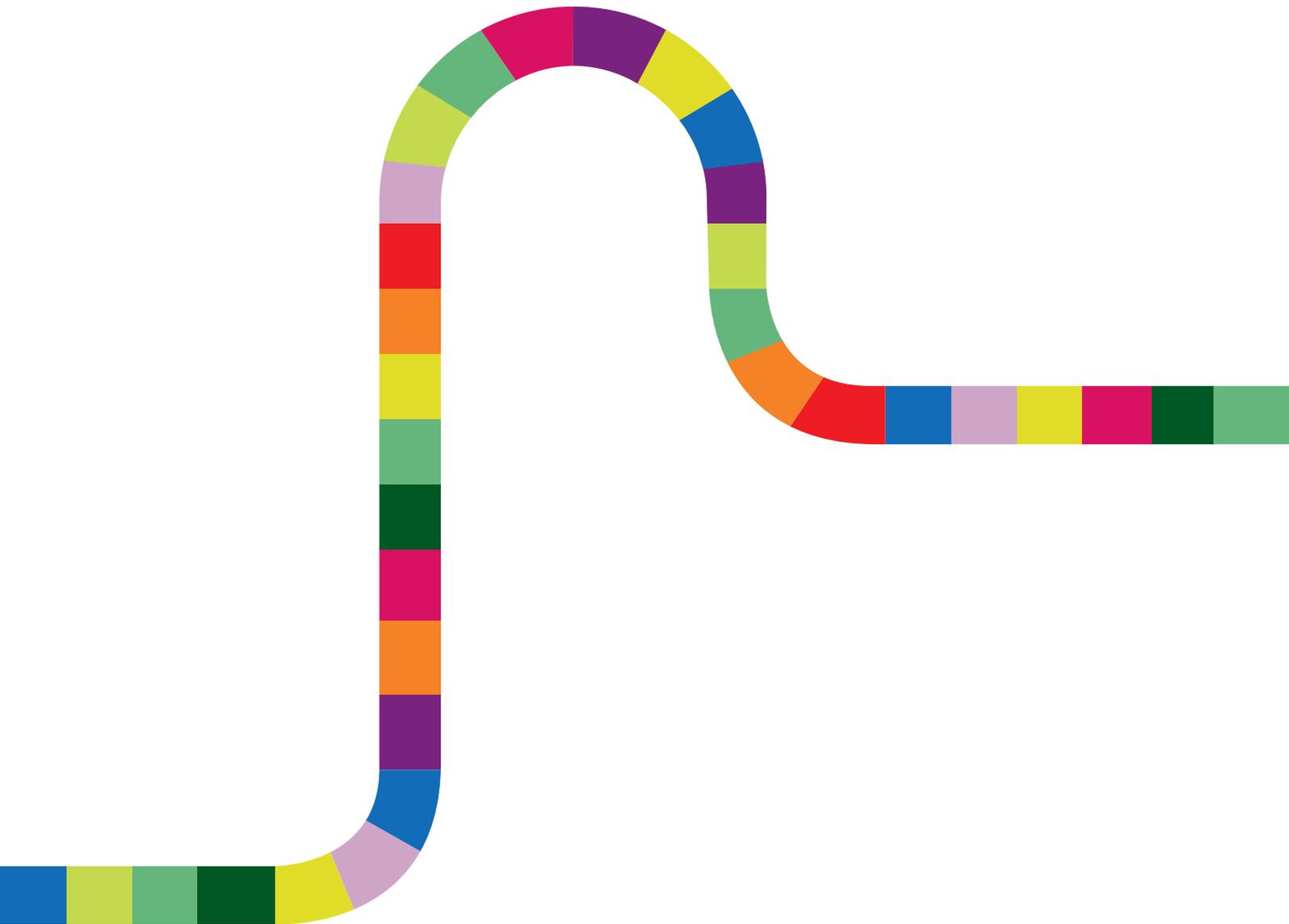




For whatever
life brings





Our commitment to sustainability is deeply embedded in the way we run our business at UniCredit. It is a commitment to creating real value for our stakeholders. It enables us to contribute to sustainable growth and development, to further economic and social progress, and to enhance the communities we serve.

This Sustainability Report outlines many of our activities and demonstrates how we work with our stakeholders to address a wide range of real-life challenges and opportunities. We realize that part of maintaining a sustainable approach to business is being prepared for the unexpected... *and for whatever life brings.*

So this year's Sustainability Report draws its design inspiration from the highs and lows of real life, with graphics that contrast some of life's pleasanter aspects with a few of its less enjoyable ones.

Ultimately our business is about understanding the needs of all our stakeholders and playing a positive role in helping them seize opportunities and meet whatever challenges come along.

As banking professionals, we see it as our duty to pursue sustainability with the interests of each of our stakeholders in mind, whether they are our customers, our employees, our shareholders or financial regulators and the public at large.

REPORT STRUCTURE

This is the 10th edition of the UniCredit Sustainability Report (the report), an annual publication that summarizes the connections among the business strategies, the management of stakeholder relationships, and the principal activities engaged in by our Group during the reporting period ending on December 31, 2010.

The 2010 Sustainability Report comprises two parts: a main section that principally contains qualitative descriptions, and a supplement that includes technical appendixes pertaining to the chapters of the main section.

The report was written in conformity with the Sustainability Reporting Guidelines & Financial Services Sector Supplement published by the Global Reporting Initiative (GRI) in 2008.

We declare our reporting status to be Application Level A+.

In accordance with the above-mentioned guidelines, the GRI and Global Compact Index can be found on page 80.

As in previous years, the process of defining content and determining materiality was based on GRI principles (materiality, stakeholder inclusiveness, sustainability context and completeness). Furthermore, the process adopted in 2010 was shaped by focus group reactions to the 2009 report, as described in the Our Approach chapter.

Unless otherwise noted, the organizational scope of the report corresponds to that of the 2010 Consolidated Reports and Accounts, from which the economic and financial data contained within the report are derived.

For information not centrally available at the Group level, the data-gathering process was conducted through the systematic use of GRI-compliant CSR cards. This process involved main legal entities of the Banking Group, as of December 31, 2010, based in Italy, Germany, Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Russia. In addition to these countries, environmental data also encompasses entities based in Bosnia and Herzegovina, Serbia, Slovakia and Slovenia. Any limitations to the above-described scope are clearly disclosed throughout the report.

An important future priority will be to extend the report's scope by further standardizing data-gathering procedures.

In order to guarantee the reliability of reported information, we included directly measurable data while limiting the use of estimates wherever possible. The data is based on the best information available or on sample analyses. Estimated figures, as well as restatements of data previously published, are clearly disclosed as such.

This report was subject to the limited review of KPMG S.p.A., in accordance with the criteria established by the International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

A KPMG S.p.A. report describing their completed activities and pertinent conclusions related to this document may be found on page 84.

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“ Sustainable practices now play an even greater role in the success of a bank. At UniCredit, we consider banking and sustainability two aspects of a single discipline. ”

Dear Stakeholders,

The events of recent years have triggered some significant changes in the way business is done around the world. Sustainable practices now play an even greater role in the success of a bank.

At UniCredit, we consider banking and sustainability two aspects of a single discipline.

This is the point of view we have affirmed in our mission, which clearly defines our commitment: we have shifted the emphasis of our business to enhance the delivery of strong returns to our shareholders by generating greater value for our customers, employees, communities and other stakeholders. In each of these relationships we strive to combine excellence with simplicity. At UniCredit, that is what we mean when we speak about sustainability.

First and foremost, sustainability is an investment in our enterprise. This investment requires that we provide our colleagues with the right tools and strategies to build enduring relationships with all our stakeholders.

It is vital to firmly establish a culture of sustainability, starting with the full engagement of our colleagues, for they are our most important asset. Listening, promoting diversity and inclusion, investing in skills and training – these are the areas where we are now focusing our efforts. We are also working to instill an understanding that compliance is not simply a legal requirement, but rather that it embodies the spirit of our mission. This work will ensure that everyone at UniCredit is prepared and motivated to generate value for our customers.

At the same time, with our customers in mind, we have taken decisive action in matters of governance. We have strengthened individual responsibility and promoted transparency and simpler processes. The decentralized decision-making processes implemented with the *One for Clients (One4C)* program serve as a clear example of how we are moving closer to our customers. *One4C* means that our clients have access to dedicated contacts who can provide them with timely responses.

Staying close to our customers is one of the keys to ensuring that our relationships with them remain fully sustainable. As part of that process, we have expanded our commitment to financial education. In doing so, one of our objects is to trigger a virtuous cycle, in which more knowledgeable customers are able to generate well-informed choices that can be used to improve the bank's services.

Supporting our customers' long-term growth means fostering the sustainable development of the communities we serve. To this end, we promote three tools that we consider fundamental to the competitiveness of any enterprise today: innovation, internationalization and management training.

Each of these commitments is consistent with the essence of our mission, which we also apply to UniCredit's strategic planning. Our long-term plans, which now look five years ahead, will encompass sustainability-related goals, including colleague engagement, customer satisfaction and reputation. We believe that meeting these goals is the prerequisite to achieving the financial targets we have set for ourselves.

To ensure that we succeed at meeting our goals on all fronts, we continue to strengthen and harmonize our Groupwide reporting channels. To do its job effectively, management needs access to an accurate and complete overview of the company's business activities and relationships with stakeholders. Consistent reporting allows us to identify areas for improvement, shape new strategy and measure the effectiveness of initiatives. This is why we are investing in integrating our reporting processes and in incorporating relevant operational, perceptual, commercial and financial indicators.

We firmly believe that these activities, when taken together, will ultimately permit the successful convergence of short-term and long-term objectives.

It is with this belief in mind that we are facing the challenges of the new year and confirming our commitment to sustainability and dialogue with all stakeholders.

Federico Ghizzoni



Chief Executive Officer, UniCredit



Our support for the UN Global Compact

We reaffirm our support for the principles of the UN Global Compact.

They clearly express our commitment to human rights, fair working conditions, the environment and the fight against corruption.

Highlights

UniCredit operates in 22 countries, with more than 162,000 employees and over 9,600 branches.

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

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

(currency amounts are shown in € million)

OPERATING INCOME	26,347
OPERATING PROFIT	10,864
NET PROFIT	1,323

SHAREHOLDERS' EQUITY	64,224
CORE TIER 1 RATIO	8.58%
TIER 1 RATIO	9.46%

EMPLOYEES¹	over 162,000
BRANCHES²	over 9,600
TOTAL ASSETS	929,488

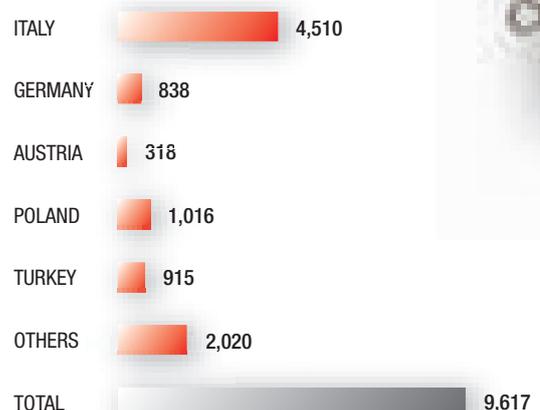
1. Data as at December 31, 2010. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Services Group employees.

2. Figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

WHERE WE OPERATE

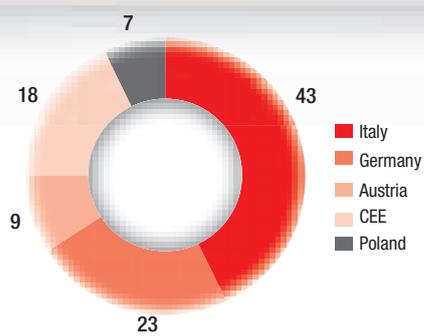
AUSTRIA
 AZERBAIJAN
 BOSNIA AND HERZEGOVINA
 BULGARIA
 CROATIA
 CZECH REPUBLIC
 ESTONIA
 GERMANY
 HUNGARY
 ITALY
 KAZAKHSTAN
 KYRGYZSTAN
 LATVIA
 LITHUANIA
 POLAND
 ROMANIA
 RUSSIA
 SERBIA
 SLOVAKIA
 SLOVENIA
 TURKEY
 UKRAINE

Branches by Country²

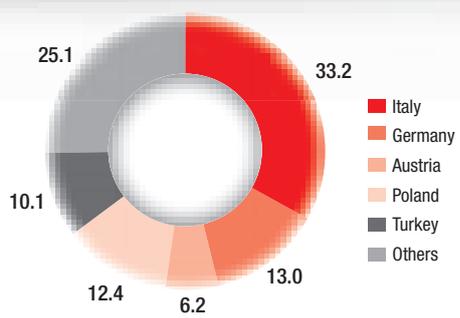




Revenues by Region (%)



Employees by country¹ (%)



Focus

AUSTRIA, GERMANY AND ITALY

UniCredit has a strategic position in Austria, Germany and Italy - three countries accounting for more than one-third of the GDP of all European Union economies combined. Together, they comprise one of the continent's wealthiest transnational regions.

GDP per capita in each of these countries is higher than the average for the European Union (EU) as a whole. In particular Germany ranks first in terms of GDP per capita among the four largest EU economies, surpassing France, the United Kingdom and Italy.

UniCredit has one of the largest banking networks in each of its three core Western European countries, providing access to 318 branches in Austria, 838 in Germany and 4,510 in Italy. Each of these countries is also closely linked to the growing economies of Central and Eastern Europe.

In terms of economic performance, all our core countries last year resumed positive growth after the unprecedented slowdown recorded in 2009. As a matter of fact, the emergence of the sovereign debt crisis in Greece, which had important spill-over effects on such other countries as Ireland, Spain and Portugal, did not materially affect growth prospects in our core countries.

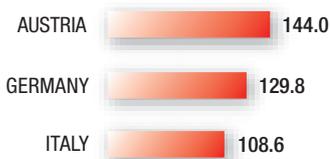
This is because, from a structural point of view, the three countries in which UniCredit operates have enjoyed over the last few years a more balanced growth model compared to the affected countries, with a very low level of private sector indebtedness and a more cautious handling of public finance.

Real economic growth is expected to continue at an average annual rate of about 1.6 percent in Austria, 1.8 percent in Germany and 1.1 percent in Italy from 2011 to 2015, which would surpass the rates achieved over the previous five-year period.

Another favorable development is that domestic demand is becoming an increasingly important engine of economic development in this region. The result should be a more sustainable pattern of growth, no longer exclusively export driven.



GDP Per Capita¹



Market Share² (%)



1. Nominal GDP per capita as at December 31, 2010 (EU27=100). Estimate of Nominal GDP per capita within the EU27 as at December 31, 2010 (last update March 10, 2011).

2. Market Share in terms of Total Customer Loans as at December 31, 2010.

Source: Eurostat, UniCredit Research.

CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe (CEE), where it has a broad network of roughly 3,900 branches.

The Group's regional footprint is broad, with a direct presence in 19 countries where it ranks among the top five in 12 countries.* The CEE now accounts for 17.7 percent of the Group's revenues.

UniCredit has a long history in this dynamic region, which accounts for nearly half of all its employees. The Group is therefore well positioned to benefit from the process of economic convergence that has been generating higher living standards and a better business environment in these countries.

UniCredit's market position in the region provides its local banks with substantial competitive advantages, including the sharing of best practices, significant economies of scale, access to international markets and strong brand recognition. Furthermore, the Group's diversified portfolio in this region enables modular growth and increased market penetration for its global product factories.

After a challenging 2009, in 2010 CEE economies showed convincing signs of recovery, benefiting from stronger external demand and in some cases from a recovery in domestic demand. Among the EU members, Poland was a top performer. As the only EU country not to suffer a recession in 2009, it posted a GDP gain of almost 4 percent last year.

Overall, Turkey was the fifth-largest emerging market worldwide and the fastest-growing European economy in 2010, boasting a gain in real GDP in excess of 7 percent.

Russia benefited from higher oil prices and a strong sovereign balance sheet, which permitted the government to support domestic demand while increasing foreign investment in the latter part of the year. Only Romania and Croatia remained in recession in 2010. However, their more difficult circumstances were offset by reform and fiscal consolidation.

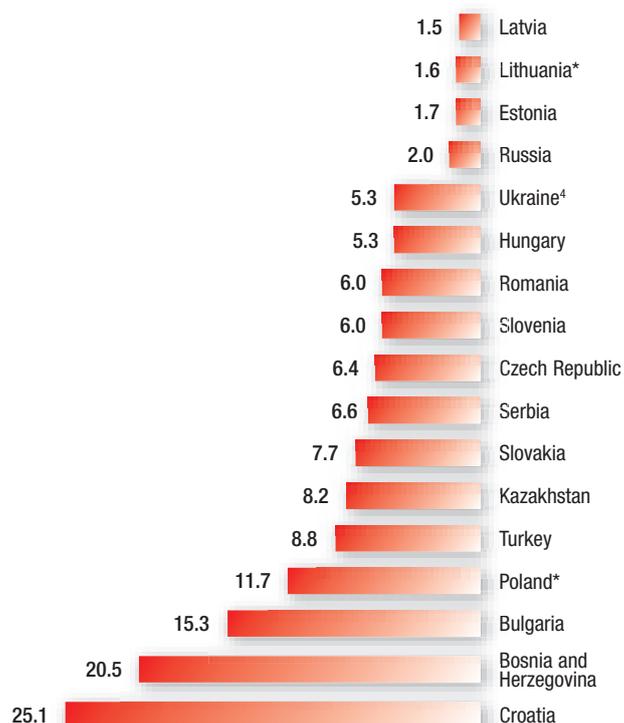
3. Market Share in terms of Total Assets as at December 31, 2010. Market Share in Azerbaijan and Kyrgyzstan not available. * as at September, 2010.

4. Pro-forma (Ukrsotsbank + UniCredit Bank Ukraine).

Source: UniCredit Research, UniCredit CEE Strategic Analysis.



Market Share³ (%)



For whatever life brings



Our Approach

Priorities 2011

- Strengthen our compliance with the mission statement:
 - enhancing our second-level control system
 - completing the implementation of the UniCredit Code of Conduct, with support from the relevant training programs
- Further strengthen the dialogue with our stakeholders through specific initiatives, such as forums and focus groups, in a selected number of countries in order to increase the proximity to our territories
- Activate our Sustainability Performance Management system and to produce its first report

Priorities 2010

Develop a performance management and measurement system for analyzing correlations between sustainability indicators and financial indicators

Further promote cultural change to become a bank that is easier to work with. This includes developing straightforward relationships with our customers, as well as high levels of expertise and proximity to our territories

Enhance our network of contacts among NGOs and civil society

Key achievements 2010

Achieved: We designed a Sustainability Performance Management system, with contributions from working groups comprising a diverse selection of colleagues. They identified actions and behaviors that can help us achieve our sustainability goals, and have specified indicators that will be used to measure the direct results of these activities (input metrics) and the degree to which our initial goals have been achieved (output metrics)

Achieved: We completed the One for Clients (One4C) program, which enables us to be more focused on our customers and become closer to our territories and local communities

Achieved: We launched a stakeholders engagement initiative regarding the contents and structure of our Sustainability Report through focus groups, direct interviews and a workshop with NGOs in Rome organized in October 2010

UniCredit Sustainability Framework

Sustainability is our core business, and it is a key element of our mission statement.

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

To help translate our approach to sustainability into practical behavior and action, we developed a sustainability framework that provides senior management with the tools they need to plan strategy, define methods and evaluate results. It also provides all employees with a clear concept of sustainability.

We think of sustainability as a pathway. In order to travel down it, a company must first satisfy some necessary conditions (i.e. earn a *license to operate*). This is done by meeting certain requirements:

- adopting and implementing compliance programs as part of self-regulatory efforts and good business practices
- ensuring an appropriate capital remuneration maintaining

appropriate capitalization to protect the bank's stability and independence

- creating a corporate culture based on a strong set of shared values that drive our behavior (i.e. *values in action*)

We must also satisfy certain criteria to achieve social legitimacy:

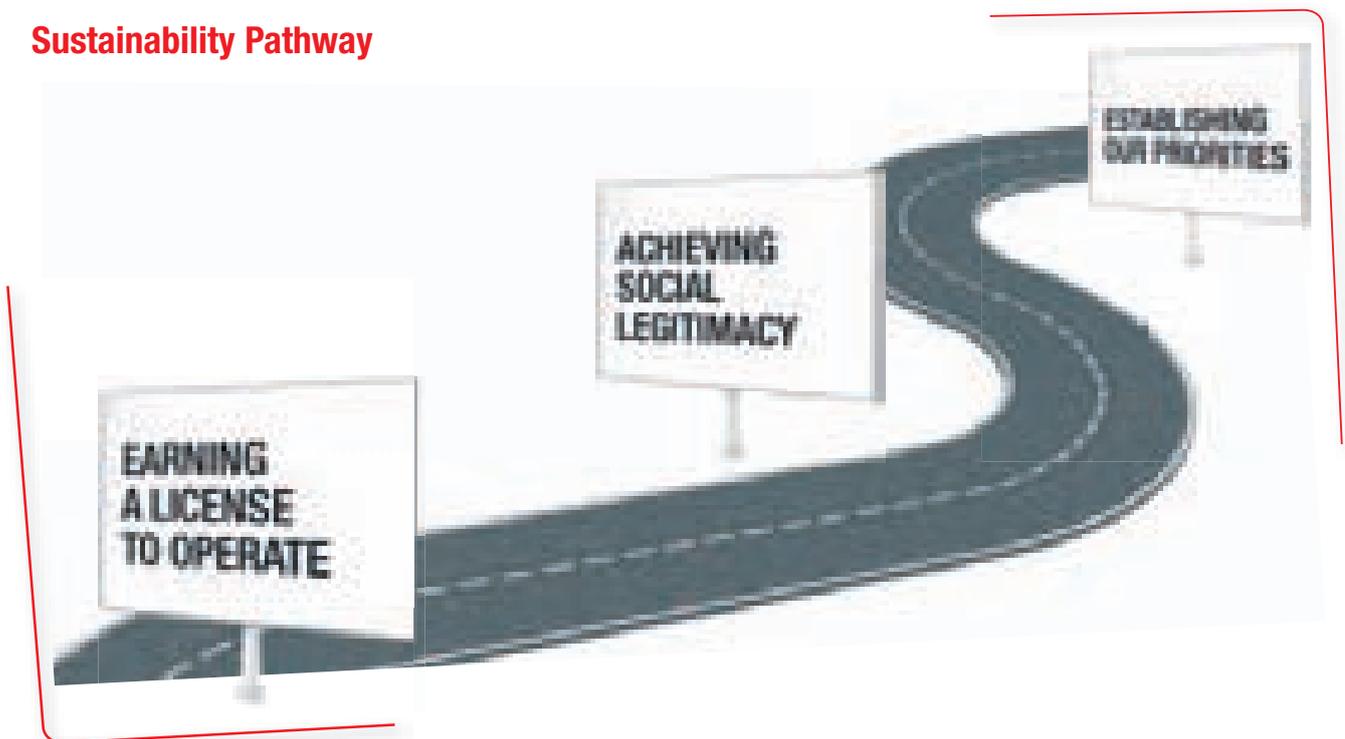
- adhering to a well-defined mission statement that clearly expresses what we aspire to achieve
- building a strong brand by fulfilling our promises to our customers
- earning a good reputation among our stakeholders founded on their esteem for and trust in our company

To move forward on our sustainability path, we established strategic priorities that led to the implementation of specific initiatives aimed at building stakeholder engagement. We called these priorities our sustainability pillars. They represent our bank's primary responsibilities with respect to the scope and nature of its operations:

Customer excellence: ensuring a sustainable revenue structure by maintaining high levels of customer satisfaction and a stable customer base (further details are available in the Our Customers chapter)

Investing in people: investing in professional skills, increasing employee engagement and enhancing the diversity of the workforce to support long-term profitability (further details are available in the Our People chapter)

Sustainability Pathway



UniCredit Sustainability Framework



Sound governance: ensuring transparent decision-making processes, strengthening accountability to increase customer centricity and promoting simplification (further details are available in the UniCredit's Governance paragraph)

Pervasive risk culture: enhancing risk management competencies and risk awareness across the organization; developing integrated risk management systems across businesses and risk types in order to ensure a high level of write-down forecasts accuracy (further details are available in the Comprehensive Culture of Risk Management paragraph)

Value-added processes and operations: providing efficient, high-quality services to support business processes

Community development: making a positive contribution to the communities in which we live and work by providing both banking services and additional support focused on financial inclusion, financial education, microcredit and assisting social businesses (further details are available in the Communities chapter)

Environment is a cross-cutting priority that is embedded in each pillar. We commit ourselves to ensure the sound management of our environmental footprint through the rational use of natural resources (further details are available in the Environment and Suppliers chapter).

Because sustainability is our core business, we are developing a Sustainability Performance Management system to track implementation, monitor progress and enhance performance.

This represents a key step towards further integrating sustainability considerations into our day-to-day decision-making and actions. In line with our sustainability pillars, our efforts are currently focused on:

- identifying the actions and behaviors that help us achieve our sustainability goals

- identifying sustainability indicators to measure the direct results of these actions (input metrics) and the degree to which our initial goals have been achieved (output metrics)
- developing close links between these sustainability indicators and our Group's key value-creation levers

Senior management has engaged in the identification of strategic priorities, and a series of working groups comprised of a diverse selection of colleagues has identified sustainability indicators for their particular fields of expertise and related activities.

To complete our journey along the sustainability path, we must actively engage our primary and secondary stakeholders, listen to them carefully and take responsibility for providing them with transparent, consistent and relevant communications in line with their legitimate expectations (further details are available in the relevant sections).



Prerequisites for sustainability

Satisfying the necessary conditions to operate (earning a *license to operate*)

Instilling a culture of compliance

Instilling a culture of compliance across UniCredit is fundamental to achieving sustainability.

Compliance assists UniCredit in managing compliance risk - the risk of legal and regulatory sanctions, financial losses and loss of reputation that UniCredit may suffer unless we comply with all applicable investment and banking laws, regulations and standards of good practice.

UniCredit Code of Conduct

In 2011, UniCredit has adopted a Code of Conduct that provides an outline of our compliance framework, which complements our Integrity Charter by setting forth principles that all employees must follow in order to ensure the highest standards of conduct at work¹.

Therefore in 2011, we will strive to fully implement our Code of Conduct and are planning to roll out related online training programs. Relevant management will be notified when a colleague fails to comply with the code, and human resources will facilitate the appropriate reporting to the necessary boards and committees.

Management of compliance risk is accomplished through:

- advice on a proactive and reactive basis: providing advice on laws, regulations, rules, codes, standards, businesses, products and/or offices that are either existing or in the process of being established and/or implemented, as well as on the structure and formation of new businesses, products and offices
- communications: issuing policies and procedures, notes, memos, opinions and notices; providing training, both in person and electronically; ensuring that documentation reflects the policies and procedures of UniCredit
- monitoring and surveillance: performing compliance risk assessment; ranking such compliance risk; performing routine surveillance²; monitoring and addressing identified issues
- regulatory interaction: assisting in or managing regulatory audits within the relevant area of competence; conducting self-assessments; managing regulatory investigations and inquiries; responding to regulatory consultations; responding to ad hoc queries; developing and maintaining relationships with relevant regulators

We are refining and enhancing our second-level control system to verify adherence to the various regulations to which we are subject.

The project will seek to apply a consistent controls strategy throughout

the Group, taking a phased risk-based approach that focuses on priority countries and regulations.

Integrity as cornerstone of our corporate culture

Building a clear corporate culture is an important milestone along the road to sustainability, and integrity - the consistency between values and behavior - is the cornerstone of this vital endeavor.

The Integrity Charter allows us to function as entrepreneurs while creating value for all of our stakeholders (further details are available in the corporate website www.unicreditgroup.eu).

To uphold the Integrity Charter, we created the Restorative Justice System, a mechanism that enables us to manage potential conflicts and other situations that relate to our values.

The Restorative Justice System promotes individual responsibility and voluntary resolution as a mean of repairing relationships among employees of our Group (more information on the system can be found in the 2008 Sustainability Report). Currently, the Restorative Justice System is fully functioning in 16 countries.

As of December 2010, 812 of the 833 cases initiated had been closed, and 21 were pending. A significant number of cases were handled in 2010. Nearly all of the cases were related to three of our core values: transparency, fairness and respect (further details are available in the Our People appendix).

As of December 2010, 812 of the 833 cases initiated had been closed, and 21 were pending

Achieving social legitimacy

Brand positioning and reputation assessments are central to framing business activity in a way that both relates to customers, our people and communities and contributes to questions of social legitimacy.

“ Our Promise to Customers

A leading European bank, which is easy to deal with, whose people deliver concrete answers and real benefits to the challenges and opportunities customers face in real life today. ”

¹ The UniCredit Code of Conduct is not intended to be a comprehensive guide to all legal and regulatory obligations, and it does not cover every legal or ethical issue that employees may face on the job. It is not intended to commit legal entities to breach applicable local laws. Therefore, should any of the provisions set out in this legal framework be less restrictive than the applicable laws within a country of UniCredit operation, then the current law will be applicable to the employees of that country.

² Second level controls are not performed by compliance in all areas, but are performed progressively in the areas explicitly required by the law or by our Group's governance bodies.

This is our promise to customers. Because real life presents them with a broad and diverse range of challenges and opportunities, our goal is to consistently deliver concrete answers with true benefits that respond to their needs.

To track the effect of our brand positioning, we first have to analyze the perceived value of our brand. Thus, in collaboration with GfK, one of the world's leading market research companies, we implemented a multi-country *brand equity research* project to develop an index that measures brand equity on three levels:

- cognitive: brand visibility
- emotional: brand personality
- behavioral: people's willingness to become customers

This year, we extended this brand equity project to six new countries (Bosnia Herzegovina, Czech Republic, Russia, Serbia, Slovakia and Ukraine) in addition to the nine countries³ monitored in 2009⁴. Data from 2010 is not yet available. In 2009, the average score at the Group level improved slightly, thanks to positive developments in Italy, Germany, Bulgaria and Croatia. The UniCredit brand in Croatia is the strongest within our entire portfolio. In Italy and Croatia, our brand ranked first in the market, while in Germany, Austria and Bulgaria we were among the top three.

To better understand the levels of appreciation, trust and esteem that our stakeholders feel for our company, over the past two years we have established a reputation assessment program that allows us to identify potential areas for protecting and reinforcing our Group's reputation.

To this end, we deployed the Reputation Institute's independent and international methodology (more information on this methodology may be found in the 2009 Sustainability Report and in Reputation Institute website www.reputationinstitute.com).

Compared with the previous year, in 2010 we succeeded in:

- extending the scope of the reputation assessment from Italy, Germany, Austria and Poland to include Bulgaria, Croatia and Hungary
- enlarging the sample sizes for Mass Market and Affluent customers, treating them as distinct stakeholders, and including non-customer samples for the Affluent, Private, Small Business and Corporate segments
- redefining the community category to include not only NGOs and consumer associations, but also trade associations, local government institutions, public institutions and opinion leaders such as religious movements, cultural associations, media, trade unions and others (e.g. professional associations)

Within the seven countries covered by our reputation assessment, we held more than 30,000 interviews⁵ with stakeholders to identify the drivers that most greatly impact reputation.

Country	Rep Trak Index 2010		
	UniCredit	Peers Average	Δ UniCredit 2010 vs UniCredit 2009
Italy	72.5	68.3	+ 2.7
Germany	62.1	57.2	+ 0.1
Austria	67.4	66.7	+ 0.4
Bulgaria	85.5	72.7	n.a.
Croatia	86.0	70.6	n.a.
Hungary	84.0	70.4	n.a.

Excellent >80; Strong 70-79; Average 60-69; Weak 40-59; Poor <40.

Results show that UniCredit scores above the peer average in all countries⁶. In comparison with 2009, UniCredit's reputation significantly improved in Italy and remained stable in Germany and Austria.

Key drivers common to all countries that emerged from the reputation assessment are as follows:

- for individual and corporate customers, governance elements – such as fair and ethical business behavior, openness and transparency – were identified as vital, in addition to offering products & services capable of meeting customer needs, building relationships based on trust and credibility, delivering value for money
- for employees, governance and leadership, i.e. the capacity to improve organizational efficiency as well as appealing/strong senior management, are vital



For all stakeholders across all countries, the driver described as positive influence on society – i.e. the bank's ability to provide support to families and contribute to regional economic growth – remains one of the most important attributes to enhance our reputation in the regions in which we operate.

³ These countries include: Italy, Germany, Austria, Poland, Bulgaria, Croatia, Hungary, Romania and Slovenia.

⁴ A more simplified version of program was implemented in Bosnia Herzegovina, Poland, Russia, Serbia, Slovakia, Slovenia and Ukraine.

⁵ Includes interviews in Poland.

⁶ A country to country comparison between any of the CEE countries and one of UniCredit's core countries can be misleading, as different social, political and economic contexts should be taken into account.

Sustainability pillars

Establishing our priorities

UniCredit's governance

Because sustainability cannot be achieved without good governance, we worked in 2010 to strengthen our organization's operational mechanisms.

One for Clients (One4C)

The *One4C* program was a key step in UniCredit's development. Combining the specialization of our businesses with our strong geographical roots - important aspects of any international corporation - this vital reorganization enabled us to be more focused on our customers and closer to our territories and local communities. To disseminate *One4C*'s content and goals, we held road shows that in Italy involved about 6,500 colleagues in 10 cities.

On April 13, 2010, the Board of Directors formally approved the *One4C* program, which entailed the merger of seven Italian subsidiaries (UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A., UniCredit Corporate Banking S.p.A., UniCredit Private Banking S.p.A., UniCredit Family Financing Bank S.p.A., UniCredit Bancassurance Management & Administration S.c.r.l.) within the parent company UniCredit S.p.A., in order to simplify the Group's corporate structure. The merger went into legal effect as of November 1, 2010.

In order to strengthen our proximity to territories and local markets, seven Heads of Territory, reporting to the Country Chairman Italy, were created with a view to establishing clear points of contact for our major local institutional partners.

In Italy, Germany and Austria, the program implemented new client segmentation criteria, strengthening the divisional model and creating four specialized business segments:

- Families, dedicated to private customers with assets up to €500,000
- SMEs, for companies with yearly turnover up to €50 million
- Corporate, for companies with yearly turnover over €50 million
- Private, for customers with assets above €500,000

This process focused on achieving three main objectives:

- strengthening accountability to enhance customer centricity
- promoting simplification
- maintaining our divisional model while simultaneously reinforcing the geographical identities of our operations

We translated these objectives into concrete and significant improvements.

First, we reinforced proximity to our territories by providing a single, familiar point of contact for clients to liaise with, which also facilitates our ability to offer customized solutions to meet their specific needs.

The newly instituted position of Country Chairman constitutes the point of synthesis for the Group's business on the local market and the champion of the Group's value system in the country.

The position, being strongly involved in the management of business,

strengthens our proximity to territories, facilitates divisional activities and enhances governance processes.

Second, we decentralized our decision-making processes to speed up response times, while preserving local divisional competences to target specific customer segments. At the same time, we utilized a global approach to governance and other matters in which scale and skills are necessary to securing a competitive advantage (e.g., Global Transactions Banking services and consumer financing).

Business divisions have consolidated responsibilities for marketing, service model definition and product development activities related to customer segments, as well as the functional coordination of certain businesses (e.g., UniCredit Leasing).

UniCredit aims at strengthening the focus on customer centricity by further separating traditional commercial banking activities from investment banking activities (further details are available in the Our Approach appendix).

With the appointment of a new CEO in 2010, the Board of Directors approved:

- the creation of the position of General Manager, with direct responsibility for the Italian market and for commercial banking activities in the different countries in which UniCredit operates⁷
- the creation of the position of Chief Operating Officer, to guarantee that the Group's organizational and governance model is coherent with commercial strategies, cost optimization initiatives and internal processes - including those related to human resources. This ensures synergies, savings and operational excellence
- the consequent deletion of the position of Deputy CEO, as part of the realignment of UniCredit's new senior management structure
- the direct report to the CEO of the Country Chairman Germany and the Country Chairman Austria, shortening the governance chain in those countries

Comprehensive culture of risk management

Risk is part of the banking business and an inherent aspect of its operations.

The Risk Management department has adapted to changes in the risk environment in which banks operate today by engaging senior management more strongly on risk issues, as well by providing more robust coverage both at the Group entity and portfolio level.

UniCredit has now implemented an advanced, internal, ratings-based approach that the Italian regulator has already validated.

The Risk Management department engages the senior management more strongly on risk issues

⁷ This applies to the Families & SMEs and Private Banking sales networks. Corporate & Investment Banking is managed by a separate function.

UniCredit Chief Risk Officer

Following the appointment of a new Group Chief Risk Officer (CRO) in 2009, the parent company's risk management function was overhauled. Today, the CRO and his or her team operate independently of the Group's main businesses and report directly to the CEO. The Group CRO is instrumental in establishing risk strategy.

The Group CRO determines risk management policies and is involved in designing all processes, including a system for credit and concentration risk control. Portfolio risk managers assist in ascertaining and assessing risks from a Group perspective, while transactional risk managers focus on the risk-taking activities of various Group entities. We have created similar CRO positions at our major Group entities.

A number of Group risk committees exist, including those covering strategic risk and Group portfolio risks. Moreover, a Group Special Credit committee assesses restructuring or workout cases. The CRO chairs the Group's risk and credit committees.

The Risk Management department plays a crucial role in the development of the Group's risk appetite strategy. This strategy is the framework within which all the bank's commercial activities are evaluated with regards to profitability, capital and liquidity, together with their associated risks.

UniCredit defines its risk appetite using a top-down approach, from defining strategy at the Board level to operational implementation within divisions and business units. This process also incorporates risk governance guidelines that establish the bank's approach to assessing our current and prospective capital adequacy, i.e., the consistency of our overall risk profile with capitalization levels.

The bank's objective is to ensure that coherent and sustained capital adequacy, liquidity and profitability all play an integral part in day-to-day management and decision-making processes. This means incorporating risk logic and implied capital measures into strategic planning and budgeting processes, as well as implementing internal controls, limit-setting processes and business line performance-evaluation processes according to current and forward-looking circumstances.

As risk appetite can ebb and flow dynamically, it must be continuously monitored to provide reliable feedback for decision-making processes. A robust communication program has been put in place for the benefit of management and to support disclosures to external stakeholders, particularly regulators.

These processes cannot function properly without continuously maintaining a sound risk culture throughout the organization.

The financial crisis has highlighted the fact that the success of risk-taking institutions, such as banks, depends on their risk-management capabilities. The key pillars of successful risk management include understanding risk and its effects on a bank's profitability and stability, maintaining a consistent base level of technical understanding, reinforcing communication at all levels,

and promoting a mindset that anticipates changes in the macro environment.

To this end, we created the Risk Academy to serve as UniCredit's risk training center of excellence.

The Risk Academy applies a consistent instructional approach to risk issues and the risk environment, thus helping to reinforce and strengthen risk culture throughout the Group.

Training is offered via dedicated instructional channels, which are tailored to the specific function and experience of participants (further details are available in the Our People chapter).

A comprehensive culture of risk management also means understanding the importance of effectively managing reputational risk.

Reputational risk is defined as the current or potential risk to earnings arising from adverse perceptions of the bank's image by customers, counterparties, investors, regulators or employees. These perceptions can negatively affect our continued access to sources of funding, as well as our ability to maintain existing business relationships or to establish new ones.

Reputational risks may be regarded as a secondary effect of all other risk categories, such as credit, market, operational and liquidity risks. Therefore, addressing exposure to reputational risk also entails analyzing exposure to the primary sources of risk.

UniCredit's Board of Directors has approved the Reputational Risk Governance Guidelines, which define the governance, organizational model and general principles and rules for managing and controlling the Group's reputational risk.

We created the Risk Academy to serve as UniCredit's risk training center of excellence

Reputational Risk Measurement and Control Unit

Within the parent company, the Reputational Risk Measurement and Control unit is contained within the Operational and Reputational Risks Portfolio Management, which reports to the Head of the Group Risk Management.

Main functions of the Reputational Risk Measurement and Control unit include:

- developing methodologies for the measurement and control of reputational risk
- monitoring the implementation of reputational risk methodologies by Group entities
- proposing mitigation actions to competent departments, units and bodies
- developing methodologies for evaluating the reputational risk of specific products

Moreover, the Group Operational and Reputational Risks Committee, which reports to the Group Risk Committee, ensures that reputational risk policies and practices are consistent Groupwide, in addition to controlling and monitoring the Group's reputational risk portfolio. Furthermore, the Group Transactional Credit Committee is in charge of addressing one-off reputational issues related to applications submitted by relevant businesses.

Aware of our responsibility to promote sustainable development through our daily operations, UniCredit has developed - and is continuing to develop - clear and effective policies for evaluating and limiting reputational risks (further details on specific policies are available on the Our Customers chapter).

Stakeholder engagement

Stakeholder engagement is a key element of our sustainability framework and is vital to understanding stakeholder perspectives on key issues and building long-lasting relationships.

Appropriate listening tools enable us to better understand our stakeholders. This understanding allows us to improve the management of our commitments and initiatives, respond to their concerns effectively, and meet their expectations, thus ensuring the viability of our Group in the long term.

Listening activities enable us to identify the most important (material) topics for our stakeholders. We developed a pilot program for carrying out a materiality

Stakeholders	Main Listening Tools	Objectives
Employees	<ul style="list-style-type: none"> People Survey Reputation Assessment Retail internal client satisfaction Listening to internal clients Internet perception audits 	<ul style="list-style-type: none"> Measure employees' professional engagement in and feelings toward work Assess UniCredit's reputation and its key drivers among employees Monitor colleagues' satisfaction and expectations for internal service provided by divisions/departments/product factories Measure internal clients' perceptions of the services they receive from headquarters Assess EWC members' perceptions of online sustainability communications
Customers	<ul style="list-style-type: none"> Customer satisfaction Brand equity Reputation Assessment Seminars, workshops, round tables, focus groups 	<ul style="list-style-type: none"> Assess customers' perceptions and expectations of products and services Monitor UniCredit brand awareness vs. that of our competitors Assess our reputation and its key drivers among customers Create opportunities for mutual understanding and dialogue
Shareholders	<ul style="list-style-type: none"> Shareholders' meetings Quarterly conference calls to present results Dedicated web site Dedicated communication channels (phone and email) 	<ul style="list-style-type: none"> Open dialogue on strategic decisions, significant market developments and UniCredit's performance
Communities	<ul style="list-style-type: none"> Reputation Assessment Stakeholder perceptions (Italy only) Internet perception audit 	<ul style="list-style-type: none"> Assess UniCredit's reputation and its key drivers among communities Improve our knowledge of territories Assess perceptions of the Territorial Boards regarding online sustainability communications
Advocacy groups / NGOs	<ul style="list-style-type: none"> Regular meetings and calls involving a variety of civil society organizations Internet perception audit 	<ul style="list-style-type: none"> Seek social validation for our business activities, compare perspectives and identify future priorities and potential risks associated with our activities Assess perceptions among NGOs and media representatives of our online sustainability communications

⁸ Materiality is defined as the threshold at which an issue or indicator becomes sufficiently important to be reported. This measure enables us to allocate appropriate coverage in our report to those issues, resulting in a more focused, well-balanced report.

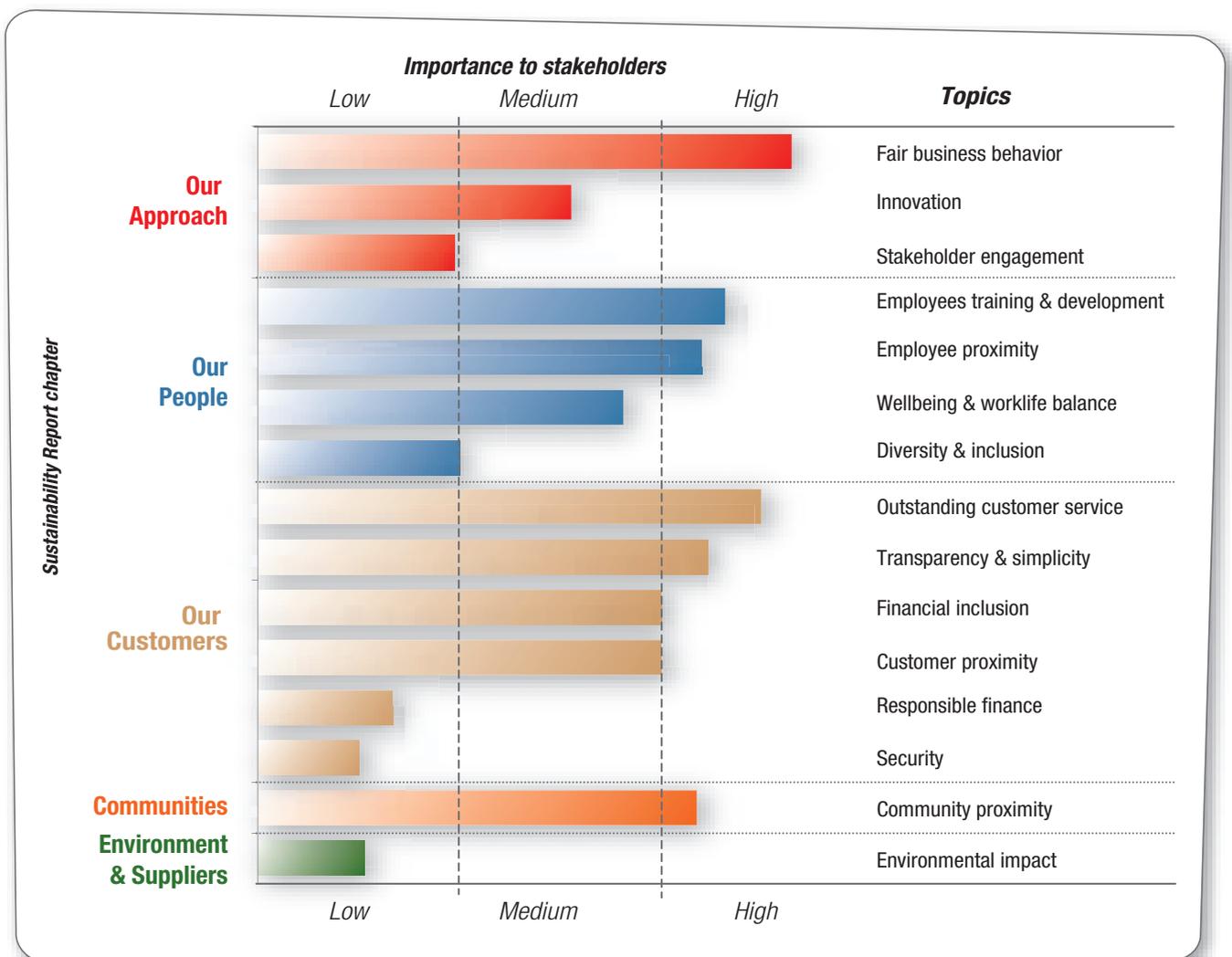
analysis⁸ based on feedback collected from ad hoc focus groups and interviews⁹ regarding the 2009 Sustainability Report's capacity to properly address vital topics.

We used this feedback to create a qualitative framework that enabled us to define the range of topics we must address.

We then used the quantitative information generated by our People Survey and Reputation Assessment to weight and rank these topics.

The result is the multi-stakeholder materiality chart that represents the varying levels of importance that our stakeholders (customers, employees and communities) place on different topics.

Multi-Stakeholder Materiality Chart



⁹ Involving a panel of Italian media representatives, national and international NGOs, Territorial Boards and European Work Council representatives.

Multi-Stakeholder Materiality Topics Definition

Topics	Definitions
<p>Fair business behavior</p> <p>Innovation</p> <p>Stakeholder engagement</p>	<p>Maintaining a high standard of ethical business behavior and expecting senior management and employees to treat all stakeholders with fairness, respect and reciprocity, according to the Integrity Charter</p> <p>Being an innovative company that is able to adapt quickly to change and communicate innovation clearly, thus securing a first-mover advantage</p> <p>Deploying a full set of listening tools to evaluate stakeholder perceptions of UniCredit's performance and to better understand their needs; managing stakeholder expectations through well-publicized initiatives</p>
<p>Employees training and development</p> <p>Employee proximity</p> <p>Well-being & work-life balance</p> <p>Diversity & inclusion</p>	<p>Providing relationship building and banking skills to employees with a view to generating value, offering customer-oriented services and supporting the development of employees</p> <p>Committing to listening to our employees and investing in social dialogue to better respond to their needs and identify opportunities to increase employee engagement</p> <p>Demonstrating concern for employees' well-being and balance between their professional and personal lives; creating a working environment in which everyone feels at ease and is motivated to invest in building positive relationships with customers</p> <p>Fostering a culture of inclusion by promoting equal opportunities in the workplace</p>
<p>Outstanding customer service</p> <p>Transparency & simplicity</p> <p>Financial inclusion</p> <p>Customer proximity</p> <p>Responsible Finance</p> <p>Security</p>	<p>Offering high quality products and services with good value for the money, providing quick and easy support when necessary (e.g., complaint management, credit response time, etc.)</p> <p>Having an open way of doing business by proposing simple and easy to understand products and services, as well as proactive, effective and clear communications and transparent decision-making processes thus building relationships based on trust and credibility</p> <p>Providing accessible and suitable products and services to underprivileged and less financially secure community members (including financial education initiatives)</p> <p>Being close to customers, understanding their specific/industry needs and responding promptly to local families and firms with a wide range of specialized products/services</p> <p>Being socially and environmentally responsible when financing sensitive industries by adopting ad hoc credit policies or applying global standards (e.g., the Equator Principles) according to benchmarks</p> <p>Providing concrete protection through the development of advanced solutions and optimal processes that assure the best possible security systems</p>
<p>Community Proximity</p>	<p>Understanding territorial issues and responding to local needs, thus supporting social development and generating a positive impact on communities</p>
<p>Environmental impact</p>	<p>Taking responsibility for the potential environmental impact of our business decisions</p>

Lastly, effective stakeholder engagement requires initiatives that create a climate of collaboration and result in projects that meet their needs and expectations.

Stakeholders	Main Engagement Initiatives	Reference in the Report
Employees	CEO Roadshow to engage our colleagues on <i>One4C</i> program	Listening to our people (p.26)
	Itaca Inside and meetings between employees and members of the Executive Management Committee	Listening to our people (p.26)
	European Work Council activities	Fostering Social Dialogue (p.27)
Customers	Initiative to record customer feedback (Instant customer feedback)	Listening to our Customer (p.36)
	Initiatives to support the internationalization of SMEs (East Gate Export, Export Business School, 100 Imprese, etc.)	Supporting the internationalization of companies (p.45)
	Initiatives to support financial inclusion and financial education	Finance inclusion and responsible finance (p.48)
	UniCredit Consumer Day Italy Desk Consumatori Italy	Relationships with Consumer Associations in Italy (p.44)
Communities	Sponsorships and donations initiatives	Contributions to communities (p.62)
	Il Talento delle Idee, East Gate Export, Cambiare per Crescere	<i>One for Clients</i> , close to the territories (p.66)
	Social inclusion projects and support to social entrepreneurship	Unidea – UniCredit Foundation (p.67)
	Awards to talented students and researchers	UniCredit & Universities Foundation (p.70)

Public Dialogue on Sustainability and Innovation: The Fifth East Forum and Seventh Turkish-Italian Forum

Together with *east*, a magazine focused on international culture, politics and economics, in 2010 UniCredit organized the fifth annual East Forum (www.eastforum.eu). Titled *Rethinking the Present to Shape the Future: Choosing Sustainability*, the forum offered institutional representatives, economists, journalists and business operators the opportunity to exchange ideas and to debate the challenges and priorities involved in creating a truly sustainable tomorrow.

In 2010, UniCredit also devoted the seventh annual Turkish-Italian Forum to discussing the development of innovative policies for Italy and Turkey regarding the research, development and technology sectors. There was a particular focus given to renewable energy and the development of the internet

For whatever life brings



Priorities 2011

- Increase the professional competence of our employees through continued investments in technical and risk management training programs, leveraging the various instructional channels developed by the UniCredit Risk Academy
- Strengthen our employees' engagement by raising their awareness of sustainability through an integrated communications and training plan
- Increase transparency and simplicity through the enhancement of our HR processes and tools by:
 - including all professional positions within the Global Job Model
 - implementing a standardized, Groupwide recruitment process

Priorities 2010

Key achievements 2010

Launch the Global Job Catalogue on a Groupwide basis

Achieved: A Global Job Catalogue was implemented, reducing thousands of job descriptions to 250. A total of 18,000 managerial and 14,000 professional positions were linked to the model

Extend the Let's Share plan to all countries in which UniCredit has a significant presence

Achieved: In 2010, the third edition of the plan was extended to two more countries (Luxembourg and the UK). It now encompasses roughly 124,000 employees in 12 countries (about 70 percent of all UniCredit personnel) and we continue to seek opportunities to involve other countries

Develop a new software tool to collect, monitor and report on data from the Internal Job Market

Achieved: Released in April 2010, allowing improved management of mobility and job rotations

Complete the hiring of 400 permanent employees from our pool of temporary workers in Italy

Achieved: New hiring completed

Involve more CEE countries in the UniCredit Women's International Network (UWIN)

Achieved: UWIN strengthened its presence in Central and Eastern Europe, expanding its network to Kazakhstan

Extend our 360-degree feedback on values to all UniCredit executives

Not achieved: Its extension to all managers involved in the Executive Development Plan was postponed to 2011

UniCredit Countries	Number of Employees ¹ as of Dec. 31, 2010	Percentage of Male Employees	Percentage of Female Employees
Italy	55,814	57%	43%
Germany	24,195	45%	55%
Austria	11,742	45%	55%
Poland	21,166	22%	78%
Bulgaria	4,595	23%	77%
Croatia	5,278	26%	74%
Czech Rep.	2,838	36%	64%
Hungary	2,548	31%	69%
Romania	4,761	27%	73%
Russia	4,251	31%	69%
Others	37,733	34%	66%
Total	174,921*	41%	59%

In 2010 the total number of employees decreased by 1.5 percent, mainly due to integration programs coming to an end and the reorganization in Italy under the *One4Clients (One4C)* program, where reductions were achieved entirely on a voluntary basis.

In several Central and Eastern Europe² (CEE) countries, the total number of employees increased due to new hiring and the opening of more branches (e.g., the Czech Republic).

External hiring totaled 10,895 new employees, and the overall turnover in our workforce decreased to 8.6 percent.

In Italy, UniCredit achieved the hiring of 400 employees as per an agreement with trade unions signed on December 4, 2008. These individuals were selected from a pool of primarily internal applicants, previously working under fixed-term contracts.

On October 18, 2010, UniCredit signed a new agreement with trade unions governing roughly 3,500 voluntary departures over the next three years of employees who have reached pension entitlement age. Simultaneously, it provides for the permanent hiring of 1,077 employees who are currently working under apprenticeship contracts, in addition to 1,000 new hires who will be strictly selected on the basis of our usual merit-based processes.

Our Human Resources mission is to create an environment where our people generate sustainable value for our customers, feel great about our European company and are connected with the communities we live in.

These commitments will allow us to attract, develop and retain the best talents.

Our 174,921 UniCredit people are our most important assets in the quest to advance our sustainability strategy and support long-term profitability in an increasingly challenging marketplace.

Investing in our people is key to our sustainability. This means creating and nurturing a highly competent, stable, engaged and diverse workforce by:

- listening with the goal of improving. We invest in creating a work

environment in which listening and dialogue are considered necessary preconditions for continuous improvement

- investing in professional competencies and nurturing leadership in order to generate sustainable value for our customers. We firmly believe that a highly skilled workforce is crucial to delivering excellence in customer service. Moreover, sustainable development is based on using our knowledge to innovate, to drive new business and to improve efficiency
- creating an inclusive environment that fosters collaboration and encourages a healthy work-life balance to support the well-being of our employees
- increasing transparency and simplicity by investing in HR tools and processes. We believe that a straightforward and consistent approach to managing people supports flawless execution, promotes a unique corporate culture and fosters collaboration

¹ This data refers to UniCredit's employee head count as of December 31, 2010, unless otherwise noted. These figures do not include external staff (e.g., interns or consultants). Number reflects all employees of subsidiaries consolidated proportionally, at 100 percent.

² The CEE countries included in the 2010 Sustainability Report are Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Russia.

* This figure corresponds to roughly 162,000 full-time equivalent (FTE) employees.

Listening and improving

To continuously strengthen our employees' engagement, we invest in creating a work environment that ensures all colleagues are heard and promotes social dialogue. Listening and understanding our colleagues' needs, expectations and priorities helps us to identify opportunities for constant improvement and to foster greater engagement.

Listening to our people

We listen to our employees in order to understand their perceptions and ensure alignment between UniCredit's stated mission and values and our current behaviors.

People Survey Employee Engagement Index

	2010	2009	2008
UniCredit score	73%	71%	70%
European financial services norm	70%	70%	71%

UniCredit Day

UniCredit Day is intended to strengthen our identity. In 2010, it addressed the connections between our mission, our values and how we bring them to life on a daily basis. Developed from Integrity Charter Day, the event involved all our colleagues in 22 countries and focused on collecting true stories and work experiences. Based on a poll of colleagues, we singled out the stories of three Mission & Values Champions. Subsequently, the Management Committee saluted these individuals as role models for our day-to-day work at UniCredit.

Key Drivers of Engagement at UniCredit



In 2010, 81 percent of our employees³ responded to our fifth annual People Survey, *Your Voice, Our Future*. Participation in the survey increased by 4 percent over 2009. Thanks to a Unidea UniCredit

Foundation initiative, which matched donations in proportion to the number of surveys completed, this rise in participation translated into increased contributions to social causes (further details are available in the Communities chapter).

Notwithstanding the challenges experienced by UniCredit over the past year, our results showed significant improvement in the engagement index, rising from 70 percent in

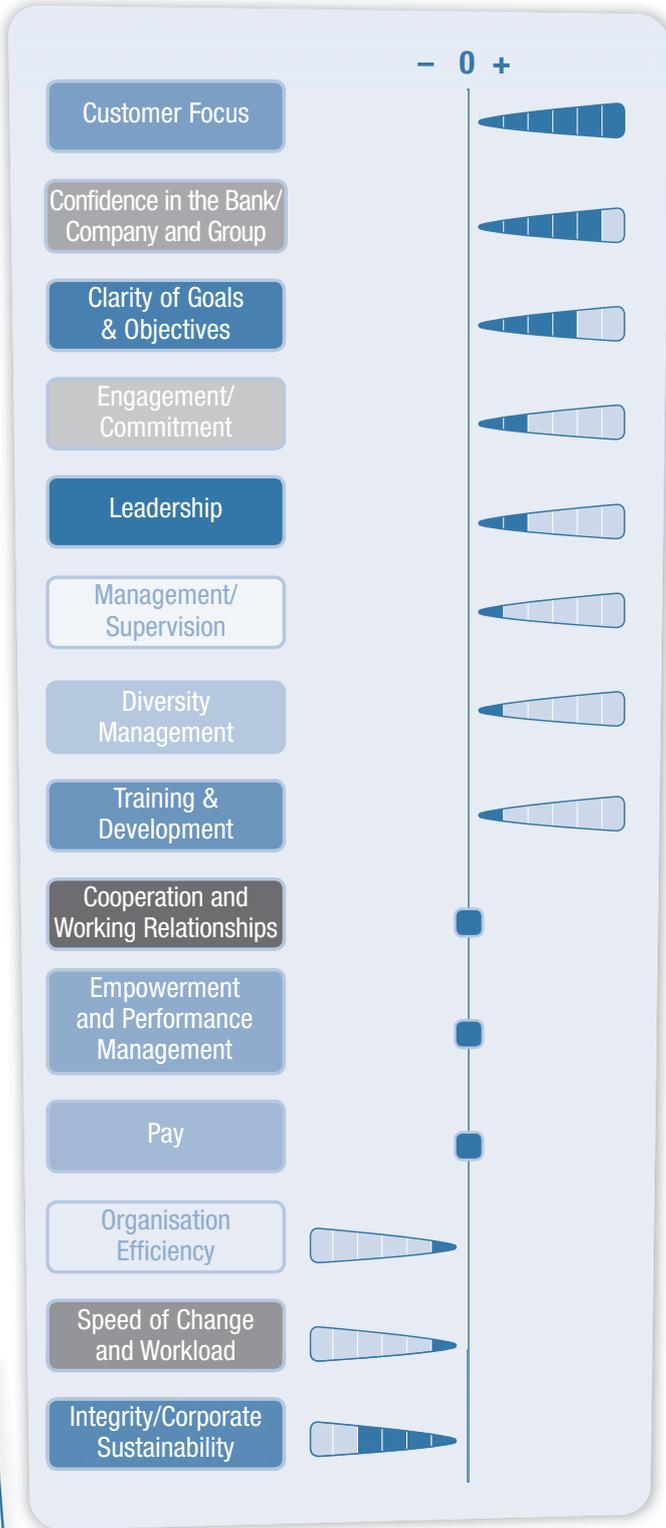
2008 to 73 percent in 2010, thus outperforming the European financial services norm⁴. These results speak to a high level of excellence we achieved in this area, and to a measurable increase in our employees' sense of pride in belonging to UniCredit.

Our engagement index outperformed the European financial services norm

³ This figure corresponds to more than 134,000 full-time equivalent (FTE) employees, at the beginning of period.

⁴ This benchmark is drawn from opinion data collected from Europe-based employees of international financial services companies which administer employee surveys on an annual basis.

People Survey Results 2010 vs 2009



Our People Survey results showed the following:

- Client Focus was the most improved category. Our new mission statement, together with the *One4C* program, contributed to strengthening our customer-centric focus. Concerted efforts have provided colleagues with timely and complete information about *One4C*-related changes to our corporate governance, organizational structure and business model. Among other communication initiatives in Italy, the *One4C* roadshow facilitated our CEO's engagement with branch colleagues. He also delivered a live video message on the launch day of *One4C*, and senior managers participated in various web calls
- a widespread improvement compared to 2009 was observed in the Clarity of Goals and Objectives, Confidence in our Group and Leadership categories. This speaks to an appreciation of our senior management's handling of the crisis, as well as the various initiatives launched during the year to increase our colleagues' identification with UniCredit (e.g., listening initiatives such as Italy's *Itaca Inside*, web calls, top-down communications, meetings between colleagues and members of the Executive Management Committee, etc.)
- a slight decrease occurred in the Organization Efficiency, Speed of Change and Workload and Integrity/Corporate Sustainability categories. In particular, Integrity/Corporate Sustainability showed a decline in our perceived involvement with local communities. This issue is addressed by the *One4C* program, which was designed to increase our proximity to our territories. Moreover, to reinforce our employees' engagement, in 2011 we will invest in raising their awareness of sustainability issues. Our goal is to explain in greater detail the core concepts, priorities and relevance of UniCredit's approach to sustainability

Fostering social dialogue

An emphasis on high-quality social dialogue has enabled UniCredit to take on many of the new challenges associated with the recent financial turmoil.

Our commitment to social dialogue allowed us to collaboratively implement such strategic endeavors as the *One4C* program and our new Managerial Governance and Strategy. Both of these were presented to employee representatives and discussed among all parties in a cooperative environment, thus fostering new ideas on generating employment opportunities, minimizing labor conflict, smoothing the reorganization process and containing costs. Furthermore, our commitment to social dialogue is demonstrated in our efforts to promote sound and timely communications and to exchange information effectively across all of the countries in which UniCredit operates.

Within the context of these activities, the European Works Council (EWC) continues to address transnational issues and engage in constructive cooperation, partnering with both HR and business functions – an approach that is acknowledged throughout the banking industry as a best practice.

In 2010 for the first time in two EWC Ordinary Meetings, the heads of HR from five countries (Bulgaria, Romania, Russia, Turkey and Ukraine) and their respective EWC members jointly developed and presented social dialogue proposals in the context of industrial relations. They also discussed current and future expectations, priorities and concrete solutions in this area. Further details on additional relevant, major accomplishments are available in the Our People appendix.

Investing in professional competence and fostering leadership

A skilled workforce and strong leadership are fundamental to ensuring that we can deliver sustainable value to our customers.

Training

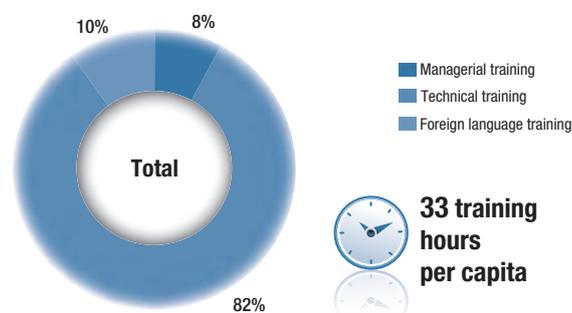
Despite the ongoing economic crisis, in 2010 investing in the development of professional competence remained a centerpiece of our efforts to achieve excellence in customer service, develop a comprehensive culture of risk management and build a common identity across UniCredit.

We continued to offer training programs designed to foster our employees' professional development, expand their career opportunities and enhance their job performance.

Our priorities included:

- increasing professional competence to promote the delivery of outstanding levels of service
- disseminating risk awareness and knowledge throughout UniCredit by establishing the Risk Academy
- enhancing leadership by offering valuable learning experiences to both our leaders and talents

Percentage of Training Hours, Breakdown by Type of Training, 2010¹



¹ This data is based on 74 percent of the total head count. Training hours include e-learning, classroom training and training on the job.

Enhancing professional skills

In 2010, we began the work of aligning learning processes across UniCredit.

As a part of this effort, we developed the Internal Trainers Community to facilitate the transfer of knowledge and the sharing of best practices within our Group. This community now comprises greater than 500 international trainers and we will add 1,000 more in 2011.

To achieve higher levels of efficiency and effectiveness in both our products and processes, we leveraged on our capacity to cover training costs with public funds. Thus, in 2010 we received more than €9 million⁵ in public funding. In 2011, we will attempt to secure additional public funding from the European Union.

Our training programs include, among others:

- induction: we developed a new format for new hires, thus creating our first multinational welcome program. Designed to acclimatize new employees and help them feel like a part of the organization, this approach fosters a common identity across UniCredit
- technical training and *Learning on the Job*: these programs aim to increase the knowledge and skills required to deliver best-in-class services to both internal and external customers. Specifically, the *One4C* program included training sessions focused on risk and credit

⁵ This data refers only to Italy.

issues (further details on our customers satisfaction and service quality training programs are available in the Our Customers chapter)

- **Competencies Certification Path:** this focused training process (e.g., credit, finance, etc.) is certified under the European Qualification Framework guidelines and hones in on our specialists' competencies while expanding their skill sets
- **mandatory training:** we continue to provide training designed to assure the certification of employees, in line with compliance guidelines
- **language training:** these programs primarily focus on developing English language skills and seek to strengthen our employees' ability to operate internationally
- **requalification:** these programs support colleagues interested in developing new skills qualifying them for new positions

In 2011, we will work to enhance our effectiveness and efficiency by:

- improving skills and certified competencies
- maximizing knowledge tailored to specific job positions
- implementing a new learning platform – already in use in Italy – which will progressively be rolled out in other countries
- creating an international network of training centers, aligning them and transforming them into multi-use facilities

UniCredit Risk Academy learning streams

The *Risk Diploma learning path*, certified by the SDA Bocconi University of Milan, is designed for the professional risk management community and all interested colleagues. Based on an intensive online core curriculum that introduces participants to the fundamentals of risk and risk management, it also includes advanced master classes designed to build upon existing knowledge by exploring concepts in advanced risk management. The core curriculum was rolled out in the fourth quarter of 2010 and involved 616 participants. Our target enrollment for 2011 is roughly 3,000 colleagues.

The *Risk Master Series*, specifically intended for senior risk and business executives, offers several days of workshops focused on risk culture and management, leadership and communication skills. The objective is to create a harmonized risk culture by aligning leadership attitudes, sharpening risk management skills and improving risk efficiency and effectiveness. A project involving roughly 50 participants will be launched in the second quarter of 2011.

The *Strategic Risk Management Learning Lab*, aimed at non-risk executives and talent program members, comprises two days of training that take a non-technical approach to fostering internal risk sensibilities. By attuning participants to risk and its impacts on the bank, the program adds a vital dimension to the daily decisions and actions of UniCredit managers. In 2010, 41 attendees took part, with another 50 scheduled to participate in 2011.

Group Management Team seminars, designed for senior management, include half-day workshops that enhance awareness of the role of the Risk Management department and its relationship to our business, with a view to disseminating our culture of risk management across the organization. This initiative will be rolled out in 2011.

Developing leadership

At UniCredit, fostering leadership means creating the right environment and processes for supporting cultural and corporate change. Consistent with this belief, our leadership development center (www.unimanagement.eu), offers a variety of training courses to meet the development needs of different target groups.

The leadership training programs include:

Building Blocks: a basic leadership skills training course for lower levels of management that makes use of interactive learning methods, direct experimentation and the sharing of experiences

Learning Labs: these provide experienced professionals with powerful learning experiences based on peer-to-peer knowledge sharing through activities that challenge participants on multiple levels

Leadership Programs: (*UniQuest, UniFuture and Lead for Value*): these aim to develop a high-performance international leadership team, ready to overcome current and future strategic challenges

Core Programs: (*HR Master Series, HR Core Program, Identity & Communication Core Program, Corporate & Investment Banking Program*): designed for young colleagues working in competence lines or business divisions, these programs deepen their knowledge of specific technical topics via hands-on learning and the shared experience of senior colleagues

Team@Work: this intense, collaborative training combines deep analysis with exploration, group decision-making and individual self-appraisal

Talent development and leadership pipeline

The strategic management and development of our talent and our executives are priorities for UniCredit. In order to support leadership development, two targeted programs are in place: the *Talent Management Review (TMR)* and the *Executive Development Plan (EDP)*. Participation in these programs increased by 51 percent and 27 percent respectively in 2010. Based on the UniCredit Competency Model, they promote a consistent leadership approach throughout our Group and link career development to strategic business requirements. The EDP identifies

Near-term and mid-term successors to senior management positions are identified using both the TMR and the EDP

potential successors to senior management positions based on performance and potential. It is an essential instrument in addressing issues of leadership development and business sustainability. In the 2010 EDP cycle, succession plans were validated for all senior managers assessed through the program.

UniCredit's top talent and executives can enhance their leadership skills and accelerate their development through coaching and mentoring initiatives. In 2010, 105 colleagues took part in such programs.

Additionally, executives and participants in our talent programs can accelerate their professional growth through the UniCredit Mobility Program, which facilitates the exposure of employees to international experience and offers opportunities to develop a global, cross-business perspective.

In 2010, we reviewed the Mobility Program and defined new guidelines for international transfers. We invested in initiatives to improve employees' experiences abroad; these included cross-cultural learning labs and orientation programs for new expatriates.

Since 2009, the number of expatriates at UniCredit has increased by 7 percent. They come from 22 countries and work in 31 nations across four continents, and 32 percent of all our expatriates in 2010 are female while 42 percent are under 36 years of age.

In 2010, 68 top talents, 23 of them from the CEE, participated in the Development Center program. Of this group, 44% were women

In order to support the growth of promising talent, a Development Center was launched to support top talent in our Group. With the participation of business leaders and senior HR managers, this program brings the most promising future leaders together with senior management. It is a two-and-a-half-day program

that combines training with assessments. It is designed to inspire talented employees, expand their networks and build awareness of their strengths and development needs.

In 2011, we will focus on strengthening development processes for the different career stages of colleagues classified as talent.

Attracting Talent

In 2010, we continued to invest in initiatives designed to make us a European employer of choice and to help us attract the best talent.

In addition to participating in career days, workshops and lectures at academic institutions, we continued to support young graduates' pursuit of their interests in finance through the following programs:

- *New Europe Masters in Banking and Entrepreneurship* – for students primarily from the CEE. Approximately 30 students participate each year
- *International Graduate Program in Corporate & Investment Banking* – an entry-level program that annually provides 50 recent graduates with an opportunity to build skills in a personalized, one-year, on-the-job training program

We constantly seek to develop mutually beneficial relationships with academic institutions in the shared pursuit of understanding and excellence. Currently, we are collaborating with:

- *The Community of European Management Schools (CEMS) Network* – a strategic alliance of multinational companies with leading business schools, including LSE, Bocconi Milan, Corvinus University of Budapest and the Warsaw School of Economics
- *ESCP Europe Business School* – offering MBAs and specialized master's degrees in Berlin, London, Madrid and Turin
- *UniCredit CEE Student Circle* – a joint initiative between Bank Austria and the Vienna University of Economics and Business Administration, designed to support UniCredit's efforts in the CEE to recruit qualified university graduates for internship opportunities
- *AIESEC* – the world's largest student-run organization, with more than 50,000 members in over 107 countries and territories

Compensation

Our approach to compensation promotes sustainable pay for sustainable performance, while assuring compliance with emerging regulatory requirements, maintaining alignment with business needs, providing performance-based rewards to attract and retain mission-critical resources and talent, and monitoring market trends and practices.

In 2010 the Group compensation policy has been reviewed from a compliance, market and regulatory perspective with the support of an independent external advisor and the Risk and Compliance departments. Our current policy is fully aligned with recent regulatory requirements and has not changed since 2009.

The Group Executive Incentive System directly links rewards to the achievement of sustainable results. Incentives are based on different types of risk (including liquidity risk) and on cost-of-capital adjusted profit. In some cases, a portion of incentives are deferred for 24 months. Performance objectives set for senior managers and executives include financial and non-financial parameters (such as reputation and customer satisfaction). Sustainability indicators can weigh up to 70 percent in the overall evaluation.

Our approach to compensation also includes a long-term incentive plan, approved by the Board of Directors. This serves as an additional tool to balance short and long term objectives. The plan approved in 2010 offered a balanced mix of stock options

and shares – subject to internal and external performance conditions over a three-year vesting period – to a selected group of roughly 1,400 executives, mission-critical resources & talented individuals across the company.

Let's Share

As planned in 2009, we launched the third edition of the *Let's Share* employee stock ownership plan, which involved 12 countries (now including Luxembourg and the UK) and covered roughly 70 percent of all Group employees. The plan offered these employees an opportunity to purchase UniCredit shares on favorable terms. Despite the challenging economic environment, more than 4,000 colleagues participated in the plan in 2010.

Creating an inclusive workplace

We invest in a work environment that makes all colleagues feel like an important part of our organization, and we promote inclusion as a way to foster collaboration.

Diversity and inclusion

We continue to build on the guiding principles of the Joint Declaration on Equal Opportunity and Non Discrimination. Consistent with our mission, we take a multi-stakeholder approach that accounts for global social trends as well as the differing needs of our customers, employees and communities.

Recognizing that the international nature of our business should be reflected in an inclusive work environment, we have chosen to focus our efforts on fostering a culture of inclusion. This means valuing diversity as an asset and ensuring that each employee has the opportunity to achieve his or her full potential.

Continuing our commitment to the disabled, initiatives implemented in 2009 to guarantee equal opportunity for our disabled employees were also carried out in 2010. Moreover, we have prioritized gender and age diversity by developing targeted initiatives.

Addressing gender balance

To create a more balanced gender ratio at the senior management level, we continue to offer development opportunities to qualified women.

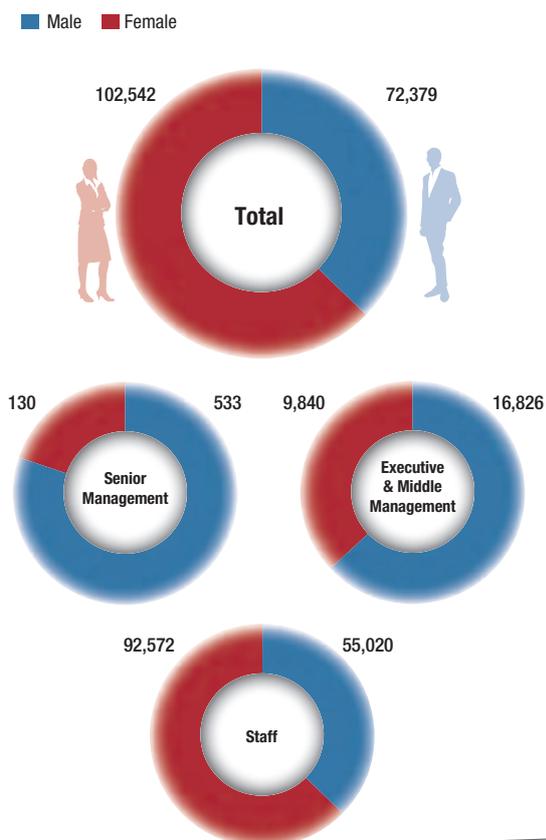
Our senior management believes that improving the gender diversity within its leadership positions creates more value for the company. Thus, UniCredit made a public commitment to gender diversity by requesting that all recruiters present gender-balanced lists of candidates for all open executive positions.

Our Initiatives

In Italy, the *Women Development Pipeline* program provided leadership training activities such as workshops, coaching and mentoring. In Austria, the national mentoring program ensures that two-thirds of the roughly 50 mentoring relationships it facilitates annually involve female mentees. In Germany, we joined 13 other companies as the first signatories of the *Munich Memorandum for Women in Leadership*, which pledges to promote the balanced participation of women in leadership positions at all levels.

In 2010, the *UniCredit Women's International Network (UWIN)*, in its third year of activity, consolidated the results it achieved in the past years and developed new activities to foster the development of female leaders. To support its objectives, UWIN enlarged its presence in the Central and Eastern Europe, extending its activities to Kazakhstan.

Number of Employees by Employment Tier and Gender, 2010



Thanks to the contributions of its associates, UWIN has developed many initiatives focused on trainings, role models and empowerment, as well as networking opportunities that support the professional development of women at UniCredit. These initiatives have included

UWIN is now present in Austria, the Czech Republic, Germany, Hungary, Italy, Kazakhstan, Poland and Romania, thus involving roughly 3,300 female colleagues

the *Women4Women* mentoring program, the *Shaping My Future* training program that helps young colleagues manage career decisions, and seminars featuring international academic experts in leadership and management.

In Italy, UniCredit continues to be an active participant in the Valore D association. We co-led role modeling activities and engaged in additional activities that addressed flexibility. In 2010, 76 women from UniCredit participated in six role modeling and five skill building events organized by Valore D.

76 women from UniCredit participated in six role modeling and five skill building events organized by Valore D.

La Scelta

In Italy, among other activities, UWIN conveyed the importance of self-awareness and self-promotion in an innovative way by staging the play *La Scelta*, a drama that explores the dilemmas many women face when presented with opportunities for career advancement. About 350 UWIN members and more than 1,000 participants attended the show in five cities.

At the end of 2010, two women sit in our Executive Management Committee; women also increased their representation by 2% in both the EDP and the TMR over 2009. In Italy, 27% of all new heads of business areas nominated as a result of the *One4C* program were women

In 2011, UniCredit will continue to address the issue of gender balance at the senior management level by tracking our progress in promoting female leadership. In particular, we will monitor the number of women on the boards of UniCredit entities in compliance with our governance, which provides that the

boards of our entities should be comprised of members appointed for reasons of technical competence, seniority and social and gender balance in order to ensure that a broad range of perspectives are introduced in discussions.

Valuing age

To optimize the contributions of colleagues of different ages and improve collaboration among generations, we worked to understand how belonging to different age groups could influence our employees' opinions and perceptions. Following the results of the

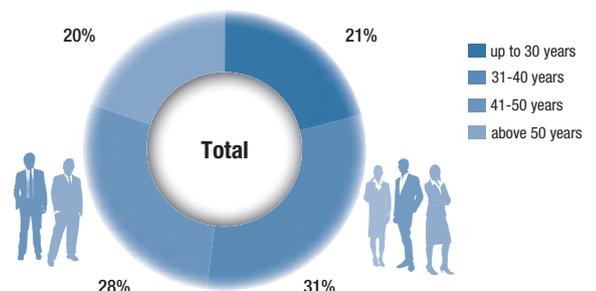
2010 People Survey, an extensive age-based analysis was carried out to identify critical areas where employee perceptions differ. This analysis highlighted issues related to our corporate culture (e.g., attitudes toward age diversity), people management (e.g., training and development) and our company's organization (e.g., leadership).

Adding Value to Age Diversity

Among other 2010 age diversity initiatives, a project was carried out by UniCredit Business Partner in Italy, Germany, Austria and the Czech Republic, where there are high concentrations of older employees. Based on interviews with local senior management and focus groups with older colleagues, we generated a number of proposals to enhance their value on the job, make better use of their skills and increase their level of engagement. These proposals ranged from creating mentoring roles to developing specific opportunities for training and knowledge transfer. These proposals will be put into practice over the course of 2011.

As a next step, in 2011 we will conduct a qualitative analysis by country in order to define the best initiatives for addressing key issues and leveraging the potential of different generations working at UniCredit.

Percentage of Employees by Age, 2010¹



¹ This data is based on 99 percent of the total head count.

Well-being and work-life balance

Our commitment to creating an inclusive environment includes our efforts to guarantee a safe work environment, promote employee well-being and help people effectively manage professional and personal challenges.

To support our employees and their families at different stages of their lives, we provide benefits designed to enhance their work-life balance. These vary from one country to another and are tailored to local practices and regulatory frameworks.

Our benefits may include flexible working hours, telework, healthcare, sporting events, daily childcare, summer camps for children and additional financial support for maternity and childcare

In 2010 in Italy, we conducted a qualitative analysis of colleagues' needs related to their work-life balance. The results provided the basis for further quantitative analysis that we will carry out in 2011, to assess current levels of satisfaction and fine-tune our approach in this area. Further details on UniCredit initiatives addressing welfare, health and safety and work-life balance are available in the Our People appendix.

Effective industrial relations contributed to the development and implementation of both of these projects by bringing together employee representatives, HR functions and project teams in a common effort to foster cross-border collaboration. The approach also ensured a steady flow of information among all of the parties involved.

In 2010, the Global Job Model framework was finalized, and the Global Job Catalogue was implemented. The latter resulted in the reduction of thousands of UniCredit job descriptions to roughly 250. A total of 18,000 management and 14,000 professional positions were brought within the GJM.

An extensive transition and communication process was carried out by our experts to make all of UniCredit's people familiar with the new model.

More than 7,800 managers from roughly 200 UniCredit entities participated in roadshows that presented the Global Job Model

UniCredit Health Day



We continued to invest in raising employee awareness of disease prevention. To promote understanding of how a healthy lifestyle can prevent illness and improve overall well-being, we dedicated Health Day 2010 to nutrition. About 1,000 employees took part in five events in Italy and one in Croatia, with roughly 90 percent positive feedbacks. Following this initiative, we produced a booklet containing healthy and tasty recipes submitted by our Croatian colleagues.

In 2011, all professional positions will be brought within the GJM, and all employees will receive from their managers an official communication of the job title that applies to their positions.

In 2010, we continued to harmonize the UniCredit performance management system to enhance our culture of fairness and transparency. The GPM process, designed with this in mind, integrates the different preexisting performance management systems throughout UniCredit into one.

Based on UniCredit's competency model, the GPM promotes our values and corporate culture. It aims to foster managerial accountability in employee development and to increase employee satisfaction.

Increasing transparency and simplicity

In 2010, we made further progress on reducing complexity through the implementation of new HR processes and tools designed to increase our ability to manage people in a simple, transparent and consistent way.

The Global Job Model and Global Performance Management

Two major initiatives that were carried out – the *Global Job Model* (GJM) and *Global Performance Management* (GPM) – have made vital contributions to effective and transparent development and career management, by providing:

- more clearly defined roles
- consistent definitions of the key tasks, responsibilities, and competencies associated with each job
- straightforward explanations of the behaviors and competencies expected by UniCredit to achieve the company objectives

WHAT I DO IS WHAT I AM LEADERSHIP COMPETENCY MODEL

THE NEW MODEL THAT DRIVES OUR BEHAVIOURS

CORPORATE CULTURE

- Customer Orientation
- One Company, No Boundaries
- Integrity Charter Champion
- Embrace Diversity
- Foster Innovation

LEADERSHIP

- Endorse and Commit on Group Initiatives
- Foster Spirit of Cooperation
- Leaders of Leaders
- Thought Leadership

EXTERNAL / MARKET FOCUS

- Focus on Reputation
- Risk Management
- Local Communities Orientation

It helps managers set clear goals and expectations, and evaluate and manage people with greater consistency. The system provides all employees with a clear explanation of what to do and how to manage their development within the organization.

At the beginning of 2011, the GPM was launched in Italy, Austria and most CEE countries.

The Internal Job Market

To better manage national and international mobility, we introduced an updated version of the *Internal Job Market* tool. Thanks to investments we made in training our HR business partners, we are well positioned to refine our ability to collect and monitor data on job rotation. We will continue to invest in improving the simplicity and efficiency of this tool, in order to ensure transparency and fairness in our management of job rotations and to improve our talent retention rates. In 2010, 1,300 new positions were posted on the *Internal Job Market*.

In 2011, we aim to integrate the *Internal Job Market* with our new e-recruiting process – an online tool that will allow us to standardize our recruiting efforts – and extend it across UniCredit.

Our approach to hiring

In 2010, we designed a new global recruitment process characterized by greater transparency, simplicity and efficiency.

The process, based on an e-recruitment platform (www.unicreditgroup.eu/en/Careers/Careers.htm), involves five basic

steps. Candidates at their first professional experience also undergo an English test and an assessment of skills.

This process was designed to ensure greater consistency during the selection phase and to provide all candidates with the same opportunities.

After their recruitment, each new employee is provided with the basic tools they will need as they start their careers at UniCredit.

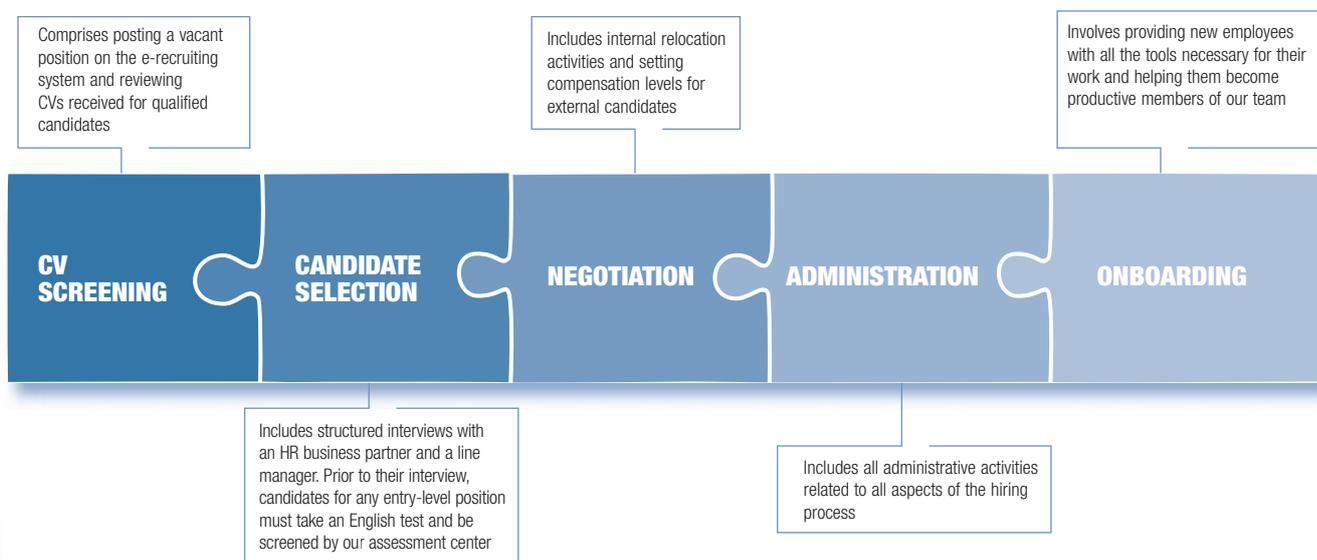
Developing a common intranet

In order to foster collaboration and knowledge-sharing among our employees, in 2011 we will continue to invest in developing a common intranet for the whole Group. This effort involves an international team of nearly 50 colleagues from different offices. Together they are designing an advanced UniCredit intranet, which will include user-friendly new features such as blogs, videos, podcasts, etc..

In light of the different business needs within our organization, a common intranet will contribute to a unified corporate identity and culture, thus strengthening our international footprint. Using this important resource, colleagues will be better able to access company information and to network and discuss business topics with each other.

A prototype for this intranet was tested in 2010 by more than 1,000 colleagues. In 2011, a second round of tests will include another 1,000 colleagues from different countries and businesses.

Recruitment Phases



For whatever life brings



Our Customers

Priorities 2011

- Increase customer satisfaction by:
 - optimizing the credit process, both by streamlining it and increasing transparency
 - assuring consistent standards, quality, and excellence in customer service across the entire network through the sharing of best practices
 - developing new products and services to support international transactions and business models
- Further improve complaint management processes, reducing the need for follow-up with dissatisfied clients.
- Enhance our listening in order to stay attuned to customers' changing needs in an evolving competitive environment

Priorities 2010

Increase the number of satisfied customers by focusing on addressing the problems that commonly give rise to complaints

Develop new products and services to support the internationalization of SMEs

Improve the transparency of certain contracts and documentation, and make them easier for customers to understand

Establish action plans to customize the solutions we offer customers and to strengthen our support for their long-term growth

Optimize the credit process, both streamlining it and increasing transparency, while expanding our advisory role in it

Improve our transparency, with support of Consumer Associations and launch educational activities

Develop initiatives with Consumer Associations based in Central and Eastern Europe that promote customer-centricity and help identify major customer needs

Organize two international roundtables with NGOs to receive feedback on UniCredit's mining and water infrastructure policies, currently under development, and on recent changes to our Defense/Weapons policy

Key achievements 2010

Achieved: The overall number of satisfied customers has increased. In the majority of the countries and across all divisions – Retail, Corporate and Private – we registered an increased TRI*M score

Achieved: Imprendo Export package for SMEs, has been further developed, now benefiting from a network of 22 Cross Border Centers

Achieved: Transparency of contracts and documentation was improved in all markets according to customer needs and expectations

Partially Achieved: Corporate Banking Customer Relationship Management (CRM) continued supporting and monitoring interactions with customers

Achieved: Corporate Banking in Italy, Germany and Austria redesigned the entire credit process, increasing credit quality and, in Italy, dramatically reducing response times by 50 percent

Achieved: Dialogue with Consumer Associations was strengthened in Italy through the signing of a new agreement, in addition to several financial education initiatives successfully launched

Partially Achieved: Pilot projects launched in Croatia and the Czech Republic aim to better understand local consumer protection issues and culture are still ongoing

Partially Achieved: A roundtable concerning UniCredit Defense/Weapons industry Policy was organized in May 2010, with the participation of various NGO representatives

Listening and satisfaction

We have continued to implement different customer listening and engagement processes tailored to each of the countries in which we operate.

These processes ensure that our customers have access to the proper channels for voicing their opinions.

Listening to our customers

In 2010, we continued our regular program of monitoring customer satisfaction across our network, conducting roughly

461,000 interviews to frequently monitor the Customer Satisfaction index (TRI*M Index).

These surveys enable us to track customer satisfaction on a monthly basis in Italy, Germany and Austria for all Retail customer segments, while in our CEE banks, customer satisfaction is measured twice a year.

All told, we carried out 325,000 interviews in Italy, 48,000 interviews in Germany, more than 33,000 interviews in Austria, and over 21,500 across CEE countries.

In 2010, in Corporate Banking we conducted almost 25,500 interviews (roughly 15,700 in Italy, 7,000 in Germany and 2,800 in Austria) in connection with our *Listen To Act* initiative, which assesses the needs and satisfaction levels of our business customers.

These quarterly interviews covered clients that included financial institutions and came from all three of our core banks and major product lines (Global Transaction Banking and Corporate Treasury Sales). In the CEE countries, we conducted more than 2,200 such interviews.

Also in 2010, we continued to follow up with customers who agreed to let us respond to any concerns they may have expressed in their interviews. In Italy, Germany and Austria, more than 11,700 customers agreed to be identified and to permit their interviews be used in this way.

In Private Banking in 2010, we carried out more than 3,200 interviews in Italy, nearly 700 in Germany, almost 1,100 in Austria and over 800 in the CEE. During 2010 we worked to harmonize customer satisfaction methodologies by adopting the TRI*M Index and the Customer Satisfaction Index (CSI) in all countries.

Instant Customer Feedback (or Customer Experience Measurement)

To obtain more frequent, accurate and useful feedback, we implemented a range of additional initiatives designed to improve our customer service and promote a customer-centric culture. Some of these focused on what is called *Instant Customer Feedback*.

In November 2010, a workshop to measure customer experience brought all local Retail customer satisfaction teams together to discuss methodology and share best practices.

The aim was to strengthen our ability to:

- receive timely information from our customers
- make accurate appraisals of which processes require fine-tuning
- facilitate faster learning among colleagues who interact with customers and who can now access reliable feedback at the branch, regional and bank levels

In 2010, Austria implemented an *Instant Customer Feedback* pilot program to assess different moments of truth within the customer service experience and to immediately record customer feedback. To this end, a questionnaire is sent via email the day after a client interaction. For example, after our yearly advisory meetings with affluent customers, we sent more than 2,500 questionnaires with receiving a response rate of 65 percent.

In 2011, these pilot initiatives will be incrementally rolled out in Germany and other countries.

Mystery shopping continued to play a key role in monitoring and evaluating the quality of service delivered in our branches. In 2010, we held more than 2,100 *mystery shopping* visits in Italy, more than 3,100 in Germany, roughly 2,400 in Austria and roughly 5,900 in the CEE - carried out across multiple segments. Reporting is provided on a monthly basis in Italy, on a semi-annual basis at the branch level in Germany and, in Austria, is made available online after each wave of visits. This vital fieldwork allows us to assess prospective clients' views of our services and expertise, which we consider essential to increasing our service levels.

Customer satisfaction results¹

In 2010, our Retail customers in Italy, Germany and Austria were measurably more satisfied with our services compared to 2009.

In Italy, UniCredit's largest Retail market, we achieved significantly better results than our competition (nine points higher) as our TRI*M Index score rose from 58 at the end of 2009 to 61 in 2010.

Fineco confirmed its excellent position, despite showing a slight decrease in its score, which fell to 81 down from 85 in 2009.

In Germany, our TRI*M Index score increased to 64, up from 61 in 2009, narrowing the gap with our competition. This progress was primarily due to our investment in improving the perception of the advisory services in our branches.

In Austria, our score increased to 66, up from 64 in 2009. Although we were unable to close the gap with our competition, this positive result was partly due to our efforts to define excellent advisory and service standards. To strengthen these, we sharpened our focus on building and maintaining long-lasting relationships with customers.

In the CEE in 2010, the majority of our banks received a better performance scores than their competitors. This was particularly the case in Russia, where we registered a positive gap of 14 points.

Although all our CEE banks had satisfaction levels close to excellent, there was a slight decrease in these results as compared with 2009, with the exceptions of the Czech Republic and Russia. Romania's score remained unchanged.

Retail Customer Satisfaction TRI*M Index Results

TRI*M Index Results				2010 Competitors' TRI*M Index Results
Country	2010	2009	2008	
Italy**	61	58	50	52
Germany	64	61	63	71
Austria	66	64	68	72
Bulgaria	67	69	65	71
Croatia	79	81	85	76
Czech Republic	68	66	71	64
Hungary	70	72	82	59
Romania	68	68	61	64
Russia	82	81	88	68

** Italy includes UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A. and Banco di Sicilia S.p.A.. As in 2009 and 2008 our TRI*M index does not include SMEs. The 2009 result refers to the December monthly score.

¹ A TRI*M score below 40 points is generally considered insufficient, while above 70 points is considered excellent. In each case, judgment of a company's performance should always account for trends in scoring and comparisons with competitors in the region.

In 2010, our Corporate Banking customers in nearly all the countries we serve were measurably more satisfied than in 2009.

In Italy and Austria, we surpassed our 2008 and 2009 TRI*M Index scores. In Germany, we improved on our 2009 score but still have not matched the high scores we achieved in 2008.

CEE countries achieved higher overall TRI*M Index scores than their competitors in 2010, and registered gains over the previous year. Only Hungary and Romania recorded slight downward trends in comparison with 2009.

Corporate CEE:
almost all countries
scored above 70 points
which is considered
excellent

Corporate Banking TRI*M Index Results

TRI*M Index Results				2010 Competitors' TRI*M Index Results
Country	2010	2009	2008	
Italy	45	39	39	48
Germany	64	63	68	72
Austria	69	64	66	70
Bulgaria	79	79	not applicable	73
Croatia	86	84	not applicable	71
Czech Republic	78	67	not applicable	74
Hungary	66	69	not applicable	58
Romania	73	76	not applicable	69
Russia	87	80	not applicable	82

In 2010, we fully aligned our Private Banking customer satisfaction methodologies and achieved improvement in all countries where the TRI*M index was measured in 2009.

For example, our TRI*M Index score in Italy increased to 60, up from 52 in 2009.

Croatia Private Banking had the highest TRI*M index score, up from 89 to 98, with Austria's Schoellerbank rising from 87 to 93

Of particular note, in Austria, Schoellerbank's score increased to 93, up from 87 in 2009, achieving an excellent result. Croatia recorded the highest score with an index that rose from 89 in 2009 to 98 at the end of 2010.

In the CEE, our Private customers were particularly satisfied with our services, as demonstrated by the high scores across the board.

Meeting customers' needs

At UniCredit, we are committed to generating value for our customers through integrity and openness.

Based on extensive customer feedback, we understand that we are providing high-quality, innovative products and specialized services, as well as supporting enterprises interested in expanding their business internationally.

We are also aware that we must continue to be close to our customers in order to understand their particular and industry needs. Moreover, we must respond promptly to families and businesses and offer a wide range of tailored products and services.

We strive to concretely support the economic development of the communities in which we operate. We do so by offering financing and other products and services that can help families and firms to overcome financial difficulty.

On the other hand, we can still improve our complaint and credit response times.

To ensure that we always put our customers first, providing them with straightforward expert advice, in 2010 we focused on four important areas of interest to our customers.

Private Banking TRI*M Index Results

Country	TRI*M Index Results	
	2010	2009
Italy	60	52
Germany	56	53
Austria**	69	59
Bulgaria	88	not applicable
Croatia	98	89
Czech Republic	84	not applicable
Hungary	86	not applicable
Romania	78	not applicable
Russia	90	not applicable

** Austria result refers only to Bank Austria.

Outstanding customer service

Our new organizational and business model positioned us to improve our understanding of customers' changing needs
 We provide high-quality products and services to individuals and enterprises in order to build and maintain long-lasting relationships
 We proactively manage complaints in a timely manner

Transparency and simplicity

We interact with all customers - from segments - fairly, transparently and responsibly
 We develop clear communications and documentation in cooperation, when possible, with Consumer Associations

Customer proximity

With a service model that is based on customer segmentation (Families, SMEs, Corporate, Private) we work to understanding client-specific needs and respond promptly with a wide range of specialized products and services
 We pursue strategies that foster economic development by supporting the internationalization of companies and SMEs experiencing difficulties

Financial inclusion and responsible finance

We facilitate the access to financial services and products among vulnerable populations while also improving financial literacy
 We work to enhance strategies for responsible finance by developing special reputational risk policies and creating responsible products

Outstanding customer service

Throughout the current economic crisis, UniCredit has strengthened its commitment to providing outstanding service.

One for Clients (One4C):

A new organizational and business model

In line with changing customer expectations and the increased need to stay in close touch with local markets, in November 2010 we launched a new organizational and business model specifically formulated for the UniCredit markets of Italy, Germany and Austria. This program is called *One for Clients*, otherwise known as *One4C*.

It was designed with three key objectives:

- to improve customer satisfaction in all customer segments by modifying our business model and corporate culture
- to further enhance our relationships with local communities in Italy by deploying tools that help us better understand local and regional needs
- to bring the structure of our Italian entities in line with our new business model

One4C strengthened our current divisional model by creating four business segments – Families, SMEs, Corporate and Private – and three specialized sales networks.

In Italy, specialized sales network have been aligned as follows:

- Our Families & SMEs comprise individuals with assets of up to €500,000 and companies with an annual turnover of up to €50 million. These segments are served by a network of almost 35,000 employees and 4,000 branches across Italy, organized into 112 sales units coordinated by 10 executive departments
- Our Corporate Banking consists of enterprises with an annual turnover of more than €50 million. This segment is served by a network of 450 managers coordinated by five directorates
- Our Private Banking comprises clients with assets exceeding €500,000. This segment is served by a network of 780 managers, coordinated by six departments

One4C's changes will strengthen our divisional model and increase customer satisfaction by improving access to specialized services and by promoting simplicity, faster response times and closer ties to our communities.

By combining a more effective organizational structure with greater autonomy at the branch level, we expect to strengthen our capacity to build and maintain relationships and to reduce and manage complaints.

Business Segment in Italy

November 2010

Before One4C

Retail	Mass Market/ Affluent	Individuals with < € 500,000 in liquid assets
	Small Business	Enterprises with < € 3 million annual turnover
Corporate Banking		Enterprises with > € 3 million annual turnover
Private Banking		Individuals with > € 500,000 in liquid assets

After One4C

Families & SMEs*	Families	Individuals with < € 500,000 in liquid assets
	SMEs	Small and Medium Enterprises with < € 50 million annual turnover
Corporate Banking*	Corporate	Enterprises with > € 50 million annual turnover
Private Banking*	Private	Individuals with > € 500,000 in liquid assets

* Families and SMEs, Corporate Banking and Private Banking are specialized sales networks.

High-quality products & services

Providing our customers with high-quality advice based on their needs is key to retaining their trust. To that end, we focused on the following three areas:

- setting standards
- training
- monitoring

Setting standards

In Germany, our Service and *Advisory Standards* project is working to provide Retail banking staff with a clear definition of what high-quality service and advisory means for internal customers and for the different external customer segments they serve. This

is a crowdsourcing initiative, meaning that the thoughts and ideas of colleagues from the Retail division are integral to the success of the project. To facilitate their participation, we built an online platform that around 3,000 employees have used to post ideas and comments.

In Austria, we defined excellence in service and advisory standards in cooperation with all segments

by focusing on the full range of situations that affect customer relationships.

Our Corporate divisions have entirely redesigned their credit processes in an effort to simplify procedures, increase credit quality and drastically reduce credit response time. In Italy, we reduced this time by 50 percent after redefining certain roles (e.g., highly specialized credit analysts were brought into the credit screening process) and by introducing service level agreements (e.g., guarantees to complete and present credit proposals within a stated timeframe).

Training

In 2010, in an effort to provide the highest level of service and consistently exceed customer expectations, we focused on enhancing the superior knowledge and emotional skills necessary for increasing to customer satisfaction.

In Italy, four different training programs are dedicated to strengthening the customer-centric culture of our Retail network:

- *Managing a Customer* is designed for senior managers (roughly 500 participants in 2010)
- *Leadership for Customers* is designed for branch managers (roughly 2,500 participants in 2010)
- *I'm a Customer*, launched in 2007, involved 75 participants in 2010.

- *You Have a Customer*, a new program launched in 2010, has involved roughly 300 employees and aims to foster genuine teamwork among all departments in the organization and to instill the constant awareness that customer service is everyone's business

In Germany, more than 2,300 advisors and more than 400 sales managers attended our two customer satisfaction training programs, *Sales College* and *Leadership for Sales*.

In Austria, roughly 190 advisors and branch managers attended customer satisfaction training classes and workshops. More than, 520 employees and branch managers attended the *Solutions 4 Affluent, Small Business* and *Mass Market* training program. We also created teams of regional specialists by training 488 advisors to address issues related to foreign exchange (FX) loans and, in 2010, we conducted around 20,400 advisory meetings on FX loans.

Corporate Banking invested in strengthening the industry-specific knowledge of our relationship managers, enhancing their understanding of customers' needs.

In Austria, one-day workshops called *ICH - die Visitenkarte der Bank Austria (I am the business card for Bank Austria)* involved roughly 55 participants from sales and sought to strengthen the competence of relationship managers with regard to the convergence of interests and attitudes among both our colleagues and customers.

In Italy, Germany and Austria, Private Banking invested in the development of a proactive, partnership-based advisory model. This model aims to transform complex ideas into clear, transparent, personalized strategies that will protect and optimize our customers' finances.

Monitoring

The new Corporate & Investment Banking Customer Relationship Management (CRM) system continues to be upgraded in order to better support and monitor client interactions. The CRM's early warning system allows us to predict which customers may be considering leaving the bank. Our goal is to reduce the churn rate by proactively taking remedial action.

To better monitor service quality across all business areas, we designed and implemented a sustainability dashboard of key performance indicators. These include qualitative and quantitative measures, such as the TRI*M Index, percentage of lost customers, customer acquisition rate and credit response time.

In Germany around 3,000 Retail employees posted their ideas and comments via a crowdsourcing initiative

Roughly 7,330 employees attended our customer satisfaction training programs

Our incentive system for relationship managers is directly linked to customer satisfaction results

The incentive system for relationship managers is directly linked to customer satisfaction results and, in turn, our sustainability. By heavily weighting this factor, we expect to reduce conflicts between the bank and its customers and to maintain long-term sustainable results.

In Germany, a new system for registering complaints was introduced to ensure that all complaints are properly recorded and filed. This system is complemented by an automatic support reminder function and tracking procedures that facilitate proper complaint processing and monitoring. Another innovation in Germany was the use of our internal call center as a central answering machine for the branches. It now receives and processes all emails sent by customers via our website.

In Austria we continued to implement the complaint recording IT system, which allowed us to increase the number of recorded complaints by 50 percent in comparison with 2009.

In the CEE, our *Groupwide Compliance Policy - Complaint Management* is guiding our banks' work in identifying possible short, medium- and long-term improvements. Moreover, CEE countries have dedicated teams that handle the complaint management process, thus facilitating the early detection of problems and the provision of optimal solutions to customers in the shortest possible time. In Bulgaria a dedicated team was created in 2010.

In Croatia, where clear procedures were already in place, we invested in increasing employees' engagement with this vital issue in 2010.

In Romania, complaint management procedures have been further fine-tuned, with positive results. Success rates for complaint resolution within 30 days are roughly 90 percent and 87 percent respectively for individuals and businesses.

Complaint management

Complaint management is a way to ensure the consistency and quality of the customer experience. Thus, UniCredit has focused strongly on this issue since December 2008, when it disseminated its *Groupwide Compliance Policy - Complaint Management*.

In 2010, we approved our *Global Compliance Guidelines - Complaint Management*. These guidelines regulate the implementation of our complaint management policy and define clear principles for the handling of complaints. The guidelines address the following topics:

- the definition and classification of complaints
- the role and the principal activities of the organizational structure dedicated to addressing complaints
- the complaint management process
- reporting procedures relating to the complaint management process

These guidelines have been distributed for progressive implementation Groupwide and will be adjusted in line with the local requirements. They will apply to all directors, officers and members of strategic, control and executive bodies, as well as employees across all business areas.

In 2010 in Italy, the Retail network registered a decrease in the number of complaints. It also began implementing the complaint management guidelines with a view to:

- clarifying service level agreements (e.g., staff have 48 hours to provide a customer with a resolution or an acknowledgement of their complaint)
- strengthening the role of colleagues within the network by defining standard complaint management procedures and empowering them to resolve most complaints directly at the first point of contact

The complaint management process was also extended to the SME segment.

Retail Customer Complaints¹

Number of Recorded Complaints by Country	2010		2009		2008	
	Total (Written + Verbal)	Written	Total (Written + Verbal)	Written	Total (Written + Verbal)	Written
Italy*	329,565	19,430	338,089	16,068	333,747	19,078
Germany	71,232	7,443	72,698	7,588	64,575	7,430
Austria	52,447	3,892	39,210	3,709	12,975	3,771
Bulgaria**	1,731	1,731	1,716	1,716	698	698
Croatia	44,012	2,729	60,093	3,100	56,370	n/a
Czech Republic	1,035	934	798	751	711	n/a
Hungary	5,583	3,627	5,097	3,216	2,708	1,708
Romania	1,610	1,510	1,427	1,384	2,032	2,012
Russia	10,295	9,143	6,027	5,541	4,570	n/a

¹ Totals are not provided because definitions and recording methods have not been completely aligned across all countries.

* In 2008 and 2009 data for Italy includes UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A. and FinecoBank S.p.A.

In 2010 data for Italy includes also UniCredit Corporate Banking S.p.A., UniCredit Private Banking S.p.A., UniCredit Family Financing Bank S.p.A. and UniCredit Bancassurance Management & Administration S.c.r.l.

** In Bulgaria we record only the written complaints.

In 2010, for Corporate Banking, we implemented procedures in line with our *Groupwide Compliance Policy - Complaint Management*, set up dedicated teams to reduce response times and empowered our network with training programs that focused on reputation, legal risks and persistent reasons for complaints.

Corporate Banking in Italy reduced complaint management response times from 88 to 21 days

The results were positive. In Italy, for example, we succeeded in reducing our average response time from 88 days to 21 days.

In 2010 in Private Banking, by implementing the complaint management policies already in place, we improved our complaints resolution times. We also clarified our system of complaints classifications and strengthened the procedures for authorizing complaint settlements. Further initiatives included the delegation of authority from the front office to our central complaint management team. Complaint management processes and systems will be harmonized in 2011.

In Bulgaria we resolved 90% of Private Banking complaints within five days, thanks to the implementation of policy

Transparency and simplicity

Information asymmetries, that result from a weak public understanding of financial terminology can often lead to a lack of trust in the financial services industry.

One of UniCredit's most important objectives is to provide clear information to our customers and to invest in the financial education of our communities, thereby enhancing financial inclusion (further details are available in the Financial inclusion paragraph).

In order to strengthen the transparency of our approach, several initiatives are being pursued across our Group, in line with local requirements and expectations.

In 2010, we concentrated our efforts on:

- providing clear and detailed disclosures of features and fees associated with our products and services
- simplifying documentation for customers
- reinforcing our dialogue with Consumer Associations

Providing clear and detailed disclosure of products and services

In Italy, we have taken many steps to improve the transparency of certain contracts and documentation, thereby making them easier for customers to understand, in accordance with the Bank of Italy's regulations. The object of these regulations is to ensure that customers comprehend all costs related to the services offered and are able to compare them with offerings from other companies.

In line with new laws introduced in Germany, in 2010 we began to provide customers with written summaries of any advisory meeting with bank personnel. These summaries must then be approved by the customer involved, ensuring agreement regarding the content and outcome of the meeting.

In Austria, our internal newsletters update all Retail bank employees on key information that must be communicated to our customers.

In the Czech Republic, we have developed *Sales Scripts for Bankers*, which are product brochures providing clear descriptions of offerings.

We also take care to explain our commercial loan review procedures to our Corporate customers. These efforts have included initiatives involving local business groups. In Italy, for example, working with the Torino Finanza Committee, which is part of Turin's Chamber of Commerce, we held a seminar called *Effective Communication: The Relationship between Banks and Businesses*. 500 entrepreneurs attended the event.

In Italy and Germany, Pioneer Investments continue to provide training in connection with certain investment products, and we have increased our customers' involvement in conference calls, dinners and workshops with our product managers.

Timely Communications at Pioneer Investments

During the European sovereign debt crisis, we provided timely communications informing customers of our asset allocation and portfolio holdings. Depending on the country, we advised our clients on how to protect their savings and adjust their portfolios to benefit from possible future opportunities (e.g., an ad hoc communication on Our Exposure to Irish Government Bonds).

Simplifying documentation for customers

In Germany we created detailed risks and prices documentation for more than 240 products

In 2010, in Germany we continued to improve our product fact sheets. For more than 240 products, we created documentation that clearly and concisely presents risks, prices and other details. We provide this type of information not only for investment products, but also for a wide range of financial solutions related to pensions, investments, savings and loans.

In Bulgaria, we simplified the features and documentation for all products and processes designed for individual Retail customers, including accounts, cards and deposits.

In Croatia, several new transparency-related consumer protection regulations went into effect (e.g., the Consumer Protection Act, the Act on Credit Institutions, etc.), we adjusted our contract forms and our use of general business terms in contracts and documentation related to numerous products and services.

A similar initiative was carried out in the Czech Republic, where we simplified the terms for current accounts and mortgages. We also initiated the development of several internal initiatives aimed at simplifying our approach to customers. These included a project called the *Internal Codex of Simplicity*, a set of internal guidelines that describe how to make things simpler and easier for our customers.

In Hungary, we drafted *All About Conditions*, a comprehensive product information document that customers can access on our website.

In Russia, we developed several pamphlets providing comprehensive information on products, services and discount offers. For example, the *To Pay Loans Is Easy!* is a pamphlet that details all channels available for making loan payments, along with interest rates, fee schedules and loan prepayment procedures.

The Corporate division in Italy, Germany and Austria approved the implementation of a new internal regulation on pricing transparency. Clients now benefit from on-the-spot itemization of all pricing components, including markups, hedging costs, etc. This program is monitored daily by an independent risk control unit.

In Italy, Pioneer Investments launched a new version of its quarterly segregated account statements, now in a shorter and clearer format.

The Key Investor Information Document (KIID)

At Pioneer Investments, we are working with European regulators to develop new legal sales documentation to replace the Simplified Prospectus. According to the new regulation entitled Undertakings for Collective Investments in Transferable Securities (UCITS IV), each fund must now produce a Key Investor Information Document (KIID). This summarizes the fund's key features (i.e., objectives and investment policy, risk and reward profile, charges, past performance, registration requirements, tax status, etc). A KIID generally may not exceed two pages in length, which means that, in contrast to the often lengthy Simplified Prospectus, it provides investors with a concise and clear, legally sanctioned summary of a fund's characteristics.

Pioneer will prepare KIIDs for all of its UCITS funds in the key languages of our investors.

Relationships with Consumer Associations in Italy

In 2010, we strengthened our dialogue with Italian Consumer Associations to improve our identification of different customers' needs and facilitate their access to banking products and services.

UniCredit Consumer Day: a meeting between 43 senior UniCredit managers and 44 consumer association representatives

On April 28, 2010, in Milan, we held the first *UniCredit Consumer Day*, this meeting involved 43 members of UniCredit's senior management, including the CEO, the General Manager and the Country Chairman, as well as 44 consumer association representatives. Following this, on July 1 in Rome, UniCredit signed a new agreement with 12 Italian Consumer Associations.²

The process of building on our relationships with the Consumer Associations, launched in 2008, was extended in 2009 and 2010 through a series of joint activities that included financial education seminars and newsletters for UniCredit's management teams. The meeting in April 2010 that led to a new framework agreement also established four permanent joint working groups focused on developing concrete solutions related to:

- transparency and financial education
- financial innovation and inclusion in Italian territories
- analysis of complaints with consumer association representatives and joint arbitration
- revamping of our information points in the branches, also called the *Desk Consumatori (Consumers' Desk)*

Among the activities carried out by these working groups, should be made of:

- the simplification of documentation related to commercial products, with the goal of achieving enhanced transparency and ensuring clients gain a better understanding of the agreements they are entering into
- the development of an integrated banking and financial education system throughout Italy that will be managed, in some cases, with the support of Consumer Associations (further details are available in the Financial education paragraph)
- preliminary work on joint arbitration procedures has been launched in February 2011. These procedures will enable a constructive approach to the resolution of certain disputes by one of four Joint Boards of Conciliation. The boards include representatives from the Consumer Associations and the bank, and receive support from 10 local, technical offices

Desk Consumatori (Consumers' Desk)

In 2010, we relaunched the *Desk Consumatori* information point initiative. This program provides clients and non-clients alike with information on financial topics such as bank accounts, mortgages, payment cards, consumer credit and investments, as well as on common consumer issues such as utilities, housing, and transportation. This service is offered nationwide in 60 Italian branches.

Consumer association experts are also available in the branches to provide support to people interested in improving their understanding of consumer issues and learning how to reduce their risk of over-indebtedness.

The project aims to help people make informed and responsible choices on matters related to banking and finance.

The *Desk Consumatori* may also serve as a pilot project for the development of additional financial literacy initiatives at UniCredit, contributing to stakeholder engagement and ultimately increasing dialogue between our network and our customers.

UniCredit and the Consumer Associations have jointly publicized this project on a UniCredit website (www.unicredit.it/deskconsumatori) and several of the Consumer Associations, including Adiconsum, Assoutenti, Confconsumatori and Movimento Difesa del Cittadino.

Based on our experiences in Italy, we have begun developing similar engagement initiatives in the CEE. For example, this year in Croatia and the Czech Republic, we initiated research projects on consumer protection in the financial sector. These projects are still ongoing.

² The 12 Italian Consumer Associations include: Adiconsum; Adoc; Assoutenti; Casa del Consumatore; Cittadinanzattiva; Codacons; Confconsumatori; Federconsumatori; Lega Consumatori; Movimento Consumatori; Movimento Difesa del Cittadino; Unione Nazionale Consumatori.

Customer proximity

Because we consider the banking industry an engine of economic development, we provide tangible support to our customers and devote our skills and resources to providing services that address the challenges faced by our communities.

We work to enhance our proximity to our territories by pursuing strategies that foster economic development through the internationalization of small- and medium-sized enterprises, and providing real support to firms experiencing financial difficulties.

Furthermore, as part of the *One4C* program (further details are available in the Outstanding Customer Service paragraph), we established seven community territories within Italy. The managers of these territories serve as points of contact with local institutions and stakeholders. This improvement has enabled us to better meet the expectations of the communities we serve.

Fostering economic development

In 2010, we fostered the increased involvement of enterprises in the international market and provided additional support to the long-term growth of SMEs.

Supporting the internationalization of companies

To improve our service quality and products in ways that better meet the needs of our cross-border customers, during 2010 we concentrated on the following:

- developing our service and product platforms
- building internal understanding of Cross-Border Business Management (CBBM)
- reinforcing networks and internal communications

We updated our cross-border service standards, streamlining and improving internal processes and cross-border solutions.

Our goal is to implement these service standards across UniCredit's entire network, including all branches, representative offices and partner banks worldwide.

Our cross-border business management network has made the process of opening an account at different UniCredit entities more transparent. Additionally, by clarifying responsibilities and processes, we have strengthened the network linking our relationship managers, product specialists and risk functions.

Imprendo Export, an online product launched in 2009, provides a wide range of services in support of clients looking to expand abroad. In 2010, we continued to fine-tune *Imprendo Export*, which now benefits from a network of 22 cross-border centers and dedicated desks at nine of our Retail branches. In 2010, we added roughly 340 new customers to our *Imprendo Export* roster.

To improve our company's internal awareness of issues connected with internationalization, we have implemented a web-based training platform in Germany and Italy, which will be implemented in Austria in 2011. Thanks to this internal, cross-border information platform, our relationship managers will have quicker and easier access to information on cross-border products.

We also held workshops on cross-border issues for colleagues from several countries. The workshops focused on understanding customer needs and coordinating customer service across our entire network.

Our cross-border business management specialists also actively networked with key participants at a number of external events. These included discussion panels and workshops held by chambers of commerce, trade organizations and other institutions, where an opportunity existed to support current and potential customers with their specific internationalization needs.

In Italy, we held a variety of roadshows and customer events to inform customers of the services we offer to support their international business activities and facilitate the access of Italian SMEs to CEE markets.

During 2010, we also continued all ongoing SME internationalization initiatives and launched several related new projects.

In Austria, we lobbied the Austria Wirtschaftsservice, a public business development agency, to approve instruments covering cross-border joint ventures, equity participation or direct investments in greenfield or brownfield projects, among others. In 2011 we will develop and implement a new range of loan facilities to suit the needs of our cross-border customers.

Italy: Main Initiatives to Support the Internationalization of SMEs

Initiative	Description	2010 Developments and Participants
100 Imprese	We support SME internationalization and exports by promoting products Made in Italy and facilitating the organization of B2B meetings between Italian enterprises from specific regions and buyers from CEE countries	The first event was held in Sicily in the food sector, with approximately 110 participants and 420 B2B meetings
East Gate Export	Promotes SME exports to CEE countries with a focus on Poland, Russia, Turkey and Romania. In order to provide concrete support to their export operations, we provide Italian entrepreneurs with access to expert teams from UniCredit's CEE subsidiaries, which can work with independent consultants and tax and legal professionals to share their international expertise	In 2010 in Italy, the project included events in the following places: Udine, Padua, Piacenza, Turin and Ancona. Approximately 1100 entrepreneurs participated
Integrated project to support the internationalization of SMEs	This project was developed in partnership with the local chambers of commerce in Sardinia to revitalize local economic activity by providing a clear pathway to internationalization involving information, training and technical assistance	Sessions were held in Cagliari, Sassari and Oristano, and involved more than 150 participants
OK Italy Award	In 2010, the seventh annual OK Italy Award was held for successful small enterprises that transformed the crisis period into an opportunity to launch their businesses abroad	Awards were given to 20 companies on the basis of: - success at tapping into new markets abroad - leveraging local excellence - utilizing enterprise networks
Export Business School	<p>This project provides a six-day training course in accessing international markets and building competitiveness, and involves both outside companies and UniCredit employees</p> <p>The training covers topics that include internationalization strategies, export management, external logistics and taxation</p>	<p>The first session of Export Business School, organized by UniCredit with the collaboration of LUISS University, the Italian Export Credit Agency, the Institute for Foreign Trade, the MIP School of Management and Palermo University, was held at Palermo's Chamber of Commerce from June 21-26, 2010</p> <p>The program involved about 70 businesses and 50 UniCredit experts</p> <p>For 2011, further sessions have been scheduled in Italy and elsewhere</p>

Supporting SMEs experiencing difficulties

In 2010, UniCredit refined the subsidized finance initiatives it launched in 2009 to reduce the impacts of the financial crisis.

These initiatives are designed to strengthen the guarantees associated with conventional business financing, thereby countering the negative effects of the credit crunch and improving the creditworthiness of our clients.

In Italy, we launched *Impresa Italia* in 2008 and *SOS Impresa Italia* in 2009 in cooperation with the Confidi credit associations. Each project is designed to strengthen our partnerships with SMEs by ensuring their access to both short- and long-term loans.

Both projects were described in our 2009 Sustainability Report on page 52.

Impresa Italia

As of 2010 through *Impresa Italia* UniCredit was able to:

- provide more than €2 billion in loans to small enterprises
- conclude partnerships and agreements with more than 460 Confidi and other associations across Italy
- organize seminars on good credit practices
- participate in more than 40 technical roundtables with Confidi to strengthen our understanding of the specific needs of local companies
- develop a website for Confidi to facilitate the provision of financial consulting services to companies

In 2011, we will support Italian SMEs primarily through *Ripresa Italia*, which is an extension of *Impresa Italia* and *SOS Impresa Italia*.

Through *Ripresa Italia*, which was launched in partnership with the territorial associations, €1 billion will be made available to stimulate SMEs through an innovative range of products aimed at:

- supporting companies' production cycles and financial needs
- improving competitiveness by financing innovation
- speeding up the process of internationalization and accessing new markets
- developing networks of firms
- encouraging young entrepreneurs

SOS Impresa Italia

As of 2010 through *SOS Impresa Italia*, UniCredit supported:

- more than 20,000 Italian companies by restructuring their debt (i.e., providing new loans or revising existing ones) involving a total exposure of roughly €1.2 billion
- more than 30,000 Italian companies with debt repayment deferrals involving approximately €2.5 billion

SOS Impresa Italia will be extended to medium-sized enterprises in 2011.

To further support our SMEs and reduce the cost of financing, we have collaborated with *Cassa Depositi e Prestiti*, an Italian public entity providing guarantee funds for SMEs through the banking sector.

In 2009 the first tranche disbursed for SMEs amounted to €109 million. In 2010, a second tranche of € 280 million was made available to our network.

Our commitment to SMEs in Italy is evidenced by our participation in *Moratoria*, an initiative to suspend small business debts. Approved by the Italian Ministry of Economy and Finance, the President of the Italian Banking Association and several business associations, *Moratoria* was continued in 2010.

As in 2009, client financial status is closely monitored to ensure prompt activation of customer support measures when needed.

In Austria, we have expanded our *Small Business Branch Check Service*, a free benchmarking service that helps small business customers plan their future activities. We promoted this tool during our planning workshops and *SME-Info-Days*. In 2010, 12 *SME-Info-Days* were held in Austria. These involved 1,264 advisory meetings, of which 21 percent were with non-customers and addressed such topics as subsidies, leasing and financing. Each event was attended by roughly 10 to 12 local partners, including national and regional subsidy agencies, local chambers of commerce and guarantee companies.

Financial inclusion and responsible finance

At UniCredit, we view the participation of all people in the modern financial system as a vital aspect of economic development. We also take seriously our own responsibilities with respect to the potential social and environmental impacts of our business.

In 2010 we focused on the following:

- providing accessible and suitable products and services to the less financially secure members of our communities, supporting those who are struggling with the financial crisis, and promoting financial education
- taking a socially and environmentally responsible approach to financing sensitive industries by utilizing special risk policies and responsible products

Financial Inclusion

Reducing poverty by enabling new groups to access financial products and services is an important aspect of a financial institution's corporate responsibility.

UniCredit's financial inclusion initiatives are designed to accomplish the following:

- provide needed financial services at affordable rates to vulnerable groups facing financial difficulties
- bridge linguistic and cultural barriers to help immigrants participate in the financial system
- supply young people with products and services that suit their needs
- enhance financial literacy, thereby helping people manage their money and make more informed financial decisions

Families struggling with the financial crisis

In 2010, many families continued to face difficulties in repaying their mortgages due to the economic crisis.

In Italy, the *Insieme 2009* initiative, which allowed customers to stop making their mortgage payments for up to 12 months under certain circumstances, came to an end in February 2010. At February 2011 approximately 9,300 customers participated.

We also continued to develop the ABI initiatives that are detailed in the appendix of this chapter.

In Croatia, we help clients restructure their debt using loans with longer or more convenient repayment periods or a grace period. In 2010, we approved 11,545 refinancing and debt restructuring requests.

In Hungary, we provide tailored solutions for clients in temporary difficulty through a renegotiation program. This program processed 812 applications in 2010.

In Italy we also continued to implement a number of ethical credit card initiatives managed by charity organizations that provide support to families. All the roughly 178,600 cards issued that resulted in about €1.6 million in contributions.

Immigrants

Supporting immigrants means developing a service model that offers them a complete range of financial products and services.

In Italy, we continue to strengthen our *Agenzia Tu* network. The branches included in this network are dedicated to foreign nationals and temporary workers, and are designed to promote innovative products and services.

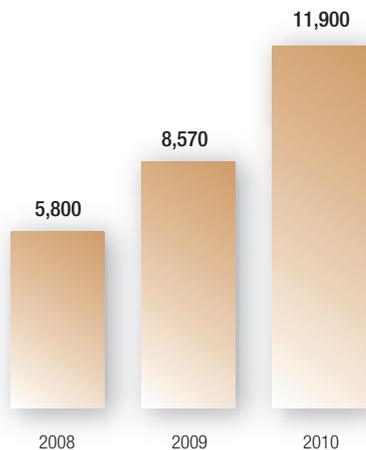
In 2010, *Agenzia Tu* continued to offer a wide range of products and services based on simplicity, trust and transparency. For example, in addition to conventional banking services, *Agenzia Tu* provides fixed-rate discretionary loans.

The network attracted roughly 11,900 customers, of whom 4,500 were new in 2010. In comparison with 2009, the number of customers increased by roughly 40 percent.

178,600 ethical credit cards issued, with about €1.6 million in contributions

4,500 new *Agenzia Tu* customers in 2010

Agenzia Tu Customers



In Prague, we established our first *International Client Center*, complete with information and documentation provided in four languages (English, Italian, German and Russian).

UniCredit and the Non Profit Sector in Italy

In Italy, more than 250,000 associations and non-profit entities employ over 700,000 paid workers and 4 million volunteers. With turnover of roughly €45.6 billion, up 29 percent since 2001, and in view of the growing importance of the non-profit sector, UniCredit decided to roll out a new, dedicated service model.

This new model, called *Universo Non Profit*, was launched at the end of 2009 and is now available at more than 4,200 retail branches in Italy.

Universo Non Profit supports the activities of non-profit organizations through a wide range of dedicated products and services, including special credit rating processes.

In 2010, almost 4,470 organizations joined *Universo Non Profit* as new clients, and more than €55 million in new loans were distributed through the program.

Relationship managers were trained to implement this program, while non-profit friends (volunteer employees) serve as internal and external ambassadors for the initiative. At the end of 2010, roughly 1,490 employees were non-profit friends.

A major goal of *Universo Non Profit* is to help non-profits raise funds and conduct management training activities. Among other initiatives, we launched *ilMioDono.it*, a free website that puts non-profit organizations in touch with UniCredit's many stakeholders and raises public awareness of their activities. Participating organizations must be charitable organizations headquartered in Italy, in operation for at least three years, and recognized by Italian law as recipients of tax-deductible donations.

UniCredit does not charge any commission for donations received through *ilMioDono.it*. In 2010, almost 120 organizations were involved in this initiative.

Future generations

We provide young people with products that suit their needs on favorable terms, thus enabling them to take charge of their own futures.

Ad Honorem loans are designed to help university students with their academic expenses.

We provide unsecured loans to students who plan to enroll in specialized educational institutions, training courses or master's degree programs. In Italy, several of these loan programs have been designed in close cooperation with major universities.

Also in Italy, we held a web contest, *In Viaggio con Genius Card*. Tailored to those between the ages of 18 and 30, it required participants to submit their plans for personal and professional growth, using photos, videos or text. Three winners received awards of €10,000, €7,000 and €4,500, respectively, for master's programs, language classes or professional courses in Italy or abroad. In 2010, more than 400 people participated in this contest.

In Austria, the *MegaCard* account for those between the ages of 14 and 20 comes with no maintenance or transaction fees and includes a bank card and a box office service for discounted tickets. At the end of 2010, roughly 41,200 youths were *MegaCard* customers.

In Russia, we held a contest for talented, young economists to encourage their participation in academic financial research.

Initiatives for customers with disabilities

We are working to increase the accessibility of our financial products and services to people with disabilities.

In Germany, we were the first service provider in Europe to introduce Braille-imprinted service and savings cards for our visually impaired customers.

In Austria in 2011, we will launch a new bank card featuring a large type for the visually impaired.

We are also working to make our branches and ATMs wheelchair-accessible wherever possible. At the end of 2010, for example, 19 out of 216 branches in Bulgaria were wheelchair accessible.

Financial education

We believe in the value of financial education to our customers. It represents an important way to foster informed decisions and the financial inclusion of people in vulnerable categories (e.g., families struggling with financial difficulties, youths, retirees, immigrants).

In this vital endeavor, our main objectives are:

- building greater financial literacy among consumers, especially in at-risk groups (e.g., young people and seniors)
- reducing the risk of over-indebtedness, thus decreasing the number of insolvent clients
- creating a better-informed customer base, thereby reducing complaints

In 2010, we continued to focus on initiatives intended for people and businesses not yet capable of participating confidently in the financial world due to their experience level, age or background.

Some of our initiatives involving credit and debit cards, new banking channels, mortgages and mutual funds have been running since 2008 in partnership with Italian Consumer Associations.

**3,810 individuals
and 6,760 businesses
involved in financial
education initiatives
in 2010**

In 2010, the *ChiaraMente* project, an initiative for people over age 65, was launched in partnership with the Non Profit Community of Sant'Egidio. Roughly 150 people participated in this effort to help senior citizens transition to electronic banking. To date, feedback has been overwhelmingly positive, and new programs designed along similar lines are currently being developed.

Because financial understanding is vital to young people as they learn to deal confidently with everyday financial issues, we developed two programs for students:

- *Guadagniamo il Futuro (Earning for the Future)*, is a training program for 17- and 18-year-old students. Stemming from a partnership with several Italian Consumer Associations (Adiconsum, Federconsumatori and Movimento Difesa del Cittadino), together with support from the Ministry of Youth and the Ministry of Economic Development, this program is focused on managing savings. In 2010, roughly 1,500 students in six Italian regions participated
- around 1,000 students participated in a project organized by the Italian Credit Observatory in collaboration with Rome's Tor Vergata University. The program is designed to raise awareness of financial tools and decision-making processes

In Germany, we organized *Future Finance 2010* in cooperation with the leading daily newspaper, *Suddeutsche Zeitung*. Designed for recent graduates, students and young professionals, this initiative involved roughly 150 participants.

In Austria, the *Schulinfolheft* (booklet on school information) online platform remains active. Teachers use this platform to support

activities with their economic classes (e.g., tracking students' grades, planning their academic calendar and ordering classroom materials). In 2010, roughly 500 orders were processed. We intend to redesign this online platform in the spring of 2011.

We also have designed special financial education initiatives for foreign citizens who would like to improve their understanding of the banking system.

In Italy, *Agenzia Tu* offers basic banking courses for foreigners who live in Italy. Roughly 240 people participated in these courses in 2010.

For enterprises, we have organized seminars that will improve their understanding of our products and processes while strengthening our relationship with the business community.

For example, in a partnership with the Province of Rome, we provided 60 entrepreneurs with an eight-part course on subjects including balance sheet analysis, business plans, Basel II guidelines, banking products and obtaining loans. We also organized seminars for entrepreneurs on finance products. Roughly 700 businesses participated.

The following additional financial education sessions in Italy have been held in conjunction with Consumer Associations (CAs):

- clients and non-clients alike were invited to attend sessions at UniCredit branches and CA offices. In 2010, 10 meetings at branches were attended by roughly 400 people, while six meetings at CA sites involved roughly 370 people
- CA managers have been invited by UniCredit to discuss ways to enhance financial education and share knowledge with our communities. In 2010, two such meetings involved 75 managers

None of the financial education activities were designed to promote specific UniCredit products or services. This was an essential condition for our cooperation with Consumer Associations, and enhances our ability to offer support to communities and clients.

UniCredit Main Financial Education Initiatives

Country	Initiative	Description	Number of Participants in 2010
Italy	ChiaraMente project	For people over age 65 and launched in partnership with the non-profit Community of Sant'Egidio, this initiative aims to help senior citizens transition to electronic banking	150
	Guadagniamo il Futuro	A training program for 17- and 18-year-old students. Stemming from a partnership with several Italian Consumer Associations (Adiconsum, Federconsumatori and Movimento Difesa del Cittadino), together with support from the Ministry of Youth and the Ministry of Economic Development, this program is focused on managing savings	1,500
	Osservatorio sul Credito	A project organized by the Italian Credit Observatory in collaboration with Rome's Tor Vergata University it aims to raise awareness of financial tools and decision-making processes	1,000
	Agenzia Tu – Basic Banking Competence	It provides basic banking courses for foreigners living in Italy	240
	Financial education sessions in Italy in conjunction with Consumer Associations (CAs)	Clients and non-clients alike were invited to attend sessions at UniCredit branches and CA offices	770
	Financial education for SMEs	An eight-part course on subjects that include balance sheet analysis, business plans, Basel II guidelines, banking products and obtaining loans	60
	I seminari dell'Imprenditore	Eight seminars designed for entrepreneurs and aimed at improving the understanding and application of credit products and processes	700
Germany	Future Finance 2010	A program designed in cooperation with the leading daily newspaper, Süddeutsche Zeitung, and dedicated to recent graduates, students and young professionals	150
Austria	Schulinfoheft	Online platform remains active. Teachers use this platform in order to support activities with their economic classes (e.g., tracking students' grades, planning their academic calendar and ordering classroom materials)	n/a
	Cooperation with Austrian Chambers of Commerce and Trade	The close cooperation with all Austrian Chambers of Commerce and Trade (federal and regional) enables Bank Austria to give exclusive support to SMEs and prospect company founders	6,000

Responsible finance

All of UniCredit's lending activities, including corporate, project and export finance, are carried out with reference to environmental and social standards of the International Finance Corporation and the World Bank Group. These consist of the IFC Performance Standards and the World Bank Group's Environmental, Health, and Safety Guidelines.

We also address potential social and environmental risks related to our lending and investment activities by following additional applicable international standards (e.g., the Equator Principles for project finance), developing special reputational risk policies and creating responsible products.

Special reputational risk policies and responsible products

At UniCredit, we have a responsibility to ensure that our activities do not generate undue negative social or environmental impacts.

In 2010, we continued to develop special reputational risk policies to address risks specific to our industry. To facilitate this process, we stay in regular contact with external industry experts, business representatives and NGOs.

Special Reputational Risk Policies

	Policy	Objective	Recent Developments and Risk Mitigation
ALREADY IN PLACE	Defense/Weapons*	To regulate financial involvement with companies from the defense/ weapons industry, in order to minimize environmental, social, reputational and credit risk	UniCredit has published a position statement on the defense/weapons Industry that includes the key criteria our Group applies in this sector. In 2010, we expanded the implementation of this policy across UniCredit's legal entities as well as in related activities, processes and policy tools In order to raise internal awareness of this sensitive topic, we have developed internal communication activities and training for our colleagues. For example, in 2010 in Italy we launched a training module that, as of January 2011 included 10 sessions and involved 94 percent of all SME relationship managers and area managers and 100 percent of corporate relationship managers
	Nuclear Energy*	To regulate involvement and aims to address the challenges posed by the nuclear sector in order to minimize environmental, social and credit risk	The content of our Group Nuclear Energy Reputational Risk Special Policy was published on our website in 2010
	Non-Cooperative Jurisdictions	To define principles and rules for managing new business in tax havens and non-cooperative jurisdictions in order to help our Group maintain a high level of risk awareness and risk culture, while safeguarding UniCredit from tax and reputational risk-taking	In December 2010, our Reputational Risk Policy - Non-Cooperative Jurisdictions was formally approved by the parent company and will be implemented in 2011 by UniCredit's legal entities. The policy applies to new business, in connection with both proprietary activities and customers. As per this policy, new subsidiary businesses may be established in the abovementioned jurisdictions, but must be subject to specified standards of transparency With reference to customers, in respect of any new business established in the abovementioned jurisdictions, they must state in writing that, to the best of their knowledge, no tax regulations are being violated

* The reporting system for both the Group Defense/Weapons Industry Reputational Risk Special Policy and the Group Nuclear Energy Reputational Risk Special Policy and the is based on monitoring processes that generate Parent Company Reputational Risk Non-Binding Opinions (NBOs). These NBOs, in matters relating to nuclear energy and weapons, are released by the Group Transactional Credit Committee and the Italian Transactional Credit Committee – as per their respective areas of competence – upon the request of the appropriate functions and bodies. Once released, the NBOs are communicated to the Reputational Risk Measurement & Control function that, on a quarterly basis, presents an overview report to the Group Operational & Reputational Risk Committee on the Holding Company Reputational Risk Non-Binding Opinions that have been issued.

Special Reputational Risk Policies

	Policy	Objective	Recent Developments and Risk Mitigation
UNDER DEVELOPMENT	Human Rights	To ensure respect for and protection of human rights in connection with clients through a due diligence process that assures a thorough understanding of financed projects	UniCredit is committed to respecting and supporting human rights globally. Although our Group has not yet developed a governance document that explicitly addresses human rights, these issues are presently managed with multiple perspectives in mind (e.g., labor relations, applicable international standards and guidelines, procurement policies, etc.). In 2010, the Reputation Risk Committee approved the launching of a project to develop a comprehensive policy on human rights that defines our corporate responsibilities to respect human rights via a multi-stakeholder approach
	Mining	To provide guidelines and standards that address risks associated with mining operations	In 2010, we continued to develop our reputational risk policies concerning mining and water infrastructure, and we remained in contact with external industry experts, business representatives and NGOs. In reference to the water infrastructure policy, we met with the NGO Counter Current in Berlin in January. Both policies have also been discussed and developed further with all relevant internal colleagues. Prior to final approval and distribution of these policies, we will hold stakeholder roundtables for each of them in 2011 to generate additional feedback in 2011. After final approval, we will disclose the central content of these policies on our website
	Water Infrastructure	To provide guidelines and standards that address and limit risks associated with the financing of fresh water infrastructure	

We are committed to the ongoing development of lending practices and products designed to deliver clear environmental benefits.

Across UniCredit, we have launched a series of loans for Retail customers that aim to encourage energy efficiency and renewable energy production:

- in Italy, *CreditExpress Energia* is a credit line for energy-saving building renovations, such as upgrading heating and air conditioning systems or improving insulation. In 2010, we provided more than 250 such loans, worth over €4 million.
Chirografario Fotovoltaico is for the financing of photovoltaic systems and is designed to take advantage of energy efficiency incentives. These incentives enable customers to obtain reductions of their energy costs during the term of the loan. In 2010, we made more than 470 of these personal loans, worth more than €12 million
- in 2010, we created a new loan for photovoltaic investments in Bulgaria while in Croatia, a green housing loan encourages customers to make use of renewable energy sources
- the *WWF UniCreditCard* supports the WWF's largest natural conservation program, the Oasis WWF project. Out of every purchase made by *WWF UniCreditCard* holders, 0.3 percent goes to a fund supporting activities including plant and animal conservation, the maintenance of hiking trails, and the prevention of illegal hunting and pollution in protected areas. By the end of 2010, more than 6,700 *WWF UniCreditCard* were issued

As of year-end, our Corporate & Investment Banking Strategic Business Area had a portfolio of €4.4 billion in loans for renewable energy projects, principally in wind farms, photovoltaic, solar thermal and biomass installations.

In 2010, we extended our relationship with the European Investment Bank (EIB) and other agencies that provide environmental subsidies.

The EIB has provided UniCredit Leasing with two credit lines totaling €550 million. This enabled Leasing to make more than €1 billion in EIB funds available to Italian firms over the past year alone. These latest contracts provide for €350 million to finance investments by SMEs and €200 million to support renewable energy and energy efficiency projects. Both of UniCredit Leasing's credit lines are guaranteed by the parent company.

In Austria, we have begun discussions with Kreditanstalt für Wiederaufbau (KfW) on refinancing investment loans in the energy and environmental sector via KfW's global loan programs. In 2011, we will work to create further refinancing opportunities for investment loans in the energy and environmental sector, both

€4.4 billion
in loans for renewable
energy projects

with the EIB and KfW. At the end of 2010, we also launched an energy-efficiency initiative in Southern, Central and Eastern Europe to finance the development of energy-efficient office buildings that capitalize on the decline in construction costs and can be made available at relatively low and sustainable rental rates. The initiative will continue in 2011.

With the object of incorporating environmental, social and corporate governance (ESG) considerations into its investment activities and to make investment-related ESG information available to its portfolio managers and analysts, Pioneer Investments subscribed in 2010 to an ESG service provided by ISS, a leading company in the field. The information from ISS includes research, analysis, ratings and screening tools.

Project Finance and the Equator Principles

First adopted in 2003 by HVB³, the Equator Principles are today an integral part of the project finance activities of UniCredit's investment banking arm. Since 2008, Corporate & Investment Banking (CIB) has worked continuously with the Group Risk Policies Department on the Groupwide adoption of the Equator Principles for project finance. At the same time, CIB has improved the implementation of the model's standards across all points of the project financing process, rather than solely at the final approval stage, which is when formal reviews are traditionally conducted.

In October 2010, UniCredit formally introduced its new Groupwide Special Credit Policy on Project Finance Transactions, which requires that all UniCredit entities comply with the Equator Principles. It features an extended screening and management process based on the Equator Principles. It also formalized the new Equator Principles Risk Management Screening Tool, which must now – according to the policy – be applied to all project finance credit requests. A priority in 2011 will be the incorporation of the Holding Special Credit Policy on Project Finance Transactions into the project finance processes and procedures across all legal entities.

From the early stages of a relationship, we look for confirmation that potential clients are motivated to meet the requirements stipulated under the Equator Principles. This might include social and environmental assessments for a proposed project, or the necessity of undertaking consultations with affected communities and relevant authorities.

To this end, we have begun providing additional support to help make our clients more aware of environmental and social risks, and to extend the resources required to manage those risks. In most cases, this directly contributes to the long-term viability of their projects. This approach also enables us to decline potential projects when a client's management capacity cannot be increased sufficiently to address the financial, environmental and social risks identified. In addition, we now selectively conduct site visits for clients with high-impact projects. The CIB based Equator Principles Team, created

Polskie LNG S.A.

In 2010, we advised the company Polskie LNG S.A. on environmental and social risk management structures related to financing carried out in collaboration with several other international financial institutions. The company plans to construct a liquefied natural gas (LNG) regasification terminal in Swinoujście, Poland. After completion, Polskie LNG will also be responsible for its operation.

This project consists of four major parts: the LNG terminal itself, located onshore next to existing commercial harbor facilities; a new harbor basin that will be created by building a breakwater at the mouth of the Swina River; berthing and jetty infrastructure for LNG carrier ships located inside the new basin; and a 6-kilometer-long, high-pressure gas connection pipeline (800 mm diameter) and 74-kilometer-long gas transmission pipeline to connect the LNG terminal with the national gas transmission grid.

Polskie LNG has commissioned an environmental audit as part of its due diligence for the construction of the LNG terminal in Swinoujście. The audit has been conducted in accordance with the requirements of the European Bank for Reconstruction and Development and the International Finance Corporation and complies with the Equator Principles.

in 2010 at the parent company level, is responsible for screening project finance transactions and evaluating the environmental and social risks and impacts. According to the principles, an independent Lenders Environmental and Social Risk Advisor is involved and signs-off on the appropriateness of the Environmental Impact Assessment and on the Environmental and Social Action Plan that the client must provide, as required for Category A projects.

Environmental and social risk management capacity-building program

In the first half of 2010, the CIB Equator Principles Team continued the environmental and social risk management capacity-building program begun in 2009. They conducted four training courses on the Equator Principles in a program developed with external partners. The course includes modules tailored to multiple user groups within UniCredit.

Development priorities for 2011 include continuing the capacity-building program with a focus on UniCredit entities in the CEE and rolling out our Holding Special Credit Policy on Project Finance Transactions and our Equator Principles Risk Screening Tool to all UniCredit legal entities.

UniCredit and the Equator Principles Financial Institutions

From 2008 to 2010, UniCredit chaired the NGO Working Group of the Equator Principles Financial Institutions (EPFI) network. In this role, we promoted a dialogue between EPFIs and NGOs and in December 2010, we relinquished our leadership of the NGO Working Group to WestLB and Credit Suisse.

³ During 2009, Bayerische Hypo-und Vereinbank AG (HVB AG) changed its company name in UniCredit Bank AG.

In February 2011, in collaboration with the secretariat of the Organisation for Economic Co-operative Development (OECD), UniCredit organized a one-day meeting between the EPFI and export credit agency environmental practitioners, which took place at the OECD's office in Paris. The meeting addressed topics such as the upcoming IFC Performance Standards revision, the upcoming OECD Common Approaches Revision, as well as possibilities for closer cooperation on topics like outreach, climate change and human rights.

UniCredit is involved in the stakeholder engagement process with IFC and actively contributes to the ongoing review of the IFC Performance Standards. UniCredit will continue in its role as a steering committee member in the Equator Principles Association in 2011, and will continue to co-chair the Export Credit Agencies Stakeholder Engagement Working Group and to lead the CEE Outreach Working Group within the EFPI network.

Equator Principles - Number of Projects Financed by Risk Category

Risk Category ¹	2010 ²	2009 ³	2008 ⁴
Category A	2	2	1
Category B	12	11	14
Category C	4	1	11
Total	18	14	26

¹ Category A – Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented;

Category B – Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures;

Category C – Projects with minimal or no social or environmental impacts.

² UniCredit Bank AG only.

³ Projects financed within UniCredit Bank AG, including one project financed by UniCredit Mediocredito Centrale SpA for which UniCredit Bank AG provided due diligence services.

⁴ Projects financed within HVB, including one project financed by Bank Austria for which HVB provided due diligence services.

2010 Equator Principles - Number of Projects Financed by Risk Category and Sector

Sector	Category A	Category B	Category C
Resources*	2	3	
Energy		4	4
Infrastructure		5	
Total	2	12	4

* Including oil & gas, mining and metals.

2010 Equator Principles - Number of Projects Financed by Risk Category and Regions

Region	Category A	Category B	Category C
Europe: EU		2	1
Europe: non EU	1	4	
North America and Mexico	1	5	3
South America		1	
Total	2	12	4

Project & Commodity Finance - No. 1 in Global Renewables in 2010

UniCredit ranks first in the renewables Mandated Lead Arrangers (MLA) league table of Infrastructure Journal, having closed 42 transactions in 2010 for a total of roughly \$1.8 billion, more than 3.5 times its deal volume in 2009 (11 transactions, \$499 million). *Infrastructure Journal* remarked, the increase consolidates UniCredit's presence in the renewables sector as it takes the bank's overall share of the market to 6.51 percent.

Global Renewables Mandated Lead Arrangers: January 1 - December 31, 2010

	Total USD Mn	Rank	Mkt. Share	No. of Issues
UniCredit	1,774.24	1	6.51	42
Bank of Tokyo-Mitsubishi UFJ	1,420.81	2	5.22	25
Grupo Santander	1,231.75	3	4.52	27
Rabobank	956.17	4	3.51	16
BBVA	953.15	5	3.50	29
Société Générale	930.81	6	3.42	19
NordLB	893.97	7	3.28	20
Deutsche Bank	831.31	8	3.05	15
Dexia Group	729.05	9	2.68	18
Crédit Agricole Group	675.36	10	2.48	15

Source: *Infrastructure Journal*, January 2011.

We committed the majority of this debt across a balanced portfolio of photovoltaic projects (24 transactions closed) and wind projects (17 deals closed). Additionally, UniCredit provided debt for the Borkum West II 200MW Offshore Wind Farm - a landmark transaction and the first project financing of a large German offshore wind farm - as well as the first entirely municipal-sponsor-based offshore wind farm in Europe.

The Power & Environment Team also participated in several award-winning projects in 2010. The Rovigo 70MW PV acquisition was awarded European Solar PV Deal of the Year 2010 by Project Finance magazine, while the Avenal Solar deal received two awards: Renewables Deal of the Year 2010 in the Americas by PFI, and Project Finance's North America Solar Deal of the Year.

We are proud of our global number one position in a sustainable business sector. These successes demonstrate UniCredit's commitment to green development.

For whatever life brings



Priorities 2011

- Increase the number of events that improve our dialogue with investors, analysts and rating agencies, and provide the market with constant updates on UniCredit
- Continue integrating online communications to increase the use of our Knowledge Center and further implement the financial calendar tool on the investors web page

Priorities 2010

Further develop and leverage the Knowledge Center, an online subsection dedicated to investors

Maintain a strong level of financial market communication and open dialogue with investors, analysts and rating agencies, involving both senior management and Investor Relations

Key achievements 2010

Achieved: The section was enhanced with multimedia presentations of major financial meetings held in 2010

Achieved: 400 meetings with sell-side analysts and investors, involving 322 different asset management companies and a total of 552 investors; 61 meetings with rating agencies

In line with the best practices of leading listed companies, our Investor Relations department serves institutional investors and our Shareholder Relations department assists private investors. This segmentation helps to ensure that shareholders receive the best possible service and information.

Investor Relations and Shareholder Relations can be contacted via multiple channels, including email, fax, toll-free telephone numbers and regular mail.

Shareholder Relations

UniCredit strives to promptly respond to private shareholders' requests for information. During 2010, requests for information primarily regarded:

- the capital increase approved at the shareholder meeting of November 16, 2009 and executed by UniCredit in February 2010
- procedures for attending shareholder meetings and the agenda for the meeting held on April 22, 2010

In 2010, UniCredit made an electronic Shareholder Register available. This paperless initiative allows us to provide better service to shareholders and to better conform to our Group's environmental policy by saving roughly 121,000 sheets of paper during the year.

Investor Relations

Throughout 2010, Investor Relations affirmed its commitment to maintaining and improving the transparency and quality of its communications with stakeholders that include:

- institutional investors
- sell-side analysts
- rating agencies (Fitch, Moody's and Standard & Poor's)

Due to last year's sovereign debt crisis, the Investor Relations team faced a difficult market scenario in which investors were cautious and demanding in their approach to European companies – particularly those in the banking sector. The department also addressed the significant changes that occurred to UniCredit's leadership structure during the last months of 2010. In both cases, we sought to manage and develop external communications that were direct and transparent.

Investor Relations supports all of our institutional stakeholders by providing them with a constant flow of information stemming from:

- the department's capacity to receive and answer questions on a daily basis. As of December 2010, the office consisted of 13 people with a broad range of market experience. To facilitate easier interactions, the new 2010 Investor Relations contact page details the respective roles of each team member

- a wide range of events and activities in Italy and other territories to enhance the depth and effectiveness of our communications. In 2011, the department aims to further enhance its interactions with the financial community. In addition to Investor Relations officers and managers, the majority of our initiatives also involve senior management personnel such as the CEO and CFO, offering the market direct access to our Group's main business areas. In fact, because UniCredit's senior management actively engages in Investor Relations initiatives, the department provides them with daily financial market updates that include the views of analysts and investors regarding our company
- a dedicated section on UniCredit's institutional website (www.unicreditgroup.eu/en/Investors/Investors.htm) that is regularly updated and expanded, and represents an important online tool through which Investor Relations communicates with the market. Key features of the website, which received extensive attention in 2010, include:
 - the comprehensive financial calendar tool that was launched in August 2010, which allows users to access all relevant documents (e.g., PDFs, presentations, MP3/RSS, webcast links, etc.) by clicking on a specific financial event. Events are also grouped and color-coded according to category (e.g., results presentations, results Board meetings, etc.)
 - the Knowledge Center subsection that was introduced in 2009 and enhanced in 2010, enabling investors to download in-depth presentations on UniCredit's two major annual financial meetings, among other functions

The scope of Investor Relations' communications in 2010 is indicated by the following figures:

- four Institutional Results presentations broadcasted live via audio and video webcasts (www.unicreditgroup.eu/en/Investors/Group_Results.htm)
- two financial meetings:
 - in March, a full day was dedicated to analysts and investors in London, focusing on Corporate & Investment Banking and moderated by Sergio Ermotti, at that time the Head of Corporate & Investment Banking and Private Banking. Other management present included Francesco Giordano, Head of Corporate & Investment Banking Strategy, Marketing & Research, and John Spillane, Corporate & Investment Banking and Private Banking Risk Department
 - in December, a full day was dedicated to analysts and investors in London, focusing on the CEE region. Our CEO Federico Ghizzoni participated, as well as senior management from Poland, Turkey and Russia. A live video webcast, downloadable PDF presentations and an MP3/RSS podcast were available on our website for analysts and investors unable to attend in person
- attendance at nine conferences six of which included public speeches in four countries
- participation in 28 road shows in alignment with our marketing plan and distributed as follows: UK (9), Italy (3), other parts of

Europe (7), US (5), Canada (2), Middle East (1), Far East (1) Communications were provided for the above-mentioned events, which totaled 400 meetings with sell-side analysts and investors, and included one-on-one as well as group meetings organized directly by Investor Relations. Of these events, 322 of them included different asset management companies, totaling 552 investors. Moreover, the department held 61 meetings with the rating agencies.

UniCredit Major Shareholders as of January 2011 (owning more than 2%)

Shareholders	Ordinary Shares	% Owned ¹
Mediobanca S.p.A.*	991,211,860	5.143%
Aabar Luxembourg S.A.R.L.	962,000,000	4.991%
Central Bank of Libya	961,421,874	4.988%
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	894,149,221	4.639%
BlackRock Investment Management (UK) Limited	775,638,495	4.024%
Fondazione Cassa di Risparmio di Torino	639,734,920	3.319%
Carimonte Holding S.p.A.	586,289,621	3.042%
Libyan Investment Authority	500,000,000	2.594%
Allianz Group	395,722,734	2.053%

¹ Of ordinary capital.

* Shares of which UniCredit S.p.A. holds the right of usufruct: 967,564,061 ordinary shares; 5.02 percent owned.

Share Information	2010	2009	2008
Share price (€)			
maximum	2.336	2.769	5.697
minimum	1.512	0.634	1.539
average	1.931	1.902	3.768
end of period	1.570	2.358	1.728
Number of outstanding shares (€ million)			
at period end*	19,297.6	16,779.7	13,368.1
shares with dividend	18,330.5	18,329.5	13,372.7
of which: savings shares	24.2	24.2	21.7
average*	19,101.8	16,637.8	13,204.6
Dividend			
total dividends (€ million)	550	550	**
dividend per ordinary share	0.030	0.030	**
dividend per savings share	0.045	0.045	**

* The number of shares is net of treasury shares.

** The 2008 dividend was paid with cash to savings shareholders (€0.025 per share, for a total amount of €0.5m), and with newly issued shares (so called script dividend).

Rating Agencies 2010	Short-Term Indebtedness	Medium/Long-Term Indebtedness	Outlook	Publishing Date
Fitch Ratings	F1	A	Stable	3.02.11
Moody's Investor Service	P-1	Aa3	Stable	9.10.09
Standard & Poor's	A-1	A	Stable	23.04.10

Earnings Ratios	IAS/IFRS			
	2010	2009	2008	2007
Shareholders' equity (€ million)	64,224	59,689	54,999	57,690
Group portion of net profit (€ million)	1,323	1,702	4,012	5,901
Net worth per share (€)	3.33	3.56	4.11	4.34
Price/Book value	0.47	0.66	0.42	1.30
Earnings per share (€)	0.06	0.10	0.30	0.53
Payout ratio (%)	41.6	32.3	*	58.1
Dividend yield on average price per ordinary share (%)	1.55	1.58	*	3.97

* The 2008 dividend was paid with cash to savings shareholders (€0.025 per share, for a total amount of €0.5m), and with newly issued shares (so called script dividend).

Sustainability Indexes

As of December 2010, UniCredit was once again included in major international sustainability indexes and rankings, which measure corporate performance and progress from an economic, social, ethical and environmental perspective (www.unicreditgroup.eu/en/Sustainability/indexes_nd_ratings.htm).

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For whatever life brings



Priorities 2011

- Enhance our internal reporting systems and the metrics we use to assess our contributions to communities, with the aim of progressively implementing the London Benchmarking Group's model over the next three years. This will help us continue to better develop our community investment strategies
- In Italy, further increase our commitment to entrepreneurial excellence, innovation and internationalization of Italian small and medium enterprises (SMEs) by renewing our investments in four multiyear projects: Il Talento delle Idee, Progetto Integrato di Sostegno all'Internazionalizzazione delle PMI Sarde, Cambiare per Crescere e East Gate Export. We will also launch new initiatives in support of SMEs from Veneto and Southern Italy
- Further expand social inclusion projects in Central and Eastern Europe (CEE), strengthen our commitment to the development of social entrepreneurship, extending the areas of intervention in Italy, and deepen our colleagues' involvement in the process of selecting the Unidea - UniCredit Foundation new initiatives
- Extend and consolidate the network of the UniCredit & Universities Foundation in Europe through new partnerships with prestigious academic institutions and new initiatives involving talented young people from around the world

Priorities 2010

Implement the new assessment methodology tested in 2009, designed to manage major sponsorships with respect to project evaluation of quantitative and qualitative elements, benchmarking and best practices

Enhance dialogue with territories through initiatives that support business innovation and internationalization

Expand the Unidea - UniCredit Foundation's Migrations Program with new projects in Italy and Central and Eastern Europe

Continue to implement the Grameen Italia project

Extend the geographic reach of the UniCredit & Universities Foundation's activities while increasing its cooperation with European universities

Key achievements 2010

Partially achieved: New assessment methodology applied to major initiatives in Italy and in other countries, including Germany

Achieved: Developed the initiatives Il Talento delle Idee, Progetto Integrato di Sostegno all'Internazionalizzazione delle PMI Sarde, Cambiare per Crescere e East Gate Export – serving to promote entrepreneurial excellence, innovation and the internationalization of Italian SMEs

Achieved: Projects in Ukraine, Bulgaria and Germany generated first results. New initiatives were launched in Italy, Hungary, Croatia and the Czech Republic, while projects in Romania and Serbia were renewed. The creation of two forums in Serbia and Croatia demonstrated our support to social entrepreneurship development

Partially achieved: Established the Grameen Italia Foundation, conducted related legal and organizational activities and worked to overcome challenges related to adapting the project to the socioeconomic and regulatory context of Italy

Achieved: Renewed initiatives previously launched by the UniCredit & Universities Foundation and some UniCredit entities, forged new partnerships with prominent European universities and expanded our scholarship and prize offerings for students and researchers

In 2010, UniCredit continued to carry out important sponsorship and charity initiatives with the participation of colleagues and customers. Certain initiatives were developed to tap into the world of culture, using arts to generate productive encounters while promoting growth and innovation in our communities.

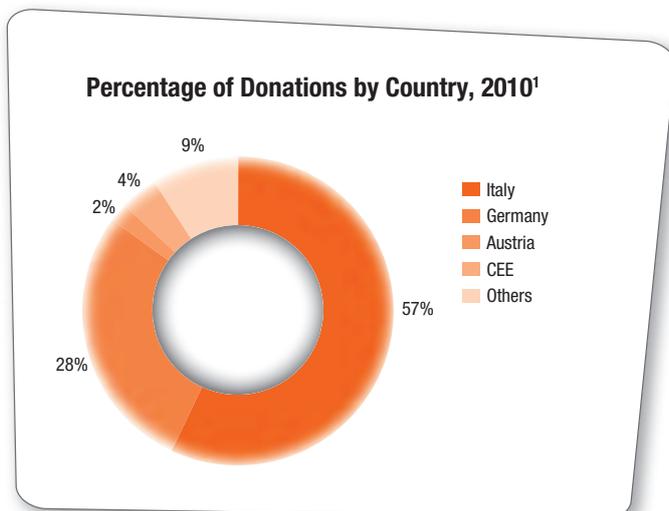
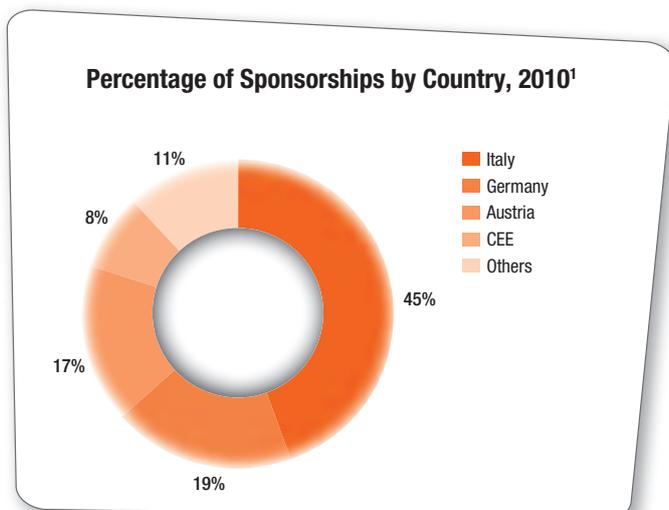
We also worked to promote entrepreneurial excellence, strengthen local entrepreneurship and support the internationalization of Italian SMEs.

- society: by promoting scientific research and education, as well as funding projects for the needy (e.g., children, the ill, the elderly, the poor, victims of natural disasters, etc.)
- the environment: by supporting initiatives focused on environmental awareness and conservation
- sports: by promoting national and international events that speak to our brand and our values

In 2010 UniCredit invested €86 million in community-oriented initiatives

Through our corporate foundations, we have focused on international cooperation and have promoted excellence in economic and financial studies and research.

Aware of the importance of these commitments and guided by pragmatic goals, overall in 2010 UniCredit invested €86 million in community-oriented initiatives.



Community-oriented Investments, 2010

(€ million)

Sponsorships* and donations	70.5
Territorial Boards programs (Italy)	2.2
Unidea - UniCredit Foundation	11.2
UniCredit & Universities Foundation	2
Total	85.9

* The figure does not include funding for main professional sport sponsorships

Contributions to communities

Because we play an important role in community development, we make our resources and skills available to our stakeholders through sponsorships and donations initiatives, partnering with private and public entities.

In 2010, UniCredit devoted €37.9 million to sponsorships¹ and a further €32.6 million to donations² in the following areas:

- culture: by mainly promoting music and the visual arts, with a focus on young talent and innovation, thereby providing the broader public with access to noteworthy artistic experiences

In 2010, UniCredit devoted €37.9 million to sponsorships and €32.6 million to donations

¹ The CEE countries included are: Bulgaria, Croatia, Czech Republic, Hungary, Romania and Russia.

¹ Comparable data for 2009 sponsorships, when calculated according to our 2010 methodology, totals €44.1 million.

² The figure of €32.6 million comprises roughly €23.9 million being donations made by UniCredit entities and €8.7 million set aside as a reserve.

Our colleagues frequently volunteer for corporate initiatives, by both making generous donations to worthy causes and by contributing their time, energy and skills. We are aware of the value of this engagement which energizes employees and facilitates the generation of new ideas. Creating community experiences strengthens our shared sense of belonging to a company with strong values, while building on our local relationships, and intensifying our commitment to the territories in which we operate.

Helping Populations Hit by Natural Disasters: Haiti and Veneto

In 2010, UniCredit, together with our employees and our customers, provided support to charitable initiatives related to natural disasters in Haiti and Veneto.

UniCredit employees donated €340,000 to 16 international non-profit associations working in Haiti after the earthquake. In concert with this initiative, the Unidea – UniCredit Foundation provided €250,000 in matching funds, for a total donation of €590,000. Moreover customers in Italy contributed roughly €800,000 to Médecins Sans Frontières and Fondazione Rava via their retail bank accounts in partnership with Universo Non Profit.

In Italy, in response to the disastrous flooding in Veneto, UniCredit and the Unidea – UniCredit Foundation jointly launched *Dona un'ora del tuo lavoro (Give an Hour of Your Work)*. This initiative provided colleagues the option of donating one hour of their wages to help populations hit by the flooding. As a result, roughly €167,000 in contributions was given to local charities within some of the hardest hit areas, namely Vicenza, Padua and Verona. Moreover, also for Veneto, more than €1.5 million in donations were made by customers via their Italian bank accounts.

We understand the importance of having a clear view when it comes to the management of our contributions to communities, both in the selection of initiatives and in measuring their value.

At the international and the local levels, our selections of projects and partners accounts for our values and mission, potential reputational risks, specific types of programs and the concrete benefits generated for our stakeholders. When planning activities, we generally favor:

- multi-year projects that demonstrate lasting commitment and create sustainable value
- initiatives that facilitate synergies (e.g., culture and solidarity)

In line with priorities declared for 2010, we applied the MediaCom Sponsorship Assessment methodology to our major sponsorships in Italy and in other countries as a pilot project, including Germany. This approach focuses on setting objectives and using quantitative and qualitative indicators to determine the effectiveness and value of sponsorships, as:

- tangible elements (quantitative), such as the number of participants (for events), media coverage and benefits provided to customers and employees (e.g. free tickets, discounts, private visits, etc)
- intangible elements (qualitative), such as brand awareness, profile of the public involved and potential media coverage

In 2010, UniCredit joined the London Benchmarking Group (LBG, www.lbg-online.net), which maintains globally applicable standards for the management, categorization and measurement of voluntary contributions made to communities by the private sector. We believe this partnership will improve the management of our community investment strategy, processes and monitoring.

In 2010 UniCredit joined the London Benchmarking Group

LBG will improve our community investment strategy, processes and monitoring

To this end, we are committed to extending the scope of the sponsorship assessment system and – in general - to enhancing our internal reporting processes. Over the next three years, we will progressively develop a reporting framework in line with LBG standards, thus improving our selection processes for initiatives. At the same time, LBG will help us increase the transparency of how we measure the value of our commitments to the communities we serve. In this perspective LBG will globally be a support to a better definition of our strategy for community investments.

Main Sponsorship and Donation Initiatives, 2010¹

Area	Partners and Initiatives
<p>Culture - Music</p>	<p>Filarmonica della Scala Arena di Verona International tours by Teatro alla Scala Vienna Philharmonic Bavarian State Opera UniCredit Festival Night Munich Richard Wagner Bayreuth Festival</p>
<p>Culture - Art</p>	<p>PastPresentFuture - Highlights from the UniCredit Collection The Arnaldo Pomodoro Foundation - UniCredit Project Room UniCredit Studio UniCredit Art Day 2010 Acrobazie Management of the UniCredit Art Collection</p>
<p>Environment</p>	<p>WWF Puliamo il Mondo (Clean Up the World) Cicloteque</p>
<p>Social</p>	<p>AIRC CERBA International Red Cross All for Her</p>
<p>Sports</p>	<p>UEFA Champions League Trophy Tour community-oriented initiatives Marathons and walking races</p>

¹ Further information are available in Communities appendix, p. 32.

One for Clients, close to the territories

Following our Group's reorganization in Italy through the *One for Clients (One4C)* program, we created a more efficient territorial governance system that brings us closer to clients and permits greater network independence with the aim of increasing customer satisfaction.

This reorganization in Italy has affected the operations of the Italian Territorial Committees - renamed Territorial Boards. In 2010 the Boards primarily concentrated on defining new action plans for 2011.

In line with *One4C* program's objectives we have identified eight core themes to guide all initiatives and help strengthen our identity and reputation across all territories:

- internationalization, exports and Made in Italy
- modernization of territorial infrastructures
- economic development and expansion of franchises and business networks
- tourism and agriculture/farming
- new entrepreneurship and innovation
- financial education of families and businesses
- support to industrial sectors, businesses and families in difficulty
- green economy

In line with this new approach, we have redesigned the Territorial Boards, which are advisory bodies appointed by UniCredit's Board of Directors. They are composed of prominent leaders from business, culture, associations and communities, together with representatives from UniCredit. To ensure efficiency, effectiveness and fair representation, each board has at most 20 members, each appointed for two years.

Promoting Dialogue and Research on Emerging Issues

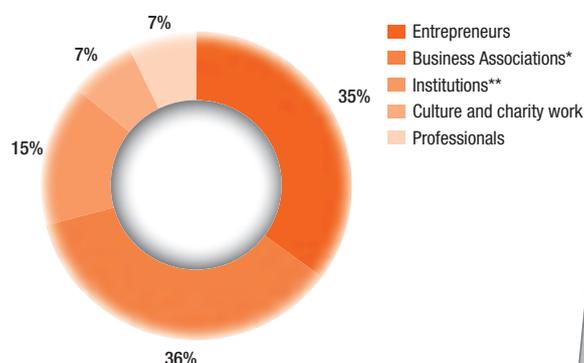
With regard to our ongoing activities launched in 2009 in support of dialogue and research on key emerging issues in the territories, in 2010 we concluded a research project that explored the post-crisis socioeconomic conditions of immigrants. Similarly, within the context of an ongoing initiative involving banking, agriculture and renewable energy, a research project on technologies associated with livestock farming is in development. How final results of both projects will be presented is currently under discussion.

In 2010 the Territorial Boards focused on promoting entrepreneurial excellence, innovation and internationalization

The Territorial Boards provide UniCredit with strategic input and promoting local development projects, thus strengthening our reputation in Italy. Specifically, the boards are charged with:

- applying their understanding of territorial dynamics to identify important issues and business opportunities
- promoting high-level projects on core themes and providing a forum for territorial leaders to discuss and propose initiatives that could contribute to local socioeconomic conditions

Members of the Territorial Boards by Category, 2010



* E.g. Confindustria and other business associations.

** E.g. Universities and representatives from local authorities.

Projects in 2010: a focus on entrepreneurial excellence, innovation and internationalization

Serving as reference points for local institutions and stakeholders, addressing key Italian structural needs in the seven territorial areas set up in Italy, in 2010 the Territorial Boards focused on promoting entrepreneurial excellence, innovation and internationalization.

In doing so, they had two clear objectives:

- to strengthen dialogue and relations among UniCredit, the Territorial Boards and the territories; and
- to encourage an exchange of knowledge and experiences among the members of the different boards.

Related initiatives promoted by the Territorial Boards included, among others, *Il Talento delle Idee* (A Talent for Ideas) and *East Gate Export*.

Through *Il Talento delle Idee* program UniCredit, in partnership with the Territorial Boards and Confindustria Young Entrepreneurs, encourages the development of a new generation of Italian entrepreneurs.

This program is based on a competition that identifies innovative business plans, providing the winners with financial and organizational support. The competition ended in March 2010. Out of 277 business proposals submitted by Italian entrepreneurs, 45 percent were developed by entrepreneurs aged 30 or younger. Then 18 finalists were selected for further review with the involvement of the Financidea Foundation. Following further national selections the three winners were celebrated at the 40th National Convention of Confindustria Young Entrepreneurs in June 2010. The project received national exposure when it was featured in the activities of La Giornata dell'Innovazione (Innovation Day), attended by the president of the Italian Republic.

Il Talento delle Idee: 277 business proposals, 18 finalists and three winners at the National Convention of Confindustria Young Entrepreneurs

Il Talento delle Idee provides the following benefits to the young entrepreneurs finalists: customized medium- and long-term loans; master classes in business start-ups; opportunities to present new business ideas to an accomplished group of investors during one-to-one meetings.

In 2010, this initiative was advanced through

294 meetings between UniCredit, universities, and science and technology parks.

In 2011 local initiatives linked to *Il Talento delle Idee* will be launched together with the second edition of the program.

Promoted by the Territorial Boards, *East Gate Export* (inspired by *East Gate on Tour* carried out in 2008 and 2009) supports SMEs interested in accessing new markets in the CEE or in expanding their activities in areas where they can benefit from UniCredit's experience and network.

By providing local enterprises with access to independent legal, corporate and fiscal consultants – through meetings and workshops - the program offers enterprises the tools to understand the markets of Poland, Romania, Russia and Turkey. Moreover, *East Gate Export* enables entrepreneurs to meet with UniCredit representatives from the CEE and our Corporate & Investment Banking, Families & Small-Medium sized Enterprises, and Private Banking networks, together with teams from Cross-Border Business Management, Global Transaction Banking (GTB) and UniCredit Leasing.

East Gate Export: in 2010 five events and 1,100 entrepreneurs involved

East Gate Export is a true gateway to the East, providing enterprises with the strong network of contacts they need to achieve their goals.

In 2010, five events were held – in Udine, Padua, Piacenza, Turin and Ancona – involving roughly 1,100 entrepreneurs. A further six events are planned for 2011.

Additional initiatives that supported local development in 2010 included the *Progetto Integrato di Sostegno all'Internazionalizzazione delle PMI Sarde* (Integrated project for the Internationalization of Sardinian SMEs) and *Cambiare per Crescere* (Changing to Grow) for SMEs in Sicily.

The *Progetto Integrato di Sostegno all'Internazionalizzazione delle PMI Sarde*, carried out in partnership with the Italian Chambers of Commerce, Industry, Handicraft and Agriculture in Sardinia, offers training and assistance programs to local manufacturers who would like to tap into international markets. In addition to providing training courses, the project will put local businesses in touch with international buyers. Three classroom sessions involving more than 150 businesses were held in Sardinia in 2010. In 2011, these businesses will be provided with contacts among buyers from Poland.

The object of *Cambiare per Crescere* is to strengthen the competitiveness of Sicilian SMEs willing to expand abroad. Through classroom work and on-the-job training conducted in partnership with successful companies, the initiative promotes entrepreneurial excellence.

In 2010, nine businesses attended a training session with Milkline, a successful firm operating in the zootechnical sector in Piacenza. An ongoing partnership of UniCredit, the Territorial Board of Sicily and the Sicily Convention Bureau will focus on tourism-related Sicilian enterprises in 2011.

Overall in 2010, we invested a total of €2.2 million to promote the activities of the Territorial Boards.

In 2010 a total of €2.2 million invested for the Territorial Boards' programs

Unidea - UniCredit Foundation

The Unidea - UniCredit Foundation was established by UniCredit in 2003 as a corporate foundation fully dedicated to the promotion of a culture of modern corporate philanthropy, civic engagement, cooperation and volunteerism. The Foundation seeks to lend support to the communities in which it works, promoting growth, excellence and innovation in multiple spheres of activity. It aims to be responsive to emerging social imbalances and the diverse needs of our beneficiaries.

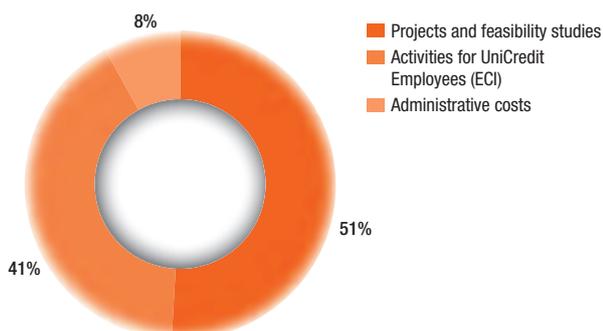
The Foundation supports its non profit partners of through a combination of financial support and capacity building programs that focus on offering technical knowledge and managerial skills. The idea is to maximize these organizations' impact while fostering innovation and sustainability.

In 2010, the Foundation allocated roughly €5.8 million to feasibility studies and projects, while total expenditure for employee involvement activities reached approximately €4.5 million.

In 2010 roughly €11 million to promote Unidea - UniCredit Foundation initiatives

Total Allocation of Funds, 2010	(€ million)
Projects and feasibility studies	5.8
Activities for UniCredit employees (ECI)	4.5
Administrative costs	0.9
Total	11.2

Total Allocation of Funds by Percentage, 2010



Non profit culture and employee involvement

In 2010, as in the past, the Unidea - UniCredit Foundation promoted Employee Community Involvement (ECI) initiatives with the purpose of encouraging volunteerism and support for non profit organizations among UniCredit employees, responding to the needs of local communities.

In particular, the Foundation continued its support for solidarity projects linked to the annual *UniCredit People Survey (People Survey 2010 for La Strada)*, and provided all employees with the opportunity to participate in the eighth annual *Gift Matching Program*, by providing donations to selected non profit organizations.

People Survey 2010 for La Strada

For the third straight year, the Unidea - UniCredit Foundation linked employee participation in the annual *People Survey* with support for a charity. This year, for each questionnaire completed, the foundation donated €1 to La Strada – Ukraine, an organization providing aid to the street children of Kiev. All told in 2010 this resulted in a contribution of more than €134,000.

In 2010 Unidea – UniCredit Foundation also started to explore new ways to involve UniCredit employees in its work and to raise their awareness of the issue of social inclusion. Thus, it is planning to invite employees to vote the project they deem most worthy of support from a short-list of projects already identified and assessed by the Foundation. This initiative will be implemented by mid 2011.

The *Ithuba - Wild Coast College* project is the result of a partnership with s2arch, an Austrian NGO dedicated to socially sustainable architecture. For the project, 20 Bank Austria employees will help design, build and teach at a primary school in Mzamba, South Africa. In addition to school-age children benefiting from the project, Austrian colleagues have the unique experience of collaborating with individuals in Africa, gaining personal enrichment and insight.

For the third edition of *Passage to Benin* initiative, the Foundation selected 10 employees from a pool of 400 applicants from 15 countries to travel to Benin and visit the communities involved in the *Tata Somba* project. The aim was to familiarize colleagues with the country's culture and social issues, with a special focus on development and cooperation, while promoting a responsible approach to the experience of travelling.

Gift Matching Program 2010

Through its *Gift Matching Program*, the Unidea - UniCredit Foundation matches donations made by UniCredit employees to non profit organizations, within certain funding limits.

In 2010, approximately 10,000 employees from 17 countries raised about €2.8 million. The foundation matched 90 percent of these contributions by donating approximately a further €2.5 million. A total of 404 projects benefited from the initiative.

In 2010, accounts of Italian colleagues involved in the *Gift Matching Program* were collected in a publication entitled *In prima persona*. The booklet was made public at the ceremony for the *Universo Non Profit Prize*, held in Rome on October 14, 2010 (further details on *Universo Non Profit* are available in *Our Customers* chapter). At the event, three colleagues were honored for their outstanding commitment to the *Gift Matching Program* initiative.

Since 2003 the *Gift Matching Program* has donated more than €23 million, comprising amounts matched by the Unidea – UniCredit Foundation, supporting more than 1,100 charitable projects.

In 2011, the foundation will expand its efforts to publicize the *Gift Matching Program* in order to increase employee participation throughout the Group.

Migrations Program

To address the social dynamics of migration and specific needs of communities affected by this phenomenon, in 2010 Unidea - UniCredit Foundation renewed its commitment to the *Migrations Program*. Results achieved in 2010 include the following:

- fully operational information points in Milan and in Lviv, Ukraine, to providing background to the *Migrations-Ukraine* project
- two Home care centers for the elderly opened by the *Migrations-Bulgaria* project
- intercultural training courses for kindergarten teachers completed as part of the *Migrations-Germany* project

In 2010, the Foundation renewed its Migrations projects in Serbia and Romania. In partnership with Alternative Sociale in Romania, the Foundation helps provide psychological and social assistance to the elderly who have been left behind by emigrating families. Together with Grupa 484 and HOD in Serbia, the Foundation works toward the socioeconomic integration of refugees and internally displaced persons.

Migrations Program 2010: new initiatives in Italy, Hungary, Croatia and the Czech Republic

In 2010, new Migrations projects were launched in Italy, Hungary, Croatia and the Czech Republic.

In Italy, the project *Interculture at... the Center* was developed with the Association of Intercultural Activities (ASAI) in Turin. The project is designed to promote the social integration of immigrants and facilitate cross-cultural dialogue through Italian language courses, art classes and film, music and theater events.

In Hungary, a project carried out in partnership with the Institute for Basic and Continuing Education of Health Workers facilitates the social and professional integration of migrants into the health sector. It includes an online platform and a range of career guidance services.

In Croatia, in partnership with the Croatian Red Cross and the Center for Peace, Legal Advice and Psychosocial Assistance of Vukovar, we implemented initiatives to facilitate the social inclusion of the impoverished, disabled, and those isolated in areas still recovering from war. These successful projects provide job training and legal assistance, as well as psychological, social and financial support.

In the Czech Republic, the initiative carried out with People in Need concentrates on improving education and school attendance among Roma families, but will also provide secondary benefits to social services, educational agencies and other residents of certain districts in Prague.

Since its launch in December 2007, the *Migrations Program* has achieved relevant results in terms of both social inclusion (projects implemented within nine countries) and employees involvement (through dedicated initiatives). However, the analysis conducted in 2010 of potential target countries, focusing on the social dynamics of migrations, proved that it is becoming more and more difficult to develop new projects that would effectively meet the needs of affected populations.

Support for social entrepreneurship

For many years now, the Unidea - UniCredit Foundation has supported social entrepreneurship, which involves the application of typical market-based strategies (i.e., for profit approach) to social objectives, in order to better reach areas usually considered economically marginal (e.g., social inclusion projects for the unemployed and social services, among others). At the same time social entrepreneurship allows to respond effectively to urgent social needs, thus strengthening relationships at local levels, while creating value for the whole community.

Social entrepreneurship: responding to social needs, creating value for the community

In recognition of the value generated by combining for-profit skills with non profit ideals, in 2010 the Foundation established social entrepreneurship forums in Serbia and Croatia. Developed in partnership with two local associations - Slap in Croatia and Grupa 484 in Serbia - the forums are intended to promote social entrepreneurship, strengthen its international network and build capacity through effective training programs dedicated to professionals in this sector. The Foundation's support for social entrepreneurship in the Balkans has significantly raised its profile among regional and international institutions.

In Italy, social entrepreneurship is becoming an increasingly topical issue. It is presently regarded as one of the most successful ways to foster social cohesion, particularly among such disadvantaged groups as the unemployed.

With this in mind, the Unidea - UniCredit Foundation is working with the Fondazione per il Sud on its initiative entitled *Call for the Enhancement and Self-Sustainability of Assets Confiscated from the Mafia 2010*. Within this framework the Unidea - UniCredit Foundation identified projects to support in the provinces of Palermo and Reggio Calabria. These projects are intended to promote social

entrepreneurship by offering training and professional advice to agricultural concerns. At the same time the projects also support the creation of partnerships among assignees of assets confiscated from the mafia.

In Italy the Unidea - UniCredit Foundation is currently considering fostering the development of eldercare services based on successful social enterprise models. To this end, the Foundation has identified potential partners within the Italian consortium of social cooperatives, Consorzio Gino Mattarelli, and will conduct pilot projects in Lombardy, Piemonte and Emilia Romagna. During this testing phase, impacts of eldercare services on families and caregivers will be assessed.

Cooperation and development

Since 2003, the Unidea - UniCredit Foundation has been involved in development projects in Sub-Saharan Africa. Primarily aimed at strengthening basic public health systems, these projects have received through years regional and national recognition for their impact.

In Benin, the *Tata Somba* project provided support to the local health system, particularly in the field of pre- and post-natal care. After six years of continuous operation, the project is approaching completion. Its activities were coordinated by the Foundation with local institutions and AMCES (Association des Oeuvres Médicales Privées Professionnelles et Sociales au Bénin), and it enabled the Foundation and its partners to liaise directly with the Benin Ministry of Health and a range of international organizations.

Also the *An Ka Here Sso* project, launched in Burkina Faso in 2004 in collaboration with ProgettoMondo Mlal, is approaching completion. In 2010, following an agreement with the Ministry of Health, courses on community epidemiology were inaugurated at the National Nursing School, and a local association was charged with continuing the project's activities.

The final results from both projects will be communicated in 2011.

The *Afro* project, launched in 2009, aims to promote stronger ties between Africa and Italy and, in particular, to raise awareness in Italy of African social conditions and culture. To this end, the project created a news broadcast on Africa with the AGI news agency; launched the Afronline.org portal run by VITA non-profit magazine; provided training for African journalists; and organized cultural exchange programs between Africa and Italy.

The Afronline.org portal is currently collaborating with a number of new organizations in Africa that are responsible for daily updates.

For further details on the Unidea - UniCredit Foundation projects please see www.unicreditfoundation.org

UniCredit & Universities Foundation

The UniCredit & Universities Foundation is a private foundation established by UniCredit to promote academic initiatives in the fields of economics and finance, and to foster collaboration with prestigious European academic institutions.

Promoting Excellence in Studies and Research

The UniCredit & Universities Foundation was established in 2009 with the following purposes:

- to promote academic studies and initiatives in the fields of economics, finance, law, politics and social sciences
- to offer scholarships and research grants to the best students from the 22 countries in which UniCredit operates
- to establish awards for dissertation and special academic works in the fields of economics and finance
- to propose and support academic initiatives.

In 2010, the UniCredit & Universities Foundation assessed initiatives already linking the Group and the world of academia with the objective of identifying those efforts maximizing our ability to support Europe's most talented students and researchers. The Foundation worked to reinforce these partnerships which, among others, include the ones with the LUISS School of Government and UniEast of Turin (grant for researchers from Central and Eastern Europe). This process enabled the Foundation to launch more effective initiatives dedicated to the best European talents.

To this aim, in 2010 the Foundation strengthened its commitment to initiatives launched in previous years – the Leopold Gratz Scholarship, the Foscolo Europe Research Grant, and the three Crivelli Europe scholarships (the latter are now in their ninth year and are available, for the first time, to top students from across Europe). The Foundation has also broadened the number of grants and prizes dedicated to students and researchers, thanks to its collaborations with some of the most important schools of economics in Europe. These 15 partnerships in nine countries to date, include among others: the Barcelona Graduate School of Economics at the Pompeu Fabra University; the London School of Economics and Political Science; the Stockholm School of Economics; the Toulouse School of Economics.

In 2010, the investments of the UniCredit & Universities Foundation were roughly €2 million³. Since its creation, the Foundation has funded about €2.4 million in grants and prizes, of which €1.6 million in 2010. In its first two years of activity, the Foundation offered 16 grants and prizes supporting 42 talented students and researchers, of which 34 in 2010.

**In 2010, roughly
€2 million
invested for the
UniCredit & Universities
Foundation initiatives**

Most of the UniCredit & Universities Foundation's initiatives in 2010 will be repeated in 2011, as it works toward meeting its future goal of strengthening its partnerships with the best European universities.

For further details on the UniCredit & Universities Foundation projects please visit www.unicreditanduniversities.eu

³ Comparable data for 2009 investments, when calculated according to our 2010 methodology, totals approximately €970,000.

UniCredit & Universities Foundation Main Initiatives in 2010²

Initiative	Type	Details and Objectives	Partner
Masterscholarships	Scholarship	Four scholarships to attend a master's program in economics or finance at one of the four most prestigious Schools of Economics in Europe, which are partners of the Foundation. The scholarships cover all tuition fees and accommodation (academic year: 2011-12)	Barcelona Graduate School of Economics – Pompeu Fabra University London School of Economics and Political Science Stockholm School of Economics Toulouse School of Economics
Scholarships LUISS School of Government	Scholarship	Six scholarships to attend two master's programs at the LUISS School of Government: the Master in European Studies and the Master in International Public Affairs (both held in English), offered to the best students from the 22 countries in which we operate. The scholarships fully cover tuition and accommodation fees (academic year: 2010-2011)	LUISS School of Government, Rome
Scholarships, Summer School at the CARIM	Scholarship	Four scholarships for the CARIM Summer School in 2010, covering all participation fees	CARIM (Consortium for Applied Research on International Migration), Florence
Bachelor courses in Economics and Management of Innovation and Economics of Financial and Insurance Markets	Co-financing of bachelor courses	Partnership with the Faculty of Economics of the University of Trieste to provide partial funding for two three-year bachelor's program in Economics and Management of Innovation and Economics of Financial and Insurance Markets (taught in English). Both courses are designed for Italian and foreign students, mostly from Central Eastern Europe countries, confirming the roles of both University of Trieste and UniCredit as bridges between old and new Europe	University of Trieste
UniEast Research Grants	Research project awards	Three awards of €11,500 each, for researchers from Poland, Russia and Turkey who wish to conduct a six months period of research at the University of Turin (awarded in 2011 for academic year: 2011-2012)	University of Turin
UWIN Best Paper Award	Prizes for papers in economics	Three awards of €5,000 each, for papers presented by economists and researchers on the theme <i>Economic consequences of gender equality in Europe</i> . The competition is open to young economists and researchers from the 22 countries in which UniCredit operates	UWIN - UniCredit Women's International Network
CEE Best PhD Thesis Award	Prizes for doctoral theses	Six awards of €5,000 each, open to all young PhD graduates from the 19 Central and Eastern Europe countries in which UniCredit operates, honoring six outstanding doctoral dissertations in economics or finance on European integration issues	
Post-doc research grant	Post-doctoral research grant	Three post-doctoral research grants of €10,000 each, for the best research projects in economics or finance presented by researchers from Italian universities (academic year: 2011 – 2012)	
Best Paper Award	Prize for the best paper by a UniCredit employee	Three prizes of €5,000 each, open to all UniCredit employees who have produced valuable papers in economics, finance, law or the social sciences, whose content is relevant to our Group	

² Initiatives approved in 2010.

For whatever life brings



Environment and Suppliers

Priorities 2011

- Define final metrics of our Carbon Model and begin analysis of the underlying impacts of financed emissions, based on test results
- Complete and implement product sheet (specifying social and environmental standards for procurement), train the buyers
- Complete and approve new credit policies on environmental topics
- Increase training on environmental impacts (direct and indirect)
- Extend EMAS registration to new entities of UniCredit S.p.A.

Priorities 2010

Use 100 percent renewable energy for electricity needs in Italy, Germany and Austria

Define a first action plan to reduce greenhouse gas emissions by 15 percent in 2012

Pursue our commitment to reducing financed emissions

Develop a new approach to supplier management to improve environmental selection criteria

Key achievements 2010

Achieved: Electricity demand for Italy, Germany and Austria is covered by renewable energy sources

Achieved: GHG reduction plan has been completed

Achieved: A Carbon Model has been developed

Achieved: A new Group Procurement Policy has been published

Our environmental policy is based on a firm commitment that was clearly stated for the first time in 2000 and amended in 2007, following the merger with HVB AG¹. This statement sets forth the key principles that guide our behavior with respect to protecting the environment and making rational use of natural resources. It will be reviewed in 2011, in light of the adoption of UniCredit's new mission statement.

Environmental Management Systems

At UniCredit, Environmental Management Systems (EMS) provide a framework for all of our environmental programs and furnish a full set of procedures and rules that apply to all related undertakings. The actions we take to protect the planet's natural resources and to manage waste properly are effective only in proportion to the number of people participating in them. The use and proper certification of environmental management systems promotes the broad dissemination of the principles they represent, both by requiring people to follow the approved procedures and by including training for relevant staff members.

We rely on our EMS to put the principles of UniCredit's environmental policy into action. For many years now, UniCredit S.p.A.'s EMS has had ISO14001 certification and has been registered in line with EMAS guidelines. UniCredit Business Partner, our internal administrative services provider, operates in six countries and also holds ISO14001 certification, as does UniCredit Bank AG (further details are available in corporate website www.unicreditgroup.eu/en/Sustainability/Environmental_statement.htm).

A range of initiatives has significantly extended the application of UniCredit's environmental management systems. First, in 2010, UniCredit Bank Slovakia achieved ISO14001 certification for all of its locations. In 2010, a foundation was laid to extend this coverage further. Bank Austria has now completed its preliminary steps, and certification is expected shortly. Additionally, following the merger in 2010 of seven Italian companies into UniCredit S.p.A., a feasibility study was undertaken to extend the application of the EMS to encompass the full scope of the new company, which has gone from being a simple holding company to a substantial operating entity, with approximately 5,000 locations and 50,000 employees. In short, the various systems in place currently cover 30 percent of UniCredit's operations², which should climb to roughly 78 percent in 2011.

Environmental Sustainability Program

The Environmental Sustainability Program (ESP) is the result of a 2008 agreement between UniCredit S.p.A. and WWF Italy. The agreement secures UniCredit's support for the WWF's environmental protection activities and, in turn, enlists the collaboration of WWF on the development of a strategy to integrate sustainability into the banking business.

Accordingly, UniCredit currently contributes to the maintenance of the WWF OASIS system, the most important private conservation and habitat protection program in Europe. The agreement has since been extended to WWF International and now includes several other countries in which UniCredit operates, including Bulgaria, Germany, Poland, Romania and Slovakia. The ESP's objectives include fighting climate change, formulating new policies and promoting environmental awareness among our employees.

The focus on climate change has resulted in actions to limit both our internal and financed emissions of climate-altering gases. The objective with respect to the former (i.e., emissions generated by our own operations) is to reduce emissions by 15 percent by 2012 and by 30 percent by 2020, as compared with the levels recorded for 2008 (figures are updated annually). Any discrepancy between the scheduled reductions and the actual abatement will be offset by the purchase of Gold Standard carbon credits.

Since last year, UniCredit has conducted an inventory of our scope 1 and 2 emissions (further details are available in Environmental Performance Indicators paragraph), as a direct result of our collaboration with the WWF. The methodology used to calculate emissions is the one specified by the ISO 14064 standard. The inventories carried out in 2008 and 2009 were based on the same geographic scope as the 2009 Sustainability Report, comprising 12 countries. In 2010, one more country was added, expanding the inventory's coverage to include up to 70 percent of our operations, as measured by number of employees.

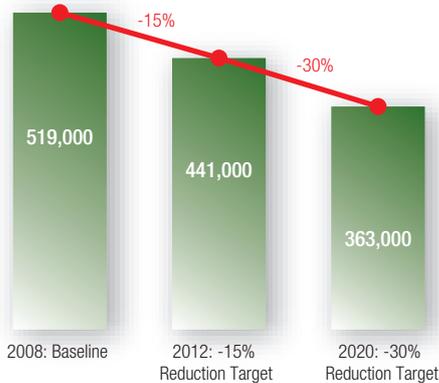
Training Activities for Employees

Last year, within the context of our 2010 plan, we provided 12 building managers with training on the new features introduced by EMAS 3, a standard that came into effect last year. 25 more from elsewhere in Europe attended a two-day training seminar on the effects of climate change and the carbon calculation methods used by the ISO14064 standard. At UniCredit Bank AG, 50 employees attended training courses on environmental risk management, and 45 received training on the Equator Principles. Including the activities of UniCredit Business Partner 320 employees attended environmental training courses. Additionally, online training courses are available to all staff involved with our Environmental Management Systems.

¹ In 2009, Bayerische Hypo- und Vereinsbank AG (HVB AG) changed its company name to UniCredit Bank AG.

² Calculated on 2010 earning margin.

GHG Emission Reduction Targets - Scope 1 & 2 (tons CO₂ eq)



To reach these targets, we are pursuing two strategies. The first is to carry out a comprehensive program of energy-saving measures, which include the optimization of our use of office and commercial space, technological solutions that reduce general energy consumption, and steps that can moderate energy consumption at our data processing centers in particular.

GHG Reduction Plan

In the course of its first four years, our greenhouse gas plan calls for a reduction in our Group's emissions of 8 percent. We are working to achieve this by optimizing our use of space in Italy, Germany and Austria by implementing energy-efficiency measures. The plan takes into account an expected 1 percent increase in UniCredit's emissions that is attributed to our data centers.

To date, we have already achieved a 10 percent reduction in our Group's total emissions since the program began. However, in the course of 2011 and 2012, we expect a slight additional increase attributable to our data centers. We plan to offset this increase by implementing an awareness campaign for our employees.

Actions	2012 GHG Reduction
Space optimization	-7%
Energy efficiency	-2%
Data centers	1%
People awareness	-7%
Total	-15%

The GHG reduction plan also calls for a campaign to promote awareness among our employees, which will serve two important needs.

First, any attempt to reduce our carbon footprint as quickly as possible requires solutions that can be implemented on a short timescale. Of the available options not already adopted, most depend heavily on generating awareness. These measures have great potential. If executed comprehensively, they can reduce our total emissions by up to 20 percent. Presently, our plan forecasts that promoting rational energy consumption decisions in the office should account for a total reduction of approximately 20 percent.

Second, building awareness among our colleagues also achieves another important objective: the creation of a strong environmental consciousness at UniCredit, with the added benefit that our employees can modify their behavior at home as well as at work. The information campaign was launched with a video on the effects of climate change that included descriptions of possible solutions and was made available on our intranet. Further communications from our Chief Operating Officer, who is responsible UniCredit's for the ESP and for climate change policies, have encouraged colleagues to make concerted, environmentally minded efforts. Recommended changes in behavior were posted on UniCredit's intranet, accompanied by the estimated reductions in emissions that would result.

Statement by the Chief Operating Officer

Our climate change strategy is based on the introduction of specific policies integrated into the banking business, as well as on the development of our Environmental Sustainability Program along three main paths: the reduction in internal emissions resulting from the Group's banking activities, the reduction in financed emissions related to lending activities, and the implementation of specific initiatives and projects aimed at strengthening the environmental identity of all Group employees. In addition, we will also support sector initiatives and international protocols focused on the same goals. Even in a context such as the current one, we cannot forget that we must develop our business by acting responsibly, as we know that sustainability is the key to our future and the future of our children. Environmental protection is for us not only a commitment but also a significant business opportunity.

Paolo Fiorentino

We are also committed to reducing financed emissions. By financed emissions, we mean the emissions generated by the activities of our customers that can be indirectly attributed to loans we have made to them. Calculating these figures can be a complicated task, as is defining straightforward objectives or developing a reduction strategy. That is why we have not established simple quantitative targets for these impacts. However, this does not mean that financed emissions cannot be reduced or that no useful action can be taken.

We believe that banks must attempt to relate the impacts of climate change to the risk profiles of the companies they finance and, if possible, to formulate useful quantitative indicators to assess that relationship.

Last year, we initiated a pilot project to develop a theoretical model for this purpose, which is now being tested on real data. This model seeks to quantify the risks of lending to companies that may be facing stricter and potentially more expensive regimes governing carbon emissions, both now and in the future. It attempts to account for any expected or likely legislative initiatives and international agreements that are intended to lower greenhouse gas concentrations to sustainable levels.

The international scientific community has determined that an increase of two degrees Celsius in the average temperature of our atmosphere above pre-industrial levels is the maximum from which our global climate and ecosystem could recover. The European Union has already established targets for emissions reductions and energy efficiency that will have a significant impact on the business world. Additionally, disruptions caused by climate change are expected to have a measurable impact on the profitability of specific sectors in the years ahead. These climatic disruptions present financial companies with a major challenge, and it is essential that they develop an understanding of the potential ramifications in order to optimize their allocation of credit. At UniCredit, we have already defined the upper limits for corporate emissions in certain relevant business sectors, and our next step is to assess the usefulness of our theoretical model by using real data drawn from some of our client industries. The results should enable us to refine our model and identify key risk parameters.

In 2010, within the framework of our agreement with the WWF, we cooperated on initiatives related to environmental sustainability, including the renewal of several previous programs. Without question, Earth Hour was the most prominent of these initiatives. Earth Hour is a global event organized by the WWF that employs a range of symbolic activities to focus attention on energy savings around the world. Held on the last Saturday in March, the gesture of turning off

lights and other electrical appliances for one hour is intended to raise awareness of the need to preserve the earth's limited resources.

For the third year in a row, UniCredit participated in the event in 2011 by turning off the lights at 48 of our buildings, an increase from 33 buildings in 2010 and 14 in 2009.

In 2010, UniCredit and the WWF also renewed their agreement to promote the participation of employees' children from ages 6 to 14 in the *Adventure*

Camps held at the WWF Oasis sites. These camp experiences, which teach children about the importance of the environment through games and exploration, provide the next generation with important lessons for the future. In 2010, 120 children participated in this program.

UniCredit participated in the event in 2011 by turning off the lights at 48 of our buildings (33 in 2010 and 14 in 2009)

Another related initiative was the *Oasis Festival*. In 2010, UniCredit served as this event's main partner and promoted the festival by providing communications and publicity throughout May 2010 and making it possible for the WWF to collect contributions via our ATMs. Employees who visited one of the WWF oasis during the Oasis Festival received maps of the sites. UniCredit employees in Sicily were provided with guided tours of the event.

Several years ago, UniCredit launched a UniCreditCard WWF. As of December 2010, 3,733 new cards had been issued during the year, for a total of 6,726 cards. This initiative generated €60,150 in contributions to WWF from January to December 2010. From April 2009 to December 2010, the program generated €76,592 in contributions. 0.3 percent of that amount was contributed by UniCredit to WWF conservation projects, at the Company's expense and with no added cost to customers.

Waste management and mobility

Last year, UniCredit extended an important agreement covering the disposal of electrical and electronic equipment waste (WEEE). In fact, the program is so successful that very little actual waste is involved. For several years now, UniCredit and Cooperativa Re Tech Onlus have cooperated to recycle unneeded electronic equipment. UGIS, the UniCredit subsidiary that provides our Group with ICT services, donates this equipment to the cooperative, which employs inmates at a prison in Bollate, Italy, near Milan, to recondition equipment whenever possible and to dispose properly of equipment that is no longer usable. In this manner, up to 6 percent of all materials are recovered and reused. This initiative also has the benefit of training inmates for skilled work that will enhance their job prospects upon release from prison.

In compliance with applicable regulations, we are also continuing our program to replace refrigeration and cooling systems that contain ozone-depleting substances. UniCredit, in compliance with EC Regulation 2037/2000, will prepare either a replacement or a modification plan for the refrigeration and air-conditioning systems in buildings where UniCredit makes use of ozone-depleting substances. Throughout 2011 and until all hydrochlorofluorocarbons are phased out, these air-conditioning and refrigeration equipments will continue to be fed with R22 gas, while systems with leakages will be entirely replaced or fed with previously stocked gas. Systems showing additional operating problems will be gradually replaced and/or modified by equipment in line with current European legislation.

Regarding sustainable mobility, UniCredit undertook several activities in 2010. UniCredit Bank AG regularly upgrades its vehicle fleet, using increasingly efficient cars with maximum CO₂ emissions of 100 g/km. The fleet has also been reduced in size and now consists of 270 vehicles, of which 250 are scheduled for imminent replacement with more efficient models.

In Italy, several interesting initiatives are already being carried out. For example, the Genoa Smart City project transcends the single issue of mobility, since it is a European Union initiative that allocates funds for the optimization of the infrastructure of select EU cities with more than 500,000 inhabitants. The program seeks to make intelligent use of existing urban networks in order to improve energy efficiency and quality of life.

Energy consumption

We work to limit our energy consumption and continue to develop the potential of renewable energy, with a particular focus on meeting our greenhouse gas emission reduction targets.

Self Sustainable Branch

The Self Sustainable Branch is a UniCredit experiment based on the principles of the PassivHaus. The goal is to completely rebuild a branch office in order to reduce energy consumption to a bare minimum – roughly 120 kWh/m² per year. The remaining consumption will then be generated using on-site renewable energy systems.

The PassivHaus model, which is applicable to any building, shuns conventional heating and cooling systems in favor of efficient thermal insulation and the passive recovery of solar radiation energy. The municipality of Reggio Emilia, Italy, has recently approved the renovation of our branch in Via Gattalupa according to these principles, and work will begin this year.

Elsewhere, a pilot project was completed in which signage lit by LEDs was installed in three test branches. Although the signs are indistinguishable from our conventional equipment, excellent results have been achieved in terms of increased energy efficiency. The project is now being discussed with UniCredit's signage suppliers in order to assess the viability of implementing it on a larger scale. Savings are forecast to represent roughly 50 percent of the energy used by conventional signage.

The plan to optimize our space requirements throughout Europe will result in the consolidation of our real estate holdings and should have a significant impact on energy consumption. The Porta Nuova Garibaldi project in Milan is particularly significant in this regard. By the end of 2012, employees currently working in a variety of historic buildings around central Milan will be transferred to a complex of new office towers now being built in the commercial heart of the city. The new structures will meet the latest energy certification criteria.

Another significant source of energy savings involves the optimization of the technology at our data processing centers, which account for approximately 12 percent of UniCredit's consumption. At these

centers, roughly half of all energy consumed is used to power computers. The rest serves auxiliary purposes, including power for air conditioning, UPS systems and transformers. Thanks to new and highly efficient technologies, it is now possible to reduce electrical consumption without reducing the reliability of our systems.

Purchasing and procurement

In 2010, UniCredit's Global Sourcing Department (GSD) approved our Green & Social Procurement Policy (further details are available in www.unicreditgroup.eu/en/Sustainability/Suppliers.htm). This policy defines our objectives and details GSD's activities in the social and environmental arena. Above all, it addresses our sustainable approach to selecting suppliers and products.

The Green & Social Procurement Policy was based on our experiences in a number of countries. In each of these places, our operations had developed, within the scope of their environmental management systems, criteria that stemmed from a range of environmental concerns. The new policy standardizes and extends the scope of these criteria while ensuring a reduction in the environmental impacts of our upstream supply chain.

Under the new guidelines, preference is given to suppliers who:

- can demonstrate reductions in their greenhouse gas emissions, resource consumption and waste generation
- show compliance with the working standards of the International Labour Organization
- demonstrate that they have considered the health and safety impacts of their entire supply chain

Our present objective is to apply these vendor management criteria to between 70 and 80 percent of our suppliers in Italy, Austria and Germany.

The policy will also define criteria for the procurement of specific products. A workgroup has been assembled with the WWF for this purpose. We are also working with the WWF to design a sustainable purchasing training program for employees dealing with purchasing and procurement. These changes will be implemented in stages, as we extend and expand our current pilot projects, define environmental standards for purchasing, improve our approach to supplier selection, provide new training for purchasers and product end-users, and expand our dialogue with suppliers.

The GSD's vendor management tool incorporates the policy that suppliers who do not meet minimum requirements will not be listed in our roster of approved suppliers. Those who are listed will be subjected to additional analysis, with results that may affect the degree of preference they receive.

EuroPrint

One of our procurement initiatives has resulted in UniCredit Bank AG being recognized for its efforts by Lexmark, the printer company. The EuroPrint project involves replacing inefficient computer printers and optimizing the way they are networked, which has allowed us to reduce the total number of printers. The efficiency of the new printers will generate further savings throughout their life cycle, and they will bear the Blauer Engel (Blue Angel) mark of environmental certification. Additionally, the recycling of toner cartridges has been entrusted to a company with a policy of creating new jobs for the long-term unemployed.

Lexmark has served as our partner in this project. UniCredit Bank AG is proud to have received the Lexmark Green Award, the first German company ever to do so.

Energy Saving Company

In 2010 UniCredit S.p.A. approved the establishment of a joint venture with Fondazione WWF and other industrial partners, whose core business will be the fostering of energy efficiency and use of renewable energy sources. The founding process is nearing completion.

By the end of 2011, a photovoltaic plant in Sicily should be completed. With an installed peak capacity of 500 kWp, this plant should offset UniCredit's CO₂ emissions in Sicily.

In 2010, UniCredit's entities in Austria and Germany signed supply contracts to receive electricity from renewable sources. In Austria, 98 percent of all power used is green. In Germany, our operations run on 100 percent renewable energy, while in Italy, 97 percent of all power used is renewable.

Since 2008, UniCredit has partnered with two management consultancy firms, Agici and Accenture, to support the Osservatorio sul Settore delle Energie Rinnovabili (OIR), under the sponsorship of the Italian Gestore del Servizio Elettrico (GSE). The Observatory serves as a nexus for developments in the sector, as a specialized forum for businesses, utilities and government agencies, and as a center for related policy studies.

UniCredit's Carbon Solutions Team (CST), which has been active in Corporate Banking for several years now, provides trading services involving emissions permits (or carbon credits), which represent regulated rights to emit CO₂. The team's customers are producers subject to the constraints imposed by the European Union's exchange mechanism, the EU Emissions Trading System. Germany accounts for 90 percent of the team's customers. The CST provides a wide range of products and services, including trading in an array of spot and forward certificates, swaps of stage 2 certificates, i.e., those issued within the constraints established by the Kyoto Protocol, and of stage 3 certificates, which fall within the European Union regime. The team also trades in Voluntary Emission Reductions (VERs), which are voluntary certificates offered to businesses seeking to offset their emissions in spite of not being legally required to do so. In addition to its trading activities, the team provides data and information on developments in the emissions market and consulting services for managing risk posed by exposure to emissions price volatility.

Renewable energy and carbon management

In Our Customers chapter we provide information on lending and credit programs designed for the renewable energy sector. Our initiatives include some of the following.

Desertec Industrial Initiative

In 2010, UniCredit S.p.A. acquired an interest in Desertec Industrial Initiative (DII), becoming one of only two banking institutions, the only Italian, to own shares in the company. DII has been tasked with implementing the Desertec concept, a project to harness renewable resources in the Middle East and North Africa, to supply Europe with about 15 percent of its electrical needs by 2050. This will be achieved by building intelligent, new power grids that will enable the long-distance transmission of power generated principally, but not exclusively, from wind and solar sources.

WealthCap is a German Private Banking company wholly owned by UniCredit. In 2010, it inaugurated the Solar Park Lieberose in Brandenburg. Formerly a military training camp in the German Democratic Republic, it is now the site of the world's third-largest solar energy plant, with a peak capacity of 53 MW. Covering 162 hectares, the plant has been generating power commercially since 2009 and produces approximately 53 million kWh of green electricity per year, thus serving the needs of roughly 15,000 households. It saves approximately 35,000 tons of CO₂ emissions per year.

	MONETARY VALUE OF TRADES, IN €		EQUIVALENT TONS OF CO ₂ TRADED	
	2010	2009	2010	2009
EUA*	576,193,248	752,526,824	39,631,943	55,610,352
CER**	320,969,569	189,061,126	28,647,519	16,071,321
ERU***	17,217,125	not applicable	1,319,940	not applicable

* European Unit Allowances.

** Certified Emissions Reductions.

*** Emission Reduction Unit.

Environmental performance indicators¹

Scope 1: Direct GHG Emissions (tons CO₂ eq), 2008-2010*

Country	2010	2009	2008
Italy	62,914	61,835	64,723
Germany	19,682	20,165	19,986
Austria	4,479	4,292	4,169
CEE	13,025	13,955	13,978
Total	100,100	100,247	102,856

* GHG emissions from sources owned or controlled by our Group. Data covers 90% of considered population (a full-time equivalent of roughly 111,000).

Scope 2: Indirect Energy GHG Emissions (tons CO₂ eq), 2008-2010*

Country	2010	2009	2008
Italy	173,519	200,736	208,839
Germany	108,569	111,557	109,824
Austria	28,478	31,685	33,623
CEE	58,884	67,417	64,014
Total	369,450	411,395	416,300

* GHG emissions from purchased electricity, steam and heating/cooling that is consumed in the Group owned or controlled equipment or operations. The table below reflects the use of a carbon emission factor for national grid. Data covers 95% of considered population (a full-time equivalent of roughly 111,000).

Scope 3: Other Indirect Energy GHG Emissions (tons CO₂ eq), 2008-2010*

Country	2010	2009	2008
Italy	9,497	8,511	9,863
Germany	4,097	2,304	2,191
Austria	2,215	2,078	1,914
CEE	2,511	2,106	2,366
Total	18,320	14,999	16,334

* GHG emissions from employee business travel and reductions from the use of recycled paper and recycling of paper, glass and plastic. Data covers 83% of considered population (a full-time equivalent of roughly 111,000).

Energy Consumption per Employee (GJ/capita), 2008-2010*

Country	2010	2009	2008
Italy	41	41	40
Germany	57	54	52
Austria	54	52	52
CEE	28	28	26

* Data covers 95% of considered population (a full-time equivalent of roughly 111,000).

Water Usage per Employee (m³/capita), 2008-2010*

Country	2010	2009	2008
Italy	38	34	34
Germany	23	17	16
Austria	32	32	35
CEE	19	19	18

* Data covers 94% of considered population (a full-time equivalent of roughly 111,000).

Groupwide, the majority of paper used is Total Chlorine-Free (TCF) or at least Elemental Chlorine-Free (ECF).

Paper Consumption per Employee (kg/capita), 2008-2010*

Country	2010	2009	2008
Italy	68	74	76
Germany	43	45	45
Austria	124	110	103
CEE	89	81	75

* Data covers 91% of considered population (a full-time equivalent of roughly 111,000).

Waste Production per Employee (kg/capita), 2008-2010*

Country	2010	2009	2008
Italy	117	121	114
Germany	439	331	457
Austria	201	230	230
CEE	183	183	205

* Data covers 89% of considered population (a full-time equivalent of roughly 111,000).

Percentage of Waste by Disposal Method, 2009-2010*

Country	Valuable Materials Separated and Recycled		Waste Incinerated		Waste Disposed in Landfills		Special Waste Treatment		Other	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Italy	97.45%	95.08%	2.28%	2.21%	0%	2.71%	0%	0%	0.27%	0%
Germany	70.89%	58.30%	28.76%	41.60%	0%	0%	0.35%	0.10%	0%	0%
Austria	95.69%	81.65%	4.31%	18.23%	0%	0.12%	0%	0%	0%	0%
CEE	15.05%	14.00%	2.23%	1.52%	61.58%	64.00%	1.32%	1.37%	19.82%	19.11%

* Data covers 89% of considered population (a full-time equivalent of roughly 111,000).

¹ The Central and Eastern Europe (CEE) countries included are: Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia. Data for 2010 has been calculated taking into account FTEs (full-time equivalent). For 2008 and 2009 HCs (head count) are still used in data recalculation. Due to improved data collection and calculation processes, some figures may differ from data presented in the 2009 Sustainability Report. Country to Country comparison between the Countries can be misleading, as different tracking system should be taken into account.

GRI and Global Compact Index

All core GRI indicators are represented in the following table, with additional indicators included only if they are referenced within the report. Moreover, while the most significant information related to Corporate Sustainability has been stated in the report, some indicators are represented with a partial coverage. For the GRI Content Index, please see the dedicated area of UniCredit's corporate website (www.unicreditgroup.eu).

KPMG reviewed the 2010 Sustainability Report, which satisfies GRI requirements at an A+ application level.

Legend:

Total	Indicator completely covered
Partial	Indicator partially covered
N/A	Not applicable
NI	Not included
C	Core indicators
A	Additional indicators

Indicator	Coverage	Page
PROFILE		
1. Strategy and analysis		
1.1	Statement of the most senior decision-maker of the organization	Total 4-5
1.2	Main impacts, risks, and opportunities	Total 11, 12-19, 23, 35, 57, 61, 73
2. Organization profile		
2.1	Organization name	Total Cover
2.2	Main brands, products and/or services	Total 2010 Consolidated Reports and Accounts 14, Results by Business Segment
2.3	Operational structure of the organization	Total 6-7; 2010 Consolidated Reports and Accounts 14
2.4	Headquarters	Total 88
2.5	Countries of operations	Total 6-9
2.6	Ownership structure and type of legal entity	Total 59; 2010 Report on Corporate Governance and Ownership Structure 5-7, 71-73; 2010 Consolidated Reports and Accounts: Corporate Governance - Major Shareholders
2.7	Markets served	Total 6-7; 2010 Consolidated Reports and Accounts 14
2.8	Scale of the organization	Total 6-7, 24
2.9	Significant changes	Total 16; 2010 Consolidated Reports and Accounts 118-120
2.10	Awards received	Total 78, Supplement: 31, 37
3. Report parameters		
Profile		
3.1	Reporting period	Total 2
3.2	Previous report's date of publication	Total 2
3.3	Reporting frequency	Total 2
3.4	Contact point for information on report	Total Inside back cover
Report purpose and scope		
3.5	Process for defining contents	Total 2, 18-20
3.6	Report scope	Total 2
3.7	Limitations of report purpose or scope	Total 2
3.8	Information on other associate companies	Total No significant change
3.9	Data measurement techniques and basis of calculation	Total 2
3.10	Modifications compared with previous report	Total 2
3.11	Significant changes compared with previous report	Total No significant change
Index of GRI contents		
3.12	Table of reference	Total 80- 83; www.unicreditgroup.eu/en/Sustainability/GRI_indicators.htm

Indicator	Coverage	Page
Assurance		
3.13	External assurance	Total 2, 84-85; 2010 Report on Corporate Governance and Ownership Structures: 56
4. Governance, Commitment, Involvement		
Governance		
4.1	Governance structure	Total Supplement: 2-3; 2010 Report on Corporate Governance and Ownership Structures: 13-16, 30
4.2	Indicate whether Chairman also holds an executive role	Total 2010 Report on Corporate Governance and Ownership Structures: 74
4.3	Independent and/or non-executive directors	Total Supplement: 2-3; 2010 Report on Corporate Governance and Ownership Structures: 26-27, 74-76; 2010 Consolidated Reports and Accounts: 126
4.4	Mechanisms for making recommendations to Board of Directors	Total 27, 58; 2010 Report on Corporate Governance and Ownership Structures: 66-68
4.5	Link between directors' remuneration and performance	Total 29-30, Supplement: 4-6; 2010 Report on Corporate Governance and Ownership Structures: 35-37; UniCredit S.p.A. Financial Statements 2010: Notes to the Accounts, Part H.1
4.6	Mechanism of conflicts of interest's avoidance	Total Supplement: 10; 2010 Report on Corporate Governance and Ownership Structures 17-21, 57-58
4.7	Directors' qualifications	Total 2010 Report on Corporate Governance and Ownership Structures: 17-21, 32-34
4.8	Mission, values, codes of conduct, and principles	Total 14, 30, Supplement: 2; Mission; Integrity Charter
4.9	Procedures to identify and manage economic, environmental, and social performance	Total 16-18, Supplement: 6; 2010 Report on Corporate Governance and Ownership Structures: 42-47
4.10	Process to assess BoD's performance	Total Supplement: 4-6; 2010 Report on Corporate Governance and Ownership Structures: 20-21
Commitment in external initiatives		
4.11	Way in which prudential principle or approach is applied	Total 14-18, Supplement: 10-11; 2010 Report on Corporate Governance and Ownership Structures: 42-47
4.12	Adoption of external codes and standards in the economic, social, and environmental fields	Total 5, 54, 63
4.13	Memberships in associations	Total Supplement: 36
Stakeholder Engagement		
4.14	List of stakeholders engaged	Total 18-21
4.15	Principles for stakeholders' identification and selection	Total 13, 18
4.16	Stakeholder engagement activities	Total 18-21
4.17	Key aspects and criticalities emerging from stakeholder engagement and related actions	Total 18-21, 25-26
FINANCIAL SERVICES SECTOR SUPPLEMENT INDICATORS		
C FS1	Policies with specific environmental and social components applied to business lines	Total 52-54
C FS2	Procedures for assessing and screening environmental and social risks	Total 54
C FS3	Monitoring clients' implementation of and compliance with environmental and social requirements	Total 54
C FS4	Improvement of staff competency to implement the environmental and social policies and procedures	Total 54, 74
C FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Total 44, 54
C FS6	Company portfolio	Total Supplement: 26; 2010 Consolidated Reports and Accounts: 53
C FS7	Products and services designed to deliver a specific social benefit	Total 47-49
C FS8	Products and services designed to deliver a specific environmental benefit	Total 52-54
C FS9	Audits on implementation of environmental and social policies and risk assessment procedures	Total 52. The Audit Department's onsite activities verify the endorsement of UniCredit policies at the local level, ensuring that their implementation is effective and adheres to local regulation. Analysis of the credit process is generally conducted through a sampling procedure, and for cases in which this sampling includes operations related to special credit policies – such as the Nuclear or Defense Sector Policy – the department also verifies the proper completion of all relevant requirements. There is no specific reporting regarding assessments on these matters; findings are included within the reports of the particular operation
C FS10	Portfolio's companies engaged on environmental or social issues	Total 76, Supplement: 27-28
C FS11	Assets subjects to environmental or social screening	Total Supplement: 28
C FS12	Environmental or social voting policies	Total Supplement: 27-28

GRI and Global Compact Index

Indicator	Coverage	Page
ECONOMIC PERFORMANCE		
DMA EC	Information on management approach	Total 2010 Consolidated Reports and Accounts: 42-49
C EC 1	Direct economic value generated and distributed	Total Supplement: 13
C EC 2	Financial implications and other risks and opportunities due to climate change	Total 54, 74-76
C EC 3	Coverage of the organization's defined benefit plan obligations	Total Supplement: 20-21; 2010 Consolidated Reports and Accounts: Part B - liabilities, sections 10-11-12
C EC 4	Significant financing received from Public Administration	Total 27, 59
C EC 6	Policy, practices, and percentage of expenditure concentrated on local suppliers	Total With regard to main suppliers in 2010, the percentage of local suppliers (in terms of payments) in Italy, Germany and Austria is 99%, 95% and 79% respectively
C EC 7	Procedures for local hiring	Total For UniCredit's main banks in Italy, Germany, Austria, Bulgaria, Croatia, Czech Republic, Hungary, Romania, and Russia, the majority of Board of Director members are local
C EC 8	Development and impact of investments in infrastructures and public utilities	Total 62, 67-71
A EC 9	Significant indirect economic impacts	Total 47-51, 54, 65-71
ENVIRONMENTAL PERFORMANCE		
DMA EN	Information on management approach	Total 52-54, 74-77
C EN 1	Raw materials used	Total 79
C EN 2	Percentage of materials coming from waste recycling operations	Total In 2010, in Italy and Germany 31 percent and 17 percent respectively of paper used was recycled.
C EN 3	Direct energy consumption by source	Total 79
C EN 4	Indirect energy consumption by source	Total 79
A EN 5	Energy saving	Total 77-78
A EN 6	Initiatives to provide energy-efficient or renewable energy based products and services	Total 52-55
A EN 7	Initiatives to reduce indirect energy consumption and reductions achieved	Total 76-78
C EN 8	Water consumption by source	Total 79
C EN 11	Land owned, rented or managed in protected areas	Total In Sicily, the Group owns five areas of land with environmental and archaeological restrictions, totaling around 730.602 square meters
C EN 12	Description of greatest impacts on biodiversity	NA
C EN 16	Greenhouse gas emissions	Total 74, 79
C EN 17	Other indirect greenhouse gas emissions	Total 79
A EN 18	Initiatives to reduce greenhouse gas emissions	Total 74-78, inside back cover
C EN 19	Emissions of substances harmful for the ozone layer	Total 76
C EN 20	Other atmospheric emissions	NA
C EN 21	Water discharges	NA
C EN 22	Waste production and disposal methods	Total 79
C EN 23	Total number and volume of pollutant discharges	NA
C EN 26	Initiatives to mitigate impacts of products and services	Total 52-55, 74-76
C EN 27	Reclaim rate of products sold	NA
C EN 28	Fines and penalties for non compliance with environmental law and regulations	Total No relevant fines were imposed in 2010 for noncompliance with environmental laws or regulations
A EN 29	Significant environmental impacts of transporting products, goods, materials and members of the workforce	Total 74, 76-77, 79
SOCIAL PERFORMANCE		
DMA LA	Information on management approach	Total 24, 27-28, 30, Supplement: 17-18, 22
C LA 1	Breakdown of staff by type, contract, and region	Total 24, Supplement: 14-15
C LA 2	Turnover by age, gender, and region	Total Supplement: 15
A LA 3	Benefits provided to full-time employees and not to temporary of part-time employees	Partial Supplement: 21
C LA 4	Degree of coverage of collective labor contracts	Total Supplement: 18
C LA 5	Minimum period of notice for operational changes	Total Supplement: 19
A LA 6	Percentage of total workforce represented in formal health and safety committees	Total Supplement: 23
C LA 7	On-the-job accidents and illness	Total Supplement: 24
C LA 8	Programs for management of serious diseases	Total 32, Supplement: 21-22
A LA 9	Health and safety topics covered by collective agreements with trade unions	Total Supplement: 23
C LA 10	Staff training	Total 27, Supplement: 17
A LA 11	Programs for skills management and lifelong learning	Total Supplement: 22
A LA 12	Employees receiving regular performance reviews	Total 28

Indicator		Coverage	Page
C LA 13	Breakdown of employees by gender and other diversity indicators	Total	30-31, Supplement: 16; 2010 Report on Corporate Governance and Ownership Structures: 61
C LA 14	Ratio between salaries of men and women	Total	Supplement: 15
HUMAN RIGHTS			
DMA HR	Information on management approach	Total	30, 77, Supplement: 17, 28-29; Integrity Charter
C HR 1	Operations with human-rights considerations	Total	52-55
C HR 2	Suppliers assessed as regards respect of human rights	Total	77
C HR 4	Cases of discrimination	Total	Supplement: 25
C HR 5	Risks for right to freedom of association and collective bargaining	Total	Supplement: 17
C HR 6	Risks for use of juvenile labor	Total	Supplement: 17
C HR 7	Risks for use of forced labor	Total	Supplement: 17
IMPACTS ON SOCIETY			
DMA SO	Information on management approach	Total	62, Supplement: 6-8, 11
C SO 1	Management of impacts on community	Total	15
C FS13	Access points in low-populated or economically disadvantaged areas	Total	Supplement: 27
C FS14	Access to financial services for disadvantaged people	Total	48-49
C SO 2	Analysis for risks related to corruption	Total	Supplement: 7
C SO 3	Staff trained in the prevention of corruption	Total	Supplement: 7, 17
C SO 4	Actions taken following cases of corruption	Total	Supplement: 7
C SO 5	Positions concerning public policy and lobbying	Total	Supplement: 11-12
A SO 7	Legal actions for anti-competitive behavior	Total	Supplement: 8-9
C SO 8	Sanctions for non-compliance with laws or regulations	Total	Supplement 8-9; 2010 Consolidated Reports and Accounts: Part E, Section 4.B
PRODUCT LIABILITY			
DMA PR	Information on management approach	Total	36, 42, Supplement: 6, 10-11, 28-29
C FS15	Policies for the fair design and sale of financial products and services	Total	42-43, Supplement: 10-11
C PR 1	Healthiness and safety of products and services	Total	Supplement: 28-29
C PR 3	Information on products and services	Total	42-43
A PR 4	Non-compliance with regulations concerning product and service information and labeling	Total	41-42, Supplement: 8-9
A PR 5	Customer satisfaction	Total	36-38
C FS16	Enhancement of financial literacy	Total	49-51
C PR 6	Laws, standards, and voluntary codes concerning marketing communications	Total	Supplement: 11
A PR7	Non-compliance with regulations concerning marketing communications	Total	Supplement: 8-9
C PR 9	Sanctions for non-compliance with laws or regulations	Total	Supplement 8-9; 2010 Consolidated Reports and Accounts: Part E, Section 4.B

Making the connections by GRI and Global Compact

Categories	Principles	GRI Indicators
Human Rights	Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights.	LA4, LA 7-8, LA13-14, HR 1-2, HR 4-7, SO5, PR1
	Principle 2 - Businesses should make they are not complicit in human rights abuses.	HR 1-2, HR 4-7, SO5
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA 4-5, HR 1-2, HR5, SO5
	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR 1-2, HR7, SO5
	Principle 5 - Businesses should uphold the effective abolition of child labour.	HR 1-2, HR6, SO5
	Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA 13-14, HR 1-2, HR4, SO5
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, EN30, SO5
	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility.	EN 1-4, EN8, EN 11-12, EN 16-17, EN21, EN26, EN28, SO5, PR3
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN26, SO5
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	SO 2-5

Source of the correspondences between Global Compact principles and GRI indicators: report Making the Connections by GRI and Global Compact (www.globalreporting.org)



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

Limited assurance report on the sustainability report

To the board of directors of
UniCredit S.p.A.

- 1 We have reviewed the 2010 sustainability report of the UniCredit Group (the “Group”). The parent’s directors are responsible for the preparation of the sustainability report in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI - Global Reporting Initiative, set out in the “Report structure” section. They are also responsible for determining the Group’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.
- 2 We carried out our work in accordance with the criteria established for review engagements by “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)”, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
 - comparing the information and data presented in the “Determination and distribution of Value Added” section of the Supplement to the sustainability report to the corresponding information and data included in the Group’s consolidated financial statements as at and for the year ended 31 December 2010, on which we issued our report dated 4 April 2011 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
 - analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following procedures:
 - interviews and discussions with management of UniCredit S.p.A. and personnel of FinecoBank S.p.A., Pioneer Investment Management SGR.p.A., UniCredit Real Estate S.c.p.A., UniCredit Bank Austria AG, UniCredit Bank AG, Domus Facility Management GmbH, UniCredit Bank Czech Republic A.S. and UniCredit Tiriac Bank S.A., to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;

- sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the effectiveness of processes, their adequacy in relation to the objectives described, and that the internal control system correctly manages data and information included in the sustainability report;
- analysing the compliance of the qualitative information included in the sustainability report with the guidelines referred to in paragraph 1 and its overall consistency, in particular with reference to the sustainability strategy and policies and the determination of material issues for each stakeholder category;
- analysing the stakeholder involvement process, in terms of methods used and completeness of persons involved, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of UniCredit S.p.A. on the compliance of the sustainability report with the guidelines indicated in paragraph 1 and on the reliability and completeness of the information and data contained therein.

A review is less in scope than an audit carried out in accordance with ISAE 3000, and, therefore, it offers a lower level of assurance that we have become aware of all significant matters and events that would be identified during an audit.

The sustainability report includes the corresponding information and data of the prior year sustainability report for comparative purposes, with respect to which reference should be made our report dated 2 April 2010.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2010 sustainability report of the UniCredit Group is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 by GRI - Global Reporting Initiative, as set out in the "Report structure" section.
- 4 As indicated by the directors in the "Report structure" section of the 2010 sustainability report, the Group intends to continue to extend the reporting scope of the sustainability report through further standardisation of the existing information and data gathering procedures.

Milan, 6 April 2011

KPMG S.p.A.

(signed on the original)

Mario Corti
Director of Audit



UniCredit S.p.A.

Registered Office: Via A. Specchi 16 - 00186 Rome

Head Office: Piazza Cordusio - 20123 Milan

Capital Stock €9,648,790,961.50 fully paid up

Registered in the Register of Banking Groups and Parent Company of the UniCredit Banking Group - Registered with code 3135.1

Registered with the Roma Courts in the Companies Register, Fiscal code and VAT number 00348170101

Member of the Interbank Fund for Deposit Protection.

At UniCredit, we are aware of the environmental impact of our business activities and we strive to embed environmental sustainability into our strategic decisions.

In 2011, we are seeking to offset the greenhouse gas emissions associated with the publication of our 2010 UniCredit S.p.A. Report and Accounts, 2010 Consolidated Reports and Accounts and 2010 Sustainability Report by contributing to a biomass-fueled district heating plant in Italy (Valtellina).

For the 2010 UniCredit S.p.A. Report and Accounts, 2010 Consolidated Reports and Accounts and 2010 Sustainability Report, we worked to offset related emissions in association with AzeroCO₂.



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This Sustainability Report has been made available at www.unicreditgroup.eu, or you may request a copy from:

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Via Santa Margherita, 12 - 20121 Milan, Italy.

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