|-------------------------------|-------------------|------------------|---------------------|
| | UNICREDIT TOTAL - 2005 | | | |
| | AVERAGE | MAXIMUM | MINIMUM | 2004 AVERAGE |
| UniCredit (Parent Company) | 4,840,981 | 7,595,279 | 2,724,865 | 6,117,062 |
| UCI – Ireland | 540,203 | 1,177,519 | 363,894 | 722,719 |
| UBM | 3,971,673 | 5,429,588 | 2,500,563 | 3,812,013 |
| New Europe Division | 861,410 | 1,424,153 | 485,294 | 993,656 |
| Diversification | 26.13% | N/A | N/A | 3,770,798 |
| UCI Trading Total | 7,575,827 | 12,537,471 | 5,227,300 | 8,360,808 |

In 2005 VaR fell slightly compared with 2004 following the reduction in UniCredit's marginal VaR.

New Europe division banks have adopted the VaR calculation method based on historical simulation, and have been provided with risk management tools which allow monitoring in accordance with Group principles. This ensures compliance with current regulations, the instructions of their respective central banks, and the investment policies approved for each bank.

With the daily co-operation of local risk management units, the Parent Company's Risk Management unit combines VaR for market risk and considers the positive effect of diversification over mere risk summation. The table below shows the New Europe Division's 2005 daily trading VaR:

(€ units)

| DAILY VaR FOR NEW EUROPE TRADING (DATA INCLUDE MINORITIES) | | | | |
|---|--------------------------------|------------------|----------------|---------------------|
| | NEW EUROPE TOTAL - 2005 | | | |
| | AVERAGE | MAXIMUM | MINIMUM | 2004 AVERAGE |
| Pekao | 516,196 | 1,208,126 | 215,219 | 402,163 |
| Koç | 345,771 | 1,240,351 | 41,752 | 701,631 |
| Zagrebačka Banka | 558,251 | 919,496 | 373,782 | 258,685 |
| Zivnostenska Banka | 97,534 | 160,082 | 32,767 | 68,273 |
| Unibanka | 86,708 | 343,114 | 25,553 | 142,161 |
| Bulbank | 325,608 | 404,964 | 263,584 | 325,327 |
| Diversification | 55.52% | N/A | N/A | 904,629 |
| New Europe Total | 861,410 | 1,424,153 | 461,917 | 993,656 |

The overall average VaR is slightly down following the reduction in the marginal VaR of Koçbank, only partially offset by Zagrebacka Banka.

Financial risks of the Banking Book and asset and liabilities management

With regard to tools for financial risk control, UniCredit Banca, UniCredit Banca d'Impresa, UniCredit Private Banking, UniCredit Clarima Banca and UniCredit Banca per la Casa use the Asset and Liabilities Management Operation system (ALMO) for daily

management of interest-rate and liquidity risk, under the supervision of the ALM unit of the Parent Company's Planning and Finance Department.

In addition to daily operational management, the Parent Company's ALM unit actively controls and manages, on a quarterly basis, the structural medium/long term liquidity risk of the Group, maintaining a positive imbalance between revenues and structural investments and simultaneously ensuring, in a fair, proper and trans-Parent manner, the transfer to the individual legal entities of the cost of the strategic funding made by the Parent Company on behalf of the entire Group.

Liquidity analysis and gap analysis methods are used to control the financial risk of the banking book on a monthly basis (for Italian companies) and a quarterly basis (for other subsidiaries). The principal methodology used consists of evaluating the impact of a change in market rates on the interest margin by means of a static gap analysis, which measures the impact on the interest margin of an increase (or reduction) in market rates equal to one percentage point over a period of 12 months, assuming that no movement is made on the positions during the period. At 31 December 2005, this measurement stands at € -268 million for downward rate shock and € +150 million for upward shock.

FINANCIAL RISKS – HVB

Market risk is defined as the potential loss arising from an adverse change in the financial market prices of our positions in the trading or banking book. Market risk comprises interest-rate, currency, equity, and credit-spread risk categories.

Our market risks are managed in the Corporates and Markets segment and in the various treasury units or asset/liability units of our subsidiaries.

Methodologies and tools

For the purposes of day-to-day risk measurement and management, we quantify VaR on the basis of a confidence level of 99% and a holding period of one day. VaR has also been shown as an aggregate value since March 2005 on account of the joint management of the trading and banking books. The risks inherent in the trading books continue to be shown separately for supervisory purposes. To determine and allocate the risk capital requirements for market risks, this VaR, like other risk types, is scaled to a confidence level of 99.95% and a holding period of one year, taking portfolio effects (diversification) into account.

To calculate VaR at HVB AG, we employ an internal model in full use, which was given full regulatory approval at the end of the year. The model is based on a Monte Carlo simulation approach. We check the appropriateness of the methods used to measure market risk by means of periodic back-testing that compares VaR calculations with market value changes (hypothetical P/L) derived from the positions. At the level of HVB AG, the back-testing was gradually expanded in 2005 as additional risk categories were added. For the first time this model is now used to calculate currency risk (since April 2005) and equity risk (since August 2005). The results of this back-testing confirm the high quality of our internal risk model.

In addition, other appropriate processes are applied within the corporate group, such as a variance-covariance approach. In Bank Austria Creditanstalt Group we introduced an internal model for the calculation of value at risk in 2005. This is a simulation model (Monte Carlo and historical simulation) taking into account the correlation between risk categories as well as credit spreads.

In addition to calculating VaR, we continually conduct stress tests across the entire corporate group to determine the potential losses in our market risk positions resulting from extreme market movements and worst-case scenarios. The scenarios we examine range from major changes in interest rates and forex and equity markets, to disruptions in the underlying volatilities. Further scenarios are also considered for HVB AG, including the expansion of credit spreads and the distortion of correlations.

Monitoring of risk

The risk positions in the trading and banking books are monitored using a uniform, hierarchical limit system that restricts the loss potential from market risk. The risk limits are approved annually by the Group Board and are not permitted to be exceeded.

Whenever limits in subportfolios are exceeded, an escalation process is triggered immediately and the reduction of the positions in question is monitored closely. In 2005 there were no major instances in which limits were exceeded. Market Risk Control has direct access to the front office systems used in trading operations, enabling it to monitor the risk situation on an intraday basis.

Management is informed daily of the exposure to market risk, limit utilization, and the profits and losses within the corporate group. Information is provided on a monthly basis on the results of the risk analyses, including the results of the back-testing and stress tests.

(€ million)

| HVB GROUP: MARKET RISK FROM TRADING POSITIONS (VALUE-AT-RISK, 99% CONFIDENCE LEVEL, ONE-DAY HOLDING PERIOD) | | | | | | |
|--|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | AVERAGE 2005* | DEC. 31, 2005 | SEPT. 30, 2005 | JUNE 30, 2005 | MARCH 31, 2005 | DEC. 31, 2004 |
| Interest rate positions (incl. credit-spread risks) | 20 | 23 | 21 | 22 | 15 | 13 |
| Foreign exchange positions | 15 | 9 | 7 | 13 | 29 | 25 |
| Equity/index positions | 42 | 14 | 15 | 73 | 66 | 74 |
| Diversification effect ** | (12) | (17) | (12) | (20) | -- | -- |
| Total | 65 | 29 | 31 | 88 | 110 | 112 |

* Arithmetic mean

** As a consequence of the diversification effect between the risk types, total risk is lower than the sum of the individual risks.

2.2 QUANTITATIVE INFORMATION

A. FINANCIAL DERIVATIVES

| TRANSACTION TYPES/ UNDERLYINGS | 31.12.2005 | | | | | | | | | | |
|-----------------------------------|--------------------------|----------------------|-------------------------------------|--------------------|-------------------------|--------------------|------------------|------------------|--------------------|----------------------|---------------|
| | BONDS AND INTEREST RATES | | EQUITY SECURITIES AND SHARE INDICES | | EXCHANGE RATES AND GOLD | | OTHER UNDERLYING | | TOTAL | | |
| | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | |
| 1. Forward rate agreement | - | 344,746,183 | - | - | - | - | - | - | - | - | 344,746,183 |
| 2. Interest rate swap | - | 2,408,927,560 | - | - | - | 829 | - | 5,288 | - | - | 2,408,933,677 |
| 3. Domestic currency swap | - | - | - | - | - | 1,759,620 | - | - | - | - | 1,759,620 |
| 4. Currency interest rate swap | - | 78,042 | - | - | - | 92,813,526 | - | - | - | - | 92,891,568 |
| 5. Basis swap | - | 155,746,475 | - | - | - | - | - | - | - | - | 155,746,475 |
| 6. Share index swaps | - | - | - | - | - | - | - | - | - | - | - |
| 7. Commodity index swaps | - | 130,000 | - | - | - | - | - | - | - | - | 130,000 |
| 8. Futures | 96,337,151 | 4,744 | 11,146,351 | - | - | - | - | 594,469 | 107,483,502 | 599,213 | |
| 9. Cap options | - | 203,417,251 | - | - | - | - | - | - | - | - | 203,417,251 |
| - Purchased | - | 106,557,320 | - | - | - | - | - | - | - | - | 106,557,320 |
| - Sold | - | 96,859,931 | - | - | - | - | - | - | - | - | 96,859,931 |
| 10. Floor options | - | 151,001,727 | - | - | - | - | - | - | - | - | 151,001,727 |
| - Purchased | - | 76,602,927 | - | - | - | - | - | - | - | - | 76,602,927 |
| - Sold | - | 74,398,800 | - | - | - | - | - | - | - | - | 74,398,800 |
| 11. Other options | 74,180,700 | 137,554,027 | 70,342,912 | 199,844,902 | - | 91,965,689 | 105,528 | 1,980 | 144,629,140 | 429,366,598 | |
| - Purchased | 40,360,500 | 69,657,496 | 34,459,415 | 74,391,465 | - | 48,683,251 | 54,175 | 458 | 74,874,090 | 192,732,670 | |
| - Plain vanilla | 40,360,500 | 46,434,292 | 34,459,415 | 74,341,473 | - | 37,718,716 | 54,175 | 458 | 74,874,090 | 158,494,939 | |
| - Exotic | - | 23,223,204 | - | 49,992 | - | 10,964,535 | - | - | - | 34,237,731 | |
| - Sold | 33,820,200 | 67,896,531 | 35,883,497 | 125,453,437 | - | 43,282,438 | 51,353 | 1,522 | 69,755,050 | 236,633,928 | |
| - Plain vanilla | 33,820,200 | 52,693,390 | 35,883,497 | 124,121,187 | - | 32,799,731 | 51,353 | 1,522 | 69,755,050 | 209,615,830 | |
| - Exotic | - | 15,203,141 | - | 1,332,250 | - | 10,482,707 | - | - | - | 27,018,098 | |
| 12. Forward | - | 8,557,778 | - | 1,173,726 | 10,367 | 206,041,128 | - | - | 10,367 | 215,772,632 | |
| - Purchased | - | 4,445,126 | - | 672,099 | 5,175 | 12,414,652 | - | - | 5,175 | 17,531,877 | |
| - Sold | - | 4,029,394 | - | 501,627 | 5,192 | 10,949,684 | - | - | 5,192 | 15,480,705 | |
| - Currencies/Currencies | - | 83,258 | - | - | - | 182,676,792 | - | - | - | 182,760,050 | |
| 13. Other derivative contracts | - | 1,000 | - | - | - | - | 13,164 | 2,289,000 | 13,164 | 2,290,000 | |
| Total | 170,517,851 | 3,410,164,787 | 81,489,263 | 201,018,628 | 10,367 | 392,580,792 | 118,692 | 2,890,737 | 252,136,173 | 4,006,654,944 | |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

A.2.1 BANKING BOOK: NOTIONAL AMOUNTS AT THE END OF THE PERIOD – HEDGING PORTFOLIO

| TRANSACTION TYPES/ UNDERLYINGS | 31.12.2005 | | | | | | | | | | |
|-----------------------------------|--------------------------|--------------------|-------------------------------------|-------------------|-------------------------|-------------------|------------------|-------------------|---------------|-------------------|--------------------|
| | BONDS AND INTEREST RATES | | EQUITY SECURITIES AND SHARE INDICES | | EXCHANGE RATES AND GOLD | | OTHER UNDERLYING | | TOTAL | | |
| | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | |
| 1. Forward rate agreement | - | 5,307,000 | - | - | - | - | - | - | - | - | 5,307,000 |
| 2. Interest rate swaps | - | 153,420,482 | - | - | - | - | - | 34,832 | - | - | 153,455,314 |
| 3. Domestic currency swap | - | - | - | - | - | - | - | - | - | - | - |
| 4. Currency interest rate swaps | - | - | - | - | - | 6,075,496 | - | - | - | - | 6,075,496 |
| 5. Basis swaps | - | 1,139,354 | - | - | - | - | - | - | - | - | 1,139,354 |
| 6. Stock index swaps | - | - | - | - | - | - | - | - | - | - | - |
| 7. Commodity index swaps | - | - | - | - | - | - | - | - | - | - | - |
| 8. Futures | 7,454,000 | - | 11,000 | - | - | - | - | - | - | 7,465,000 | - |
| 9. Cap options | - | 1,138,000 | - | - | - | - | - | - | - | - | 1,138,000 |
| - Purchased | - | 431,000 | - | - | - | - | - | - | - | - | 431,000 |
| - Sold | - | 707,000 | - | - | - | - | - | - | - | - | 707,000 |
| 10. Floor options | - | - | - | - | - | - | - | - | - | - | - |
| - Purchased | - | - | - | - | - | - | - | - | - | - | - |
| - Sold | - | - | - | - | - | - | - | - | - | - | - |
| 11. Other options | 195,000 | 3,575,800 | - | 2,568,299 | - | 348,000 | - | - | - | 195,000 | 6,492,099 |
| - Purchased | 195,000 | 660,000 | - | 1,746,587 | - | 128,000 | - | - | - | 195,000 | 2,534,587 |
| - Plain vanilla | 195,000 | 660,000 | - | 1,746,587 | - | 128,000 | - | - | - | 195,000 | 2,534,587 |
| - Exotic | - | - | - | - | - | - | - | - | - | - | - |
| - Sold | - | 2,915,800 | - | 821,712 | - | 220,000 | - | - | - | - | 3,957,512 |
| - Plain vanilla | - | 2,915,800 | - | 821,712 | - | 220,000 | - | - | - | - | 3,957,512 |
| - Exotic | - | - | - | - | - | - | - | - | - | - | - |
| 12. Forwards | - | 1,304,000 | - | 37,000 | 823 | 6,996,562 | - | - | - | 823 | 8,337,562 |
| - Purchased | - | 250,000 | - | 37,000 | 254 | 1,123,337 | - | - | - | 254 | 1,410,337 |
| - Sold | - | 1,054,000 | - | - | 569 | 380,225 | - | - | - | 569 | 1,434,225 |
| - Currencies/Currencies | - | - | - | - | - | 5,493,000 | - | - | - | - | 5,493,000 |
| 13. Other derivative contracts | - | 9,998 | - | - | - | - | - | - | - | - | 9,998 |
| Total | 7,649,000 | 165,894,634 | 11,000 | 2,605,299 | 823 | 13,420,058 | - | 34,832 | - | 7,660,823 | 181,954,823 |

A.2.2 BANKING BOOK: NOTIONAL AMOUNTS AT THE END OF THE PERIOD – OTHER DERIVATIVES

| TRANSACTION TYPES/UNDERLYINGS | 31.12.2005 | | | | | | | | | |
|---------------------------------|--------------------------|-------------------|-------------------------------------|-------------------|-------------------------|-------------------|------------------|-------------------|---------------|-------------------|
| | BONDS AND INTEREST RATES | | EQUITY SECURITIES AND SHARE INDICES | | EXCHANGE RATES AND GOLD | | OTHER UNDERLYING | | TOTAL | |
| | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES | LISTED PRICES | NON-LISTED PRICES |
| 1. Forward rate agreement | - | - | - | - | - | - | - | - | - | - |
| 2. Interest rate swaps | - | 899,709 | - | - | - | -10,172 | - | - | - | 889,537 |
| 3. Domestic currency swap | - | - | - | - | - | 41,373 | - | - | - | 41,373 |
| 4. Currency interest rate swaps | - | - | - | - | - | - | - | - | - | - |
| 5. Basis swaps | - | 104,816 | - | - | - | - | - | - | - | 104,816 |
| 6. Stock index swaps | - | - | - | - | - | - | - | - | - | - |
| 7. Commodity index swaps | - | - | - | - | - | - | - | - | - | - |
| 8. Futures | - | - | - | - | - | - | - | - | - | - |
| 9. Cap options | - | - | - | - | - | - | - | - | - | - |
| - Purchased | - | - | - | - | - | - | - | - | - | - |
| - Sold | - | - | - | - | - | - | - | - | - | - |
| 10. Floor options | - | - | - | - | - | - | - | - | - | - |
| - Purchased | - | - | - | - | - | - | - | - | - | - |
| - Sold | - | - | - | - | - | - | - | - | - | - |
| 11. Other options | - | - | - | 2,183,310 | - | - | - | - | - | 2,183,310 |
| - Purchased | - | - | - | 233,519 | - | - | - | - | - | 233,519 |
| - Plain vanilla | - | - | - | 140,019 | - | - | - | - | - | 140,019 |
| - Exotic | - | - | - | 93,500 | - | - | - | - | - | 93,500 |
| - Sold | - | - | - | 1,949,791 | - | - | - | - | - | 1,949,791 |
| - Plain vanilla | - | - | - | 1,949,791 | - | - | - | - | - | 1,949,791 |
| - Exotic | - | - | - | - | - | - | - | - | - | - |
| 12. Forwards | - | 18,367,944 | 365 | - | - | 16,641,805 | - | - | 365 | 35,009,749 |
| - Purchased | - | 16,141,189 | - | - | - | 14,691,831 | - | - | - | 30,833,020 |
| - Sold | - | 1,997,452 | 365 | - | - | 486,752 | - | - | 365 | 2,484,204 |
| - Currencies/Currencies | - | 229,303 | - | - | - | 1,463,222 | - | - | - | 1,692,525 |
| 13. Other derivative contracts | - | - | - | - | - | - | - | - | - | - |
| Total | - | 19,372,469 | 365 | 2,183,310 | - | 16,673,006 | - | - | 365 | 38,228,785 |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| A.3 FINANCIAL DERIVATIVES: PURCHASES AND SALES OF UNDERLYING ASSETS (UNICREDIT) | | | | | | | | | | |
|---|--------------------------|----------------------|-------------------------------------|-------------------|-------------------------|-------------------|------------------|----------------|-------------------|----------------------|
| TRANSACTION TYPES/ UNDERLYINGS | 31.12.2005 | | | | | | | | | |
| | BONDS AND INTEREST RATES | | EQUITY SECURITIES AND SHARE INDICES | | EXCHANGE RATES AND GOLD | | OTHER UNDERLYING | | TOTAL | |
| | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED |
| A. Regulatory trading book: | 38,285,595 | 1,608,026,313 | 28,413,263 | 59,175,817 | 10,367 | 60,059,722 | 100 | 720,333 | 66,709,325 | 1,727,982,185 |
| 1. Physical delivery transactions | 4,744 | 12,084,766 | - | 2,103,248 | - | 37,795,217 | 100 | - | 4,844 | 51,983,231 |
| - Purchases * | 200 | 1,347,124 | - | 1,094,491 | - | 15,366,391 | 100 | - | 300 | 17,808,006 |
| - Sales * | - | 976,930 | - | 1,006,861 | - | 19,565,184 | - | - | - | 21,548,975 |
| - Foreign currencies / Foreign currencies ** | 4,544 | 9,760,712 | - | 1,896 | - | 2,863,642 | - | - | 4,544 | 12,626,250 |
| 2. Cash delivery transactions | 38,280,851 | 1,595,941,547 | 28,413,263 | 57,072,569 | 10,367 | 22,264,505 | - | 720,333 | 66,704,481 | 1,675,998,954 |
| - Purchases * | 18,622,120 | 791,365,152 | 12,631,731 | 31,964,165 | 2,018 | 1,659,786 | - | 486,601 | 31,255,869 | 825,475,704 |
| - Sales * | 19,658,731 | 804,397,257 | 15,781,532 | 25,108,404 | 1,943 | 1,179,243 | - | 233,732 | 35,442,206 | 830,918,636 |
| - Foreign currencies / Foreign currencies ** | - | 179,138 | - | - | 6,406 | 19,425,476 | - | - | 6,406 | 19,604,614 |
| B. Banking Book | 453 | 56,465,730 | 365 | 2,183,310 | 823 | 2,556,835 | - | - | 1,641 | 61,205,875 |
| B.1 Hedging | 453 | 20,556,272 | 365 | - | 823 | 2,525,634 | - | - | 1,641 | 23,081,906 |
| 1. Physical delivery transactions | - | 135,000 | 365 | - | - | 983,574 | - | - | 365 | 1,118,574 |
| - Purchases * | - | - | - | - | - | 114,275 | - | - | - | 114,275 |
| - Sales * | - | 135,000 | 365 | - | - | 869,299 | - | - | 365 | 1,004,299 |
| - Foreign currencies / Foreign currencies ** | - | - | - | - | - | - | - | - | - | - |
| 2. Cash delivery transactions | 453 | 20,421,272 | - | - | 823 | 1,542,060 | - | - | 1,276 | 21,963,332 |
| - Purchases * | 453 | 8,621,638 | - | - | 254 | 1,127,457 | - | - | 707 | 9,749,095 |
| - Sales * | - | 11,787,153 | - | - | 569 | 384,382 | - | - | 569 | 12,171,535 |
| - Foreign currencies / Foreign currencies ** | - | 12,481 | - | - | - | 30,221 | - | - | - | 42,702 |
| B.2 Other derivatives | - | 35,909,458 | - | 2,183,310 | - | 31,201 | - | - | - | 38,123,969 |
| 1. Physical delivery transactions | - | 35,009,749 | - | - | - | 31,201 | - | - | - | 35,040,950 |
| - Purchases * | - | 30,833,020 | - | - | - | - | - | - | - | 30,833,020 |
| - Sales * | - | 2,484,204 | - | - | - | 31,201 | - | - | - | 2,515,405 |
| - Foreign currencies / Foreign currencies ** | - | 1,692,525 | - | - | - | - | - | - | - | 1,692,525 |
| 2. Cash delivery transactions | - | 899,709 | - | 2,183,310 | - | - | - | - | - | 3,083,019 |
| - Purchases * | - | 664,795 | - | 140,019 | - | - | - | - | - | 804,814 |
| - Sales * | - | 234,914 | - | 2,043,291 | - | - | - | - | - | 2,278,205 |
| - Foreign currencies / Foreign currencies ** | - | - | - | - | - | - | - | - | - | - |
| Total | 38,286,048 | 1,664,492,043 | 28,413,628 | 61,359,127 | 11,190 | 62,616,557 | 100 | 720,333 | 66,710,966 | 1,789,188,060 |

* Settled in euro

** Other than euro

A.3 FINANCIAL DERIVATIVES: PURCHASES AND SALES OF UNDERLYING ASSETS (HVB)

| | 31.12.2005 | | | | | | | | | |
|------------------------------------|--------------------------|---------------|-------------------------------------|-------------|-------------------------|-------------|------------------|-----------|-------------|---------------|
| | BONDS AND INTEREST RATES | | EQUITY SECURITIES AND SHARE INDICES | | EXCHANGE RATES AND GOLD | | OTHER UNDERLYING | | TOTAL | |
| | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED | LISTED | UNLISTED |
| A. Regulatory trading book: | 132,237,000 | 1,648,659,000 | 53,076,000 | 142,783,000 | - | 311,527,000 | - | 2,289,000 | 185,313,000 | 2,105,258,000 |
| 1. Physical delivery transactions | - | - | - | - | - | - | - | - | - | - |
| 2. Cash delivery transactions | 132,237,000 | 1,648,659,000 | 53,076,000 | 142,783,000 | - | 311,527,000 | - | 2,289,000 | 185,313,000 | 2,105,258,000 |
| B. Banking Book | 7,649,000 | 150,364,000 | 11,000 | 1,736,000 | - | 11,772,000 | - | - | 7,660,000 | 163,872,000 |
| B.1 Hedging | 7,649,000 | 150,364,000 | 11,000 | 1,736,000 | - | 11,772,000 | - | - | 7,660,000 | 163,872,000 |
| 1. Physical delivery transactions | - | - | - | - | - | - | - | - | - | - |
| 2. Cash delivery transactions | 7,649,000 | 150,364,000 | 11,000 | 1,736,000 | - | 11,772,000 | - | - | 7,660,000 | 163,872,000 |
| B.2 Other derivatives | - | - | - | - | - | - | - | - | - | - |
| 1. Physical delivery transactions | - | - | - | - | - | - | - | - | - | - |
| 2. Cash delivery transactions | - | - | - | - | - | - | - | - | - | - |
| Total | 139,886,000 | 1,799,023,000 | 53,087,000 | 144,519,000 | - | 323,299,000 | - | 2,289,000 | 192,973,000 | 2,269,130,000 |

Notes to the Consolidated Accounts
Part E) Risks and Hedging Policies

| A.4 OTC FINANCIAL DERIVATIVES: POSITIVE FAIR VALUE - COUNTERPARTY RISK | | | | | | |
|--|--------------------------|----------------------|---|-------------------------------------|----------------------|---|
| COUNTERPARTY/UNDERLYINGS | BONDS AND INTEREST RATES | | | EQUITY SECURITIES AND SHARE INDICES | | |
| | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) |
| A. Regulatory trading book: | | | | | | |
| A.1 Central Governments and banks | 286,149 | - | 15,000 | 34,568 | - | - |
| A.2 Public bodies | 132,369 | - | 21,812 | - | - | 20 |
| A.3 Banks | 27,265,389 | 14,947,046 | 47,884 | 3,399,370 | 4,454,360 | 41,187 |
| A.4 Financial companies | 2,344,040 | 3,848,437 | 8,896 | 283,261 | 237,625 | 2,297 |
| A.5 Insurance companies | 44,187 | 37,568 | 1,560 | 12,500 | 116 | 8,257 |
| A.6 Non-financial enterprises | 3,421,744 | 66,153 | 35,425 | 195,957 | 29,700 | 332 |
| A.7 Other entities | 124,636 | - | 17,682 | 1,450 | - | 71,130 |
| Total A 31.12.2005 | 33,618,514 | 18,899,204 | 148,259 | 3,927,106 | 4,721,801 | 123,223 |
| B. Banking Book: | | | | | | |
| B.1 Central Governments and banks | 2,828 | - | - | - | - | - |
| B.2 Public bodies | 1,794,107 | - | - | 168,242 | - | - |
| B.3 Banks | 524,266 | - | 18,235 | 33,864 | - | 10,466 |
| B.4 Financial companies | - | - | - | - | - | - |
| B.5 Insurance companies | - | - | - | - | - | - |
| B.6 Non-financial enterprises | 8,483 | - | - | 1,414 | - | - |
| B.7 Other entities | 14,138 | - | - | 583,444 | - | 56,752 |
| Total B 31.12.2005 | 2,343,822 | - | 18,235 | 786,964 | - | 67,218 |

(A.4 OTC financial derivatives: positive fair value - counterparty risk continued)

| COUNTERPARTY/UNDERLYINGS | EXCHANGE RATES AND GOLD | | | OTHER UNDERLYING | | | OFFSETTING AGREEMENT EFFECTS | |
|------------------------------------|--------------------------|----------------------|---|--------------------------|----------------------|---|------------------------------|---|
| | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | OFFSET | POTENTIAL FUTURE EXPOSURE (ADD-ON) (OFFSET CONTRACTS) |
| A. Regulatory trading book: | | | | | | | | |
| A.1 Central Governments and banks | 33,097 | - | 46 | - | - | - | - | - |
| A.2 Public bodies | 6,991 | - | 70 | - | - | - | - | - |
| A.3 Banks | 3,340,949 | 825,397 | 114,708 | 5,000 | 564 | 207 | 3,516,812 | 2,985,365 |
| A.4 Financial companies | 325,075 | 45,455 | 14,404 | - | 1,775 | - | 201,399 | 297,763 |
| A.5 Insurance companies | 2,278 | - | 640 | - | - | - | 208 | 182 |
| A.6 Non-financial enterprises | 485,361 | 129 | 82,418 | 112,694 | - | 561 | 69,840 | 25,628 |
| A.7 Other entities | 12,131 | - | 1,529 | - | - | - | - | - |
| Total A 31.12.2005 | 4,205,882 | 870,981 | 213,815 | 117,694 | 2,339 | 768 | 3,788,259 | 3,308,938 |
| B. Banking Book: | | | | | | | | |
| B.1 Central Governments and banks | - | - | - | - | - | - | - | - |
| B.2 Public bodies | 328,001 | - | - | - | - | - | - | - |
| B.3 Banks | 657,061 | - | 158,543 | - | - | 174,243 | - | - |
| B.4 Financial companies | - | - | - | - | - | - | - | - |
| B.5 Insurance companies | - | - | - | - | - | - | - | - |
| B.6 Non-financial enterprises | 1,414 | - | - | - | - | 974 | - | - |
| B.7 Other entities | 6,262 | - | 3,716 | - | - | - | - | - |
| Total B 31.12.2005 | 992,738 | - | 162,259 | - | - | 175,217 | - | - |

A.5 OTC FINANCIAL DERIVATIVES: NEGATIVE FAIR VALUE - FINANCIAL RISK

| COUNTERPARTY/UNDERLYINGS | BONDS AND INTEREST RATES | | | EQUITY SECURITIES AND SHARE INDICES | | |
|------------------------------------|--------------------------|----------------------|---|-------------------------------------|----------------------|---|
| | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) |
| A. Regulatory trading book: | | | | | | |
| A.1 Central Governments and banks | 167,713 | - | - | 26,155 | - | - |
| A.2 Public bodies | 11,299 | - | 9,742 | - | - | - |
| A.3 Banks | 25,350,218 | 13,709,585 | 86,614 | 3,970,195 | 3,993,407 | 1,593 |
| A.4 Financial companies | 2,524,418 | 3,931,106 | 4,184 | 406,292 | 283,632 | 33 |
| A.5 Insurance companies | 116,625 | 26,535 | 1,157 | 42,024 | 83,349 | - |
| A.6 Non-financial enterprises | 980,043 | 9,827 | 6,955 | 128,066 | - | 616 |
| A.7 Other entities | 48,461 | - | 29,058 | 102,994 | - | 20,989 |
| Total A 31.12.2005 | 29,198,777 | 17,677,053 | 137,710 | 4,675,726 | 4,360,388 | 23,231 |
| B. Banking Book: | | | | | | |
| B.1 Central Governments and banks | 8,568 | - | - | - | - | - |
| B.2 Public bodies | - | - | - | - | - | - |
| B.3 Banks | 1,175,432 | - | 52,759 | 6,738 | - | - |
| B.4 Financial companies | 819,365 | - | 2,025 | 3,808 | - | - |
| B.5 Insurance companies | - | - | - | - | - | - |
| B.6 Non-financial enterprises | 61,877 | - | - | - | - | - |
| B.7 Other entities | 15,625 | - | 9,000 | 211,452 | - | - |
| Total B 31.12.2005 | 2,080,867 | - | 63,784 | 221,998 | - | - |

(A.5 OTC financial derivatives: negative fair value - financial risk continued)

| COUNTERPARTY/UNDERLYINGS | EXCHANGE RATES AND GOLD | | | OTHER VALUES | | | OFFSETTING AGREEMENT EFFECTS | |
|------------------------------------|--------------------------|----------------------|---|--------------------------|----------------------|---|------------------------------|---|
| | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | GROSS AMOUNT NOT SETTLED | GROSS AMOUNT SETTLED | POTENTIAL FUTURE EXPOSURE (ADD-ON) (NON OFFSET CONTRACTS) | OFFSET | POTENTIAL FUTURE EXPOSURE (ADD-ON) (OFFSET CONTRACTS) |
| A. Regulatory trading book: | | | | | | | | |
| A.1 Central Governments and banks | 21,765 | - | - | 1,853 | - | 530 | - | - |
| A.2 Public bodies | 1,287 | - | 13 | - | - | - | - | - |
| A.3 Banks | 3,561,396 | 42,823 | 9,723 | 210,917 | 17,415 | 20,713 | 1,196,947 | 227,289 |
| A.4 Financial companies | 350,571 | 58,367 | 3,783 | 806 | 433 | - | 374,413 | 334,509 |
| A.5 Insurance companies | 1,614 | - | 147 | - | - | - | - | - |
| A.6 Non-financial enterprises | 190,749 | 189 | 13,648 | 66,310 | - | 15 | 34,856 | 24,626 |
| A.7 Other entities | 24,802 | - | 1,188 | - | - | - | - | - |
| Total A 31.12.2005 | 4,152,184 | 101,379 | 28,502 | 279,886 | 17,848 | 21,258 | 1,606,216 | 586,424 |
| B. Banking Book: | | | | | | | | |
| B.1 Central Governments and banks | 1,904 | - | - | - | - | - | - | - |
| B.2 Public bodies | - | - | - | - | - | - | - | - |
| B.3 Banks | 384,651 | - | 43,657 | - | - | - | - | - |
| B.4 Financial companies | 152,313 | - | - | - | - | - | - | - |
| B.5 Insurance companies | - | - | - | - | - | - | - | - |
| B.6 Non-financial enterprises | 11,423 | - | - | - | - | - | - | - |
| B.7 Other entities | - | - | - | - | - | - | - | - |
| Total B 31.12.2005 | 550,291 | - | 43,657 | - | - | - | - | - |

B. CREDIT DERIVATIVES

| B.1 CREDIT DERIVATIVES: NOTIONAL AMOUNTS AT THE END OF THE PERIOD | | | | |
|--|---------------------------------|---|---------------------------------|---|
| TRANSACTION CATEGORIES | REGULATORY TRADING | | OTHER TRANSACTIONS | |
| | WITH SINGLE COUNTERPARTY | WITH MORE THAN ONE COUNTERPARTY (BASKET) | WITH SINGLE COUNTERPARTY | WITH MORE THAN ONE COUNTERPARTY (BASKET) |
| | NOTIONAL AMOUNT | NOTIONAL AMOUNT | NOTIONAL AMOUNT | NOTIONAL AMOUNT |
| 1. Purchases of protection | | | | |
| 1.1 With physical delivery | 33,201,023 | 24,159,880 | 2,067,060 | 7,459,840 |
| 1.2 With cash delivery | 1,726,897 | 1,542,120 | 131,940 | 477,503 |
| Total as of 31.12.2005 | 34,927,920 | 25,702,000 | 2,199,000 | 7,937,343 |
| 2. Sales of protection | | | | |
| 2.1 With physical delivery | 26,457,254 | 24,949,480 | 432,400 | 1,965,540 |
| 2.2 With cash delivery | 1,453,054 | 1,592,520 | 27,600 | 125,460 |
| Total as of 31.12.2005 | 27,910,308 | 26,542,000 | 460,000 | 2,091,000 |

B.2 CREDIT DERIVATIVES: POSITIVE FAIR VALUE - COUNTERPARTY RISK

| TYPE OF TRANSACTION/VALUES | NOTIONAL AMOUNT | POSITIVE FAIR VALUE | POTENTIAL FUTURE EXPOSURE (ADD-ON) |
|---|--------------------|---------------------|------------------------------------|
| A. REGULATORY TRADING BOOK: | 134,879,228 | 678,076 | 163,556 |
| A.1 Purchases of protection - counterparty: | 70,850,920 | 285,437 | 92,923 |
| 1. Central Governments and central banks | - | - | - |
| 2. Public bodies | - | - | - |
| 3. Banks | 52,922,545 | 183,891 | 49,533 |
| 4. Financial companies | 17,759,199 | 100,361 | 42,293 |
| 5. Insurance companies | 164,125 | 1,185 | 1,097 |
| 6. Non-financial enterprises | 4,768 | - | - |
| 7. Other entities | 283 | - | - |
| A.2 Sales of protection - counterparty: | 64,028,308 | 392,639 | 70,633 |
| 1. Central Governments and central banks | - | - | - |
| 2. Public bodies | - | - | - |
| 3. Banks | 38,700,704 | 168,639 | 34,067 |
| 4. Financial companies | 25,310,600 | 224,000 | 36,566 |
| 5. Insurance companies | 12,000 | - | - |
| 6. Non-financial enterprises | 4,711 | - | - |
| 7. Other entities | 293 | - | - |
| B. BANKING BOOK | 14,688,000 | 182,000 | 8 |
| B.1 Purchases of protection - counterparty: | 12,139,000 | 163,000 | 8 |
| 1. Central Governments and central banks | - | - | - |
| 2. Public bodies | - | - | - |
| 3. Banks | 9,388,000 | 1,000 | 8 |
| 4. Financial companies | 2,751,000 | 162,000 | - |
| 5. Insurance companies | - | - | - |
| 6. Non-financial enterprises | - | - | - |
| 7. Other entities | - | - | - |
| B.2 Sales of protection - counterparty: | 2,549,000 | 19,000 | - |
| 1. Central Governments and central banks | - | - | - |
| 2. Public bodies | - | - | - |
| 3. Banks | 1,992,000 | 19,000 | - |
| 4. Financial companies | 557,000 | - | - |
| 5. Insurance companies | - | - | - |
| 6. Non-financial enterprises | - | - | - |
| 7. Other entities | - | - | - |
| TOTAL AS OF 31.12.2005 | 149,567,228 | 860,076 | 163,564 |

| B.3 CREDIT DERIVATIVES: NEGATIVE FAIR VALUE - FINANCIAL RISK | | |
|---|------------------------|----------------------------|
| TYPE OF TRANSACTIONS/VALUES | NOTIONAL AMOUNT | NEGATIVE FAIR VALUE |
| A. REGULATORY TRADING BOOK: | | |
| A.1 Purchases of protection - counterparty: | | |
| 1. Central Governments and central banks | - | - |
| 2. Public bodies | - | - |
| 3. Banks | 48,799,000 | 313,000 |
| 4. Financial companies | 15,543,000 | 96,000 |
| 5. Insurance companies | 91,000 | - |
| 6. Non-financial enterprises | - | - |
| 7. Other entities | - | - |
| TOTAL AS OF 31.12.2005 | 64,433,000 | 409,000 |

Section 3 - Liquidity risk

LIQUIDITY RISK – UNICREDIT

Liquidity management is provided by the Parent Company's Finance Division, which:

- Co-ordinates the drawing up of an annual plan of financial measures for ensuring financial equilibrium in the short, medium and long term, sustainability of growth and greater funding efficiency.
- Co-ordinates access to the capital markets and short-term money markets, both national and international, for all the Banks of the Group, as well as access to refinancing operations with the Central European Bank, centralised management of statutory reserves and collateral, and access to inter-bank settlement systems;
- Manages intra-group cash flows arising from the net liquidity requirements/surpluses of Group entities.

The objective of this action at Group level is to ensure the maintenance of sufficient liquidity reserves to guarantee solvency in the short term and, at the same time, the maintenance of an essential equilibrium between the average maturities of assets and liabilities, in conformity with the Second Rule included in Banca d'Italia regulations on the Transformation of Maturities.

LIQUIDITY RISK – HVB

We distinguish three categories of liquidity risk:

- Short-term liquidity risk (narrowly defined liquidity risk) represents the risk that the bank will not be able to meet its payment obligations in full or in time.
- Funding risk represents the risk that additional refinancing will be available only at higher market interest rates.
- Market liquidity risk represents the risk that the bank will only be able to liquidate assets on the market at a discount.

The rules and principles of liquidity management are specified in a Liquidity Policy adopted by the Board, and are implemented

by the operational business units. Implementation – for short-term liquidity risk and funding risk – is co-ordinated and tracked by the Asset Liability Management unit.

Market liquidity risk is managed by the people responsible for the various trading portfolios as they perform their defined market-related tasks. As a result, it is included in the measurement of market risk, so that reference should be made to the measurement and monitoring instruments listed for market risks.

Methods and tools

To measure short-term liquidity risk, daily cash flow reports are produced and offset against the available liquidity reserves, which consist primarily of the available highly liquid securities. These two components are used as the basis for determining cumulative limits for the most important units ranging from the next banking day up to one month.

Furthermore, stress scenarios based on the liquidity profiles of the units are simulated, and the limits are adjusted accordingly as required. In addition to this internal measurement methodology, we are subject to the regulatory standards defined in the Liquidity Principle II.

To measure funding risk, long-term funding needs are determined through a co-ordinated process on the basis of expected business trends and are updated regularly. The annual funding targets derived from this process ensure a balanced maturity structure of assets and liabilities within defined maturity buckets.

Monitoring of risk

The monitoring of our liquidity situation has been entrusted to our Asset Liability Management unit. It essentially comprises the analysis, classification, and management of cash flow gaps across all maturities. This enables us to identify liquidity risks early and limit mismatches by setting limits and funding targets. Compliance with the allocated limits is monitored on a daily basis. We keep appropriate liquidity reserves on hand for defined stress situations. The target volumes and instruments derived from the funding targets are implemented in consultation with Treasury Management while optimising costs.

The local treasury units are responsible for observing developments in their respective local markets. These units submit regular reports to the Asset Liability Management unit.

The Asset Liability Committee and the Board are kept regularly informed about the current liquidity and funding situation. A contingency plan is in place to deal with liquidity bottlenecks. It describes the distribution of responsibilities, internal reporting requirements, decision-making powers, and potential countermeasures.

1.3 LIQUIDITY RISK

| ITEMS/TIME | 31.12.2005 | | | | | | |
|---------------------------------------|--------------------|--------------------|---------------------|----------------------|----------------------|--------------------|-------------------|
| | ON DEMAND | UP TO 3 MONTHS | FROM 3 TO 12 MONTHS | FROM 12 TO 18 MONTHS | FROM 18 TO 60 MONTHS | OVER 60 MONTHS | UNSPECIFIED TERM |
| BALANCE-SHEET ASSETS | 49,658,014 | 127,029,032 | 71,621,541 | 33,450,720 | 146,542,046 | 168,016,064 | 29,591,015 |
| Debt securities | 811,892 | 11,595,353 | 14,981,083 | 5,034,367 | 42,538,326 | 37,572,311 | 78,659 |
| Other financial assets with banks | 19,533,633 | 49,612,889 | 12,008,364 | 1,475,482 | 6,256,168 | 4,620,602 | 2,034,187 |
| Other financial assets with customers | 29,312,489 | 65,820,790 | 44,632,094 | 26,940,871 | 97,747,552 | 125,823,151 | 27,478,169 |
| BALANCE-SHEET LIABILITIES | 168,793,422 | 212,801,807 | 59,468,512 | 11,864,034 | 86,603,110 | 93,020,816 | 497,727 |
| Debt securities | 1,626,764 | 34,641,579 | 32,704,068 | 5,344,429 | 58,049,941 | 45,089,632 | - |
| Debts with banks | 24,127,392 | 90,803,451 | 11,208,744 | 1,381,747 | 16,071,692 | 18,970,194 | 78,220 |
| Debts with customers | 137,417,673 | 87,347,595 | 15,129,724 | 4,985,066 | 5,853,673 | 16,884,858 | 419,507 |
| Subordinated loans in issue | 5,621,593 | 9,182 | 425,976 | 152,792 | 6,566,911 | 11,995,592 | - |
| Other liabilities | - | - | - | - | 60,893 | 80,540 | - |

Section 4 - Operational risks**DEVELOPMENT OF THE OPERATIONAL RISK MANAGEMENT FRAMEWORK**

Within the Group Basel 2 project there is a dedicated section on the operational risk, which is coordinated by the Parent Bank Operational Risk Management unit responsible for the development of a model for controlling and measuring operational risks.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from errors, infringements, interruptions or damage attributable to internal processes, people, systems or external events. Errors in transactions execution or data entering, breakdowns in computer systems, damage to tangible assets, theft and fraud are all examples of operational risk to which company processes may be exposed to.

The UniCredit Group controls the operational risks mainly by operational events data gathering, the related causes analysis and the identification and implementation of proper mitigation actions.

The Parent Bank Operational Risk Management unit coordinates the assessment and integration activities with HVB Group to guarantee the aggregated control of the operational risk exposure, the consistency of data collection and analysis processes and to produce group control reporting. The UniCredit Group approach to control operational risk aims to comply with the industry best practices.

UNICREDIT

Organisational structure

Group companies have a function responsible for monitoring operational risk. At Parent Company level operating risks are monitored by a unit within the Risk Management Division, responsible for setting group standard requirements for controlling and measuring operational risk.

Methodological approach

The system for controlling and measuring operational risk is based on internal and consortium data, the analysis of operational risk in processes, monitoring risk indicators and performing scenario analysis. The Parent Company has developed a model for calculating risk capital, RoVaR. Risk capital is calculated using operating loss data suffered by Group companies and integrated with consortium loss data.

The operational risk control and measurement activities are supported by the operational risk management application, available via web to all Group companies.

The operational risk management application allows:

- operational events data gathering, analysis and standard reporting;
- the identification of operational risk in company's processes;
- to monitor risk indicators patterns;
- to estimate the impact on company process of relevant operational events, or scenarios.

Supporting the operational events analysis within the Group companies, the Parent Bank Operational Risk Management unit regularly carries out benchmarking analysis of internal and external data.

Insurance coverage

Supported by operational risk management loss database, the Parent Bank Operational Risk Management unit can estimate insurance policies optimal deductibles and maximum amounts.

Training

Individual and group training are provided to the operational risk management functions and the units involved in collecting and analysing data on operating events. Specific training sessions are also offered to illustrate the application developments and the methodological updates. A newsletter is distributed quarterly to Group companies including regulatory updates, instructions on specific events classification, new functionalities of the operational risk management application and relevant external operational events occurred.

HVB

Risk management

HVB defines the operational risk as the risk of losses resulting from inadequate or failed internal processes, human errors, technological breakdowns, or external events. Under Basel II, this definition also includes legal risks.

The identification, analysis and management of operational risk are the responsibility of the individual business segments or that of the central and service divisions. The activities are guided by a tool-based operational risk management process defined internally within the Bank. These will also take into account the requirements of Basel II, in particular the Basel Committee's "Sound Practices for the Management and Supervision of Operational Risk." The operational risk managers in the various units

are responsible for the operational implementation of the process, which involves in particular the collection, analysis, evaluation and quality assurance of risk data and the planning of appropriate measures. HVB Group Legal Department is responsible for managing legal risk. Within the framework of its corporate center function, it monitors compliance by the HVB Group companies with the applicable statutory regulations and the recognized principles of case law. For Group companies with their own legal departments, it performs this function in close cooperation with these departments.

Measurement methods

As in UniCredit, loss distribution approach is used to quantify operational risk at HVB AG. HVB quantification model for this purpose uses internal and external loss data to determine the loss distributions. Shortage of data in some areas is compensated through scenario analysis. A Monte Carlo simulation is used to calculate the value-at-risk figures, taking into account risk-reducing measures such as insurance. By taking into account factors related to internal control and the business environment, HVB adapts the risk distributions and/or the measurements to the current risk profile.

The monitoring and process quality of the individual units, which is identified as part of an annual control self-assessment, is also incorporated in the calculation as a current quality score. The risk values for the subsidiaries are derived from the operational risk measured in this way for HVB AG.

Risk monitoring

As part of regular reporting, the Chief Risk Officer, the Group Board, and the Risk Committee of the Supervisory Board are kept informed by Group Risk Control on the development of the primary operational risks identified and the volume of loss events. This provides the basis for any measures deemed necessary.

An indicator-based early warning system was implemented for monitoring important risks during 2005.

NOTES TO
THE CONSOLIDATED
ACCOUNTS

Part F) Consolidated Shareholders' Equity

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Part F) Consolidated Shareholders' Equity

Section 1 - Consolidated Shareholders' Equity

| | NON-WEIGHTED AMOUNTS | WEIGHTED AMOUNTS / REQUIREMENTS |
|--|-------------------------|---------------------------------------|
| A. RISK ASSETS | | |
| A.1 CREDIT RISK | 564,111,360 | 392,763,421 |
| MONETARY ASSETS | 502,365,844 | 343,022,253 |
| 1. Exposures (other than equity securities and other subordinated assets) to or guaranteed by: | 374,278,087 | 270,036,624 |
| 1.1 Governments and Central Banks | 60,766,881 | 2,861,425 |
| 1.2 Public entities | 7,191,361 | 1,770,566 |
| 1.3 Banks | 52,886,904 | 11,981,648 |
| 1.4 Other entities (other than mortgage loans on residential and non-residential properties) | 253,432,941 | 253,422,985 |
| 2. Mortgage loans on residential property | 64,483,616 | 32,241,808 |
| 3. Mortgage loans on non residential property | 22,527,459 | 11,263,730 |
| 4. Shares, equity investments and subordinated assets | 14,360,719 | 14,810,426 |
| 5. Other assets | 26,715,963 | 14,669,665 |
| OFF-BALANCE-SHEET ASSETS | 61,745,516 | 49,741,168 |
| 1. Guarantees and commitments with or guaranteed by: | 60,680,386 | 49,284,769 |
| 1.1 Governments and Central Banks | 2,810,789 | 17,131 |
| 1.2 Public entities | 707,533 | 172,728 |
| 1.3 Banks | 9,634,847 | 2,213,341 |
| 1.4 Other entities | 47,527,217 | 46,881,569 |
| 2. Derivative contracts with or guaranteed by: | 1,065,130 | 456,399 |
| 1.1 Governments and Central Banks | - | - |
| 1.2 Public entities | - | - |
| 1.3 Banks | 253,888 | 50,778 |
| 1.4 Other entities | 811,242 | 405,621 |
| B. SOLVENCY REQUIREMENTS | | |
| B.1 CREDIT RISK | | 31,421,074 |
| B.2 MARKET RISK | | 1,671,266 |
| 1. STANDARD METHOD | | 1,341,006 |
| 1.1 Position risk on debt securities | | 365,537 |
| 1.2 Position risk on equity securities | | 81,039 |
| 1.3 Exchange risk | | 210,066 |
| 1.4 Other risks | | 684,364 |
| 2. INTERNAL METHOD | | 330,260 |
| B.3 OTHER PRUDENTIAL REQUIREMENTS | | 386,983 |
| B.4 TOTAL PRUDENTIAL REQUIREMENTS (B1+B2+B3) | | 33,479,323 |
| C. TOTAL RISK ASSETS AND SOLVENCY REQUIREMENTS | | |
| C.1 Risk weighted assets | | 418,491,538 |
| C.2 Tier 1 capital ratio | | 6.89 |
| C.3 Total capital ratio | | 10.34 |

Section 2 - Shareholders' Equity and Regulatory Banking Ratios

| CAPITAL FOR REGULATORY PURPOSES | |
|--|-------------------|
| A. Tier 1 before solvency filters | 28,847,169 |
| positive IAS/IFRS solvency filters | - |
| negative IAS/IFRS solvency filters | - |
| B. Tier 1 after solvency filters | 28,847,169 |
| C. Tier 2 before solvency filters | 17,389,629 |
| positive IAS/IFRS solvency filters | - |
| negative IAS/IFRS solvency filters | 918,221 |
| D. Tier 2 after solvency filters | 16,471,408 |
| E. Tier 1 and tier 2 after Solvency filters | 45,318,577 |
| Deductions from capital | -2,759,053 |
| F. Total capital | 42,559,524 |

NOTES TO
THE CONSOLIDATED
ACCOUNTS

Part G) Business Combinations
Section 1 - Business Combinations achieved during the year 358

Part G) Business Combinations

Section 1 - Business Combinations achieved during the year

(€ million)

| 1.1 BUSINESS COMBINATIONS | | | | | | |
|-------------------------------|---------------------|---------------------|---------------|-----------------------------|-------------------------------|-------------------|
| NAMES OF BUSINESSES ACQUIRED | DATE OF ACQUISITION | COST OF ACQUISITION | SHARES ISSUED | EXCHANGE RATIO ¹ | PROPORTION OF SHARES ACQUIRED | NET PROFIT/LOSS |
| HVB AG | October 25, 2005 | 16,341 | 3,525,544,730 | 5 | 93.93% | 642 ² |
| Bank Austria Creditanstalt AG | October 29, 2005 | 2,368 | 509,929,948 | 19.92 | 17.45% | ² |
| Yapi ve Kredi Bankasi AS | September 28, 2005 | 602 ³ | | | 57.40% | n.a. ⁴ |
| Total | | 19,311 | | | | |

¹ Number of UniCredit shares issued in exchange of a single share of the acquired entity.

² Consolidated net profit for the year 2005. Net income for the period of sub-consolidated Bank Austria is not presented, because it is included in the consolidated net profit of the HVB Group.

³ Equal to Group shareholding in the acquisition cost of Yapi Kredi Bankasi, consolidated according to the proportional method.

⁴ Consolidated 2005 IFRS results for Yapi Kredi Bankasi Group are not available. 2005 Parent income statement shows a net loss of €447 million.

Here below is the detail of items which compose the cost of the business combinations.

(€ million)

| COMPONENTS OF THE COST OF ACQUISITION | HVB AG | BA-CA AG | YKB AS | TOTAL |
|--|---------------|--------------|------------|---------------|
| Cash given | - | 5 | 592 | 597 |
| Equity instruments issued | 16,288 | 2,356 | - | 18,644 |
| Costs directly attributable to the business combinations | 53 | 7 | 10 | 70 |
| Cost of acquisition | 16,341 | 2,368 | 602 | 19,311 |

1.2 OTHER INFORMATION ABOUT BUSINESS COMBINATIONS

HVB GROUP

In October, UniCredit successfully concluded the public purchase offer to Bayerische Hypo-und Vereinsbank Aktiengesellschaft, Munich, Germany ("HVB") shareholders, in order to purchase HVB ordinary and convertible shares, exchanged with UniCredit ordinary shares. In the same period, UniCredit also successfully concluded the public purchase offer to Bank Austria Creditanstalt AG, Vienna, Austria ("BA-CA") shareholders, controlled by HVB, in order to purchase BA-CA shares, also exchanged with UniCredit ordinary shares.

UniCredit shares issued in respect of the HVB and BA-CA business combinations increased their value up to €4.620.

Accounting recognition of the above mentioned business combinations, according to the requirements of IFRS 3, takes place at the effective control's acquisition date. In particular for HVB and BA-CA, owing to the substantial coincidence of these dates with the last days of October 2005 (see the sub-mentioned table), the acquisition date has been conventionally fixed on 1st November 2005.

The execution of the operation during the fourth quarter 2005 and its proximity to the closing date of annual report, has prevented the recognition of the accounting values of HVB consolidated assets and liabilities at the acquisition date. In fact, preparing the HVB consolidated financial position at the acquisition date would have lead to an excessive cost for HVB Group companies. The cost of acquisition has been allocated as follows:

(€ million)

| | |
|---|---------------|
| HVB Group fair value of net assets acquired at the acquisition date | 12,078 |
| Goodwill | 6,631 |
| Cost of acquisition | 18,709 |

Profit and loss result of HVB Group in the last two months of the year 2005, relevant to the purpose of the income statement of UniCredit Group, has been substantially balanced.

Initial recognition of HVB Group business combination has been determined only provisionally. The short period between the acquisition date and the preparing of the present annual report and the significant complexity of the group acquired don't allow, in fact, to complete all the fair value measurements required by IFRS 3. These uncertainties are expected to be solved within the conditions of IFRS 3 (twelve months by the acquisition date and so within 31 October 2006).

As a consequence, also the calculation of goodwill, resulting from the acquisition operation, has been made only provisionally. Moreover, according to requirements of IAS 36, the goodwill, currently allocated to HVB Group, will be assigned, by the end of 2006, to the new cash generating units resulting from new Group structure.

YAPI VE KREDİ BANKASI

In September, through KFS (joint venture equally held by UniCredit and Koç Holding), the majority interest in Yapı ve Kredi Bankası A.S., Turkey ("YKB") has been acquired. The acquisition has been directly performed by Koçbank, 99%-owned bank by KFS, at a price equal to €1,208 million.

Acquisition date has been conventionally fixed on 1st October 2005.

In consideration of the fact that the KFS joint-venture's annual report has been assumed in the consolidated financial statement on the basis of the proportional method, we report the fair values of the principal YKB balance sheet's items at the acquisition date and their corresponding pro-quota value, used for UniCredit consolidated financial statement. Because of the different operating and business structure of YKB Group, it has been possible to determine only provisionally the fair values used to recognise the operation, which will be completed within twelve months by the acquisition date (30 September 2006). Moreover, YKB book values at this date have not been reported, because they are substantially in line with fair value figures, except for the liability arising from YKB post-employment benefit obligations, increased by €227 million.

(€ million)

| NET ASSETS ACQUIRED | YKB FAIR VALUE | |
|--------------------------------------|----------------|--------------------|
| | YKB | UNICREDIT INTEREST |
| Assets | | |
| Cash and central banks | 893 | 255 |
| Financial assets | 13,050 | 3,736 |
| Investments | - | - |
| Property, plant and equipment | 800 | 229 |
| Intangible assets | 122 | 35 |
| Current and deferred tax assets | 462 | 132 |
| Other assets | 453 | 130 |
| Liabilities | | |
| Financial liabilities | (12,179) | (3,487) |
| Provisions | (1,036) | (296) |
| Current and deferred tax liabilities | (116) | (33) |
| Other liabilities | (1,369) | (392) |
| Minorities | (18) | (5) |
| Net assets acquired | 1,062 | 304 |
| Goodwill | | 298 |
| Cost of acquisition | | 602 |

1.2.1 RECONCILIATION OF THE CARRYING AMOUNT OF GOODWILL AT THE BEGINNING AND END OF THE PERIOD

(€ million)

| GOODWILL | 2005 | 2004 |
|---|--------------|--------------|
| Carrying amount at the beginning of the period | 1,950 | 2,974 |
| <i>Gross amount</i> | 2,772 | 2,796 |
| <i>Cumulative impairment losses</i> | (822) | (822) |
| Additional goodwill on business combinations | 6,950 | 40 |
| Impairment losses recognised | - | - |
| Net exchange differences | 219 | (49) |
| Other changes | 83 | (15) |
| Carrying amount at the end of the period | 9,202 | 1,950 |
| <i>Gross amount</i> | 10,024 | 2,772 |
| <i>Cumulative impairment losses</i> | (822) | (822) |

1.2.2 OTHER

If the above mentioned business combinations with HVB Group had conventionally occurred on 1st January 2005, the UniCredit Group consolidated earning margin and net profit would have respectively amounted to €20,791 million and €3,383 million.

NOTES TO
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Part H) Related-Party Transactions

(amounts in thousands of €)

Under IAS 24, the significant counterparties for UniCredit include:

- subsidiaries;
- associates;
- Directors and top managers of UniCredit SpA (“key management personnel”);
- close family members of key management personnel and companies controlled by, or associated with, key management personnel or their close family members;
- Group employee pension funds.

Details of Directors’ and top managers’ compensation are given below, together with related party transactions.

1. Details of Directors’ and Top Managers’ Compensation

Key management personnel as defined include Directors and managers with strategic responsibility in the areas of planning, directing and controlling the activities of UniCredit, directly or indirectly.

Key management personnel therefore include, as well as the Directors including the Managing Director/CEO, the Group Deputy General Managers and the other heads of Division or Department holding office in 2005.

Total compensation paid to Directors and top managers is given below, according to the type of compensation.

| COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL | |
|--|---------------|
| | 31.12.2005 |
| a) Short term employee benefits | 29,239 |
| b) Post-retirement benefits | 2,608 |
| <i>of which: - under defined benefit plans</i> | 523 |
| <i>- under defined contribution plans</i> | 2,085 |
| c) Other long term benefits | 65 |
| d) Severance pay | - |
| e) Share-based payment | 5,441 |
| Total | 37,353 |

The total includes Directors’ compensation and other non-monetary benefits in the amount of €4,862 thousand. The Company Accounts give the detail of compensation and other payments made to each Director, as well as the number of shares owned by each (in the Company Report).

2. Related-Party Transactions

In order to ensure full compliance with legislative and regulatory provisions currently in effect as regards disclosure of transactions with related parties, UniCredit adopted, some time ago, a procedure for identifying related-party transactions. Under this procedure, the decision-making bodies provide appropriate information, to enable compliance with the obligations of the Directors of UniCredit, as a listed company and the Parent Company of the banking group of the same name.

In this regard, during 2003 the Board of Directors of the Company defined the criteria for identifying transactions entered into with related parties, consistent with the guidelines provided by Consob in its communication No. 2064231 dated 30 September 2002. The Managing Director/CEO of UniCredit, using the powers vested in him by the Board of Directors, proceeded to issue the guidelines necessary to comply systematically with the mentioned reporting requirements by units of the Company and by the companies belonging to the UniCredit Group.

These transactions were generally carried out at arm's length.

The following table sets out the assets, liabilities and guarantees as at 31 December 2005, for each group of related parties.

| | 31.12.2005 | | | | |
|----------------------------------|-------------------------------|---------------------------------|----------------|--------------------------|-----------------------|
| | NON-CONSOLIDATED SUBSIDIARIES | NON-CONSOLIDATED JOINT VENTURES | ASSOCIATES | KEY MANAGEMENT PERSONNEL | OTHER RELATED PARTIES |
| Loans and advances | 2,957,902 | - | 239,370 | 1,393 | 8,750 |
| Equity Instruments | 1,149,799 | - | 57,006 | - | - |
| Other receivables | - | - | 9,208 | - | 2 |
| Total Assets | 4,107,701 | - | 305,584 | 1,393 | 8,752 |
| Deposits | 4,424,978 | - | 190,220 | 1,943 | 37,242 |
| Other Financial Liabilities | - | - | - | - | 3,661 |
| Other Liabilities | 17 | - | 5,354 | - | 154 |
| Total Liabilities | 4,424,995 | - | 195,574 | 1,943 | 41,057 |
| Guarantees issued by the Group | 1,158 | - | 13 | - | 1,217 |
| Guarantees received by the Group | - | - | - | - | - |
| Provisions for doubtful debts | - | - | - | - | - |

Subsidiaries include HVB Group subsidiaries not consolidated as being of limited significance.

"Other related parties" gives the aggregate of the figures relating to close family members of top managers (i.e., persons who may be expected to influence the individual concerned) and companies controlled by top managers or their close family members, as well as figures relating to Group employee pension funds of which UniCredit is the instituting source.

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Part I) Share-based Payments

A. Qualitative information

1 OUTSTANDING INSTRUMENTS

Medium-long term incentive plans for Group employees comprise the following categories:

- **Equity-Settled Share Based Payments,**
- **Cash Settled Share Based Payments.**¹

The first category includes the following:

- shares to middle management (*Restricted Share*)
- shares to top management which includes *Performance Share* - that are assigned provided qualitative and quantitative results are satisfied – and *Stock Options*.

The second category includes stock options equivalent to synthetic “*Share Appreciation Rights*” that are linked to the appreciation of some Product-Companies (Pioneer Global Asset Management & Xelion).

2 MEASUREMENT MODEL

2.1 Stock options

The Hull and White model was adopted to measure the economic value of stock options under a trinomial tree price distribution based on Boyle’s algorithm.

This model estimates the early exercise probability on the basis of a deterministic model connected to:

- reaching a Market Value equal to a strike-value multiple (**M**)
- beneficiaries’ propensity to early exit (**E**) after the end of the Vesting Period.

The following table shows stock-option measurements and parameters for 2005.

| Measurement of stock options | | | |
|-------------------------------------|-----------------------|--|--|
| | STOCK OPTIONS 2005 | STOCK OPTIONS 2005 (ADDITIONAL TRANCHE) | STOCK OPTIONS 2005 (WEIGHTED AVERAGE) |
| Strike Price [€] | 4.817 | 5.301 | 4.8338 |
| UCI Stock’s Market Price | 4.817 | 5.301 | 4.8338 |
| Grant Date | 25-Nov-05 | 29-Dec-05 | 26-Nov-05 |
| Vesting Period End-Date | 25-Nov-09 | 29-Dec-09 | 26-Nov-09 |
| Plan end-date | 31-Dec-18 | 31-Dec-18 | 31-Dec-18 |
| Strike Value Multiple (M) | 1.5 | 1.5 | n.s. |
| Exit Rate Post Vesting (E) | 2.36% | 2.36% | n.s. |
| Dividend Yield ² | 3.15% | 2.87% | n.s. |
| Volatility | 22.29% | 21.99% | n.s. |
| Risk Free | 3.66% | 3.57% | n.s. |
| Option value per unit [€] | 1.0548 | 1.1803 | 1.05916 |

¹ Linked to the economic value of instruments representing the Company’s Shareholders’ Equity

² Ratio between dividends expected for the years 2005/2008 and the stock’s market value at grant date.

Parameters are calculated as follows:

- **Exit rate:** annual percentage of rights cancelled because of resignation.
- **Dividend-Yield:** last four years average dividend-yield, according to the time length of the vesting period.
- **Volatility:** historical daily average volatility for a time-length equal to the vesting period.
- **Strike Price:** average price of the last 30 days
- **Market Price:** equal to the Strike Price. This in order to assign "at-the-money spot" instruments modulated on the interval between the date of the Board resolution and the effective Grant Date.

2.2 Other equity instruments (performance shares)

The economic value of performance shares is measured on share market price less the present value of the non-due dividends. Parameters are estimated by applying the same methods used for stock options.

The following table shows parameters for 2005 performance shares, as well as their value.

| Measurement of performance shares | | | |
|--------------------------------------|----------------------------|--|---|
| | PERFORMANCE SHARES 2005 | PERFORMANCE SHARES 2005 (2° TRANCHE) | PERFORMANCE SHARES 2005 (WEIGHTED AVERAGE) |
| Grant Date | 25-Nov-05 | 29-Dec-05 | 26-Nov-05 |
| Vesting Period Start-Date | 1-Jan-08 | 1-Jan-08 | 1-Jan-08 |
| Vesting Period End-Date | 31-Dec-08 | 31-Dec-08 | 31-Dec-08 |
| UCI Stock's Market Value | 4.817 | 5.301 | |
| Economic Value of Vesting Conditions | -0.356 | -0.356 | |
| Performance Shares per unit [€] | 4.461 | 4.945 | 4.471 |

B. Quantitative information

1. ANNUAL CHANGES

UniCredit's stock options:

| ITEMS/NUMBER OF OPTIONS AND EXERCISE PRICE | YEAR 2005 | | |
|---|--------------------|---------------|----------------------|
| | NUMBER OF OPTIONS | AVERAGE PRICE | AVERAGE MATURITY |
| A. Opening balance | 89,461,783 | 4.5053 | November-2011 |
| B. Increases | | | |
| B.1 New issues | 43,130,000 | 4.8338 | December-2018 |
| B.2. Other | | | |
| C. Decreases | | | |
| C.1 Forfeited | 2,086,000 | 4.3112 | |
| C.2 Exercised | | | |
| C.3 Expired | | | |
| C.4 Other | | | |
| D. Final balance | 130,505,783 | 4.6170 | March-2014 |
| E. Vested options at the end of the year | 74,583,083 | 4.5943 | October-2010 |

Changes for the year in other UniCredit's equity instruments:

| ITEMS/NUMBER OF OTHER EQUITY INSTRUMENTS AND EXERCISE PRICE | YEAR 2005 | | |
|---|------------------------------------|---------------|-------------------|
| | NUMBER OF OTHER EQUITY INSTRUMENTS | AVERAGE PRICE | AVERAGE MATURITY |
| A. Opening balance | 11,796,100 | - | March-2007 |
| B. Increases | | | |
| B.1 New issues | 13,756,000 | - | December-2008 |
| B.2. Other | | | |
| C. Decreases | | | |
| C.1 Forfeited | 706,260 | - | |
| C.2 Exercised | 1,341,480 | - | |
| C.3 Expired | | | |
| C.4 Other | | | |
| D. Final balance ¹ | 23,504,360 | - | April-2008 |
| E. Vested options at the end of the year | - | | |

1. €20,610,960 assigned provided that qualitative and quantitative results are satisfied.

Notes to the Consolidated Accounts
Part I) Share-based Payments

2. OTHER INFORMATION

Effects on Profit or Loss

The economic value of performance shares is measured on share market price less the present value of the non-due dividends. Parameters are estimated by applying the same methods used for stock options.

Financial liabilities related to Cash-settled payment plans have been recognised if not yet settled on 1 January 2005.

| EFFECTS THROUGH EQUITY AND PROFIT OR LOSS CONNECTED TO SHARE-BASED PAYMENTS | | |
|--|--------------|---------------------|
| | TOTAL | VESTED PLANS |
| Costs ³ | 64,927 | |
| - <i>connected to Equity-Settled Plans</i> | 20,432 | |
| - <i>connected to Cash-Settled Plans</i> | 44,495 | |
| Debts for Cash-Settled Payments | 86,993 | 63,657 |
| - <i>of which: Intrinsic Value</i> | | 63,657 |

³ Partly included in other administrative expenses in keeping with the recognition of other monetary charges connected to the remuneration of services provided by beneficiaries.

NOTES TO
THE CONSOLIDATED
ACCOUNTS

Part L) Information on Financial Instruments
as at 31.12.2004 under Italian GAAP

Part L) Information on Financial Instruments as at 31.12.2004 under Italian GAAP

(amounts in thousands of €)

During the changeover to international accounting principles, as provided for by IAS 39 §103, the Group applied IAS 32 and 39 from 1 January 2005. Comparative information for the previous financial year relating to financial instruments may be presented using the Accounting principles applied previously, as provided for by IFRS 1 §36-A. The effects on the classification and valuation of financial instruments deriving from the application of IAS 39 from 1 January 2005 are, however, such as to render any comparison with the previous financial year meaningless, if not downright misleading. This is not in line with what is specified in the Framework of IAS principles defining the qualitative characteristics that determine the usability of balance sheet information. The latter must satisfy the following four principal qualitative characteristics: comprehensibility, relevance, reliability and comparability (Framework §24). In addition, having taken note of the cost of preparing data from the Notes to the Accounts relating to financial instruments for 31 December 2004 for comparison with those of 31 December 2005 (the same Framework specifies in paragraph 44 that the benefits deriving from information published must exceed the cost involved in making it available), it was decided to show only items and tables relating to the results of financial instruments for 31 December 2005 on the balance sheet.

For a uniform comparison with the previous period please refer to the report on operations which includes a reclassified IAS/IFRS balance sheet as at 1 January 2005, which also takes into account the application of IAS 32 and 39. Part M of these notes shows instead the effects on net worth of the initial adoption of the standards, again on 1 January 2005.

For the sake of completeness, this section gives information relating to financial instruments as at 31 December 2004 prepared using the previous accounting principles, a summary of which is given below. The marginal differences compared with the values published in the 2004 consolidated accounts can be attributed to the different scope of consolidation.

Values relating to total financial instrument assets and liabilities as at 31 December 2004 appearing in the balance sheet are comprised as follows:

| | |
|--|--------------------|
| Total of financial fixed assets: | 248,500,110 |
| - loans to banks | 36,521,025 |
| - loans to customers | 140,264,804 |
| - trading securities | 19,918,597 |
| - investment securities | 9,998,984 |
| - equity investments (except companies under control, companies under joint control and companies under significant influence) | 2,564,632 |
| - asset accruals and deferrals | 1,843,220 |
| - other assets | 37,388,848 |
| Total of financial liabilities | 237,308,799 |
| - due to banks | 37,808,487 |
| - due to customers | 103,602,791 |
| - securities in issue | 53,070,834 |
| - deposits received in administration | 152,630 |
| - subordinated debt | 6,541,276 |
| - liability accruals and deferrals | 1,918,222 |
| - other liabilities | 34,214,559 |

Summary of accounting principles applied to financial instruments in the Consolidated Financial Statements as at 31.12.2004

LOANS

Loans are valued at their estimated realizable value, which is also determined by taking into account market prices, when available, on the basis of:

- a) the debtor's solvency;
- b) difficulty of servicing debt in countries where the debtor resides.

The estimated realizable value of customer loans is determined on the basis of a careful assessment of all elements characterising the history of the relationship, also taking into account available information on the debtor's capital, operating performance and financial condition.

Consideration is also given to the nature of the business, the degree of risk of the specific type of credit facility, and any security received.

INVESTMENT SECURITIES

Securities classified as financial fixed assets are valued at purchase cost adjusted, as applicable, for any writedowns necessary to account for the permanent deterioration of the solvency of the issuer or of the debt repayment ability of the issuer's country of residence, unless there is appropriate security

Writedowns made are cancelled in whole or in part when the reasons which gave rise to them no longer apply.

Cost is determined using the weighted-average rolling cost principle on a daily basis. This is adjusted using the so-called trading spread, that is the applicable portion of the difference between the acquisition cost and the higher or lower repayment value at maturity (including the issuance spread), which is increased or decreased by the interest generated by the securities.

TRADING SECURITIES

Securities not classified as financial fixed assets are valued:

- a) at market value, if listed on regulated markets;
- b) at the lower of cost or market value if not listed on regulated markets.

Market value is determined as follows:

- a) for securities listed on regulated Italian and foreign markets, using the price reported on the last significant working day of the period;
- b) for securities not listed on regulated Italian and foreign markets, using the estimated sales value.

OFF-BALANCE SHEET TRANSACTIONS

Off-balance sheet transactions - except those in foreign currencies, which are classified as financial fixed assets - are valued at contract value for spot or forward securities trading contracts that have not been settled, or for derivative contracts with an underlying security.

Off-balance sheet transactions, except those for foreign currencies, which are not classified as financial fixed assets, are primarily valued using the following criteria:

a) outstanding spot and forward securities contracts :

- if involving securities that are listed on regulated markets, at the market value, meaning the price determined at the end of the period for maturities corresponding to those transactions being valued;
- if involving securities that are not listed on regulated markets, at the lower of contract value and market value for purchases, and at the higher of the above for sales. Market value is determined by reference to the principles given above for unlisted "trading" securities, and to the preceding paragraph.

b) derivative contracts which have underlying securities, or which are linked to interest rates, market indices or other assets:

- if held as a part of a trading portfolio, they are valued on the basis of market values defined as follows:
 - for contracts listed on regulated markets, their respective prices;
 - for other contracts, the values obtained by referring to parameters listed or available on electronic communication systems generally used at international level, and in any event determined objectively;
- if held for hedging purposes, they are treated in the same way as the assets or liabilities hedged. Thus:
 - if they are related to assets or liabilities valued at cost/face value (e.g. deposits or investment securities), the derivative contracts are also valued at cost;
 - if the assets or liabilities are reported at market value the derivative contracts used for hedging are also reported at market value.

EQUITY INVESTMENTS

Equity investments in companies subject to significant influence are reported in the Consolidated Accounts at a value determined using the equity.

Equity investments in companies in which the stake held is less than 20% of ordinary capital are valued at their acquisition cost, adjusted, as applicable, for any writedowns necessary to take into account any permanent loss of value.

The writedowns carried out are cancelled in whole or in part when the reasons which gave rise to them no longer apply.

Equity investments in subsidiaries whose total assets are not material or that do not operate in a similar sector are valued at equity, while those subject to significant influence that are not material or are to be sold are valued at cost.

ASSETS AND LIABILITIES IN CURRENCY (INCLUDING OFF-BALANCE-SHEET TRANSACTIONS)

Assets and liabilities denominated in currency are valued at the spot exchange rate prevailing at the end of the period.

Financial fixed assets which are not hedged, overall or individually, on the spot or forward markets, are valued at the exchange rate in effect on their purchase date.

Off-balance-sheet currency transactions are valued as follows:

- spot transactions awaiting settlement: at the spot exchange rate in effect at the end of the period;
- forward transactions (outright or resulting from repurchase agreements):
 - if entered into for trading reasons, at the forward exchange rate in effect for corresponding maturities;
 - if entered into for hedging purposes, at the spot exchange rate in effect at the end of the period.

Notes to the Consolidated Accounts
Part I) Information on Financial Instruments as at 31.12.2004 under Italian GAAP

Other off-balance sheet transactions in the form of derivative contracts, are reported at market value if held in portfolios made up of trading securities, or, in line with the hedged assets or liabilities if held for hedging purposes, in accordance with the method described above.

DEPOSITS

Amounts due to banks and customers and third-party funds received in administration are reported at face value. Securities in issue consisting of bonds, certificates of deposit and bank drafts are also reported at face value, while zero coupon or one-coupon bonds are posted at issuance value increased by the annual capitalisation.

LOANS TO BANKS

| Item 30 "Loans to banks" | |
|---|-----------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| a) On demand: | |
| Deposits | 998,619 |
| Loans | 334,910 |
| Current accounts for services rendered | 778,595 |
| Bills and notes discounted | - |
| Loans to central banks | 427,563 |
| Other transactions | 92,981 |
| | 2,632,668 |
| b) Other loans | |
| Loans to central banks | 6,168,530 |
| Loans under financial leases | 953 |
| Deposits | 3,643,227 |
| Loans | 328,285 |
| Non performing loans | 1,010 |
| Repo transactions | 22,934,997 |
| Stock lending | 10,339 |
| Bills discounted | 90,528 |
| <i>Of which: securities eligible for refinancing at central banks</i> | - |
| Other types of loans | 710,488 |
| | 33,888,357 |
| Total | 36,521,025 |

| Loans to banks – bad and doubtful debts | | | |
|---|--------------------------|------------------|-------------------|
| | AMOUNTS AS AT 31.12.2004 | | |
| | GROSS EXPOSURE | TOTAL WRITEDOWNS | NET EXPOSURE |
| A. Bad and doubtful debts: | 101,176 | 82,125 | 19,051 |
| A.1. Non performing loans | 81,448 | 80,438 | 1,010 |
| A.2. Doubtful loans | - | - | - |
| A.3. Loans being restructured | - | - | - |
| A.4. Restructured loans | - | - | - |
| A.5. Unsecured loans to countries at risk | 19,728 | 1,687 | 18,041 |
| B. Performing loans | 36,502,199 | 225 | 36,501,974 |
| Total (original): A+B | 36,603,375 | 82,350 | 36,521,025 |

LOANS TO CUSTOMERS

| Item 40 "Loans to customers" | |
|---|--------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| Bills and notes discounted | 972,653 |
| <i>of which: securities eligible for refinancing at central banks</i> | 3,416 |
| Leasing contracts | 7,080,460 |
| Current accounts | 22,292,275 |
| Mortgages | 58,904,042 |
| Loans | 18,403,490 |
| Other non overdraft lending | 20,858,336 |
| Non performing loans | 2,621,240 |
| Repo transactions | 4,834,900 |
| Stock lending | - |
| Factoring transactions | 3,128,504 |
| Other types of loans | 1,342,549 |
| Total (original) | 140,438,449 |
| Changes in scope of consolidation | - 173,645 |
| Total (restated) | 140,264,804 |

Notes to the Consolidated Accounts
Part I) Information on Financial Instruments as at 31.12.2004 under Italian GAAP

| Details of loans to customers | | | |
|---|--------------------------|---------------------|--------------------|
| | AMOUNTS AS AT 31.12.2004 | | |
| | GROSS EXPOSURE | TOTAL WRITEDOWNS | NET EXPOSURE |
| A. Bad and doubtful debts | 9,469,659 | 4,568,319 | 4,901,340 |
| A.1. Non performing loans | 6,586,017 | 3,964,777 | 2,621,240 |
| A.2. Doubtful loans | 2,484,326 | 493,035 | 1,991,291 |
| A.3. Loans being restructured | 67,514 | 8,631 | 58,883 |
| A.4. Restructured loans | 266,751 | 88,643 | 178,108 |
| A.5. Unsecured loans to countries at risk | 65,051 | 13,233 | 51,818 |
| B. Performing loans | 136,844,477 | 1,307,368 | 135,537,109 |
| Total (original): A+B | 146,314,136 | 5,875,687 | 140,438,449 |
| Changes in scope of consolidation | | | - 173,645 |
| Total (restated) | | | 140,264,804 |

SECURITIES

Securities are classified as follows:

| | AMOUNTS AS AT 31.12.2004 |
|--|-----------------------------|
| 20. Treasury notes and similar securities eligible for refinancing at central banks | 2,628,798 |
| 50. Bonds and other debt securities | 25,395,269 |
| 60. Shares, interests and other equity securities | 1,891,501 |
| Total (original) | 29,915,568 |
| Changes in scope of consolidation | 2,013 |
| Total (restated) | 29,917,581 |
| <i>Of which: investment securities</i> | <i>9,998,984</i> |

| Investment securities | | |
|-----------------------------|------------------|-------------------|
| | 31.12.2004 | |
| | CARRYING VALUE | MARKET VALUE |
| 1. Debt securities | 9,819,179 | 10,741,291 |
| 1.1 Government securities: | 3,140,509 | 3,794,260 |
| - listed | 3,140,509 | 3,794,260 |
| - unlisted | - | - |
| 1.2 Other securities | 6,678,670 | 6,947,031 |
| - listed | 3,697,567 | 3,840,898 |
| - unlisted | 2,981,103 | 3,106,133 |
| 2. Equity securities | 179,805 | 180,066 |
| - listed | 16,075 | 16,336 |
| - unlisted | 163,730 | 163,730 |
| Total | 9,998,984 | 10,921,357 |

| Trading securities | | |
|--|-------------------|-------------------|
| | 31.12.2004 | |
| | CARRYING VALUE | MARKET VALUE |
| 1. Debt securities: | 18,204,888 | 18,245,393 |
| 1.1 Government securities: | 4,563,686 | 4,563,686 |
| - listed | 4,494,066 | 4,494,066 |
| - unlisted | 69,620 | 69,620 |
| 1.2 Other securities: | 13,641,202 | 13,681,707 |
| - listed | 8,243,663 | 8,243,663 |
| - unlisted | 5,397,539 | 5,438,044 |
| 2. Equity securities | 1,711,696 | 1,711,696 |
| - listed | 1,092,216 | 1,092,216 |
| - unlisted | 619,480 | 619,480 |
| Total (original) | 19,916,584 | 19,957,089 |
| Changes in scope of consolidation | 2,013 | |
| Total (restated) | 19,918,597 | |

EQUITY INVESTMENTS

The following table shows the list of main equity investments as at 31 December 2004 (amount over €1 million), except for controlled companies, companies under joint control and companies under significant influence.

| NAME | HEAD OFFICE | % ORDINARY SHARES | CARRYING VALUE |
|--|------------------|-------------------|------------------|
| 1 Assicurazioni Generali S.p.A. | Trieste | 3.53 | 977,208 |
| 2 Olimpia S.p.A. | Milan | 8.40 | 584,768 |
| 3 MEDIOBANCA Banca di Credito Finanziario S.p.A. | Milan | 7.83 | 410,686 |
| 4 EDIPOWER S.p.A. | Milan | 10.00 | 200,134 |
| 5 Schemaventotto S.p.A. | Moncalieri (TO) | 6.67 | 88,486 |
| 6 Borsa Italiana S.p.A. | Milan | 11.90 | 55,878 |
| 7 Banca d'Italia | Rome | 10.97 | 54,899 |
| 8 Infracom Italia S.p.A. (ex Serenissima Infracom S.p.A.) | Verona | 11.24 | 30,000 |
| 9 IKB Deutsche Industriebank Aktiengesellschaft | Dusseldorf | 2.00 | 28,972 |
| 10 Modus Srl | Milan | 16.36 | 22,371 |
| 11 I Viaggi del Ventaglio | Milan | 15.52 | 11,999 |
| 12 FINAOSTA S.p.A. - Finanziaria Regionale V.Aosta | Aosta | 10.71 | 10,342 |
| 13 Wschodni Bank Cukrownictwa S.A. | Lublin | 19.82 | 9,602 |
| 14 Cedacri S.p.A. (ex Cedacrinord S.p.A.) | Collecchio (PR) | 12.20 | 8,579 |
| 15 Mediocredito Trentino Alto Adige S.p.A. | Trento | 7.80 | 7,130 |
| 16 Attijariwafa Bank (ex Banque Commerciale du Maroc) | Casablanca | 2.06 | 5,588 |
| 17 FINPIEMONTE S.p.A. Istituto Fin. Reg. Piemontese | Turin | 12.41 | 5,530 |
| 18 Carisma S.p.A. | Milan | 3.14 | 4,537 |
| 19 Centrale dei Bilanci S.r.l. Società per gli Studi | Turin | 9.97 | 4,522 |
| 20 Istituto Europeo di Oncologia S.r.l. | Milan | 7.46 | 4,208 |
| 21 Veneto Sviluppo | Venice | 15.30 | 4,035 |
| 22 Allianz Zagreb D.D. | Zagreb | 19.90 | 3,715 |
| 23 Società per il Mercato dei Titoli di Stato - MTS S.p.A. | Rome | 5.00 | 2,827 |
| 24 FINEST S.p.A. | Pordenone | 2.04 | 2,713 |
| 25 Società per le Imprese all'Estero - SIMEST S.p.A. | Rome | 1.80 | 2,624 |
| 26 Orel_G Holding | Sofia | 19.33 | 2,610 |
| 27 EUROVITA - Italcasse Assicurazioni S.p.A | Rome | 3.62 | 2,596 |
| 28 Compagnia Investimenti e Sviluppo CIS. S.p.A. | Villafranca (VE) | 3.50 | 2,035 |
| 29 Pirelli & C. Real Estate Franchising Holding S.r.l. | Milan | 10.00 | 2,034 |
| 30 Cartasi S.p.A. | Rome | 9.19 | 1,912 |
| 31 Tecnofin Trentina S.p.A. | Trento | 3.82 | 1,541 |
| 32 B. Group S.p.A. (ex Compagnia Iniziative Mobiliari) | Milan | 5.56 | 1,454 |
| 33 BANKSIEL - Società di Informatica e Organizzazione | Milan | 7.00 | 1,339 |
| 34 Credifarma S.p.A. | Rome | 17.00 | 1,291 |
| 35 Interporto Bologna S.p.A. | Bologna | 8.12 | 1,156 |
| 36 Capitalia | Rome | 0.02 | 1,125 |
| 37 Trentino Servizi S.p.A. | Rovereto (Tn) | 1.96 | 1,094 |
| 38 Finanziaria Regionale Friuli Venezia Giulia - FRIULIA S.p.A. | Trieste | 2.00 | 1,023 |
| 39 Finanziaria Regionale per lo Sviluppo del Molise FINMOLISE S.p.A. | Campobasso | 11.84 | 1,001 |
| Other equity investments | | | 1,068 |
| Total | | | 2,564,632 |

DUE TO BANKS, DUE TO CUSTOMERS, SECURITIES IN ISSUE AND DEPOSITS RECEIVED IN ADMINISTRATION

| Item 10 "Due to banks" | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| a) On demand: | |
| Demand deposits | 1,329,003 |
| Current accounts for services rendered | 735,905 |
| Other | 9,100 |
| | 2,074,008 |
| b) On term or with notice: | |
| Time deposits | 16,297,709 |
| Repo transactions | 15,493,189 |
| Stock lending | 105,806 |
| Loans from international banking organisations | 405,120 |
| Other forms of debt | 3,326,301 |
| | 35,628,125 |
| Total (original) | 37,702,133 |
| Changes in scope of consolidation | 106,354 |
| Total (restated) | 37,808,487 |

| Item 20 "Due to customers" | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| a) On demand: | |
| Saving deposits | 7,620,468 |
| Current accounts | 58,667,554 |
| Other | 48,644 |
| | 66,336,666 |
| b) On term or with notice: | |
| Saving deposits | 10,339,126 |
| Current accounts | 7,853,338 |
| Repo transactions | 16,516,468 |
| Stock lending | 4,179 |
| Other transactions | 2,614,357 |
| | 37,327,468 |
| Total (original) | 103,664,134 |
| Changes in scope of consolidation | -61,343 |
| Total (restated) | 103,602,791 |

Notes to the Consolidated Accounts
Part I) Information on Financial Instruments as at 31.12.2004 under Italian GAAP

| Item 30 "Securities in issue" | |
|--|-----------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| Bonds | 23,956,311 |
| Certificates of deposit | 27,361,194 |
| Other securities | 1,788,822 |
| Total (original) | 53,106,327 |
| Changes in scope of consolidation | -35,493 |
| Total (restated) | 53,070,834 |

| Item 40 "Deposits received in administration" | |
|---|-----------------------------|
| | AMOUNTS AS AT 31.12.2004 |
| Amounts received from the government | 9,385 |
| Amounts received from other agencies | 143,245 |
| Total | 152,630 |

SUBORDINATED DEBT

a) Maturity date, currency, interest rate, nominal value and equivalent in €:

| Item 110 – Subordinated debt | | | | |
|------------------------------|----------|---|------------------------------------|-------------------|
| MATURITY | CURRENCY | INTEREST RATE | FACE VALUE IN ORIGINAL CURRENCY | CARRYING VALUE |
| Parent company | | | | |
| 1) 19.12.2007 | LIT | 6 month Libor | 138,000,000,000 | 68,229 |
| 2) 14.06.2010 | EURO | 6.25% p.a. act/act for years 1-5 3 month Euribor + 125 b.p. per annum for years 6-10 | 400,000,000 | 400,000 |
| 3) 14.06.2010 | EURO | 3 month Euribor +65 b.p. per annum for years 1-5 +125 b.p. per annum for years 6-10 | 800,000,000 | 799,333 |
| 4) 29.10.2010 | EURO | 5.20% for year 1 5.30% for year 2 5.40% for year 3 5.50% for year 4 5.60% for year 5 5.70% for year 6 6.25% for year 7 6.80% for year 8 7.35% for year 9 7.90% for year 10 | 747,000,000 | 747,000 |

(Item 110 – Subordinated debt continued)

| MATURITY | CURRENCY | INTEREST RATE | FACE VALUE IN ORIGINAL CURRENCY | CARRYING VALUE |
|------------------------------|----------|---|------------------------------------|-------------------|
| 5) 13.12.2010 | EURO | gross annual rate 2.75% of face value for 10 years At maturity a "higher yield" may be paid in connection with the revaluation of an equity index (Eurostoxx50) calculated on the basis of a formula as set out in the regulations adjusted as necessary by the application of a "Take Profit" clause. | 261,000,000 | 260,659 |
| 6) 16.03.2011 | EURO | 3 month Euribor +75 b.p. per annum for years 1-5 +135 b.p. per annum for years 6-10 | 500,000,000 | 500,000 |
| 7) 16.03.2011 | EURO | 6% per annum | 500,000,000 | 500,000 |
| 8) 27.11.2011 | EURO | 5% per annum act/act for years 1-5 3 month Euribor+130 b.p. for years 6-10 | 400,000,000 | 400,000 |
| 9) 27.11.2011 | EURO | 3 month Euribor +70 b.p. per annum for years 1-5 +130 b.p. per annum for years 6-10 | 400,000,000 | 400,000 |
| 10) 28.02.2012 | EURO | 6.10% | 500,000,000 | 498,974 |
| 11) 23.07.2014 | EURO | 3 month Euribor +25 b.p. per annum for years 1-5 +85 b.p. per annum for years 6-10 | 500,000,000 | 497,160 |
| 12) 22.09.2019 | EURO | 4.5% per annum act/act for years 1-10 3 month Euribor +95 b.p. per annum for years 11-15 | 500,000,000 | 499,735 |
| Other Group companies | | | | |
| 13) 23.05.2011 | EURO | 5.00% for year 1 5.10% for year 2 5.20% for year 3 5.30% for year 4 5.40% for year 5 5.50% for year 6 5.80% for year 7 6.10% for year 8 6.40% for year 9 6.70% for year 10 | 100,000,000 | 97,513 |
| 14) Not defined | EURO | 0.00% | 2,301 | 2,301 |
| 15) 05.10.Perpetual | USD | 9.20% per annum for the first 10 years then 3 month Euribor + 335 b.p. * | 450,000,000 | 330,372 |
| 16) 05.10.Perpetual | EURO | 8.048% per annum act/act for the first 10 years then 3 month Euribor + 325 b.p. * | 540,000,000 | 540,000 |
| Total item 110 | | | | 6,541,276 |

b) Prepayment

The prepayment option is available for all bonds issued by the Parent Company listed above, should any of them become burdensome for tax reasons, subject to the prior consent of Banca d'Italia.

No. 1: repayment will occur in five equal instalments due over the last five years of the debt. Prepayment is allowed after the first five years from the issuance date, but only at the initiative of the issuer, and subject to Bank of Italy approval.

Nos. 2 and 3: the issuer has the option to repay the debt in full starting in year 5.

No. 4: the debt will be repaid at par in five equal annual cash instalments due starting 31 October 2006, through the reduction of one fifth of the nominal value of each outstanding bond.

Nos. 5, 7 and 10: there is no prepayment option.

Nos. 6, 8, 9 and 11: the issuer has the option to repay the debt in full starting from the end of year 5 and on each subsequent coupon payment date. No. 12: the issuer has the same option starting at the end of year 10 and on each subsequent coupon payment date.

No. 13: will be repaid at par, without any deductions for expenses, in five equal annual cash instalments due starting 23 May 2007, through the reduction of one fifth of the nominal value of each outstanding bond.

Nos. 15 and 16: it should be noted that the issuer has the right to repay the subordinated notes at any time subject to Bank of Italy authorisation, and in addition, it may, at any time, and subject to certain conditions, substitute another foreign branch for the New York branch as the "obligor."

The accounts of the companies provide complete information regarding the characteristics of the bonds issued by other Group companies.

c) Subordination conditions

For all transactions, the claims of subordinated creditors are junior to the claims of ordinary creditors in the event of liquidation. For hybrid capital instruments, the payment of interest may be suspended or limited in the event of poor operating performance.

NOTES TO
THE CONSOLIDATED
ACCOUNTS

Part M) The Transition to IFRS

Part M) The Transition to IFRS

(amounts in thousands of €)

Under EU Regulation 1606 issued on 19 July 2002, the UniCredit Group is required to prepare its consolidated accounts in accordance with the IFRS issued by the IASB.

This section gives, as required by IFRS 1 (First-time Adoption of International Financial Reporting Standards):

- reconciliations of its equity as reported under Italian GAAP (Legislative Decree 87/92) to its equity under IFRS as at 1 January 2004, 31 December 2004 and 1 January 2005;
- a reconciliation of its profit or loss as reported under Italian GAAP (Legislative Decree 87/92) to its profit or loss under IFRS as at 31 December 2004 and
- explanatory notes on the main material adjustments to the balance sheet and income statement for the specified periods.

This information has been prepared as part of the IFRS transition process and for the preparation of consolidated accounts starting with the 2005 financial year, in accordance with the IFRS adopted by the EU.

(€ '000)

| | SHAREHOLDERS' EQUITY AS AT | | |
|---|----------------------------|-------------------|-------------------|
| | 1 JAN. 2004 | 31 DEC. 2004 | 1 JAN. 2005 |
| Shareholders' equity under current GAAP (DL 87/92) | 13,012,557 | 14,035,345 | 14,035,345 |
| Business combinations | 37,519 | 302,000 | 302,000 |
| Property, plant and equipment | 74,587 | 53,947 | 53,947 |
| Intangible assets | -12,904 | -10,142 | -10,142 |
| General banking risk reserve | -8,408 | - | - |
| Loan loss provision | 46,116 | - | - |
| Provision for risks and charges | 64,346 | 39,914 | 39,914 |
| Employee benefits | -49,098 | -38,476 | -38,476 |
| Share-based payments | -30,537 | -62,642 | -62,642 |
| Treasury shares | - | - | -358,416 |
| Deferred tax assets | 160,453 | 11,407 | 11,407 |
| Recognition of revenue | -189,452 | -116,374 | -116,374 |
| Consolidation | 48,677 | 55,046 | 32,026 |
| Equity investments | - | - | 1,081,331 |
| Loans and receivables and other financial instruments at amortised cost | - | - | -607,373 |
| Other financial instruments at fair value | - | - | 25,428 |
| Other effects | 15,132 | 34,458 | 36,612 |
| Minorities | -48,162 | -55,370 | -51,878 |
| Total effects of Transition to IFRS | 108,269 | 213,768 | 337,364 |
| Shareholders' equity under IFRS | 13,120,826 | 14,249,113 | 14,372,709 |

(€ '000)

| RECONCILIATION OF NET PROFIT UNDER ITALIAN GAAP (LD 87/92) TO NET PROFIT UNDER IFRS FOR THE 2004 FINANCIAL YEAR | |
|--|------------------|
| | 2004 |
| Net profit under Italian GAAP (LD 87/92) | 2,130,516 |
| Business combinations | 283,013 |
| Property, plant and equipment | -18,555 |
| Intangible assets | 2,252 |
| General banking risk reserve | -124,593 |
| Loan loss provision | -46,116 |
| Provision for risks and charges | -24,454 |
| Employee benefits | 10,622 |
| Share-based payments | -40,253 |
| Deferred tax assets | -149,047 |
| Recognition of revenue | 73,412 |
| Consolidation | 2,193 |
| Other effects | -29,400 |
| Minorities | -859 |
| Total effects of Transition to IFRS | -61,785 |
| Net profit under IFRS | 2,068,731 |

Description of items included in reconciliation of Italian GAAP to IFRS

FIRST-TIME ADOPTION OF IFRS

GENERAL PRINCIPLE

The IFRS in force as at 30 June 2005 have been applied retrospectively to the opening balance sheet on the transition dates of 1 January 2004 and 1 January 2005 (date of first application of IAS 39 – Financial Instruments: Recognition and Measurement, and IAS 32 – Financial Instruments: Disclosure and Supplemental Information) in accordance with the provisions of IFRS 1 and subject to certain exemptions as described below.

The balance sheet figures resulting from the application of IFRS on the above dates will be used for comparison purposes in the preparation of consolidated accounts as at 31 December 2005. These amounts could be subject to other changes that may be necessary if any international accounting standard is revised or modified during the second half of 2005. New versions or interpretations of IFRS may be issued prior to the publication of the consolidated accounts as at 31 December 2005 with a potential retroactive impact. In this case, there could be an impact on the balance sheet and profit and loss account for 2004, which were restated according to the IFRS presented in this report.

The opening balance sheet as at 1 January 2004 and 1 January 2005 (the latter for IAS 32 and 39 only) reflects the following differences in treatment from the closing consolidated accounts for the preceding period (31 December 2003 and 31 December 2004 respectively) prepared under Italian GAAP:

- all assets and liabilities that shall be reported according to IFRS, including those not required by Italian GAAP, were recognised and measured under IFRS;
- all assets and liabilities that shall be reported under Italian GAAP but are not allowed under IFRS have been derecognised;
- certain items have been reclassified in accordance with IFRS.

The effects of these adjustments have been recognised directly in the opening shareholders' equity on the date of the first application of IFRS (1 January 2004 and 1 January 2005).

FIRST-TIME ADOPTION OF IFRS

IFRS 1 (First-time Adoption of IFRS) allows for certain exemptions when IFRS are applied in full for the first time.

This option was used in the following instances:

- Business combinations – The rules for business combination transactions that occurred prior to the transition date (1 January 2004) were not applied retroactively; the latest carrying amount of goodwill was maintained under previous GAAP.
- Property – On the date of first adoption, property was reported at purchase cost less accumulated depreciation and any impairment losses, including any revaluations applied in the past. The exemption allows for maintaining any revaluations made in the past as an integral cost component at the time of initial adoption.
- Recognition of previously derecognised financial assets – IAS 39 permits the derecognition of financial assets only under certain conditions. At the time of the first-time adoption of IFRS, IAS 39 indicates that loans securitised under transactions entered into before 1 January 2004 do not need to be reported again even though IAS 39 requires loans of this type to be repeated in accounts.

- Stock option plans and transactions with share-based payment settled using equity instruments – The Group took advantage of the option not to apply IFRS 2 (Share-Based Payment) to equity instruments allocated before 7 November 2002 or accrued prior to transition to IFRS.
- Employee benefits: IAS 19 (Employee Benefits) allows for the usage of the ‘corridor’ approach, and thus, a portion of actuarial gains and losses does not have to be reported. This exemption allows for the use of this method only for periods following the first application, and thus, all accumulated actuarial gains and losses as at 1 January 2004 were recognised at the time IAS was first adopted.
- Financial instruments: IAS 32 and 39 were applied effective from 1 January 2005.

TANGIBLE AND INTANGIBLE ASSETS

Business Combinations

As indicated above, the use of the exemption provided under IFRS 1 regarding business combinations that occurred prior to the date of the first adoption of IFRS (1 January 2004) made it possible to maintain existing goodwill amounts based at their latest carrying value under previous GAAP. However, in accordance with IFRS 3, the goodwill reported in accounts is not subject to regular straight-line amortisation but is instead subject to a periodic impairment test with the aim of determining the recoverable value of goodwill based on the provisions of IAS 36. The outcome of this test on goodwill reported resulted in a decrease of €26.5 million in shareholders’ equity as at 1 January 2004. In addition, the amortisation reported in 2004 was reversed, with a related positive impact on net profit and shareholders’ equity at the end of the period.

In addition, IFRS specify that any positive difference between the value of assets acquired and the cost of the equity investment shall be recognised directly in profit or loss. Thus, negative consolidation differences, which under previous GAAP was reported as a balance sheet liability, was transferred to a income-related reserve on the transition date of 1 January 2004.

Property, plant and equipment

IFRS specify that items of property, plant and equipment shall be depreciated as a function of their useful life taking into account, if applicable, any individual components of such assets which have a different useful life. This made it necessary to separate the value of land from the buildings on the land. This is because land has an unlimited useful life that should not be depreciated. Depreciation attributable to the land component was restored with a resulting positive impact on shareholders’ equity as at 1 January 2004 and on the net profit for 2004 and shareholders’ equity as at 31 December 2004. Adjustments to the carrying amount of property, plant and equipment include the effect of deferred tax.

Derecognition of Capitalised Costs

IFRS specify that intangible assets may continue to be recognised in the balance sheet if they are related to controllable resources and capable of generating future economic benefits, and if their cost can be reliably determined. The application of this principle resulted in the derecognition of certain categories of intangible assets that were previously capitalised with a resulting negative impact on shareholders’ equity as at 1 January 2004 and on the related amortisation for the 2004 reporting year.

FINANCIAL INSTRUMENTS

Loans and receivables

Loans and receivables with banks and customers are classified as such under IFRS (from 1 January 2005) with the following exceptions:

- the portions of loans and receivables resulting from repo transactions and interbank time deposits are classified as HfT financial assets;
- loans and receivables related to certain 'large corporate' loans are classified as HfT or AfS financial assets;
- the FIAT convertendo bond and its embedded option rights are recognised as FIaFV through profit or loss. The negative impact on shareholders' equity is €252.7 million, about €71.7 million more than allowances made under previous GAAP as at 31 December 2004 (€181 million, included in adjustments to the carrying amount of performing loans).

Loans and receivables with customers also included the amount of assets leased under finance leases.

Accounts as at 1 January 2005 also include about €3 billion in loans securitised in 2004, since the securitisation did not meet the conditions specified in IAS 39 for the derecognition of financial assets.

Due to the valuation of this item at amortised cost, accrued interest as well as related accrued and deferred fees that were accruing on 31 December 2004 were allocated to these loans.

In addition, when measured under IFRS, these loans give rise to a writedown, in contrast to calculations made under previous GAAP, due to the impact of the specific measurement of bad and doubtful debts. This allowance was made taking into account the time value of money in respect of recovery of the debt.

In particular, for non-performing loans, assumptions were made on recovery times based on historical information and on other significant characteristics. The related recovery amounts were then discounted at the original actual interest rate, or if not available, at an interest rate calculated using lending rates for the year the loan was classified as non-performing.

With regard to doubtful loans, on the basis of past experience, assumptions were made as to the time necessary to transfer them to non-performing loans or for them to return to the performing category, and on the resulting recovery period.

The overall impact of discounting problem loans as at 1 January 2005 was about €607 million, which will be recovered in future periods as a function of time value of money, with a positive impact on profit or loss.

Securities

Investment securities were treated as follows:

- securities hedged using IRS contracts, equity securities and securities that are likely to be sold were recognised as AfS Financial Assets;
- other unquoted debt securities were recognised as loans to customers and banks;
- all remaining debt securities, given the intention and objective ability to hold the financial instrument until its natural maturity, were recognised as HfM financial assets.

Trading securities were recognised as HfT financial assets and FIaFV with the exception of a residual portion recognised as AfS financial assets.

The carrying value of the securities portfolio rose overall due to unrealised gains on securities hedged using IRSs. Limited losses on the related derivatives were recognised in relation to these gains.

Equity Investments

Investments in subsidiaries, associates and joint ventures are included under Equity investments. Other equity investments were reclassified under AfS financial assets and measured at fair value with a balancing entry in equity, with the exception of stakes held in the Bank of Italy and other smaller companies which continue to be reported at cost.

The fair value measurement of equity investments recognised as AfS financial assets resulted in a positive impact on shareholders' equity as at 1 January 2005 totalling €1,081 million.

Deposits and financial liabilities

Deposits and financial liabilities were reported under "Deposits from banks" and "Deposits from customers" with the exception of certain liabilities in the form of repo transactions and interbank deposits that were recognised as HfT financial liabilities. This item also includes non-hedging derivatives, which were previously allocated to other liability items.

Offsetting previously securitised loans that are again recognised, all related deposits are now recognised.

Derivatives

Derivatives held for trading and hedging derivatives in which the hedging instrument has turned out to be ineffective were recognised as HfT financial assets and liabilities. Derivatives for which the hedging instrument has turned out to be effective were recognised as hedging instruments.

As indicated in the description of accounting principles, when a derivative is embedded in a hybrid instrument, it may be separated from the host contract and recognised separately. This situation, which occurred on certain existing contracts, resulted in a negative impact on shareholders' equity as at 1 January 2005, which was largely offset by the positive impact of related derivatives classified under HfT financial assets.

Under previous GAAP, the carrying amount of hedging instruments related solely to premiums paid and collected, accrued interest, prepaid charges and deferred income, while the book value of derivatives held for trading also included value components.

IFRS require fair value measurement of all derivatives whether hedging instruments or held for trading, which takes into account the credit risk of the counterparty and the bid-offer spread for unsettled transactions.

For the sake of consistent measurement, IFRS require that hedging instruments be measured under the same criteria as the hedged item; a cash flow hedge is only measured at the fair value applied to the hedging instrument.

RESERVES AND PROVISIONS

Reserve for general banking risk

In 2004 the Group decided to utilise the reserve and transferred its balance to the profit and loss account.

At the time these principles were first adopted, the change posted to the profit and loss account in 2004 was reversed. This adjustment had a negative impact only on the profit and loss account in 2004 since the amount of the reserve was already incorporated in the determination of shareholders' equity under Italian GAAP.

Loan loss provisions

As in the situation above, the provisions in question were posted to the profit and loss account in 2004 following the introduction of Legislative Decree 37/2004 which eliminated the ability to take writedowns and provisions solely in accordance with tax regulations, and thus made it impossible to leave the previously established provisions in place. As a result, at the time of the first adoption of IFRS, these provisions were reversed and the relevant amount posted to the 2004 profit and loss account. The adjustment generated a positive impact on shareholders' equity as at 1 January 2004 and a corresponding negative impact on the profit and loss account.

Provisions for risks and charges

IFRS permit the creation of provisions only to cover existing obligations for which it is possible to make a reliable estimate, and for which the company has no realistic alternative to settlement. In addition, the provision shall, in the case of liabilities with a deferred maturity, take into account the impact of the time value of money on the estimated amounts needed to settle the obligation. Thus, certain provisions that did not meet the reporting requirements specified in IFRS were reversed and the amount of those remaining in the accounts was recalculated in order to take into account the impact of discounting. This resulted in a positive adjustment to shareholders' equity as at 1 January 2004, but had a negative impact on the profit and loss account for 2004 since certain provisions, which were considered excessive, were reallocated during that period.

Employee benefits

In addition to employee severance pay, the Group pays certain benefits to its employees that take the form of a defined benefit retirement plan and long-service bonuses to be paid to entitled individuals if they remain at the company for a predetermined number of years.

With regard to defined benefit retirement plans, IFRS specify that the company's liability shall be posted to the accounts on the basis of an actuarial valuation of the amount that will be paid on the date the right accrues. The provision for employee severance pay, which is recognised on the basis of specific Italian legislation that is still in force, is similar to a defined benefit plan, and thus it too is to be determined on the basis of an actuarial assessment.

As in the case of the provision for employee severance pay (*TFR*), liabilities for long-service payments (the cost of which had, until now, been recognised at the time the bonus accrued or was paid) are subject to actuarial calculations by an independent actuary. This calculation is based on assumptions related to future bonuses to be paid to active employees, current length of service, retirement age limitations and the estimated rate at which employees leave the Group and is also based on an estimate of the annual increase in the average bonus per person.

The actuarial recalculation of liabilities for future benefits to be paid to employees generated mixed effects on shareholders' equity as at 1 January 2004 and on the net profit for 2004. An increase in shareholders' equity was recognised for retirement plans and the TFR reserve, while there was a decrease in shareholders' equity due to the measurement of long-service payments. The recalculation of the TFR reserve and long-service payments produced a positive impact on the profit and loss account, while the recalculation of the defined benefit retirement plans generated a small negative effect.

Share-based Payment

The Group pays additional benefits to employees in the form of stock option plans. In accordance with Italian accounting principles, on the date stock options are allocated, no obligation or cost for compensation is recognised, but IFRS 2 (Share-based

payments) specifies that the total amount of fair value on the date the stock options are allocated should be divided into equal portions during the vesting period and recognised in the profit and loss account with a balancing entry in the form of a liability for options settled in cash, and recognised in equity for options settled with the issuance of shares.

As a result, the application of this principle had a negative impact:

- on the profit and loss account for 2004 for both types of plans;
- on shareholders' equity as a result of stock option plans settled in cash at the time of the first adoption of IFRS and on subsequent dates.

Plans settled with shares have no impact on shareholders' equity since the increase in shareholders' equity is cancelled by the corresponding decrease in profit.

OTHER EFFECTS

Treasury shares

The Group has treasury shares which were purchased in 2004 following a plan approved by the Ordinary Shareholders' Meeting of 4 May 2004. With the adoption of IFRS, it is no longer permitted to report treasury shares under assets and record the related specific reserve in shareholders' equity items, which should instead be directly subtracted from shareholders' equity. Thus, the corresponding amount was removed from shareholders' equity with a negative impact on the latter effective 1 January 2004. This adjustment had no impact on profit for 2004.

Deferred Tax assets

The accounting procedure used by the Group until the 2003 reporting period called for conservatively posting deferred tax income to the accounts only for temporary deductible differences, which, on the basis of business plans, could be used over the following three years, and only for deferred tax income related to expenses which were already posted to the profit and loss account and were already known with certainty in the period in which they would have been deducted from taxable income.

In 2004, the above limitations were eliminated, and the Group complied with the widely accepted practice. This approach resulted in the posting of higher deferred tax income in the profit and loss account for 2004.

For the first adoption of IFRS, this effect was moved forward to 1 January 2004 with a positive impact of €160 million on shareholders' equity as of that date, and a negative impact of €149 million on net profit for 2004.

Revenue Recognition

In light of the different emphasis that IFRS place on revenue reporting, certain types of up-front income collected was recognised as a function of the term of the underlying products. In particular, this income is in the form of arrangement fees on term loans, for which the accrual basis for reporting was already accepted in 2004 with the resulting debit to the profit and loss account of the related extraordinary charges. This income also includes fees related to the placement of products of affiliate companies operating in non-banking sectors such as fees from the sale of insurance policies. As a result, on the transition date to IFRS, profits for previous periods were adjusted in respect of the portion of those revenues that had not accrued on the basis of the term of the underlying products, and only for the products of affiliates, pro-rata to the stake held in those companies. As a result, there was a negative impact on shareholders' equity and a positive impact on net profit, also taking into account the reversal of the extraordinary charge already recognised during the period.

Scope of Consolidation

The adoption of IFRS and the resulting elimination of the distinction between subsidiary ancillary companies, consolidated on a line-by-line basis, and non-ancillary companies, accounted for using the equity method, resulted in the revision of our scope of consolidation with the inclusion of certain companies that were previously excluded and a different recognition method for others.

As a result of this adjustment, as at 1 January 2004, shareholders' equity was increased by €49 million and net profit for 2004 rose by €2 million.

Tax

The impact on shareholders' equity of the application of IFRS was recognised net of tax, determined on the basis of regulations in effect in the countries in which the Group's companies are headquartered. In particular, for companies with head office in Italy:

- provisions for corporate income taxes were determined using a rate of 33%;
- provisions for IRAP (regional tax on productive activities) were determined using a rate of 4.25% increased as necessary to take into account regional add-ons for the banking industry.

Finally, it should be noted that deferred tax liabilities were not recognised since it is believed that on the basis of the overall amount of shareholders' equity reserves, including those already subject to taxation, no action will be taken involving the payment of taxes.

SUMMARY

- Thus, as indicated above, first-time adoption of IFRS resulted in an increase in shareholders' equity as at 1 January 2004 of €108 million, and at 1 January 2005 of €337 million, net of tax.
- Net profit for 2004, restated under IFRS, was lower by €62 million net of tax as compared with previous GAAP.

AUDIT OF RECONCILIATIONS REQUIRED BY IFRS 1

The reconciliations of balance sheet figures to IFRS figures as at 1 January 2004, 31 December 2004 and 1 January 2005, as well as the reconciliation of profit and loss for 2004, along with the related explanatory notes, have been audited by KPMG S.p.A.; the auditor's report has been issued on 4th October 2005.

Managing Director/CEO
PROFUMO

Chief Accountant
LECCACORVI

ANNEXES

Statement of Significant Equity Investments pursuant to art.126
of CONSOB Regulation 11971 dated 14 May 1999

Statement of Significant Equity Investments pursuant to art.126 of CONSOB Regulation 11971 dated 14 May 1999

(List of equity investments and voting rights held, in any form, as at 31 December 2005, of over 10% and equal or greater than 20%, respectively, of capital in the form of share/interests with voting rights in unlisted companies, directly or indirectly held). *

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | MUNICH | | 66.67 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | (a) |
| A&T-PROJEKTENTWICKLUNGS-VERWALTUNGS GMBH | MUNICH | | 66.67 | GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | (a) |
| A.V. ABWICKLUNGS- UND VERMOGENSVERWALTUNGS GMBH IN LIQUIDATION | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| AAREAL HYPOTHEKEN VERMITTLUNGS GMBH | MANNHEIM | | 100.00 | PLANETHOME AG | (a) |
| AB IMMOBILIENVERWALTUNGS - GMBH & CO XENOR KG | MUNICH | | 33.33 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 33.33 | AB IMMOBILIENVERWALTUNGS-GMBH | (a) |
| AB IMMOBILIENVERWALTUNGS-GMBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| ABG ANLAGENVERWERTUNGS- UND BETEILIGUNGS - GESELLSCHAFT M.B.H. & CO. O | VIENNA | | 100.00 | COBB BETEILIGUNGEN UND LEASING GMBH | (a) |
| ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. OBERBAUM CITY KG | MUNICH | | 100.00 | SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | (a) |
| ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PARKKOLONNADEN KG | MUNICH | | 100.00 | A&T-PROJEKTENTWICKLUNGS GMBH & CO. POTSDAMER PLATZ BERLIN KG | (a) |
| ACIS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. STUTTGART KRONPRINZSTRASSE KG | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| ACTIVE BOND PORTFOLIO MANAGEMENT GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| ACTIVEST FUND SERVICES S.A. | LUXEMBOURG | | 99.50 | ACTIVEST INVESTMENTGESELLSCHAFT SCHWEIZ AG | (a) |
| | | | 0.50 | ACTIVEST INVESTMENTGESELLSCHAFT LUXEMBOURG SA | (a) |
| ACTIVEST INVESTMENTGESELLSCHAFT SCHWEIZ AG | BERN | | 100.00 | HVB ASSET MANAGEMENT HOLDING GMBH | (a) |
| ADFINCON - ADVANCED FINANCIAL IT CONSULTING GMBH | HAMBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| AE CAPITAL INC. | NEW YORK | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| AE LIEGENSCHAFTSVERWERTUNG GMBH | VIENNA | | 99.00 | COBB BETEILIGUNGEN UND LEASING GMBH | (a) |
| | | | 1.00 | AWT HANDELS GESELLSCHAFT M.B.H. | (a) |
| AGIR VERMOGENSVERWALTUNG GMBH & CO. KG | MUNICH | | 100.00 | ALKMENE IMMOBILIEN-VERWALTUNGS GMBH | (a) |
| AGROB AKTIENGESELLSCHAFT | ISMANING | | 75.02 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| AGROINVEST FPS AS IN LIQUIDATION | BRATISLAVA | | 100.00 | UNIBANKA AS | (a) |
| AGRUND GRUNDSTUCKS-GMBH | MUNICH | | 90.00 | HVB IMMOBILIEN AG | (a) |
| AIRPLUS AIR TRAVEL CARD VERTRIEBSGESELLSCHAFT M.B.H. | VIENNA | | 33.33 | DINERS CLUB CEE HOLDING AG | (a) |
| AIRPORT MUNICH LOGISTIC AND SERVICES GMBH | MUNICH | | 49.00 | HVB PRINCIPAL EQUITY GMBH | (a) |
| AKA AUSFUHRKREDIT-GESELLSCHAFT MBH | FRANKFURT | | 13.33 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 2.10 | WESTFALENBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| ALEXANDERSSON REAL ESTATE I B.V. | MUNICH | | 100.00 | ANWA GESELLSCHAFT FUR ANLAGENVERWALTUNG MBH | (a) |
| ALFA HOLDING INGATLANSZOLGALTATO KFT. | GYOR | | 95.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ALKMENE IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| ALLCASA IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ALLEGRO LEASING GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| ALLGEMEINE BAUGESELLSCHAFT-A.PORR AG & UNIVERSALE-BAU AG, OHG ZUR ERRICHTUNG VON EIGENTUMSWOHNUNGEN | VIENNA | | 50.00 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| ALLIANZ IMMOBILIENFONDS GMBH & CO. 2 KG | MUNICH | | 41.67 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| ALLIANZ ZAGREB DD | ZAGREB | | 19.90 | ZAGREBACKA BANKA DD | (a) |
| ALLTERRA IMMOBILIENVERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ALTE SCHMELZE PROJEKTENTWICKLUNGSGESELLSCHAFT MBH | DRESDEN | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| ALTEA VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ALTEA VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT I KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| AMPHITRYON IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| AMBROSIA & ARNICA HANDELSGES.M.B.H. | VIENNA | | 20.00 | GRUNDERFONDS GMBH & CO KEG | (a) |
| AMPHITRYON IMMOBILIENVERWALTUNGS GMBH & CO. GRUNDBESITZ OHG | MUNICH | | 98.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| | | | 2.00 | AMPHITRYON IMMOBILIEN-VERWALTUNGS GMBH | (a) |
| ANTUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 90.00 | HVB PROJEKT GMBH | (a) |
| ANWA GESELLSCHAFT FUR ANLAGENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 1.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| APIR VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| APIR VERWALTUNGSGESELLSCHAFT MBH & CO. IMMOBILIEN- UND VERMIETUNGS KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ARCADIA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ARGENTUM MEDIA GMBH & CO. KG | HAMBURG | | 100.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| ARRONDA IMMOBILIENVERWALTUNGS GMBH | MUNICH | | 90.00 | HVB PROJEKT GMBH | (a) |
| ARTIST MARKETING ENTERTAINMENT GMBH | VIENNA | | 100.00 | MY BETEILIGUNGS GMBH | (a) |
| ASSET MANAGEMENT BREMEN GMBH | BREMEN | | 100.00 | BANKHAUS NEELMEYER AG | (a) |
| ASSET S.A. | WARSAW | | 100.00 | FINAL HOLDING SPZ.O.O. | (a) |
| ASSINDIA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH I.L. | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| ASTROTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| ATLANTERRA IMMOBILIENVERWALTUNGS GMBH | MUNICH | | 90.00 | HVB PROJEKT GMBH | (a) |
| A-TRUST GESELLSCHAFT FUR SICHERHEITSSYSTEME IM ELEKTRONISCHEN DATENVERKEHR GMBH | VIENNA | | 10.92 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 2.73 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| AUFBAU DRESDEN GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| AUSTRIA TICKET GES.M.B.H. | VIENNA | | 12.86 | BA-CA ADMINISTRATION SERVICES GMBH | (a) |
| | | | 36.14 | MC MARKETING GMBH | (a) |
| AUTO MONDO COMPANY S.A. | BUCAREST | | 20.00 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| AVW ALBRECHT VERMOGENSVERWALTUNG AKTIENGESELLSCHAFT | BUXTEHUDE | | 44.59 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| AWT HANDELS GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | AWT INTERNATIONAL TRADE AG | (a) |
| AWT INTERNATIONAL TRADE AG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| AWT-HANDELS UND BETEILIGUNGS (DEUTSCHLAND) GMBH | BAD HOMBURG | | 100.00 | AWT INTERNATIONAL TRADE AG | (a) |
| B + H IMMO PRAHA, SPOL. S R.O. | PRAGUE | | 19.05 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| B.F.S. BETEILIGUNGS-TREUHAND FUR SACHWERTE GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| B.I. ASESORAMIENTO FINANCIERO, S.A. I.L. | MADRID | | 100.00 | TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | (a) |
| B.I. INTERNATIONAL LIMITED | GEORGE TOWN | | 100.00 | TRINITRADE VERMOGENSVERWALTUNGS-GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | (a) |
| BA WORLDWIDE FUND MANAGEMENT LTD | TORTOLA | | 100.00 | LB HOLDING GESELLSCHAFT M.B.H. | (a) |
| BA-CA BETRIEBSOBJEKTE AG & CO BETA VERMIETUNGS OEG | VIENNA | | 99.90 | BA-CA BETRIEBSOBJEKTE AG | (a) |
| | | | 0.10 | BA-CA OBJEKTFINANZIERUNG GMBH & CO OEG | (a) |
| BA-CA BETRIEBSOBJEKTE PRAHA SPOL.S.R.O. | PRAGUE | | 100.00 | BA-CA BETRIEBSOBJEKTE AG | (a) |
| BA-CA GRECO VERSICHERUNGSMANAGEMENT GESELLSCHAFT M.B.H. | VIENNA | | 51.02 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BA-CA INFRASTRUKTURE FINANCE ADVISORY GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BACA INVESTOR BETEILIGUNGS GMBH | VIENNA | | 24.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| BA-CA LUNA LEASING GMBH | VIENNA | | 99.80 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| BA-CA OBJEKTFINANZIERUNG GMBH | VIENNA | | 100.00 | BA-CA BETRIEBSOBJEKTE AG | (a) |
| BA-CA OBJEKTFINANZIERUNG GMBH & CO OEG | VIENNA | | 99.99 | BA-CA BETRIEBSOBJEKTE AG | (a) |
| | | | 0.01 | BA-CA OBJEKTFINANZIERUNG GMBH & CO OEG | (a) |
| BA-CA PRIVATE EQUITY GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BA-CA REAL INVEST ASSET MANAGEMENT GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| BA-CA WIEN MITTE HOLDING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BA-CA-GEBAUDEVERMIETUNGSGMBH | VIENNA | | 50.00 | BA-CA-GVG-HOLDING GMBH | (a) |
| BA-CA-GVG-HOLDING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BACAI | LONDON | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BAK VERWALTUNGS-GESELLSCHAFT MBH | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-----------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| BALEA SOFT GMBH & CO. KG | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| BALEA SOFT VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| BALTIC BUSINESS CENTER SPZ.O.O. | GDYNIA | | 62.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANCA CASSA DI RISPARMIO DI SAVIGLIANO SPA | SAVIGLIANO (CN) | 31.01 | | UNICREDITO ITALIANO SPA | (a) |
| BANCA D' ITALIA | ROME | 10.97 | | UNICREDITO ITALIANO SPA | (a) |
| BANCO INTERFINANZAS S.A. | BUENOS AIRES | | 50.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANCOM SPZ.O.O. | WARSAW | | 99.69 | ASSET S.A. | (a) |
| BANK AUSTRIA AKTIENGESELLSCHAFT & CO EDV LEASING OHG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK AUSTRIA CAYMAN ISLANDS (MANAGEMENT) LTD. | GEORGE TOWN | | 100.00 | BANK AUSTRIA CAYMAN ISLANDS LTD. | (a) |
| BANK AUSTRIA CAYMAN ISLANDS (NOMINEES) LTD. | GEORGE TOWN | | 100.00 | BANK AUSTRIA CAYMAN ISLANDS LTD. | (a) |
| BANK AUSTRIA CREDITANSTALT AG | VIENNA | | 0.01 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BANK AUSTRIA CREDITANSTALT FINANZSERVICE GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK AUSTRIA CREDITANSTALT IMMOBILIEN ENTWICKLUNGS- UND VERWERTUNGS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK AUSTRIA CREDITANSTALT IMMOBILIENBERATUNGS- UND SERVICE GMBH | VIENNA | | 40.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 50.00 | CABET-HOLDING-AKTIENGESELLSCHAFT | (a) |
| | | | 10.00 | BANK AUSTRIA CREDITANSTALT LEASING BAUTRAGER GMBH | (a) |
| BANK AUSTRIA CREDITANSTALT REAL INVEST IMMOBILIEN-KAPITALANLAGE GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| BANK AUSTRIA CREDITANSTALT VERSICHERUNGSDIENST GMBH | VIENNA | | 81.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK AUSTRIA-CEE BETEILIGUNGSGMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK MEDICI AG | VIENNA | | 25.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANK PEKAO SA | WARSAW | | 0.03 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BANK ROZWOJU ENERGETYKI I OCHRONY SWODOWISKA S.A. MEGABANK (in liquidation) | WARSAW | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BANKOWE DORADZTWO PODATKOWE SPOLKA Z O.O. | KRAKAU | | 74.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| BANKSERVICE | SOFIA | | 6.85 | BULBANK AD | (a) |
| | | | 6.49 | HVB BANK BIOCHIM AD | (a) |
| | | | 4.31 | HEBROS BANK AD | (a) |
| BANQUE GALLIERE SA (in liquidation) | PARIS | 17.50 | | UNICREDITO ITALIANO SPA | (a) |
| BASKET TRIESTE SRL (in bankruptcy) | TRIESTE | 12.66 | | UNICREDITO ITALIANO SPA | (a) |
| BAVARIA FILMKUNST GMBH | MUNICH | | 20.59 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BAVARIA SERVICOS DE REPRESENTACAO COMERCIAL LTDA. | SAO PAULO | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BAYBG BAYERISCHE BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | | 22.52 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BAYERISCHE GARANTIEGESELLSCHAFT MBH FUR MITTELSTANDISCHE BETEILIGUNGEN | MUNICH | | 10.53 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BAYERN POWER LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| BB-C VILA DOMY V.O.S. | PRAGUE | | 100.00 | M.A.I.L. PROPERTY INVEST GMBH & CO. DELTA KEG | (a) |
| BD INDUSTRIE-BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BE.MA.FIN. SPA | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| BENTINI SPA | FAENZA (RA) | | 25.61 | UNICREDIT BANCA SPA | (b) |
| BEOFINEST AD | BELGRADE | 18.75 | | UNICREDITO ITALIANO SPA | (a) |
| BETATERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BETEILIGUNG MPV PROJEKTENTWICKLUNG GMBH | HAMBURG | | 50.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| BFAG - HOLDING GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| BFL BETEILIGUNGSGESELLSCHAFT FUR FLUGZEUG-LEASING MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BIL AIRCRAFTLEASING GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| BIL BETEILIGUNGSTREUHAND GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| BIL IMMOBILIEN FONDS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| BIL IMMOBILIEN FONDS GMBH & CO OBJEKT PERLACH KG | MUNICH | | 94.76 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | (a) |
| | | | 4.98 | BIL V & V VERMIETUNGS GMBH | (a) |
| BIL LEASING-FONDS GMBH & CO VELUM KG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BIL LEASING-FONDS VERWALTUNGS-GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| BIL V & V VERMIETUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| BIOM VENTURE CAPITAL GMBH & CO. FONDS KG | PLANEK | | 20.38 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BIURO INFORMACJI KREDYTOWEJ SA | WARSAW | | 14.95 | BANK PEKAO SA | (a) |
| BIURO INFORMACJI KREDYTOWEJ SA | WARSAW | | 15.76 | BANK BPH SPOLKA AKCYJNA | (a) |
| BLB EXPORT- IMPORT D.O.O. | BANJA LUKA | | 49.00 | NOVA BANJALUCKA BANKA AD | (a) |
| BLUE CAPITAL AMERIKA GMBH & CO DRITTE OBJEKT USA KG | HAMBURG | | 100.00 | BLUE CAPITAL REAL ESTATE GMBH | (a) |
| BLUE CAPITAL CANADIAN INVESTMENTS INC. | TORONTO | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL CANADIAN MANAGEMENT INC. | TORONTO | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL DRITTE EUROPA IMMOBILIEN VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL EQUITY GMBH | HAMBURG | | 100.00 | BLUE CAPITAL GMBH | (a) |
| BLUE CAPITAL EQUITY I GMBH & CO.KG | HAMBURG | | 20.68 | BLUE CAPITAL EQUITY GMBH | (a) |
| BLUE CAPITAL EQUITY III GMBH & CO.KG | HAMBURG | | 16.67 | BLUE CAPITAL EQUITY GMBH | (a) |
| BLUE CAPITAL EQUITY MANAGEMENT GMBH | HAMBURG | | 100.00 | BLUE CAPITAL EQUITY GMBH | (a) |
| BLUE CAPITAL EQUITY VI GMBH & CO. KG | HAMBURG | | 8.33 | BLUE CAPITAL EQUITY GMBH | (a) |
| | | | 8.33 | BLUE CAPITAL EQUITY MANAGEMENT GMBH | (a) |
| BLUE CAPITAL EQUITY VII GMBH & CO. KG | HAMBURG | | 8.33 | BLUE CAPITAL EQUITY GMBH | (a) |
| | | | 8.33 | BLUE CAPITAL EQUITY MANAGEMENT GMBH | (a) |
| BLUE CAPITAL ERSTE KANADA IMMOBILIEN VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|------------------------------------|-------------------|
| | | DIRECT | INDIRECT | | |
| BLUE CAPITAL EUROPA ERSTE IMMOBILIEN-OBJEKT NIEDERLANDE-VERWALTUNG GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. SECHSTE OBJEKTE GROSSBRITANNIEN KG | HAMBURG | | 90.90 | BLUE CAPITAL FONDS GMBH | (a) |
| | | | 9.10 | BLUE CAPITAL TREUHAND GMBH | (a) |
| BLUE CAPITAL EUROPA IMMOBILIEN GMBH & CO. SIEBTE OBJEKTE OSTERREICH KG | HAMBURG | | 90.90 | BLUE CAPITAL FONDS GMBH | (a) |
| | | | 9.09 | BLUE CAPITAL TREUHAND GMBH | (a) |
| BLUE CAPITAL EUROPA IMMOBILIEN VERWALTUNGS GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL FONDS GMBH | HAMBURG | | 100.00 | BLUE CAPITAL GMBH | (a) |
| BLUE CAPITAL GMBH | HAMBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BLUE CAPITAL INVESTMENT INC. | ATLANTA | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL MANAGEMENT INC. | ATLANTA | | 100.00 | BLUE CAPITAL INVESTMENT INC. | (a) |
| BLUE CAPITAL METRO AMERIKA INC. | WILMINGTON | | 100.00 | BLUE CAPITAL INVESTMENT INC. | (a) |
| BLUE CAPITAL PENNSYLVANIA INC. | ATLANTA | | 100.00 | BLUE CAPITAL INVESTMENT INC. | (a) |
| BLUE CAPITAL PRIVATE ASSETS GMBH | HAMBURG | | 100.00 | BLUE CAPITAL GMBH | (a) |
| BLUE CAPITAL REAL ESTATE GMBH | HAMBURG | | 100.00 | BLUE CAPITAL GMBH | (a) |
| BLUE CAPITAL STIFTUNGSTREUHAND GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL TREUHAND GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL USA IMMOBILIEN VERWALTUNGS GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL ZWEITE EUROPA IMMOBILIEN VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE CAPITAL ZWEITE USA IMMOBILIEN VERWALTUNGS GMBH | HAMBURG | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| BLUE DOLPHIN HANDELS-GMBH | LINZ | | 33.81 | GRUNDERFONDS GMBH & CO KEG | (a) |
| BNL-BETEILIGUNGSGESELLSCHAFT NEUE LANDER GMBH & CO. KG IN LIQUIDATION | BERLIN | | 15.13 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 0.14 | BANKHAUS NEELMEYER AG | (a) |
| | | | 0.36 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| BODE GRABNER BEYE TRUST GMBH | GRUNWALD | | 100.00 | BODEHEWITT AG & CO. KG | (a) |
| BODEHEWITT BETEILIGUNGS AG | GRUNWALD | | 90.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BONUM ANLAGE-UND BETEILIGUNGSGESELLSCHAFT MBH (IN LIQUIDATION) | BREMEN | | 100.00 | BANKHAUS NEELMEYER AG | (a) |
| BORICA AD | SOFIA | | 5.32 | BULBANK AD | (a) |
| | | | 4.72 | HVB BANK BIOCHIM AD | (a) |
| | | | 3.84 | HEBROS BANK AD | (a) |
| BORSA ITALIANA SPA | MILAN | 11.11 | | UNICREDITO ITALIANO SPA | (a) |
| | | | 0.79 | UNICREDIT BANCA MOBILIARE SPA | (a) |
| BPH AUTO FINANSE SA | WARSAW | | 100.00 | BPH PBK LEASING S.A. | (a) |
| BPH PBK ZARZADZANIE FUNDUSZAMI SP.Z O.O. | WARSAW | | 100.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| BPH REAL ESTATE SA | WARSAW | | 100.00 | BANK BPH SPOLKA AKCYJNA | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| BPH TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH SA | WARSAW | | 49.86 | BPH PBK ZARZADZANIE FUNDUSZAMI SP.Z O.O. | (a) |
| | | | 50.14 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| BTG BETEILIGUNGSGES. HAMBURG MBH | HAMBURG | | 13.57 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BUDAPESTI ERTEKTOZSDE RT. | ZAGREB | | 25.20 | HVB BANK HUNGARY ZRT. | (a) |
| BULGARHIDROPONICK OOD | BOURGAS | | 24.81 | BULBANK AD | (a) |
| BURGSCHAFTSGEMEINSCHAFT HAMBURG GMBH | HAMBURG | | 10.50 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BV CAPITAL GMBH & CO. BETEILIGUNGS KG NO. 1 | HAMBURG | | 16.76 | BLUE CAPITAL EQUITY GMBH | (a) |
| BV FINANCE PRAHA S.R.O. (IN LIQUIDATION) | PRAGUE | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BV GRUNDSTUCKSENTWICKLUNGS-GMBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. KINOCENTER KG | MUNICH | | 100.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. SCHLOSSBERG- PROJEKTENTWICKLUNGS- | MUNICH | | 100.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| BVK 2 GMBH (IN LIQUIDATION) | MUNICH | | 100.00 | BVK HOLDING GMBH (IN LIQUIDATION) | (a) |
| BVK HOLDING GMBH (IN LIQUIDATION) | MUNICH | | 100.00 | HVB BETEILIGUNGSGESELLSCHAFT MBH | (a) |
| C.I.M. BETEILIGUNGEN 1998 GMBH | VIENNA | | 33.33 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| C.I.M. UNTERNEHMENS BETEILIGUNG- UND ANLAGEVERMIETUNGS GMBH | VIENNA | | 33.33 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| C.I.M. VERWALTUNG UND BETEILIGUNGEN 1999 GMBH | VIENNA | | 33.33 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| CA BAU-FINANZIERUNGSBERATUNG GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CAC POJIST'OVACI MAKLESKA SPOL.S R.O. | PRAGUE | | 100.00 | CAC LEASING, A.S. | (a) |
| CA EUROPEAN BOND ADVISOR S.A., LUXEMBOURG | LUXEMBOURG | | 100.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CA IB ASSET MANAGEMENT S.A.I. S.A. | BUCAREST | | 94.97 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| | | | 5.00 | HVB BANK ROMANIA S.A. | (a) |
| CA IB BULINVEST EOOD | SOPIA | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB CORPORATE FINANCE A.S. | PRAGUE | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB CORPORATE FINANCE BERATUNGS GES. M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CA IB CORPORATE FINANCE D.D. | LJUBLJANA | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB CORPORATE FINANCE D.O.O. | BELGRADE | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB CORPORATE FINANCE LTD., LONDON | LONDON | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB CORPORATE FINANCE OOO | MOSCOW | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| CA IB D.D. | ZAGREB | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB FINANCIAL ADVISERS A.S., O.C.P. | BRATISLAVA | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB FINANCIAL ADVISERS SPZ O.O | WARSAW | | 100.00 | CA IB POLSKA SPOLKA AKCYJNA | (a) |
| CA IB INFRASTRUKTUR ROJEKTBERATUNGS GES. M.B.H. | VIENNA | | 100.00 | GUS CONSULTING GMBH | (a) |
| CA IB INTERNATIONAL MARKETS AG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CA IB INTERNATIONAL MARKETS LTD. | LONDON | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CA IB INVEST D.O.O | ZAGREB | | 50.00 | CA IB D.D. | (a) |
| | | | 50.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CA IB INVESTMENT MANAGEMENT S.A. | WARSAW | | 40.00 | BPH PBK ZARZADZANIE FUNDUSZAMI SPZ O.O. | (a) |
| | | | 60.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CA IB POLSKA SPOLKA AKCYJNA | WARSAW | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CA IB ROMANIA SRL | BUCAREST | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB SECURITIES (NEW YORK), INC. | NEW YORK | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| CA IB SECURITIES (UKRAINE) AT | KIEV | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CA IB SECURITIES INVESTMENT FUND MANAGEMENT RT | BUDAPEST | | 100.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CA IB SECURITIES S.A. | WARSAW | | 100.00 | CA IB POLSKA SPOLKA AKCYJNA | (a) |
| CA IB SECURITIES S.A. (BUCHAREST) | BUCAREST | | 99.98 | HVB BANK ROMANIA S.A. | (a) |
| | | | 0.01 | CA IB ROMANIA SRL | (a) |
| CA IB TOKEPIACI RT. (CA IB CORPORATE FINANCE LTD.,BUDAPEST) | BUDAPEST | | 100.00 | CA IB CORPORATE FINANCE BERATUNGS GES.M.B.H. | (a) |
| CAE PRAHA A.S. | PRAGUE | | 100.00 | HVB BANK CZECH REPUBLIC A.S. | (a) |
| CAFU VERMOGENSVERWALTUNG GMBH | VIENNA | | 100.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| CAFU VERMOGENSVERWALTUNG GMBH & CO. OEG | VIENNA | | 100.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| CALG 435 GRUNDSTUECKVERWALTUNG GMBH | VIENNA | | 50.00 | CALG IMMOBILIEN LEASING GMBH | (a) |
| CALG 445 GRUNDSTUECKVERWALTUNG GMBH | VIENNA | | 75.00 | CALG IMMOBILIEN LEASING GMBH | (a) |
| CALG ALPHA GRUNDSTUECKVERWALTUNG GMBH | VIENNA | | 99.80 | CALG DELTA GRUNDSTUECKVERWALTUNG GMBH | (a) |
| CALG DELTA GRUNDSTUECKVERWALTUNG GMBH | VIENNA | | 99.80 | CALG ANLAGEN LEASING GMBH | (a) |
| CALL NOW TELEKOMMUNIKATIONSSERVICE GES. M.B.H | VIENNA | | 25.00 | EUROMARKETING AG | (a) |
| CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC) INC | MANILA | | 100.00 | HVB ASIA LIMITED | (a) |
| CAMERON GRANVILLE 2 ASSET MANAGEMENT INC | ALABANG | | 100.00 | CAMERON GRANVILLE ASSET MANAGEMENT (SPV-AMC) INC | (a) |
| CAPITALE E SVILUPPO SPA | PERUGIA | 19.53 | | UNICREDITO ITALIANO SPA | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|--------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH | VIENNA | | 26.00 | BA-CA ADMINISTRATION SERVICES GMBH | (a) |
| | | | 26.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 5.00 | VISA-SERVICE KREDITKARTEN AKTIENGESELLSCHAFT | (a) |
| | | | 1.00 | DINERS CLUB CEE HOLDING AG | (a) |
| CARLO ERBA REAGENTI SPA | MILAN | | 99.90 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| CAROM IMMOBILIARE SRL | MILAN | | 50.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| CASSA & ASSICURAZIONI SPA (in liquidation) | VERONA | 65.00 | | UNICREDITO ITALIANO SPA | (a) |
| CASSA DI LIQUIDAZIONE E GARANZIA SPA (in liquidation) | TRIESTE | 24.61 | | UNICREDITO ITALIANO SPA | (a) |
| CASSA DI RISPARMIO DI BRA SPA | BRA (CN) | 31.02 | | UNICREDITO ITALIANO SPA | (a) |
| CASSA DI RISPARMIO DI FOSSANO SPA | FOSSANO (CN) | 23.08 | | UNICREDITO ITALIANO SPA | (a) |
| CASSA DI RISPARMIO DI SALUZZO SPA | SALUZZO (CN) | 31.02 | | UNICREDITO ITALIANO SPA | (a) |
| CBCB - CZECH BANKING CREDIT BUREAU, A.S. | PRAGUE | | 20.00 | HVB BANK CZECH REPUBLIC A.S. | (a) |
| CBD INTERNATIONAL SP. ZO.O. | WARSAW | | 100.00 | UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | (a) |
| CDT ADVISOR S.A., LUXEMBURG | LUXEMBOURG | | 100.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CELER ALLGEMEINE VERMOGENSWERWALTUNGS-, INVESTITIONS- UND BERATUNGS GMBH | BUDAPEST | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CENTAR GRADSKI PODRUM DOO | ZAGREB | | 15.00 | ZAGREBACKA BANKA DD | (a) |
| CENTER FOR BUSINESS AND CULTURE AD | DOBRICH | | 17.35 | HVB BANK BIOCHIM AD | (a) |
| CENTER HEINRICH - COLLIN - STRASSE 1 VERMIETUNGS GMBH | VIENNA | | 49.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| CENTER HEINRICH-COLLIN-STRASSE1 VERMIETUNGS GMBH U.CO KEG | VIENNA | | 83.56 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| CENTER POINT - CONNECTIVE SOFTWARE ENGINEERING GMBH | VILLACH | | 26.98 | GRUNDERFONDS GMBH & CO KEG | (a) |
| CENTRA BAU VERWERTUNGSGESELLSCHAFT M.B.H.&CO OEG | VIENNA | | 99.00 | CALG IMMOBILIEN LEASING GMBH | (a) |
| CENTRAL AND EASTERN EUROPE POWER FUND LTD. | BERMUDA | | 17.78 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| CENTRO MERCI INTERMODALE DELLE MARCHE - CE.MI.M. SCPA (in liquidation and in bankruptcy) | JESI | 12.82 | | UNICREDITO ITALIANO SPA | (a) |
| CENTRUM BANKOWOSCI BEZPOSREDNIEJ SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSC | KRAKOW | | 98.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| | | | 2.00 | HVB DIREKT GESELLSCHAFT FUR DIREKTSERVICE UND DIREKTVERTRIEB MBH | (a) |
| CENTRUM USLUG KSIEGOWYCH SPOLKA Z O.O. | KRAKOW | | 100.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| CGE POWER LIMITED | LONDON | | 33.33 | BAYERN POWER LIMITED | (a) |
| CHEMIE PENSIONS FONDS AG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| CHINA INTERNATIONAL PACKAGING LEASING CO., LTD. | BEIJING | | 17.50 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| CHINA INVESTMENT INCORPORATIONS (BVI) LTD. | TORTOLA | | 10.69 | HVB HONG KONG LIMITED | (a) |
| CHRISTOPH REISEGGER GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | LASSALLESTRASSE BAU-, PLANUNGS-, ERRICHTUNGS- UND VERWERTUNGSGESELLSCHAFT M.B.H. | (a) |
| CIBELA GROUP SRL IN BANKRUPTCY | ORADEA | | 19.63 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| CIS EMERGING GROWTH LTD. | ST.HELIER | | 100.00 | GUS CONSULTING GMBH | (a) |
| CITEC IMMOBILIEN IN DEUTSCHLAND AG | VIENNA | | 20.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| CITY CARRE VERWALTUNGS B.V. | THE HAGUE | | 100.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| CITY HOTEL GMBH | BAD VILBEL | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| CJSC MICEX STOCK EXCHANGE | MOSCOW | | 12.30 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| CJSC MOSCOW INTERBANK CURRENCY EXCHANGE | MOSCOW | | 12.30 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| CL DRITTE CAR LEASING VERWALTUNGSGESELLSCHAFT MBH | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| CMP FONDS I GMBH | BERLIN | | 24.99 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| COBB BETEILIGUNGEN UND LEASING GMBH | VIENNA | | 50.25 | CABET-HOLDING-AKTIENGESELLSCHAFT | (a) |
| COMES BAUCONCEPT GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| COMLE@SE & COMFIN@NCE GMBH & CO. KG (in liquidation) | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| COMLE@SE ONLINE GMBH | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| CONETWORK GMBH | HAMBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| CORCIANO CALZATURE SPA (in liquidation) | ELLERA UMBRA (PG) | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| CORNUS IMMOBILIEN- UND VERMIETUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| COSMOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| CPF MANAGEMENT | VIRGIN ISLAND | | 40.00 | BANK PEKAO SA | (a) |
| CREDANTI HOLDINGS LIMITED | NICOSIA | | 30.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| CREDIFARMA SPA | ROME | 17.00 | | UNICREDITO ITALIANO SPA | (a) |
| CREDITANSTALT GLOBAL MARKETS FUND ADVISOR S.A., LUXEMBURG | LUXEMBOURG | | 100.00 | CAPITAL INVEST DIE KAPITALANLAGE GESELLSCHAFT DER BANK AUSTRIA CREDITANSTALT GRUPPE GMBH | (a) |
| CRESCAT EQUITY 1 BETEILIGUNGSGESELLSCHAFT MBH & CO. KG | HAMBURG | | 59.44 | BLUE CAPITAL EQUITY GMBH | (a) |
| CROWN WESTFALEN CREDIT SERVICES GMBH | BOCHUM | | 50.00 | WESTFALEN CREDIT SERVICES GMBH | (a) |
| CUMTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| DANIA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| DAYOCO LTD. | HONG KONG | | 50.00 | NINGBO HOLDING GMBH | (a) |
| DC ELEKTRONISCHE ZAHLUNGSSYSTEME GMBH | VIENNA | | 100.00 | KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | (a) |
| DELLA VALLE FINANZIARIA SPA (in liquidation) | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| DELLA VALLE IMMOBILIARE SPA (in liquidation) | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT ALPHA MANAGEMENT KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT BETA MANAGEMENT KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| DELPHA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GROSSKUGEL BAUABSCHNITT GAMMA MANAGEMENT KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| DELTATERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| DEUTSCHE BRENNER-TUNNEL PROJEKTGESELLSCHAFT MBH I.L. | MUNICH | | 18.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| DEUTSCHE SCHIFFSBANK AG | HAMBURG | | 20.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| DEUTSCHE STRUCTURED FINANCE & LEASING GMBH & CO. ANDROMEDA KG | FRANKFURT | | 12.38 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| DEUTSCHE STRUCTURED FINANCE & LEASING GMBH & CO. MIRA KG | FRANKFURT | | 35.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 1.63 | BLUE CAPITAL FONDS GMBH | (a) |
| | | | 2.33 | BLUE CAPITAL EUROPA ERSTE IMMOBILIEN-OBJEKT NIEDERLANDE-VERWALTUNG GMBH | (a) |
| DFA DEGGENDORFER FREIHAFEN ANSIEDLUNGS-GMBH | DEGGENDORF | | 50.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| DFA DEGGENDORFER FREIHAFEN ANSIEDLUNGS-GMBH & CO.GRUNDSTUCKS-KG | DEGGENDORF | | 50.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| DIL CZECH LEASING BUDEJOVICE S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING CESKA LIPA S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING CESKY TESIN S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING HAVIROV S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING HAVIROV TESINSKA S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING JABLONEC NAD NISOU S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING JIHLAVA S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING KARLOVY VARY S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING KARVINA S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING PROSTEJOV S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| DIL CZECH LEASING TRUTNOV S.R.O. | PRAGUE | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| DINERS CLUB CEE HOLDING AG | VIENNA | | 99.80 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| DINERS CLUB CZECH REPUBLIC S.R.O. | PRAGUE | | 100.00 | DINERS CLUB CEE HOLDING AG | (a) |
| DINERS CLUB POLSKA SPZ.O.O. | WARSAW | | 100.00 | DINERS CLUB CEE HOLDING AG | (a) |
| DINERS CLUB SLOVAKIA S.R.O. | BRATISLAVA | | 100.00 | DINERS CLUB CEE HOLDING AG | (a) |
| DIONE GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| DORION GMBH & CO. KG | MUNICH | | 94.00 | NADINION OBJEKT HUESTRASSE GMBH & CO. KG | (a) |
| DOSPA IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | | 25.00 | CALG ANLAGEN LEASING GMBH | (a) |
| DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES. M.B.H. | BERLIN | | 100.00 | UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | (a) |
| DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES. M.B.H. | BERLIN | | 100.00 | DRITTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGES.M.B.H. | (a) |
| DROSBACH HOLDING (LUXEMBOURG) S.A. | LUXEMBOURG | | 25.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| DRUSTVO ZA UPRAVLJANJE PRIVATZACIONIM FONDOM "BLB-MENANDZMENT | BANJA LUKA | | 40.00 | NOVA BANJALUCKA BANKA AD | (a) |
| DUSSELDORF-MUNCHENER BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| EBPP ELECTRONIC BILL PRESENTMENT AND PAYMENT GMBH | VIENNA | | 45.00 | PAYTRIA UNTERNEHMENS BETEILIGUNGEN GMBH | (a) |
| EINKAUFSZENTRUM WIESELBURG ERRICHTUNGS- & BETRIEBSGMBH | VIENNA | | 97.55 | TC-QUINTA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| | | | 2.45 | TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| EK MITTELSTANDSFINANZIERUNGS AG | VIENNA | | 98.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ELDO SPA (in receivership) | ROME | | 85.43 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| ENDERLEIN & CO. GMBH | BIELEFELD | | 100.00 | PLANETHOME AG | (a) |
| ENGELBERT RUTTEN VERWALTUNGSGESELLSCHAFT KOMMANDITGESELLSCHAFT | DUSSELDORF | | 30.19 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| ENTWICKLUNGSAGENTUR GUTERVERKEHRZENTRUM TRIER I GMBH | TRIER | | 85.00 | AGRUND GRUNDSTUCKS-GMBH | (a) |
| ERATECH S.A. | LODZ | | 75.39 | ASSET S.A. | (a) |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK MOSE KG | OLDENBURG | | 68.22 | HVB FONDSFINANCE GMBH | (a) |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK GREFRATH KG | OLDENBURG | | 68.20 | HVB FONDSFINANCE GMBH | (a) |
| ERSTE ONSHORE WINDKRAFT BETEILIGUNGSGESELLSCHAFT MBH & CO. WINDPARK KRAHENBERG KG | OLDENBURG | | 64.24 | HVB FONDSFINANCE GMBH | (a) |
| | | | 0.05 | HVBFF BETEILIGUNGSTREUHAND GMBH | (a) |
| ERSTE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFT M.B.H. | BERLIN | | 100.00 | UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | (a) |
| ERZET-VERMOGENSVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ESMT EUROPEAN SCHOOL OF MANAGEMENT AND TECHNOLOGY GMBH | BERLIN | | 24.24 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|------------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| EURO SYNERGIES MANAGEMENT S.A. | PARIS | | 20.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| EURO-BOND BLUE CAPITAL MANAGEMNT GMBH | BAD SODEN | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| EURO-BOND BLUE CAPITAL VERWALTUNGS GMBH | BAD SODEN | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| EUROMARKETING AG | VIENNA | | 71.18 | MY BETEILIGUNGS GMBH | (a) |
| EUROPACENTER KFT. | BUDAPEST | | 50.00 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| EUROPAY AUSTRIA ZAHLUNGSVERKEHRSSYSTEME GMBH | VIENNA | | 13.59 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 5.78 | EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH | (a) |
| | | | 4.50 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| EUROVENTURES-AUSTRIA-CA-MANAGEMENT GESMBH | VIENNA | | 100.00 | CABET-HOLDING-AKTIENGESELLSCHAFT | (a) |
| EVARIS OBJEKTGESELLSCHAFT BETEILIGUNGS GMBH | MUNICH | | 100.00 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | (a) |
| EVARIS OBJEKT-GMBH & CO. KG | MUNICH | | 99.00 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | (a) |
| | | | 1.00 | EVARIS OBJECTGESELLSCHAFT BETEILIGUNGS GMBH | (a) |
| F.I.M. FONDERIA INDUSTRIE MECCANICHE SPA | SEGUSINO (TV) | | 60.97 | UNICREDIT BANCA MEDIOCREDITO SPA | (b) |
| FI.MA. SRL | PERUGIA | | 100.00 | UNICREDIT BANCA SPA | (b) |
| FABRYKA MASZYN W JANOWIE LUBELSKIM SP. ZOO | JANOW LUBELSKI | | 86.68 | PEKAO FUNDUSZ KAPITALOWY SP. ZOO | (a) |
| FACTORBANK AKTIENGESELLSCHAFT | VIENNA | | 42.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 10.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| FAMILY TRUST MANAGEMENT EUROPE S. A. | LUXEMBOURG | | 80.00 | HVB BANQUE LUXEMBOURG SOCIETE ANONYME | (a) |
| FASALEX GMBH | KOPFIN | | 37.10 | GRUNDERFONDS GMBH | (a) |
| FERNSEH HOLDING III SARL | LUXEMBOURG | | 3.50 | HVB INDUSTRIEBETEILIGUNGSGESELLSCH AFT SARL | (a) |
| | | | 8.00 | HVB CAPITAL PARTNERS SARL | (a) |
| FERRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| FERRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PROJEKT GROSSENHAINER STRASSE AREAL II KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| FERRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PROJEKT GROSSENHAINER STRASSE AREAL I KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| FERRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. PROJEKT GROSSENHAINER STRASSE KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| FGB GRUND UND BODEN GMBH & CO. KG | MUNICH | | 94.00 | HVB PROJEKT GMBH | (a) |
| FGB GRUND UND BODEN VERWALTUNGS GMBH | MUNICH | | 100.00 | FGB GRUND UND BODEN GMBH & CO. KG | (a) |
| FINAL HOLDING SPZ.O.O. | WARSAW | | 100.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| FINAL S.A. | DABROWA GORNICZA | | 99.73 | FINAL HOLDING SPZ.O.O. | (a) |
| FINANCIAL RISK MANAGEMENT GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-----------------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| FINAOSTA SPA | AOSTA | 10.71 | | UNICREDITO ITALIANO SPA | (a) |
| FINESCO S.A. | WARSAW | | 18.96 | FINAL HOLDING SP.Z.O.O. | (a) |
| FINMOLISE SPA - FINANZIARIA REGIONALE PER LO SVILUPPO DEL MOLISE | CAMPOBASSO | 11.84 | | UNICREDITO ITALIANO SPA | (a) |
| FIORONI INGEGNERIA SPA (in receivership) | PERUGIA | | 30.05 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| FIORONI INVESTIMENTI SPA (in receivership) | PERUGIA | | 30.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| FIORONI SISTEMA SPA (in receivership) | PERUGIA | | 26.18 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| FIRST SHIP LEASE LTD. | HAMILTON | | 19.99 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| FM BETEILIGUNGS-AKTIENGESELLSCHAFT | VIENNA | | 50.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| FMW INDUSTRIEANLAGEN GMBH | VIENNA | | 44.00 | EK MITTELSTANDSFINANZIERUNGS AG | (a) |
| FONDERIA METALLI CONVEYORS SRL | MONTE MARENZO (LC) | | 90.00 | UNICREDIT BANCA MEDIOCREDITO SPA | (b) |
| FONTANA HOTELVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| FONTANA KURHOTEL GESELLSCHAFT M.B.H. | VIENNA | | 99.00 | FONTANA HOTELVERWALTUNGSGESELLSC HAFT M.B.H. | (a) |
| FOOD & MORE GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| FORMAC BETEILIGUNGSGESELLSCHAFT MBH | HAMBURG | | 33.33 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| FORUM POLSKIEGO BIZNESU MEDIA SP.Z O.O. | WARSAW | | 100.00 | PBK PROPERTY SP. Z.O.O. | (a) |
| FREIZEITPARK OBERLAA VERMIETUNGS GMBH | VIENNA | | 75.00 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | (a) |
| G.E. GRUPPO ELDO SPA (in receivership) | ROME | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| G.F.S. MANAGEMENT KANTOOR B.V. | THE HAGUE | | 100.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| G.I.A.R. GESTIONE ITALIANA AZIENDE RIUNITE SPA | ROME | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| GALILEO GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| GAMMATERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| GANYMED IMMOBILIENVERMIETUNGSGESELLSCH AFT M.B.H. | VIENNA | | 99.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| GCCS GOLFANLAGEN ERRICHTUNGS- UND VERWALTUNGS GMBH | BERLIN | | 100.00 | GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH | (a) |
| GE IMMOBILIENVERWALTUNGS-GMBH | MUNICH | | 98.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH | (a) |
| GE IMMOBILIENVERWALTUNGS-GMBH & CO. GRUNDSTUCKS-KG | MUNICH | | 100.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| GESCHUTZTE WERKSTATTE WR. NEUSTADT GESELLSCHAFT M.B.H. | WR. NEUSTADT | | 14.29 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| GESELLSCHAFT FUR GRUNDBESITZ MBH | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| GESFO GEMEINNUTZIGE BAU- UND SIEDLUNGSGESELLSCHAFT M.B.H. | VIENNA | | 25.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|------------------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| GI VENTURES AKTIENGESELLSCHAFT | MUNICH | | 20.80 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| GIMMO IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| GIRAGLIA IMMOBILIARE SPA | | | 17.15 | UNICREDIT BANCA D'IMPRESA SPA | (a) |
| GIRO BANKKARTYA RT. | BUDAPEST | | 25.42 | HVB BANK HUNGARY ZRT. | (a) |
| GIW GESELLSCHAFT FUR INFORMATIONSTRANSFER UND WEITERBILDUNG MBH I.L. | ALFTER | | 100.00 | BVK HOLDING GMBH (IN LIQUIDATION) | (a) |
| GLOBAL LIFE SCIENCE LIMITED PARTNERSHIP | ST. PETER PORT | | 23.84 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| GLS (GP) LIMITED | ST. PETER PORT | | 15.12 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| GOETHE GALERIE CENTERMANAGEMENT GMBH | JENA | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| GOLF- UND COUNTRY CLUB SEDDINER SEE IMMOBILIEN GMBH | BERLIN | | 94.00 | HVB PROJEKT GMBH | (a) |
| GOLFANLAGEN KLOPEINERSEE-TURNERSEE GESELLSCHAFT M.B.H. & CO. KG | ST.KANZIAN | | 11.24 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 4.17 | WIRTSCHAFTSVEREIN DER MITARBEITERINNEN DER BANK AUSTRIA CREDITANSTALT AG | (a) |
| GOLFPLATZ SCHLOSS EBREICHSDORF ERRICHTUNGS- UND VERMIETUNGS GMBH | VIENNA | | 100.00 | FM BETEILIGUNGS-AKTIENGESELLSCHAFT | (a) |
| GRADSKI PODRUM D.D. IN LIQUIDAZIONE | ZAGREB | | 15.04 | ZAGREBACKA BANKA DD | (a) |
| | | | 54.76 | ZABA TURIZAM DOO | (a) |
| GRAND CENTRAL RE LIMITED | HAMILTON | | 92.50 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| GRAND HOTEL SAVOIA SPA | CORTINA D'AMPEZZO (BL) | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| GREENGOLD KERNOL HANDELS GMBH | GRAZ | | 20.00 | GRUNDERFONDS GMBH | (a) |
| GROSSKUGEL IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| GRUNDERFONDS GMBH | LJUBLJANA | | 100.00 | BA-CA PRIVATE EQUITY GMBH | (a) |
| GRUNDERFONDS GMBH & CO KEG | VIENNA | | 100.00 | GRUNDERFONDS GMBH | (a) |
| GRUNDSTUCKSAKTIENGESELLSCHAFT AM POTSDAMER PLATZ (HAUS VATERLAND) | MUNICH | | 98.24 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| GRUNDSTUCKSGESELLSCHAFT SIMON BESCHRANKT HAFTENDE KOMMANDITGESELLSCHAFT | MUNICH | | 92.50 | DUSSELDORF-MUNCHENER BETEILIGUNGSGESELLSCHAFT MBH | (a) |
| | | | 7.50 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT M.B.H. & CO. KG. | DORNBIRN | | 100.00 | BA/CA-LEASING BETEILIGUNGEN GMBH | (a) |
| GRUWA GRUNDBAU UND WASSERBAU GMBH | BERLIN | | 100.00 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| GUS CONSULTING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| H & B IMMOBILIEN GMBH & CO. OBJEKTE KG | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| H.F.S. BETEILIGUNGS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS DEUTSCHLAND 10 GMBH & CO. KG | MUNICH | | 23.66 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| H.F.S. IMMOBILIENFONDS DEUTSCHLAND 14 GMBH & CO. KG | MUNICH | | 50.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| | | | 50.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS DEUTSCHLAND 19 KG | MUNICH | | 50.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| | | | 50.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS DEUTSCHLAND 20 KG | MUNICH | | 90.91 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS EUROPA 1 BETEILIGUNGS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS EUROPA 2 BETEILIGUNGS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS EUROPA 3 BETEILIGUNGS B.V. | THE HAGUE | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS EUROPA 4 KG | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. IMMOBILIENFONDS SCHLOSSGALERIE BERLIN-STEGLITZ GMBH & CO. KG | MUNICH | | 31.25 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| | | | 62.50 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| | | | 6.25 | H.F.S. IMMOBILIENFONDS GMBH | (a) |
| H.F.S. KOMPLEMENTARS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'ECUADOR' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'HAITI' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'INDIEN' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'JAVA' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'KOREA' KG | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'KUBA' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'MALAYSIA' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'PANAMA' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'THAILAND' KG | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. LEASINGFONDS GMBH & CO. DEUTSCHLAND 'HAWAI' KG | MANNHEIM | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| H.F.S. SCHIFFS-LEASINGFONDS GMBH | MUNICH | | 100.00 | H.F.S. LEASINGFONDS GMBH | (a) |
| H.F.S. VALUE MANAGEMENT GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| H.F.S. ZWEITMARKTFONDS DEUTSCHLAND 3 GMBH & CO. KG | MUNICH | | 50.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| | | | 50.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| H.F.S. ZWEITMARKTFONDS DEUTSCHLAND 4 GMBH & CO. KG | MUNICH | | 50.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| | | | 50.00 | G.F.S. GESCHAFTSBESORGUNG FUR SACHWERTE GMBH | (a) |
| H.F.S. ZWEITMARKTFONDS GMBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| HALOS GMBH & CO. OBJEKT KG | MUNICH | | 100.00 | HVZ GMBH & CO. OBJEKT KG | (a) |
| HANS PRESSEL BETEILIGUNGS-GES.M.B.H. | VIENNA | | 100.00 | EUROMARKETING AG | (a) |
| HANSA-NORD-LUX MANAGEMENTGESELLSCHAFT | LUXEMBOURG | | 50.00 | NORDINVEST NORDDEUTSCHE INVESTMENT-GESELLSCHAFT MBH | (a) |
| HANSE CHEMIE AG | GEESTHACHT | | 13.00 | CONETWORK GMBH | (a) |
| HANSEATISCHE VERLAGS-BETEILIGUNGS AKTIENGESELLSCHAFT | HAMBURG | | 31.25 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| HASSER IMMOBILIARE SRL | ROME | | 50.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| HAWA GRUNDSTUCKS GMBH & CO. OHG HOTELVERWALTUNG | MUNICH | | 99.50 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| | | | 0.50 | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | (a) |
| HAWA GRUNDSTUCKS GMBH & CO. OHG IMMOBILIENVERWALTUNG | MUNICH | | 99.50 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| | | | 0.50 | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | (a) |
| HEIZKRAFTWERK COTTBUS VERWALTUNGS GMBH | MUNICH | | 33.33 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HEIZKRAFTWERKE-POOL-VERWALTUNGS-GMBH | MUNICH | | 33.33 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HELLAS LEASING- UND BETEILIGUNGS GMBH | BAD HOMBURG | | 98.00 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| | | | 2.00 | BA CA LEASING (DEUTSCHLAND) GMBH | (a) |
| HEKLA IMMOBILIEN PROJEKTENTWICKLUNGS GMBH & CO. HOTEL JENA KG | JENA | | 100.00 | HEKLA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. VERMIETUNGS KG | (a) |
| HEKLA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HEKLA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. VERMIETUNGS KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HESTAR GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| HMIS MANAGEMENT INFORMATION & SERVICE GMBH | MUNICH | | 25.00 | HVB TECTA GMBH | (a) |
| | | | 75.00 | HVB PROJEKT GMBH | (a) |
| HOFGARTEN GRUNDBESITZ VERWALTUNG GMBH | BERLIN | | 49.60 | HVB PROJEKT GMBH | (a) |
| HOFGARTEN REAL ESTATE B.V. | AMSTERDAM | | 47.17 | TERRONDA DEVELOPMENT B.V. | (a) |
| HOTEL FURSTENHOF BETRIEBSGESELLSCHAFT MBH I.L. | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HOTEL RUGEN BETRIEBS- UND MANAGEMENT GMBH | FRANKFURT | | 25.20 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| HOTEL SEDDINER SEE GMBH | BERLIN | | 94.00 | HVB PROJEKT GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|--------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| HP IT-SOLUTIONS GMBH | INNSBRUCK | | 14.29 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| HROK DOO | ZAGREB | | 14.00 | ZAGREBACKA BANKA DD | (a) |
| | | | 10.00 | HVB SPLITSKA BANKA D.D., SPLIT | (a) |
| HVB ALTERNATIVE ADVISORS INC. | NEW YORK | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB ASIA ADVISERS SDN. BHD. | KUALA LAMPUR | | 100.00 | HVB ASIA LIMITED | (a) |
| HVB ASIA LIMITED | SINGAPORE | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB ASSET LEASING LIMITED | LONDON | | 100.00 | HVB INTERNATIONAL ASSET LEASING GMBH | (a) |
| HVB ASSET MANAGEMENT ASIA LTD. | SINGAPORE | | 100.00 | HVB ASIA LIMITED | (a) |
| HVB AUSTRALIA PTY LTD. | SYDNEY | | 100.00 | HVB ASIA LIMITED | (a) |
| HVB BANCA PENTRU LOCUINTE S.A. | BUCAREST | | 35.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 55.00 | VEREINSBANK VICTORIA BAUSPAR AKTIENGESELLSCHAFT | (a) |
| | | | 10.00 | HVB BANK ROMANIA S.A. | (a) |
| HVB BANK LATVIA AS | RIGA | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB CAPUSTAR (HONG KONG) LTD | HONG KONG | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| HVB CAPE BLANC LLC | WILMINGTON | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| HVB CAPITAL MANAGEMENT, INC. | NEW YORK | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| HVB CAPITAL MARKETS INC. | NEW YORK | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| HVB CAPITAL PARTNERS AG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB CAPITAL PARTNERS S.A.R.L. | LUXEMBOURG | | 100.00 | HVB CAPITAL PARTNERS AG | (a) |
| HVB CONSULT GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB CREDIT ADVISORS LIMITED | DUBLIN | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB DIREKT GESELLSCHAFT FUR DIREKTSERVICE UND DIREKTVERTRIEB MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB ENERGY HOLDINGS LLC | NEW YORK | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB EXPERTISE GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB EXPORT LEASING GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB FACTOR PENZUGYI SZOLGALTATO RT. | BUDAPEST | | 98.72 | HVB BANK HUNGARY ZRT. | (a) |
| | | | 1.28 | SAS-REAL KFT | (a) |
| HVB FACTORING S.R.O. | BRATISLAVA | | 20.00 | FACTORBANK AKTIENGESELLSCHAFT | (a) |
| | | | 80.00 | HVB BANK SLOVAKIA A.S. | (a) |
| HVB FACTORING S.R.O. | PRAGUE | | 100.00 | HVB BANK CZECH REPUBLIC A.S. | (a) |
| HVB FINANCE LONDON LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB FINANCNE SLUZBY S.R.O. | BRATISLAVA | | 100.00 | HVB BANK SLOVAKIA A.S. | (a) |
| HVB FINANZBERATUNG GMBH | MUNICH | | 100.00 | HVB VERWA 4 GMBH | (a) |
| HVB FONDSFINANCE GMBH | MUNICH | | 95.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 5.00 | TIVOLI GRUNDSTUCKS-AKTIENGESELLSCHAFT | (a) |
| HVB FUND SERVICES LIMITED | DUBLIN | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| HVB FUNDING TRUST II | NEW YORK | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB FUNDING TRUST VIII | NEW YORK | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB GESELLSCHAFT FUR GEBAUDE BETEILIGUNGS GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB GLOBAL ASSETS COMPANY (GP), LLC | DOVER | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB IMMOBILIE SLOVAKIA SPOL.S.R.O. | BRATISLAVA | | 100.00 | HVB BANK SLOVAKIA A.S. | (a) |
| HVB IMMOBILIEN AG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB INDUSTRIEBETEILIGUNGSGESELLSCHAFT S.A.R.L. | LUXEMBOURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB INTERNATIONAL ASSET LEASING GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB INVESTITIONSBANK GMBH | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| HVB LEASING INTERNATIONAL GMBH & CO. KG | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| HVB LEASING LIMITED PARTNERSHIP | WILMINGTON | | 100.00 | HVB CAPE BLANC LLC | (a) |
| HVB LIFE SCIENCE GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LOAN PORTFOLIO GMBH & CO. KG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LOAN PORTFOLIO VERWALTUNGS GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LONDON INVESTMENTS (AVON) LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LONDON INVESTMENTS (BLACKWATER) LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LONDON INVESTMENTS (CAM) LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB LONDON TRADING LTD. | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB MG LLC | NEW YORK | | 100.00 | HVB ENERGY HOLDINGS LLC | (a) |
| HVB MORTGAGE CAPITAL CORP. | WILMINGTON | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| HVB PENSIONSFONDS AG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB PENSIONSFONDS-SERVICE GMBH | MUNICH | | 100.00 | HVB PENSIONSFONDS AG | (a) |
| HVB PGUP LLC | NEW YORK | | 100.00 | HVB ENERGY HOLDINGS LLC | (a) |
| HVB POSREDNIK DOO | BELGRADE | | 100.00 | BACAL VERSICHERUNGSSERVICE HOLDING GMBH | (a) |
| HVB PRINCIPAL EQUITY GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB PROFIL GESELLSCHAFT FUR PERSONALMANAGEMENT MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB PROJEKT EMILIENHOF GMBH & CO. KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HVB PROJEKT EMILIENHOF VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HVB PROJEKT GMBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB PROJEKT IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| HVB RATING ADVISORY GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB REALITY CZ, S.R.O. | PRAGUE | | 100.00 | HVB BANK CZECH REPUBLIC A.S. | (a) |
| HVB REALTY CAPITAL INC. | NEW YORK | | 100.00 | HVB U.S. FINANCE INC. | (a) |
| HVB RUSSELL MANAGEMENT GMBH | MUNICH | | 51.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB SECUR GMBH | MUNICH | | 80.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|--------------|--------|----------|------------------------------------|-------------------|
| | | DIRECT | INDIRECT | | |
| HVB SERVICES SOUTH AFRICA (PROPRIETARY) LIMITED | JOHANNESBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB SINGAPORE LIMITED | SINGAPORE | | 100.00 | HVB ASIA LIMITED | (a) |
| HVB STRUCTURED INVEST S.A. | LUXEMBOURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB TECTA GMBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB VERWA 1 GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB VERWA 3 GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVB VERWA 4.1 GMBH | MUNICH | | 100.00 | HVB VERWA 4 GMBH | (a) |
| HVB VERWA 4.6 GMBH | MUNICH | | 100.00 | HVB VERWA 4 GMBH | (a) |
| HVB VERWA 5 GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| HVBFF AIRCRAFTLEASING GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF BAUMANAGEMENT GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF BETEILIGUNGSTREUHAND GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF GEBAUDESANIERUNG GMBH & CO ERSTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF HAVELLAND GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF IMMOBILIEN-FONDS GMBH & CO WOHNUNGEN LEIPZIG ZWEITE KG | OLDENBURG | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF INTERNATIONAL GREECE GMBH | MUNICH | | 100.00 | HVBFF INTERNATIONALE LEASING GMBH | (a) |
| HVBFF INTERNATIONALE LEASING GMBH | MUNICH | | 90.00 | HVB FONDSFINANCE GMBH | (a) |
| | | | 10.00 | HVBFF VERWALTUNGS GMBH | (a) |
| HVBFF KAPITALVERMITTLUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO ACHETE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO ERSTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO FUNFTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO NEUNTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO SECHSTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO SIEBTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING & INVESTITION GMBH & CO VIERTE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING OBJEKT GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF LEASING-FONDS GMBH & CO WOHNUNGEN NAUEN ZWEITE KG | MUNICH | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| HVBFF LEASING-FONDS VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF OBJEKT BETEILIGUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF OBJEKT LEIPZIG GMBH | MUNICH | | 70.00 | HVB FONDSFINANCE GMBH | (a) |
| HVBFF PRODUKTIONSHALLE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|------------------------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| HVBFF VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| HVZ GMBH & CO. OBJEKT UNTERFOHRING KG | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| HYPERION IMMOBILIENVERMIETUNGSGESELLSCH AFT M.B.H. | VIENNA | | 99.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| HYPO-BANK VERWALTUNGSZENTRUM GMBH | MUNICH | | 100.00 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | (a) |
| HYPO-REAL HAUS & GRUNDBESITZ GESELLSCHAFT MBH & CO. IMMOBILIEN | MUNICH | | 80.00 | HVB PROJEKT GMBH | (a) |
| HYPO-REAL HAUS- UND GRUNDBESITZ GESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| I.C.M. SPA (in liquidation) | REZZATO (BS) | | 61.00 | UNICREDIT BANCA SPA | (b) |
| I.M.E.S. INDUSTRIA MECCANICA E STAMPAGGIO SPA | SUMIRAGO (VA) | | 100.00 | UNICREDIT BANCA MEDIOCREDITO SPA | (b) |
| I GEMELLI DI S. BENIGNO SRL (in liquidation) | GENOA | | 12.24 | UNICREDIT BANCA D'IMPRESA SPA | (a) |
| IFEM SPA (in liquidation) | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| IGICOR SPA (in liquidation) | VERONA | | 100.00 | UNICREDITO GESTIONE CREDITI SPA - BANCA PER LA GESTIONE DEI CREDITI | (b) |
| IMAT SPA (in liquidation) | CASTEL SAN PIETRO TERME (BO) | | 96.67 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| IMM.EDIL.SEI SRL | ROME | | 50.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| IMMO I IMMOBILIEN + MOBILIEN-VERMIETUNGS GMBH & CO.KG. | VIENNA | | 95.00 | IMMOBILIEN VERMIETUNGS GMBH | (a) |
| | | | 5.00 | M.A.I.L. IMMOBILIEN GESELLSCHAFT M.B.H. & CO. KG | (a) |
| IMMOBILIEN RATING GMBH | VIENNA | | 19.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 19.00 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| | | | 61.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| IMMOBILIEN VERMIETUNGS GMBH | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| IMMOBILIEN VERMIETUNGS GMBH & CO PROJEKT GUMPENDORFERSTRASSE 140 KEG | VIENNA | | 87.50 | IMMOBILIEN VERMIETUNGS GMBH | (a) |
| | | | 12.50 | REAL INVEST IMMOBILIEN GMBH | (a) |
| IMWA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| INDUSTRIA BRIANTEA GIOCATTOLE SPA IN LIQUIDAZIONE E IN CONCORDATO PREVENTIVO | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| INDUSTRIE-IMMOBILIEN-VERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | | 99.90 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| INFORMATIONSTECHNOLOGIE AUSTRIA GMBH | VIENNA | | 61.37 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| INFRACOM ITALIA SOCIETA' PER AZIONI | VERONA | 11.24 | | UNICREDITO ITALIANO SPA | (a) |
| INFRASTRUKTUR HOLDING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| INFRASTRUKTUR PLANUNGS- UND ENTWICKLUNGS GMBH | VIENNA | | 45.00 | INFRASTRUKTUR HOLDING GMBH | (a) |
| INNOVEND HANDELSGES.MBH | VIENNA | | 22.00 | GRUNDERFONDS GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|--------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| INTERFINANZIARIA S. A. | LUGANO | | 33.30 | HVB BANQUE LUXEMBOURG SOCIETE ANONYME | (a) |
| INTERPARK MANAGEMENT GMBH & CO. KG | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| INTERPARK MANAGEMENT VERWALTUNGS GMBH | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| INTERPORTO ROMA EST SPA | ROME | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| INTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| INVESCO REAL ESTATE GERMANY L.L.C. | WILMINGTON | | 24.90 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| INVESCO REAL ESTATE GERMANY L.P. | WILMINGTON | | 24.65 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| INVESCO REAL ESTATE GMBH | MUNICH | | 24.90 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| INVESTBROKER A.D. | BELGRADO | | 66.65 | HVB BANKA SERBJA I CRNA GORA A.D. BEOGRAD | (a) |
| IR SERVICES SP ZO.O. | WARSAW | | 99.08 | CA IB POLSKA SPOLKA AKCYJNA | (a) |
| | | | 0.92 | CA IB FINANCIAL ADVISERS A.S., O.C.P. | (a) |
| IRODAHAZ TANACSADO KFT. | BUDAPEST | | 100.00 | ALFA HOLDING INGATLANSZOLGALTATO KFT. | (a) |
| ISAR-SEINE IMMOBILIEN GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| ISB UNIVERSALE BAU GMBH | BRANDEBURG | | 100.00 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| ISPONA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| ISTITUTO FINANZIARIO REGIONALE PIEMONTESE - FINPIEMONTE SPA | TURIN | | 12.15 | UNICREDITO ITALIANO SPA | (a) |
| | | | 0.26 | UNICREDIT BANCA MEDIOCREDITO SPA | (a) |
| ISTITUTO PER LA PROMOZIONE DELLA RICERCA E DELL'INSEGNAMENTO SULLA FINANZA E SULLA GESTIONE D'IMPRESA (PROFINGEST) | BOLOGNA | | 12.08 | UNICREDITO ITALIANO SPA | (a) |
| ITALTEL SPA | MILAN | | 37.42 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| ITP FINANZSERVICE VERWALTUNGSGESELLSCHAFT MBH | SALZKOTTEN | | 29.98 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| IVONA BETEILIGUNGSVERWALTUNG GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| JAKALA PROMOPLAN SPA | MILAN | | 74.09 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| JOINT STOCK COMMERCIAL BANK HVB BANK UKRAINE | KIEV | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| JUNIORS' PLAYTIME SRL (in liquidation) | PIANORO (BO) | | 23.91 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| KAPITAL-BETEILIGUNGS AKTIENGESELLSCHAFT | VIENNA | | 20.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| KELLER CROSSING L.P. | GEORGIA | | 100.00 | US PROPERTY INVESTMENTS INC. | (a) |
| KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. OBJEKT BORNITZSTRASSE I KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. OBJEKT BORNITZSTRASSE II KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|------------------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. OBJEKT BORNITZSTRASSE III KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| KHR PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. OBJEKT BORNITZSTRASSE KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| KLEA ZS-IMMOBILIENVERMIETUNG G.M.B.H. | VIENNA | | 99.80 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| KLEA ZS-LIEGENSCHAFTSVERMIETUNG G.M.B.H. | VIENNA | | 99.80 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| KOHLER & KRENZER FASHION AG | EHRENBERG | | 50.00 | BAYERISCHE HYPO- UND VEREINSBANK AKTIENGESELLSCHAFT | (a) |
| KOMPETENZENTRUM SPORT, GESUNDHEIT & TECHNOLOGIE GMBH | GARMISCH-PARTENKIRCHEN | | 10.53 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| KRAJOWA IZBA ROZLICZENIOWA SA | WARSAW | | 11.48 | BANK BPH SPOLKA AKCYJNA | (a) |
| KREDITGARANTIEGEMEINSCHAFT DES BAYERISCHEN HANDWERKS GMBH | MUNICH | | 12.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| KREDITGARANTIEGEMEINSCHAFT DES HOTEL- UND GASTSTATTENGEWERBES IN BAYER | MUNICH | | 12.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| KSG KARTEN-VERRECHNUNGS- UND SERVICEGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | VISA-SERVICE KREDITKARTEN AKTIENGESELLSCHAFT | (a) |
| KUNSTFORUM HANDELSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | ERZET-VERMOGENSVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| LA FONTE VIERUNDNEUNZIGSTE VERMÖGENSVERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| LA FONTE VIERUNDNEUNZIGSTE VERMÖGENSVERWALTUNGSGESELLSCHAFT MBH & CO. BETEILIGUNGS KG | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| LADIS GESELLSCHAFT FÜR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| LADON VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| LAMBACHER HITIAG LEINEN AG | STADL-PAURA | | 45.57 | MY FUNF HANDELS GMBH | (a) |
| LANDOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| LASER SRL (in liquidation) | MILAN | | 22.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| LB FONDS BERATUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | (a) |
| LB HOLDING GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | LB FONDS BERATUNGSGESELLSCHAFT M.B.H. | (a) |
| LEASING 431 GRUNDSTÜCKVERWALTUNG GESELLSCHAFT M.B.H. | VIENNA | | 17.20 | CALG IMMOBILIEN LEASING GMBH | (a) |
| LEASING 439 GMBH | VIENNA | | 50.00 | CALG IMMOBILIEN LEASING GMBH | (a) |
| LEMONGRASS AGENTUR FÜR DIREKTMARKETING & WERBUNG GES.M.B.H. | VIENNA | | 100.00 | HANS PRESSEL BETEILIGUNGS-GES.M.B.H. | (a) |
| LENG LOI LIMITED | HONG KONG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| LFL LUFTFAHRZEUG LEASING GMBH | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| LIFE MANAGEMENT ZWEITE GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| LIFE MANGAGEMENT ERSTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| LIFE VERWALTUNGS ERSTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| LIFE VERWALTUNGS ZWEITE GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| LIMITED LIABILITY COMPANY "B.A. REAL ESTATE" | MOSCOW | | 100.00 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| LINQ MINING FUND | PERTH | | 23.72 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| LNC (SPV-AMC) CORP | ALABANG | | 40.00 | CAMERON GRANDVILLE ASSET MANAGEMENT (SPV-AMC) INC | (a) |
| LNC INVESTMENTS HOLDINGS INC | MANILA | | 40.00 | CAMERON GRANDVILLE ASSET MANAGEMENT (SPV-AMC) INC | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| LORIT IMMOBILIEN LEASING GESELLSCHAFT M.B.H. | VIENNA | | 25.00 | CALG IMMOBILIEN LEASING GMBH | (a) |
| LWB OBJEKT GMBH & CO ZWEITE KG | LEIPZIG | | 100.00 | HVBFF OBJEKT BETEILIGUNGS GMBH | (a) |
| M.A.I.L. ALPHA PROPERTIES V.O.S. | PRAGUE | | 100.00 | M.A.I.L. IMMOBILIEN INVEST PRAG ALPHA VERWALTUNGS GMBH & CO. KEG | (a) |
| M.A.I.L. ALPHA REAL ESTATE MANAGEMENT S.R.O. | PRAGUE | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B. H. & CO. MCL THETA KEG | VIENNA | | 100.00 | REAL INVEST PROPERTY GMB H | (a) |
| M.A.I.L. CEE PROPERTY INVEST GMBH | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. ETA REAL ESTATE MANAGEMENT S.R.O. . | PRAGUE | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | VIENNA | | 99.95 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| | | | 0.05 | TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. GAMMA REAL ESTATE MANAGEMENT S.R.O. | PRAGUE | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. IMMOBILIEN GESELLSCHAFT M.B.H. & CO. KG | VIENNA | | 100.00 | REAL INVEST IMMOBILIEN GMBH | (a) |
| M.A.I.L. IMMOBILIEN INVEST PRAG ALPHA VERWALTUNGS GMBH & CO. KEG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| M.A.I.L. PRIVATE EQUITY GMBH | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. PRIVATE EQUITY GMBH & CO SEKUNDA KEG | VIENNA | | 100.00 | M.A.I.L. PRIVATE EQUITY GMBH | (a) |
| M.A.I.L. PRIVATE EQUITY GMBH & CO PRIMERA KEG | VIENNA | | 100.00 | M.A.I.L. PRIVATE EQUITY GMBH | (a) |
| M.A.I.L. PROPERTY INVEST GMBH & CO. DELTA KEG | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |
| M.A.I.L. REAL ESTATE MANAGEMENT JOTA BRATISLAVA S.R.O. | BRATISLAVA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L. WARSCHAU PROPERTY INVEST ALPHA GMBH | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |
| M.A.I.L. ZETA REAL ESTATE MANAGEMENT S.R.O. | PRAGUE | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| M.A.I.L.STRATOS REAL SP.ZO.O. | WARSAW | | 99.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| | | | 1.00 | REAL INVEST PROPERTY GMBH | (a) |
| MANDA-INVEST, DIONICKO DRUSTVO ZA FINANCIJSKE USLUGE, USLUGE MARKETINGA, TE UGOSTITELJSKU I TURISTICKU DJELATNOST (IN LIQUIDATION) | ZAGREB | | 50.00 | ZAGREBACKA BANKA DD | (a) |
| MANFRED HANDBUCHLER GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MARIENPLATZ GROSSGARAGE GMBH | MUNICH | | 66.67 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| MARITIME CONTAINER N. 13 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER N. 14 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER N. 15 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER N. 17 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER N. 18 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| MARITIME CONTAINER N. 21 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER N.16 LTD | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO. 7 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.1 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.10 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.11 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.12 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.2 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.3 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.4 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.5 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.6 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.8 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME CONTAINER NO.9 LTD. | HAMBURG | | 100.00 | MARITIME SICHERHEITEN GMBH | (a) |
| MARITIME SICHERHEITEN GMBH | HAMBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MARIVATURIST D.D. (IN LIQUIDATION) | MAKARSKA | | 81.75 | HVB SPLITSKA BANKA D.D., SPLIT | (a) |
| MASCHINEN + ANLAGEN INVESTITIONS-LEASING GMBH | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| MATHER MA LEASING GMBH & CO. OHG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AKTIENGESELLSCHAFT | (a) |
| MC MARKETING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MC RETAIL GMBH | VIENNA | | 100.00 | MC MARKETING GMBH | (a) |
| MEDIA DRUCK GMBH | TULLN | | 20.00 | MEZZANIN FINANZIERUNGS AG | (a) |
| MEDIA MAGNUS SP.Z.O.O. | WARSAW | | 100.00 | FINAL HOLDING SP.Z.O.O. | (a) |
| MEGADYNE INTERMEDIA SRL | MATHI (TO) | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| MEMIQ (IN LIQUIDATION) | HAAR | | 46.65 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MERCATOR INDUSTRIE- UND BURO-CENTER GMBH | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| MERCATOR INDUSTRIE- UND BURO-CENTER GMBH & CO. VERWALTUNGS KG | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| MERIAN GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MERKURHOF GRUNDSTUCKSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | HAMBURG | | 100.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| METIS SPA | MILAN | 18.50 | | UNICREDITO ITALIANO SPA | (a) |
| MEZZANIN FINANZIERUNGS AG | VIENNA | | 68.33 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MFG FLUGHAFEN-GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT MBH & CO BETA KG | POTSDAM | | 10.56 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MIEDZYBANKOWE CENTRUM GOTOWKI SP.Z.O.O. | CRACOVIA | | 25.00 | BANK BPH SPOLKA AKCYJNA | (a) |
| MILLETERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| MINDELO HOLDINGS B.V. | AMSTERDAM | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|--------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| MITTELSTANDISCHE BETEILIGUNGSGESELLSCHAFT BERLIN-BRANDENBURG GMBH | SCHWERIN | | 11.56 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MITTELSTANDISCHE BETEILIGUNGSGESELLSCHAFT MECKLENBURG-VORPOMMERN MBH | HANNOVER | | 15.40 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MITTELSTANDISCHE BETEILIGUNGSGESELLSCHAFT SACHSEN MBH | DRESDEN | | 11.84 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MITTELSTANDISCHE BETEILIGUNGSGESELLSCHAFT SACHSEN-ANHALT MIT BESCHRANKTER HAFTUNG | MAGDEBURG | | 12.70 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MITTELSTANDISCHE BETEILIGUNGSGESELLSCHAFT THURINGEN MBH | ERFURT | | 13.38 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MIZUHO CORPORATE BANK - BA INVESTMENT - CONSULTINGGMBH | VIENNA | | 50.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MLI MUNCHENER LEASING & INVESTITION DREIZEHNTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MLI MUNCHENER LEASING & INVESTITION ELFTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MLI MUNCHENER LEASING & INVESTITION FUNFZEHNTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MLI MUNCHENER LEASING & INVESTITION VIERZEHNTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MLI MUNCHENER LEASING & INVESTITION SIEBTE GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MOBILITY CONCEPT GMBH | UNTERHACHING | | 60.00 | HVB LEASING GMBH | (a) |
| MOC VERWALTUNGS GMBH | MUNICH | | 23.00 | HVB PROJEKT GMBH | (a) |
| MOC VERWALTUNGS GMBH & CO. IMMOBILIEN KG | MUNICH | | 23.00 | HVB PROJEKT GMBH | (a) |
| MONDUZZI EDITORE S.p.A | BOLOGNA | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| MOTEL LE QUERCE SRL | PERUGIA | | 32.50 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| MOTION PICTURE MARKETS GMBH & CO KG | GRUNWALD | | 50.00 | BIL BETEILIGUNGSTREUHAND GMBH | (a) |
| MOTION PICTURE MARKETS HOLDING GMBH | GRUNWALD | | 33.33 | MOVIE MARKET BETEILIGUNGS GMBH | (a) |
| MOTION PICTURE PRODUCTION GMBH | GRUNWALD | | 51.20 | HVB FONDSFINANCE GMBH | (a) |
| MOTOSOFT SP.Z.O.O. | WARSAW | | 90.91 | ASSET S.A. | (a) |
| MOVIE MARKET BETEILIGUNGS GMBH | MUNICH | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MOVIE MARKET DRITTE PRODUKTIONS GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MOVIE MARKET ERSTE PRODUKTIONS GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MOVIE MARKET ZWEITE PRODUKTIONS GMBH | GRUNWALD | | 100.00 | HVB FONDSFINANCE GMBH | (a) |
| MOZFUND (PROPRIETARY) LIMITED | SANDTON | | 12.50 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| MPV PROJEKTENTWICKLUNG GMBH & CO. OBJEKT SCHWERIN-KREBSFORDEN KG | HAMBURG | | 50.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| MUHOGA MUNCHNER HOCHGARAGEN GESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | | 25.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| MUTNEGRA BETEILIGUNGS- UND VERWALTUNGS-GMBH | HAMBURG | | 100.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| MY BETEILIGUNGS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MY DREI HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MY FUNF HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MY SECHS HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| MTS-CeTO SA | WARSAW | | 5.68 | BANK BPH SPOLKA AKCYJNA | (a) |
| | | | 2.89 | CDM CENTRALNY DOM MAKLERSKI PEKAO SA | (a) |
| | | | 2.71 | BANK PEKAO SA | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| N665UA OFFSHORE GP, LLC | GEORGE TOWN | | 33.33 | BD INDUSTRIE- BETEILIGUNGSGESELLSCHAFT MBH | (a) |
| NADINION OBJEKT HUESTRASSE GMBH & CO. KG | MUNICH | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| NADINION VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| NAKUPNI PARK KRETA S.R.O. | VIENNA | | 19.09 | BANK AUSTRIA CREDITANSTALT LEASING GMBH | (a) |
| NEW ELAINE UK LTD. | LONDON | | 31.82 | HVB LONDON INVESTMENTS (CAM) LIMITED | (a) |
| NINGBO HOLDING GMBH | MUNICH | | 100.00 | HVB PRINCIPAL EQUITY GMBH | (a) |
| NORD AUTO PIMAZZONI SPA (in liquidation) | VERONA | | 50.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| NOTARTREUHANDBANK AG | VIENNA | | 25.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| NOVA BANJALUCKA BANKA AD | BANJA LUKA | | 83.27 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| NOWE OGRODY SP ZOO | GDANSK | | 96.00 | PEKAO DEVELOPMENT SP. ZOO | (a) |
| NRS GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT MBH I.L. | MUNICH | | 100.00 | AMPHITRYON IMMOBILIENVERWALTUNGS GMBH & CO. GRUNDBESITZ OHG | (a) |
| OBERBANK KB LEASING GESELLSCHAFT M.B.H. | LINZ | | 24.00 | COBB BETEILIGUNGEN UND LEASING GMBH | (a) |
| OBEROSTERREICHISCHE UNTERNEHMENS BETEILIGU NGSGESELLSCHAFT M.B.H. | LINZ | | 10.93 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| OBJEKT SECUNDA V.O.S | PRAGUE | | 100.00 | REAL INVEST PROPERTY GMBH & CO ZETA KEG | (a) |
| OBJEKT TERTIA V.O.S. | PRAGUE | | 100.00 | REAL INVEST PROPERTY GMBH & CO ETA KEG | (a) |
| OKOLOGISCHER GEWERBEPARK ENTWICKLUNGS GMBH NFG OEG | VIENNA | | 100.00 | CALG ANLAGEN LEASING GMBH | (a) |
| OLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| OLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. GRUNDSTUCKSENTWICKLUNGS KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| OLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. VERMIETUNGS KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| OLYMPUS @ HCS S.A. (IN LIQUIDATION) | | | 20.00 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| OMNIA GRUNDSTUCKS-GMBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| OMNIA GRUNDSTUCKS-GMBH & CO. BETRIEBS KG | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT HAIDENAUPLATZ KG | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKT OSTRAGEHEGE KG | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OMNIA GRUNDSTUCKS-GMBH & CO. OBJEKTE SYLT KG | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| OOO "IMB LEASING COMPANY" | MOSCOW | | 100.00 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| OREL G HOLDING AD | SOFIA | | 19.33 | BULBANK AD | (a) |
| ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|--------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| OSCA GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT MBH & CO. KG | GRUNWALD | | 18.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OSTERREICHISCHE HOTEL- UND TOURISMUSBANK GESELLSCHAFT M.B.H. | VIENNA | | 50.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| OSTERREICHISCHE WERTPAPIERDATEN SERVICE GMBH | VIENNA | | 29.50 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| OTEGAU OSTTHURINGER ENTWICKLUNGSGESELLSCHAFT MBH ARBEIT UND UMWELT | GERA | | 23.40 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| OTHMARSCHEN PARK HAMBURG GMBH & CO. CENTERPARK KG | MUNICH | | 30.00 | T & P FRANKFURT DEVELOPMENT B.V. | (a) |
| | | | 60.00 | T & P VASTGOED STUTTGART B.V. | (a) |
| | | | 10.00 | HVB PROJEKT GMBH | (a) |
| OTHMARSCHEN PARK HAMBURG GMBH & CO. GEWERBEPARK KG | MUNICH | | 30.00 | T & P FRANKFURT DEVELOPMENT B.V. | (a) |
| | | | 60.00 | T & P VASTGOED STUTTGART B.V. | (a) |
| | | | 10.00 | HVB PROJEKT GMBH | (a) |
| OTHMARSCHEN PARK HAMBURG WOHN- UND GEWERBEPARK GMBH | MUNICH | | 51.00 | HVB PROJEKT GMBH | (a) |
| P & U BURO- UND WOHPARKERRICHTUNGSGES. M.B.H. | VIENNA | | 40.00 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| PALAIS ROTHSCHILD VERMIETUNGS GMBH | VIENNA | | 100.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| PALAIS ROTHSCHILD VERMIETUNGS GMBH & CO OEG | VIENNA | | 100.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| PANEM ITALIA SPA | MUGGIO' (MI) | | 80.88 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| PANHANS MASCHINENBAU GMBH | MICHELDORF | | 46.57 | EK MITTELSTANDSFINANZIERUNGS AG | (a) |
| PARUS GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 94.00 | HVB IMMOBILIEN AG | (a) |
| | | | 6.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PASC SRL (in bankruptcy) | ROME | | 100.00 | UNICREDITO GESTIONE CREDITI SPA - BANCA PER LA GESTIONE DEI CREDITI | (b) |
| PAYTRIA UNTERNEHMENSBEITLUGEN GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| PBK PROPERTY SP. Z.O.O. | WARSAW | | 99.99 | BANK BPH SPOLKA AKCYJNA | (a) |
| | | | 0.01 | HVB AUTO FINANSE SA | (a) |
| P-BUROORGANISATIONS GMBH | VIENNA | | 100.00 | EUROMARKETING AG | (a) |
| PEGASUS BAUTRAGER GMBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PEGASUS PROJECT STADTHAUS HALLE GMBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PEKAO IMMOBILIER SARL | PARIS | | 100.00 | BANK PEKAO SA | (a) |
| PENSION CONSULT BERATUNGSGESELLSCHAFT FUR ALTERSVORSORGE MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PERTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PETRIION VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| PHG POS - HANDELSGESELLSCHAFT M.B.H. | VIENNA | | 33.33 | VISA-SERVICE KREDITKARTEN AKTIENGESELLSCHAFT | (a) |
| PKBL S.A. (IN LIQUIDATION) | WARSAW | | 84.51 | ASSET S.A. | (a) |
| PLAN TRADE GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| PLANETHOME AG | MUNICH | | 99.90 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| PLOTTOS VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| PMG BAUPROJEKTMANAGEMENT GESELLSCHAFT M.B.H. & CO FINANZIERUNGS O | VIENNA | | 99.90 | RANA-LIEGENSCHAFTSVERWERTUNG GMBH | (a) |
| | | | 0.10 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| PODLASKIE CENTRUM ROLNO-TOWAROWE S.A. | BIALYSTOK | | 28.10 | FINAL HOLDING SP.Z.O.O. | (a) |
| POLSKA PRASA LOKALNA HOLDING S.A. | SNIADOWA | | 21.30 | BANK BPH SPOLKA AKCYJNA | (a) |
| PORA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| PORTIA GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| PRACOWNICZE TOWARZYSTWO EMERYTALNE "NOVY SWIAT" S.A. | WARSAW | | 39.56 | CDM CENTRALNY DOM MAKLEKSKI PEKAO SA | (a) |
| PRIMEO FUND LIMITED | GEORGE TOWN | | 100.00 | LB HOLDING GESELLSCHAFT M.B.H. | (a) |
| PROCON MULTIMEDIA AKTIENGESELLSCHAFT | HAMBURG | | 25.00 | CONETWORK GMBH | (a) |
| PROMOPLAN SPA | MILAN | | 90.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| PROJEKTENTWICKLUNG SCHONEFELD VERWALTUNGSGESELLSCHAFT MBH | STUTTGART | | 50.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| PROJEKT-GBR KRONSTADTER STRASSE MUNCHEN | MUNICH | | 75.00 | HVB TECTA GMBH | (a) |
| PRUNUS IMMOBILIEN- UND VERMIETUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| PRZEDSIĘBIORSTWO POLIGRAFICZNO WYDAWNICZE UNIPROM SA | WARSAW | | 10.64 | PEKAO FUNDUSZ KAPITALOWY SP. ZOO | (a) |
| PTP LIEGENSCHAFTSENTWICKLUNG AG | VIENNA | | 25.00 | CABET-HOLDING-AKTIENGESELLSCHAFT | (a) |
| QUADRATERA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| QUINTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| R.Z.W. CIMDATA AG | WEIMAR | | 31.48 | EK MITTELSTANDSFINANZIERUNGS AG | (a) |
| RAILTERRA IMMOBILIENVERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| RANA-LIEGENSCHAFTSVERWERTUNG GMBH | VIENNA | | 99.90 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| RANDUS BETEILIGUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| REAL INVEST "ATLAS" IMMOBILIENERRICHTUNGS- UND -BETEILIGUNGS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| REAL INVEST ASSET MANAGEMENT CZECH REPUBLIC S.R.O. | PRAGUE | | 90.00 | BA-CA REAL INVEST ASSET MANAGEMENT GMBH | (a) |
| | | | 10.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| REAL INVEST IMMOBILIEN GMBH | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| REAL INVEST PROPERTY GMBH | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| REAL INVEST PROPERTY GMBH & CO ETA KEG | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| REAL INVEST PROPERTY GMBH & CO SPB JOTA KEG | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |
| REAL INVEST PROPERTY GMBH & CO ZETA KEG | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |
| REAL INVEST PROPERTY GMBH & CO. EPSILON KEG | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| REAL INVEST PROPERTY JOTA IMMOBILIENVERWERTUNGS GMBH | VIENNA | | 100.00 | REAL INVEST PROPERTY GMBH | (a) |
| REAL INVEST VERMOGENSBERATUNG GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| REALITATEN-DEVELOPMENT GMBH | VIENNA | | 26.67 | RE-ST.MARX HOLDING GMBH | (a) |
| RECHTSVERFOLGUNGSGEMEINSCHAFT FLOWTEX SCHADEN GDBR | MUNICH | | 15.19 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| REMBRANDTIN LACK G.M.B.H. NFG KG | VIENNA | | 98.00 | REMHO BETEILIGUNGS GMBH | (a) |
| REMHO BETEILIGUNGS GMBH | VIENNA | | 100.00 | EK MITTELSTANDSFINANZIERUNGS AG | (a) |
| REMISE IMMOBILIENVERWALTUNGS GMBH | VIENNA | | 100.00 | MC MARKETING GMBH | (a) |
| REMKOMP BETEILIGUNGS GMBH | VIENNA | | 100.00 | REMHO BETEILIGUNGS GMBH | (a) |
| REMU GRUNDSTUCKSVERWALTUNGSGESELLSCHAFT MBH I.L. | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| RE-ST.MARX HOLDING GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| RHOTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| RICHLAND HILLS CENTER L.P. | GEORGIA | | 99.00 | US PROPERTY INVESTMENTS INC. | (a) |
| | | | 1.00 | VUWB INVESTMENT INC. | (a) |
| RISTORANTE TRASIMENO SRL | PERUGIA | | 57.00 | UNICREDIT BANCA SPA | (b) |
| ROLIN GRUNDSTUCKSPLANUNGS- UND - VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| ROMCARD S.A. | BUCAREST | | 20.00 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| ROMWOOL S.A. IN LIQUIDATION | BUCAREST | | 16.40 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| RONCASA IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 90.00 | HVB PROJEKT GMBH | (a) |
| RONNDRIESCH 4 HOLDING (LUXEMBURG) SA | LUXEMBOURG | | 17.50 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| ROSEDALE BEHEER B.V. | AMSTERDAM | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| ROSENTHAL BETEILIGUNGS GMBH | MUNICH | | 100.00 | HVB LIFE SCIENCE GMBH & CO. BETEILIGUNGS-KG | (a) |
| ROTUS IMMOBILIEN-VERWALTUNGS GMBH | MUNICH | | 100.00 | HVB TECTA GMBH | (a) |
| ROTUS IMMOBILIEN-VERWALTUNGS GMBH & CO. OBJEKT EGGENFELDENER STRASSE KG (IN LIQUIDATION) | MUNICH | | 97.00 | HVB TECTA GMBH | (a) |
| RUDOLF PIBER 2001 GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| S.A.S.E. SPA | PERUGIA | 11.38 | | UNICREDITO ITALIANO SPA | (a) |
| S.I.CRE.F. SRL (in bankruptcy) | VERONA | 16.00 | | UNICREDITO ITALIANO SPA | (a) |
| SAET - SOCIETÀ APPLICAZIONI ELETTRO TERMICHE SPA | TURIN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| SALIMA WIEN-MITTE PROJEKTENTWICKLUNG GMBH | VIENNA | | 50.00 | BA-CA WIEN MITTE HOLDING GMBH | (a) |
| SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH | MUNICH | | 100.00 | PORTIA GRUNDSTUCKS-VERWALTUNGSGESELLSCHAFT MBH & CO. OBJEKT KG | (a) |
| SALVATORPLATZ-GRUNDSTUCKSGESELLSCHAFT MBH & CO. OHG SAARLAND | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| SALZBURGER UNTERNEHMENS BETEILIGUNGSGESELLSCHAFT M.B.H. | SALZBURG | | 14.28 | BANK AUSTRIA CREDITANSTALT AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-----------------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| SAN GIUSTO SEA CENTER SPA | TRIESTE | | 86.72 | UNICREDIT BANCA SPA | (b) |
| SAPHIRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SAPHIRA IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. FRANKFURT CITY | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SAS-REAL KFT. | BUDAPEST | | 99.80 | HVB BANK HUNGARY ZRT. | (a) |
| | | | 0.02 | HVB FACTOR PENZUGYI SZOLGALTATO RT | (a) |
| SAUR CO-INVEST FCPR | PARIS | | 10.53 | HVB CAPITAL PARTNERS AG | (a) |
| SB NEKRETNINE D.O.O. | SPLIT | | 100.00 | HVB SPLITSKA BANKA D.D., SPLIT | (a) |
| SCHLOSSBERG-PROJEKTENTWICKLUNGS-GMBH UND CO 683 KG | MUNICH | | 100.00 | BV GRUNDSTUECKSENTWICKLUNGS-GMBH & CO. SCHLOSSBERG-PROJEKTENTWICKLUNGS- KG | (a) |
| SCHOELLER LEASING GESELLSCHAFT M.B.H. | VIENNA | | 40.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| | | | 60.00 | HVB LEASING INTERNATIONAL GMBH & CO. KG | (a) |
| SCHOELLER LEASING GESELLSCHAFT MBH & CO. KG | VIENNA | | 100.00 | HVB LEASING INTERNATIONAL GMBH & CO. KG | (a) |
| SCHOELLERBANK INVEST AG | SALZBURG | | 100.00 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| SCHONEFELD WOHN- UND GEWERBEBAU GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SCHONEFELD WOHN- UND GEWERBEBAU GMBH & CO. 'NEUES WOHNEN' KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SCHONEFELD WOHN- UND GEWERBEBAU GMBH & CO. DORFANGER KG | MUNICH | | 90.00 | HVB PROJEKT GMBH | (a) |
| SCHWABISCHE BANK AG | STUTTGART | | 25.05 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| SCI PLATEAU DE GUYANCOURT | GUYANCOURT | | 14.96 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| SCIPOMAR S.A. (IN LIQUIDATION) | BAIA MARE | | 17.41 | BANCA COMERCIALA "ION TIRIAC" S.A. | (a) |
| SCONTOFIN SA | LUXEMBOURG | | 15.00 | UNICREDIT BANCA D'IMPRESA SPA | (a) |
| SE. AM. SERVIZI AMMINISTRATIVI SRL | RIMINI | | 100.00 | UNICREDIT BANCA SPA | (b) |
| SEBI SPA | PERUGIA | 15.68 | | UNICREDITO ITALIANO SPA | (a) |
| SECARON AG | HALLBERGMOOS | | 24.90 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| SELFOSS BETEILIGUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SEMPER CAPITAL BETEILIGUNGSMANAGEMENT GMBH | VIENNA | | 24.41 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| SERVIZI VENETI ECOLOGICI SPA (in bankruptcy) | ROVIGO | | 79.66 | UNICREDITO GESTIONE CREDITI SPA - BANCA PER LA GESTIONE DEI CREDITI | (b) |
| SFB CAPITAL MARKET AD | SOFIA | | 10.20 | HVB BANK BIOCHIM AD | (a) |
| SFB STOCKERAUER FINANZIERUNGSBERATUNGS- UND BETEILIGUNGS GMBH | VIENNA | | 99.80 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| SFS FINANCIAL SERVICES GMBH | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| SHOPIN CARD BETRIEBS GMBH | KLAGENFURT | | 33.33 | CARDS & SYSTEMS EDV-DIENSTLEISTUNGS GMBH | (a) |
| SHOPPING CENTER BRATISLAVA SPOL SRO | BRATISLAVA | | 100.00 | REAL INVEST PROPERTY GMBH & CO SPB JOTA KEG | (a) |
| S.I.F.A. SOCIETA' INDUSTRIALE FINANZIARIA SPA (in liquidation) | REANA DEL ROYALE (UD) | | 37.04 | UNICREDITO GESTIONE CREDITI SPA - BANCA PER LA GESTIONE DEI CREDITI | (b) |
| SIA "HVB LEASING" | RIGA | | 49.00 | HVB LEASING GMBH | (a) |
| | | | 51.00 | HVB BANK LATVIA AS | (a) |
| SIGMA HOLDING INGATLANZOLGALTATO KFT. | BUDAPEST | | 95.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| SIMON VERWALTUNGS-AKTIENGESELLSCHAFT I.L. | DUSSELDORF | | 99.98 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| SIRIUS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 95.00 | SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | (a) |
| | | | 5.00 | HVB PROJEKT GMBH | (a) |
| SK BV GRUNDSTUCKSENTWICKLUNG GMBH & CO. KG | KOLN | | 25.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH & CO. VERWALTUNGS-KG | (a) |
| SK BV GRUNDSTUCKSENTWICKLUNG VERWALTUNG GMBH | KOLN | | 50.00 | BV GRUNDSTUCKSENTWICKLUNGS-GMBH | (a) |
| SKOGAR GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB GESELLSCHAFT FUR GEBAUDE MBH & CO KG | (a) |
| SM-END-2-END.DE AG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| SOCIETA DELLA FERROVIA FRIULANA SPA (in liquidation) | GORIZIA | 18.57 | | UNICREDITO ITALIANO SPA | (a) |
| SOCIETA PER I SERVIZI BANCARI - SSB SPA | MILAN | 13.30 | | UNICREDITO ITALIANO SPA | (a) |
| | | | .. | UNICREDIT BANCA MEDIOCREDITO SPA | (a) |
| SOCIETA AREE INDUSTRIALI ED ARTIGIANALI - S.A.I.A. SPA | VERBANIA | 10.08 | | UNICREDITO ITALIANO SPA | (a) |
| SOCIETA REGIONALE DI GARANZIA MARCHE SOCIETA COOPERATIVA A R.L. | ANCONA | 11.54 | | UNICREDITO ITALIANO SPA | (a) |
| SOLARIS VERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG | MUNICH | | 94.90 | ORESTOS IMMOBILIEN-VERWALTUNGS GMBH | (a) |
| SOLOS IMMOBILIEN- UND PROJEKTENTWICKLUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SOLOS IMMOBILIEN-UND PROJEKTENTWICKLUNGS GMBH & CO. SIRIUS BETEILIGUNGS KG | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| SP PROJEKTENTWICKLUNG SCHONEFELD GMBH & CO.KG | STUTT GART | | 50.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| SPARKASSEN-HAFTUNGS AKTIENGESELLSCHAFT | VIENNA | | 28.26 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| SPREE GALERIE HOTELBETRIEBSGESELLSCHAFT MBH | MUNICH | | 100.00 | ARGENTAURUS IMMOBILIEN-VERMIETUNGS- UND VERWALTUNGS GMBH | (a) |
| SR IMMOBILIEN VERWALTUNGS GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| STADION CENTER EINKAUFS=ERRICHTUNGS GMBH | VIENNA | | 50.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| STADTEBAULICHE ENTWICKLUNGSGESELLSCHAFT KELKHEIM/TS MIT BESCHRANKTER HAFTUNG | KELKHEIM | | 40.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| STARS GESCHAFTSFUHRUNGS- UND VERWALTUNGS-GMBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| STARS GMBH & CO. KGAA | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| STARTKAPITAL-FONDS AUGSBURG II GMBH | AUGSBURG | | 18.60 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| STATUS VERMOGENSVERWALTUNG GMBH | HAMBURG | | 100.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| STRATOS REAL SP.Z.O.O.SPK. | WARSAW | | 100.00 | M.A.I.L. STRATOS REAL SP ZO.O | (a) |
| STRUCTURED LEASE GMBH | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| STUDIENGESELLSCHAFT FUR ZUSAMMENARBEIT IM ZAHLUNGSVERKEHR (STUZZA) GMBH | VIENNA | | 10.71 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 1.79 | SCHOELLERBANK | |
| SUNTO SRL | MILAN | | 80.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| SYNTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| SYSTEM INDUSTRIE ELEKTRONIC AG | LUSTENAU | | 14.71 | EK MITTELSTANDSFINANZIERUNGS AG | (a) |
| T & P FRANKFURT DEVELOPMENT B.V. | AMSTERDAM | | 87.50 | HVB PROJEKT GMBH | (a) |
| T & P VASTGOED STUTTGART B.V. | AMSTERDAM | | 87.50 | HVB PROJEKT GMBH | (a) |
| TAI TAM LIMITED | LONDON | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| TALISA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| TC PROJEKTVERWALTUNGSGES.M.B.H. | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| TCHA IMMOBILIEN VERWALTUNGS-GMBH | MUNICH | | 100.00 | TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMITTLUNGS-KG | (a) |
| TC-PRIMA PROJEKTVERWALTUNGS GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | TC-QUINTA IMMOBILIENBETEILIGUNGSGES ELLSCHAFT M.B.H | (a) |
| TC-QUARTA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | TC-QUINTA IMMOBILIENBETEILIGUNGSGES ELLSCHAFT M.B.H | (a) |
| TC-QUINTA IMMOBILIENBETEILIGUNGSGESELLSCH AFT M.B.H | VIENNA | | 99.90 | TC-QUINTA PROJEKTVERWALTUNGSGES ELLSCHAFT M.B.H. | (a) |
| | | | 0.10 | TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| TC-QUINTA IMMOBILIENERRICHTUNGSGESELLSCH AFT M.B.H | VIENNA | | 99.80 | TC-QUINTA PROJEKTVERWALTUNGSGES ELLSCHAFT M.B.H. | (a) |
| | | | 0.20 | TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| TC-QUINTA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| TC-SECUNDA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| TC-TERTIA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | M.A.I.L. BETEILIGUNGSMANAGEMENT GESELLSCHAFT M.B.H. | (a) |
| TECHNOLOGIE- UND GRUNDERZENTRUM GERA GMBH | GERA | | 23.80 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| TELEDATA CONSULTING UND SYSTEMMANAGEMENT GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | (a) |
| TERRA MAGNA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| TERRCASA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| TERRENO GRUNDSTUCKSVERWALTUNG GMBH | MUNICH | | 75.00 | HVB TECTA GMBH | (a) |
| TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. ENTWICKLUNGS- UND FINANZIERUNGSVERMI TTLUNGS-KG | MUNICH | | 75.00 | HVB TECTA GMBH | (a) |
| TERRENO GRUNDSTUCKSVERWALTUNG GMBH & CO. OBJEKTGESELLSCHAFT GRILLPARZESTRASSE KG | MUNICH | | 75.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| TERRONDA DEVELOPMENT B.V. | AMSTERDAM | | 100.00 | HVB PROJEKT GMBH | (a) |
| THE HARMONY LIMITED PARTNERSHIP | GEORGE TOWN | | 100.00 | HVB ASSET LEASING LIMITED | (a) |
| THE RHAPSODY LIMITED PARTNERSHIP | GEORGE TOWN | | 100.00 | HVB ASSET LEASING LIMITED | (a) |
| THE ST. MARGARETS LIMITED PARTNERSHIP | GEORGE TOWN | | 20.93 | HVB ASSET LEASING LIMITED | (a) |
| THETA FUNF HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| TIESSE TEXTILE SERVICE SRL (in liquidation) | MILAN | | 100.00 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| TISHMAN SPEYER BERLIN GMBH & CO. FRIEDRICHSTRASSE KG | BERLIN | | 41.92 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 6.00 | HVB PROJEKT GMBH | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|--|-------------|--------|----------|--|-------------------|
| | | DIRECT | INDIRECT | | |
| TL 1 TANK LEASING VERWALTUNGSGESELLSCHAFT MBH | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| TL DRITTE TANK LEASING VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| TL ZWEITE TANK LEASING VERWALTUNGSGESELLSCHAFT MBH | CAMIN | | 100.00 | HVB LEASING GMBH | (a) |
| TRANSTERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 93.85 | HVB IMMOBILIEN AG | (a) |
| | | | 6.15 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. & CO. BUROGEBAUDE OBERE DONAUSTRASSE 17-19 REVITALISIERUNGS KG | VIENNA | | 0.42 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| | | | 99.58 | TC QUARTA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. U. C. O. ARBEITERHEIM FAVORITEN REVITALISIERUNGS KG | VIENNA | | 99.22 | TC PROJEKTVERWALTUNGSGES.M.B.H. | (a) |
| | | | 0.16 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. U. CO. WOHNPAK PALTAUFGASSE VERMIETUNGS KG | VIENNA | | 100.00 | TC-TERTIA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| TREUCONSULT BETEILIGUNGSGESMBH U. CO. PALAIS LEITENBERGER REVITALISIERUNGS KG | VIENNA | | 100.00 | TC SECUNDA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| TREVITEX SPA (in bankruptcy) | MILAN | | 44.49 | UNICREDIT BANCA D'IMPRESA SPA | (b) |
| TRINITRADE VERMOGENSVERWALTUNGSGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| TRIPLE A RATING ADVISORS BERATUNG GES. M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| TRZISTE NOVCA I KRATKOROCNIH VRIJEDNOSNICA DD | ZAGREB | | 8.16 | ZAGREBACKA BANKA DD | (a) |
| | | | 3.95 | HVB SPLITSKA BANKA D.D., SPLIT | (a) |
| TRITERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| TRITON GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| UBF MITTELSTANDSFINANZIERUNGS AG | VIENNA | | 24.10 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| UBITERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| UDEKO HANDELSGESELLSCHAFT MBH | LUXEMBOURG | | 24.90 | HVB BANQUE LUXEMBOURG SOCIETE ANONYME | (a) |
| UI BETEILIGUNGSGESELLSCHAFT MBH | FRANKFURT | | 19.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| UIB UNIVERSALE BAU HOLDING GESELLSCHAFT M.B.H. | BRANDEBURG | | 100.00 | ISB UNIVERSALE BAU GMBH | (a) |
| UNI GEBAUDEMANAGEMENT GMBH | LINZ | | 50.00 | BA-CA-GVG-HOLDING GMBH | (a) |
| UNICREDIT BEIJING CONSULTANTS COMPANY LTD | BEIJING | | 100.00 | UNICREDIT CHINA CAPITAL LTD | (a) |
| UNION VERWALTUNGS- UND TREUHANDGESELLSCHAFT MIT BESCHRANKTER HAFTUNG | HAMBURG | | 100.00 | BETEILIGUNGS-UND HANDELSGESELLSCHAFT IN HAMBURG MIT BESCHRANKTER HAFTUNG | (a) |
| UNITAS WOHNBAU GES.M.B.H. | VIENNA | | 49.00 | BANK AUSTRIA CREDITANSTALT WOHNBAUBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|------------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| UNIVERSALE INTERNATIONAL POLAND SP.ZO.O. | WARSAW | | 99.57 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| | | | 0.43 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | BERLIN | | 100.00 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| UNIVERSALE INTERNATIONAL PROJEKTSZERVEZESI KFT. | BUDAPEST | | 99.69 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| | | | 0.31 | UNIVERSALE INTERNATIONAL REALITATEN GMBH | (a) |
| UNIVERSALE INTERNATIONAL REALITATEN GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| UNIVERSALE INTERNATIONAL SPOL S.R.O., PRAG | PRAGUE | | 100.00 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| UNTERNEHMENS INVEST AG | VIENNA | | 12.97 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| US OFFICE VII L.P. | DALLAS | | 100.00 | US PROPERTY INVESTMENTS INC. | (a) |
| US PROPERTY INVESTMENTS INC. | DALLAS | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| V.M.G. VERMIETUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | H.F.S. HYPO-FONDSBETEILIGUNGEN FUR SACHWERTE GMBH | (a) |
| VAL RENDENA FUNIVIE Srl (in liquidation) | PONTE ARCHE (TN) | 10.71 | | UNICREDITO ITALIANO SPA | (a) |
| VB PRIVATE EQUITY FUND I GBR | HAMBURG | | 25.00 | BLUE CAPITAL EQUITY GMBH | (a) |
| VBII INDUSTRIE UND IMMOBILIEN GMBH | HAMBURG | | 100.00 | M.A.I.L. FINANZBERATUNG GESELLSCHAFT M.B.H. | (a) |
| VBV-PENSIONSKASSE AKTIENGESELLSCHAFT | VIENNA | | 13.48 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| VBW BAUEN UND WOHNEN GMBH | BOCHUM | | 10.06 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| VCI VOLTA CENTER IMMOBILIENVERWALTUNGS GMBH | MUNICH | | 100.00 | HVB PROJEKT GMBH | (a) |
| VENETO SVILUPPO SPA | VENEZIA | 15.30 | | UNICREDITO ITALIANO SPA | (a) |
| VERBA VERWALTUNGSGESELLSCHAFT MBH | MUNICH | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| VEREINSBANK LEASING INTERNATIONAL GMBH & CO KG | HAMBURG | | 90.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| | | | 10.00 | HVB LEASING GMBH | (a) |
| VEREINSBANK LEASING INTERNATIONAL VERWALTUNGSGESELLSCHAFT MBH | HAMBURG | | 100.00 | HVB LEASING GMBH | (a) |
| VEREINWEST OVERSEAS FINANCE (JERSEY) LIMITED | ST. HELIER | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| VERWALTUNGSGESELLSCHAFT KATHARINENHOF MBH | HAMBURG | | 100.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| VIRGINIA SRL | MODENA | | 58.94 | UNICREDIT BANCA SPA | (b) |
| VINTNERS LONDON INVESTMENTS (NILE) LIMITED | GEORGE TOWN | | 100.00 | HVB INVESTMENTS (UK) LIMITED | (a) |
| VIVATERRA GESELLSCHAFT FUR IMMOBILIENVERWALTUNG MBH | MUNICH | | 100.00 | HVB IMMOBILIEN AG | (a) |
| VOTIV VERSICHERUNGSVERMITTLUNGS-GESMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT VERSICHERUNGSDIENST GMBH | (a) |
| VUWB INVESTMENTS INC. | NEW YORK | | 100.00 | BLUE CAPITAL FONDS GMBH | (a) |
| VV IMMOBILIEN GMBH & CO. GB KG | DUSSELDORF | | 13.64 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |
| VVB GESELLSCHAFT ZUR VERMITTLUNG VON FINANZDIENSTLEISTUNGEN MBH | MUNICH | | 80.00 | VEREINSBANK VICTORIA BAUSPAR AKTIENGESELLSCHAFT | (a) |
| | | | 20.00 | BAYERISCHE HYPO UND VEREINSBANK AG | (a) |

(List of equity investments and voting rights continued)

| NAME | MAIN OFFICE | % HELD | | PARENT COMPANY | TYPE OF OWNERSHIP |
|---|-------------|--------|----------|---|-------------------|
| | | DIRECT | INDIRECT | | |
| VWP FACILITY MANAGEMENT GESELLSCHAFT M.B.H. | GOTZIS | | 100.00 | BANK AUSTRIA CREDITANSTALT REAL INVEST GMBH | (a) |
| WAVE SOLUTIONS HUNGARY BANK ES PENZUGYTECHNIKAI TANACSADA KFT. | BUDAPEST | | 98.75 | WAVE SOLUTIONS INFORMATION TECHNOLOGY GMBH | (a) |
| | | | 1.25 | HVB BANK HUNGARY ZRT. | (a) |
| WBT WOHNPAK MARKHOFGASSE VERMIETUNGSGMBH | VIENNA | | 97.30 | TC-TERTIA PROJEKTVERWALTUNGSGESELLSCHAFT M.B.H. | (a) |
| | | | 2.70 | TREUCONSULT BETEILIGUNGSGESELLSCHAFT M.B.H. | (a) |
| WEAG LEASING GESELLSCHAFT M.B.H. | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WED HOLDING GESELLSCHAFT M.B.H. | VIENNA | | 48.06 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WED WIENER ENTWICKLUNGSGESELLSCHAFT FUR DEN DONAURAUM AKTIENGESELLSCHAFT | VIENNA | | 18.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WEILBURG GRUNDSTUCKVERMIETUNGSGESELLSCHAFT M.B.H. | VIENNA | | 99.99 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WESTFALEN CORPORATE FINANCE GMBH | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| WESTFALEN CREDIT SERVICES GMBH | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| WESTFALEN KAPITALVERWALTUNGSGESELLSCHAFT MBH | BOCHUM | | 100.00 | WESTFALENBANK AKTIENGESELLSCHAFT | (a) |
| WIENER BORSE AG | VIENNA | | 11.71 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| | | | 0.50 | SCHOELLERBANK AKTIENGESELLSCHAFT | (a) |
| WIENER KREDITBURGSCHAFTSGESELLSCHAFT M.B.H. | VIENNA | | 24.49 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WIRTSCHAFTS- UND DIENSTLEISTUNGSPARK STADTGUT STEYR GMBH | STEYR | | 12.43 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WIRTSCHAFTSVEREIN DER MITARBEITERINNEN DER BANK AUSTRIA CREDITANSTALT REG. GEN. MBH | VIENNA | | 54.66 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| WOCHENKURIER VERLAGSGESELLSCHAFT MBH | HAGEN | | 75.00 | WESTFALEN KAPITALVERWALTUNGSGESELLSCHAFT MBH | (a) |
| WUSTENROT STAMBENA STEDIONICA D.D. | ZAGREB | | 25.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ZAO "IMB-LEASING" | MOSCOW | | 100.00 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| ZAO IMB-REAL ESTATE | MOSCOW | | 100.00 | CLOSED JOINT STOCK COMPANY INTERNATIONAL MOSCOW BANK | (a) |
| ZAPADNI TRGOVACKI CENTAR D.O.O. | RIJEKA | | 100.00 | UNIVERSALE INTERNATIONAL GESELLSCHAFT M.B.H. | (a) |
| ZETA ACHT HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ZETA FUNF HANDELS GMBH | VIENNA | | 100.00 | BANK AUSTRIA CREDITANSTALT AG | (a) |
| ZETA NEUN HANDELS GMBH | VIENNA | | 100.00 | ZETA ACHT HANDELS GMBH | (a) |
| ZIRKON V.O.S. | PRAGUE | | 100.00 | M.A.I.L. IMMOBILIEN INVEST PRAG I VERWALTUNGSGMBH & CO. KEG | (a) |
| ZUGLIA SRL (in liquidation) | VICENZA | | 100.00 | UNICREDITO GESTIONE CREDITI SPA - BANCA PER LA GESTIONE DEI CREDITI | (b) |
| ZWEITE UNIPRO IMMOBILIEN-PROJEKTIERUNGSGESELLSCHAFT M.B.H. | BERLIN | | 100.00 | UNIVERSALE INTERNATIONAL PROJEKTMANAGEMENT GMBH | (a) |

* This list does not include equity investments already included in the Notes to the Consolidated Accounts.

(a) Investments, banking and trading book.

(b) Pledge.

REPORT
OF THE EXTERNAL
AUDITORS

Report of the External Auditors



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono 02 6763.1
Telefax 02 67632445
e-mail it-fmaudit@kpmg.it

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

Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998

To the shareholders of
UniCredito Italiano S.p.A.

- 1 We have audited the consolidated financial statements of the UniCredito Italiano Group as at and for the year ended 31 December 2005, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto. These financial statements are the responsibility of UniCredito Italiano S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. These are the first set of consolidated financial statements prepared in accordance with the International Financial Reporting Standards endorsed by the European Union.
- 2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The responsibility for the audit of the financial statements of certain subsidiaries, representing 3% and 10% of consolidated assets and consolidated interest income and similar revenue, respectively, rests with other auditors.

The consolidated financial statements present the prior year corresponding figures for comparative purposes prepared using consistent accounting policies, except for the effects of the application of IAS 32, IAS 39 and IFRS 4, which, in accordance with the option allowed by IFRS 1, have been applied from 1 January 2005. Furthermore, part M of the notes to the consolidated financial statements "Transition to IFRS" discloses the effects of the adoption of the International Financial Reporting Standards endorsed by the European Union and includes the disclosures on the IFRS reconciliation schedules required by IFRS 1. We audited such schedules, which had already been approved by the board of directors and published as an appendix to the half year report at 30 June 2005, and issued our report thereon on 4 October 2005.

- 3 In our opinion, the consolidated financial statements of the UniCredito Italiano Group as at and for the year ended 31 December 2005 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore they are clearly stated and give a true and fair view of the financial position of the UniCredito Italiano Group as at 31 December 2005, the results of its operations, changes in its equity and its cash flows for the year then ended.

Milan, 11 April 2006

KPMG S.p.A.

(Signed on the original)

Mario Corti
Director of Audit

BRANCH NETWORKS IN ITALY AND ABROAD

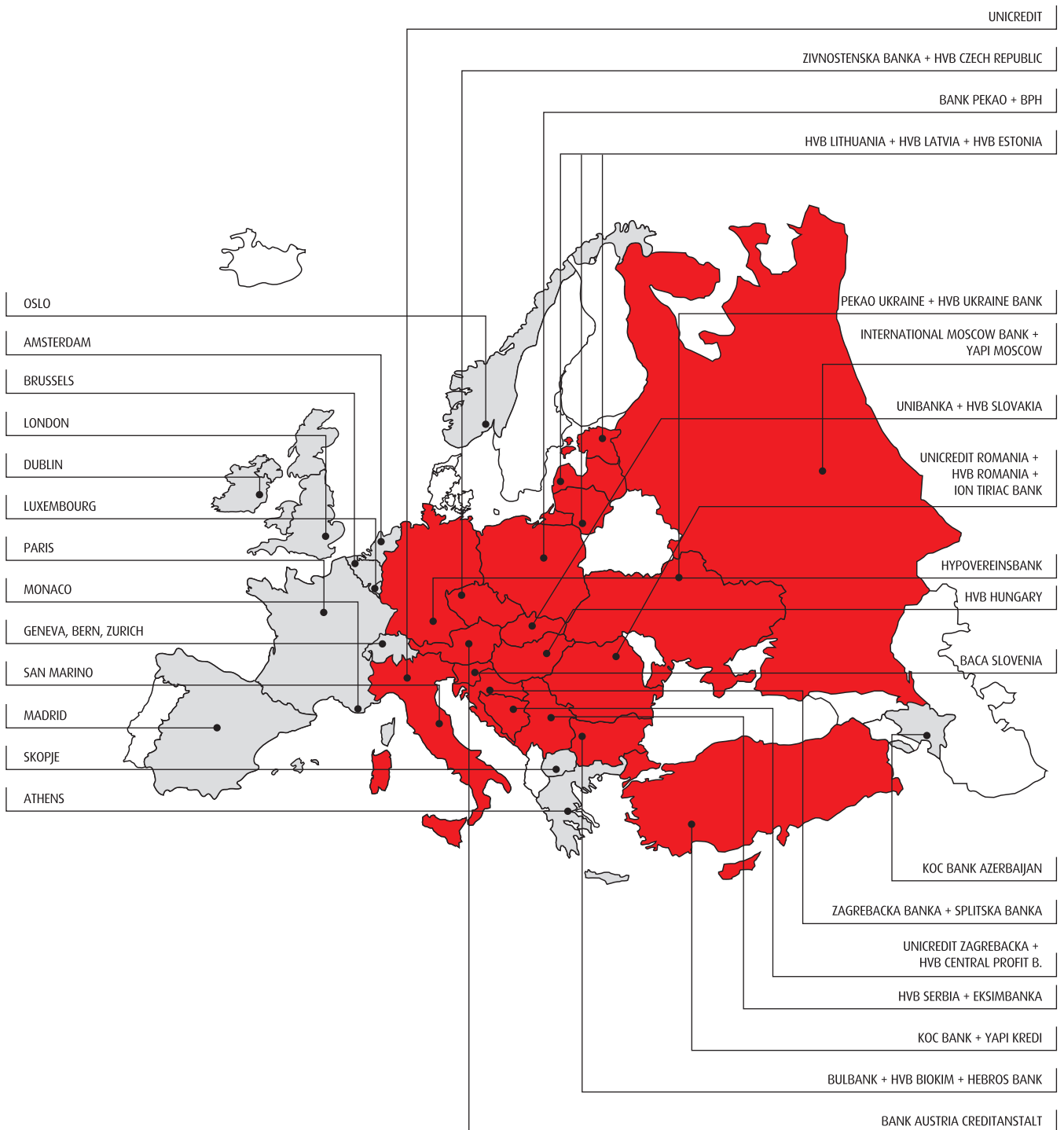
| | |
|---|-----|
| UniCredit Group - International network | 444 |
| Group Banks | 447 |

UniCredit Group - International network





Group Banks



Grey box: Countries where the group operates via its own branches, small banking subsidiaries, or investment centers (Pioneer).

Red box: Countries where the group operates via local banks controlled or in which it has a significant equity interest.

Creative concept: Draft Italy

Graphic Composition:
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