



Clear answers for real benefits.







Customer testimonials are the common thread of this year's annual report to illustrate the concrete solutions we provide every day. These true stories were told first-hand and collected by the colleagues who worked with them to offer real benefits.

Each story lends an authentic voice to how we are having a positive impact on our stakeholders. We are making a difference by recognizing everyday challenges and opportunities, and by contributing to the economic, social and cultural well-being of the communities we serve.

This report's creative concept reflects our commitment by displaying two pieces that fit together. This represents the union between the real-life needs of our clients and the practical solutions that we offer.

Above all, we believe that being a commercial bank means engaging in meaningful dialogue with those with whom we come into contact. This enables us to provide simple, quick and effective responses that perfectly meet customer needs.

Inside you will find some of these stories. We hope the next one will be yours.

Report structure

As the 12th edition of the UniCredit Sustainability Report (“the report”), this annual publication summarizes the relationships between our Group’s business strategies, the management of our stakeholder relationships, and our principal activities during the reporting period that ended on December 31, 2012.

As in previous years, the 2012 Sustainability Report is composed of two related sections: a main section, which contains primarily qualitative content, and a supplement, which includes technical appendixes that relate to the main section. As part of our ongoing efforts to respond to the needs of and requests from our stakeholders, we have divided the chapter on customers for the first time into two different chapters, one addressing individuals and families, the other addressing enterprises.

To make faster and easier access to UniCredit corporate website, we decided to use a QR code, included at the end of each chapter of this report, which will deepen related topics. To read the QR code you must install a free application on your smartphone or tablet.

The report was written in accordance with the *Sustainability Reporting Guidelines & Financial Services Sector Supplement* issued in 2008 and the *Sustainability Reporting Guidelines* (version 3.1) issued in 2011 by the Global Reporting Initiative (GRI). We declare our reporting status to be Application Level A+.

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

In 2012, our Group adopted a new data collection process, substituting CSR cards for management software, with content in line with GRI requirements. In defining the data-collection perimeter, we decided to expand the process and include 16 countries where we have significant operations (Italy, Germany, Austria, Poland, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kazakhstan, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine), which account for roughly 90 percent of our Group’s operating income¹. Unless otherwise noted, data related to our workforce and the generated added value corresponds to information provided in our 2012 Consolidated Reports and Accounts. Any conditions that may limit the scope of this data are clearly disclosed throughout the report.

We regard it as an important future priority to align the data provided in the report and make it fully consistent by standardizing our data collection procedures as we move forward.

In order to ensure that the reported information is reliable, we have included measurable data and have limited the use of estimates wherever possible. The data is based either on the strongest information available or on sample analyses. Estimated figures and restatements of data published previously are clearly disclosed as such.

As in previous years, the process of defining the report’s content was based on the GRI’s reporting principles of materiality, stakeholder inclusiveness, sustainability context and completeness. For this 2012 edition, material topics for our stakeholders identified in the previous report were still considered appropriate and applicable.

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

1. Data as of December 31, 2011.

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CEO's Letter



FEDERICO GHIZZONI
Chief Executive Officer

“ 2012 was the year in which we took action to secure our future as a rock-solid European commercial bank. ”

Dear Stakeholders,

2012 was a difficult year for the European economy, and UniCredit was not immune. Nevertheless, I believe it will be remembered as the turning point for our Group. For it was the year in which we took action to secure our future as a rock-solid European commercial bank.

We secured our capital position in 2012, and simplified operations, reduced costs, strengthened our risk management culture, and introduced innovative products and new initiatives, to lead the way to a more productive and prosperous future.

We began the year by achieving the first target of our three-year strategic plan, which was to strengthen the foundations of our Group through the reinforcement of our capital position. At the time, we were the only bank in Europe to carry out a successful capital increase.

We achieved a strong liquidity position in our countries, largely by reducing our commercial funding gap by more than €45 billion. This was accomplished, in part, by increasing our direct funding in Italy and other key markets.

We undertook a number of measures to improve revenues and simplify the Group structure. One key initiative was the redesign of our business model to move us closer to our customers.

The framework to accomplish this is Project Group Organization Leaner Design (GOLD). The initiative is our multi-year reorganization plan designed to assure that our Group becomes more efficient, less complex and more customer focused.

Project GOLD simplifies operations by empowering our countries with greater decision-making authority. This permits us to work closer with clients and create better-tailored solutions. It allows us to be easier to deal with and provides a clearer chain of command. It enables our commercial networks to be quicker to markets. And it allows our countries to support local market development. One of the many ways we are doing this is by leveraging our expertise and networks to help customers internationalize their businesses. We first began this initiative in Italy and are expanding it to other countries in which we work.

We strengthened our internal control and risk management culture to simplify the way in which we do business, delivering greater clarity. And it will set the stage for increased profitability and more sustainable customer relationships.

Innovation remains a top priority for us. We are creating the products and services that our customers want and need. And we are developing new, more convenient channels through which they can bank with us. By offering customers the option to use their mobile phones, tablets or computers to manage their finances, we are becoming a simpler, more efficient bank. This in turn will help us to reduce costs and ensure our sustainability.

We are developing a more integrated approach to our annual reporting. Our goal is to deliver both our financials and non-financials in one publication, to be consistent with the sustainability component of our strategic plan.

As we implement our plan, we are seeing positive results. We increased our direct funding by more than €22 billion, posting good results in Germany and CEE with pre-tax profits totaling roughly €4.2 billion. Our CIB Division experienced real growth and raised its profile in debt capital markets. By becoming the lead manager in issuing more than €65 billion in euro-denominated bonds, our division is now ranked number two in Europe.

I am confident that the steps we have taken to build a simpler, stronger bank, have positioned us to achieve sustainable revenue and commercial growth in the coming year. We are well prepared to accomplish these objectives thanks to our exceptional people. Their hard work carried out in our 22 countries, combined with our innovative products, our cost discipline and our risk management culture all accrete to deliver a strong competitive advantage.

For all of these reasons, I am convinced that in 2013 we will continue to be successful in implementing our strategy and realizing our ambition to be one of the strongest banks in Europe.

Sincerely,



Federico Ghizzoni
Chief Executive Officer



Our support for the UN Global Compact

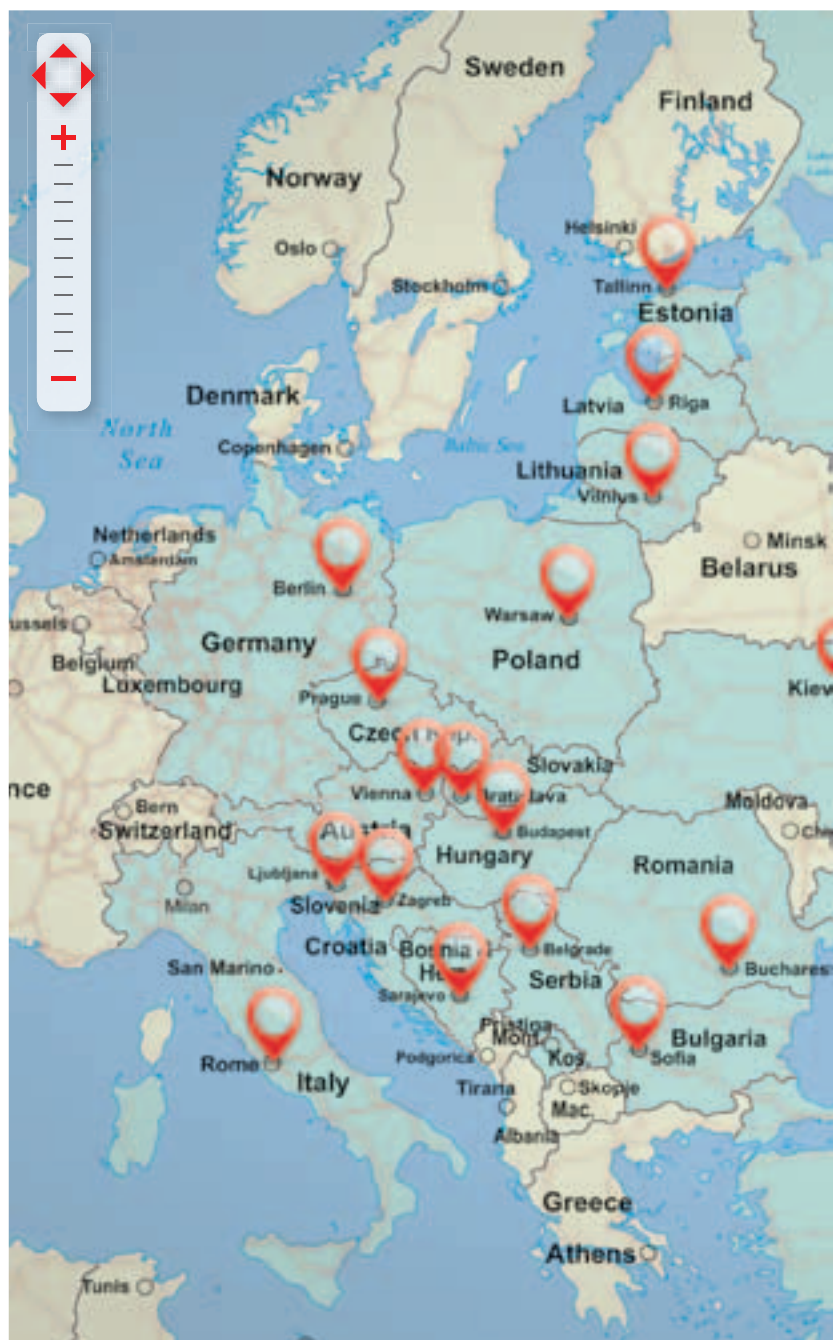
We reaffirm our support for the principles of the UN Global Compact. They clearly express our commitment to human rights, fair working conditions, the environment and the fight against corruption.

Highlights

UniCredit operates in 22 Countries with more than 156,000 employees and over 9,300 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.



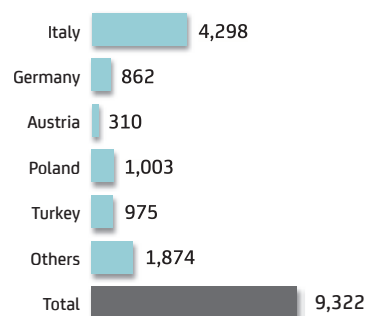
(currency amounts are shown in € million)

OPERATING INCOME	25,049
OPERATING PROFIT (LOSS)	10,070
NET PROFIT (LOSS)	865

SHAREHOLDERS' EQUITY	62,784
CORE TIER 1 RATIO	10.84%
TIER 1 RATIO	11.44%

EMPLOYEES¹	over 156,000
BRANCHES²	over 9,300
TOTAL ASSETS	926,827

BRANCHES BY COUNTRY²

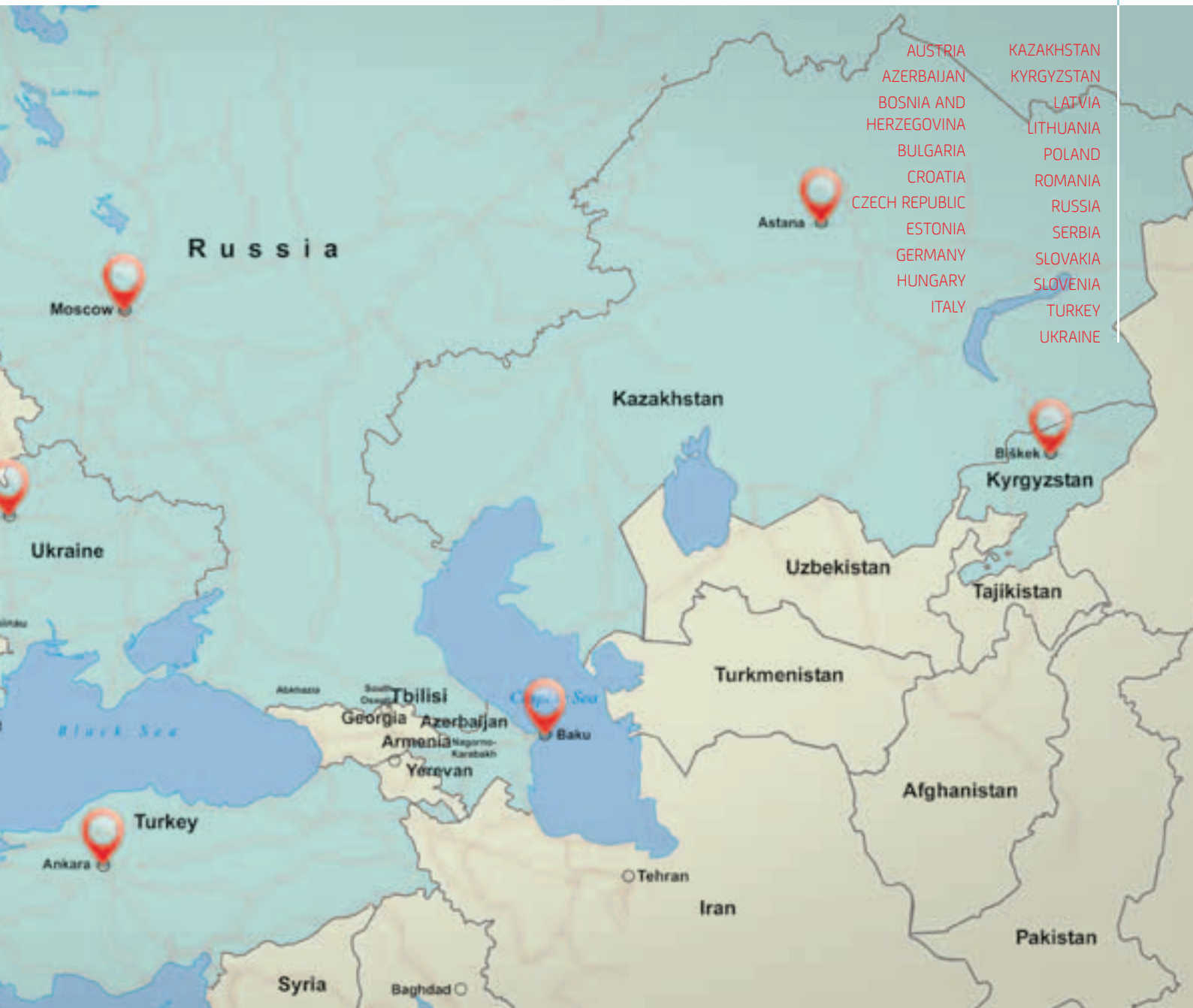


1. Data as at December 31, 2012. FTE = "Full Time Equivalent": number of employees counted for the rate of presence. Figures include all employees of subsidiaries consolidated proportionately, such as Koç Financial Services Group employees.

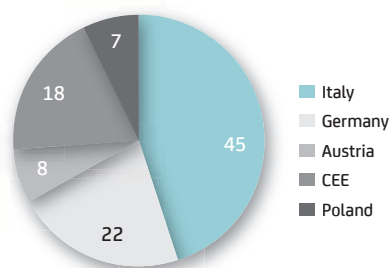
2. Data as at December 31, 2012. Figures include all branches of subsidiaries consolidated proportionately, such as Koç Financial Services Group branches.

* Data as at December 31, 2012.

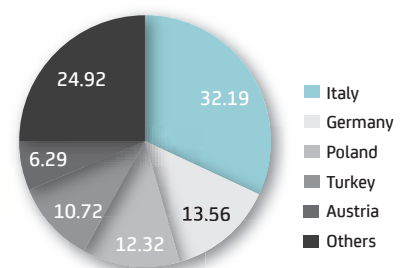
WHERE WE OPERATE*



REVENUES BY REGION* (%)



EMPLOYEES BY COUNTRY¹ (%)



Focus

AUSTRIA, GERMANY AND ITALY

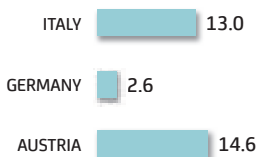
UniCredit occupies a strategic position in Italy, Germany and Austria. With about 310 branches in Austria, 860 in Germany and 4,300 in Italy, UniCredit comprises one of the largest banking networks in the heart of Europe. Accounting for more than one-third of the GDP of the European Union, these three countries benefit from their close ties to the growing economies of Central and Eastern Europe.

While 2013 may prove to be another challenging year for this region, sequential economic growth is projected to accelerate gradually. The ECB's announcement of the Outright Monetary Transactions (OMT) bond purchase program has significantly diminished tail risks in the eurozone, and the outlook has improved in tandem with market sentiment since August 2012. With the ECB providing an effective and credible backstop, financial markets are increasingly likely to reflect fundamentals. Italy's economy is projected to modestly expand in the second half of 2013. The factors underpinning these expectations are namely the lesser drag from fiscal consolidation in 2013 compared to the 2012, the gradual improvement in financial market conditions, which should soon start to positively affect sentiment and, most importantly, financing conditions for the private sector, which posed particular challenges to

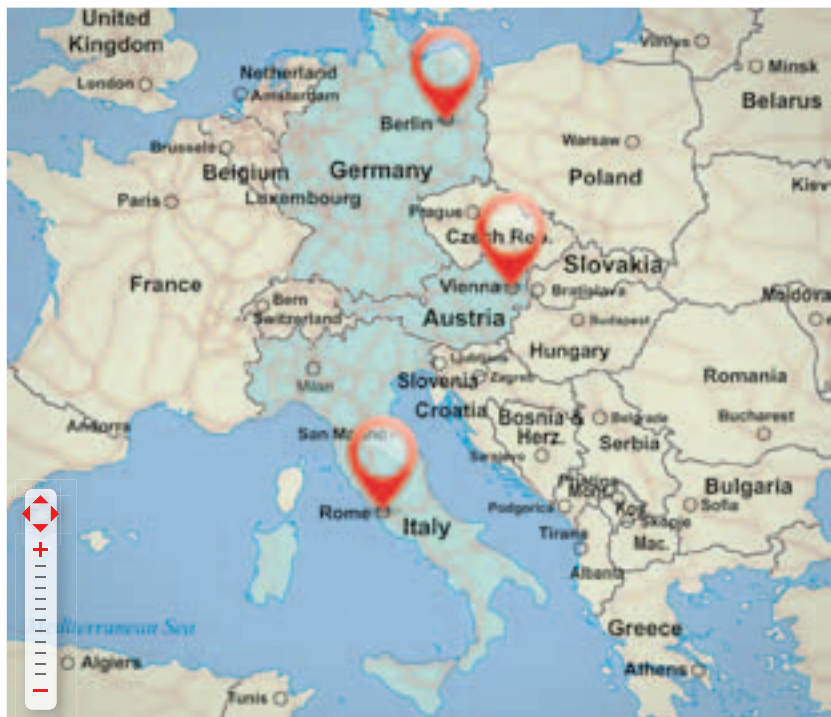
Italy in 2012. Finally, the third factor is the projected re-acceleration in global trade which is likely to be a key driver of economic growth for all euro area countries. It will also result in a moderate upward trend in consumption, thanks to rising wages and a solid labor market. In Austria, stronger trade and the international competitiveness of its industrial sector will likely foster an upswing in 2013, boosted by a slight increase in investment.

In the medium and long term, the OMT has helped to create a more favorable environment for politicians to implement structural reforms. These remain essential to achieving a sufficient degree of macroeconomic and fiscal convergence across the eurozone, while efforts continue to shape a credible pan-European architecture. This process is vital to making the eurozone stronger and more competitive moving forward. In Italy, the sustainability of the recovery will largely depend on the quick and effective implementation of reforms to restore long-term competitiveness and reduce public debt. Taking into account the reforms that have already been implemented in Italy, we expect real economic growth to continue at an average annual rate of roughly 1% in Italy and 1.8% in Austria and Germany from 2014 to 2017.

MARKET SHARE¹ (%)



1. Market share in terms of total Customer Loans as at December 31, 2012. Source: Eurostat, UniCredit Research.



CENTRAL AND EASTERN EUROPE

UniCredit is a market leader in Central and Eastern Europe, it has a broad network of roughly 3,800 branches.

Its regional footprint is diverse, and include a direct presence in 19 countries. It is ranked in the top five in 11 of these countries*. In fact the CEE now accounts for 26.2 percent of the Group's revenue**.

The region's economic environment is expected to improve, with GDP growth forecast to rise from 2.5 percent in 2012 to 2.9 percent in 2013 and to 3.4 percent in 2014. With Q4 2012 representing the bottom of the cycle, a sequential improvement in the numbers should be evident by Q1 2013.

Among the factors expected to aid recovery following a weak 2012, is a gradual improvement in external demand, with the potential to drive an increase in industrial production and exports across the region. Domestic demand should be supported by easier financing conditions, as central banks have cut interest rates and governments now have ample access to external financing.

It is not forecast an increase in interest rates in any CEE country for 2013. At the same time, lower inflation in some countries will boost purchasing power, and the positive trend in private credit should support an increase in activity in comparison with 2012. The region will also benefit from significant recent progress in narrowing budget deficits and stabilizing the ratio of public debt to GDP at relatively low levels.

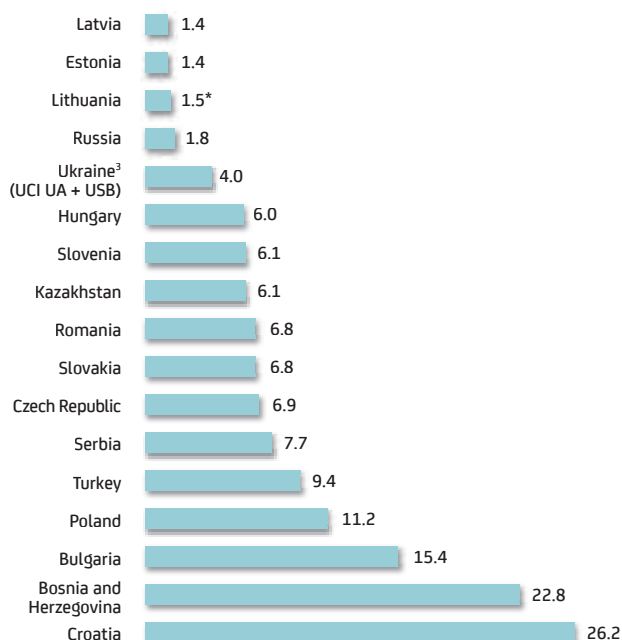
In most cases, the turnaround will rely initially on strong external demand, with domestic demand to follow. Turkey is an exception, with domestic demand already showing signs of recovery. In Russia, domestic demand, which has lagged behind the rest of the region, remained relatively strong for much of 2012, but is at risk of a moderate slowdown in 2013.

From a medium- to long - term perspective, we believe that the majority of Central and Eastern Europe economies will continue to see an increase in living standards as growth is supported by



competitive labor costs, flexible labor markets and a gradual recovery in foreign direct investment. Nevertheless, the primary challenge for the region remains a structural shortfall in savings, with the exception of Russia.

MARKET SHARE² (%)



* as at 30 September, 2012.

** as at 31 December 2012.

2. Market Share in terms of Total Assets as at December 31, 2012. Market Share in Azerbaijan and Kyrgyzstan not available.

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

Source: UniCredit Research, UniCredit CEE Strategic Analysis.

Concrete support to stakeholders

PROXIMITY



“ We want to be a bank that works relentlessly to provide superior service and concrete support to drive the economic growth of the territories where we work. This means developing new service models that connect companies in different countries and make our bank more accessible and easier to understand. This is our concept of what it takes to be a sustainable bank. And it is the enthusiasm, expertise and energy of our colleagues that makes it all possible. ”

Federico Ghizzoni, Chief Executive Officer, UniCredit





Highlights

112

performance indicators were covered

CONTINUED TO COMMUNICATE TRANSPARENTLY WITH STAKEHOLDERS: OUR SUSTAINABILITY REPORT ACHIEVED THE GLOBAL REPORTING INITIATIVE'S HIGHEST POSSIBLE APPLICATION LEVEL FOR THE THIRD CONSECUTIVE YEAR, BY ADDRESSING ALL CORE MATERIAL GRI INDICATORS

>940,000

interviews were conducted in one year

MAINTAINED A STRONG DIALOGUE WITH STAKEHOLDERS: WE CONTINUED TO INVEST IN OUR LISTENING PROGRAMS

6,450

employees participated

DEVELOPED A COMPREHENSIVE RISK MANAGEMENT CULTURE: OUR RISK ACADEMY CONDUCTED NUMEROUS TRAINING SESSIONS ON RISK-RELATED TOPICS

22

projects were screened in accordance with the Equator Principles

FOCUSED ON RESPONSIBLE FINANCE: WE APPLIED SOCIAL AND ENVIRONMENTAL RISK CRITERIA TO THE FINANCING OF LARGE PROJECTS

Our Approach

A decade of sustainability

A series of events over the past 10 years have tested the global economy, challenging countries and financial institutions to foster viable, smart and inclusive growth.

The early 2000s were marked by heightened attention to sustainability issues. The European Commission presented a framework to illustrate the direct relationship between sustainability and corporate competitiveness¹, while specific reporting guidelines, such as the Global Reporting Initiative (GRI), and specialized indexes emerged as drivers of corporate decision-making and transparency.

The end of the decade was characterized by the subprime mortgage crisis and the default of several banks, which triggered an unprecedented global economic downturn. The ensuing European sovereign debt crisis, combined with the erosion of the financial sector's reputation, diminished public confidence in the ability of banks to support the real economy.

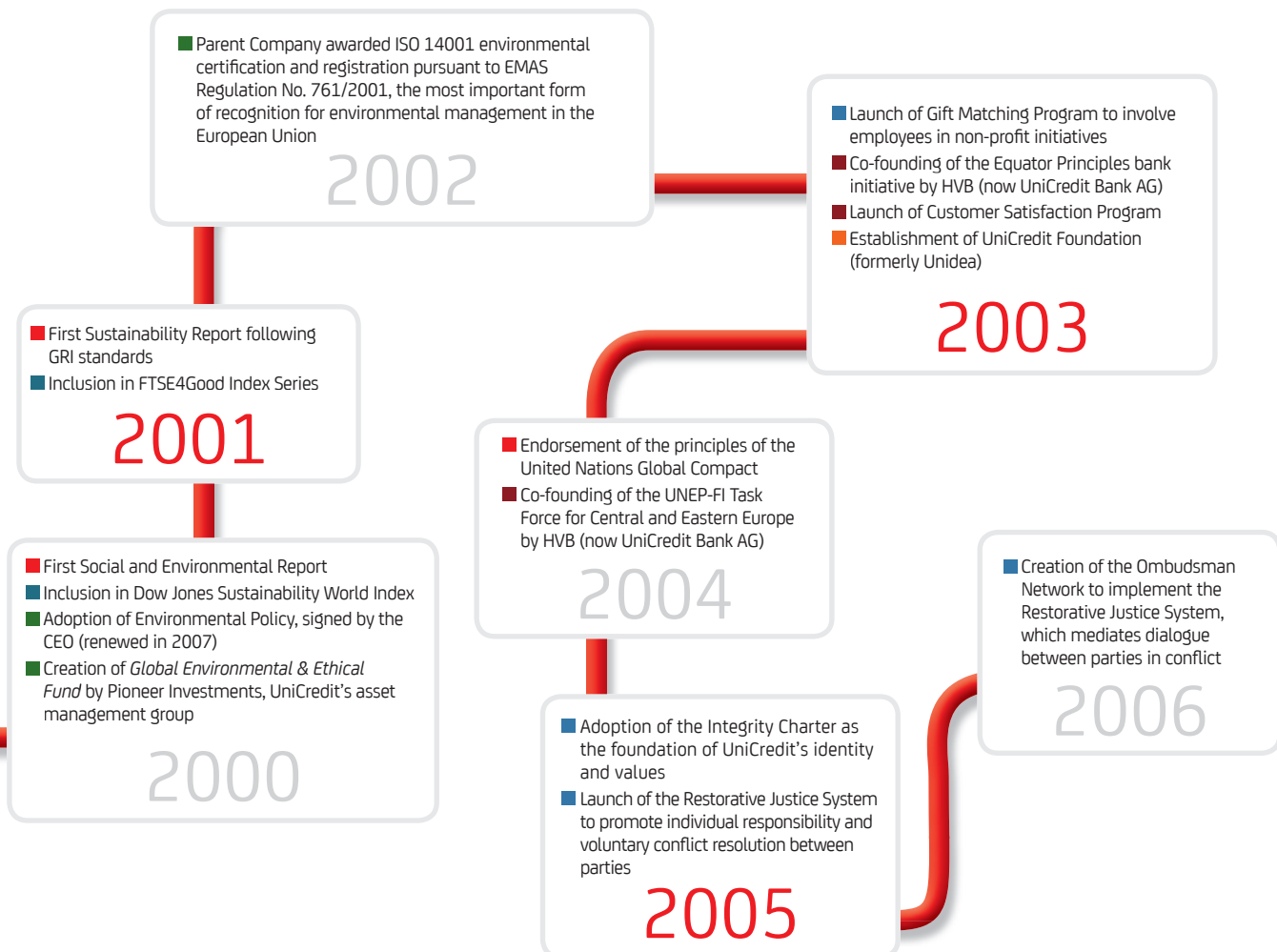
Ultimately, this resulted in a sharper focus on the long-term viability of the financial sector, as well as on the professional conduct of banks and their capacity to be good corporate citizens.

In the midst of this unprecedented socioeconomic environment, UniCredit continued to invest in improving its service model and marshaled its strengths to better serve its stakeholders.

We began by strengthening our commitment to transparency. UniCredit was among the first banks to publish a sustainability report that followed GRI standards. Then we endorsed principles set by supranational organizations, including the United Nations (the UN Global Compact, UNEP-FI and UN-PRI), the International Finance Corporation (the Equator Principles) and we adopted the London Benchmarking Group (LBG) model. These organizations and standards encourage companies to act responsibly and to report clearly on their environmental, social and governance (ESG) performance. Our Group's sustainability report has achieved the highest GRI application level, and we continue to be included in the Dow Jones Sustainability World and FTSE4Good indexes – all of which confirms our dedication to providing comprehensive reporting on our overall performance².

1. *Green Paper Promoting a European Framework for Corporate Social Responsibility*, COM (2001) 366, July 2001 and *A Renewed EU Strategy 2011-14 For Corporate Social Responsibility*, COM (2011) 681, October 2011.

2. Refer to the Informing Investors chapter for more information.





To run an enterprise responsibly demands not just a culture of sustainability, but a strong corporate identity. This requires a high level of employee engagement and effective rules and governance mechanisms.

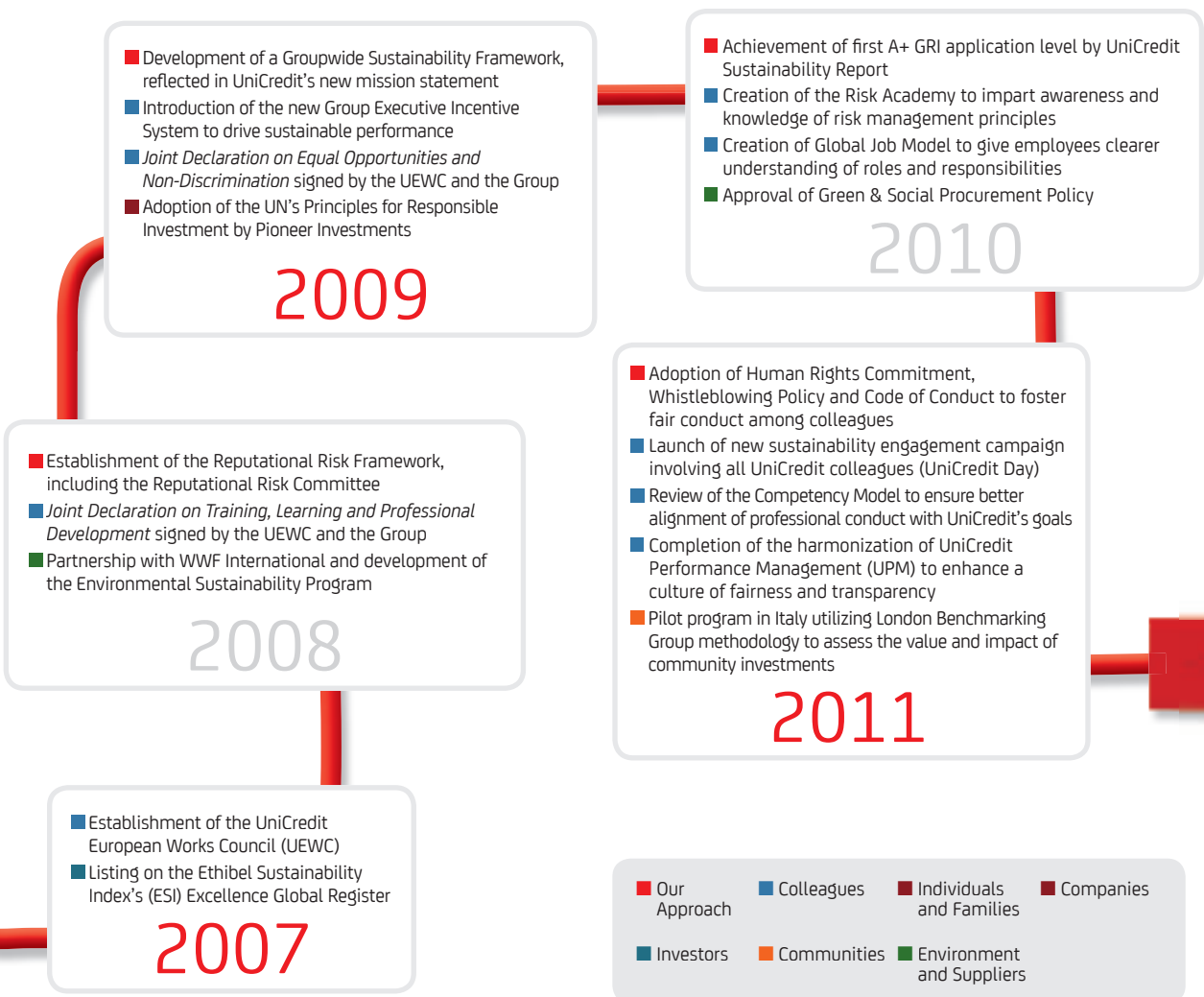
To this end, following a series of mergers and acquisitions, UniCredit introduced an Integrity Charter to define its core values, and created a Restorative Justice System to hold employees accountable to these values. We subsequently enacted a Code of Conduct, which supplements the Integrity Charter by outlining a set of principles to guide the daily activities of our colleagues. In 2011, we launched a Groupwide employee engagement campaign on our approach to sustainability to ensure that this cultural shift would take root throughout our enterprise.

Our Group defined a sustainability framework, which was incorporated into our new mission statement, with the object of translating our core values into practical conduct. Moreover, we adopted an integrated approach to risk management by

establishing risk committees and a Risk Academy to instill widespread awareness and knowledge of the subject. We went on to strengthen our commitment to fair business practices, by developing an executive incentive system linked to sustainability metrics. And we revised our Competency Model to align our professional conduct more effectively with the goals of our Group.

UniCredit's respect for natural resources represents an important dimension of our corporate identity. Our environmental policy applies to all of our operations, while our procurement policy includes environmental and social criteria. Recently we endorsed the Natural Capital Declaration, as lasting economic development demands that we consider natural capital in the course of our investment, banking and lending decisions.

These, among other steps we have taken over the past 10 years, illustrate our Group's commitment to the long-term development of the communities in which we live and work.



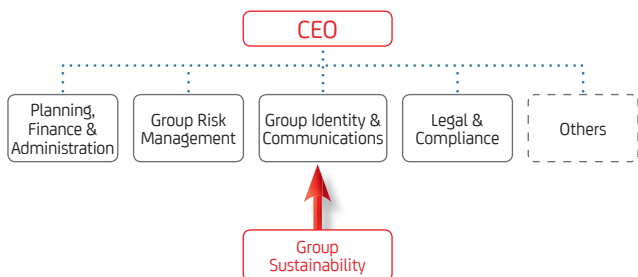
Our Approach

Our priorities

Large financial institutions are increasingly being asked to take responsibility for a range of socioeconomic impacts. At the same time, interest has been growing among investors and the business media in corporate accountability and strategies for long-term value creation. These developments have shaped the evolution of UniCredit's approach to corporate sustainability over the past decade. And so while we remain focused on building a strong corporate identity based on shared values, we have prioritized the improvement of our governance mechanisms and reporting activities. Our overriding goal is to fully integrate sustainability into our daily activities and to communicate effectively with our stakeholders.

Our sustainability staff of roughly 40 colleagues at the Group and local levels³ works to support top management in defining UniCredit's relevant strategy and policies. These are designed to minimize environmental and social risks associated with our business activities. Group Sustainability team reports on our sustainability performances and works to raise colleagues' awareness of how we can make a difference on a daily basis. To ensure the effective execution of its activities, the Group Sustainability team - within Group Identity & Communications - reports directly to the CEO. This direct line of communication strengthens our capacity to develop and fine-tune initiatives to contribute significantly to the long-term viability of our business.

SUSTAINABILITY GOVERNANCE⁴



Recently we invested in new software to collect, monitor and analyze data on our bank's performance. More than 300 users from 16 countries (and roughly 50 legal entities) contribute to feed the system, which incorporates a hierarchy of responsibilities to generate more reliable information. This software offers insight into 20 key reporting areas, by covering 200 GRI and other indexes indicators, and has significantly improved our ability to interpret our performance results.

UniCredit's main recognitions in 2012 speak to the efficacy of these activities. In addition to the over 80 awards we received Groupwide⁵, our improved performance in the FTSE4Good and the Dow Jones Sustainability indexes reflects the markets' positive view of our results.

As we move forward, our Group is working to:

- build a leaner organization - a bank that is simpler, more efficient and easier to understand
- further enhance our culture of sustainability, internally (by maintaining a high level of risk awareness) and externally (by contributing to a more viable socioeconomic environment)
- improve our cooperation with stakeholders by increasing our engagement with them (our stakeholder compass)

2012 KEY RECOGNITIONS

- Oscar di Bilancio 2012 winner in the "Banks and Financial Companies" category
- Dow Jones Sustainability Index, UniCredit's best performance
- UniCredit among the FTSE4Good Leaders
- Top Employers Europe 2012 in seven territories
- Best Cash Management and Best Trade Finance Bank in Central and Eastern Europe
- Best Sub-Custodian Bank in almost all territories

Building a leaner organization

UniCredit is working to be a simpler bank, focused on local needs, while maintaining the strength of an international group. With this objective in mind, we are becoming a leaner organization that is closer to our customers. We are redesigning our commercial networks according to the needs of our clients. And we are tailoring our products and services in a way that leverages our global skills for multinational customers as well as our regional expertise for local customers. This enables us to be:

- faster at making decisions – we are aligning our credit committees more closely with the needs of the countries in which they operate, while streamlining our processes
- easier to understand externally – we are instituting clearer separation between our global and local processes
- more innovative – we are investing in new products and services, and using our new branch format to support a holistic approach to commercial banking

At the country-level, our colleagues will have greater accountability and will manage our commercial banking operations directly. Meanwhile, our parent company's role in supervising operations will be reinforced. These adjustments will maintain our European mindset and our ability to share best practices while adapting them to local conditions. These efforts illustrate our commitment to maintaining the trust and confidence of our customers⁶.

3. This includes a dedicated team at the parent company level, and in Germany and Austria, as well as points of reference in Central and Eastern European countries.

4. Refer to the Supplement for more information.

5. Refer to the Supplement for more information.

6. Refer to the Serving Individuals and Families and Supporting Companies chapters for more information.



Enhancing our culture of sustainability

In 2012, we continued to build upon our strong culture of sustainability thanks to the commitment of our employees, our most valuable asset. Each and every one of them plays a role in making UniCredit a stronger and safer bank that is socially, economically and environmentally accountable.

To this end, we continued to conduct a training program launched in Italy at the end of 2011 to explore the concept and application of sustainability at UniCredit. To date, more than 17,000 colleagues⁷ have either participated in our online course *La Sostenibilità in UniCredit* or in one of our 47 classroom sessions.

As a bank, enhancing our culture of sustainability also means reinforcing our **risk management culture**, a fundamental driver of business development. But to build such a culture is a multi-step process, carried out across all business and control functions. A key element is to ensure that the underlying risks and potential implications of our actions are taken into account Groupwide, with our business and product lines serving as our first line of defense.

To this end, we foster a consistent understanding of risk management and relevant policies among our colleagues. With respect to learning and training, our UniCredit Risk Academy provided 93,800 training hours to 6,450 colleagues (up 18 percent from 2011) on such risk-related topics as credit, markets, liquidity, operational and reputational risks, and the regulatory framework. To increase employee awareness, we published 10 news pieces via internal communication channels, which garnered 14,164 unique visitors and 24,288 page views.

93,800 hours of risk-related training



Specific training sessions dedicated to reputational risk - including environmental and social risks - were conducted and involved more than 50 colleagues working in specific functions. These training programs included workshops on reputational risk issues linked to our environmental and social policies.

In December, we held our second Project Finance Policy - which has been approved by 22 of our main legal entities - and Equator Principles training event for CEE at UniCredit Bank Austria in Vienna. 27 colleagues from the risk management and business functions participated in this two-day workshop. Our Project Finance Policy includes also an Internal Equator Principles Toolkit, which helps colleagues apply these principles.

As a part of our Equator Principles outreach, we conducted additional training events in Russia for VEB (Vnesheconombank)⁸ and ZAO UniCredit Bank. Moreover, UniCredit presented at the two-day international conference *Investment in Sustainability*, which was organized by VEB together with such national and foreign

organizations as the Russian Ministry of Economic Development, UNEP-FI and the UN Global Compact's Russia network. Roughly 150 participants attended this event.

Both our training and Global HR processes have nurtured our risk management culture and fostered attitudes sensitive to risk management and controls. In particular, these have been integrated into our Executive Development Plan and Group Incentive System⁹. We will continue these efforts in 2013 by leveraging our existing framework and launching initiatives that focus mainly on setting new risk management standards and raising awareness of our risk and control culture.

FOCUS

Education on Human Rights

Respect for human rights is essential to our Group's role as a responsible financial institution. Indeed, our awareness of the direct and indirect impacts of our operations on human rights inspired UniCredit's 2011 Human Rights Commitment, which calls for a multi-stakeholder approach to this important topic.

In 2012, we translated our Human Rights Commitment into 15 languages and created an online training in four languages. We launched this training in Italy and Germany, in which roughly 9,000 colleagues participated in few months.

Meanwhile, we continued to engage stakeholders on this issue. In May, we presented our human rights approach in Romania at *CSR Lessons*, a public conference on sustainability attended by leaders from local and international companies, NGOs and various institutions. And in December, UniCredit participated in a panel discussion in Italy at the ninth annual Forum on *Business Ethics and Corporate Social Responsibility*, which focused on the implications of human rights also for the financial sector.

Our Group is working to better **manage environmental and social risks** by developing policies for sensitive sectors. In 2012, we put into effect two new financing policies for mining and water infrastructure¹⁰.

We also began to develop a new policy on coal-fired power generation. Given that our Group's energy sector investments are dependent on local energy resources and strategies, we initiated a project to research the energy mix, the impact of emissions, and likely technological developments in different countries. The project also assesses the input of relevant regulatory bodies and stakeholders. Our Group will use the aggregated information as a basis for internal discussions and for dialogue with key external stakeholders, including NGOs.

Moreover, we improved our capacity to conduct due diligence. Our Group proactively assesses environmental, social and

7. Data is related to participants from 2011 to mid-March 2013.
8. The Bank for Development and Foreign Economic Affairs.

9. Refer to the Valuing Our Colleagues chapter for more information
10. In specific reference to dams. Refer to the Supplement for more information.

Our Approach

governance issues that may trigger financial, reputational and compliance risks. To this end, we invested in tools designed to identify new data and assess critiques and controversies related to relevant projects around the world.

A stronger corporate culture of risk management also demands a greater sensibility to Groupwide **governance and control systems**. We are aware that UniCredit cannot perform effectively unless all of our colleagues share the correct attitude toward controls. Such an attitude does not diminish our ability to run our business; it strengthens it.

To this end, we have invested in a culture of sustainability and over the years have worked on the progressive Groupwide implementation of our Global Compliance Framework. We have done this to ensure that all relevant Group entities adopt compliance measures that are consistent with those in UniCredit SpA, even in countries where regulations do not require us to meet the same standards. The Global Compliance Framework, and the relevant compliance structures and methodologies are being applied and rolled out among the relevant UniCredit entities. This will continue in 2013 as we foster compliance with Groupwide policies, and the adoption and implementation of Group standards and faster approval mechanisms.

The adoption of our Group's rules covering key reputational risk areas¹¹ and related mechanisms is a fundamental prerequisite to implementing our approach to sustainability. These rules allow us to harmonize tools and practices across our Group that are related to key compliance areas and their control. Global compliance policies include disciplinary action, which will be applied if the policies are breached.

FOCUS

Reputational Risk Governance

Given the direct connection between our operations and reputation, we manage reputational and operational risks simultaneously. UniCredit's Operational and Reputational Risk department is responsible for measuring and monitoring risk. We also have a cross-functional committee to ensure that reputational risk policies and practices are consistent Groupwide. The Group Operational and Reputational Risk Committee (GORRIC) met 11 times in 2012 to approve new policies and guidelines.

We also confirmed our Reputation Assessment Program¹², which is directly supervised by our general manager. This program allows us to better understand how our stakeholders perceive UniCredit and, consequently, to anticipate reputational risks.

Specific compliance drivers are considered into our incentive systems, as well as appraisal processes integrating existing compliance rules. UniCredit's Compliance function is, among other things, responsible for planning and implementing a global compliance education and training strategy. Our Human Resources (HR) and local management are responsible for the timely completion of mandatory trainings, which is a 2013 priority.

The long-term success of our Group demands that we promote a **culture of sustainability that extends beyond our bank**. We believe it is to our benefit to encourage awareness on sustainability matters, which can strengthen our financial system as well as our social and economic environment. To this end, we have been active participants in the political debate about the development of new regulatory and supervisory frameworks that would balance the need for financial stability with the need for economic growth.

Since the rumblings of the financial crisis, our Group has advocated the reform of the European financial sector's regulatory and supervisory architecture. We are particularly focused on reforms that permit multinational banks to contribute to market integration and stability. Viable multinational banks are essential to assuring the free movement of capital and to strengthening single market integration.

Thus, our Group has been a strong supporter of a single rulebook, which would create a level playing field across jurisdictions. We also support the establishment of a Single Supervisory Mechanism (SSM) that would enable the European Central Bank to supervise all banks within the eurozone. Our Group believes non-eurozone member states should have the option to participate in the SSM, because a truly European framework for regulation and supervision represents the only sure way to prevent the fragmentation of the single market. It is also the only sure way to protect the free movement of resources. Moreover, UniCredit is an active supporter of the European Commission's efforts to establish a crisis management and resolution framework for the European Union.

As part of our commitment to heighten awareness on how approaching sustainability, our Group has been working with *La Mia Finanza Green*. This online news site is a division of *La Mia Finanza*, an authoritative website in Italy used by more than 750,000 savers and investors.

La Mia Finanza Green seeks to close the information gap regarding different companies' approaches to sustainability. To date, our Group published six educational releases on the website to explain what sustainability means for different stakeholders, and to define what sustainability means for our bank. These releases were viewed by more than 60,000 unique visitors.



More information is available on the dedicated section in our website

11. Includes among others corruption and bribery, privacy, antitrust/anticompetitive practices, money laundering, insider trading and whistleblowing.

12. Refer to 2010 and 2011 Sustainability reports for more information on the program.



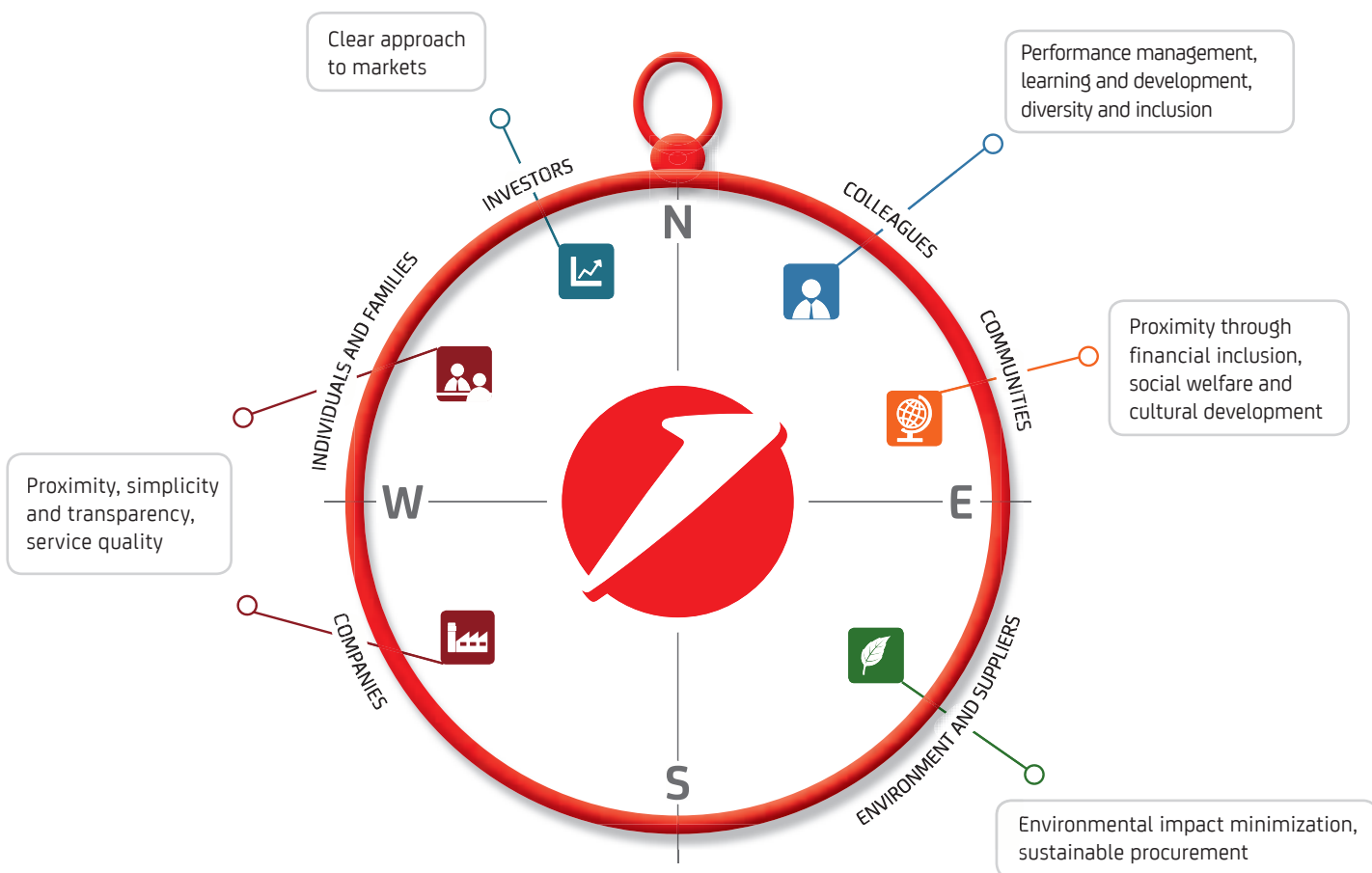
Making full use of our stakeholder compass

Our Group's progress over the past 10 years is closely tied to our ongoing dialogue with stakeholders. They play a vital role in our strategy and business operations. We believe the ability to trust, understand and listen to each other generates significant value.

We continue to run strong listening programs to identify issues of interest to our stakeholders and to determine where we need to focus our activities. In 2012, we conducted more than 940,000 interviews with internal and external stakeholders.

The growth of social media is changing how we work and engage with our stakeholders. By complementing traditional communication channels, social media helps us build stronger relationships, collect feedback and monitor viewpoints regarding our products and services. Naturally, to leverage this vital resource properly requires us to promote an understanding of what constitutes an appropriate use of social media. To this end, we have created 14 Social Media Country Teams to support colleagues who interact with stakeholders through these new channels. Our goal is to establish a common online communications approach in all of our countries, based on an integrated social IT platform that is fully compatible with our multi-channel banking systems¹³.

Similar to 2011, we have reported on our stakeholders' material issues – that constitute our stakeholder compass – by describing the activities in which we have engaged¹⁴.



13. Refer to the Serving Individuals and Families chapter for more information.
 14. UniCredit's approach to material issues is described at the beginning of each chapter.

Our Approach

GOALS

2012

KEY
ACHIEVEMENTS

2012

GOALS

2013



Valuing Our Colleagues

Strengthen UniCredit's integrated approach to risk management through relevant training and communications

Continue to invest in our culture of sustainability by raising awareness of stakeholder services and by linking our planning activities more closely to our listening programs

Maintain a high level of employee engagement and commitment, and improve our organizational efficiency. Communicate clearly and regularly to colleagues regarding our progress in achieving the goals outlined in our strategic plan, and highlight issues and actions related to our business and targets

Improve our leadership pipeline by:

- refining our leadership development processes and promoting gender diversity in executive positions;
- investing in training programs that reflect our Global Job Model catalogue, and improving their quality by using innovative and efficient learning methods

Achieved: 6,450 employees (up 18 percent y/y) received training in such areas as risk related to credit, markets, liquidity, operations and reputation as well as the regulatory framework

Achieved: the new section, Customers' and People's Voice, was created on the intranet to share results, opinions and other topics related to our listening activities. Our two training programs, the Induction and Management Learning Labs, now provide an overview of customers' evolving needs and how to improve our reputation and customer satisfaction

Achieved: we improved our colleagues' understanding of UniCredit's major strategic decisions, by means of focused communications on the pillars of our strategic plan

Achieved: we adopted criteria for our performance appraisals to align with business results and created leadership development programs based on the performance, potential and career objectives of our employees. We promoted gender diversity at the executive-level and carried out relevant initiatives through our Gender Balance Program. We tailored our learning programs to specific job profiles

To further define our performance management and professional development processes (e.g., Executive Development Plan, Talent Management Review, UniCredit Performance Management and Executive Incentive System), while accounting for UniCredit's business needs and feedback from participants

To enhance our competitiveness by maintaining a balance between costs and business performance, fostering employee engagement, and emphasizing professional development and talent retention

To increase individual accountability Groupwide regarding risk, compliance and controls, all of which impact our reputation and results



Serving Individuals and Families

Ensure closer proximity to our customers by enhancing our "easy to deal with" approach and investing in:

- simplification, transparency and front-end empowerment
- channel optimization
- new products to be marketed through multiple channels

Strengthen relationships with our customers by building and maintaining their trust, and by investing in customer service and product quality

Achieved: as we carry out our multichannel strategy everywhere we operate, we are providing our products and services to customers using their preferred means of communication. Roughly five million UniCredit customers actively do their banking online and some 250,000 customers in Italy have downloaded our UniCredit mobile banking app. Moreover, to ensure that our Group becomes increasingly easier to do business with, we further invested in simplifying our services. In Germany, for example, we introduced our HVB Online current account in 2012. In its first few months, it attracted roughly 10,000 new clients with its efficient account-opening process

Achieved: we evaluated our customer service model to assure a customized customer approach and trained our front-line employees; 5,395 relationship managers in Italy received training. We continued to communicate with customers by assessing their experiences and by involving them in the development of new products and services

To maintain our customer-driven sales culture, by understanding the customer perspective and creating better tailored and even simpler proposals

To strengthen our multichannel value proposition by providing integrated and sophisticated products and services

To improve our capacity to communicate and invest in relationships introducing initiatives to continue simplifying our service model



Supporting Companies

Deliver concrete solutions to support companies' internationalization by:

- simplifying and improving our financial products
- reinforcing the skills and support structures of our relationship managers
- developing essential IT infrastructure

Achieved: in Italy, achieved significant results in internationalizing customer businesses, and began involving other countries per our strategy. Our Cross Border Account Opening project was nearly implemented Groupwide, with 90% coverage, to significantly simplify the bureaucracy of opening new accounts.

Further developed our IT platform and new digital devices across our Group, including online and mobile banking, to allow 360-degree customer interaction. Clients can choose their preferred channel to do their banking, reducing service time.

Conducted training programs for our colleagues to assure high service standards. Introduced new trainings to provide sector-specific insight and assure understanding of the customer environment

To continue to support companies to internationalize their businesses, focusing on market and partner identification services, as well as tools to provide full process assistance

To implement strategic initiatives to improve customer service, by leveraging:

- cross-border team coordination
- unique senior-level interface
- a holistic approach to improve dialogue

To focus on cultivating SME customer relationships, by developing ways to simplify processes and procedures, and multichannel investing



GOALS	2012	KEY ACHIEVEMENTS	2012	GOALS	2013
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Informing Investors

Further increase the number of events designed to improve our dialogue with investors, analysts and rating agencies, while continuing to keep the markets up to date on news related to UniCredit

Focus on external online communications and develop a new and simpler web layout for the investors section

Partially achieved: the IR team provided more specialized communications, leveraging on subunits that were created to service specific counterparties and increased the meetings held with buy-side/bond investors although slightly fewer meetings were held with sell-side analysts and rating agencies compared to 2011

Achieved: the investors web section now includes a tool for investors and analysts to initiate dialogues directly with their relevant IR counterparts. The fixed income subsection was also improved

Achieve increased engagement with investors via face-to-face and remote meetings to consolidate and expand the geographical reach of UniCredit's financial communication strategy

Expand the geographical reach of UniCredit's financial communication strategy for fixed income investors

Target investors who include ESG indicators in their investment strategy



Fostering Communities

Further support the economic and social development of our communities by:

- helping individuals to better grasp financial concepts in order to improve their money management and make more informed decisions by consolidating and expanding our financial education programs
- enhancing our financial services to non-profits, piloting our *Universo Non Profit* model outside of Italy and partnering with non-profit organizations through the UniCredit Foundation to increase our employees' involvement in charitable work.
- empowering future generations to build healthy and innovative communities, supporting talented students and researchers through the UniCredit & Universities Foundation's *UniCredit Study-Abroad Exchange Programme*, and expanding *Il Talento delle Idee* program to provide young entrepreneurs with a platform to launch new business ideas

Achieved: we positively continued our financial education programs in Italy, Germany, Austria and Romania, reaching over 31,400 participants, providing over 83,000 training hours both through face-to-face and reaching about 107,000 visitors through online modules

Achieved: we piloted the *Universo Non Profit* model in Romania and are conducting feasibility studies in Germany, Austria, Poland and CEE (i.e. Russia, Serbia and Turkey); through select social welfare initiatives, with the engagement of UniCredit Foundation, we attracted roughly 33,720 employees supporting over 470 projects from non profits

Achieved: we launched 17 competitions by UniCredit & Universities Foundation and awarded 46 grants to students and researchers (22 prizes from *UniCredit Study-Abroad Exchange Programme*) and nominated 21 startup winners from the *Il Talento delle Idee* 2011/2012 edition

To renew our support for social and financial inclusion, and cooperate with public and private institutions and organizations at the local and international levels. We will work by:

- promoting financial literacy through enhanced financial education programs, leveraging on web channels and social media platforms
- partnering with the non-profit sector on issues including unemployment, ageing populations and health; and increase our employee engagement, mainly through the UniCredit Foundation's *Gift Matching Program* and its related local projects
- supporting the development of young talent via special prizes, academic grants and other programs, and by beginning to provide internship opportunities within the UniCredit network through the UniCredit & Universities Foundation



Preserving Natural Resources

Maintain our Eco-Management and Audit Scheme (EMAS) registration and extend it to encompass its newly expanded scope

Update our product specification sheets to include social and environmental standards in our procurement processes

Finish testing and assessing our Group's model for carbon risk management

Reduce our carbon emissions by 15 percent by year-end

Achieved: secured EMAS registration for roughly 4,400 sites where roughly 45,000 colleagues work

Achieved: developed new product specification sheets, which are now used in our product catalogue in Italy

Partially achieved: conducted testing, but feedback suggests that further amendments must be made to the model in 2013

Achieved: decreased emissions by 24% from 2008 baseline as of the end of 2012

Assess the possibility of setting a more ambitious GHG abatement target for 2020

Promote a wider use of certified environmental management system across the Group

Increase commitment in understanding environmental impacts of our business

LISTENING



Step into Customer Shoes

“*Our Step Into Customer Shoes training reenergized my will to act. One of the activities involved us visiting a hotel to observe the quality of customer service. When we arrived, there was no one to greet or assist us. It helped me to understand how clients must feel if they are not given enough attention. After our training, I had my relationship managers visit other banks as clients; this changed both their understanding of and approach to their work. They developed a better sense of what our customers need and how they could better respond to those needs.*”

Olena Tereschenko
UniCredit employee, Ukraine





Highlights

100%

of our employees included in annual performance management processes

IMPROVED TRANSPARENCY BY STANDARDIZING OUR PERFORMANCE MANAGEMENT SYSTEMS GROUPWIDE

~32

training hours per capita

BOOSTED OUR COMPETITIVENESS BY INVESTING IN THE DEVELOPMENT OF OUR EMPLOYEES' PROFESSIONAL SKILLS

30%

female presence on the boards of several UniCredit subsidiaries

SUPPORTED EQUAL OPPORTUNITY BY ACHIEVING OUR TARGET OF GREATER GENDER BALANCE

75%

score in Engagement Index

PROMOTED THE ENGAGEMENT OF OUR EMPLOYEES IN OUR GROUP'S OBJECTIVES BY WORKING TO MAINTAIN THEIR HIGH LEVEL OF COMMITMENT

Valuing Our Colleagues

As the economic environment continues to evolve, our customers' needs change with it. This demands that we adapt our business accordingly, to generate sustainable revenue and to secure our future profitability by responding to the material needs of our stakeholders.

MATERIAL NEED	OUR APPROACH
Performance management	<ul style="list-style-type: none"> • Simplify and consolidate our performance management processes • Develop consistent standards for our colleagues
Learning and development	<ul style="list-style-type: none"> • Design distinct and focused professional development initiatives while maintaining a consistent approach to appraising performance, employee potential and personal goals • Specialize our learning programs according to job profiles and business segments
Diversity and inclusion	<ul style="list-style-type: none"> • Promote gender balance in our leadership • Support people with disabilities • Value age • Engage colleagues in our Group strategy

of teams and individuals. And because our performance appraisal process is standardized, we are consistent in our communication on our expectations for all positions, as well as in our decision-making processes regarding career development and compensation.

UPM is facilitated via a dedicated application, in countries where our supporting IT platform is in place.

All of our employees undergo annual performance appraisals



Our straightforward, Groupwide performance management system offers concrete benefits. Colleagues receive feedback to boost their career motivation and growth, while managers can evaluate and develop their team with fairness and transparency by differentiating development options according to performance goals and growth opportunities. Overall, UPM creates a common performance culture and improves our business sustainability.

Performance management

To be a sustainable bank demands that our methods for measuring performance – and rewarding it – be transparent Groupwide. That is why we have simplified and consolidated our HR processes and created consistent standards for our colleagues.

Measuring performance transparently

In 2012, we implemented UniCredit Performance Management (UPM), a standardized Groupwide performance appraisal and career development process. Appraisals are performed throughout a colleague's career on a 12-month cycle. This process aligns our actions with our business strategy by connecting UniCredit's goals with those of our employees.

UPM is linked to both our Global Job and Competency models, which together define the job responsibilities and requirements for each position within UniCredit. It sets the standards according to which we monitor and evaluate the achievements

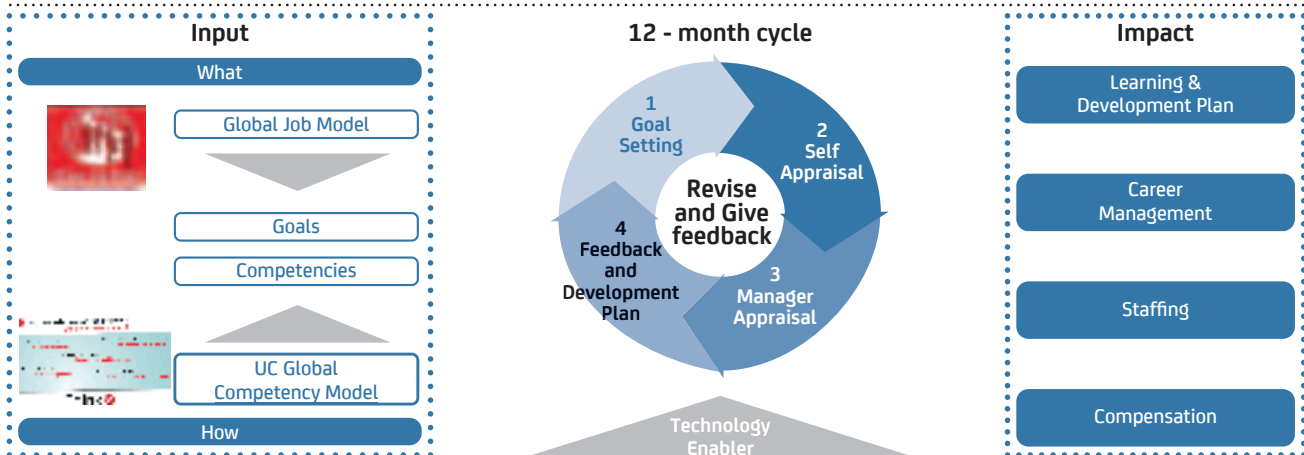
Rewarding sustainable performance

We are working to ensure that our professional development and compensation systems are simple yet effective and in alignment with our business and HR strategies, as well as the evolving regulatory environment.

In the process of standardizing and streamlining our HR processes, in 2012 we aligned the processes and scheduling of our Executive Development Plan (EDP) with those of our Group executives' incentive system. By doing so, we established a single appraisal and goal-setting process for both leadership development and incentive compensation.

The results from this process give an overview of appraisals, development opportunities and variable compensation. This allows managers to conduct a full assessment of operational, sustainability and other metrics from the performance appraisal and to define the final compensation.

UniCredit Performance Management





This approach enables us to measure and reward performance based on common principles and to foster successful careers through targeted incentives. A user-friendly IT tool allows us to simplify and automate the entire process.

Our 2013 goal-setting process for Group executives is based on our KPI Bluebook, which provides managers and HR with specific guidelines to define the objectives of the performance management and appraisal process. These guidelines ensure respect for our strategic direction, our risk approach, applicable regulatory frameworks and the measurability of results. In a review undertaken for the 2013 KPI Bluebook, we focused on the KPI category “enhance risk and control culture” and worked to clarify the goals of the support and control functions. When setting goals, managers are asked to select at least one risk-adjusted KPI, or a KPI related to the “enhance risk and control culture” category, for each Group executive. Additionally, a mandatory qualitative evaluation of risk, compliance and control competency and attitude - both in the self-assessment and in the manager appraisal - now applies to every executive within the EDP process.

These initiatives enhance our risk, compliance and control culture Groupwide.

One integrated development and incentive system for approx 600 Group executives

For our non-executive employees, a system of incentives has been developed on the basis of our Group Compensation Policy, which provides comprehensive compliance guidelines on this subject. These ensure that incentives at all organizational levels contribute to our sustainability by aligning our aspirations and behavior with UniCredit’s long-term objectives. Since the guidelines encourage balanced, performance-based compensation among all employees, this approach helps foster a sustainable, high-performance culture.

Our Group offers benefit packages and employee welfare initiatives that aim to:

- ensure consistency with our business needs and employment framework
- advance our business sustainability
- have a positive impact on our engagement and productivity
- generate perceived value for our employees

Learning and development

Our Group continued to invest in our learning and development programs in 2012, as part of our commitment to improve the professional skills of our colleagues and the quality and accountability of our leaders. We differentiated leadership development programs based on employees’ performance, potential, stated career objectives and professional transitions. We also tailored our learning programs to specific job profiles, while taking into account the need to balance cost considerations with total impact, ensuring that our activities are sustainable.

Promoting talent and leadership development

The complexity of today’s business environment, combined with the challenging objectives of our strategic plan, demand that we continue to invest in our leadership. We are doing this by fostering the professional growth of our colleagues, developing their full potential and retaining key talent.

We have worked to distinguish our different development initiatives while maintaining a consistent approach to appraising our employees’ performance, potential and personal goals. The same consistent approach applies to our succession planning.

In 2012, our Group Open Mentoring Program enrolled 82 new participants, for a total of 500 selected executives and talents. Additionally, we introduced a mentoring program for a smaller pool of Group executives focused on career development. In this program, top managers are enlisted as mentors, including Executive Management Team members. To date, 18 employees are enrolled in this program, 12 of whom are women.

We have also refined our criteria for talent selection, assessment and development. As a result, the number of employees in our Groupwide Talent Management Review decreased by 10 percent in the last two years; it now comprises roughly 1,000 new talents, 100 of whom received coaching.

We also launched our *Talent Induction* program, which provides promising colleagues with input on how to manage their professional development, improve their current performance and build long-term career objectives. In total, 164 employees participated in the first round of this program.

164 employees took part in our Talent Induction program

Valuing Our Colleagues

Over the years, our Group has invested in creating a performance-focused culture and ensuring that our local processes are in line with Group-level guidelines. As a result, we have been paying closer attention to developing country-level initiatives that support high-performing colleagues. For example, we:

- established talent assessment and development centers in Italy, Austria, Poland and several CEE countries
- enrolled 90 colleagues in *Meet Successful Leaders*, an event series in Bulgaria that provides opportunities to engage in dialogue with experts on the national economy
- launched the *Talentum Program* in Hungary, which creates opportunities for professional development, such as participating in cross-function projects. Of the more than 100 employees who applied to the program, 20 colleagues were selected

The development of UniCredit's people is the shared responsibility of our managers, our employees and our organization. We are convinced that opportunities to learn on the job are particularly valuable for honing leadership skills. That is why we have begun to design individual action plans based on the *Leader-Led* development approach. This leverages on-the-job opportunities for executives and selected talents to drive behavioral change and acquire new skills.

We have also identified and formalized on-the-job activities that offer the greatest impact on performance for our executives and talents. This was done by drawing on successful activities undertaken by our managers in the past and on external best practices, which have been incorporated into an on-the-job catalogue.

Nurturing superior knowledge

In order to better respond to the needs of our people and customers - and to optimize our investments in employee training - we worked to specialize our learning offerings according to job profiles and business segments. We continued to make use of high-quality IT tools and to draw on the expertise of internal facilitators. We focused on our *train-the-trainer* sessions and produced the *WeLearn International* platform through which trainers can interact, post guidance materials and share best practices. Our efforts served both to manage costs and increase effectiveness. We also increased our total training hours per capita by 17 percent in 2012.

As in previous years, we worked on building our employees' skills to enable them to respond effectively to customer needs and have a positive impact on the customer experience. Our technical training programs are designed to expand our employees' product knowledge, develop core banking skills, and hone their sales and relationship management expertise.

As part of our strategy to support the internationalization of Italian enterprises, in 2012 we developed a specific foreign certification path. This learning path aims to impart and certify professional skills related to managing international transactions. It focuses on trade finance associated with the management of risks for employees who manage front- and back-office activities in Italy and Romania. It promotes a high standard of quality from end to end of the production chain. To date, we have issued 812 certifications.

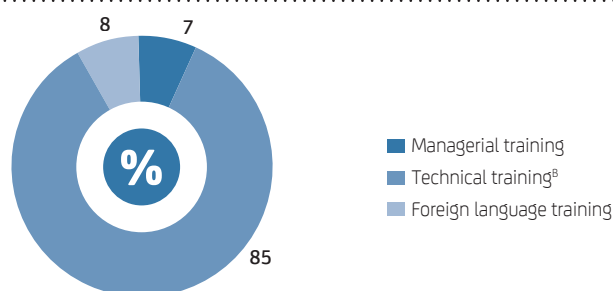
We are continuing to improve our employees' ability to understand customer needs and manage their relationships effectively and, to this end, we developed several country-level initiatives¹.

FOCUS

Step into Customers' Shoes

In Ukraine our retail employees are trained through an innovative approach that involves mystery shopping. Colleagues experience how it feels to be a customer, and then they create an action plan to improve their own impact on customers. In 2012, 143 people participated.

Percentage of training hours, breakdown by type of training, 2012^A



A. This data is based on 80 percent of the total Head Count. Training hours include e-learning, classroom training and training on the job.

B. Our technical trainings focus on areas including new system implementation, core banking skill certification, and sales and relationship management skills.

In addition to supporting our sales force with specialized training, we developed new learning opportunities to meet the needs of our Group's highly specialized competence lines.

Our training offerings for employees in our competence lines are experience-based. They include training modules that are both specialized and cross-functional. These learning modules are designed to improve core skills, which vary based on position, job category and level of expertise. For example, offerings for the CFO competence line include courses on financial controls, the Basel III regulatory framework and other topics. Cross-functional learning opportunities help develop such skills as public speaking, team management and project management. Our offerings are provided via different methods - from classroom learning to learning online - and incorporate suggested readings and on-the-job opportunities.

To date, we completed learning offerings for our CFO, Internal Audit and Organization competence lines, and are currently designing them for the remaining areas. In 2013, we will complete our learning catalogue for HR and Group Identity & Communications.

1. Refer to the Serving Individuals and Families and Supporting Companies chapters for more information



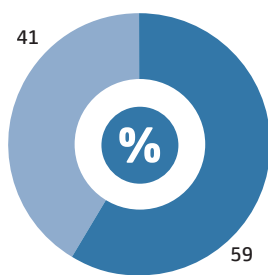
Diversity and inclusion

UniCredit operates in 22 countries employing roughly 169,000 individuals with the majority being in Italy, Germany and Poland. Our Group is 41 percent male and 59 percent female, and 60 percent of our colleagues are between the ages of 31 and 50, with the average age at just over 40.

Employees by gender and by country, 2012

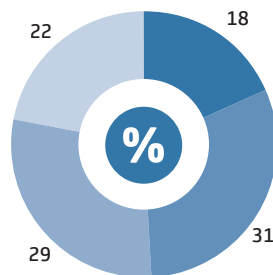
Country	Female	Male	Head Count
Italy	44%	56%	52,597
Germany	55%	45%	24,259
Austria	56%	44%	11,522
Poland	78%	22%	20,380
Bosnia and Herzegovina	72%	28%	1,784
Bulgaria	77%	23%	4,667
Croatia	74%	26%	5,060
Czech Republic	61%	39%	3,011
Hungary	69%	31%	2,494
Kazakhstan	71%	29%	3,087
Romania	72%	28%	4,638
Russia	69%	31%	4,115
Serbia	63%	37%	1,052
Slovakia	70%	30%	1,591
Slovenia	64%	36%	660
Ukraine	78%	22%	8,248
Other	59%	41%	20,043
Total	59%	41%	169,208

Total workforce by gender, 2012



■ Female
■ Male

Total workforce by age, 2012



■ up to 30 years
■ 31-40 years
■ 41-50 years
■ above 51 years

Given the diversity of our workforce, it is strategically important to our Group to create a culture of inclusion - one that values differences at every level of our organization. To this end, and in line with the Joint Declaration on Equal Opportunities and Non-Discrimination, we continued to invest in making full use of the talent, skills, experience and different cultural perspectives

within our Group. We do this because we want our people to feel valued and to achieve their full potential. To support these efforts, we conducted a survey at the beginning of 2013 in seven countries², focusing on colleagues' perceptions of issues related to diversity and inclusion. We received more than 8,000 survey responses, amounting to nearly half of the colleagues contacted. After we analyze their responses and feedback, we will establish a baseline for measuring the mid-term effectiveness of our initiatives.

Promoting gender balance

In line with our 2012 priorities, we promoted gender balance in our leadership pipeline. By doing so, we achieved our target of having 30 percent female representation on the boards³ of several of our subsidiaries, including Bank Pekao SA and UniCredit Leasing SpA. These results went beyond the legal requirements, as these subsidiaries are not subject to Italian law. At UniCredit SpA, 21 percent of our board positions are currently held by women; we will continue to pursue our targets Groupwide as the terms of our board members expire.

We also made progress in our Gender Balance Program, which our Group launched at the end of 2011. The program's five working groups - each led by an HR executive and a business leader - include 51 individuals. Of these participants, 47 percent are from HR while 53 percent are from our business or competence lines in Italy, Germany, Austria, Poland and several CEE countries. Thanks to their participation, our program marked several major achievements, including:

- the development of a Groupwide Gender Equality Policy, which will apply to HR processes and practices. This will create a more level playing field, enabling all employees to develop their full potential regardless of gender. The policy defines responsibilities at both the legal-entity and Group levels in the course of executing our strategy to achieve greater gender balance; annual monitoring of our progress on diversity is also covered. The policy will be approved by the end of 2013
- the creation of a KPI dashboard, which indicates the percentage of gender representation by tier, country, competence and business lines, and key business functions. It provides information on precisely how the pipeline is working (e.g., showing whether there is gender balance across new appointments). In addition to helping us measure results, the dashboard provides baseline data and guidance on how best to implement gender balance Groupwide
- the definition of career and development plans to accelerate the professional development of top performers and high-potential executives. These plans place a stronger emphasis on building a gender-balanced leadership pipeline. We also designed a learning lab to help women Groupwide to improve their self-awareness and their ability to manage their professional growth
- the development of a communication plan to raise awareness among our employees and create a culture of inclusion

Our Gender Balance Program will be rolled out in eight countries⁴ in 2013, covering 60 percent of all UniCredit colleagues and roughly 70 percent of our managerial staff positions.

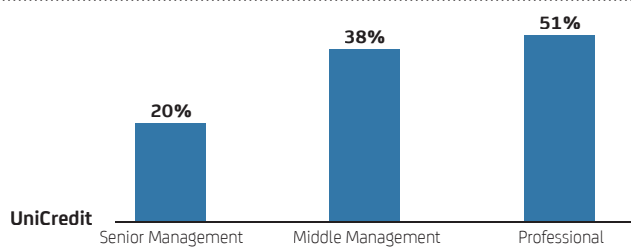
2. Italy, Germany, Austria, Bulgaria, Croatia, Hungary and Romania.

3. Board of Directors or Supervisory Board.

4. Italy, Germany, Austria, Poland, Bulgaria, Croatia, Hungary and Romania.

Valuing Our Colleagues

Female presence by tier, 2012



Source: Gender Balance Program KPI Dashboard

We continued to invest in initiatives in 2012 that promote gender balance at the country level.

In Germany, we supported a series of initiatives for our female employees' professional development, including discussions on business topics with the bank's senior management. We provided mentoring opportunities for 43 new female mentees, with board members as their mentors. And we organized forums for female senior and first vice presidents to meet with the Bank CEO or board members. We also established a target for women in managerial positions, and we are working to increase this figure from 22 to 30 percent by 2017.

FOCUS

UniCredit Women's International Network (UWIN)

Our Group continued to leverage UWIN to strengthen our female leadership. Acting as a sounding board, our network provides listening, communication and discussion opportunities that can generate innovative ideas and foster cultural change. Because of the active participation of the women in our network – and the synergies they created for our HR structures – we consolidated several initiatives and launched new projects in 2012. For example, roughly 200 colleagues participated in 11 new editions of *Shaping My Future*, a learning experience designed to increase women's self-awareness and to help them plan their professional growth. We also organized nine sessions for 60 participants to learn public speaking, in order to boost their confidence in pitching new ideas and projects. Moreover, we launched *90 Days*, a pilot childcare program that takes place during school holidays and is managed by professional educators at UBIS headquarters in Milan. This initiative was proposed and developed by our network members, and was fully endorsed by Group management. Given the initiative's positive response, we are examining the feasibility of expanding it to other sites.

In Italy, we held five editions of our *Leadership Lab*, an initiative designed to support leadership growth among female managers. In 2012, 88 women in our network took part in this initiative.

We also continued to develop our mentoring programs in Italy. In collaboration with the UniCredit Women's International Network (UWIN), our senior managers mentored colleagues, focusing particularly on women. Of their 61 mentees, 67 percent were female.

Goal: to increase females in managerial positions in Germany from 22% to 30% by 2017



Supporting people with disabilities

We are working to minimize the barriers that our disabled employees face, by creating an environment that makes their daily tasks easier.

To this end, in Austria we hosted our second *Zero Project Conference on Employment Rights of Persons with Disabilities*. Held in collaboration with the International Labour Organization, the World Future Council and the Essl Foundation, the event raised awareness of innovative solutions employed around the world that advance the labor rights of people with disabilities. Moreover, it reaffirmed stakeholder commitment to promote, protect and advance the rights of individuals with disabilities.

Additionally in Austria, we:

- continued to upgrade our branches and buildings to ensure they are barrier-free for those with disabilities; we expect the upgrades to be completed by 2016
- established a disabled colleagues network and a team of employees to manage communications for the hearing and visually impaired (e.g., in sign language and Braille)
- finished making the Bank Austria website and its offerings more accessible to people with visual, hearing or learning impairments

In Italy, we continued to provide specialized training to our disabled employees. Roughly 100 visually impaired colleagues participated in our *Beyond Sight* workshop in 2012, where they were provided with technical training and a forum to express their needs both as employees and as customers.

We also carried out initiatives for our hearing-impaired colleagues and launched our first train-the-trainer module. With the support of professional facilitators and sign-language interpreters, nine deaf colleagues participated in learning activities to strengthen their communication skills, classroom management skills and banking knowledge. As newly trained facilitators, these hearing-impaired colleagues will join our



In-Formati initiative⁵, to support voluntary trainers in holding financial education sessions for deaf customers. Developed in cooperation with the Italian Deaf Association (ENS), this initiative will support the financial inclusion of the nearly 800,000 people in Italy who live with hearing deficits.

Valuing age

Aging generations and newly imposed retirement restrictions in several countries make it increasingly important to manage generational differences in the workplace. To this end, we launched a series of initiatives to assess our colleagues' stance on these issues and to develop appropriate responses.

In Hungary, we conducted a quantitative and qualitative analysis after our People Survey, to better understand the needs of our senior colleagues. Based on this analysis, we established priorities for an employee career program for seniors to be implemented in 2013. This program includes ways to address potential issues or obstacles faced by our senior colleagues, enabling us to maximize the value of their contributions and increase their engagement. Selected senior employees will act as mentors and trainers for our younger colleagues, sharing knowledge and fostering collaboration across generations.

In Croatia, we launched the *Think, Engage, Influence* project, which gives a stronger voice to our junior colleagues by aggregating their feedback on how to improve our processes. The project engages our youngest employees and draws on their ability to generate fresh ideas. In 2013, we will expand the project to our senior colleagues in order to improve their exchange of knowledge and experience with our bank's key decision-makers.

In Italy, where colleagues who are older than 55 years make up 13 percent of our workforce, we designed a program to engage with and address the needs of older colleagues. The project incorporates a series of initiatives based on the results of an initial survey. It will be implemented in 2013.

Promoting work-life balance

An inclusive work environment where individuals can balance their personal and professional lives helps create a more engaged workforce. This is vital to achieving strong results.

To this end, we introduced a number of initiatives to improve our colleagues' well-being and their work-life balance. In Italy, we launched the *UniCredit Welfare Plan*, which promotes solutions that are flexible to the needs of our colleagues and their families. Our Group secured many discount agreements for such services as child and elder care, and we created a section on our intranet where employees can manage these services. In 2013, we will continue to expand the range of services, improving their national coverage and value.

We also offer support to our colleagues returning from leaves of absence, whether due to serious illness, maternity leave or other reasons.

In Italy, for example, our *Welcome Back* training package supports employees as they are reintegrated into our workforce. In Germany, our *hvb-familie.de* website for employees on parental leaves of absence keeps them informed of important company news and events and gives them access to current job postings.

And in Ukraine, our induction program for colleagues returning from maternity leave helps them catch up on the latest developments at the bank and adapt quickly to changes in their work environment⁶.

As part of our ongoing Groupwide City Plan strategy⁷, we continue to invest in our colleagues' workplace conditions. Our *Take Your Space* project was launched to promote a new work environment concept, with an emphasis on design solutions that would improve the well-being and work-life balance of our colleagues. The redesign of our workspaces enhances flexibility and the quality of our employee interactions. We will continue to pursue additional facility upgrades and services for our colleagues.

EFFECTIVE WORKSPACES



Our new UniCredit center in Kaiserwasser in Vienna is a strong example of ways to integrate the personal and professional interests of our colleagues. This multi-functional building will host training and customer events, and it includes every amenity needed for work-related tasks, including wi-fi access throughout. It will also provide colleagues and their families access to sport and leisure facilities. The UniCredit center was developed in cooperation with UniCredit Bank Austria AG's Work Council and will be completed by mid-2013.

5. Refer to the *Fostering Communities* chapter for more information.

6. Refer to the *Supplement* for more information on our health and well being initiatives.
7. Refer to the *Preserving Natural Resources* chapter for more information.

Valuing Our Colleagues

Employee engagement in our Group strategy

We recognize that the involvement of our colleagues in UniCredit's business strategy is a major driver of our sustainable growth. We work to ensure that they have a strong understanding of our Group's key decisions so that they may be fully engaged in the objectives of our bank.

The results from our 2012 Light People Survey⁸ revealed a solid 75 percent Engagement Index, underscoring our colleagues' pride in being part of UniCredit and their support for our company's values. Colleagues share a strong bond with our Group, and our management is committed to implementing action plans that focus on those necessary improvements indicated by our survey.

Achieved a 75% Engagement Index

Communicating to inspire

While our people have communicated their belief in UniCredit's objectives, they have also asked that management improve their proximity. With this in mind, in 2012, our communication efforts concentrated on the pillars of our strategic plan, spotlighting Group initiatives related to the plan's efforts to

increase our positive impact on customers. Our communications included 16 web calls conducted by senior managers, five of which included our CEO. Three *Ask the CEO* sessions were also held, allowing colleagues to pose nearly 170 questions related to the strategic plan. And we created a dedicated section on our intranet regarding the strategic plan, which was visited by roughly 33,000 colleagues.

We also organized our Groupwide *Make an Assist* contest to get colleagues familiar and engaged with the goals outlined in our strategic plan. As part of this internal contest, we asked colleagues to choose a pillar from the UniCredit Strategic Plan and to share their concrete ideas on how to achieve its goals in their local workplace. We collected more than 900 suggestions and contest winners at the local and Group levels received awards related to the UEFA Champions League.

The theme of our UniCredit Day 2012 - achieving positive customer impact - allowed us to engage our colleagues in this important objective. In discussion groups, employees shared what they do every day to have a positive impact on customers, and they discussed best practices regarding products, projects and services that reflect our real-life approach to banking. We collected more than 1,500 colleague stories, the best of which will win the *UniCredit Up* award in 2013.

Innovation is also garnering greater attention in our Group, given its strategic connections to cost management and simplification. We launched a number of initiatives to promote

UNICREDIT DAY 2012: DELIVERING POSITIVE CUSTOMER IMPACT

What is the customer really saying?



How do we find the best possible solution?



How do we deliver in a smooth and simple way?



8. This survey was conducted using a representative sample of colleagues to assess their Engagement Index level and key drivers of engagement on specific topics, as compared to the 2011 People Survey results. More than 16,000 surveys were completed.



a culture of innovation among our colleagues, with the ultimate object of improving our customer service. For instance, we produced videos, articles and interviews to raise awareness of our mobile and internet banking services, to inform colleagues and encourage them to act as multichannel banking ambassadors to our customers⁹.

We have begun to solicit our colleagues' feedback through online polls and ratings in order to gauge the effectiveness of our communications on key Group issues. We have also organized focus groups and forums to discuss internal communication products and services with our colleagues. These initiatives give greater insight into the perceptions and emerging needs of our colleagues and will help guide our communications in 2013. Among the insights obtained in this way, one will entail leveraging our direct communication channels, such as a platform on our intranet in Italy.

As part of our efforts to improve direct communication, we created *CEO Insights* - informal gatherings for Group executives to share their thoughts and ideas with the CEO on how to drive our Group forward and achieve our business targets. To complement these meetings, we introduced the *CEO Insights* virtual forum, which encourages online discussions among our senior management between our CEO and leadership team members.

Fostering social dialogue

Maintaining a high degree of awareness and understanding among our people on our Group's key strategic decisions requires us to make social dialogue an integral part of our labor policy and industrial relations. We believe social dialogue also contributes to our ability to understand global and domestic needs. This approach has consistently helped us manage a range of challenges, which is why we remain committed to improving social dialogue Groupwide.

In 2012, two European Works Council (EWC) and three EWC Select Committee meetings were held at the Group level, and a steady flow of information to the Select Committee members also contributed to employees' understanding of management's actions, particularly with regard to the UniCredit Strategic Plan.

Fostering social dialogue - an EWC priority - facilitates the rollout of Groupwide initiatives while accounting for local needs and constraints. This cooperation contributes directly to the ongoing development of Europe's common culture¹⁰.

In 2012's challenging economic environment, our local entities worked with employee representatives to identify solutions that serve our cost management and simplification objectives while ensuring sustainable and responsible resource management.

In Italy, we signed an agreement regarding colleagues who are entitled to retire by 2015. It also allows for greater flexibility in our internal labor market by in-sourcing activities for employees who would otherwise become redundant, as well as by enacting measures that facilitate the movement of employees to other positions. The agreement guarantees both adequate retirement rewards and safe, sustainable work flexibility, while responding to the cost savings objective of the strategic plan.

In Germany, within the context of our Corporate and Investment Banking (CIB) division business restructuring, we reached an agreement that secured a number of employee rights, including redeployment or termination payments.

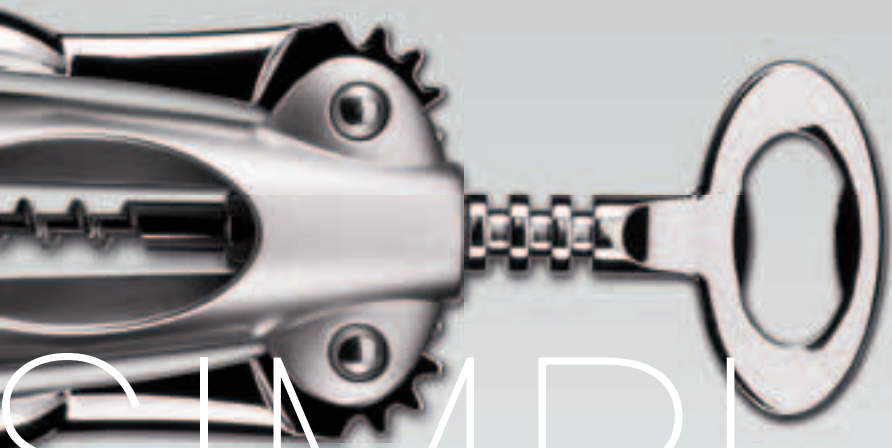
And in Austria, our *Movement Management* initiative allows relevant employees to be assigned to job vacancies available within our bank, thus leveraging greater flexibility in order to avoid termination of employment. We organized an internal job fair where employees involved in *Movement Management* could learn more about the job vacancies in different units, meet with managers and share their experiences with other colleagues. We also established a process to collect employee feedback regarding the initiative.



More information is available on the dedicated section in our website

9. Refer to the Serving Individuals and Families chapter for more information.

10. Refer to the Supplement for more information on UniCredit EWC's activities.



SIMPLICITY

Home loans made easy

“ *Zagrebačka Banka helped me to resolve my personal and professional financing challenges. I previously worked in Zagreb, where I lived in a rented apartment. When I found another job in my hometown of Split, the bank helped me to secure a state-subsidized loan that allowed me to move back and buy a house. My personal banker was highly skilled and engaged, and my loan application was processed quickly and approved immediately.*

”

Goran Dlaka, customer of Zagrebačka Banka in Croatia





Highlights

>636,000

customers
provided feedback

CONTINUED TO ASK OUR CLIENTS TO PROVIDE REVIEWS OF THEIR EXPERIENCES AFTER EACH INTERACTION, TO HELP US IMPROVE OUR OFFERINGS AND DEVELOP SMARTER BANKING SOLUTIONS

~5 million
active online banking customers

ENHANCED OUR PRESENCE TO BE CLOSER TO CUSTOMERS BY USING THEIR PREFERRED CHANNELS OF COMMUNICATION

>14,000

customers use signature
pads daily in Germany

INVESTED IN NEW TECHNOLOGY TO SIMPLIFY OUR PRODUCTS AND SERVICES, TO MAKE OUR BANK EASIER TO DEAL WITH, AND TO PROTECT THE ENVIRONMENT

>8,400

relationship managers participated
in training programs to improve
the quality of service

INVESTED IN OUR RELATIONSHIP MANAGERS' PROFESSIONAL DEVELOPMENT TO ENSURE THAT THEIR SKILLS AND MARKET KNOWLEDGE EXCEED CUSTOMER EXPECTATIONS

Serving Individuals and Families

At UniCredit, we employ precision and perseverance to respond to the material needs of the people we serve.

MATERIAL NEED	OUR APPROACH
Proximity	<ul style="list-style-type: none"> • Maintain close contact with our customers acting on their feedback • Enhance our presence to be closer to customers by using their preferred channels of communication
Simplicity and transparency	<ul style="list-style-type: none"> • Communicate responsibly to boost consumer participation • Generate a positive impact on customers' lives by simplifying products and services and ensuring to be easy to deal with
Service quality	<ul style="list-style-type: none"> • Enrich our professional service to provide client-focused and customized advisory • Offer concrete solutions to our diverse customer base

Proximity

Our Group invests in being closer to our customers. We collect and analyze their feedback to develop a holistic understanding of their main needs. Moreover, we interact with them using their preferred channels of communication.

Maintaining close customer contact

We work to gain a better understanding of our customers' everyday realities and challenges. This is why we focus on the nature of their experience with our bank and how they feel about their interactions with us.

In 2012 we continued our regular program of monitoring customer satisfaction across our network and in the majority of our banks we confirmed our leadership with a better performance score than our competitors¹.

To complement the insights culled from our customer satisfaction surveys, we collect additional feedback in more frequent, precise and proactive ways. In 2012, we launched a series of new initiatives to **measure** the quality of our **customers' experiences** and to **understand what they are looking for** in a bank.

Our customer interactions are "moments of truth" for our bank. We give to our customers the opportunity to form or change their impressions of UniCredit – whether through a product experience, sales interaction or a branch visit.

We direct our attention on these "moments of truth", by conducting different listening activities that use customer feedback to:

- refine our service model by improving our current offerings
- quickly resolve issues that may dissatisfy clients
- develop new products and services

We frequently ask customers to give us their opinion after each interaction (e.g., advisory meetings, relationship manager turnovers, branch services, etc.), in order to finetune our banking services and products.

1. Refer to the Supplement for more information on our customer satisfaction (TRISM Index) performance and trends.

The scope of our existing and new products and services are the result of in-depth analyses, which we conducted on daily basis. In Germany, for example, we sent feedback requests to more than 64,700 clients about their daily interactions compared to 10,512 requests sent in 2011. In Austria, we sent feedback requests to more than 67,700 clients about their daily interactions with our bank. We averaged a 38 percent response rate, with a 50 percent response rate from our affluent customer segment. These responses confirmed our customers' appreciation for open dialogue and registered a satisfaction rate close to 90 percent, similar to 2011.

More than 636,000 customers provided feedback² in 2012



Our customers' perception of services rendered at UniCredit branches is important to us, and we continue to find new ways to collect feedback on this.

In Germany, we use our self-service terminals to solicit customer opinions. Given that these surveys focus on immediate experiences, we can collect more detailed information. In 2012, roughly 21,900 individual customers used our self-service terminals.

In Romania, we received 1,652 responses to our surveys which focus on our branch services. Given that our front-line employees contribute to these moments of truth at our branches, we continued to leverage our Branch Network Committee (BNC) to analyze the operational and business issues raised by our network. After reviewing customer complaints, feedback and issues brought to the fore by front-line staff, the BNC developed action plans to improve customer satisfaction. In 2012, the BNC reviewed 90 issues, mainly related to IT applications and equipment, operations, procedures and workflows. The committee instructed relevant departments to resolve these issues, and conducted monthly follow-ups to ensure that solutions were underway that were in line with our priorities. Because of the BNC and other customer listening activities, our customer satisfaction index score in Romania increased to 69, up from 65 in 2011.

Some of the most important moments of truth come from customer complaints that put our relationships to the test. With this in mind, we designed our complaint management system to engage clients and deliver swift responses to them, while tracking their perceptions of our complaint resolution processes³.

In Austria, we continued to carry out our *Customer Experience Measurement* project. Through a series of post-complaint surveys, we can evaluate customer perceptions and measure their satisfaction levels after incidents are resolved. Similar initiatives were carried out in Bulgaria, Croatia, Czech Republic, Hungary, Russia and Slovenia.

In Romania, we conducted interviews through a computer-assisted telephone interviewing (CATI) service within a week

2. The feedback were provided during customer satisfaction surveys, post complaints surveys and all customers' experience measurement activities. In CEE, the data includes individual customers and small enterprises.

3. Refer to the 2010 and 2011 Sustainability Reports for more information on our complaint management approach and guidelines.



after customer complaints were resolved, and we used the data to compile quarterly reports. We completed 188 interviews in 2012, which pointed towards ways to improve our complaint management process. Also in Romania, we kicked off a new program to head off customer complaints. Stemming from our “moments of truth” interactions, this program highlighted areas for improvement, including: price transparency, branch or ATM availability, and speed when providing solutions to clients.

While feedback helps us to improve, we are also keen to **involve our customers in developing new banking solutions**. This is why in Germany, our HVB Client Forum continues to function as our online advisory committee, with more than 780 registered users. Forum members openly discuss and engage in the early-stage optimization of all customer-related products, processes and services.

In Austria, we created the Innovative *Web 2.0 Customer Dialogue via Crowd Sourcing* project, which allowed 420 customers to test and rank new solutions.

Our bank researches customer opinions and requests in all of the countries where we work. And by communicating regularly with current and prospective customers, we become more attuned to their thoughts and concerns - and we can develop better services and initiatives.

FOCUS

Pioneer Investments Savings Observatory

Our Group drafted the first *UniCredit-Pioneer Investments Savings Observatory* report, thanks to a new partnership between Pioneer Economics & Market Research, UniCredit Territorial Research and Strategies & Marketing Italy. Presented on October 16, 2012 in Milan, the report addresses the behavior and financial conditions of Italian households over time, comparing national data on the savings and wealth of Italy's households to other developed countries. The report also includes details by region and insights based on data drawn from a sample of UniCredit customers.

Enhancing our presence

The ascendance of digital channels is having an impact on our customers. Smartphone technologies and social media, among other new communication channels, have changed their expectations of how banks should render their services.

Moreover, because of the growing prevalence of online and mobile banking and the migration of various types of transactions to ATMs, the ways to engage with customers are definitively expanding.

At UniCredit, we are well aware of the potential impact of this transformation. Customers will expect simpler, more seamless relationships with their bank. This is why we are pioneering a unique approach to doing business with our customers using their preferred means of communications. We are combining the strength of our branches' local ties with greater accessibility to digital channels.

This is not only impacting the alternative channels, but also transforming our **branch service model** to find new ways to engage with our clients. For example, we increased the decision-making authority of our local branches as they continue to leverage the global strength of our extensive network. We are also adjusting our approach so that all of our face-to-face interactions are focused on providing in-depth advisory services.

In Italy, we continued to simplify our traditional network organization and service model. In line with client requests to be closer to our territories, we are introducing seven new regional managers and delegating 90 percent of all of decision-making authority to the territories. These changes serve to maintain our clients' trust in us and to generate greater reliability and transparency.

At our larger branches in Bosnia and Herzegovina, we stationed our customer relationship managers at information desks to answer quick inquiries and shorten queues.

Similarly in Bulgaria, we created the *Seller-Teller* position to better serve our retail customers. As our seller-tellers are the face of our bank and welcome new clients to our branches more than 90 percent of the time, they are involved in all processes and fully versed in our products and services. We also adjusted our service model to provide more customers with personal bankers. We reported a significant improvement in customer satisfaction, with our index score jumping to 80, up from 71 in 2011 - scoring 12 points higher than the market average and only 1 point behind the market leader.

With our new clients, we intend to develop lasting relationships stemming from our deep knowledge and understanding of their needs. As a result, we focus on staying in close contact with them for the first three to 12 months of our relationship leveraging on an integration among channels approach.

In Russia, for example, new clients receive a welcome SMS message one week after opening an account with us. We follow up one week later with a welcome email, inviting them to participate in our online survey to gauge their expectations. In 2012, we welcomed 13,944 customers to our bank in this way.

Our new *Multichannel and Territories* project is designed to **integrate our branch networks with our digital channels**. We are using our mobile and online banking platforms, contact centers and ATMs as well as SMS and email to offer products and services to our customers via their preferred means of communication.

**Roughly 5 million active
online banking customers**



Serving Individuals and Families

Countries ^A	Online banking active users ^B
Italy	1,929,978
Germany	446,079
Austria ^C	400,000
Poland	1,224,978
Bosnia and Herzegovina	7,872
Bulgaria	83,462
Croatia	213,000
Czech Republic	125,000
Hungary	178,702
Kazakhstan	23,445
Romania	59,000
Russia	114,000
Serbia	28,478
Slovakia	124,496
Slovenia	22,000
Ukraine	30,155

A. In CEE countries, data include individual customers and small enterprises.
 B. Definition and recording methods are not completely aligned across all countries.
 C. Austria data include individual customers and small and medium enterprises as of September 30, 2012.

We are carrying out our multichannel strategy in all of our countries, and will continue our efforts in the future to:

- commercially enable all communication channels
- manage customer relationships using multiple channels in a coordinated way
- migrate transactions to self-service channels and branch ATMs
- provide clients with new innovations and simplify their lives through such conveniences as mobile banking

In Italy, customers can do their banking from home by using our Digital Signature service, which allows them to acquire Moneybox savings accounts, buy prepaid cards, apply for credit cards and use overdraft tools, among other services. Moreover, UniCredit operates a large network of sophisticated ATMs and multifunctional kiosks (3,950 in total), while its website receives roughly seven million unique visitors per month. More than 1,9 million customers do their banking with us online.

In Germany, we also focused on developing and delivering remote advisory services, and launched the following models in 2012:

- *Videoadvisory@Branch*: piloted in northern and western Germany, this project allows customers and their relationship managers to contact real estate financial experts remotely for additional support
- *Videoadvisory@Home*: customers can contact their bank advisers by video call, via our online banking or public website, from 8:00 a.m. to 10:00 p.m. Launched in the second quarter of 2012, more than 1,100 clients tried the video advice

In Croatia, we launched our e-branch service, allowing customers to connect with our e-bankers at a remote branch that has longer working hours than their regular branches; the service is accessible by internet, e-mail or telephone.

We are creating a similar service in Slovakia called *Branch Around the Clock*. This virtual branch will provide services through our remote relationship managers (RRM), allowing customers to liaise with their own RRM via video calls, e-mail, online chat and telephone. We aim to transition 3,000 clients to this virtual branch by 2014, with more transfers scheduled in the future.

More time for your time

UniCredit clients have at their disposal a set of easy, fast and convenient tools for executing banking operations, which leaves them with more spare time for themselves.





Mobile banking has become the core of our multichannel strategy, which seeks to enable our customers to access our services using their preferred means of communication. Through mobile banking, we are able to stay in close contact with our customers - wherever, whenever.

Initially, many mobile banking services used phones as a type of "remote control" to conduct different banking operations. But today our Group is developing new mobile banking innovations to be rolled out in the coming months and years. Customers' credit card management is among our most recent mobile banking innovations. In addition to managing their credit lines and transactions, customers can cancel their credit cards if they are lost or stolen, and can use our transaction management system to pay their bills with a single click.

Roughly 865,600 downloads of our mobile app in Italy, Germany, Austria and Poland



Our mobile banking app is already highly ranked both in the Italian market and among our customers. As of December 31, 2012, roughly 250,000 customers activated their UniCredit mobile banking app, and we expect to have more than 1 million registered users by the end of 2015.

In Germany, more than 100,500 customers downloaded our HVB Mobile B@nking app for the iPhone, iPad, iPod Touch and Android, following the launch of our new mobile website in early 2012 to support Android, Windows Mobile and other operating systems.

In Austria, there have been roughly 120,000⁴ downloads of our mobile app onto iPhone, Nokia and Android platforms, while AndroidPIT, one of the largest online Android communities, gave our app a four-star rating.

In Poland, Bank Pekao received an award from Newsweek for its successful multiplatform mobile app. With nearly 57,000 active users, the app includes a range of functions that employ a sophisticated user interface. Customers can manage their accounts, transfer money to different accounts, access Western Union and trade stocks. In 2013, our goal is to draw 10 percent of all internet users in Poland to download our app.

Country ^A	Operating System	Number of mobile apps downloaded
Italy	iPhone, Android, BlackBerry, Nokia	518,000
Germany	iPhone, iPad, iPod Touch, Android	100,550
Austria ^B	iPhone, Android, Nokia	120,000
Poland	iPhone, Android, BlackBerry, Windows Phone, Java	127,000

A. Data refer to individual and small and medium enterprises customers.
B. Data as of September 30, 2012 and refers to individuals customers.

4. Data refer to individual customers as of September 2012

At UniCredit, we want to shape the future by creating new ways for our customers to do their banking with us. Thus, we are investing in research and development, with our new R&D team building prototypes based on the most advanced technologies. For example, we are piloting a touchless biometric payment system based on *Papillon* technology, and we have been patenting this solution, allowing us to deploy such a system.

FOCUS

iLibrary: the app that helps simplify the lives of our private banking customers

In Italy, our new private banking app provides customized services to meet customer needs as well as to deliver a comprehensive view of ongoing economic and financial developments.

iLibrary was included in the *Cerchio d'Oro dell'Innovazione Finanziaria* during the *Mobile App Award 2012*.

Simplicity and transparency

One of UniCredit's most important objectives is to provide clear information to our customers always looking for new ways to connect and to communicate transparently with them as customers adopt new habits and technologies.

In order to increase the transparency of our approach, in 2012 we worked to:

- communicate responsibly by increasing consumer participation, simplifying our products and services and making our marketing more transparent
- generate a positive customer impact by offering easier and more efficient solutions

Communicating responsibly

Dialogue is essential to strengthening our stakeholder relationships. This is why we are working to **build our social media presence** and make UniCredit-related information more accessible, even as we collect more feedback from customers and the general public.

UniCredit's official social media pages allow for **open, two-way communications**, where customers and the public can read the latest news about our new products, services, and cultural and social initiatives. In turn, they can post comments and ask questions.

As a new and important point of contact for our Group, social media will be integrated into our retail networks and customer care programs across all UniCredit branches, contact centers, and online and mobile banking services. We are on track, with more than 152,800 Facebook "likes" (87,732 in Italy alone) as of December 2012 and a YouTube channel that has attracted more subscribers than those managed by our peers in the financial sector.

Serving Individuals and Families

In Ukraine, we launched a virtual branch on Facebook, which offers information on products, services and fees, as well as financial calculator applications. It also allows customers to arrange face-to-face meetings at our branches or to request a call from one of our relationship managers. Our virtual branch provides additional information, such as important telephone numbers, and our branch and ATM locations.

We want our customers to make informed decisions when buying our banking products and services, which is why we work to alleviate any information asymmetry between us and our clients, and to help **bridge gaps in financial knowledge**⁵.

In Italy, we launched *Onemarkets* an initiative that offers video information and tutorials for our individual investors. Daily data on the financial markets is also available on our website.

In Germany, we produced our *How Safety is Safety* video to provide customers with information on financial investments. The video is shown at different customer events. In 2012, roughly 19,000 of our clients in Germany participated in these events.

How Safety is Safety video shown at events attended by roughly 19,000 clients



In Hungary, we are publishing a staff newsletter that provides relevant industry news and consumer protection information. The newsletter focuses on issues that relate to our colleagues' customer interactions. In 2012, we developed a new test on the topic of consumer protection; the 1,050 colleagues who participated all passed.

All of our customer service personnel in Hungary passed our consumer protection test



5. Refer to the Fostering Communities chapter for more information.

FOCUS

Investment product transparency

In January 2012, we launched *Depot Global* for our private customers in Germany, offering advisory on our different banking services for a flat fee. Under this transparent arrangement, there are no charges for product sales, with all commissions rebated to the client. *Depot Global* eliminates conflicts of interest and ensures price transparency.

In Poland, we held 18 meetings with 235 private banking customers, during which our investment experts shared their knowledge of the current market environment.

At Pioneer Investments, we created a *Knowledge Center* on the corporate website. The center provides insights on hot topics, market views, and papers on the European sovereign debt crisis to help clients make informed investment decisions. In 2012, Pioneer also completed its Key Investor Information Documents (KIIDS) website, ahead of UCITS (Undertakings for Collective Investments in Transferable Securities) deadline. Here, investors can find key documents on Pioneer Investments' Luxembourg-based funds and practical information regarding daily fund prices, the prospectus, and the latest annual and semi-annual reports.

Responsibility and transparency are essential when selling financial products and services, which is why our bank **adheres to a number of voluntary codes**.

Additionally to the voluntary codes mentioned in Sustainability report 2011, our Group in Bosnia and Herzegovina abides by the Consumer Protection Act, which covers advertising for our products and services. Moreover, in Bulgaria, our bank adheres to the codes of ethics defined by the country's Association of Banks and the National Council for Self-Regulation. As members of the Slovene Advertising Chamber (SOZ), we work in line with the Slovene advertising code of conduct.



UniCredit Tower, Piazza Gae Aulenti, Milan. Photo by: Marco Puoti.



FOCUS

Dialogue for consumer protection

At UniCredit we are focused on enhancing our credibility and bolstering our commitment to transparency and consumer protection, to enable us to better address the needs of our customers in all the countries where we operate.

In 2012, our consolidated partnership program *Noi & UniCredit* in Italy worked with 12 Consumer Associations (CAs) and focused on:

- strengthening consumer protection by concluding a new 2012-2014 agreement with CAs in Italy. This agreement calls for: increased transparency of products and services; financial inclusion through social innovation; new educational and communication initiatives for customers; greater awareness of sustainable purchasing options; better understanding of customers' needs by monitoring consumer protection issues on websites; and the ability to resolve complaints quickly
- reinforcing relationship networks that link CAs to UniCredit's territorial structures. These networks were created as a result of *UniCredit Consumer Day*, which entailed 10 territorial meetings held from 2011 to 2012. Roughly 510 local CA representatives and 157 UniCredit managers are members of this network, supporting our efforts to anticipate and resolve critical issues
- completing the *Facile & Sicuro* initiative that promotes the responsible use of credit and debit cards. Including 20 seminars and 748 participants, the initiative was tailored to at-risk consumers (e.g., pensioners, homemakers). On national *Credit Card Day*, we distributed 7,370 brochures in 18 Italian cities to highlight the safe use of credit and debit. We also launched a new edition of *Facile & Sicuro* to focus on multichannel banking services. In 2013, we will work with three CAs in Italy to conduct meetings with 120 of their local representatives, and 20 seminars for young adults (18 to 30 years) and adults (30 years and up)

In Austria, our BA - *Fremdwährungskreditbeirat* (Bank Austria FX loans advisory committee) continues to liaise with CAs on foreign exchange loans to address key issues.

In Bulgaria, our engagement with the Commission for Consumers Protection and other consumer protection authorities aims to improve regulations. We also maintain an active dialogue with state institutions and non-governmental organizations to increase the transparency of our communications, contracts, account statements and general conditions.

Our Group also engages with CAs in Hungary to enhance customer satisfaction by improving the quality of our products and services.

Generating positive customer impact

To have a positive effect on our customers, we have to make a difference in their lives every day. This is our *Real-Life Banking* approach, the core of our brand positioning. This is the promise that shapes our interactions with current and prospective customers: to provide solutions that are easy and efficient.

Through *Real-Life Banking*, we develop products and services that meet customers' real needs and help us build lasting relationships. Our *Real-Life Banking* certification process includes the use of a "brand filter" - a questionnaire that poses five simple questions and helps us understand whether our new products, projects and services align with our brand positioning and promise. If they pass our "real-life-banking-compliant" test, they will have a concrete and positive customer impact.

In Ukraine, for example, we launched three new term deposits and one new card after they passed our brand filter, while the introduction of two new term deposits was postponed after they were found to be non-compliant.

This certification process was implemented recently Groupwide. The results so far show that we are on track with our new approach.

In addition to assuring alignment between our customers' needs and our brand promises, we are also investing in new technology. Our aim is to discover how we can **simplify products and services to ensure that our bank is easier to deal with**, in line with our multichannel strategy⁶.

In Italy, we were the first bank to launch an online paperless account, which new customers can access within 48 hours after opening it without having to visit a branch. In Germany, we introduced our current account *HVB Online*, which attracted roughly 10,000 new clients within the first four months of 2012 due to its efficient account-opening process. And in Poland, our Bank Pekao customers appreciated the micro-websites we created for personal loans and mortgages.

We also simplify our documents and processes. In 2012, these investments continued to deliver a range of benefits - to our customers, the environment and our bank.

6. Refer to the "Enhancing our presence" paragraph of this chapter for more information on our multichannel strategy.

Serving Individuals and Families

In Bulgaria, we decreased our paper-based consumer loan documentation by 40 percent. By doing so, we decreased front-office processing time by 10 percent, allowing us to dedicate more time to our clients. We also reduced our mortgage and overdraft documentation, began issuing e-invoices and are using e-mail to circulate news throughout our network. Furthermore, we launched *Modula*, which organizes our products and services into easy-to-understand modules that automatically generate applications and contracts.

For us, simplification also means reducing the number of our products and streamlining their delivery. We are focusing on improving our processes and redesigning our business procedures and systems to automate our operations further.

In Romania, for example, we streamlined our credit card application processing for credit lines below €5,000 - both by simplifying our credit assessments and application forms and by reducing the credit documentation sent to underwriters.

In Slovakia, we introduced a flat rate for all multi-purpose loans to ensure that our rates and conditions were easy to understand. In 2012, we conducted four marketing campaigns for our new flat rate and received a better-than-anticipated response. We received more than 4,000 applications following our spring campaign, 73 percent more than expected.

To reduce wait times in our branches, we automated a number of services. In 2012, we piloted a series of initiatives to automate our Italian branches, including introducing a new tablet signature pad to execute paperless contracts and other operations. Using signature pads also helps us store our transaction records efficiently in a way that protects the environment. A major rollout of the signature pads, among other innovations, will take place in 2013. In December 2012, the signature pad was being used in all of our 615 branches in Germany, processing an average of more than 14,000 customer signatures every day.

Though the process redesign of our IT solutions can cause temporary inefficiencies, we always strive to provide solutions in a timely manner. In Austria several changes in our IT system caused unexpected difficulties and delays. As a result, UniCredit offered shopping vouchers to more than 680,000 online banking customers for a value of approximately €20,5 million as a compensation for the inconvenience.

Service quality

At UniCredit, we are acting on the feedback from our customers to improve our service quality and ultimately deliver best-in-class service. Customers are particularly impressed when our relationship managers provide them with informed advice and develop concrete solutions to meet their needs. This is why we invest in the professional development of our relationship managers, and ensure that their skills and market knowledge exceed customer expectations.

Enriching our professional service

Our customers come first. Their success is our strength, which is why we work to provide them with **straightforward advice that is effective and easy to understand**. Our training sessions and mentorship programs to increase professional competencies draw on the extensive know-how of our senior relationship managers, to spread their professional experience and expertise to other team members.

In Italy, through our *Train-The-Trainer* sessions, 75 of our relationship managers taught 5,395 of their peers about our new advisory model and how to use it to deliver tangible solutions. In Poland, our training programs *Success Academy*, that involved 954 colleagues, and *I'm a Customer* which covered all 680 front office colleagues, bolstered the skills of our front-office employees. In Bulgaria, 17 personal bankers passed our mentorship examination and are qualified to be mentors to our newly hired personal bankers. And in Croatia, the *Effective Questions-FOCA Model* (facts, opinion, change and actions) strengthened our relationship managers' listening skills with more than 300 participants in 2012. This model stresses the importance of interviewing techniques to gain a deeper understanding of the lives, feelings and priorities of our customers.

Similar training programs that leverage the knowledge of senior staff were conducted in Bosnia and Herzegovina, Russia, Serbia, Slovakia, and Ukraine. These sessions focused on building lasting relationships, identifying hidden needs, enhancing professionalism, improving customer databases and learning new ways to increase customer satisfaction.

We used this approach in Hungary, where we completed a training program to prepare for meetings with affluent customers. In 2012, 122 branch managers and 159 relationship managers, participated in this course.

In Italy, 5,395 relationship managers received training from 75 senior colleagues



Example of ongoing training programs for our relationship managers

Country	Training activity	Number of trainees	Training hours
Bosnia and Herzegovina	Full potential	38	304
Czech Republic	Investing in structured bonds and life insurance	55	440
Russia	Investment funds	244	2,900
Serbia	Importance and practical use of Customer Relationship Management	273	4,368
Ukraine	Basic skills	193	1,816

In addition to our ongoing programs to improve professional competencies, we also conduct **programs to raise organizational**



awareness and improve our relationship managers' understanding of the broader business environment.

In terms of raising organizational awareness, we conducted nine two- to four-day training sessions in 2012 at our *Banking school* in Slovenia. There, 108 colleagues developed a better understanding of the processes, tools and service models used in our business areas, while cultivating relationships with colleagues from different departments.

In terms of **understanding the broader business environment**, our relationship managers in Austria learned the skills needed to conduct structured, need-oriented dialogues with their international customers. This one-day training session focused on conducting annual check-up meetings, and was led by a native language speaker and an HR trainer.

In Poland, our private bankers participated in regular teleconferences led by internal and external experts who discussed the current market situation and investment products. These private bankers also received cutting-edge perspectives on allocating investments to different asset classes, as well as on the performance expectations associated with different investment strategies. These updates were provided through our Investment Committee's monthly reports, weekly conference calls, client portfolio analyses and bimonthly reports.

Offering concrete solutions

We understand that as a bank, we will ultimately be measured by the real-life impact we have on our customers. In 2012, we delivered **concrete solutions to our diverse customer base** at all stages of their lives.

In Italy, we partnered with Western Union for customers to send remittances abroad through our online banking services, ATMs and kiosks. And in Austria, we rolled out our *Solutions 4 Generations* program to meet the estate-planning needs of our affluent customers.

In Poland, we were an important partner in the government mortgage program *Rodzina na swoim* - a mortgage loan with special conditions for singles and young families within certain income levels. We also created a current account with a special help line for pensioners. And in Serbia, we now issue loans for pensioners with life insurance.

In Bulgaria, we continued to offer *Donna*, a product line designed to meet women's needs and banking preferences. *Donna* allows women to finance their personal and family needs through tailored consumer loans, credit cards and a current account package that provides credit protection insurance with extended hospitalization coverage and decreased monthly payments over a one-year period during or after pregnancy. Since the launch in February 2011, we issued more than 7,000 credit cards and more than 10,900 debit cards from our *Donna* product line. We also developed unique value proposals for target groups based on an analysis of specific customers (e.g., sailors, dentists, Russian-speaking professionals, etc.). We publicized our *ad hoc* products and services to these target groups at local events, resulting in a 27 percent increase in product sales to Russian-speaking customers.

We also provided real ways to grow our customers' savings. In Italy, *Conto Risparmio Sicuro* guarantees our clients' initial investment

and provides periodic returns. Customers can opt out before maturity without incurring penalties or fees. From May 1 to December 31, 2012, more than 20,600 *Conto Risparmio Sicuro* accounts were opened.

We are also developing our *Be Your Banker* automatic savings program, in Romania, which helps customers save money while they shop. For every purchase they make with their credit or debit card, a certain amount will be automatically transferred to their saving accounts.

Moreover, we developed consumer protection insurance products for our customers in Central and Eastern Europe. In Croatia, for instance, our credit protection insurance was the first product of its kind in the market, and it is the only one that provides coverage in the event of illness or unemployment.

When we speak of providing concrete solutions, we are also referring to our ability to identify the right service model. In Romania, for example, we piloted a program to reallocate responsibility for 3,800 customers, from the branches that manage their accounts to those they use most frequently. According to a survey conducted by our call center, customers reported that they appreciated the added convenience of this simple but effective administrative change.

FOCUS

Resolving housing issues

Buying a home is one of the most important decisions a person can make in their life.

In Croatia, individuals can secure a non-refundable government subsidy that covers a portion of the interest on a mortgage. For the first four years of a mortgage, the state offers a subsidy of 50 percent of all monthly installments, up to a maximum of €15,000. But new homeowners have to be proactive, as limited funds have been allocated to the program.

As a result, we organized a customer relationship management (CRM) campaign to contact clients and provide them with critical information, including: when the allocations became available; the required documentation; real estate listings in communities financed by our bank; and the favorable terms and conditions available for loans that qualify for the subsidies.

Due to the limited availability of the subsidies, our bank had a short window of time to inform interested customers on this process. We also stressed the need for customers to submit their documents quickly, so that our bank could provide them with a loan and they could apply for the special subsidy in time. Our efforts on their behalf - organizing the CRM campaign, contacting clients, collecting documents, fast-tracking loan approvals and submitting subsidy applications on time - resulted in satisfied clients who saved a significant amount of money when buying their homes.



CUSTOMIZED

Customer care that crosses national boundaries



“ UniCredit Bank Hungary’s products and services have had a strong impact on our business. And their representatives always demonstrate a keen interest in meeting our needs – delivering solutions with a high level of flexibility and professionalism. Their tailored solutions are priced appropriately and applied quickly and easily to our business. UniCredit’s presence throughout numerous countries also makes the bank a reliable partner in internationalizing our business. **”**

Carlo Innocenti, CEO of Serioplast,
customer of UniCredit Bank in Hungary



Highlights

~24,000
customers instant feedback

IMPLEMENTED OUR CUSTOMER EXPERIENCE MEASUREMENT (CEM), TO UNDERSTAND HOW CLIENTS FEEL ABOUT OUR SERVICE IMMEDIATELY FOLLOWING AN INTERACTION

>28,000
contacts with
customers in Poland

CONTACTED CLIENTS DIRECTLY REGARDING IMPROVEMENTS TO OUR SERVICE MODEL

3.7
days for SME,
4.5
days for Corporate credit
response time in Austria

FOCUSED ON SHORTENING OUR CREDIT RESPONSE TIME, TO PROVIDE CLIENTS WITH QUICKER FEEDBACK

7,300
companies abroad,
10,800
startups
in Italy

PROVIDED CUSTOMIZED SOLUTIONS TO SMES AND CORPORATE CLIENTS, WHICH INCLUDED ACCOMPANYING COMPANIES ABROAD AND SUPPORTING STARTUPS

Supporting Companies

Enterprises are vital engines for economic growth, creating jobs at both the local and national levels. As a bank in this evolving economic environment, we generate value for companies by supporting their business activities and fostering their ability to innovate. We build on our relationships with them with the awareness that our responsibility grows with every interaction. Our engagement with companies strengthens our understanding of the complex business environment they face and enables us to respond swiftly to their material needs.

MATERIAL NEED	OUR APPROACH
Proximity	<ul style="list-style-type: none"> Engage in regular dialogue with companies to understand their industry and specific needs Take a 360-degree approach to client relationships to offer rapid responses
Simplicity and transparency	<ul style="list-style-type: none"> Simplify the client experience with new technology and easy-to-understand products and services Communicate responsibly
Service quality	<ul style="list-style-type: none"> Ensure superior professional service Offer tailor-made solutions using innovative, sector-specific products and services that fit customer needs

Our approach is consistent across our Group. We are working in all our banks to achieve common targets while leveraging on the different initiatives coherent with the specific local needs that are being implemented in the territories where we operate.

Proximity

Dialoguing to build understanding

Listening to our customers and developing an understanding of their needs lays the groundwork for strong, long-term partnerships. That is why we continue to develop a comprehensive system to collect and promptly respond to customer feedback. This effort includes our Customer Satisfaction Survey¹, which in 2012 reported that we remained higher than market in the corporate segment in most of the countries where we are present.

Our service improvements stem from our initiatives related to the intensive dialogue we conduct with our customers. These include telephone interviews, questionnaires and focus groups, all of which contribute to a comprehensive **understanding of customer sentiment**.

1. Refer to the Supplement for a complete picture of the 2012 customer satisfaction results.

FOCUS

The Greenwich Customer Satisfaction Survey

In 2012, our Group's Corporate and Investment Banking (CIB) Division carried out listening activities in Italy, Germany and Austria via Greenwich Associate's European Large Corporate Banking Study. Led by Greenwich Associates, the study conducted in-person interviews with a sampling of our large corporate clients (i.e., turnover in excess of €500 million). Participants were asked about large corporate banking and their answers helped us assess our current market position, benchmark the quality of our franchise and design future strategies. The results indicate that UniCredit has maintained or improved its overall relationship quality, either by retaining the gains achieved in the previous year or improving its positioning vis-à-vis major competitors. Our Greenwich Quality Index (GQI) score remains above-average in Germany, Austria and Italy when compared to competitors in 2011 and 2012. Additionally, our GQI score has further improved since last year in Germany and Austria.

In Bulgaria, we conducted a survey regarding the service quality at our corporate branches. The results from 60 face-to-face exit interviews and 20 online interviews reported a high level of our customer satisfaction (95 points out of 100).

As part of our *Reach for More* initiative in Poland, we hold monthly meetings among colleagues who handle requests, feedback and complaints from corporate clients; the goal is to assess customer input and to take action to improve our responses and eliminate similar issues in the future.



Photo by: UniCredit Bulbank.



As for Germany experience in 2011, in Austria, our listening activities include *Kundenforum* (www.kundenforum.at), our online customer web-based platform implemented in 2012 to collect feedback and facilitating discussions. This forum provides responses from financial experts and real-time customer survey results. The objective is to strengthen the role of our customers in the development of our products, services and processes. *Kundenforum* will also inform clients about the integration of their input into our bank's projects and services. We monitor the information generated by this forum to identify new areas for improvement. First results will be available in the first half of 2013.

We are continuing the implementation of our most sophisticated listening approach, *Customer Experience Measurement (CEM)*², throughout our countries, by drawing on our *moments of truth*³ with customers. Customers are invited by email to respond to a short questionnaire immediately following their own interactions with our bank in order to promptly improve our services.

Customer Experience Measurement (CEM), Instant Feedback

Country	Questionnaires submitted	Content	Key results
Germany	10,320 to Small Business (SB) and 3,885 to Medium Enterprise (ME) segment	Strategy meetings, advisory feedback	<ul style="list-style-type: none"> • 42% response rate for SB, 41% for ME • High satisfaction levels: over 90% in both segments are highly/very satisfied
Austria	4,872 to Small Business; 982 to Medium Enterprise	SB financial review feedback and ME strategy meetings	<ul style="list-style-type: none"> • 44% response rate for SB and 38% for ME • High satisfaction levels with 89 points for SB and 91 points for ME
Croatia	501 to Small Business and craftsmens	Meeting's feedback on "Craftsmen & Partner Program" ⁴	<ul style="list-style-type: none"> • 42% response rate • High satisfaction levels (higher than 4,55 on a scale 1-5)
	452 to Small Business	Advisory meeting's feedback	<ul style="list-style-type: none"> • 49% response rate • High satisfaction levels (4,3 on a scale 1-5)
Hungary	2,884 to Small Business	Meeting's feedback	<ul style="list-style-type: none"> • SB scored 90/100 points in satisfaction
Romania	Pilot program with 47 questionnaires sent to corporate clients	Feedback on trade finance products and services	<ul style="list-style-type: none"> • 58% positive feedback on the answers received

To be an effective partner demands that we **understand** not only our clients view our services, but also **the business environment** how they face, the complexity of their supply chains and other critical concerns. To this end, we conduct ad hoc surveys focused on the SME environment.

In Italy, UniCredit published its *SME Business Annual Report 2012* for the ninth consecutive year. This year's edition focused on digitalization⁵ and was presented to media at a special event held on November 30 in Rome. The report addresses our bank's view of the economic environment, offering analysis of the state of small and medium-sized enterprises (SME). According to this report, the Trust Index of Small and Medium-Sized Italian Entrepreneurs survey, conducted with our external partner Doxa, focused on the country's economic environment and revealed the lowest confidence levels since 2004 (73 points, down 8 from 2011). The survey also revealed that one of the entrepreneurs' concerns regarding the banking sector was related to the application of the Basel rules.

In Germany, we published our *UnternehmerReport 2012 SME*⁶ based on interviews with 3,765 customers and presented its findings to journalists in roughly 40 regional press conferences and to more than 360 customers and non-customers in 2 regional events. In this edition, the report explains how companies can optimize their energy efficiency and provides information regarding promotional loan programs to finance environmental projects.

In Poland, the third edition of the *Report on the Situation of Micro and Small Companies*⁷ was presented at a conference held on January 31 in Warsaw. Similar to previous editions the report covers the financial environment, investments, employment, exports, innovation and other relevant topics, while a special section is dedicated to the e-economy. The report will be presented at regional and sub-regional level. In March and April 2013, 17 conferences will be held in each of the capitals of Poland's regions and organized in cooperation with Google. Participation is expected to include 1,600 micro and small companies.

Numbers of interviews and content of reports on the economic environment

Country	Interviews conducted	Focus
Italy	6,650 total (6,000 SB; 500 ME; 150 large companies)	Digitalization
Germany	3,765 SMEs	Energy efficiency, promotional loans
Poland	6,900 micro and small companies	Economic environment and the e_economy

2. Refer to the Sustainability Report 2011 for more information.

3. Refer to the Serving Individuals and Families chapter for more information.

4. Refer to "Proposing tailored solutions" paragraph for more information.

5. Visit www.unicredit.it/content/dam/unicredit/chisiamo/UniCreditImprese/Ricerche/PDF/Rapporto%20Piccole%20Imprese.pdf for the full report.

6. Visit www.hvb-unternehmerreport.de/index.html?hvbicid=hint0921 for the full report.

7. Visit www.pekao.com.pl/mis/raport_SME/?s,main,language=EN for the full report in English.

Supporting Companies



UniCredit Bank Financial Days in Slovenia

In September 2012, local business leaders and UniCredit senior managers convened for a two-day *Out of the Box* event to exchange ideas and best practices. 65 CFOs and CEOs of the local businesses participated in the event after which UniCredit Bank Slovenia's relationship managers followed up with each participant to collect their feedback.

Our listening and dialogue initiatives include also opportunities to learn from customer complaints and identify areas of improvement. We are particularly attentive on our complaints management process⁸, through which customers can relay their complaints via our call center, e-mail, internet banking platform or directly to their branch. Moreover, through our post-complaints surveys, we are interested in **understanding our effectiveness at providing timely and satisfying solutions.**

In Austria, we conduct surveys throughout the year to record clients' perceptions of our resolution process. Results from these surveys are provided to our Management Board, sales heads, and process and product owners.

In addition to our regular complaints management process, we created two specialized units:

- the *Special Complaint Task Force* handles issues related to foreign exchange (FX) loans
- the *Ombuds Office for Handling Hardship Cases* assists loan customers with financial issues caused by unexpected events (e.g., severe illness, death, natural disasters) and handled 18 cases in 2012

When interacting with clients, we prioritize their material issues, which means ensuring that our proposals are transparent, our credit processes are swift, and our customer care and advisory services are of the highest quality.

Connecting with customers

Maintaining close customer proximity demands a steady flow of services. Thus, we are **improving our traditional service model** by:

- restructuring our countries' headquarters to centralize competences
- streamlining back office activities to improve our speed and efficiency
- cultivating long-term relationships
- enhancing our relationship managers' industry-specific expertise

To better meet customers' needs, our Group was reorganized in Italy to delegate decision-making authority to our territories, in order to streamline and speed up administrative processes.

This reorganization, together with the enhancement of mechanisms supporting our commercial planning, freed up more time to dedicate to customers. In 2012, for example, in continuation of our activities in previous years, we introduced a new commercial planning tool called *Navigatore ME*, which facilitates our relationship managers' interactions with some 40,000 Medium Enterprises (ME) customers.

In Austria, we re-organized our Vienna region by creating a unique one for SME clients in order for their relationship managers to dedicate more time catering to their needs. More than 50,000 SME clients benefited from this re-organization.

In Romania, we converted our corporate corner in a retail branch in the city of Târgu Mureș into a corporate center for better serving our local corporate clients, while in Russia, we integrated our *Corporate Finance Advisory* into Zao UniCredit Bank to improve cooperation between our relationship managers and finance advisors to offer a more complete service.

While creating specialized centers improved our business expertise at the country level, centralizing our back office activities ensured that we carry out customer requests with greater speed, as seen in Slovakia.

Given that our service model includes a strong focus on long-term relationships, the visibility of our relationship managers is vital.

Thus, in Poland, for our SME customers who were assigned to a new relationship manager (either as a result of re-segmentation or the filling of a vacant portfolio), we developed a process to communicate this change. More than 20,000 customers received an informational letter and a follow-up call, and, in some cases, met with their new relationship manager. In addition, as part of a communications campaign, our contact center was in touch with more than 8,000 clients without dedicated advisors to ensure that they receive customer information and advice.

> 28,000 customers in Poland were directly informed about service model improvements



To improve our dialogue with the leadership of our large corporate customers, we established a Senior Banker position in our Corporate and Investment Banking (CIB) Division. As experienced professionals with direct contacts to the CEOs and CFOs of large corporations, our Senior Bankers lead the strategic dialogue with these clients, develop the customer relationship and are accountable for overall client profitability, risk and capital consumption. This approach keeps us close to our major customers, maintains a complete picture of their needs and centralizes the coordination of decision-making processes. In 2012, our senior bankers were appointed in Germany (4), France (4), Italy (3), Austria (2), Poland (1), and the Middle East and North Africa (1).

8. Refer to the Supplement for complaints data.



In Germany, as part of our service model, we launched the *Decision Maker Dialogue* initiative offering to our clients the industry-specific expertise of our relationship managers. During our annual client meetings, these managers now discuss clients' individual market and strategy, and conduct SWOT analyses (Strengths, Weaknesses, Opportunities and Threats).

FOCUS

CIB Division's Capital Structure Advisory project

Rolling out in 2012, the Capital Structure Advisory project of the Corporate and Investment Banking (CIB Division) provides corporate customers with customized, strategic and forward-looking solutions. Clients receive tailored advice based on balance sheet analyses, which creates a foundation for long-term dialogue with CEOs and CFOs. 77 advisory pitches were made in Italy, Germany, Austria and in Central and Eastern Europe, resulting in 17 mandates taken.

In this digital age, we also seek to innovate our business model by **implementing multichannel solutions**. This applies to SME and large corporate customers, who expect multichannel interactions with our banks. They must have immediate access to products and services, perform instant financial transactions and check their finances in real time.

In response, UniCredit modernized its multichannel operations in several countries in 2012, and will continue to roll out new services that give customers banking access when and where they need.

In 2012, we introduced several new products through our online banking services in Italy, which allowed SME customers to make their purchases online through our Digital Signature service⁹. We were also the first bank in Italy to introduce a 100 percent paperless account opening process online. Our *Online Document* initiative, continued to provide environmental and cost saving benefits. Roughly 62 percent of our communications are now archived online. In Italy, 510,000 businesses are signed up for this service as of June 2012.

UniWeb is our web-based electronic banking services system for corporate customers in Italy. It ensures functional and operational flexibility, by offering a range of complementary services in order to satisfy our customers' operational requirements. Currently, *UniWeb* is available in two versions:

- *UniWeb 2.0* provides user access to information and operational function services that are in line with CBI¹⁰ standards (including SEPA credit transfers and direct debit). It includes improvements regarding its usability, flexibility and in its navigation

- *UniWeb 2.0 Plus*, targets more sophisticated users and, additionally to its standard functions, includes: an advanced form of cash management; financial functions and services for companies that transact with foreign parties; and an enhanced administration section and a scheduling function

In Poland, roughly 19,000 requests were submitted electronically by corporate clients using our bank's internet platform, PekaoBIZNES24. Moreover, 20,000 SME clients began using their dedicated PekaoFirma24 platform.

In terms of facilitating online transactions, we are the only bank in Croatia to have *e-Invoice*, which allows customers to submit and process invoices online. This service also helps our corporate clients exchange, collect, reconcile and store digital invoices and documents.

Our team in Romania was involved in the development of our Group Web Solution (GWS), which offers clients a user-friendly and cost-competitive way to carry out foreign transactions. In 2012, 66 corporate clients made use of our *Intra-Company Payments (INTC)* service.

At UniCredit, we are also expanding our mobile banking service, which in some countries is growing even faster than our online banking. Our innovative mobile services have drawn appreciation from users in Italy, Germany and Austria, among others¹¹.

In Bulgaria, our companies are accessing their accounts using mobile devices, with 135 SME clients being the first users of this mobile banking service launched at the end of 2012. The next step will be to offer the service to larger corporate clients, too.

In Poland, a new app dedicated to SMEs was the first to reach the Polish market with a fairly extensive feature set.



9. Refer to the Serving Individuals and Families chapter for more information regarding our online banking proposal and results.

10. Customer to Business Interaction.

11. Refer to the Serving Individuals and Families chapter for more information regarding mobile banking.

Supporting Companies



Remote customer interactions

Thanks to our video conference customer advisory service in Germany, we are among the leading banks in the field of remote interaction. As part of our *Business Easy* service, Small Business Relationship Managers use video calls both to introduce and revise forms and contracts with clients.

Austria is also in the vanguard on this issue. The *Online Finance Check* will be implemented in 2013, offering time saving to clients who receive Relationship Managers (RMs) summaries of the performed finance check via email, eliminating the need to meet in person.

Simplicity and transparency

Being easy to deal with

To better respond to the needs of business customers, UniCredit is working to simplify and improve its processes and products. Considering the urgent need for business credit allowance in light of the global economic downturn, we are focused on **shortening our Credit Response Time (CRT)** and streamlining formalities to provide clients with quicker response.

In 2012, we improved the timing we respond to clients' financing needs. In each country, we implemented procedures to analyze our CRT and identified ways to simplify and shorten processing. As a result, our average CRT for large corporate improved since 2011 in our main countries. To gauge our progress, we have instituted a number of monitoring mechanisms. In Italy, for example, we created *Credit Dashboard*, a monthly internal report that monitors our CRT to assess whether we are on the right track.

Credit Response Time average in Austria (2011 vs 2012): from 3.9 to 3.7 days for SMEs and from 4.7 to 4.5 for large corporate



Our drive for simplification is bearing fruit in Austria, where the *Best 4 Business* project brought together more than 100 colleagues for workshops that identified key client needs in the SME segment.

As a result, we reduced bureaucracy related to the loan process, achieving faster response times and a leaner credit process. This also reduced administrative work and freed up more time for us to focus on our clients.

Providing simpler financing products and services makes our bank easier to deal with, which is why our Group carried out numerous activities at the country level.

In Slovakia, we improved our decision-making processes by making our loan applications easier to assess. In Poland, our SME Client and Risk departments teamed up to create an agreement called *Manifesto*, to define their responsibilities in improving the credit application process and to facilitate their decision-making and transaction assessments. Moreover, a simple loan process was created for low-value credit products, shortening the application procedure for SME loans by 25%. Since May 2012, about 900 such applications have been submitted.

Similarly, in the Czech Republic we developed the *Quickie Invest* loan for SMEs, with a maximum five-day credit response time. This loan can be used for a wide range of purposes, including technology investments or real estate development.

In addition to credit products, we also introduced services that respond to customer demand for greater simplicity. These new services included the *Cross Border Account Opening* initiative, which is particularly appreciated by corporate customers seeking to initiate business relationships in different countries in which our Group operates¹². As of December 2012, the project had been rolled out in the vast majority of UniCredit countries. The *Cross Border Account Opening* initiative seeks to standardize Groupwide processes and documents related to the opening of accounts by a single client in different jurisdictions. The account opening agreements are provided both in English and in the country's native language, and the information required is presented in the same standardized format from one country to another. The documentation also adheres to country-specific legal and regulatory requirements. All of these features save time and money for our customers. Only four out of 20 countries are now requiring customers to be physically present to open an account.

Simplicity is also a key feature of products such as:

- our *All in Leasing Package* which provides small business customers in Austria with professional automobile fleet management. The package is simple and transparent, and the total price includes a prepaid gas card, insurance, periodic maintenance, car replacement and roadside assistance. In 2012, we secured roughly 200 deals
- our *Daily Money Account* product, in Germany, requires less administration and less manual input, given that it is automatically linked to the market interest rate

¹². Refer to UniCredit International in "Proposing tailored solutions" paragraph for more information.



Achieving transparency through responsible communications

Banks must be transparent in their communications about products and services if they are to earn and maintain the trust of their customers. At UniCredit, we work to **clarify and simplify our contracts, product agreements and account statements**, as well as the content on our commercial websites, by replacing banking jargon with plain language. This approach has been deployed in Italy, Germany and Austria over the past few years, and was adopted in several CEE countries in 2012.

In keeping with this Groupwide simplification program, Bulgaria streamlined two-thirds of its existing corporate client documentation, and in Croatia, clients now receive detailed and transparent disclosures regarding the features and fees of our products and services at tailored presentations held at least once per year in every region.

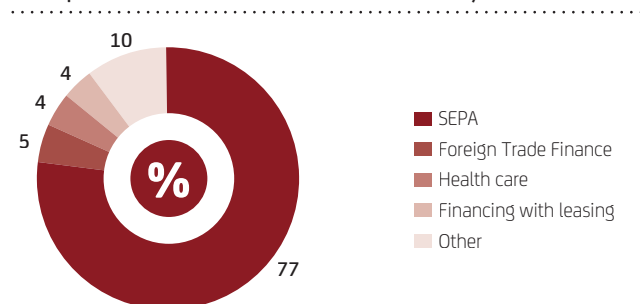
In Hungary, we began to publish a quarterly newsletter about our banking products and services, which is emailed to 4,700 clients. In 2013, we will include information on banking topics directly on account statements, using a format that is designed to be simpler and more transparent for all corporate customers.

In this same spirit of transparency, UniCredit Tiriac Bank SA in Romania regularly publishes updated information on its website regarding its corporate products, fees and commissions¹³.

Our Group works hard to maintain the trust of our customers, which is why we also provide them with educational opportunities to **enhance their understanding of our products and services**.

In Germany, we organized *HVB@Webinar*, our optional online training courses for SME customers. In 2012, more than 3,000 clients have made use of these courses. A program addressing the implementation of Single Euro Payments Area (SEPA) has been our most popular course, attracting more than 2,400 customers whose accounting processes will be affected by this new payments system. Our SEPA webinars were designed to help customers as they prepare for upcoming changes, enabling them to carry out their cash management transactions in line with new SEPA rules.

Participants in webinars for SME clients in Germany



13. Refer to www.unicredit-tiriac.ro for more details.

Our colleagues in Austria are also improving transparency through their *Rating Advisory Service*, which informs SME and large corporate customers about our bank's rating policies. The service advises clients on how to restructure their balance sheets to improve their internal rating within our bank, to plan strategies and to take appropriate action.

Customers were particularly appreciative of our *SME Info Days* in Austria, which advised entrepreneurs on how to secure subsidized loans. Roughly 700 guests - 78 percent customers and 22 percent non-customers - participated in the events, which were held among Austria's regional capital cities. Largely because of these informational events, UniCredit Bank Austria AG was able to finance more than €70 million (up 21 percent compared to 2011) in subsidized loans in 2012.

In Ukraine, we launched a weekly meeting series where our local Head of Risk Management and our Head of the Middle Corporate Department sit down with a small group of clients to explain UniCredit's strategy and to discuss how our bank can better meet their needs. Similar client meetings are held monthly with our local general manager and/or our director of corporate business.

Service quality

Offering superior professional service

Our focus on providing superior service means investing in our ability to help our clients overcome operational complexities and respond to market pressures.

Delivering quality services is a continual process. We invest in the details - in our training and coaching, in our questioning and listening - to differentiate ourselves in a way that is meaningful to our customers.

We begin this process by investing in our people, particularly in our new team members and colleagues **preparing for new professional roles and responsibilities**, to ensure that they are effective.

In Italy, our four-day *Introduction to Medium Enterprise RM Role* training specifically covers commercial approaches and methods, credit strategies and procedures, and specialty products. Our training programs for colleagues approaching new professional challenges include for example our *New In Role* course for Small Business RM, which illustrates product and service models to incoming business prime relationship managers. It improves their customer focus by explaining issues related to transparency, fairness and proximity to territories. We trained 150 small business prime relationship managers in 2012. Courses will continue in 2013, with sessions already planned for the first half of the year.

The qualifications of our relationship managers (RMs) are of paramount importance. Our RM training plans are an important expression of how we retain, categorize and prioritize our accrued expertise; the content of these plans is updated regularly to reflect changes to the external environment.

Supporting Companies

In Poland, our Business Competences Development Academy conducted trainings for colleagues working with SMEs in 2012, including a two-day financial training for more than 400 advisors and a four-day training for 345 RMs on customer relationships. As an indirect result of these trainings, RMs freed up more time to interact directly with their clients, increasing their phone calls and meetings by 11 and 18 percent respectively. Moreover, our CIB Academy organized 13 specialized workshops, which trained more than 340 bank colleagues.

Because spending time with customers is essential, we implemented new training solutions supporting our RMs to be constantly updated while maintaining customer focus.

In Germany, for instance, approximately 650 small business RMs received three 30-minute coaching calls. And in Austria, more than 40 RMs dealing with freelancers were trained via video conferences. These remote trainings will continue in 2013.

Based on the *Cross-Border Service Standards* implemented across our banks¹⁴, in 2011 we launched a web-based training program to review rules, responsibilities and processes related to serving customers with businesses in two or more countries. Rolled out in 2012, the program trained 700 relationship managers, assistants and credit specialists in 14 countries.

We piloted a new training format in Slovenia, in which a trainer accompanies the CIB relationship manager, analyst or product specialist to client visits. Trainers conduct short interviews with clients following their meetings, after which they then meet with their trainees to discuss ways to improve transparency and meet customer needs. Together, they assess client meetings using a check list, after which trainees and their managers receive feedback regarding areas for improvement. Trainers follow up after several weeks to ensure that all necessary improvements are being made.



Photo by: UniCredit Bulbank.

Example of trainings for colleagues dealing with corporate clients

Country	Focus	Duration	2012 Target
Bosnia and Herzegovina	New products and services (i.e., e-commerce)	3 hours	74 colleagues (RMs, Assistants, Branch Managers, Financial Advisors)
Bulgaria	Financial analysis, credit application, comprehensive risk assessments	4 days	22 colleagues
Romania	Risk management, asset quality	2 day training program "Banking for professionals"	125 RMs
	Banking technical knowledge (negotiation, sale)	2 day training program "Corporate Magic"	55 RMs
Ukraine	Risk assessment, focusing on the economic environment and structured corp. fin.	3 days	100 colleagues
		5 days	40 RMs

At UniCredit, many training programs for our RMs are focused on **developing sector-specific knowledge and expertise**.

UniLine, a new training concept, was launched in Germany to disseminate industry information and expertise. Conducted as a telephone conference call, it provides RMs with an overview of specific industries and their key features and challenges. This training is designed to enable RMs to advise clients using accurate, industry-specific information.

To enhance our understanding of our large corporate clients, we launched an internal initiative called *Industry Shared Views*. The initiative consists of industry specific meetings and calls that are held on a rolling basis and are aimed to disseminate industry knowledge to colleagues in key coverage role. Developments and trends are discussed with internal and external experts. As a result, our senior bankers and our global account managers are informed on macro developments in industries such as utilities, telecommunications, healthcare and pharmaceuticals, chemicals, automotive, construction, machinery, transportation and logistics, consumer goods and retail, and oil and gas.

The initiative kicked off successfully in December 2012 with the first call addressing the automotive industry, attracting 30 participants. Monthly calls have been scheduled through all of 2013.

14. Russia and Poland roll out ongoing.



Proposing tailored solutions

Ensuring quality service also means giving our employees the opportunity to personalize their services based on the individual customer's needs or to propose country- or industry-specific solutions according to the circumstances.

SMEs have been the backbone of the European economy during the recent economic downturn, with 20.7 million SMEs accounting for more than 98 percent of all enterprises and more than 87 million jobs across Europe¹⁵. Given their contributions to technology, exports, job creation, and innovative products and processes, SMEs are key drivers of economic growth in the majority of countries where we work. They are vital contributors to GDP, which is why we are so focused on **supporting their SME development** with our knowledge, expertise, and capability to cooperate with local chambers of commerce and other relevant groups.

First of all, we are part of the Prime Collateralised Securities (PCS) initiative to revitalize securitization market and promote lower finance costs for the real economy. Since November 2012, 10 transactions have been recognized as PCS-compliant contributing to reinforce asset-backed securities as sustainable investment and funding tools¹⁶.

In Hungary, we were the first financial institution to implement a *Loan Combined with Guarantee for SMEs*. Customers worked directly with our bank to apply for their subsidy and loan requests, which shortened the application lead time. Once a credit decision had been made, the subsidy approval and credit guarantee occurred simultaneously. As a result, the process was quicker, easier and guaranteed that customers received the loans needed to fund their projects. In 2012, 6 contracts were signed with clients.

Since the beginning of the global economic crisis, exports have powered growth in domestic markets, making significant contributions to GDP. As a result, our bank seeks to support SMEs that want to grow or expand their businesses in foreign markets, to secure new commercial counterparts and business opportunities, or to invest abroad - but may lack the knowledge to do so.

Our *UniCredit per l'Italia* initiative supports Italy's real economy and companies with this in mind. A full recovery in the country's exports is vital to reversing its declining GDP and renewing the global competitiveness of Italian enterprise.

This initiative supports:

- Italian domestic businesses, by issuing €40 billion in new loans over the next three years through *UniCredit For Territories*. In 2012 we already issued roughly €12.6 billion in new loans

- the internationalization of 20,000 Italian enterprises, through *UniCredit International*

In 2012, roughly 10,800 new startups were supported in Italy with roughly €490 million in medium/long-term and more than €500 million of short-term financing¹⁷ to sustain the real economy.

In addition UniCredit accompanied more than 7,300 Italian enterprises abroad to help them identify new growth opportunities. 1,000 Italian enterprises participated in the seminars regarding the global markets scenario. 730 enterprises had the opportunity to hold 4,600 business-to-business meetings with more than 200 foreign enterprises. These numbers demonstrate that UniCredit is a valuable partner for companies working to grow their business.

Many other UniCredit countries, including Germany, Austria, Romania and Russia - where there are a number of clients and potential clients operating businesses abroad - carry out internationalization initiatives and organize events that involve key actors such as chambers of commerce and business associations. As just one example, in 2012 we provided support to more than 3,100 Corporate international clients in Romania.



Photo by: UniCredit Bulbank.

15. Source: *EU SMEs in 2012: at the crossroads - Annual Report on small and medium-sized enterprises in the EU, 2011/2012*, publication realized for European Commission.

16. Refer to the 2011 Sustainability Report and <http://pcsmarket.org> for more information. Data as of March 2013..

17. Refer to the *Fostering Communities* chapter for more information on our startup support.

Supporting Companies



UniCredit International

UniCredit International leverages our unique domestic and international network to provide the products and services necessary to help our Italian clients internationalize their businesses. The service is based on four pillars:

1) Market knowledge

- Events to connect with potential international markets, such as East Gate and Destination China
- *Export Business School*, a six-day training program to help companies plan their internationalization strategies. In 2012, more than 12,000 training hours were conducted for roughly 700 entrepreneurs

2) Partner identification

- The *UniCredit International* website (www.unicreditinternational.eu) is a platform for identifying and contacting potential business partners
- Business-to-business meetings between Italian and overseas enterprises

3) Products and services catering to international business

- *Imprendo PMI Europa and Imprendo PMI International*, which are current account and services packages with special conditions for domestic and international transactions (pricing is based on the number of operations carried out)
- *Easy CredOk*, which is a letter of credit for small businesses buying goods overseas and wanting to protect their enterprises by using a means of payment, with a more streamlined cost structure than traditional letters of credit
- *Financing for Internationalization*, which is an unsecured loan with a SACE-backed guarantee and designed for businesses with turnovers below €250 million that plan to launch investment projects abroad

4) Specialized consultancy with

- 200 UniCredit international specialists in 50 international centers across Italy
- a presence in 50 countries, with local controlled banks in 22 and foreign branches and representative offices in other 28

In 2012, UniCredit confirmed its partnership with *Confindustria Balcani*, the federation of Italian business associations in the Balkans, to develop an integrated, cross-border approach to support the growth of the more than 1,000 Italian enterprises in the region. UniCredit clients wanting to export or produce in countries represented by a local Confindustria, the majority of which are also countries in which UniCredit is present - Bosnia and Herzegovina, Bulgaria, Croatia, Romania and Serbia - can leverage on the network for educational meetings offered by the association. So far, eight events were organized in Italy with an average of 100 attendees per date.

We not only support our clients' internationalization, but we also work to build tailored solutions for our large corporate customers. Our Group applies the *Shared Goals* approach to our largest clients. With this approach we try to create a link between our business strategy and our corporate customers' medium-term business targets, while ensuring a close cooperation between our coverage functions and product specialists. The process entails regular meetings of clients' service team members to discuss their progress and innovative solutions that fit into our clients' strategy.

In 2012, we conducted *Shared Goals* meetings with more than 500 clients in the CIB Division. This practice will continue in 2013 and will be a standard component of our business planning strategy.

To provide meaningful support to enterprises requires not just a keen **understanding** of on-the-ground realities, but of **industry-specific dynamics** and challenges as well.

Italy's non-profit sector is particularly important for our Group due to its role in meeting the emerging needs of local communities and territories. This is vital to the welfare of all countries' needs, especially in this time of economic instability. According to Istat, Italy's institute for national statistics, this sector represents 4.3 percent of Italian GDP, an increase of one percentage point since 2010. This sector is comprised of:

- more than 235,000 organizations (5.4 percent of all institutions)
- 488,000 employees (2.5 percent of Italy's workforce) and four million volunteers



We launched our *Universo Non Profit* (UNP) service model in Italy in 2009 to meet the needs of these organizations. In 2012, we continued to develop new, specialized financial products and services for them, such as:

- a special credit rating process
- medium- or long-term loans for non-profits with highly seasonal revenue streams. New loans of €84.5 million in this category were made in 2012

These offerings are available at UniCredit branches across Italy, including a dedicated branch in Rome. We serve roughly 32,000 non-profit clients through *Universo Non Profit*, of which nearly 5,200 were new in 2012. In line with our priorities, in 2012 we piloted *Universo Non Profit* outside Italy, specifically in Romania, and are conducting feasibility studies in Germany, Austria, Poland and CEE (i.e., Russia, Serbia and Turkey).

In Germany, our Credit Protection Insurance for Business Customers (CPI) is designed for freelancers, providing protection on short- and medium-term loans in the event of accident, illness or death. We are piloting this product in select branches.

In Austria, UniCredit was the only bank to form a partnership with the European Investment Fund (EIF) to support innovative and technology-driven enterprises. The initiative recently began to provide financing at favorable rates, with the intent to issue €120 million in financing over the next two years. In Slovakia, the same loan program backed by EIF will issue €70 million in financing by the end of 2014.



More information is available on the dedicated section in our website

FOCUS

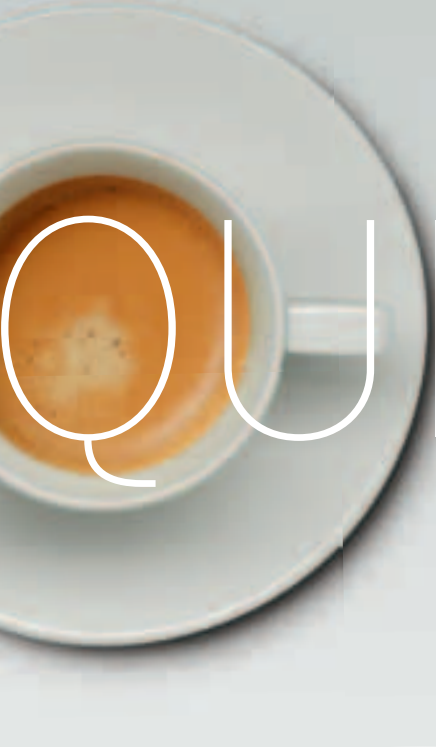
The Craftsman&Partner program in Croatia: how we craft tailored solutions

Real Need

In recent years, Croatia has seen many of its craftsmen close their businesses due to the difficult economic environment and a contracting market. This was primarily due to non-payments for goods and services, difficulties posed by the underground economy, and regulators' fiscal treatment of craftsmen. As many as 90,000 Croatian craftsmen, their employees and families require more efficient and profitable business practices, in order to find a simpler, better way to meet their everyday needs.

Concrete solution & benefits

The Craftsman&Partner program, launched by Zagrebačka Banka together with the Croatian Chamber of Trades and Crafts, aims to provide a comprehensive overview of these craftsmen and their business environment. The program is also designed to offer them customized services with favorable terms and to arrange valuable partnerships that serve their needs at discounted rates (e.g., T-HT, Croatia Insurance, VELPRO and Peugeot Croatia).



QUICKNESS

The importance to have streamlined information in nonstop markets

“*Since the markets are nonstop, it is incredibly important that information be quickly available. That’s why UniCredit is constantly improving the Investor Relations section on its corporate website. The data available in its streamlined, easily accessible repository really helps me in my daily work.*”

Andrea F., financial analyst





Highlights

518
meetings

COMMUNICATED OUR GROUP'S FINANCIAL PERFORMANCE AND STRATEGY TO THE MARKETS THROUGH FACE-TO-FACE AND REMOTE MEETINGS

1,345,110
page views

GARNERED 216,444 UNIQUE VISITORS TO THE INVESTOR RELATIONS SECTION OF THE UNICREDIT INSTITUTIONAL WEBSITE

97/100
FTSE4Good Index score

IMPROVED OUR SUSTAINABILITY PERFORMANCE AND JOINED THE FTSE4GOOD LEADERS GROUP THANKS TO OUR SUPERSECTOR-RELATIVE SCORE

83/100
Dow Jones Sustainability score

LISTED AGAIN IN THE DOW JONES SUSTAINABILITY INDEX, ACHIEVING OUR HIGHEST SCORE TO DATE

Clear approach to markets

UniCredit has both an Investor Relations (IR) department, which is dedicated to our institutional investors, and a Shareholder Relations department, which serves our retail investors. This organizational structure allows us to tailor shareholder services in line with the value we place on transparency, as stated in the UniCredit Code of Conduct.

The IR team, staffed by 13 people as of December 2012, communicates our Group's financial performance and strategy to the markets. Its main purpose is to stay attuned to shareholders' needs and deliver concrete answers via a range of communication channels.

In 2012, the IR team continued to improve its transparency, accuracy and content while providing numerous opportunities to engage in dialogue with such stakeholders as:

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

IR Meetings in 2012

Participants	Total
Rating agencies	55
Buy-side	413
Sell-side	50

In the course of the year, IR conducted 413 meetings with institutional investors (up from 407 in 2011), 94 of which were either video or conference calls. Fifty meetings were held with sell-side analysts and 55 with rating agencies.

The IR marketing plan involved 28 roadshows, seven of which were for fixed-income investors. In line with our strategic plan's guidelines on cost reduction, IR activities incorporated new types of roadshows using remote channels such as video and conference calls.

The team is tasked with providing a constant stream of information in response to external inquiries. In 2012, this entailed making improvements to our corporate website's *Investors* section to provide greater transparency:

- the *Funding & Rating* section became more user-friendly, comprehensive and up-to-date, providing investors with a high level of financial detail
 - the new online contact form on the *IR Contacts* page routes queries directly to the relevant team member to effectively manage them
- These improvements were recognized at the 2012 Italian KWD Web Ranking Awards, which identified UniCredit's institutional website as a leader among Italian banks.

Rating Agencies' Assessments (as of the end of March 2013)

	Fitch Ratings	Moody's	Standard & Poor's
Short-term debt	F2	P-2	A-2
Medium-/long-term debt	BBB+	Baa2	BBB+
Outlook	Negative	Negative	Negative
Standalone rating	bbb+	C-	bbb+

IR Engagement Activities

Activity	Issue Identified	UniCredit's Response
One-on-one and group meetings with analysts and institutions	<ul style="list-style-type: none"> • Ongoing developments relating to UniCredit's capital increase, announced in November 2011 • Strategic plan, target profitability, cost savings • A need for enhanced dialogue with the financial community by means of improved web tools and online content 	In addition to other initiatives, the IR team conducted a number of meetings in 2012 to engage with investors, analysts and rating agencies
Presentation of results to analysts and the investor community, and release of additional information		<ul style="list-style-type: none"> • Financial presentations to the market via live video webcasts and conference calls. Content included divisional figures • Improvement of the IR section on our new corporate website, focusing on fixed income issues and ensuring that investors receive high-quality service and information
Annual General Meeting (AGM)		Engagement with major UniCredit investors in the voting process
Shareholder identification		The shareholder identification is key to improving IR communication activities



Share information	2012	2011
Share price (€)^A		
- maximum	4.478	13.153
- minimum	2.286	4.222
- average	3.292	8.549
- end of period	3.706	4.228
Number of outstanding shares (mln)		
- at period end ^B	5,789	1,930
- shares cum dividend	5,693	1,833
- of which: saving shares	2.42	2.42
- average ^B	5,473	1,930
Dividend		
- total dividends (€ million)	512	^C
- dividend per ordinary share	0.090	^C
- dividend per savings share	0.090	^C

- A. Following extraordinary corporate operations, which involve the detachment of rights, stock splitting or grouping, demerger operations and distribution of extraordinary dividends, the price of the shares can fluctuate so much that they are no longer comparable. Thus, the time series hereby published are adjusted accordingly to restore the continuity of historical price series.
- B. The number of shares is net of Treasury shares and included n. 96.76 million of shares held under a contract of usufruct.
- C. As per Bank of Italy's paper dated March 2, 2012, in keeping with the decision of UniCredit SpA's Board of Directors and in line with the intention announced to the Shareholders' Meeting in 2012, UniCredit SpA did not pay any dividends with respect to its 2011 financial results.

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

Major Shareholders^A (as of the end of March 2013)

Major Shareholders	% of Ordinary Capital
Aabar Luxembourg S.a.r.l.	6.498
PGFF Luxembourg S.a.r.l.	5.009
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	3.533
Carimonte Holding S.p.A.	3.012
Central Bank of Libya Group	2.911
Capital Research and Management Company of which on behalf of	2.731
European Pacific Growth Fund	2.209
Right of vote for discretionary asset management	
Fondazione Cassa di Risparmio di Torino ^B	2.506
Allianz Group	2.015
Delfin S.a.r.l.	2.004

- A. Some institutional investors can take advantage of the option not to communicate the overall shareholding if below 5%.
- B. Which is lender for 29,540,309 ordinary shares, equal to 0.510% of ordinary capital.



More information is available on the dedicated section in our website

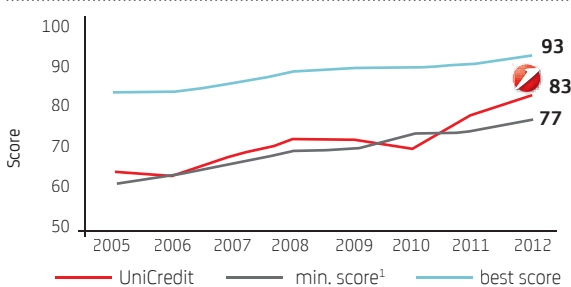
FOCUS

Sustainability performance

In 2012, we improved our sustainability performance, judging from our results in the annual reviews performed by the Dow Jones Sustainability Index (DJSI) and the FTSE4Good Index Series.

UniCredit was selected as a component of the DJSI World and Europe indexes, improving its total score to 83/100 (up from 78/100 in 2011), which is well above the average score (59/100) for banking groups. We significantly improved in all three assessed dimensions - economic, environmental and social. Scores particularly increased in "Customer Relationship Management" (+10), "Corporate Citizenship" (+18), "Financial Inclusion" (+10), "Labour Practice and Human Rights" (+19), mainly due to our *Human Rights commitment*¹, also significantly appreciated by FTSE4Good.

Dow Jones sustainability index (DJSI) - World



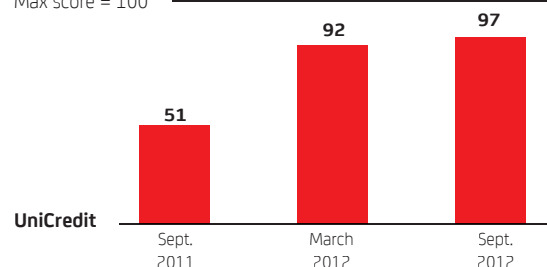
1. Min to be included in the index = lowest score of the first 10% performers in the industry

UniCredit continues to be included in the FTSE4Good Index Series. FTSE4Good's semi-annual review in September 2012 actually reported that UniCredit had increased its absolute score to 4.7/5 (up from 4.3 in March 2012) and its supersector relative score to 97/100 (up from 51 in September 2011). Due to this strong performance, we were selected for the FTSE4Good Leaders group and are currently the second-highest ranked bank in Europe, according to the FTSE4Good ESG Ratings Supersector and Regional Leaders classification.

Moreover, our Group is included in a number of other Environmental, Social, Governance (ESG) performance indexes and benchmarks, including ECPI Indices, Ethibel Sustainability Indexes, Sustainalytics and Vigeo. Our inclusion with other top global performers in these respected sustainability indexes is added confirmation of our commitment and investments in making and improving our business solidity.

FTSE4GOOD

Max score = 100



Global Ranking 726 on 2092 51 on 2091 8 on 2072

1. Refer to the Our Approach chapter and to the 2011 Sustainability Report for more information.



USEFULNESS

Understanding territories' needs

“ *Both as a craftsman and as the Vice President of the Croatian Chamber of Trades and Crafts, I have fully supported Zagrebačka Banka's Craftsman&Partner program. They understand artisans' commercial potential, and have developed the Visa Trades and Crafts Card and financial packages to meet the specific needs of our profession. They also provide consulting services to help us better manage our finances. Our organization's strategic partnership with Zagrebačka Banka has flourished outside of the scope of this program as well, which further demonstrates their commitment to territories.* **”**

Ivan Obad, President of the Chamber of Trades and Crafts Zagreb, customer of Zagrebačka Banka in Croatia





Highlights

~€56.3
million

PROVIDED SUPPORT TO COMMUNITIES, 21% OF WHICH WAS IN TIME AND IN-KIND RESOURCES

>196,600
working hours dedicated to communities

PROMOTED COMMUNITY INITIATIVES THROUGH OUR EMPLOYEES ENGAGEMENT

>1 million
entities engaged

DELIVERED A POSITIVE IMPACT ON INDIVIDUALS AND COMMUNITY ORGANIZATIONS

>83,000
hours of financial education

OFFERED FINANCIAL EDUCATION THROUGH OVER 1,300 CLASSES AND WORKSHOPS TO MORE THAN 31,400 PEOPLE

~900,000
participants

SUPPORTED MAJOR CULTURAL INITIATIVES THAT ATTRACTED A BROAD AUDIENCE

Fostering Communities

During this time of economic uncertainty, communities are undergoing unprecedented social and demographic shifts. The challenges posed by finite resources, ageing populations and low birthrates, combined with high unemployment, migration and changing family structures, threaten to rend the fabric of our communities.

An urgent need for essential services such as education, job inclusion, healthcare, housing and resources in general is growing. Both the public and private sectors have to address these issues if we are to promote the growth of an innovative and inclusive society.

In 2010, the European Union launched its *Europe 2020* strategy¹, calling for “smart, sustainable and inclusive growth.” For this strategy to succeed, national and local institutions must work together with businesses and non-profit organizations to foster community development, by prioritizing human capital, employment, productivity and social cohesion in general.

At UniCredit we are aware of our responsibilities as a pan-European commercial bank. In accordance with our business priorities, and particularly during these challenging times, we demonstrate our proximity to our communities by leveraging our financial expertise and resources to respond to their material needs and enhance their inclusion. By broadening access to different opportunities and resources we support social and economic development.

MATERIAL NEED	OUR APPROACH
Proximity	<ul style="list-style-type: none"> Foster participation in the global financial community by improving individuals' financial skills and awareness Offer banking solutions tailored to underserved populations Stimulate entrepreneurship and innovation Respond to the diverse welfare needs of disadvantaged groups by partnering with non-profit organizations and facilitate social cohesion Support cultural development as the engine of socioeconomic progress through academic initiatives and art

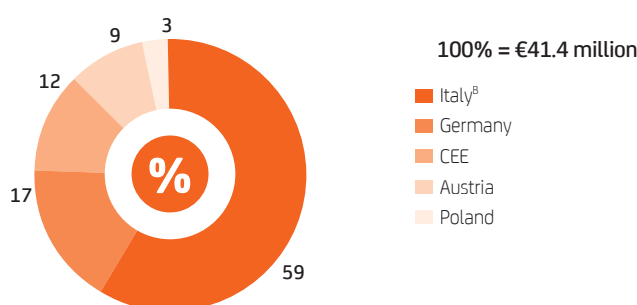
In 2012, we provided roughly €56.3 million² in support to our communities – a some 13 percent decrease compared to the previous year – and concentrated our resources and investments in initiatives with a strong customer focus.

In a period of crisis like that we are currently facing - when a lack of resources can present serious challenges - it becomes imperative to apply criteria of efficiency and transparency to all activities that support our communities. Companies like UniCredit, in prioritizing effective support for communities, must begin by defining a clear scope and focus for their activities to produce concrete, measurable benefits.

With the aim of enhancing our management of community initiatives and the communications related to them, in 2011 we adopted the London Benchmarking Group (LBG) model³. It provides a valuable, internationally recognized framework for measuring the impact of initiatives and for managing them properly, maximizing effectiveness and transparency.

In line with our goal of progressively applying the LBG model to all Group countries, in 2012 we incorporated Austria and Germany after carrying out a pilot program in Italy in 2011. To date the model has been applied to 85 percent of our Groupwide⁴ community contributions.

Percentage of Group community contributions by geography, 2012^A



A. Data refers to cash contributions only. CEE includes UniCredit's six divisionalized countries - Bulgaria Croatia, Czech Republic, Hungary, Romania and Russia - in addition to Bosnia and Herzegovina, Kazakhstan, Serbia, Slovenia, Slovakia, Turkey and Ukraine.
 B. Includes also UniCredit Foundation and UniCredit & Universities Foundation.

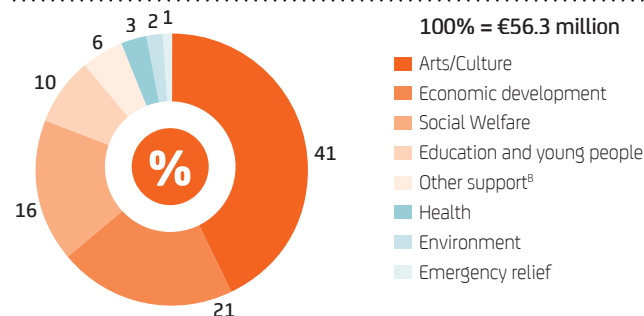
FOCUS

Europe 2020: Growth and inclusion

The European Union's 10-year growth strategy, *Europe 2020*, aims to:

- increase employment rates across Europe - generating more and better jobs, particularly for women, young people and older workers
- support people of all ages in their efforts to anticipate and manage change by investing in their skills and training
- modernize labor markets and welfare systems

Percentage of Group community contributions by focus, 2012^A



A. Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs. Management costs are attributed proportionally based on contributions by focus.
 B. "Other" refers primarily to local athletic initiatives and does not include main professional ones.

1. Refer to ec.europa.eu/europe2020/index_en.htm website for more information.

2. 2012 data are based on internal cost management data sources. Total contributions include cash contributions Groupwide, in addition to the value of employees' time, in-kind resources and management costs for Italy, Germany and Austria. Aside from contributions recorded under the LBG methodology, total contributions to communities include an additional €1.9 million used for specific business initiatives that foster economic development in our territories and for the support of local professional sports.

3. Refer to www.lbg-online.net website for more information.

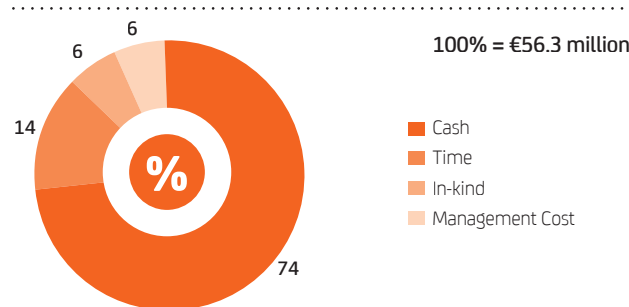
4. Data refers to cash contributions only.



As noted previously, a scarcity of resources can also trigger positive new approaches to contributing to communities, and can help companies learn how to leverage non-financial inputs.

While in 2012 the majority of our contributions were made in cash, amounting to €41.4 million (73.6 percent on Group total), we also provided value to communities by dedicating our time, in-kind (our company's products, properties or services) donations and management costs in the amount of about €14.9 million.

Percentage of Group community contributions by type, 2012^A



A. Includes Group cash contributions and - for Italy, Germany and Austria only - time, in-kind resources and management costs.

One valuable example is reflected by our employees, who donated more than 196,600 working hours (more than 24,500 working days) by participating in community initiatives promoted by UniCredit, while our in-kind contributions amounted to roughly €3.6 million.

A key challenge for companies to address is to remain focused and strategic in order to maximize the effectiveness of their community support. Long-term programs that leverage strong relationships in our territories serve as valuable tools that can generate real benefits and value over time.

UniCredit's 2012 results reflect this approach, confirming our preference for long-term engagements founded on synergies and partnerships. Our contributions can be classified according to their underlying objective:

- 78 percent were "community investments," long-term strategic partnerships (e.g., art and other cultural programs)
- 19 percent were "charitable gifts" that address specific needs and appeals (e.g., emergency relief)
- 3 percent were "commercial initiatives," supporting social causes while promoting our brand and business (e.g., charitable initiatives linked to ethical credit and debit cards)

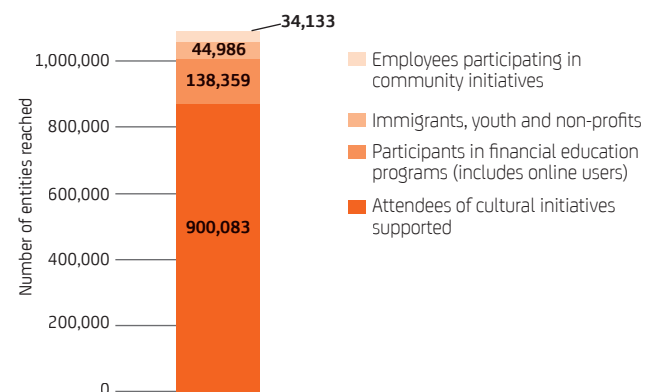
Ultimately our Group's involvement served as a catalyst that generated additional resources from third parties of roughly €4.5 million for community projects. These took the form of over €3.5 million in cash and the equivalent of approximately 91,000 in volunteer hours.

Roughly €56.3 million to communities, impacting some 1 million entities



Overall, our community engagement made a positive impact on more than one million individuals and community organizations.

Our community engagement, 2012 (main initiatives)



Financial inclusion

As a commercial bank operating in 22 countries, UniCredit works closely with its communities. Our main priority is fostering widespread access to financial knowledge and affordable, high-quality financial solutions. We thus promote economic self-empowerment, awareness and financial inclusion, and doing so we help citizens become more active in community life and place their future in their own hands. Ultimately, we believe this will contribute to restoring trust in the banking system, which was eroded during the global financial crisis.

Improving financial literacy

The need for solid financial education requires an immediate response and has drivers such as the increasing complexity of the global economic environment, the growing number of consumers and investors. Thus an effective consumer protection becomes necessary in order to establish greater public confidence and security in financial matters.

Several studies have demonstrated that better-educated individuals can manage their wealth in a more responsible way, and accumulated wealth is an important factor in countries' economic growth.

Fostering Communities

UniCredit has worked to promote greater financial literacy since 2009, by simplifying banking concepts and by encouraging the spread of knowledge and the development of basic financial skills. We thus have been supporting awareness and cultivate responsible long-term financial habits.

As a result, our financial education approach is:

- multi-stakeholder: we liaise with relevant parties who report on territorial needs, and we leverage our internal expertise and communications networks
- multi-target: we address the needs of different demographic groups - the young, the elderly, families, immigrants, cultural mediators, non-profit organizations and SMEs - with customized solutions that are scalable
- multi-channel: we increase our accessibility via various means of communication and interaction
- multi-disciplinary: we use different training models (e.g., interactive, direct and simulated) involving local institutions and organizations to ensure that our methods are effective
- based on fairness and transparency: we leverage our code of conduct, which informs the approach of our volunteer educators (e.g., no information on UniCredit financial products is provided with sales-oriented intentions)
- measured: we monitor our results through KPIs tracking financial literacy improvements and our participants' evaluations via intensive listening

Over the past three years, we have launched a number of financial education initiatives in Italy, Germany and Austria, with additional pilot programs in Central and Eastern Europe.

In 2012, we continued to carry out our *In-formati* financial education program in 74 Italian cities. We had nearly double the number of participants in this program in comparison to the previous year and, to meet stakeholder demands, we provided more classes targeting entrepreneurs. About 330 of our employees volunteered over 4,750 hours of their personal time to lead 764 classes. More than 19,870 people (89 percent of whom were not customers) received 67,000 hours of training.

Our program reported strong results in terms of effectiveness and satisfaction levels. Based on our UniCredit Financial Literacy Index, participants increased their knowledge by an average of 21 percent, particularly in consumer credit topics (e.g., credit cards, personal loans and mortgages), which are vital in averting the risk of over-indebtedness. Moreover in our participants' satisfaction index, attendees reported a 3.1 global average satisfaction rate, on a scale of 1 to 4.

In Germany, 15 volunteer employees from UniCredit Bank AG piloted 16 face-to-face financial education workshops in branches for the general public. The workshops addressed such topics as payment transactions, retirement planning, investing, loans, real estate finance and the financial world in general. Over the course of the year approximately 320 young professionals, apprentices, families, women, senior citizens and migrant workers received more than 320 hours of workshop training.

UniCredit Bank Austria AG, together with the Austrian Museum

for Social and Economic Affairs, continued to provide financial education to students and teachers. Following a pilot program in 2011, more than 10,000 students from 14 to 19 years old and 500 teachers received approximately 15,750 hours of instruction at 513 workshops held in 2012. It is also worth noting that we received a request from the BFI Vocational Training Institute - operated by the Chambers of Labour and the Austrian Trade Union Federation - to hold several of these training workshops in connection with their apprentice training programs, which involved approximately 430 people. These workshops were led by professional trainers with further support from roughly 50 UniCredit Bank Austria employees. In their questionnaire responses, teachers reported the highest ratings for the content and impact of the workshops. In 2013, we plan to engage an additional 10,000 participants in this initiative and to offer more workshops around Austria, at youth centers and Caritas learning cafés, among others.

In line with our multichannel approach⁵, we also employed new communication technologies and complemented our classroom sessions by providing financial education programs on the web.

The *Managing My Money* portal on UniCredit Bank Austria AG's website reported more than 90,000 users in 2012⁶. We are planning to expand and enhance the Avoid Debt and related sections of the website in the future, and to leverage their impact via social media.

In Germany, UniCredit Bank AG is operating *EURO.DE*, a financial education portal that registered almost 17,000 visits in 2012 after adding new interactive multimedia tools and resources, such as a budget planner and animated videos. In 2013, the website will host new video resources and tutorials.

In Romania, UniCredit Țiriac Bank S.A. partnered with the Cherish Life Foundation to establish the *Mothers' School* program, which supports mothers and their families in difficulty. UniCredit Țiriac Bank S.A. worked in particular to improve the financial education of mothers by developing the special *First Steps in Financial Education* section on the *Mother's School* website. Providing practical information, the section is designed to improve mothers' money management skills and their sense of financial responsibility. Last year, specialists also conducted eight workshops in eight cities across Romania on financial, professional, health and legal issues for mothers. These were attended by roughly 700 people, mostly young mothers. UniCredit Țiriac Bank S.A. also continues to encourage customers to donate to the *Mothers' School* program, which they can do directly through the bank's ATMs. This program complements the *UNICEF-UniCredit Țiriac Bank Card* package supporting the *Baby Friendly Hospital Initiative*, which provides new mothers with assistance and counseling in maternity clinics.

Over 138,000 people involved in financial education initiatives



5. Refer to the Serving Individuals and Families chapter for more information.
6. Data as of September 2012.



Promoting financial inclusion

Financial inclusion is integral to the sustainable growth of communities. Citizens who are well-informed and equipped with dedicated banking services can play a more active role in the economic life of a country.

At UniCredit, we foster financial inclusion by providing relevant products and services that respond to the needs of individuals from potentially underserved communities or more vulnerable groups, such as foreign citizens, youths and the disabled.

Over the past decade, the estimated number of migrants worldwide has increased from 150 to 214 million, and is expected to grow to an estimated 405 million by mid-century⁷. Already a dominant force of population change, international migration is likely to increase in scale and complexity in the coming years, influencing countries development as it represents one of the vehicles for the exchange of knowledge, skills and services.

Aware of the particular concerns of this segment, our customized portfolios are tailored to meet the daily needs of **foreign citizens**.

In Italy, *Agenzia Tu* supports the integration of residents in Italy by providing a wide range of ad hoc products and services. In 2012, *Agenzia Tu* served more than 15,800 individuals, increased compared to the previous year.

Among our services, the *Conto Tu Famiglia* is the first current account package designed to meet the daily financial needs of caregivers, domestic staff and babysitters. In addition to traditional banking services (e.g., debit and prepaid cards, online banking, etc.), this package offers six free annual online international remittances to banks holding agreements with UniCredit. It also provides access to non-banking services that include educational and professional development programs to help our clients' social integration. In 2012, *Conto Tu Famiglia* received an Italian Banking Association award for innovation in banking services.

Our *Agenzia Tu* branches also offer Account Based Money Transfer services (ABMT) thanks to an agreement we hold with Western Union in eight countries. Twenty-four hours a day, 365 days a year, ABMT allows customers to send money through any of our 7,800 ATMs and 4,000 kiosks to more than 500,000 Western Union agent locations worldwide. This offer represents our commitment to delivering high quality money transfer services, while meeting customers' growing demand for access to a range of channels (e.g., branches, online and mobile banking, ATMs and call centers).

Beyond just our financial offerings, we also conduct special initiatives that encourage intercultural dialogue to foster migrant communities' integration. In 2012, these included:

- financial education courses at our *Agenzia Tu* branches, which were a part of the *In-Formati* program and included 295 participants in 29 employee-taught classes
- emergency management programs such as the Como Cuore Onlus' *Are You Able to Save a Life?*, which improves professional skills in emergency management. Two classes on

cardiopulmonary resuscitation and emergency calls management were held in Milan and Modena for 50 participants.

In 2013, this program will be launched in other Italian cities

- starting in January 2013, free internet access is provided in branches to help immigrant families - customers and non-customers alike - complete online school enrollment procedures that are compulsory under Italian law

At UniCredit Bank Austria AG, we piloted our Banking Without Borders project in 2011. The project, launched in cooperation with our branches involving Austria, Bosnia and Herzegovina, Croatia, Serbia and Turkey provides foreign customers with advisory services in 24 languages and in more than 200 branches. The initiative provides also a search application on the UniCredit Bank Austria AG website that allows customers to find branches offering advisory services in their home language. More than 100 employees with different cultural backgrounds and highly proficient in multiple languages, play an active role in meeting the needs of foreign customers. Our sales advisory is enhanced by ad hoc sales information and printed materials in different languages – Bosnian, Serbian, Croatian, Turkish and English – that are distributed among pilot branches. Moreover, UniCredit Bank Austria AG operates a *Regional Office – International Community*, among the leading Austrian Institutions that serve non-resident customer segment.

Our approach to serving immigrants who are working to build a better future aligns with our dedication to **younger generations**. This is why we provide this population with tailored products and services, such as current accounts, cards and loans, while helping them to develop responsible spending and investment habits.

In Italy, *UniCredit ad Honorem* provides students with the financial and tuition assistance they need to attend major Italian universities. Through this loan program, a student can postpone principal payments, for example until graduating or securing a job. In 2012, 470 loans were disbursed.

Austria's *Studentenkonto* program, which supports students throughout their education and until they find employment, also extends a student loan with a repayment of up to 10 years. Students under the age of 30 receive a free current account, debit and credit cards, online banking services and even annual access to discounted tickets for about 4,000 events. The program's mobile banking is optimized for smartphones, and 24-hour multi-channel customer service is available via email, UniCredit Bank Austria AG's website, telephone, SMS, and video telephony.

In Hungary, our *Dobbantó* and *Trendy* accounts provide low-cost banking services to individuals from ages 14 to 26 years old, while cultivating their financial literacy. We served roughly 5,200 account holders, as of March 2013.

Achieving greater financial inclusion also demands that the financial services industry address the needs of **people with disabilities**, ensuring equal and fair access to financial products and services. At UniCredit, we continue improving access to our banking services and promoting special initiatives, with notable examples in Austria and CEE.

7. Source: International Organization for Migration, "The World Migration Report 2010: The Future of Migration: Building capacities for change", 2010.

Fostering Communities

We have a long tradition of addressing disability issues in Austria. Our shuttle service for disabled customers in Vienna was extended to the Styria region. Last year, more than 110 shuttle rides were provided to customers who were meeting with account managers in branches. We will extend this service to Upper Austria in 2013.

UniCredit Bank Austria AG has also been collaborating with instructors for the deaf at the University of Vienna in order to create the country's first comprehensive sign language dictionary that will include banking terminology. In parallel, our bank is striving to increase the number of employees who can communicate through sign language in order to better serve our deaf customers, including by providing remote advice via webcam.

In Bulgaria, 195 UniCredit Bulbank AD buildings - or 98 percent of our local offices - have access ramps and moving platforms for disabled customers. Similar efforts are underway in other countries. In Bosnia and Herzegovina, our headquarters and all of our branches will be wheelchair-accessible by the end of 2013, while in Croatia, we are working to ensure similar accessibility at 77 percent of our branches.

Supporting innovative entrepreneurship

By offering the right mix of professional guidance, financial support and visibility, UniCredit can help individuals develop the mindset to start their own businesses. Equipping entrepreneurs with the skills and resources they need to turn their ideas into reality gives them a better chance to succeed as future leaders and also contributes to shape more innovative communities.

In 2012, we conducted the second edition of *Il Talento delle Idee* contest to support new startups and Italian entrepreneurs between 18 and 40 years old. In cooperation with Confindustria Young Entrepreneurs, the contest identifies innovative business plans and provides winners with the financial and organizational support they need to get their businesses started. Business proposals are evaluated by panels of important local stakeholders and representatives from Confindustria Young Entrepreneurs and UniCredit.

Since the contest began in 2009, more than 700 proposals have been evaluated (277 in the first edition and 436 in the second), with roughly 47 percent submitted by entrepreneurs between the ages of 18 and 30. Moreover 23 percent of proposals were submitted by female entrepreneurs. The greatest number of applications involve ICT/Digital, clean technology and energy, and tourism. Over time the quality of the assessed business plans has risen, with an average of 24 percent of proposals awarded a 'good' to 'outstanding' rating. From the pool of Italy's regions finalists, judges select 39 start ups as winners as a result of the two editions. These start ups received training mentoring and performance monitoring, as well as financial support and exposure.

In two editions the 39 start ups participated to more than 320 business meetings with over 140 experienced professionals

interested in potentially supporting their new businesses. These meetings were aimed at encouraging future partnerships and collaborations among start ups and investors, companies, innovation stakeholders and other experts, including many from our UniCredit network.

With the launch of our *Start Up Academy* in Italy the two editions' local winners also participated in week-long managerial training sessions. More than 45 training hours per edition were provided by more than 20 independent professionals and managers from the UniCredit network.

Stemming from the success of the HVB Women's Council in Germany, UniCredit Bank AG launched a mentoring program for new female entrepreneurs to receive support from experienced businesswomen. Eligible candidates are invited to apply for one of six mentoring places by submitting their innovative business ideas. Through the program, mentees receive guidance

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Il Talento delle Idee success stories

Through *Il Talento delle Idee*, UniCredit has put promising business startups on a path to success. These have included:

Techlab Works, which specializes in artificial intelligence systems that videorecord medical procedures and in company security systems. Established in 2008 by three engineers under the age of 30, Techlab Works currently has eight employees and is establishing a market foothold in Sicily and northern Italy. They specifically produce technology used in surgeries, which has been adopted by several medical institutions, including the highly respected Rizzoli Orthopedic Institute in Bologna.

WIN (Wireless Integrated Network), which also works in the medical field, producing systems that monitor patients remotely. Founded in 2009 at the Scuola Superiore Sant'Anna, WIN benefited from capital investments made by the Italian Business Angel Network and the Tuscany Innovation Fund. From 2010, when it comprised two employees, WIN now employs 15 people and plans to expand its position in the European markets.

Fubles.com, which is an online social network founded in 2007. Today, the site has more than 250,000 users in Italy, Spain, the United Kingdom and elsewhere. Fubles.com was voted the number-two app by Apple Italy in 2011, and is currently ranked number four among the "highest-rated and most used sports apps" on Facebook.



for six months and gain exposure through press conferences, advertisements, special events and social media. The ultimate goal is to foster the creation of a wide network of female entrepreneurs in Germany. In 2012, 170 business proposals were evaluated.

In Austria, we held our *Young Entrepreneur Conference Days*, which involved more than 2,000 participants. The event's 24 workshops and presentations provided free information and consultations on starting or assuming responsibility for a company. Moreover we conducted another initiative, *The Medical Practice - A Successful Business*, a five-module course that trained doctors in both the business of medicine and entrepreneurial skills. The program included workshops, presentations and lectures covering such topics as financial planning, organization, marketing, office management and business startups. Through this course, more than 400 participants received education credits from the Austrian Medical Council.

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2012 East Forum: New Approaches to Industrial Policy

Organized in partnership with the OECD, the seventh annual East Forum generated a high-level dialogue on the topic, *The Challenge of Economic Growth: New Approaches to Industrial Policy*. Among the issues discussed was the role of policy to stimulate innovation, by ensuring access to necessary resources and by bridging the gap between research and industry. UniCredit believes that promoting new ideas helps to generate commercially viable entrepreneurial endeavors. In a knowledge-based society, the banking system has the power to make concrete contributions to economic recovery and development. This involves addressing social and global challenges, creating jobs and increasing productivity through knowledge creation and diffusion. *East Forum* was attended by UniCredit's top management and senior representatives from the EU Commission, the OECD, the Italian government, Confindustria, prominent national and international think tanks and academics. More information is available on the *East Forum* website.

Social welfare

During times of widespread economic hardship, non-profit organizations play an important role in communities. By mobilizing volunteers and resources, they address public service gaps and tackle less popular but deeply urgent social issues.

As a bank, we deploy our resources and expertise to support the work of non-profits, focusing on welfare issues, youth and the elderly, while paying attention to emerging but immediate needs. We do this by:

- providing organizational support for fundraising and developing commercial initiatives that inspire solidarity and promote our brand
- supporting social enterprise projects through a mix of know-how and philanthropic contributions
- launching timely and structured emergency relief efforts to help territories struck by unexpected hardships

We place particular emphasis on employee engagement in solidarity-driven initiatives, which is deeply rooted in UniCredit's corporate culture and complements our community initiatives. In this way, employees offer their skills and time to address important social issue in the communities where they live which UniCredit strongly supports. Moreover, staff engagement enhances company loyalty and has a positive impact on reputation in the areas where UniCredit is present.

In 2012, more than 33,700 employees participated in our main social welfare initiatives.

The UniCredit Foundation⁸ is our center of expertise on all philanthropic activities and opportunities for employee engagement. It increases the effectiveness of our initiatives through its large network of partnerships and communication tools that engage our colleagues.

Over 33,700 employees engaged in social welfare initiatives



8. Refer to the UniCredit Foundation website for more information.

Fostering Communities

A selection of our colleagues' community engagement initiatives

Initiative (Country)	Description	2012 results
Gift Matching Program (Europe)	The UniCredit Foundation supports employee contributions to their preferred non-profit organizations, by matching their donations on a one-to-one basis.	The <i>Gift Matching Program</i> marked its 10th anniversary and was conducted in 19 countries. More than 13,500 employees took part in the program, by supporting 406 non-profits and donating €3.7 million, including 100% matching contributions from the UniCredit Foundation. More than €31 million has been donated to more than 3,500 non-profits in 10 years.
Your Choice, Your Project (Europe)	Employees are invited to vote for their preferred initiatives, by selecting from a list of projects supported by the UniCredit Foundation at the local level. The projects receiving the most votes are awarded an additional grant from the foundation.	Over 11,960 employees participated in 4 countries, contributing to 22 selected projects. In the first two editions of the project, that started in 2011, more than 38,800 employees were participating and supported 43 projects.
We for the Region / regional projects (Germany)	In Germany, UniCredit Bank AG launched the <i>We for the Region</i> project in 2012, which is an outgrowth of <i>Together for the Region</i> (refer to the 2011 Sustainability Report for more information). These new initiatives make donations to local charities where our employees volunteer.	Roughly 1,500 employees in 170 locations participated in these projects, volunteering approximately 47,320 hours.
Point of Honor! (Germany)	UniCredit Bank AG gives employees who volunteer their time to social causes, up to two days of special paid leave a year. The program also makes donations to their selected charities.	Across Germany 287 employees participated in this project, volunteering approximately 44,800 hours.
Youth Mentoring Program (Germany)	Through this program, launched in 2012, our employees mentor disadvantaged youths and support their inclusion in the job market. Through the <i>Joblänge</i> vocational scheme, young people aged 15 to 25 are provided with a six-month training program.	In this program 28 young people were mentored by UniCredit Bank AG volunteers, who provided career advice, practical assistance and professional job expertise.
Rest-Cent-Initiative (Germany)	The initiative was launched in 2012 for employees to donate the leftover cents from their paychecks to local charities (e.g., from a €1,000.38 paycheck, 0.38 cents is donated). Beneficiary organizations are selected by employees via our <i>Your Choice, Your Project</i> program, and employee donations are then matched by the UniCredit Foundation's <i>Gift Matching Program</i> .	This program featured 4,745 colleagues participating and raising €19,100 for four non-profits, providing support to disadvantaged children, young students and the unemployed.
Bank Austria Volunteer (Austria)	UniCredit Bank Austria AG partners with Caritas, and employees in Austria's regions volunteer for selected projects each year.	A total of 40 employees volunteered for 200 hours to 9 initiatives involving children, the elderly and the homeless.
Great Orchestra of Christmas Charity Foundation (Poland)	The Great Orchestra of Christmas Charity (<i>Wielka Orkiestra Świątecznej Pomocy</i> , or WOŚP) is one of Poland's best-known foundations, raising funds to buy medical equipment for sick children in cooperation with medical and educational institutions. Since its founding, WOŚP has provided more than 20,000 pieces of medical equipment. The height of the orchestra's activities peak at their annual <i>Grand Finale</i> day, featuring events across Poland. Bank Pekao SA donates funds to this event, while employees volunteer and also make personal donations.	Overall about 1,600 employees participated in the Grand Finale day through volunteer teams across Poland. Branches were open during the event and a special bank account was created. In January 2013, Bank Pekao SA contributed with over €490,000 and the UniCredit Foundation matched employee donations through the <i>Gift Matching Program</i> . Bank Pekao's commitment to WOŚP has lasted for 14 years, and the bank has been recognized as "The Orchestra's Banker".
People and Health (Russia)	ZAO UniCredit Bank carried out 42 charity projects involving corporate volunteer initiatives, purchases of equipment for medical facilities, quality of life improvements for veterans, academic scholarships, contributions to charitable foundations' long-term social programs, and support for disaster victims. The bank's flagship program, <i>UniColours</i> , offers art therapy for disabled children, where employees are also actively involved.	A total of 920 donations went to charitable projects, some of which were matched by the UniCredit Foundation's <i>Gift Matching Program</i> . In 2012, based on research conducted by the Charities Aid Foundation, ZAO UniCredit Bank was ranked third among banks included in the List of Leaders of Charity. Moreover, the Leaders of Corporate Charity also ranked ZAO UniCredit Bank in fifth place in its "financial sphere" category.



Empowering fundraising

As most non-profits are reliant on donors' various type of supports, fundraising represents an essential part of their operations.

UniCredit has developed a range of marketing initiatives that use **customized banking products and services**, through *Universo Non Profit* service model⁹, to support charitable fundraising.

For example, *Conto Donazioni* enables non-profits that bank with us to collect donations through UniCredit branches from customers and non-customers alike, without any administrative costs. As of December 2012, 722 *Conto Donazioni* accounts raised roughly €3.1 million.

We also encourage non-profits to use our *ilMioDono.it* web platform to promote their activities and collect donations without paying any banking fees. In 2012, the number of non-profits using *ilMioDono.it* nearly doubled to 387, up from 234 in 2011. Roughly €83,000 in donations were generated from the website's users, of which more than 50 percent went towards healthcare and social inclusion causes. In 2012, *ilMioDono.it* attracted an average of more than 29,000 page visits per month, peaking at the end of the year with the launch of the *Un voto, 100.000 aiuti concreti* online campaign. In keeping with our multichannel approach, we are developing new ways to access *ilMioDono.it*, including smartphone applications.

At the local level, our bank provided direct support to charitable initiatives via *Universo Non Profit* banking services, such as *ilMioDono.it*, and communication campaigns at our branches and on our ATMs in Italy. In 2012, we generated more than €220,000 for initiatives focusing on health, social welfare and culture. The tangible results of these initiatives included:

- providing assistance and facilities for abandoned children in the Milan area and cancer patients in Padua, including vehicles for homecare services
- building new rooms in a hospice for terminally ill patients in Bologna
- renovating and equipping a hospital in Mali, serving 20,000 people, with diagnostic tools and a solar power plant. Additionally, improvements were made to training sessions for hospital personnel
- restoring two important artworks by Giotto and Cimabue in the Basilica di San Francesco in Assisi

As a bank, we want to be effective when contributing to communities, and we work to address urgent social issues and provide concrete support. As demographic changes pose societal challenges, we believe that addressing youth unemployment and ageing is a way to foster social inclusion and help future communities gain their competitive edge.

In Italy, we called for proposal for our 2012 UniCreditCard Classic E *Strategies for Social Cohesion for Young People* initiative, to promote employment-based social enterprise projects for at-risk 15- to 29-year-olds. We received more than 260 applications, which

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Un voto, 100.000 aiuti concreti

Between 2011 and 2012, UniCredit conducted its charitable voting campaign, *Il nostro dono, il tuo dono (Our gift, your gift)*, which evolved into the 2012-2013 *Un voto, 100,000 aiuti concreti (One vote, 100,000 ways to help)* campaign. This new project invites anyone, including non-customers, to browse *ilMioDono.it*, learn more about the non-profit programs and vote their preferred ones, to determine how UniCredit will distribute its contributions. In its first edition, UniCredit donated a total of €88,000 to 156 organizations. In the second edition, 2012-2013, we will give €100,000 - distributed in proportion to the votes received - to the 185 organizations that earned at least 30 votes. By March 2013, over 28,450 participants took part in the online voting campaign.

Votes are made by way of *Gift Cards (Carta per il MioDono)* and in addition to voting on UniCredit's contributions, participants are invited to make a personal donation to their preferred non-profit organization.

were evaluated by the UniCredit Foundation with support from Bocconi University. In October 2012, seven projects were awarded a total of €500,000 raised by UniCreditCard Classic E cardholders' contributions. Of these projects - which were also voted on by UniCredit employees as part of our *Your Choice, Your Project* initiative - the one receiving the most votes earned a bonus contribution. As a result of implementing these seven projects, opportunities will be provided to 73 young people.



UniCredit Bank Austria AG employees baking at Vienna's *Die Gruft* homeless shelter. Photo by: Roman Jost.

9. Refer to the Serving Individuals and Families chapter for more information on *Universo Non Profit*.

Fostering Communities

Our dedication to youth was also realized through our **support for social enterprises**. For years, the UniCredit Foundation has been supporting the development of such enterprises, emphasizing structured projects that deploy private-sector strategies to address pressing social issues.

In Romania, the UniCredit Foundation and UniCredit Țiriac Bank S.A., in partnership with the NESst Foundation Romania, awarded €35,000 to four social enterprises, the winners of the local *Your Choice, Your Project* competition. These projects were chosen from the 19 social enterprises that participated in the competition, with the one that earned the most votes from UniCredit Țiriac Bank S.A. employees receiving an additional award. Winners will use the funds to buy new equipment, pay existing salaries and create roughly 30 new jobs. The program will support such local projects as:

- building a bakery, which will employ three mentally ill people and provide food to a local socio-therapy center
- establishing a wicker plantation, which will create 10 jobs for Roma individuals, and developing a plan to export its products to Austria through online channels
- making needed improvements to a mosaic tile shop, thereby preserving 14 jobs
- creating four jobs for young disabled people in tailoring and laundry shops

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Ethical cards: business and communities

UniCredit customers are given the opportunity to contribute to social causes through a range of ethical credit and debit cards. By using their cards, a variable percentage from each transaction is donated to selected social projects.

In Italy, more than €1.7 million was collected in 2012 - and will be distributed in 2013 - due to more than 207,000 UniCreditCard Classic E cards in circulation, of which more than 27,000 were newly issued. Together with local and national organizations, we awarded more than 44 social projects in 2012 (using the funds collected in 2011).

From 2005 to 2012, approximately €10 million has been collected through our UniCreditCard Classic E.

In other Group countries we are running similar initiatives, also in the form of customer loyalty programs, which allow clients to accumulate points that are converted to the monetary equivalent and donated to charities. By the end of 2012, cards in circulation in Germany, Bosnia and Herzegovina, Bulgaria, Czech Republic, Romania, Russia, Slovakia, Turkey and Ukraine, funded a range of charitable causes - primarily those dedicated to children in need and disability issues.

Other than youth unemployment, also ageing of global population is among most pressing issues, as it is most advanced in Europe, where more than one-third of the population is more than 60 years old. This emerging issue is drawing the attention of international institutions, policymakers, academics and non-profits, as also demonstrated by the 2012 European Year for Active Ageing. It in fact marked an uptick in the commitment of civil organizations, public institutions and businesses in promoting social inclusion and rights for Europe's elderly population and increasing their access to goods and services. This will enable them to live more active and independent lives.

As in 2011¹⁰, we remain committed to this social issue, and in 2012 we focused on **promoting inter-generational solidarity**: other than job inclusion as above illustrated, we focused on supporting the elderly.

In Italy, for example, where the UniCredit Foundation has supported gatherings at the *Alzheimer's Café* since 2011, when it began to conduct an impact analysis of existing eldercare services on families and caregivers. The object was to define a service model that would enable social enterprises to improve the quality of life for the elderly and their families. With such initiative we put efforts in supporting a phenomenon that is gaining momentum across Europe, with non-governmental organizations operating *Alzheimer's Café* locations across Europe for more than 20 years now. Hundreds of cafés are in fact opening up around the world to give people with Alzheimer's a place to go - with their families, friends and caregivers. There, they can meet in a welcoming environment and receive assistance from volunteers and healthcare professionals, who provide emotional support, education and social interaction. Funding from public and private entities is essential to ensure that these cafés stay running.

Since the second half of 2012, following the publication of the impact analysis results and the creation of the service model for eldercare, the UniCredit Foundation, together with UniCredit Factoring, has begun to support *Alzheimer's Cafés* in Italy, with the goal of opening four new startup cafés. All told, €300,000 will be donated over a three-year period. Consistent with its commitment to creating high-quality, scalable service models for our Italian territories, the UniCredit Foundation plans to further develop and expand this model in Italy.

Remaining close in times of need

UniCredit lends a hand where it can, by putting to work its expertise and banking infrastructure and by providing concrete solutions for natural-disaster relief efforts. We work to respond swiftly in times of crisis and to support the social and economic recovery of the affected areas.

We engineered strong responses to the earthquake that devastated parts of northern Emilia-Romagna and Lombardy in Italy in May 2012. Responding not just as a bank, but as a partner to those affected, we moved quickly to support our colleagues, customers and the communities impacted by the disaster. UniCredit took swift action, in step with local institutions and authorities, to jumpstart production at important local enterprises. In collaboration with the Civil Protection Department, 24/7 crisis units, 34 camping trailers and a fund of €100 million were quickly put in place to

10. Refer to the 2011 Sustainability Report for more information on the Universo Non-Profit Prize.



provide housing and financial support through subsidized loans for customers, employees and their families.

Moreover, our bank took economic recovery measures, such as instituting a zero-expense policy on preliminary credit screening processes, suspending mortgages and facilitating redundancy payments.

To maintain close contact, our retail and corporate customers were provided with customer care and communications services through our regular and mobile branches. Moreover, in addition to staying up to date on the situation on the ground, our UniCredit managers visited the affected areas.

In addition to UniCredit's direct contributions, affected areas also received donations via several fundraising efforts. Through a dedicated current account, customers, noncustomers and employees were able to donate via UniCredit's branches, ATMs and online banking channels. Moreover our employees were particularly able to offer further support to citizens in the provinces of Emilia-Romagna, Lombardy and Veneto through such special channels and initiatives as *Dai il tuo contributo (Make Your Contribution)*, a one-time deduction from employees' salaries. Moreover, a fundraising campaign was launched by the banking sector in coordination with the trade unions and the Italian Banking Association (ABI), and was managed by the Prosolidar Foundation. Through these efforts, as of March 2013, more than €1.3 million was raised in support of local institutions and organizations carrying out projects targeting youth, families and the elderly both in support of emergency and reconstruction phases.

Our *Saper Essere Saper Fare* pilot project is also worth noting, which is the result of an agreement between UniCredit and the Emilia-Romagna Regional Education Office and the Mantua Territorial Education Office, in cooperation with Italy's Ministry of Education, Universities and Research. The pilot will support projects for students during the 2012-2013 academic year, and will feature educational and recreational activity programs to ensure that students continue to attend school. Together with local institutions, 48 projects will be awarded €345,000 from the funds raised through UniCredit's current accounts created for emergencies.

In terms of non-cash contributions, UniCredit Leasing provided shovels for clearing debris in the town of Finale Emilia.

Cultural development

Beyond providing basic access to the financial world and responding to concrete social concerns, UniCredit also encourages the cultural development of communities both through educational initiatives and support for artistic expression. In our global, knowledge-based economy, a well-educated population is essential to the growth of innovative and competitive communities and to secure our sustainable future.

Shaping tomorrow's communities

As a bank, we are well aware of the potential of young talent. This is why we support a number of academic initiatives to foster the personal and professional development of students, the leaders of tomorrow.

The mission of the UniCredit & Universities Foundation¹¹ is in fact to promote economic research and to support students in the fields of economics, finance, law, politics and the social sciences. These endeavors are carried out through our strong network of partnerships with leading universities in Europe and the United States.

The UniCredit & Universities Foundation offers several scholarships, fellowships and other grants in economics and finance every year to the best European students. UniCredit has invested more than € 5.2 million in the UniCredit & Universities Foundation since it was founded in 2009, to support 132 talented students and researchers, 46 of whom received funding in 2012.

The foundation launched 17 competitions in 2012 for students from the 22 countries where UniCredit operates. In line with its 2012 priorities, among these competitions the foundation expanded its *UniCredit Study-Abroad Exchange Programme* to seven UniCredit CEE countries: Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Russia, Serbia and Ukraine. The competition awarded 22 grants for students to spend six months studying abroad.

Moreover, the foundation's broad program of initiatives in 2013 will be enriched as a result of having forged an agreement with the Associazione Borsisti Marco Fanno. With this partnership comes new responsibilities - to support Marco Fanno Alumni and to extend its alumni network to our own UniCredit & Universities Foundation, *Crivelli* and *Foscolo* fellows. In 2013, the foundation will also offer students enrolled in master's programs at select European universities opportunities to participate in trainee or internship programs at several UniCredit legal entities.

FOCUS

My Europe



In 2012, UniCredit partnered with the Institute for Corporate Culture Affairs (ICCA) and the Frankfurter Zukunftsrat (future think tank) to promote the *My Europe* competition for journalists. The initiative brings together students, political figures and media representatives in 29 European countries for a workshop series, to forge cross-border communication networks and to cultivate among students a strong sense of belonging to Europe.

UniCredit was the main partner of the first *My Europe* event in Italy, which included 24 students from the University of Parma and the University of Naples in a two-day workshop at the UniCredit headquarters in Milan. They attended lectures led by European experts and journalists from *Il Sole 24 Ore* and *Il Corriere della Sera* together with top managers from UniCredit.

In February 2013, UniCredit Bank AG became a partner in the second *My Europe* event in Germany, where 50 Bavarian students attended a two-day workshop in Munich at both HVB Forum and the offices of *Süddeutsche Zeitung*, the competition's media partner in Germany. For more information visit *My Europe* initiative website.

11. Refer to the UniCredit & Universities Foundation website for more information.

Fostering Communities

In addition to academic grants, the UniCredit & Universities Foundation conducts other initiatives with top European universities and financial institutions. In 2012, the foundation organized three workshops: *The Social Dimension of Organizations* at Central European University in Budapest, *Gender Equality* at Bocconi University in Milan and *The Euro Area Crisis and its Impact on Turkey* at the Yapi Kredi Banking Academy in Istanbul. In 2013, UniCredit & Universities Foundation will further its commitment to organizing academic workshops by extending these initiatives to other UniCredit countries.

In Germany, UniCredit Bank AG promoted its *Real Life Learning Workshops*, to foster leadership skills among young participants through experiential learning. In 2012, roughly 45 students participated in workshops held at universities in Budapest and Cologne, which were designed to promote self-reflection and inspire personal and professional growth.

UniCredit Bank Austria AG's *UniCredit CEE Student Circle* program is a joint initiative with the Vienna University of Economics and Business, which was launched to increase students' interest in CEE-related coursework and to build their careers in Central and Eastern Europe. Academics and company representatives share their expertise by debating about CEE-related issues and its growing economic importance, also presenting potential career paths. Thereby, through presentations and workshops they introduce students to CEE's and the availability of excellent career opportunities, providing the insights needed to make informed career choices. In 2012, 848 students participated in *UniCredit CEE Student Circle*.

We also encourage the development of younger generations by promoting active, healthy lifestyles through initiatives that help make sports and fitness a regular part of people's lives from an early age.

Through the *Pass It On!* initiative, UniCredit Bank Hungary ZRT has worked with several primary schools for three consecutive years to promote physical activity, sports and healthier lifestyles among children. UniCredit Bank Hungary ZRT encourages schools to organize one-day sporting events for their students, after which the children write about their experiences. Schools that submit these short essays to our bank, along with several photos of the event, receive UniCredit donations to improve their sports facilities, buy new sports equipment or organize excursions. Parts of the best reports were published in the national sports newspaper. In 2012, more than 140 schools joined *Pass It On!*, with an estimated 40,000 children taking part in the campaign - playing soccer, basketball, table tennis and other sports selected by the schools.

Uniting people through music and art

UniCredit's long-standing tradition of promoting culture is deeply rooted in its corporate identity. We believe that business, culture and social cohesion together contribute to the sustainable development of our communities. That is why we work to make cultural initiatives accessible to a vast and diverse public, and support young talent and their ideas. We do this by placing an emphasis on classical music and contemporary arts and cultivating partnerships with preeminent cultural institutions in the countries where we work. Moreover, we provide these institutions with financial and organizational support.

Our cultural outreach emphasizes the role of **music** as a universal language. In Italy, through its enduring partnership with the Filarmonica della Scala, since 2000 UniCredit has supported the orchestra's concert season, national and international tours, and special events. Nearly 20,000 people experienced 11 concerts during the 2012 season at the Teatro alla Scala through our initiatives. Moreover, in the course of its national and international tours, the orchestra played 17 concerts in such countries as Germany, Russia and France, with more than 32,000 people attending the events.

For our *The Filarmonica della Scala Meets the City* open rehearsal series, held in cooperation with the UniCredit Foundation, 10,000 Milan residents took to the seats of the Teatro alla Scala to listen to the orchestra rehearse. Proceeds from this series went to four local non-profit organizations dedicated to children, which had the opportunity to promote their projects to a wide audience.

We launched the new *Filarmonica della Scala in Cinemas* initiative in 2012 and broadcast five of the orchestra's concerts live in movie theaters in 10 European countries and the United States. Audiences sitting in the Teatro alla Scala and in 235 cinemas around the world all enjoyed the performances by the legendary orchestra.

Moreover, we continued to support educational initiatives through the second edition of the *Sound, Music!* program in 2012, which teaches children about classical music. Roughly 1,000 Milanese primary school students participated in four music lessons, while the program's final capstone event was open to UniCredit employees and the general public, drawing 500 attendees.

In Italy, UniCredit maintained its longstanding partnership with the Arena di Verona Foundation and the Arena Museum Opera (AMO). In 2012, we backed the Arena di Verona Foundation's opera festival which staged 50 performances for more than 425,000 visitors and organized 10 *Invito all'Opera* events for 3,400 guests.

**Roughly 900,000 participants
in main cultural initiatives
supported**



In Germany, we partner with many important music festivals. The *UniCredit Festival Night* is one of Munich's top cultural events and is free of charge to about 15,000 people who attend each summer. The festival's concerts and lectures include artists and ensembles from the Bavarian State Opera. This annual prelude to the *Munich Opera Festival* is also climate-neutral, with all events held in an environmentally friendly manner. In 2012, UniCredit also renewed its partnerships with the *Richard Strauss Festival* in Garmisch-Partenkirchen and the world-renowned *Richard Wagner Festival* in Bayreuth.

In Austria we are the main partner of the Vienna Philharmonic's annual outdoor *Summer Night Concert* at the Schönbrunn Palace Gardens, regarded as among the finest orchestral events in the world. Admission is free of charge for the 70,000 to 100,000 people who attend the concert series each year, while an additional estimated 800,000 viewers watch the televised concerts throughout Austria, Germany and Switzerland. In 2012 about 100,000 people attended the events.



In Croatia, Zagrebačka banka DD remains the main partner of the *Zagreb Philharmonic*, which is committed to attracting a broad, diverse audience, young people in particular. To accomplish this, the orchestra expanded its repertoire to include several interesting crossover and multimedia musical programs.

UniCredit partners with international **art exhibitions** as well, to provide the broader public with unique cultural experiences. These display masterpieces from museums and private collections from around the world.

The *Raffaello verso Picasso* exhibition, featuring portraits and figural paintings, was held at the newly restored Basilica Palladiana in Vicenza from October 2012 to January 2013, attracting more than 270,000 visitors. UniCredit offered nearly 2,000 of its employees and young customers with either free or discounted entrance. The exhibition gave visitors the opportunity to admire Pierre-Auguste Renoir's *Dance at Bougival*, which was on special loan from the Museum of Fine Arts in Boston. Following Vicenza, the exhibition will be on display in Verona in 2013.

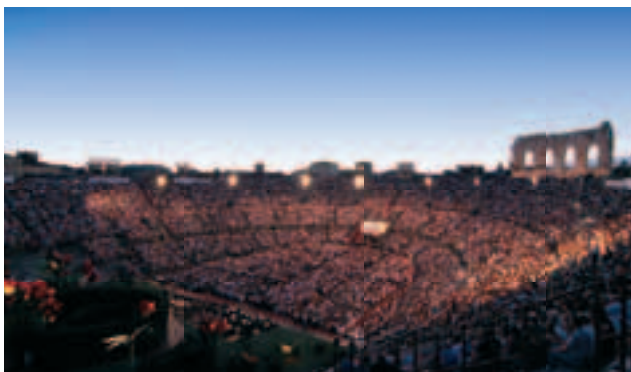


Photo: Tabocchini Gironella - Courtesy Fondazione Arena di Verona.

Moreover in Italy, we renewed our partnership with the Education Department of the Castello di Rivoli in 2012 to support the *A tu per tu* project, promoting social integration through contemporary art. In Bologna and Treviso, where our bank operates some of the *Agenzia Tu* branches, around 1,000 children and their families enjoyed outdoor festivities that focused on painting activities, bringing people together from diverse backgrounds.

Our commitment to sharing the value of art with our communities is also reflected by our ongoing international exhibitions of works from the UniCredit Art Collection. Following a show at the WINZAVOD Centre for Contemporary Art in Moscow in 2011, we displayed more than 70 works from our collection in the *People and the City* exhibition at the Centre of Contemporary Art in Toruń, Poland. More than 10,500 people visited this exhibition in the course of just under two months.

At UniCredit, we are also committed to identifying and supporting **emerging young artists**, by providing exhibition opportunities in all the countries where our bank works.

In Germany, we provide artists with funding to create artwork to be displayed in the *UniCredit Art Room* in Munich. In 2012, UniCredit Bank AG provided support to seven such artists. From January

2011 to June 2012, the rooms of a former UniCredit branch were converted into an art showroom, where 23 artists took turns displaying their work, based on evaluations from a jury panel. The space was open to the public on weekdays, from noon until bank closing hours. A vernissage, finissage and special events were organized for each showcased artist.

More broadly, for the *Jugend kulturell-Program* our bank organizes events to showcase talented young visual and performing artists at branch locations across Germany. In addition, we hold our annual countrywide competition, the *Jugend kulturell Förderpreis*, to discover and support rising talent. Artists use this platform to develop their skills and to perform for customers and representatives from the media, institutions, culture and business. Over the past 30 years, this initiative has resulted in more than 2,200 events featuring more than 9,200 artists and drawing 340,000 visitors.

In Austria, we work with Ö1, the country's leading radio station, to promote our *Ö1 Talent Market* initiative. Talented fine art students from eight Austrian universities are selected by their professors to participate in this program, and are provided with their own webpages as well as on-air and print media coverage to showcase their talent. Moreover, UniCredit Bank Austria AG offers a €10,000 fine arts scholarship each year to one of the participants and organizes two or three exhibitions for the young artist to display his or her work at the bank's headquarters in Vienna. In 2012, each exhibition opening drew roughly 100 guests and incorporated performances by musicians.

FOCUS

Un Mondo Nuovo

From December 2012 to January 2013, UniCredit organized the exhibition *Un Mondo Nuovo (A New World)*, displaying 14 works from the UniCredit Art Collection in the windows of the new UniCredit Tower headquarters in Milan. This special exhibition was a gift to the city, to celebrate the opening of this new neighborhood, described as Milan's "district of the future". Roughly 1,400 people gathered in the tower's Piazza Gae Aulenti for the square opening, and an additional 5,000 people toured the display during the first weekend.



More information is available on the dedicated section in our website



AWAWARENESS

Attention to Environment

“WWF Italia and UniCredit have cooperated on environmental issues since 2008. Together we have launched numerous projects to strengthen UniCredit’s commitment to sustainability. We have also promoted innovative products and services that are good for the environment and help mitigate the dangers posed by climate change. This year, we look forward to the launch of the ‘WWF Genius Card’ for young people. WWF will be the official partner of this new card, which will support conservation efforts. Protecting the environment, after all, means protecting our future.”

Irma Biseo, Corporate Partnerships
& External Relations Director, WWF Italia



Highlights

-24%
GHG emissions

WE CONTINUED TO FOCUS ON ACHIEVING OUR ABATEMENT TARGET AND REDUCING THE CARBON FOOTPRINT OF OUR OPERATIONS IN LINE WITH THE COMMITMENT OUR GROUP MADE IN 2008

4,400
EMAS sites in Italy

EMAS REGISTRATION WAS RENEWED AND ADJUSTED IN 2012 TO ENCOMPASS SOME 4,400 SITES AND 45,000 EMPLOYEES IN ITALY

€8.3
billion

OUR RENEWABLE ENERGY PORTFOLIO REACHES A RECORD €8.3 BILLION

Preserving Natural Resources

UniCredit understands the importance of managing the environmental aspects and other potential impacts of its activities, both direct and indirect. In addition to minimizing our environmental impact and our carbon footprint to fight climate change, we are financing renewable energy technologies and finding new ways to reduce financed emissions. And by requiring prospective suppliers to meet specifications that incorporate environmental criteria, we are working to ensure the sustainability of our procurement practices. Ultimately, to be a truly sustainable bank means creating value for all of our stakeholders and improving their quality of life over the long term through the activities described in this chapter.

MATERIAL NEED	OUR APPROACH
Environmental impact minimization	<ul style="list-style-type: none"> • Expanding our Environmental Management System • Carrying out the EMS concept • Combating climate change
Sustainable procurement	<ul style="list-style-type: none"> • Selecting our suppliers

Environmental impact minimization

Expanding our Environmental Management System

Our Group attaches great importance to how we manage our environmental impacts. UniCredit SpA's environmental management system (EMS) has long been registered under the European Union's Eco-Management and Audit Scheme (EMAS). However, our EMS underwent significant change in 2011 after UniCredit SpA integrated its operating legal entities into one organization, expanding its involvement to cover all banking operations in Italy. As a result, our EMAS registration was renewed and adjusted in 2012 to encompass its new perimeter, spanning some 4,400 sites and 45,000 employees in Italy. While UniCredit SpA also operates certain branches outside of Italy, these facilities are managed independently on a daily basis. We therefore chose to limit our EMS scope at this time to UniCredit SpA's operations in Italy.

We postponed our annual EMAS verification period to June in order to improve our data quality, which resulted in our Group formally renewing our EMS certification at the end of 2012. Moreover, we developed a methodology to conduct internal and

external EMAS verification at a number of our sites. In keeping with the recommendation of Italy's national accreditation body¹, as a basis for the annual EMAS verification we made use of a sample of buildings with operational and dimensional characteristics similar to those of many other facilities covered by the registration. In addition, we focused on issues and metrics that are common to many branches in order to limit potential inconsistencies.

Our revised environmental analysis takes a different approach from that used in previous years, because it assesses the impacts of a broader cross-section of our operations as defined by the new EMS scope. Previously, we focused on our parent company and Groupwide policies and models, and did not take our branch-level operations into account. However, the new scope includes country-level lending activities and policies relating to all of our business lines.

Three of UniCredit's legal entities – UniCredit SpA, UniCredit Bank Austria AG and UniCredit Bank Slovakia AS – now operate with certified environmental management systems covers the whole perimeter. Currently, some 42 percent of our full-time employees are covered by our environmental management systems operating Groupwide.

In Germany, we are assessing plans to extend our ISO 14001² certifications to sites countrywide and will launch a pilot project in 2013. A similar endeavor is underway in the Czech Republic and is expected to be completed by the end of 2013.

Carrying out the EMS concept

Effective internal communication is key to successfully carrying out such an expansive certification process. In fact, the EMAS regulation stresses the importance of communicating with colleagues and encouraging them to participate in implementing the environmental management system.

This is particularly important for financial service providers like UniCredit, where profitability is closely tied to technological innovation and effective use of our people's professional skills. Our newly expanded EMS was the result of a bottom-up process, in which contributions from our network were critical to defining its procedures and framework. This approach has resulted in many valuable suggestions from colleagues who participated in the process.

In Italy, our network has deep knowledge of the EMS at all organizational levels. We look to UBIS³ to ensure the proper management of UniCredit facilities, while relying on our network's internal functions to raise awareness. Access to EMS content, regulations and recommendations is available to colleagues in Italy through *UniContact*. This online tool supports colleagues' daily activities, offering useful information on office-waste disposal and ways to reduce energy consumption,

Our EMAS registration was renewed and adjusted in 2012 to encompass its new perimeter, spanning some 4,400 sites and 45,000 employees in Italy



1. ACCREDIA, the Italian national accreditation body, was established in 2009 to carry out EU Regulation (EC) No. 765/2008 of July 9, 2008.
 2. The International Organization for Standardization (ISO) is the world's largest developer of voluntary international standards.
 3. UniCredit Business Integrated Solutions (UBIS) is a wholly owned subsidiary of UniCredit that provides services related to information and communications technology (ICT), back- and middle-office functions, real estate, security and procurement.



among other topics. During its first six months, the EMS section on *UniContact* - which includes information on how we are addressing environmental challenges, particularly climate change - was viewed by more than 1,500 colleagues before year-end. The site also collects feedback and flags unanswered questions.

In Italy, we have made significant changes in how we assess and manage our environmental impacts, particularly in terms of centralizing our management processes.

There has been a Groupwide effort to reduce paper consumption, with a pilot program currently in place in Italy. As of April 2013, a number of branches will simplify their operations to substantially reduce the paperwork required to open a current account. The number of forms will be halved during the project's initial phase, with the goal of reducing the total paperwork by two-thirds.

In Romania, we reduced the length of our client paperwork, including our General Business Conditions form.

In Germany, UniCredit Bank AG purchased only carbon-neutral heating for its facilities, employed only carbon-neutral mail delivery services and purchased offsets for work-related rail travel.

Moreover, we have dramatically reduced business travel Groupwide and encourage our colleagues either to travel by train or to limit their travel when alternatives are available. To this end, we increased the availability of our video-conferencing tools to facilitate virtual meetings, limiting travel and CO₂ emissions.

Combating climate change

As our Group remains committed to fighting climate change, we are working to shrink the carbon footprint of our operations and to finance renewable energy sources, as well as to study ways to reduce financed emissions.

In 2012, we continued to focus on achieving our abatement target and **reducing the carbon footprint** of our operations in line with the commitment we made in 2008. Scope 1 and 2 greenhouse gases from our operational emissions totaled 375,773 tons at the end of 2012, representing a decrease of 24 percent from the baseline year. This remarkable achievement, which substantially exceeds our initial target, requires us to assess the possibility of setting a more ambitious long-term target for 2020, by which date we had previously committed to making a 30 percent reduction in emissions. The reduction we have already achieved is largely attributable to our space optimization and facility renovations, as we have made extensive efforts to reduce our use of office space across Europe. UniCredit is reorganizing some 25,000 employees through its 25 City Plans projects. These *City Plans* will reorganize our Group's main European headquarter facilities - in Milan, Bologna, Bucharest, Hamburg, Moscow, Munich, Prague, Rome, Turin, Verona, Vienna, Warsaw and Zagreb - based on three principles: the consolidation of our operating locations;

FOCUS

Solidarity and the environment

UniCredit supports projects that combine social inclusion with environmental issues in ways that deliver social benefits. While we are focused on making computer technology more accessible to individuals and companies, the bulk of what we do in this area involves supporting local non-profits and their responsible disposal of electronic goods.

In 2012, within the framework of our partnership with Re-Tech Life Onlus in Italy, we had 2,200 laptops, PCs and printers reconditioned and donated to more than 200 organizations. Re-Tech Life employed 28 people for this purpose, including students and prison inmates. In Austria, we worked with Arbeit für Behinderte (AfB) to create 11 jobs refurbishing IT equipment. In 2012, UniCredit Bank Austria donated more than 500 pieces of equipment for refurbishment.

Paper reduction is also a priority for our internal operations, with default two-sided printing now standard in many of the countries where we operate. At our new UniCredit headquarters in Milan, we have reduced the number of printers, and employees will be required to input a personal code in order to print their documents.

In the past several years, we have chosen to shift from using recycled to ecological paper. By doing so, we reduced our recycled paper consumption by circa 40 percent in 2012 from the previous year.

FOCUS

Supporting the WWF Oasis system

The UniCreditCard WWF supports WWF Oasis, the organization's largest conservation and habitat-protection program. As of December 2012, roughly 25,000 cards were in circulation, and more than 13,400 of these were newly issued in the course of the year. In 2012, cardholders donated an estimated €176,600 to maintain hiking trails and to support educational programs, monitor protected areas, provide legal assistance, and promote responsible tourism and research. The WWF Oasis system protects 100 natural sites across Italy, visited by more than 500,000 people each year.

Preserving Natural Resources

FOCUS

UniCredit turns off the lights for WWF Earth Hour

UniCredit took part in the global WWF *Earth Hour* on Saturday, March 23, 2013, by switching off the lights from 8:30 p.m. to 9:30 p.m. at 73 of its buildings in 13 countries. This event was designed to send a strong message to governments around the world, inviting them to take action against climate change. Our Group participated in this annual event for the sixth consecutive year to confirm our commitment to environmental sustainability.

Over the years, the WWF *Earth Hour* has engaged people from around the world in special events that spotlight the urgent need to address the climate-change challenge and to change our collective behavior.

decentralization; and the application of a new approach to space utilization. Once completed, this will reduce our office space by 650,000 square meters by 2015, or the equivalent of 120 soccer fields.

As a result of the *City Plans* project, we have decommissioned 50 buildings containing 230,000 square meters. In 2013, 4,000 employees will begin moving into the UniCredit Tower, our Group's new Milan headquarters, which will reduce the number of buildings occupied in the city from 26 to five and result in a net savings of 55,000 square meters. The UniCredit Tower is part of the larger Porta Nuova redevelopment project, the largest urban reconstruction initiative ever undertaken in the center of Milan. The three buildings that comprise the UniCredit Tower received a Leadership in Energy and Environmental Design (LEED) Gold certification from the U.S. Green Building Council, and achieved such environmentally significant milestones as:

- 100 percent rainwater reuse
- 20.5 percent recycled materials used in construction
- 93 percent of the leftover construction materials were recycled
- 41 percent of the construction materials were locally sourced

Moreover, we are retrofitting the HVB Tower in Munich, upgrading its infrastructure and changing the windows to allow for natural ventilation in a way that will reduce total energy consumption and significantly cut its CO₂ emissions. In redesigning the façade, the architects have faced major challenges in light of the need to preserve the building's exterior, which was classified for historic preservation in 2006. One of our objectives is to achieve a LEED Green Building Certification for the HVB Tower while reconfiguring our office space to ensure it is being used economically and that it incorporates modern communications technology.

The photovoltaic installation on the rooftop of one of our office buildings in Vienna created the city's largest private solar power plant, operating at 90 kW peak capacity and generating roughly 87,000 kWh each year.

UniCredit's renewable energy portfolio has been growing in recent years, with its exposure reaching a record €8.3 billion by the end of 2012



Along similar lines, UniCredit's **renewable energy portfolio has been growing** in recent years, with its exposure reaching a record €8.3 billion by the end of 2012. That same year, we were ranked third in Bloomberg's list of *World's Greenest Banks* for environmental performance, due primarily to our leadership role among international banks in financing renewable energy technologies.

We have made strides on this front by creating our environmental energy services company, *Officinae Verdi*, which began operations at the end of 2011. It promotes distributed generation and energy efficiency by offering green technology solutions that meet both households' and SMEs' energy needs, which will help to reduce their CO₂ emissions.

By providing access to both financing and innovative technology, *Officinae Verdi* offers one-stop shopping to customers seeking solutions involving photovoltaic modules, solar thermal energy,

FOCUS

UniCredit supports renewable energy sources

UniCredit is the current owner of Bard Offshore 1, also known as Ocean Breeze Energy, a 400-megawatt offshore wind park situated in the German North Sea. The facility has been connected to the grid since 2010 and will be complete by the end of 2013. At full capacity, the wind turbines are expected to generate 1,600 GWh of electricity per year – roughly one-third of the production of a nuclear power plant – to power some 400,000 households. Currently, the amount of electricity generated by the wind turbines is capable of meeting UniCredit Bank AG's energy needs. The wind park is designed to respect the surrounding ecosystems by being located roughly 100 kilometers from the shoreline, beyond an environmentally protected area.



biomass, biogas, cogeneration, small wind turbines and thermal efficiency - all of which can be funded directly through UniCredit.

To date, roughly 160 households are in the middle of *Officinae Verdi*'s credit approval process, and are planning to install energy-generating capacity totalling some 900 kWp that will reduce their energy bills by an average of 30 percent each year. Moreover, 40 SME-related projects are currently in the final stages of their credit approval process.

In Italy, UniCredit SpA is working to meet strong demand for renewable energy, particularly from SMEs. By the end of 2012, our portfolio in renewable energy financing amounted to €435 million, providing funding for photovoltaic installations, small wind turbines and biogas generators.

In 2012, 98% of UniCredit's electricity consumption for its operations in Italy, Germany and Austria was purchased from renewable energy sources



Despite regulatory uncertainty, declining prices and proliferation in the global marketplace, the carbon market is unlikely to go away, given that it remains at the center of any long-term carbon-abatement strategy in the European Union. But as we wait for the much-needed reform that is currently being discussed for the EU emissions trading system, the market's daily activity still factors into our climate change strategy, as well as into how we manage our own carbon footprint.

In 2012, our Carbon Solutions Team generated €1,128 billion in turnover, the equivalent of 206 million tons of CO₂ emissions



We have been active in the carbon market since it began in 2005. Our Group views it as a useful tool for managing carbon risk and believes it represents a cost-effective approach to producing substantial reductions in emissions. Our Carbon Solutions Team in Munich is adding to the liquidity of the carbon market, while serving the needs of our customers in this innovative field. In 2012, our team generated €1,128 billion in turnover, the equivalent of 206 million tons of CO₂ emissions.

In recent years, UniCredit has been **studying ways to reduce financed emissions** and has developed a credit model that

factors in the effects of the projected two-degree scenario⁴ on customers' cashflow. In 2012, we began testing the model with a selection of customers, seeking to determine whether it realistically captured the way businesses manage constraints on carbon emissions. Although the model was well-received by the first selection of customers, we found that it required improvement to be simpler for businesses. In 2013, we will consider possible ways forward.

In June 2012, UniCredit was among the first 37 financial institutions to endorse the Natural Capital Declaration (NCD), which was officially launched at the United Nations Conference on Sustainable Development, also known as Rio+20. The NCD is in step with our Group's approach to understanding the full social and economic impacts of pollution. By way of illustration, UniCredit has previously developed special credit policies intended to minimize the environmental impacts associated with providing financing for nuclear power plants, mining and water infrastructure. Moreover, we are now drafting a credit policy for coal-fired power plants and are developing a pilot project to improve our understanding of the secondary consequences of this type of power plant.

FOCUS

The necessity of natural capital

Natural capital describes the full value of the resources generated by ecosystems, which provide vital goods, such as water, medicines and food, that make human life possible.

The NCD takes the form of a commitment made by chief executive officers from the financial sector. As such, it is convened and facilitated on their behalf by a team of organizations consisting of the United Nations Environment Programme Finance Initiative (UNEP FI), the Global Canopy Programme, and the Center for Sustainability Studies of the Getulio Vargas Foundation's Business Administration School. The NCD emerged from the belief that financial institutions could benefit from guidance on ways to embed environmental factors into their risk management, due diligence, loan, investment and insurance activities.

At the NCD launch, CEO Federico Ghizzoni stated, "UniCredit acknowledges that only by preserving ecosystem services is it possible to maintain economic development in a sustainable way. Climate change, loss of biodiversity, soil degradation and water scarcity are undermining human activities."

4. This scenario represents the possibility that the world will successfully limit the rise in average global temperatures to 2°C above the pre-industrial level, avoiding the most dangerous potential impacts of climate change.

Preserving Natural Resources

The financial institutions that are signatories to the NCD have made a commitment to:

1. understand the relationship between natural capital and their operations
2. integrate natural capital considerations into their decision-making regarding financial products and services
3. build a consensus to integrate natural capital into their reporting
4. work towards integrating natural capital into private-sector accounting and decision-making

Sustainable procurement

Selecting our suppliers

We revised our vendor management process in Italy as planned, and we intend to implement these revisions in our operations in Germany, Austria and Poland. One of our primary objectives in changing our procurement process is to raise awareness

among our suppliers and service providers on the issue of sustainability, as defined in UniCredit's Integrity Charter and environmental policy.

According to our selection criteria, suppliers must comply with a set of minimum requirements that are based on our environmental policy. Prospective suppliers are asked to demonstrate their full commitment to environmental protection and their capacity to manage social and environmental risks. In order for us to evaluate these basic performance standards, suppliers and service providers are required to complete a questionnaire and include relevant documentation, where applicable, as well as to grant UniCredit access to conduct on-site assessments of the accuracy of their statements.

Moreover, authorized suppliers and service providers must comply in all respects with our environmental policy and employ a designated environmental specialist. They must also be in compliance with local laws as well as with the International Labour Organization's standards on child labor, safety and



UniCredit Tower, Piazza Gae Aulenti, Milan. Photo by: Marco Puoti.



freedom of association. And as per the standards of the UN Global Compact, they must abide by international anti-corruption laws.

i-Faber, a procurement services firm and UniCredit subsidiary, is among our chief sources of services and solutions, and is an important resource in improving our performance in sustainable procurement.

Our procurement strategy plays a significant role in the broader issue of sustainability and brings focus to our efforts to minimize our indirect environmental impacts. In fact, sustainable procurement was among the key priorities of the Environmental Sustainability Program we developed with WWF International, which is why *i-Faber* and WWF teamed up in 2012 to develop and implement *Humus*, a new vendor management tool. More than just a program, *Humus* is a transformative initiative. It includes awareness-raising training programs and provides thorough screening assessments of service providers, detailed product selection sheets and a “green” ratings system that can influence purchasing decisions.

UniCredit is working to enhance its procurement practices, by using *Humus* to create:

- an online procurement course that is integrated into the *Humus* HR training plan
- an upgraded vendor selection platform that can identify suppliers who provide certified goods and services
- an important link between sustainability and procurement, ensuring effective implementation of “green” procurement policies, compliance with strategic guidelines and the achievement of targeted results
- a reporting system to assess the impact of adopted procedures



More information is available on the dedicated section in our website

Preserving Natural Resources

Environmental performance indicators¹

Scope 1: direct GHG emissions (tons CO₂ eq), 2010-2012^A

Country	2012	2011	2010
Italy	29,751	46,847	62,920
Germany	19,304	19,160	19,682
Austria	3,901	3,791	4,507
CEE	14,469	13,391	12,111
Total	67,425	83,189	99,221

A. GHG emissions from sources owned or controlled by our Group. Data covers 73% of population (a full-time equivalent of more than 127,000).

Scope 2: indirect energy GHG emissions (tons CO₂ eq), 2010-2012^A

Country	2012	2011	2010
Italy	139,852	146,413	160,592
Germany	83,351	102,816	105,924
Austria	27,365	27,761	30,247
CEE	57,780	53,636	53,731
Total	308,348	330,625	352,504

A. GHG emissions from purchased electricity, steam and heating/cooling consumed by our Group owned or controlled equipment or operations. The table below reflects the use of a carbon emission factor for national grid. Data covers 79% of population (a full-time equivalent of more than 127,000).

Scope 3: other indirect energy GHG emissions (tons CO₂ eq), 2010-2012^A

Country	2012	2011	2010
Italy	7,386	11,289	10,831
Germany	3,306	6,292	6,233
Austria	1,264	2,365	2,257
CEE	1,631	1,730	1,723
Total	13,587	21,677	21,045

A. GHG emissions from employee business travel and from using paper and disposing paper, glass and plastic.
Data covers 73% of population (a full-time equivalent of more than 127,000).

Energy consumption per employee (GJ/capita), 2010-2012^A

Country	2012	2011	2010
Italy	32	36	41
Germany	45	55	57
Austria	54	49	53
CEE	30	27	27

A. Data covers 79% of population (a full-time equivalent of more than 127,000).

1. Data for 2012 have been collected involving 64 legal entities (a full-time equivalent of more than 127,000) operating in Central and Eastern Europe (CEE) countries. The CEE countries included are: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine and Hungary. Due to improved data collection and calculation processes and to periodical updates of GHG emission factors, several figures may differ from data presented in the 2011 Sustainability Report.
Country-to-country comparisons may be misleading as different tracking systems should be taken into account.



Water usage per employee (m³/capita), 2010-2012^A

Country	2012	2011	2010
Italy	23	24	38
Germany	19	25	23
Austria	27	25	32
CEE	17	18	20

A. Data covers 79% of population (a full-time equivalent of more than 127,000).

Copy paper consumption per employee (kg/capita), 2010-2012^A

Country	2012	2011	2010
Italy	66	85	68
Germany	37	42	43
Austria	54	54	58
Poland	50	46	33
CEE	55	60	61

A. Data covers 94% of population (a full-time equivalent of more than 127,000).

Roughly 89% of the paper used groupwide is Total Chlorine-Free (TCF) or Elemental Chlorine-Free (ECF).

Waste production per employee (kg/capita), 2010-2012^A

Country	2012	2011	2010
Italy	89	98	117
Germany	389	477	439
Austria	168	171	201
CEE	190	187	186

A. Data covers 79% of population (a full-time equivalent of more than 127,000).

Percentage of waste by disposal method, 2011-2012^A

Country	Valuable materials separated and recycled		Waste incinerated		Waste disposed in landfills		Special waste treatment	
	2012	2011	2012	2011	2012	2011	2012	2011
Italy	96.58%	96.97%	3.28%	2.82%	0.00%	0.00%	0.15%	0.20%
Germany	66.34%	67.16%	27.74%	26.28%	5.58%	6.23%	0.34%	0.33%
Austria	93.43%	94.55%	6.57%	5.45%	0.00%	0.00%	0.00%	0.00%
CEE	25.38%	24.09%	5.98%	2.50%	65.72%	70.99%	2.92%	2.41%

A. Data covers 79% of population (a full-time equivalent of more than 127,000).

GRI and UN Global Compact indexes

All core GRI indicators are represented in the following table, with additional indicators included only if they are referenced within the report. For the GRI Content Index, please see the dedicated area of UniCredit's corporate website (www.unicreditgroup.eu). KPMG reviewed the 2012 Sustainability Report, which satisfies GRI requirements at an A+ application level.

Legend:

Total	Indicator completely covered
N/A	Not applicable
NM	Not material
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 15-16, 18-19
2. Organization profile		
2.1	Organization name	Total Front cover
2.2	Main brands, products and/or services	Total 2012 Consolidated Reports and Accounts: Results by Business Segments
2.3	Operational structure of the organization	Total 6-7
2.4	Headquarters	Total 88
2.5	Countries of operations	Total 6-9
2.6	Ownership structure and type of legal entity	Total 55; 2012 Consolidated Reports and Accounts: Corporate Governance - Major Shareholders; 2012 Report on Corporate Governance and Ownership Structure: 5-10, 74-77
2.7	Markets served	Total 6-7
2.8	Scale of the organization	Total 6-7
2.9	Significant changes	Total No significant changes
2.10	Awards received	Total Supplement: 18-21
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
3.6	Report scope	Total 2
3.7	Limitations of report purpose or scope	Total 2
3.8	Information on other associate companies	Total 2
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 2
Index of GRI contents		
3.12	Table of reference	Total 80
Assurance		
3.13	External assurance	Total 2; 2012 Report on Corporate Governance and Ownership Structure: 60
4. Governance, Commitment, Involvement		
Governance		
4.1	Governance structure	Total Supplement: 2-4; 2012 Report on Corporate Governance and Ownership Structure: 16-18, 34-35, 84-89; https://www.unicreditgroup.eu/en/governance/board-of-directors.html
4.2	Indicate whether Chairman also holds an executive role	Total 2012 Report on Corporate Governance and Ownership Structure: 84
4.3	Independent and/or non-executive directors	Total 2012 Report on Corporate Governance and Ownership Structure: 84-89
4.4	Mechanisms for making recommendations to Board of Directors	Total 29, 54; Supplement: 2, 29; 2012 Report on Corporate Governance and Ownership Structure: 74-76
4.5	Link between directors' remuneration and performance	Total 23; Supplement: 5-6, 46; 2012 Report on Corporate Governance and Ownership Structure: 39-40; UniCredit SpA - 2012 Reports and Accounts: Notes to the Accounts, Part H.1
4.6	Mechanism of conflicts of interest's avoidance	Total Supplement: 12; 2012 Report on Corporate Governance and Ownership Structure: 20-22
4.7	Directors' qualifications	Total 2012 Report on Corporate Governance and Ownership Structure: 16-20, 36-38
4.8	Mission, values, codes of conduct, and principles	Total 12-13, 25; Supplement: 2, 7-9; Mission; Integrity Charter



Indicator	Coverage	Page
4.9 Procedures to identify and manage economic, environmental, and social performance	Total	16; Supplement: 7; 2012 Report on Corporate Governance and Ownership Structure: 41-49
4.10 Process to assess BoD's performance	Total	Supplement: 5-6; 2012 Report on Corporate Governance and Ownership Structure: 22-23
Commitment in external initiatives		
4.11 Way in which prudential principle or approach is applied	Total	15-16; Supplement: 50; 2012 Report on Corporate Governance and Ownership Structure: 44-47
4.12 Adoption of external codes and standards in the economic, social, and environmental fields	Total	5, 12-13; Supplement: 14, 16-17
4.13 Memberships in associations	Total	Supplement: 16-17
Stakeholder Engagement		
4.14 List of stakeholders engaged	Total	17
4.15 Principles for stakeholders' identification and selection	Total	17
4.16 Stakeholder engagement activities	Total	25, 28, 32, 42-43; Supplement: 46
4.17 Key aspects and criticalities emerging from stakeholder engagement and related actions	Total	28, 32, 42; Supplement: 47-48
FINANCIAL SERVICES SECTOR SUPPLEMENT INDICATORS		
C FS1 Policies with specific environmental and social components applied to business lines	Total	15; Supplement: 13
C FS2 Procedures for assessing and screening environmental and social risks	Total	Supplement: 13
C FS3 Monitoring clients' implementation of and compliance with environmental and social requirements	Total	Supplement: 15
C FS4 Improvement of staff competency to implement the environmental and social policies and procedures	Total	15
C FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Total	37, 75; Supplement: 15
C FS6 Company portfolio	Total	Supplement: 44-46; 2012 Consolidated Reports and Accounts: Report on Operations - Results by Business Segment
C FS7 Products and services designed to deliver a specific social benefit	Total	39, 49; 61-62
C FS8 Products and services designed to deliver a specific environmental benefit	Total	73-75
C FS9 Audits on implementation of environmental and social policies and risk assessment procedures	Total	The Audit Department's on site activities endorse UniCredit policies at the local level and ensure that their implementation is effective and adheres to local regulation. The credit process analysis is generally conducted through a sampling procedure. For cases in which this sampling includes operations related to special credit policies – such as nuclear or defense sector policies – the audit also verifies compliance with relevant internal regulations. There is no specific reporting regarding assessments on these matters; findings are included within specific operation reports
C FS10 Portfolio's companies engaged on environmental or social issues	Total	75; Supplement: 15
C FS11 Assets subjects to environmental or social screening	Total	Supplement: 51
C FS12 Environmental or social voting policies	Total	Supplement: 51
ECONOMIC PERFORMANCE		
DMA EC Information on management approach	Total	2012 Consolidated Reports and Accounts: Report on Operations - Group Results - Main Results and Performance for the period
C EC 1 Direct economic value generated and distributed	Total	58-59; Supplement: 55
C EC 2 Financial implications and other risks and opportunities due to climate change	Total	75
C EC 3 Coverage of the organization's defined benefit plan obligations	Total	Supplement: 34-35; 2012 Consolidated Reports and Accounts: Part B - Liabilities, Sections 10-11-12
C EC 4 Significant financing received from Public Administration	Total	55; Supplement: 28
C EC 6 Policy, practices, and percentage of expenditure concentrated on local suppliers	Total	We define a local supplier as one that issues invoices and receives payment in the same country in which the goods or services are provided. In 2012, the proportion of our major local suppliers in Italy, Germany and Austria was roughly 71, 72 and 87 percent respectively (data are calculated on invoices)
C EC 7 Procedures for local hiring	Total	In 12 out of the 16 countries where UniCredit is present (Italy, Germany, Austria, Poland, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine), the majority of Board of Directors members are local
C EC 8 Development and impact of investments in infrastructures and public utilities	Total	58-59
A EC 9 Significant indirect economic impacts	Total	39, 49, 58-59, 61-62, 74-75
ENVIRONMENTAL PERFORMANCE		
DMA EN Information on management approach	Total	72-75
C EN 1 Raw materials used	Total	79
C EN 2 Percentage of materials coming from waste recycling operations	Total	73

GRI and UN Global Compact indexes

Indicator		Coverage	Page
C	EN 3	Direct energy consumption by source	Total 78. At Group level the main direct energy source purchased is natural gas (roughly 91%). The other sources used are crude oil and petroleum products (roughly 9%)
C	EN 4	Indirect energy consumption by source	Total 75, 78. The Group indirect energy consumption is mainly related to electricity (81%) and heating and cooling (19%)
A	EN 5	Energy saving	Total 73-74
A	EN 6	Initiatives to provide energy-efficient or renewable energy based products and services	Total 74-75
A	EN 7	Initiatives to reduce indirect energy consumption and reductions achieved	Total 73, 76-77
C	EN 8	Water consumption by source	Total 79
C	EN 11	Land owned, rented or managed in protected areas	Total In Sicily, our Group owns five plots of land with environmental and archeological restrictions, totaling roughly 731,000 square meters
C	EN 12	Description of greatest impacts on biodiversity	NM
C	EN 16	Greenhouse gas emissions	Total 78
C	EN 17	Other indirect greenhouse gas emissions	Total 78
A	EN 18	Initiatives to reduce greenhouse gas emissions	Total 73-74, Inside Back Cover
C	EN 19	Emissions of substances harmful for the ozone layer	Total In line with applicable regulations, UniCredit continues to replace refrigeration and cooling systems that contain ozone-depleting substances. Throughout 2012 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 or showing additional operating problems will be gradually replaced and/or modified by equipment in line with current legislation
C	EN 20	Other atmospheric emissions	NM
C	EN 21	Water discharges	NM
C	EN 22	Waste production and disposal methods	Total 79
C	EN 23	Total number and volume of pollutant discharges	NM
C	EN 26	Initiatives to mitigate impacts of products and services	Total 38, 45, 73
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 2012 for non-compliance with environmental laws or regulations
A	EN 29	Significant environmental impacts of transporting products, goods, materials and members of the workforce	Total 73
LABOR PRACTICES AND DECENT WORK			
DMA	LA	Information on management approach	Total 22, 23, 25, 29; Supplement: 25-26, 29, 38
C	LA 1	Breakdown of staff by type, contract, region and gender	Total 25, Supplement: 22-23
C	LA 2	Total number and rate of new employee hires and employee turnover by age, gender, and region	Total Supplement: 24-25
A	LA 3	Benefits provided to full-time employees and not to temporary or part-time employees	Total Supplement: 32
C	LA 15	Return to work and retention rates after parental leave, by gender	Total GRI Content Index
C	LA 4	Degree of coverage of collective labor contracts	Total Supplement: 30
C	LA 5	Minimum period of notice for operational changes	Total Supplement: 30-32
A	LA 6	Percentage of total workforce represented in formal health and safety committees	Total Supplement: 38
C	LA 7	On-the-job accidents and illness	Total Supplement: 41
C	LA 8	Programs for management of serious diseases	Total Supplement: 40
A	LA 9	Health and safety topics covered by collective agreements with trade unions	Total Supplement: 39-40
C	LA 10	Staff training	Total 24; Supplement: 28
A	LA 11	Programs for skills management and lifelong learning	Total 24; Supplement: 32, 37
A	LA 12	Employees receiving regular performance reviews	Total 22
C	LA 13	Breakdown of employees by gender and other diversity indicators	Total 25; Supplement: 23, 28; 2012 Report on Corporate Governance and Ownership Structure: 84-89
C	LA 14	Ratio between basic salary and remuneration of men and women	Total Supplement: 25-26
HUMAN RIGHTS			
DMA	HR	Information on management approach	Total 15, 76-77; Integrity Charter, Human Rights Commitment
C	HR 1	Operations with human-rights considerations	Total Supplement: 14-15; Human Rights Commitment
C	HR 2	Suppliers and other business partners assessed as regards respect of human rights	Total GRI Content Index
C	HR 3	Employee training on policies and procedures concerning aspects of human rights	Total 15; Human Rights Commitment
C	HR 4	Cases of discrimination	Total Supplement: 43
C	HR 5	Risks for right to freedom of association and collective bargaining	Total 76-77; Human Rights Commitment
C	HR 6	Risks for use of child labor	Total 76-77; Human Rights Commitment
C	HR 7	Risks for use of forced labor	Total 76-77; Human Rights Commitment



Indicator	Coverage	Page
C HR 10 Operations that have been subject to human rights reviews	Total	In UniCredit's major countries of operations (19 countries), we evaluated risks associated with our engagements, using self-assessment questionnaires focused mainly on human rights issues related to our employees. Moreover, for those UniCredit countries that pose potentially higher risks for human rights violations (nine countries), UniCredit analyzed their overall environment (e.g., number of human rights violations). In order to identify other potential risks of violation, UniCredit assessed the regulatory landscape and the most significant cases of international human rights abuse that directly or indirectly involved banks. Human Rights Commitment
C HR 11 Grievances related to human rights	Total	Supplement: 43; Human Rights Commitment
IMPACTS ON SOCIETY		
DMA SO Information on management approach	Total	16, 61-62; Supplement: 8
C SO 1 Management of impacts on community	Total	16
C FS13 Access points in low-populated or economically disadvantaged areas	Total	Supplement: 54
C FS14 Access to financial services for disadvantaged people	Total	61-62
C SO 9 Operations with impacts on local communities	NM	
C SO 10 Prevention and mitigation measures implemented in operations with impacts on local communities	NM	
C SO 2 Analysis for risks related to corruption	Total	Supplement: 8; GRI Content Index
C SO 3 Staff trained in the prevention of corruption	Total	Supplement: 8
C SO 4 Actions taken following cases of corruption	Total	Supplement: 8; GRI Content Index
C SO 5 Positions concerning public policy and lobbying	Total	16
A SO 7 Legal actions for anti-competitive behavior	Total	Supplement: 9-11; 2012 Consolidated Reports and Accounts: Part E, Section 4.B
C SO 8 Sanctions for non-compliance with laws or regulations	Total	Supplement: 9-11; 2012 Consolidated Reports and Accounts: Part E, Section 4.B
PRODUCT LIABILITY		
DMA PR Information on management approach	Total	36, 47; Supplement: 52
C FS15 Policies for the fair design and sale of financial products and services	Total	36; Supplement: 50
C PR 1 Healthiness and safety of products and services	Total	Supplement: 52-53
C PR 3 Information on products and services	Total	36-37, 47
A PR 4 Non-compliance with regulations concerning product and service information and labeling	Total	Supplement: 49
A PR 5 Customer satisfaction	Total	42; Supplement: 46-48
C FS16 Enhancement of financial literacy	Total	37, 60
C PR 6 Laws, standards, and voluntary codes concerning marketing communications	Total	36; Supplement: 53
A PR7 Non-compliance with regulations concerning marketing communications	Total	Supplement: 9-11; 2012 Consolidated Reports and Accounts: Part E, Section 4.B
C PR 9 Sanctions for non-compliance with laws or regulations	Total	Supplement: 9-11; 2012 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.	EC5, LA4, LA6 – 9; LA13 – 14, HR1 – 9, SO5, PR1 – 2, PR8
	Principle 2 - Businesses should make they are not complicit in human rights abuses.	HR1 – 9, SO5
Labour	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4 – 5, HR1 – 3, HR5, SO5
	Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR1 – 3, HR7, SO5
	Principle 5 - Businesses should uphold the effective abolition of child labour.	HR1 – 3, HR6, SO5
	Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation.	EC7, LA2, LA13 – 14, HR1 – 4, SO5
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenges.	EC2, EN18, EN26, EN30, SO5
	Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility.	EN1 – 30, SO5, PR3 – 4
	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN 5 – 7, EN 10, EN 18, EN 26 – 27, EN30, SO5
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	SO2 – 6

An online tool that cross-references the GRI G3 indicators to the Global Compact principles is available on the GRI website: <http://www.globalreporting.org/griportal/GRI/G3Online/frmManagementNorms.aspx>



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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 sustainability report for the year ended 31 December 2012 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 and the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, as 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. 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 (and, therefore, less assurance than in a reasonable assurance engagement) 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 2012, on which we issued our report dated 11 April 2013 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 Unicredit Business Integrated Solutions S.C.p.A., UniCredit Bank Austria AG, UniCredit Bank AG, Domus Facility Management GmbH, UniCredit Bulbank AD and UniCredit Bank Hungary Zrt, 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 their 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 presents the prior year corresponding information and data for comparative purposes. As disclosed in the "Determination and distribution of Value Added" section of the Supplement to the sustainability report, the parent's directors restated some of the corresponding data included in the prior year sustainability report. We have reviewed such sustainability report and issued our report dated 18 April 2012. We have examined the methods used to restate the prior year corresponding data for the conclusion on the sustainability report for the year ended 31 December 2012.

- 3 Based on the procedures performed, nothing has come to our attention that causes us to believe that the sustainability report of the UniCredit Group for the year ended 31 December 2012 is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines & Financial Services Sector Supplement issued in 2008 and the Sustainability Reporting Guidelines (version 3.1) issued in 2011 by GRI - Global Reporting Initiative, as set out in the "Report structure" section.

Milan, 12 April 2013

KPMG S.p.A.

(signed on the original)

Roberto Fabbri
Director of Audit

UniCredit S.p.A.

A joint stock company

Registered Office in Rome: Via Alessandro Specchi, 16

Head Office in Milan: Piazza Cordusio

Share capital € 19.654.856.199,43 fully paid in, Fiscal Code,

VAT number and Registration number with the Company Register of Rome: 00348170101

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

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





Our Approach

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Governance

Governance framework

UniCredit's approach is designed to encourage all UniCredit staff, external collaborators and commercial partners to be inspired by principles of transparency and sound management. This is in compliance with current legislation and in line with fundamental principles in the pursuit of one's goals.

UniCredit's corporate governance complies with current rules and regulations and with the recommendations laid out in the Italian Self-Regulation Code for Listed Companies. In this perspective, we have developed a governance set-up, regularly verified and updated to assure compliance with the evolving regulatory environment, the operating practices and the markets, that is constantly monitored to verify its level of application.

Among the components that allow to define the structure of the UniCredit governance there are:

- the Articles of Association, which set forth corporate governance provisions aimed at ensuring the proper operation of corporate management
- the Regulations of the Shareholders' Meeting which govern the conduct of the ordinary and extraordinary meetings and, mutatis mutandis, the special category and the bondholders meetings
- the Regulations of the Board of Directors that govern the functioning and powers of the Board in accordance with the law provisions - regulatory and supervisory - and with the By-Laws, and in the light of the principles and rules set out in the Code of Conduct issued by the Italian Stock Exchange
- the Group Remuneration Policy, which establishes a consistent approach to sustainable remuneration and its standardized implementation within UniCredit, with specific reference to top management
- the Group Managerial Golden Rules (GMGR), which are guidelines that define clear principles of governance within UniCredit, outline our organizational model and establish managerial /functional responsibility for all key processes

Furthermore in order to ensure the proper addressing, coordination and control of our Group activities and management of the related risks, we defined an additional coherent system of rules based on the following sources:

- the Integrity Charter¹
- the UniCredit Code of Conduct, which defines general principles of conduct, promotes our compliance culture and our commitment to sustainability
- the Global Rules, which integrate the GMGR, are issued by UniCredit to guide, coordinate and control Global Topics (as defined by GMGR) and other relevant activities, and to ensure compliance with regulations and/or risk management guidelines. The Global Rules consist of the Global Policies and the Global Operational Instructions:
 - the Global Policies, which establish the overall model, macro-processes (e.g., responsibility of the parent company and entities, interaction and coordination mechanisms), and rules/principles for the management of Global Topics and other significant activities to ensure compliance with regulations and risk management guidelines
 - the Global Operational Instructions, which provide operational, technical and methodological instructions to supplement a Global Policy, ensuring the correct application of the models, rules and principles of governance as defined by the Global Policy
- the service contracts between UniCredit and its related subsidiaries, which formally regulate the provision of inter-company services and ensure transparency regarding services provided and the related compensation

Governance structures

UniCredit SpA has adopted traditional management and control system that is based on two corporate bodies appointed at the shareholders' meeting: an administrative body (the Board of Directors), which is responsible for the strategic supervision and management of the company, and a control body (the Board of Statutory Auditors), which supervises the administration of the company. Legal accounting supervision is entrusted to an external auditing firm in compliance with relevant current laws.

Certain aspects of the traditional management system are the sole responsibility of the shareholders' meeting: this creates an opportunity for dialogue and debate between management and shareholders about various elements of governance. These include the appointment and dismissal of directors, the appointment of the

1. For more details, please refer to the specific section of the company's website www.unicreditgroup.eu.

Board of Statutory Auditors members, the related remuneration and the appointment of an external auditing firm, and the approval of financial statements, profit allocations and compensation policies for management. The Board of Directors is supported by five committees with the authority to advise and submit proposals to the board. These include the:

- Permanent Strategic Committee
- Internal Controls & Risks Committee
- Corporate Governance, HR and Nomination Committee
- Remuneration Committee
- Related-Parties and Equity Investments Committee

The abovementioned committees may operate according to the procedures considered appropriate and may, inter alia, divide into sub-committees: for example the Internal Controls & Risks Committee performs its duties in plenary session or with limited membership among its sub-committees: (i) the Internal Controls Sub-Committee and (ii) the Risks Sub-Committee.

UniCredit's overall corporate governance framework has been defined bearing in mind the recommendations of the Corporate Governance Code, which were approved by the Corporate Governance Committee of Borsa Italiana, the Italian Stock Exchange.

During 2012, UniCredit's governance has been affected by new regulations introduced in Italy, in addition to other European countries, regarding gender quotas (gender diversity) that has involved, inter alia, amendments to several provisions of the Articles of Association.

For detailed information on the UniCredit SpA corporate governance system, please see the dedicated area of the corporate website (www.unicreditgroup.eu) and the UniCredit SpA Report on Corporate Governance and Ownership Structures, which was approved by the Board of Directors in March 2013.

Organizational structures

UniCredit Group organization reflects an organizational and business model which maintains a divisional structure for the government of the Corporate and Investment Banking (CIB) business/products and the business in the CEE Countries, as well as a global control over the Global Banking Services (GBS) functions, while ensuring the autonomy of the Countries/Banks on specific activities, in order to guarantee increased proximity to the client and faster decision processes:

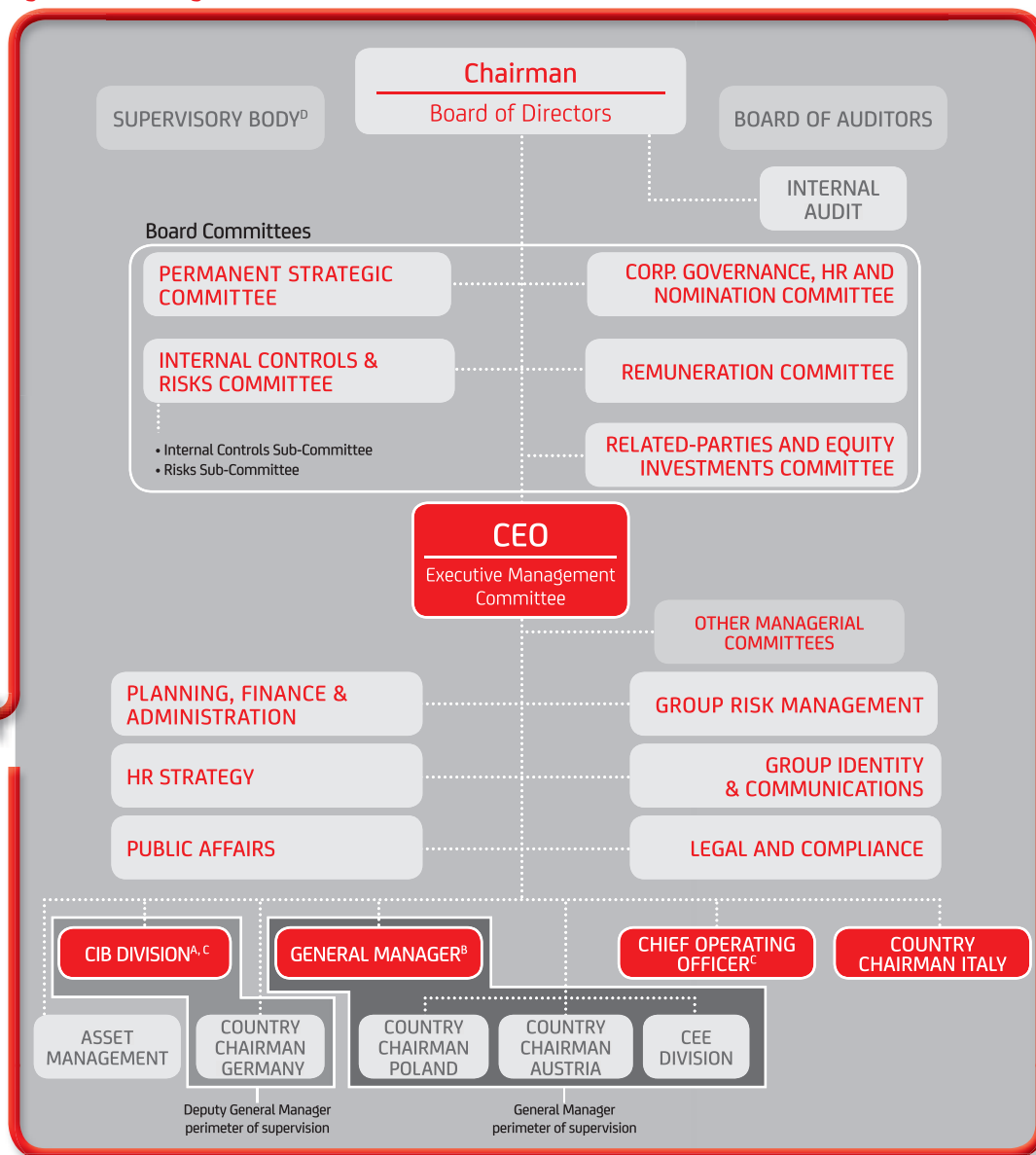
- the Chief Executive Officer (CEO), while maintaining the overall responsibility on all regional businesses reporting to him (Italy, Germany, Austria, Poland and CEE), oversees directly the Italian business and delegates the supervision of Austria, Poland and CEE Division to the General Manager and the supervision of Germany to the Deputy General Manager responsible for the CIB Division
- the CIB Division, which maintains the role as a Global Division, with a coverage role for the multinational customers (Multinational), for selected Large corporate clients with a strong potential demand for investment banking products, for the Financial and Institutional Groups (FIG) customers and for the Global Lines Global Transaction Banking (GTB), Global Financing & Advisory (F&A) and Markets
- the General Manager is responsible for some cross-Group topics/ areas such as i) managing strategic marketing activities ii) assisting the Chief Executive Officer in the Internal Control System (ICS System) management, in order to ensure its effective functioning and iii) fostering, also through the other competent functions, an ongoing dialogue and relationship with the Group regulators
- the CEE Division coordinates the Group activities in 19 countries of Central and Eastern Europe, aligning them to a single comprehensive business vision in the area
- the Chief Operating Officer (COO) concentrates under a sole responsibility all the managerial levers regarding the organizational, operational and service functions (included HR Management) – such as Organization, ICT, Operations, Workout, Security – responsible for supporting, also through the Group Global Service Factories, the sustainable business growth of the Group, ensuring the utmost quality of services provided and optimizing cost structures and Group's internal processes
- as far as the Italian perimeter is concerned, within the major responsibility and autonomy of the local countries/banks, the Country Chairman Italy is responsible for all the coordination, control and development activities of the segments so called Individuals, Small Business and Corporate segments (now including the former segment

Our Approach



- Medium Enterprises) of the Italian perimeter, leveraging on a Network breaking down into 7 Regions, a Direzione Network Real Estate and a Network dedicated to the Private Banking segment
- the Asset Management Product Line is responsible for the development of asset management in all geographic areas by guiding, coordinating and monitoring the development of business activities on a global level
 - lastly, the functions called Competence Lines (Planning, Finance & Administration, Risk Management, Legal & Compliance, Internal Audit, Human Resources, Organization and Identity & Communications) oversee the guidance, coordination and control of UniCredit's activities and manage the related risks

Organizational and governance structures



A. The supervision of Germany is delegated from CEO to Deputy General Manager (in charge of CIB Division).

B. The supervision of Austria, Poland and CEE Division are delegated from CEO to General Manager.

C. Position covered by Deputy General Manager.

D. Set up according to the Legislative Decree No. 231 dated June 8, 2001.

Board members' compensation²

The compensation paid to non-executive directors and to the members of the Board of Statutory Auditors is not linked to UniCredit's financial results. Non-executive directors are not beneficiaries of incentive plans utilizing stock options or, more generally, of any plan that makes use of financial instruments.

The CEO is the only executive director who sits on the Board of Directors, and a portion of his remuneration is linked to UniCredit's financial results. This arrangement is in line with the policy applied to the UniCredit management team, of which the CEO is a member.

Compensation for Top Management

Compensation for the CEO, General Manager (GM) and Deputy General Managers (DGMs) is defined within a rigorous governance process. UniCredit's approach to compensation is performance-based, market-aware and aligned with our business strategy and stakeholder interests. To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of our Group Compensation Policy.

The compensation policy framework is designed to assure the consistency of the remuneration elements and systems, while also conforming to our Group's long-term strategies and principles of sound risk management. The framework provides a balance between fixed and variable components of remuneration and includes mechanisms to defer the payment of a consistent portion of performance bonuses, which is then subject to further performance conditions. Risk-weighted mechanisms are applied to variable compensation, ensuring that remuneration remains linked to sustainable results.

Over the course of the year, the Remuneration Committee analyzes and monitors compensation trends in the market in order to make informed decisions on our compensation approach. When considering the compensation of UniCredit executives, an independent external advisor contributes to identifying a peer group, against which a compensation benchmarking analysis is performed. This peer group is ultimately defined by the Remuneration Committee, following an assessment of our main European and international competitors on criteria such as market capitalization, total assets, business model and geography. Our constant benchmarking enables us to set competitive ranges in compensation levels, pay-mix and total reward structures for the effective retention and motivation of our critical human resources.

Our Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors and subsequently to our shareholders at the Annual General Meeting for approval, in line with regulatory requirements.

The Board of Directors annually approves the criteria and the features of UniCredit's incentive plans. This ensures an appropriate balance of variable reward opportunities within the pay-mix structure, while fostering mid- and long-term business sustainability and value creation.

The 2012 Group Incentive System for Executives was designed in light of the provisions of the European Parliament's Capital Requirements Directive CRD III (Capital Requirements Directive, November 2010), the Guidelines on Remuneration Policies and Practices issued in December 2010 by the Committee of European Banking Supervisors (CEBS, now called the European Banking Authority - EBA) and the latest indications provided by national regulators on compensation policies and practices.

2. For more details, refer to the Annual Compensation Report, published within the 2012 Group Compensation Policy on UniCredit's corporate website (www.unicreditgroup.eu).



2012 results and compensation decisions for top management

For 2012, the Board of Directors of UniCredit has taken into consideration the evaluations of the Remuneration Committee and the guidelines of the regulatory authorities on variable remuneration. The Board has confirmed the positive assessment of Top Management performance already expressed by the Remuneration Committee and stressed the full appreciation for the results achieved in 2012 despite a particularly difficult general economic situation.

Positive results that led the Group to return to profit, to an adequate capital level, relevant liquidity available and increased coverage of risk positions, in a framework that emphasizes the sustainability of incentive mechanisms provided by the remuneration policy of the Group, approved and in force.

The Board has, however, taken note of the statement received from Top Management (CEO, General Manager, Deputy General Managers, CFO, CRO, Head of Legal & Compliance, Head of Audit and Head of HR) to renounce - considering the general context - to any recognition of bonus linked to the performance conditions achieved.

2012 Group Incentive System

The 2012 Group Incentive System aims to reward sustainable performance, to motivate and retain UniCredit Executives, and to align our compensation systems with the latest national and international regulatory requirements. The plan is designed in line with company strategies and goals, and is linked to UniCredit's results, which are adjusted for different types of risks-including capital and liquidity. The plan provides for the allocation of a performance-related bonus in cash and ordinary shares paid out over a period of up to five years, upon the application of an overall risk/sustainability factor, related to annual Group profitability, solidity and liquidity results (*Group Gate*) as well as a *Zero Factor* related to future Group profitability, solidity and liquidity results.

The bonus payable to each executive is based on a multi-perspective *Performance Screen* assessment of operational and sustainability drivers. The maximum bonus is capped and performance is evaluated against both internal absolute goals and external relative goals, considering also risk-adjusted indicators. Goals relevant to each position are assigned from our catalogue of key performance indicators, which covers financial dimensions (e.g., value creation, profitability, risk management) and non-financial dimensions (e.g., compliance and function effectiveness, stakeholder value).

The resulting bonus is paid in five installments through a balanced schedule of upfront and deferred payments, in cash and shares. The first installment of 2012 bonus is being paid in cash in 2013 and is subject to the application of *Group Gate* linked to 2012 Group profitability, solidity and liquidity results and in absence of any individual compliance breach. In 2014, the second installment will be paid in cash, while the 2015 and 2017 installments will be allocated in UniCredit shares. The 2016 installment will be allocated in both cash and UniCredit shares. Deferred payouts are similarly subject to the application of a *Zero Factor* that depends on UniCredit's profitability, solidity and liquidity results in future years, as well as on the absence of any individual compliance breach.

Compliance

Global Compliance is part of the Legal & Compliance (L&C) department reporting direct to the CEO; in addition, Compliance reports to the Corporate Bodies (i.e. Board of Statutory Auditors, Internal Control and Risk Committee and Board of Directors).

Internal organization of Global Compliance is mainly based on area of activities/expertise together with a structure specifically dedicated to Global Anti-Money Laundering and a structure to cover the Corporate and Investment Banking Global Business Line (in 2012, the material changes are the cancellation of Global Family&SME and retail coverage).

As well as the specialist coverage groups at global level there is also Legal Entity and country coverage.

In each material Group legal entity there is a local Compliance function. In 2012 all Group legal entities were ranked and given a Compliance Coverage category, which determines the Compliance arrangements, based by their size and range of business. The Compliance function is organized in a similar way to the global team in the major countries in which the Group operates (e.g. UniCredit Bank AG, UniCredit Bank Austria AG and Bank Pekao SA being the more established and larger structures) while in other countries Compliance is more a generic group given the size and range of businesses of the legal entities.

All Compliance functions have a direct (or indirect - through the General Counsel) reporting line to the CEO or to a member of the Management Board who does not hold any other delegated powers or responsibility for operating areas.

Moreover there was the increase in Compliance resources at Global and Local level to strengthen existing structures for the management of Compliance risk. The Global Compliance Framework sets out the main functions performed by Compliance to assist the Group management of compliance risk:

- providing guidance
- assessing and monitoring compliance risk
- serving as liaison with Authorities

In 2012, whilst significant effort and progress has been made on the Compliance initiatives, in the main UniCredit direct subsidiaries, focus in 2013 will be on the material indirect subsidiaries as well as on compliance culture, i.e. continued compliance with established policies/procedures; faster approval, adoption and implementation of Group standards and timely completion of global mandatory training, with consequence management appropriately implemented by HR and local management.

For 2013 other priorities are:

- enhance the Compliance Controls System by extending the depth and reach of Compliance second level controls in the main subsidiaries and also spreading common methodologies in other material subsidiaries
- continue to harmonize the tools and practices across the Group for the main Compliance areas where a Global approach can be applied (i.e. Anti Money Laundering, Market Abuse and Conflict of Interests)

Policies

Anti-Money Laundering

The Global Policy on Anti-Money Laundering and Countering of Terrorist Financing (hereinafter the AML Policy), issued in June 2011, builds on the Global Compliance Guidelines and sets out more detailed policy statements on issues such as the risk assessment and classification of clients and the minimum due diligence standards for the Know Your Customer process. The Policy sets out the framework by which the Group manages its money laundering and terrorist financing risk and establishes minimum standards for the Legal Entities' Anti-Money Laundering (AML) programmes.

Other official documents related to AML and Anti-Terrorism Financing topic, which build upon and provide more detail than the AML Policy, are as follows:

- Global Compliance Policy on Financial Sanctions
- Global Compliance Policy on Group Restrictions on Iranian Business
- Global Compliance Technical Instructions on AML Global Controls Monitoring Standards
- Global Compliance Technical Instructions on AML Compliance Risk Assessment & Customer Risk Classification Standards



- Global Operational Instructions on Periodic Reviews of Know Your Customer (KYC)
- Global Operational Instructions on Correspondent Banking AML Standards
- Global Operational Instructions Politically Exposed Persons

A major 2012 achievement was the development of common technical requirements and configuration standards for AML IT systems throughout the Group and the commencement of the roll-out of a new AML IT system in major CEE legal entities. The initiative will be continued in 2013 with the rollout in the target CEE legal entities that were not involved in 2012 as well as the review and alignment with Group standards of AML IT systems in certain other major legal entities within the Group.

The total number of training hours provided to Group employees for AML were more than 200,000.

Anti-Corruption

UniCredit's Anti-Corruption Policy aims to:

- define principles and rules for identifying and preventing potential "Acts of Corruption" (as defined below), in order to protect the integrity and reputation of the Group
- provide general information to employees on the measures taken by each Group Legal Entity to identify, mitigate and manage corruption risks

For the purposes of the Policy, Act of Corruption means the giving, offering, promising, receiving, accepting, demanding or soliciting of money, gifts or other benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:

- whether the recipient of the Act of Corruption is a domestic or a foreign individual, a public official or a private individual
- where the act is committed
- whether the result of such act entails an actual undue advantage or the improper performance of a function or activity

For the avoidance of doubt, Act of Corruption also includes a *Facilitation Payment*.

A global risk assessment was completed in 2012. The risk assessment considered risk factors such as the type of business, the risk profile of clients and the jurisdictions UniCredit operates in, globally (i.e. not on an entity by entity level). In the next years it will be possible to provide entity specific information, once the implementation of the Global Anti-Corruption Policy is largely complete across all Legal Entities.

We launched the Anti-bribery training course and produced a global template for second level controls: such template is being reviewed and implemented across the legal entities by the end of 2013.

UniCredit monitors incidents of corruption related to both employees and business partner. For privacy reasons, we do not report on this disclosure.

A dedicated policy on gifts and entertainment was approved in October 2012 and is in the process of being implemented across the legal entities.

The primary objective for 2013 is to continue implementation of Anti-Corruption Policy in all relevant Entities. During 2012 the anti-bribery global training was developed to increase the awareness of the Group stance against corruption and of the main arrangements setup in the Group to avoid corruption.

The number of training hours provided to Group employees for Anti-Corruption was more than 70,000.

Anti-Trust

UniCredit decided to split Antitrust and Unfair Commercial Practices into two Group Rules based only on European sources, previously the policy was based on Italian laws and regulations:

- Guidelines on Antitrust and Unfair Commercial Practices at a Global level approved in December 2011
- Operational Instructions on Antitrust and Unfair Commercial Practices, approved in May 2012, which set up more specific rules and processes, at a Global level too

Thanks to Global Group Rules on Antitrust and Unfair Commercial Practices, UniCredit wants to:

- strengthen the effectiveness of any action/initiative at a Group level on Antitrust and Unfair Commercial Practices
- enhance the transparency vis-à-vis stakeholders for an higher level of protection of both the competition and the consumers

The Guidelines on Antitrust and Unfair Commercial Practices provide a set of high-level rules each Group legal Entity has to comply with, in order to set *minimum standards* all over the Group. More in detail, these Guidelines inform UniCredit legal Entities and employees' behavior in the following matters:

- agreements (horizontal and vertical)
- abuse of dominant position
- concentrations (mergers and acquisitions)
- unfair commercial practices

More than half of the involved Group Legal Entities have approved and adopted the Guidelines on Antitrust and Unfair Commercial Practices as of December 31, 2012.

Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	DESCRIPTION OF MAIN LEGAL ACTIONS, 2012
Italy	In December 2012 the Autorità Garante della Concorrenza e del Mercato - AGCM (the Italian Antitrust Authority) simultaneously requested information and commenced proceedings against UniCredit SpA alleging unfair trade practices regarding advertising campaigns referred to a deposit account (<i>conto risparmio sicuro</i>). The reply to the AGCM is on going.
Poland	In April 2012 the Court of Competition and Consumer Protection (SOKiK) issued the judicial decision on recognizing two clauses of standard contract on construction and mortgage credit as abusive and prohibited in relations with consumer. In July 2012 the above mentioned clauses were entered into the Register of Prohibited Clauses (prohibiting their use in relations with consumers). In August 2012 Bank Pekao SA lodged an appeal against sentence of the Court. As a result the 2 clauses were deleted from the Register.
Bosnia and Herzegovina	Competition Council launched the proceedings against Western Union (WU), Tenfore (the company which has a license to distribute WU service in Bosnia and Herzegovina), UniCredit Bank DD and few other banks related to violation of anti-monopoly legislation. The reason for the enforcement was the Council's view that WU was trying to establish a dominant position due to the fact that its contracts with the banks have a provision which does not allow the banks to carry out these activities with other providers of foreign payment transaction services. UniCredit Bank DD (and two other banks) have filed an appeal at the Court of Bosnia and Herzegovina against the Council's decision. The fine has not been paid yet and the banks requested the Court for a postponement of the payment until the court proceedings are finalized.
Hungary	Cartel investigation BankAdat: BankAdat is an interbank database, the Hungarian credit institutions' information system, based on voluntary data supply which contains the credit institutions most important data. Hungarian Competition Authority started a cartel investigation against the Hungarian Banking Association and the <i>International Training Centre for Bankers</i> and 38 Hungarian banks (including UniCredit Bank Hungary ZRT) participating in the system as provider and user.
Ukraine	The local Antitrust authority applied an administrative fine to Public Joint Stock Company Ukrsootsbank for improper submission of the reply upon its request.



Continued: Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	UPDATE ON LEGAL ACTIONS DESCRIBED IN 2011 SUSTAINABILITY REPORT AS NOT CLOSED
Italy	<p>In February 2012, UniCredit SpA appealed the ruling to the TAR (the competent judicial authority) for the penalties, alleging unfair trade practices regarding an advertisement that offered funding, imposed by AGCM (the Italian Antitrust Authority). The procedure is currently ongoing.</p> <p>In July 2011, TAR overturned the fine imposed by the AGCM in November 2010 on UniCredit and other banks. The fine was related to alleged agreements restricting competition in the debit and credit card industry. In November 2011, the AGCM appealed this result before the Council of State. In 2012, the proceeding is still pending.</p>
Austria	<p>In 2012, the proceeding related to an action for injunction, issued by VKI, the Consumers Association of Austria, in line with Section 14 of the Austrian Unfair Competition Act regarding statements on the UniCredit Bank Austria AG homepage, finished. An out of court agreement with VKI was entered into by Bank Austria and the clarification on information of the homepage was done.</p> <p>With reference to allegations that UniCredit Bank Austria AG misadvised customers in relation to derivatives transactions (e.g., OTC options), criminal charges against two UniCredit Bank Austria AG employees and the bank itself were dismissed in 2011. As of March 2013, 13 civil proceedings are still ongoing.</p>
Poland	<p>In 2001, the UOKiK (Polish Office of Competition and Consumer Protection) launched the proceeding to protect competition against the operators of the Visa and Europay systems, as well as the Polish banks that issued Visa and MasterCard credit cards, connected to the use of alleged anti-competitive practices that would affect the Polish payment cards market. In May 2012, the Court of Competition and Consumer Protection (SOKiK) decided to suspend the proceeding until the final ending of the proceeding before the Court of Justice of the European Union (MasterCard Europe Sprl against European Commission – signature T111/08). In effect of bank's complaint on 25 October 2012 the Court of Appeal repealed the decision on suspending the proceeding.</p> <p>In October 2011, UOKiK informed Bank Pekao SA about the opening of the proceeding in order to verify whether the Bank's practices do not infringe collective consumer interests (transfer of information on expiring customer's obligation to the Credit Information Bureau (BIK), in conflict with regulation of Ministry of Finance, that may also constitute a breach of the Act on competition and consumer protection). In April and November 2012, UOKiK changed its resolution on initiating of the proceeding by adding new accusations. By the decision of 28 December 2012, received on 3 January 2013, the UOKiK fined the Bank. The fine imposed was 1.8 million PLN (approximately 450,000 €). The Bank appealed this decision on 17 January 2013.</p> <p>In October 2010, UOKiK initiated ex officio a proceeding aiming at verifying if records of standard contracts of clearing accounts for consumers do not breach provisions of binding law, in particular use of contractual provisions declared as abusive clauses. The Bank presented a written explanation on November 26, 2010. On December 27, 2010 UOKiK issued a decision according to which the analyzed records were abusive clauses. UOKiK acknowledged that this practice has ceased on November 3, 2010. The fine of 1,993,350 PLN (which is about 480,000 EUR) was imposed.</p> <p>In September 2012 the Court of Competition and Consumer Protection (SOKiK) passed a judgement confirming the decision of President of the Office. In the above mentioned decision, the President of the Office found 2 abusive clauses in general terms of opening and maintaining Bank's savings accounts. On October 30, 2012 the Bank lodged an appeal to the Court of Appeal in Warsaw, in which it wholly appealed against the judgement of SOKiK in September 2012. The proceeding is still ongoing.</p>

Continued: Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

COUNTRY	UPDATE ON LEGAL ACTIONS DESCRIBED IN 2011 SUSTAINABILITY REPORT AS NOT CLOSED
Hungary	<p>The GVH (Hungarian Competition Authority) has begun a cartel investigation against seven Hungarian commercial banks, including UniCredit Bank Hungary ZRT, in connection with Foreign Exchange mortgage loan repayments. In 2012, the investigation is not yet closed.</p> <p>As reported and based on a customer complaint, the GVH (Hungarian Competition Authority) launched an investigation of UniCredit Bank Hungary ZRT regarding an advertising campaign that ran from April 25 to October 31, 2008 for loans that were free of initial charge. As some elements of the advertisement were considered misleading, the GVH imposed a fine of HUF 8,000,000 (about €25,000) against the bank. In December 2012, the appeal of the Bank has been dismissed by the court. The bank appealed to the second instance against the decision.</p> <p>In 2011, the HFSA (Hungarian Financial Supervisory Authority) fined UniCredit Bank Hungary ZRT roughly a total of:</p> <ul style="list-style-type: none"> • € 1,000 over problems in complaint handling • € 10,000 over inadequacy of information provided to clients (transparency) • € 18,000 over inadequate interpretation of certain banking regulations <p>The mentioned fines are paid. In connection with the fine imposed by HFSA in an amount of HUF 5,000,000 (about € 16,000), related to the execution of the Foreign Exchange prepayment law - court action, is ongoing.</p>
Russia	<p>A ZAO UniCredit Bank mortgage customer from the Nizhegorodskiy region complained to the local Nizhegorodskiy anti-monopoly regulator that ZAO UniCredit Bank had violated Federal Law No. 135-FZ of July 26, 2006 on Protection of Competition. Specifically, it is alleged that the Bank violated Article 11, Prohibition of Agreements Restricting Competition or Concerted Actions of Economic Units. The client alleged that ZAO UniCredit Bank drove him to obtain insurance that he did not need, and that he was driven to procure services from a specific insurance company. The Nizhegorodskiy anti-monopoly regulator has requested that ZAO UniCredit Bank provide relevant documentation.</p> <p>In 2012, the last session took place at the end of January. The decision has not been announced.</p>
Romania	<p>In 2011, UniCredit Ţiriac Bank SA received fines totaling roughly € 68,000, mainly due to an erroneous interpretation of transparency, consumer credit and other consumer protection requirements. In 2012, the legal actions, that originated in 2011 over problems related to unfair commercial practices, resulted in the payment of roughly € 2,200 following sanctions imposed by the National Consumer Protection Authority.</p> <p>In November 2012, the representatives of the Competition Council against several banks, started in October 2008, mentioned that the investigation team has formulated its conclusions and that the Council will take the final decision on its investigation regarding an alleged attempt of manipulating ROBOR from the part of the 10 Romanian Banks participating in fixing the RON interbank offered rates (ROBOR).</p>



Conflicts of Interest

UniCredit has put in place specific rules related to Conflicts of Interest spanning particular content and scopes, including:

- Global Compliance Guidelines on Conflicts of Interest which defines conflicts of interest at the Group level; assist employees in detecting and managing conflicts of interest and provides examples of potential conflicts of interest. These Guidelines are addressed to all Group companies and allow identifying and managing any actual or potential conflicts of interest and any circumstances of seeming conflict they may arise. The Guidelines are applicable across all Group business activities and are applied in compliance with the legal requirements and regulations locally in force
- Groupwide Compliance Policy on Conflicts of Interest which supplements the Guidelines. This Policy details a more detailed representation of the activities and responsibilities that regulate conflicts of interest management focusing particularly on conflicts of interest involving Group customers when providing investment services and activities, ancillary services (as defined by the EU Markets in Financial Instruments Directive, MiFID) and specific financial services. This Policy also applies to business conflicts
- Global Compliance Policy on Conflicts of Interest focuses on outside business interests, which supplements the Guidelines and supports managers in the definition of restrictions, exclusions, behavior rules, and procedures for notifying and monitoring cases related to employees' outside business activities
- Process Regulation on operating processes for Conflicts of Interest detection and management defines the main principles and rules to detect and manage conflicts of interest regarding investment services provided by UniCredit SpA, the Holding Company of UniCredit Group, and by Italian legal entities. Processes are defined on the basis of potential conflicts of interest, as identified in the Groupwide Compliance Policy on Conflicts of Interest

In 2012, the Guidelines on Conflicts of Interest and the Groupwide Compliance Policy on Conflicts of Interest were reviewed following a merger of these regulations and an introduction of new conflicts of interest types. This document is scheduled to be issued in 2013.

Moreover, UniCredit has made progress in rolling out the Group IT tool designed to identify and manage conflicts of interest. This tool was adopted by UniCredit Bank AG, UniCredit Bank Austria AG, UniCredit Bulbank AD and Cordusio SIM - Advisory & Family Office SpA, Pioneer Global Asset Management SpA, Bank Pekao SA, Zagrebačka Banka DD, UniCredit Bank Serbia JSC, UniCredit Ţiriac Bank SA and ZAO UniCredit Bank. The Group IT tool is expected to be adopted by the main legal entities of the remaining CEE countries (e.g. Bosnia and Herzegovina, Hungary, Slovenia and Ukraine) by 2013. This initiative was developed in order to adopt and apply the unique Group conflicts of interest management model at the Group level as well as to comply with MiFID where applicable. The ultimate objective is to guarantee that the interests of our Group, our employees (including members of the strategic, control and executive bodies) and our agents do not damage the interests of UniCredit's customers.

In the same year, the analysis for the adoption in the main legal entities of an IT tool for the notification and monitoring of cases of conflicts of interest involving personal interest of employees proceeded.

The Guidelines on Conflicts of Interest acknowledgement process was completed in October 2012.

Finally, in 2012, UniCredit employees were provided with roughly 49,000 training hours on conflict of interest policies and procedures.

Managing Environmental and Social Risks

Environmental and Social risk policies

At UniCredit, we are aware that, through our influence on business operations, financial transactions, project finance, supply chains and other business activities, we may directly or indirectly affect outcomes on a range of sensitive issues.

Therefore we have developed detailed guidance policies for sensitive sectors where environmental and social risks are common. These include defense, nuclear power, mining and water infrastructures (dams) sectors.

Special reputational risk policies^A

Policy	Objective	Recent developments and risk mitigation
Defense/ Weapons	Regulates 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 key criteria that our Group applies in this sector. We worked in 2012 to improve our application of these criteria across our different UniCredit legal entities. This involved reinforcing our transaction based reputational risk assessments, as well as our monitoring and reporting requirements.
Nuclear Energy	Regulates involvement and aims to address the challenges posed by the nuclear sector in order to minimize environmental, social and credit risk	The position statement of our Group Nuclear Energy Reputational Risk Special Policy is published on our website.
Mining	Provides guidelines and standards that address risks associated with mining operations	Our Mining Industry Policy was approved by our Group Operational and Reputational Risk Committee and our Group Risk Committee in December 2011. The policy was delivered for approval to the Group LEs in 2012. The position statement is published on our website.
Water Infrastructure	Provides guidelines and standards that address and limit risks associated with financing fresh water infrastructure	Our Water Infrastructure Policy was approved by our Group Operational and Reputational Risk Committee and our Group Risk Committee in February 2012 and then the policy was delivered to the Group LEs in 2012. The position statement is published on our website.

A. Loan proposals that involve one of our global reputational risk policies must be screened by the responsible legal entity, according to the relevant screening record. This screening record is an integral part of the compliance assessment of any counterpart covered by these policies, based on the initiatives, transactions or projects. It must be filled out before approval may be given. The screening record contributes to the approval decision by confirming that the counterpart and the initiatives, transactions or projects fully comply with the requirements included in the respective global policy.

Monitoring the Holding Company reputational risk NBOs

Our reporting system for our Reputational Risk Policies is based on the monitoring of the Holding Company Reputational Risk Non-Binding Opinions (NBOs). The NBOs are released by our Group Transactional Credit Committee and the Italian Transactional Credit Committee – each according to their competence - upon request by relevant functions and bodies. Upon release, the NBOs were transmitted to our Reputational Risk Methodologies & Control function. On a quarterly basis, Reputational Risk Methodologies & Control presents our Group Operational & Reputational Risks Committee with the Holding Company Reputational Risk Non-Binding Opinions report, which includes an overview of all opinions issued. The reporting system for our Group Mining Reputational Risk Policy and Water Infrastructure Policy has been activated in 2012. This reporting system followed the same approach used for our Nuclear and Defense/ Weapons Industry Policies.



Project finance and the Equator Principles

Consistent with our Group's commitment to sustainable development, in 2012 we continued to take a responsible approach to our daily financing and investment decision-making. This approach entails managing the environmental and social risks related to our financing operations.

In 2003, UniCredit was among the world's first signatories of the 10 Equator Principles (EPs). Since then, our Group has promoted the EPs by actively contributing to the development of their framework. These activities have provided UniCredit with valuable experience, facilitated our implementation of the EPs Groupwide, and contributed to our robust stakeholder engagement.

In 2012, UniCredit was reelected as a Steering Committee member of the Equator Principles Association. In this role – and by participating in various task forces and working groups – UniCredit was actively involved in creating the latest draft of the Equator Principles, EP III, a process that began in 2011 and continued in 2012. Moreover, UniCredit has co-lead stakeholder engagement efforts with Export Credit Agencies (ECAs) and industries, including meetings with ECAs in Vienna and with industry representatives in London. Our EP III engagement has also included participation in the Equator Principles' Social Risks Working Group, the Climate Change Working Group and the Communications Working Group. From August to October 2012, the EP Association conducted a formal 60-day stakeholder consultation period for public comment with all interested parties. As a co-leader in stakeholder engagement, UniCredit hosted the sixth *EPFI-ECA Practitioners' Workshop on Environmental and Social Issues* in Austria, during which our Group, as co-lead for Stakeholder Engagement at the level of the EPFI Association, facilitated a stakeholder engagement meeting on EP III with OECD ECAs. More than 30 institutions attended the workshop and participated in discussions regarding the scope of EP III as well as on human rights, climate change, reporting quality and consistency among Equator Principles Financial Institutions. UniCredit also co-organized a meeting with industry stakeholders in London in September 2012, which involved 12 officials from industry organizations.

Moreover, UniCredit was a panelist in the Investment in Sustainability discussion at an international conference organized by Vnesheconombank, Russia's State Corporation Bank for Development and Foreign Economic Affairs. This event was organized together with major Russian and foreign organizations, including the Ministry of Economic Development of the Russian Federation, UNEP FI and the Russian network of the UN Global Compact, among others.

Equator Principles – Number of projects financed by risk category

Risk category ^A	2012 ^B	2011 ^B	2010 ^C
Category A	6	12	2
Category B	5	7	12
Category C	11	6	4
Total	22	25	18

A. 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.

B. Projects financed within UniCredit Bank AG, UniCredit SpA and UniCredit Bank Austria AG.

C. Data refers to UniCredit Bank AG only.

2012 Equator Principles – Number of projects financed by risk category and sectors

Sector	Category A	Category B	Category C
Resources ^A	1	0	1
Energy	4	2	8
Infrastructure	1	3	2
Total	6	5	11

A. Including oil&gas, mining and metals.

2012 Equator Principles – Number of projects financed by risk category and regions

Region	Category A	Category B	Category C
Europe: EU	5	2	10
Europe: non EU	1	3	0
North America and Mexico	0	0	1
Total	6	5	11

The *Ichthys LNG project* is among the largest developments in the oil and gas sector. The 889 km pipeline, which is currently under construction, will link Western Australia's offshore production sites to liquefied natural gas (LNG) production plants in Darwin. Darwin Harbour and its surrounding areas are rich with several species of nationally protected flora and fauna – primarily benthos, turtles and corals. It is also home to the Aboriginal and Torres Strait Islander peoples. As a result, a comprehensive four-year environmental and social impact assessment was carried out to avoid or minimize the project's effect on the local culture, ensuring that all environmental, social, economic and safety criteria are met. As an arranger, UniCredit has been vigilant in checking that the project has been designed in close consultation with independent, experienced environmental advisors. The *Ichthys LNG project* is working to be in compliance with Australian environment laws, the OECD Common Approaches, IFC Performance Standards on Environmental and Social Sustainability, the Equator Principles and the relevant export credit agency standards. An IFC Performance Standards action plan has been put in place in order to ensure ongoing compliance.

As a financial advisor for the *Etlik PPP project* in Turkey, UniCredit explained to sponsors the merits of bringing the project into compliance with the Equator Principles. We assisted them in mandating local and multinational consultants to conduct thorough environmental and social impact assessments in line with international standards. Environmental and social risk management systems and an action plan will be prepared in the coming stages, with the aim to ensure that the *Etlik PPP project* is in full compliance with International environmental and social standards as the IFC Performance Standards, the OECD Common Approaches and the European Bank for Reconstruction and Development (EBRD) Performance Requirements.

UniCredit also supported the *Izmir Airport project* as Coordinating and Structuring Mandated Lead Arranger (MLA). From the beginning, our Equator Principles Team was involved to ensure that *Izmir Airport*, as a "brownfield" project, is in compliance with all matters related to the environment and the Equator Principles. In this context, the borrower produced an Environmental & Social Impact Assessment, an Environmental and Social Management Plan for the construction and operation of the airport's new domestic terminal and implements the Environmental & Social Action Plan.

In 2011, we reported on the environmental and social management system and action plan related to the *Eurasia Tunnel Project* in Turkey (see our 2011 Sustainability Report for more information). In 2012, this project was awarded the *European Deal of the Year 2012* by Project Finance magazine and *Middle East and Africa Turkish Infra Deal of the Year* by Project Finance International magazine (Thomson Reuters). As the project's advisor, we regard these achievements as further confirmation that applying best practices to the field of environmental and social management yields clear benefits.



Main partnerships and affiliations

Legal entities	Organization	Description
UniCredit SpA	UN Global Compact	The Global Compact is a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labor, anti-corruption and the environment.
	London Benchmarking Group (LBG)	LBG is the internationally recognized standard for measuring corporate community investment.
	UNEP FI	UNEP FI is an initiative that addresses pressing, current issues in sustainable finance.
	Carbon Disclosure Project (CDP)	The CDP promotes understanding of the potential impacts of climate change on shareholder value.
	Desertec Industrial Initiative ^A	This initiative is helping to create a framework for producing sustainable solar and wind energy from the deserts of the Middle East and North Africa.
	Consorzio CBI	This consortium develops standards for the Italian financial sector in collection and payments, including electronic transactions, as well as in document management.
	Utenti Pubblicità Associati (UPA)	UPA is owned and operated by companies with a common interest in resolving issues related to advertising. UPA is in alignment with the Istituto dell'Autodisciplina Pubblicitaria (IAP) in its efforts to defend and promote responsible advertising as a vehicle for consumer information, market competition and social welfare.
	WWF International	WWF is the world's largest, most experienced independent conservation organization. Its mission is to end the degradation of the planet's natural environment and build a future in which humans live in harmony with nature.
	Valore D	Valore D is an Italian association of 63 national and multinational companies. Its mission is to increase and support female representation in top positions at major Italian companies.
	Forum per la Finanza Sostenibile	This forum is a non-profit organization that promotes a culture of social responsibility in Italy's finance industry.
Pioneer Global Asset Management SpA	Fondazione Sodalitas	This organization seeks to: promote sound management in the non-profit sector; promote corporate social responsibility; enhance relationships between academia and the corporate sector; and build partnerships among companies, non-profits, academia and other institutions.
	UNPRI	The United Nations Principles for Responsible Investment (PRI) initiative is an international network of investor working together to put the six principles for responsible investment into practice.
	Global Player Initiative at BKA (Federal Criminal Police Office)	This initiative is responsible for working with the business sector to investigate reported cases of organized crime.
	Association of Certified Fraud Examiners (ACFE)	ACFE is the world's largest anti-fraud organization and provides premier anti-fraud training and certification.
UniCredit Bank AG	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)	VfU, or the Association for Environmental Management and Sustainability in Financial Institutions, is an industry-specific body for environmental management at financial institutions.
	B.A.U.M. e.V. and Sustainability Leadership Forum	This German campaign promotes environmental awareness and responsibility among business managers.

A. UniCredit is a shareholder of the Desertec Industrial Initiative.

Legal entities	Organization	Description
UniCredit Bank Austria AG	Kuratorium Sicheres Österreich (KSÖ)	KSÖ organizes events to strengthen community relationships, while addressing the economy and related challenges in the corporate, political and media sectors.
	Austrian Society for Environment and Technology (ÖGUT)	ÖGUT is a non-profit organization that works to stimulate discussion and innovation on environmental issues through the involvement of NGOs, businesses and government.
UniCredit Bulbank AD	Gavriiski Foundation	The aim of the Foundation is to promote, assist and support the development of insurance, financial and banking activities in Bulgaria.
	Atanas Burov Foundation	The foundation was founded in 1992 by a group of Bulgarian banks, financial institutions and individuals to support the development of Bulgaria's banking and finance sector. It was named after a prominent Bulgarian banker and politician.
	National Committee of Bulgaria for the World Energy Council (NCBWEC)	NCBWEC organizes Bulgaria's participation in WEC activities, takes part in international energy projects organized by the council and disseminates relevant information about the WEC.
Zagrebačka banka DD	Information Systems Audit and Control Association (ISACA), Croatia	As an independent, global non-profit association, ISACA engages in the development, adoption and use of globally accepted, industry-leading knowledge and best practices related to information systems.
	Green Building Council of Croatia (GBC)	The GBC of Croatia is a non-profit organization that acts as a countrywide platform for the promotion of sustainable construction practices.
	The Prof. dr. Marijan Hanžeković Foundation	The foundation promotes the study of finance and encourages scholars and researchers, particularly among the younger generations, to engage in this discipline.
UniCredit Bank Hungary ZRT	Association of Securities Dealers	The association helps to develop the securities market by improving the quality of investment services and making interactions between business partners more secure. It also supports the development of appropriate investment regulations. Recently, its name was changed to the Association of Investment Services Providers.
	CERT Hungary, Incident Management Workgroup	CERT Hungary is the country's National Cybersecurity Center, as designated by the government. It coordinates prevention efforts and responses to IT security breaches aimed at Hungary's critical infrastructure.
UniCredit Tiriac Bank SA	Single Euro Payments Area (SEPA) Scheme Management Committee (SMC)	The SMC is responsible for conducting SEPA's administration and compliance management processes, regarding both the SEPA Credit Transfer and the SEPA Direct Debit schemes.
	HR Club	The HR Club is the association of human resources professionals in Romania.
ZAO UniCredit Bank	European Business Association	The association represents the interests of European companies conducting business with and within the Russian Federation.
	National Association of Securities Market Participants (NAUFOR)	NAUFOR is a self-regulatory organization that brings together securities market participants, including brokers, dealers, trust managers and depositaries.
UniCredit Bank Slovakia AS	Association of Certified Fraud Examiners (ACFE)	The ACFE is the world's largest anti-fraud organization and provides premier anti-fraud training and certification.



Selection of 2012 Awards

Company	Award
UniCredit SpA	<i>Oscar di Bilancio 2012 di FERPI</i> : winner in category "Banking and Financial company"
	<i>2012 IBM ECM Customer Innovation Award</i> : Best Activate Solution
	<i>Euromoney Trade Finance Survey</i> : #1 Trade Finance Provider in Italy
	<i>World Finance 2012</i> : Best Banking Awards
	<i>Premio ABI (Italian Banking Association)</i> : Banking Service Innovation
	<i>Milano Finanza Global Awards 2012</i> : Start-up Initiative
	<i>CFR Institute</i> : European Top Employer 2012
	<i>Premio Cerchio d'Oro dell'Innovazione Finanziaria da Associazione Italiana dell'Innovazione Finanziaria (AIFin)</i> : - #1, category "new services" - #1, category "distribution channels" - #1, category "marketing" - #1, category "investment products"
	<i>Premio Aretè 2012</i> : Responsible Communication
	<i>Impulse business magazine</i> : Best SME Bank
UniCredit Bank AG	<i>Focus Money and n-tv</i> : Best Private Banking Provider in German Speaking Countries
	<i>German Institute for Service Quality</i> : - Most Popular High Street Bank - Best Advice Mittelstand in "online banking" category
	<i>Die Welt</i> : Zertifikate Awards 2012
	<i>CFR Institute</i> : European Top Employer 2012
	<i>Green Fleet Award</i> for Sustainable Fleet Management (TÜV SÜD)
UniCredit Bank Austria AG	<i>Germany's Nature and Biodiversity Conservation Union</i> : Grüne Flotte Award for Lowest Fuel Consumption and Largest Share of Consumption-Reduced and Emission-Reduced Vehicles
	<i>Focus Money</i> : Best Real Estate Financer
	<i>Global Finance 2012</i> : - Best Trade Finance Bank in Austria - Best Sub-Custodian Bank in Austria
<i>World Finance Awards 2012</i> : Best Banking	
<i>CFR Institute</i> : European Top Employer 2012	

Company	Award
Bank Pekao SA	<i>Global Finance 2012:</i> - Best Foreign Exchange Provider in Poland - Best Trade Finance Bank in Poland - Best Sub-Custodian Bank in Poland
	<i>Gazeta Bankowa:</i> Mobile Banking Award
	<i>European Distributor Awards 2012:</i> Structured Retail Products in terms of performance and distribution
	<i>Teraz Polska:</i> Mobile Banking
	Europroduct Awards for Contact Center
	<i>Euromoney Cash Management Survey 2012:</i> #1 Cash Management House in Poland
	<i>CFR Institute:</i> European Top Employer 2012
CEE Countries	<i>Euromoney Cash Management Survey 2012:</i> Best Cash Management Bank in CEE
	<i>Global Finance 2012:</i> - World's Best Trade Finance Bank - World's Best Supply Chain Finance Providers - World's Best Sub-Custodian Banks - Best Overall Bank for Cash Management - Best Bank for Payments and Collections
	<i>TFR Awards 2012:</i> Best Trade Bank in CEE
	<i>GTR Leaders in Trade 2012:</i> Best Trade Finance Bank in CEE
	<i>EuroWeek:</i> Best Arranger of Syndicated Loans in CEE and Russia
	<i>Euromoney:</i> Best Bank in Transactional Business in Bosnia and Herzegovina
	<i>Euromoney Cash Management Survey 2012:</i> #1 Cash Management House in Bosnia and Herzegovina
UniCredit Bank AD Banja Luka	<i>Studio d.o.o. Sarajevo:</i> Best Employer in BIH/Development
	<i>European Bank for Reconstruction and Development (EBRD) 2012 Award:</i> Supporting Sustainable Energy Efficiency Projects in Bosnia and Herzegovina
	<i>Regional Agency for Selection and Promotion of Managers in Bosnia and Herzegovina, SEE and CEE:</i> Best Regional Bank
	<i>Euromoney Trade Finance Survey:</i> #1 Trade Finance Provider in Bosnia and Herzegovina

Our Approach



Company	Award
UniCredit Bulbank AD	<i>Global Finance</i> : Best Bank 2012
	<i>Euromoney Trade Finance Survey</i> : #1 Trade Finance Provider in Bulgaria
	<i>Webit Bulgaria</i> : Best Technological Solution Award for Mobile Banking
	<i>EMEA Finance Magazine</i> : Best Bank in Bulgaria
	<i>Global Investor</i> : Best Custodian Banks in Bulgaria
	<i>The Banker</i> : Bank of the Year 2012 in Bulgaria
	<i>European Parliament Information Office in Bulgaria</i> : Award for Building a Positive Image of Women in Advertising and Marketing
Zagrebačka Banka DD	<i>Bulgarian Donors' Forum</i> : Award for the Largest Contribution of Employee Voluntary Labor
	<i>Euromoney Cash Management Survey 2012</i> : #1 Cash Management House in Croatia
	<i>Global Finance Awards 2012</i> : - Best Bank in Croatia - Best Sub-Custodian Banks in Croatia
UniCredit Bank Czech Republic As	<i>Euromoney Cash Management Survey 2012</i> : #1 Cash Management House in Czech Republic
	<i>Euromoney Trade Finance Survey</i> : #1 Trade Finance Provider in Czech Republic
	<i>Global Finance</i> : Best Sub-Custodian Bank in Czech Republic
	<i>Zlatá Koruna Award</i> : Best Mortgage for Retail Lending Products
UniCredit Bank Hungary ZRT	<i>Euromoney Cash Management Survey 2012</i> : #1 Cash Management House in Hungary
	<i>Global Finance</i> : Best Sub-Custodian Bank in Hungary
	<i>Business Coach Kft</i> : Mentor Oscar
UniCredit Ţiriac Bank SA	<i>Finmedia Gala Online Banking Awards 2012</i> : Largest Number of Active Clients Using Online Banking Services
	<i>Euromoney Cash Management Survey 2012</i> : #1 Cash Management House in Romania
	<i>CFR Institute</i> : European Top Employer 2012
ZAO UniCredit Bank	<i>Project Finance</i> : European Onshore Wind Deal of the Year 2012
	<i>Global Finance 2012</i> : Best Bank in Russia
UniCredit Bank Serbia Jsc	<i>CFR Institute</i> : European Top Employer 2012
	<i>Euromoney Trade Finance Survey</i> : #1 Trade Finance Provider in Serbia

Company	Award
UniCredit Bank Slovakia AS	<i>World Finance Banking Awards 2012: Best Private Bank in Slovakia</i>
	<i>Euromoney Trade Finance Survey: : #1 Trade Finance Provider in Slovakia</i>
	<i>Global Finance 2012: Best Sub-Custodian Banks in Slovakia</i>
UniCredit Banka Slovenija dd	<i>Euromoney Cash Management Survey 2012: #1 Cash Management House in Slovenia</i>
	<i>The Institute for the Development of Social Responsibility and the Slovenian Association for Public Relations: Horus 2012 Award for Corporate Social Responsibility</i>
UniCredit Bank - PJSC Ukrsotsbank	<i>Global Finance: Best Trade Finance Bank in Ukraine</i>
	<i>NBU University of Banking: Best Bank for Students Award</i>
	<i>Global Finance 2012: Best Sub-Custodian Banks in Ukraine</i>
Pioneer Global Asset Management SpA	<i>Lipper Fund Awards 2012</i>
	<i>Morningstar: Portfolio Manager of the Year</i>
	<i>Geld Magazin (Austria): Alternative Investments Award</i>
	<i>Focus Money and n-tv "Crème de la crème" award: Outstanding Asset Management</i>
Wealthcap	<i>Feri EuroRating Services AG: "Best Initiator" in the private equity asset class</i>



Portrait in numbers

Percentage and number of employees by gender and by country, 2010-2012

Country	Female 2012	Male 2012	Head Count 2012	Head Count 2011	Head Count 2010
Italy	43.70%	56.30%	52,597	54,167	55,814
Germany	54.83%	45.17%	24,259	24,627	24,195
Austria	55.88%	44.12%	11,522	11,702	11,742
Poland	77.50%	22.50%	20,380	20,764	21,166
Bosnia and Herzegovina	71.92%	28.08%	1,784	1,844	1,895
Bulgaria	76.49%	23.51%	4,667	4,644	4,595
Croatia	74.27%	25.73%	5,060	5,219	5,278
Czech Republic	61.31%	38.69%	3,011	3,045	2,838
Hungary	69.09%	30.91%	2,494	2,588	2,548
Kazakhstan	71.04%	28.96%	3,087	3,253	3,476
Romania	72.42%	27.58%	4,638	4,868	4,761
Russia	68.55%	31.45%	4,115	4,351	4,251
Serbia	63.40%	36.60%	1,052	1,024	972
Slovakia	70.08%	29.92%	1,591	1,597	1,629
Slovenia	64.24%	35.76%	660	659	611
Ukraine	77.55%	22.45%	8,248	8,885	9,642
Other	58.99%	41.01%	20,043	19,939	19,508
Total	58.80%	41.20%	169,208	173,176	174,921

Percentage of employees by employment tier, 2010-2012

Employment tier	2012	2011	2010
Senior Management	0.32%	0.39%	0.38%
Executive & Middle Management	13.41%	15.14%	15.24%
Staff	86.27%	84.47%	84.38%
Total	100.00%	100.00%	100.00%

1. The data in this part of Supplement applies to UniCredit's employees as of December 31, 2012-2011-2010. Our employee data does not include external staff (e.g., interns or consultants). The number reflects all employees of our Group's subsidiaries, also those not consolidated at 100 percent. If noted by (*) data indicates a population more than 99%. Otherwise, the data represents 100% of the population, unless otherwise notice.

Percentage of employees by employment tier and gender, 2010-2012

Employment tier and gender	2012		2011		2010	
	Female	Male	Female	Male	Female	Male
Senior Management	0.12%	0.60%	0.13%	0.74%	0.13%	0.73%
Executive & Middle Management	8.27%	20.74%	9.78%	22.81%	9.60%	23.25%
Staff	91.61%	78.66%	90.09%	76.45%	90.27%	76.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Percentage of employees by gender and contract type, 2010-2012 (*)

Gender	2012		2011		2010	
	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent
Female	2.90%	55.98%	2.87%	56.03%	2.45%	56.23%
Male	1.48%	39.64%	1.38%	39.72%	1.17%	40.15%
Total	4.38%	95.62%	4.25%	95.75%	3.62%	96.38%

Percentage of employees by employment tier and education level, 2012 (*)

Employment tier	Degrees over the High School diploma	High School Diploma	Other	Total
Senior Management	79.20%	10.02%	10.78%	100.00%
Executive & Middle Management	61.36%	33.45%	5.19%	100.00%
Staff	49.31%	40.45%	10.24%	100.00%

Percentage of employees by employment tier and length of employment, 2012 (*)

Employment tier	0-10	11-20	21-30	>31	Total
Senior Management	48.94%	26.97%	16.38%	7.71%	100.00%
Executive & Middle Management	30.19%	30.70%	23.80%	15.31%	100.00%
Staff	44.83%	26.10%	18.81%	10.26%	100.00%

Percentage of employees by employment tier and age, 2012 (*)

Employment tier	up to 30 years	31-40 years	41-50 years	above 51 years
Senior Management	0.01%	0.08%	0.13%	0.11%
Executive & Middle Management	0.51%	3.42%	5.31%	4.08%
Staff	17.87%	27.49%	23.45%	17.54%
Total	18.39%	30.99%	28.89%	21.73%



Percentage of employees leaving employment by reasons, 2011-2012

Reason for leaving the Group	2012	2011
Retirement - employees who left to retire ^A	5.37%	4.88%
Restructuring - employees who left due to a common agreement or industrial plan negotiated with trade unions	10.96%	17.40%
Individual agreements - employees who left due to individual or one-to-one agreements	19.26%	19.59%
Employee resignation - employees who resigned	41.48%	36.71%
Employer dismissal - employees who left the bank involuntarily	7.84%	7.08%
Other - all remaining reasons, including ending of temporary contracts	15.09%	14.34%
Total	100.00%	100.00%

A. Retirements triggered by restructuring have been reported under restructuring rather than retirement.

Turnover by country, 2012^A

Country	Incoming employees	Outcoming employees
Italy	0.8%	3.4%
Germany	5.1%	6.6%
Austria	2.3%	5.2%
Poland	4.4%	6.3%
Bosnia and Herzegovina	4.1%	7.2%
Bulgaria	10.3%	9.8%
Croatia	1.4%	4.6%
Czech Republic	14.0%	15.1%
Hungary	7.8%	11.6%
Kazakhstan	17.6%	23.1%
Romania	8.4%	12.4%
Russia	15.4%	23.5%
Serbia	8.4%	5.8%
Slovakia	12.1%	12.4%
Slovenia	5.8%	7.1%
Ukraine	14.5%	20.3%
Other	14.6%	14.1%
Total	5.9%	8.2%

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2012)/(Total employees at the end of 2012)*100; for outgoing employees (Employees who left the Group in 2012)/(Employees at the end of 2012)*100.

Turnover by gender and age, 2012^A

Gender	Incoming employees	Outcoming employees
Female	5.8%	8.1%
Male	5.9%	8.2%

Age	Incoming employees	Outcoming employees
Up to 30	23.7%	18.8%
31 - 40 years	3.6%	6.6%
41 - 50 years	1.2%	3.4%
Above 51 years	0.4%	7.9%

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2012)/(Total employees at the end of 2012)*100; for outgoing employees (Employees who left the Group in 2012)/(Employees at the end of 2012)*100.

Differential^A between female and male employee gross salaries by employment tier^B and country, 2012

The percentage represents the weighted averages of women's average gross salary^C compared to men's. This data was drawn from a population representing 83.8 percent of the employees.

Country	Executive & Middle Management	Staff
Italy	84%	97%
Germany	83%	90%
Austria	86%	80%
Poland	66%	74%
Bosnia and Herzegovina	89%	97%
Bulgaria	82%	81%
Croatia	91%	104%
Czech Republic	76%	83%
Hungary	76%	71%
Kazakhstan	not available	not available
Romania	81%	82%
Russia	84%	73%
Serbia	112%	101%
Slovakia	82%	77%
Slovenia	95%	97%
Ukraine	76%	92%

A. The ratios were calculated as follows: (total gross salary of female employees/total female FTE)/(total gross salary of male employees/total male FTE). Due to improved data collection and calculation processes, the comparison with previous year can be misleading.

B. For the Senior Management, the differential is 75%.

C. Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided related to specific positions.



Differential^A between female and male employee total remuneration by employment tier^B and country, 2012

The percentage represents the weighted averages of women's average remuneration^C compared to men's. This data was drawn from a population representing 83.8 percent of the employees.

Country	Executive & Middle Management	Staff
Italy	84%	97%
Germany	74%	84%
Austria	85%	79%
Poland	65%	74%
Bosnia and Herzegovina	86%	97%
Bulgaria	78%	79%
Croatia	92%	103%
Czech Republic	76%	83%
Hungary	73%	69%
Kazakhstan	not available	not available
Romania	79%	81%
Russia	82%	72%
Serbia	111%	100%
Slovakia	80%	77%
Slovenia	95%	97%
Ukraine	75%	91%

A. The ratios were calculated as follows: (total remuneration of female employees/total female FTE)/(total remuneration of male employees/total male FTE). Due to improved data collection and calculation processes, the comparison with previous year can be misleading.

B. For the Senior Management, the differential is 68%.

C. Total remuneration: gross salary plus additional amounts such as bonuses including cash and/or available equity shares to reward individual performance and company results and any other no 1-off payments.

Diversity Management

Percentage of employees by gender and employment status, 2010-2012

Gender	2012		2011		2010	
	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Female	89.62%	55.22%	90.33%	55.62%	90.96%	55.41%
Male	10.38%	44.78%	9.67%	44.38%	9.04%	44.59%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Percentage of female with part-time contracts out of all women by employment tier, 2010-2012

Employment tier	2012	2011	2010
Executive & Middle Management	3.29%	2.77%	2.41%
Staff	17.00%	15.52%	15.25%
Total	20.29%	18.29%	17.66%

Percentage of employees by educational level and gender, 2012 (*)

Gender	Degrees over the High School diploma	High School Diploma	Other
Female	61.34%	57.27%	54.64%
Male	38.66%	42.73%	45.36%
Total	100.00%	100.00%	100.00%

Number and percentage promoted to higher contractual job grade by gender and country, 2012 (*)

Country	Number		Percentage	
	Female	Male	Female	Male
Italy	881	865	50.46%	49.54%
Germany	281	439	39.03%	60.97%
Austria	70	58	54.69%	45.31%
Poland	129	57	69.35%	30.65%
Bosnia and Herzegovina	21	16	56.76%	43.24%
Bulgaria	44	25	63.77%	36.23%
Croatia	299	131	69.53%	30.47%
Czech Republic	162	149	52.09%	47.91%
Hungary	60	33	64.52%	35.48%
Kazakhstan	23	30	43.40%	56.60%
Romania	86	32	72.88%	27.12%
Russia	483	275	63.72%	36.28%
Serbia	18	12	60.00%	40.00%
Slovakia	47	20	70.15%	29.85%
Slovenia	31	19	62.00%	38.00%
Ukraine	455	117	79.55%	20.45%
Other	3,012	1,988	60.24%	39.76%
Total	6,102	4,266	58.85%	41.15%



Number of employees in protected categories, 2012^A

Country	2012
Italy	3,477
Germany	741
Austria	351
Poland	163
Bosnia and Herzegovina	22
Bulgaria	88
Croatia	26
Czech Republic	21
Hungary	0
Kazakhstan	0
Romania	15
Russia	0
Serbia	0
Slovakia	15
Slovenia	2
Ukraine	294
Other	3

A. Employees in protected categories are reported according to the requirements of applicable local laws. If accepted by local laws alternative solutions are implemented.

Training

Our Group received roughly €8 million in 2012 by leveraging our capacity to cover training costs with public funds.

Training hours per capita by employment tier and training type, 2012^A

Training type	Senior management		Executive & middle management		Staff	
	Female	Male	Female	Male	Female	Male
Managerial training	91.98	80.38	7.09	4.38	1.16	1.78
Technical training	5.08	6.72	19.82	28.05	25.59	31.07
Foreign language training	0.04	9.77	2.28	2.34	2.09	3.07

A. This data was drawn from a population that represented 80 percent of employees. Training hours included e-learning, classroom instruction and on-the-job training.

In 2012, we conducted 109,392 hours of trainings in our Markets in Financial Instruments Directive (MiFID) courses.

Industrial Relations²

UniCredit has a strong European identity. Thus, our Group workers may be represented by trade Unions, works councils or other representatives as relevant the industrial relations systems are strictly linked to their cultural environments and specific national labor laws. This model consists of different levels: the national level, in compliance with labor laws and industrial relations systems is closely connected to the local political and cultural traditions of each country; and the European and the Group levels, where the UniCredit European Works Council (UEWC) operates.

Founded in 2007 thanks to the determination of Local, Group HR and employee representatives, the UniCredit European Works Council (UEWC) is a governance body that is established to guarantee information and consultation rights of employees. It is currently acknowledged as being one of the finest such organizations in Europe.

In 2012, UEWC key initiatives included:

- two EWC general meetings, held with the participation of top management in attendance (e.g., CEO, COO, General Manager, Head of HR, Chief Risk Officer, Head of Planning, Strategy and Capital Management, Head of Group Identity & Communications). At these meetings, primary transnational strategies, decisions and plans were presented, shared and discussed with EWC members. These meetings improved employees' understanding of the reasons behind management's Group-level strategic decisions
- mandatory training of UEWC members. The Second Ordinary meeting of the year was the time when the European Works Council members of the second four year mandate, had received mandatory training, as required by the UEWC Founding Agreement. During this three-day event, UEWC members participated in a dedicated training workshop that featured presentations by important Italian academics and a representative from the UNI Global Union. Their presentations addressed EWC members' rights and obligations, labor and social changes towards a modern Industrial Relations framework, the development of partnerships between companies and European Works Councils in the actual European scenario, and a number of other topics
- three Select Committee meetings. This committee represents UEWC's primary point of contact with Group, where it receives information and communicate with top management on behalf of the UEWC during these meetings. Moreover, it ensures that there is a continuous flow of information among all UEWC members

2. This data is drawn from the following subset of Group entities unless stated otherwise:

Italy: Fineco Bank SpA, Pioneer Alternative Investment Management SGRPA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions ScpA, UniCredit SpA
Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions ScpA, UniCredit Global Business Services GmbH
Austria: UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
Poland: Bank Pekao SA, UniCredit Business Integrated Solutions ScpA, UniCredit Business Integrated Solutions Austria GmbH
Bosnia and Herzegovina: Unicredit Bank DD, UniCredit Bank AD Banja Luka
Bulgaria: UniCredit Bulbank AD
Croatia: Zagrebačka Banka DD
Czech Republic: UniCredit Bank Czech Republic As, UniCredit Business Integrated Solutions ScpA, UniCredit Business Partner sro
Hungary: UniCredit Bank Hungary Zrt, UniCredit Business Integrated Solutions ScpA
Kazakhstan: JSC ATF Bank
Romania: UniCredit Țiriac Bank SA, UniCredit Business Integrated Solutions SCpA, UniCredit Business Integrated Solutions Austria GmbH
Russia: ZAO UniCredit Bank
Serbia: UniCredit Bank Serbia Jsc
Slovakia: UniCredit Bank Slovakia AS, UniCredit Business Integrated Solutions ScpA
Slovenia: UniCredit Banka Slovenija dd
Ukraine: UniCredit Bank LTD, Public Joint Stock Company UkrSotsbank



Percentage of employees covered by collective bargaining agreements, 2012^A

Country	2012
Italy	100%
Germany	
UniCredit Bank AG	56%
UniCredit Business Integrated Solutions ScpA	51%
UniCredit Global Business Services GmbH	67%
Austria	100%
Poland	
Bank Pekao SA	76%
UniCredit Business Integrated Solutions ScpA, UniCredit Business Integrated Solutions Austria GmbH	100%
Bosnia and Herzegovina	100%
Bulgaria	100%
Croatia	100%
Czech Republic	100%
Hungary	not applicable ^B
Kazakhstan	not applicable ^B
Romania	
UniCredit Ţiriac Bank SA	not applicable ^C
UniCredit Business Integrated Solutions SCpA UniCredit Business Integrated Solutions Austria GmbH	100%
Russia	100%
Serbia	not applicable ^B
Slovakia	100%
Slovenia	100%
Ukraine	100%

A. The collective bargaining agreement refers to national, sector and company level.

B. No collective bargaining agreement of any kind is in place.

C. There is no collective bargaining agreement at the branch and country level as of yet.

Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially

Country	Notice period specified in collective bargaining agreements	Legal number of days notice	Notes
Italy	yes	25 days	Italian labor law states that unions must be informed and consulted 25 days before any change becomes effective. The National Collective Bargaining Agreement of the credit sector provides for different notification and consultation procedures, which may vary from 15 to 50 days depending on the nature of the changes undertaken.

Continued: Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially

Country	Notice period specified in collective bargaining agreements	Legal number of days notice	Notes
Germany	no	no	National regulations do not specify the number of weeks notice typically provided for consulting employee representatives. The information must be provided to the Works Council as soon as management makes any decision, thus making substantial negotiations about the implementation of measures possible. The employers and Works Council must reconcile their interests, and major alterations may not begin unless this reconciliation is achieved or at least attempted.
Austria	no	no	Information must be provided to the Works Council before management makes any decision, thus making substantial negotiations about the implementation of measures possible. Austrian legislation does not state any specific timeframe for this issue.
Poland			
Bank Pekao SA	yes	90 days	
UniCredit Business Integrated Solutions ScpA	no	no	
UniCredit Business Integrated Solutions Austria GmbH			
Bosnia and Herzegovina	yes	7 days	
Bulgaria	yes	45 days	Bulgarian labor law stipulates – Right to information upon Collective Dismissal: when an employer is contemplating collective dismissals, said employer shall be obliged to begin consultations with the trade union organizations’ representatives and with the factory and office workers’ representatives in good time but not later than 45 days before the said dismissals are to take effect, and to make efforts to reach an agreement with said representatives so as to avoid collective dismissals or reduce the number of workers affected and to mitigate the consequences of the said dismissals.
Croatia	no	8 days	Notice period is specified by Labour Law.
Czech Republic			
UniCredit Bank Czech Republic As, UniCredit Business Integrated Solution ScpA	no	60 days	Every major operational change must be discussed with the trade union and communicated to employees. The time provided before the change is implemented, is not specified in days / weeks but must be provided sufficiently in advance and in an appropriate manner so that the employees could express their views on the basis of the information supplied and these views could be taken into account before a certain measure in implemented by the undertaking. The official notice period given by the labor code is two months starting from the first day of the month, after the month of the change communicated.
UniCredit Business Partner sro	no	60 days	The employees must be informed about the change and the time provided before the change is implemented is not specified in days / weeks but must be provided sufficiently in advance and in an appropriate manner so that the employees could express their views on the basis of the information supplied and these views could be taken into account before a certain measure in implemented by the undertaking. The official notice period given by the labor code is two months starting from the first day of the month, after the month of the change communicated. - Trade Unions are not present at UniCredit Business Partner sro.
Hungary	no	30 days	The notice period is typically 30 days. The Works Council must be informed by the company and has 15 days to respond. After this period, changes may be implemented. No agreement is needed, only the timely provision of information .
Kazakhstan	no	30 days	As dictated by law and indicated in the individual labor agreements held by each employee, there is a one-month notice period regarding significant operational changes that may impact employees.



Continued: Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially

Country	Notice period specified in collective bargaining agreements	Legal number of days notice	Notes
Romania			
UniCredit Țiriac Bank S.A.	no	20	As indicated in the labor code, there is a dismissal notice period of 20 working days, beginning the day after the restructuring decision is announced.
UniCredit Business Integrated Solutions ScpA UniCredit Business Integrated Solutions Austria GmbH	yes	20	Notice period exists for dismissals and it is specifically mentioned in the collective labor agreement - the company one - as 20 working days since the date of the communication of the restructuring decision and it is provided also in the Labor Code as 20 working days.
Russia	no	60 days	
Serbia	no	-	
Slovakia			
UniCredit Bank Slovakia AS	yes	60 days	It is regulated by Labour Law - it depends on the length/duration of employment. If it is more than 1 year and less than 5 - 2 months notice period; if the employment duration is more than 5 years the notice period is 3 months.
UniCredit Business Integrated Solutions ScpA	no	60 days	
Slovenia	yes	not applicable	When requested, the employer must provide information to the trade union in a timely manner. If the trade union does not respond within eight working days, it is considered to have no comment. If, however, the trade union provides feedback within eight working days, the employer is required to respond within five working days.
Ukraine	yes	60 days	

Welfare, health and safety, work-life balance³

Our Group supports the well being of the employees and their families providing welfare and work-life balance services to respond to the employees' demand in the main welfare area as well as to supplement the public services (e.g., integrating the public health assistance with specific coverages provided by the company). These benefits are defined at the country level due to the different local laws and practice.

In nearly all countries, part-time and fixed-term employees are offered the same benefits as their permanent and full-time colleagues. In several countries, employees are provided with certain benefits following an initial work period. Moreover, employees in most countries have the option to go on sabbatical for personal reasons or training purposes.

3. This data is drawn from the following subset of Group entities unless stated otherwise:

Italy: Fineco Bank SpA, Pioneer Alternative Investment Management SGR PA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions ScpA, UniCredit SpA
 Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions ScpA, UniCredit Global Business Services GmbH
 Austria: UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
 Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions ScpA
 Bosnia and Herzegovina: UniCredit Bank DD, UniCredit Bank AD Banja Luka
 Bulgaria: UniCredit Bulbank AD
 Croatia: Zagrebačka Banka DD
 Czech Republic: UniCredit Bank Czech Republic As., UniCredit Business Integrated Solutions ScpA, UniCredit Business Partner sro
 Hungary: UniCredit Bank Hungary Zrt, UniCredit Business Integrated Solutions ScpA
 Kazakhstan: JSC ATF Bank
 Romania: UniCredit Țiriac Bank SA, UniCredit Business Integrated Solutions SCpA, UniCredit Business Integrated Solutions Austria GmbH
 Russia: ZAO UniCredit Bank
 Serbia: UniCredit Bank Serbia Jsc
 Slovakia: UniCredit Bank Slovakia AS, UniCredit Business Integrated Solutions SCpA
 Slovenia: UniCredit Banka Slovenija dd
 Ukraine: UniCredit Bank LTD, Public Joint Stock Company Ukrsotsbank

Retirement plans offered to employees, 2012

Country	Principal retirement plans
Italy	The majority of complementary pension plan include defined contribution funds in addition to defined benefit funds ^A , the latter of which are not available to new employees. Most benefit funds do not have separate funds. In 2012, the liabilities of these funds, which were estimated on an actuarial basis pursuant to international accounting standards, were adequately covered, primarily due to an increase in the discounting back rate based on economic variable estimates. Refer to the 2012 Consolidated Reports and Accounts for further details. We are working to achieve an optimal balance between the yields, costs and risks associated with complementary pension plans (i.e., to profit from greater assets and economies of scale). As a result, since 2009 UniCredit has signed collective labor agreements to enable employees participating in Group pension funds to transfer their accounts to the Fondo pensione per il personale delle aziende del Gruppo UniCredit.
Germany	In Germany, there are a variety of defined benefit plans ^A that derive from our company's history. Several are final pay plans, where the pension entails a certain percentage of the last monthly gross salary received by the employee. Others are career average plans, where a percentage of an employee's average annual gross salary is converted into a fixed pension amount. These plans are closed to new beneficiaries. Currently, there are two career average plans. One is closed for new entries, the other one is the only open plan for new entries. Regarding this second plan, a certain percentage of the monthly gross salary is used as a fixed pension amount. In the event of a surplus in assets under management, employees have the option to credit the profits to their individual pension accounts.
Austria	Defined contribution plan
Poland	No plans
Bosnia and Herzegovina	No plans
Bulgaria	No plans
Croatia	No plans ^B
Czech Republic	Not applicable ^C
Hungary	No plans
Kazakhstan	No plans
Romania	
UniCredit Ţiriac Bank SA	No plans
UniCredit Business Integrated Solutions ScpA	
UniCredit Business Integrated Solutions Austria GmbH	Defined contribution plans
Russia	Defined contribution plans
Serbia	No plans
Slovakia	No plans
Slovenia	No plans
Ukraine	Defined contribution plans

A. As of December 31, 2012, defined benefit plans are almost fully funded via contractual trust arrangements (in Germany) or via pension funds (in other countries).

B. In 2012, UniCredit's pilot project using age as a framework for a retirement plan was still under development and thus not applicable to all employees.

C. Every employee has the option to join a voluntary pension insurance program, wherein the employee signs a contract with an insurance company after independently selecting a policy. UniCredit is only privy to the contribution amount that the employee asks the bank to make.



Welfare system, 2012^A

Country	National mandatory welfare system	Voluntary company welfare system
Italy	yes	yes
Germany	yes	yes
Austria	yes	yes
Poland	yes	no
Bosnia and Herzegovina	yes	no
Bulgaria	yes	yes ^B
Croatia	yes	yes
Czech Republic	yes	yes
Hungary	yes	yes
Kazakhstan	not available	not available
Romania		
UniCredit Ţiriac Bank SA	yes	no
UniCredit Business Integrated Solutions ScpA	yes	yes
UniCredit Business Integrated Solutions Austria GmbH	yes	yes
Russia	yes	yes
Serbia	yes	no
Slovakia	yes	yes
Slovenia	yes	yes
Ukraine	yes	yes

A. The welfare system includes pension plan and/or health insurance plans, in accordance with different local laws. Any employee can access voluntary company welfare systems where available.

B. Voluntary company welfare system includes only a health insurance plan.

Contribution by employees and/or employers to the voluntary company pension system

Country	Contribution from employer	Contribution from employee
Italy ^A	2% or 3%	minimum 2%
Germany		
UniCredit Bank AG	2.5 to 4.8% of gross salary	2.5% of gross salary
UniCredit Business Integrated Solutions ScpA	2.5 to 10% of monthly or yearly gross salary	1.5 to 2.5% of monthly or yearly gross salary
UniCredit Global Business Services GmbH		
Austria		
UniCredit Bank Austria AG	2.9% or more	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Business Integrated Solutions Austria GmbH	2.5% from base pay	Voluntary: arrangements between the pension fund and employee are made on an individual basis
Poland	not applicable	not applicable
Bosnia and Herzegovina	not applicable	not applicable
Bulgaria	not applicable	not applicable
Croatia	3% of employee's monthly salary	no
Czech Republic ^B		
UniCredit Bank Czech Republic As	Maximum 24.000 CZK per year (approximately €900)	Not specifically required; tax optimal maximum 17.500 CZK (approximately €680) per year
Unicredit Business Integrated Solutions ScpA	Maximum 24.000 CZK per year (approximately €900)	Voluntary: tax optimal maximum 17.500 CZK (approximately €680) per year
UniCredit Business Partner sro		
Hungary	no	7% of the basic gross salary
Kazakhstan	not available	not available



Continued: Contribution by employees and/or employers to the voluntary company pension system

Country	Contribution from employer	Contribution from employee
Romania		
UniCredit Ţiriac Bank SA	not applicable	not applicable
UniCredit Business Integrated Solutions ScpA UniCredit Business Integrated Solutions Austria GmbH	60 RON (approximately €13.50) of employee's monthly salary	voluntary
Russia	Monthly contribution 7% of base salary	monthly contribution 7% of base salary
Serbia	not applicable	not applicable
Slovakia		
UniCredit Bank Slovakia AS	120 € yearly	min 120 € yearly
UniCredit Business Integrated Solutions ScpA	Depend on agreement between employer and employees	voluntary
Slovenia	Maximum 5.9% of monthly salary, distributed between employer and employees: 60% or 70% or 80% (depending on the amount of employees gross monthly salary)	Maximum 5.9% of monthly salary, distributed between employer and employees: 20% or 30% or 40% (depending on the amount of employees gross monthly salary)
Ukraine	1% of the last monthly salary	no

A. The reported contribution percentages refer to the second section of the Fondo pensione per il personale delle aziende del gruppo UniCredit, the pension fund currently open to new participants.

B. Every employee has the option to join a voluntary pension insurance program. After independently selecting an insurance policy, the contract is drawn up between the employee and company. UniCredit will be informed of contribution amount only if requested by employee.

Transition assistance programs to support employees, 2012^A

Country ^B	The program includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance transitioning to non-working life (training, counseling)
Italy	no	yes	yes	yes only for Executives	no
Germany	yes	yes	yes	yes	yes
Austria					
UniCredit Bank Austria AG	yes	yes	yes	yes	yes
UniCredit Business Integrated Solutions Austria GmbH	yes	no	yes	yes	no
Poland	no	no	yes	no	no
Bosnia and Herzegovina	yes	no	yes	yes	no
Bulgaria	no	no	yes	no	no
Croatia	no	yes	yes	no	no
Czech Republic					
UniCredit Bank Czech Republic As	yes	yes	yes	yes	no
Unicredit Business Integrated Solutions ScpA	no	yes	yes	yes	no
UniCredit Business Partner sro					
Hungary	no	no	yes	no	no
Romania					
UniCredit Ţiriac Bank SA	yes	yes	yes	no	yes
UniCredit Business Integrated Solutions ScpA	no	no	yes	no	no
UniCredit Business Integrated Solutions Austria GmbH					
Slovakia					
UniCredit Business Integrated Solutions ScpA	no	yes	yes	yes	no
Slovenia	no	no	yes	no	no
Ukraine	no	no	yes	no	no

A. In some cases, the programs are provided only in case of company restructuring / reorganization.

B. The countries included are those where transition assistance programs are present.



Health and safety management

We believe that the best approach to managing the health and safety of our employees involves remaining in compliance not just with the letter but the spirit of the law. While our guidelines are primarily based on legal requirements regarding timing and procedures, in a number of respects the company goes beyond the current legal minimums with regard to both timing and services.

Our commitment to being a great place to work is the foundation of our approach to health and safety.

Those departments responsible for health and safety must carry out the following responsibilities:

- adequate evaluation of risks (e.g., analysis and verification of the staff's work activities, including the nature of the job, the job's instruments, work spaces, individual and collective protection measures, technical infrastructure and contractual matters - both for internal and contracted jobs)
- evaluation of the health and safety risks associated with each position
- definition and planning of preventive measures to eliminate or minimize risks

Formal joint management-worker health and safety committees, 2012^A

Country	Existence of a formal joint management worker health and safety committee	Level at which the committee operates
Italy	no	not applicable
Germany	yes	Legal Entity
Austria ^B	yes	Legal Entity
Poland	yes	Legal Entity
Bosnia and Herzegovina ^C	yes	Legal Entity
Bulgaria	yes	Legal Entity
Croatia	yes	Legal Entity
Czech Republic	no	not applicable
Hungary	no	not applicable
Kazakhstan	no	not applicable
Romania	yes	Legal Entity
Russia	no	not applicable
Serbia	no	not applicable
Slovakia		
UniCredit Bank Slovakia AS	yes	Legal Entity
UniCredit Business Integrated Solutions ScpA	no	not applicable
Slovenia	no	not applicable
Ukraine	no ^D	not applicable

A. If present, all the employees are represented by a formal management-worker health and safety committee.

B. Include UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH, Pioneer Investments Austria GmbH, Shoellerbank Aktngesellschaft, Domus Facility Management GmbH, Domus Clean Reinigungs GmbH.

C. Refers to UniCredit Bank AD Banja Luka.

D. In Ukraine, a country level committee takes care of all employees in health and safety issues.

Formal agreements with employees' representatives on health and safety issues, 2012^A

Country	Existence of formal agreements with employees' representatives	Brief description
Italy	yes	Provision for the election of the so-called RSL (Employee Representatives for Safety) and their activities, which include trainings and regulations related to workplace environment
Germany	yes	Key factors were listed for maintaining a healthy workforce in an Occupational Health and Safety joint declaration for the private and public banking sectors in 2010. This list included respect for and trust toward employees, further development of measures to maintain and promote the health of employees, and strengthening preventative care methods. It also acknowledged that health prevention already plays an important role in the banking sector
Austria		
UniCredit Bank Austria AG, Pioneer Investments Austria GmbH, Schoellerbank AG, Domus Facility Management GmbH, Domus Clean Reinigungs GmbH	yes	All health topics, focusing mainly on mental health
UniCredit Business Integrated Solutions Austria GmbH	no	There is a legal framework which gives details regarding the information and cooperation rights for works council.
Poland	no	not applicable
Bosnia and Herzegovina ^B	no	not applicable
Bulgaria	yes	The employer shall ensure supplementary health insurance for all employees who have entered into a Basic Employment Relationship with the bank at a health insurance company/insurance company selected by virtue of intra-company regulatory provisions.
Croatia	yes	An agreement between health and safety representatives of the workers and the employer addresses all health and safety issues
Czech Republic	yes	It is present in the collective bargaining agreement
Hungary	no	not applicable
Kazakhstan	no	not applicable



Continued: Formal agreements with employees' representatives on health and safety issues, 2012

Country	Existence of formal agreements with employees' representatives	Brief description
Romania		
UniCredit Ţiriac Bank S.A	yes	Mandatory medical check-ups, safety conditions and training on safety issues and obligations ensure that proper environmental and work standards are met in terms of sanitation and ergonomics.
UniCredit Business Integrated Solutions ScpA		
UniCredit Business Integrated Solutions Austria GmbH	yes	Part of the collective agreement
Russia	no	not applicable
Serbia	no	not applicable
Slovakia	no	not applicable
Slovenia	no	not applicable
Ukraine	yes	The topics covered are: the obligations of the employer towards employees for the health and safety environment and working place, conditions of work, etc.

A. The employees' representatives may refer to Trade Unions, Work Council, etc.

B. Refers to UniCredit Bank AD Banja Luka.

Work-life balance and healthcare initiatives

Our employees benefit from a range of initiatives that help them with their work-life balance. These initiatives differ in each country, in accordance with local laws and practices.

In 2012, highlights of our healthcare and work-life balance initiatives included the following:

- Slovenia: provision of psychological counseling. Under the bank's Family Friendly Company certification, from August 2012 on, all employees have had access to psychological consulting relating to interpersonal relationships in work or private life. The bank pays the cost of the first five hours per employee. The option of psychological counseling or life coaching has been offered to address situations that need not necessarily relate to work, but which may have an impact on motivation, commitment, interpersonal relationships and well-being in the workplace
- Italy: a workshop on work-related stress. The initiative provides for consultation with employees representatives for safety and colleagues from HR on assessments of work-related stress that have been carried out in cooperation with leading scientific institutes. Following the workshop, the planning of the training courses for work-related stress was started
- Romania: enhancing ergonomics at work. A specialist doctor provided training and a demonstration during a visit to the head office. Instruction was offered to employees on the correct posture while working on a computer and on the health benefits of maintaining proper posture while sitting. Additionally, instructional documents were made available to employees on the intranet

Rates of Injury, Lost Days and Absenteeism, 2012^A

Country	Injury ^B		Lost Days ^C		Absentee ^D	
	Female	Male	Female	Male	Female	Male
Italy	2.93	2.65	0.16	0.16	5.75	5.50
Germany	4.00	1.59	0.04	0.02	6.68	4.68
Austria	1.10	0.55	0.05	0.03	8.21	7.12
Poland	2.47	1.07	0.18	0.04	5.96	2.97
Bosnia and Herzegovina	0.00	0.00	0.05	0.02	3.56	1.59
Bulgaria	0.53	0.00	0.06	0.07	4.36	3.20
Croatia	0.81	0.53	0.17	0.01	4.73	3.32
Czech Republic	1.02	0.00	0.06	0.01	3.58	1.43
Hungary	0.00	1.55	0.06	0.01	6.87	2.40
Kazakhstan	0.00	0.00	not available	not available	2.95	3.15
Romania	0.00	0.00	0.00	0.00	2.68	1.47
Russia	0.37	0.00	not available	not available	not available	not available
Serbia	0.00	0.00	not available	not available	6.19	1.44
Slovakia	0.54	1.47	0.01	0.01	3.89	2.45
Slovenia	4.38	7.64	0.11	0.12	7.32	2.75
Ukraine	0.00	0.00	0.00	0.00	6.76	1.45

A. This data was drawn from a population that represented 80.7 percent of the total employees. Injuries are recorded as per applicable local law. Country to country comparison can be misleading due to different tracking systems and differences in local law.

B. This was calculated as follows: (total no. of workplace injuries/total working hours)*1,000,000.

C. This was calculated as follows: (total no. of days of absence due to injuries/total working hours)*1,000.

D. This was calculated as follows: (total no. of days of absence/total working hours)*1,000. Days of absence refers to: injuries, illness, strikes and other reasons (e.g., medical controls, election days).

Employee Security-related initiatives

The Strategic Risk Analysis Unit (SRA) is responsible for regularly monitoring the security of countries in which UniCredit operates, including security aspects that may affect traveling/expatriate staff. In 2012, SRA monitored about 23,500 UniCredit business trips in 68 foreign countries and supported UniCredit main legal entities in Austria, Germany, Poland and in the CEE Countries.

In addition SRA issued roughly 60 travel alerts and warnings in 2012 to over one thousand UniCredit business travelers who were in or traveling to areas of the world affected by local crisis such as natural disasters, riots, coup d'état and so forth. As a result of this focused and proactive effort, none of our traveling employees ran into dangerous or critical circumstances. Duly notified employees managed to adapt their plans, reschedule or cancel trips.

Consistently with the operational agreement between UniCredit and the Italian Ministry of Foreign Affairs signed in October 2011, SRA has established a structured exchange of information in order to improve the safety of traveling UniCredit staff by having the capacity to promptly respond to emergency situations abroad. SRA promoted this agreement within the Security department, enhancing the sustainability of UniCredit initiatives.



Disputes concerning labor, welfare issues and administrative bodies⁴

Number of disputes concerning labor issues

Country	Opened prior to 2012	Opened in 2012	Closed in 2012	Open as Dec. 31, 2012
Italy	1,049	224	347	926
Germany	17	26	28	15
Austria	19	6	2	23
Bosnia and Herzegovina	27	6	4	29
Bulgaria	20	1	8	13
Croatia	31	4	7	28
Czech Republic	1	2	0	3
Romania	24	12	21	15
Russia	5	2	6	1
Serbia	10	0	1	9
Slovakia	2	1	0	3
Slovenia	0	3	1	2
Ukraine	3	2	3	2

Number of disputes concerning welfare issues

Country	Opened prior to 2012	Opened in 2012	Closed in 2012	Open as Dec. 31, 2012
Italy	161	17	40	138

Number of disputes concerning administrative bodies

Country	Opened prior to 2012	Opened in 2012	Closed in 2012	Open as Dec. 31, 2012
Italy	3	2	0	5

4. Due to improved data collection processes, some figures may differ from data presented in the 2011 Sustainability Report.

System of Values: a new name for a renewed scope of the Restorative Justice System

In 2006, after our Group formally adopted the Integrity Charter and its set of values, the Restorative Justice System was introduced with the aim of guaranteeing their consistent application. Five years after the system's introduction at the Group level, a meeting was held in Milan on December 21, 2011, involving the Group Ombudsman, the central and deputy Ombudsmen from the countries, Group HR and Group Internal Communications. The object was to discuss the system and its uses. The participants reaffirmed the role of the Restorative Justice System within UniCredit and the Ombudsmen presented a proposal for potential future revisions, drawing on the results it has thus far produced. The proposal included a redefinition of the system's scope and a new name, the "System of Values". Additional changes would include slight revisions to the role and number of ombudsmen and a reduction in the number of tools and processes used by the system.

In 2012, the proposal received approval from our Group's chairman, CEO and Head of Group HR. Its goal is to simplify the system and relaunch it as a vital waytool at the disposal of all colleagues to check and balance inconsistencies in the values application, playing an active role.

In 2013, a communications campaign will inform our people about the changes to the system and the reasons behind them.

Cases by country and tools used, 2012^A

Country	Total	Pending cases	Closed cases	Not admitted cases	Renounced cases	Other	Total number of cases deploying tools	Tool used		
								Meetings	Notice	Other
Italy	25	3	22	9	7	0	6	3	0	3
Germany	11	2	9	0	0	0	9	8	1	0
Austria	8	0	8	1	0	0	7	1	6	0
Poland	31	1	30	2	5	2	21	4	14	3
Bulgaria	19	0	19	0	0	0	19	12	7	0
Croatia	7	0	7	1	0	2	4	1	3	0
Czech Republic	2	0	2	0	0	0	2	2	0	0
Hungary	11	0	11	2	6	0	3	2	1	0
Romania	2	0	2	1	1	0	0	0	0	0
Russia	1	0	1	0	0	0	1	0	1	0
Serbia	0	0	0	0	0	0	0	0	0	0
Slovakia	3	1	2	0	0	0	2	0	0	2
Slovenia	9	0	9	1	2	0	6	4	0	2
Baltic Countries ^B	1	0	1	0	0	0	1	0	1	0
Total	130	7	123	17	21	4	81	37	34	10

A. Due to changes in the System of Values occurred during 2012, data may be not complete.

B. Include Estonia, Latvia and Lithuania.



Customer distribution

Number of customers by division and country as of December 31, 2012

Family & SME Division	Number
Italy (UniCredit SpA)	7,775,375
Germany (UniCredit Bank AG)	2,358,687
Austria (UniCredit Bank Austria AG)	1,442,985
Poland (Bank Pekao SA)	4,500,489

Corporate and Investments Banking Division	Number
Italy (UniCredit SpA)	18,091
Germany (UniCredit Bank AG)	36,035
Austria (UniCredit Bank Austria AG ^A)	18,050
Poland (Bank Pekao SA)	17,263

Private Banking Division	Number
Italy (UniCredit SpA)	135,459
Germany (UniCredit Bank AG)	45,479
Austria (UniCredit Bank Austria AG ^A , Schoellerbank AG)	22,950
Poland (Bank Pekao SA)	5,073

Asset Gathering	Number
Italy (Fineco Bank SpA)	855,177
Germany (DAB Bank AG)	479,176
Austria (Direktanlage.AT AG)	64,095

A. The number of clients refers to September 30th, 2012 due to the migration to the new IT system.

Number of customers by division and country as of December 31, 2012

CEE Retail Division	Number
Bosnia and Herzegovina (UniCredit Bank DD, UniCredit Bank AD Banja Luka)	1,162,336
Bulgaria (UniCredit Bulbank AD)	923,607
Croatia (Zagrebačka Banka DD)	1,117,936
Czech Republic (UniCredit Bank Czech Republic As)	270,184
Hungary (UniCredit Bank Hungary ZRT)	414,036
Kazakhstan (JSC ATF Bank)	730,442
Romania (UniCredit Tiriac Bank SA)	581,074
Russia (Zao UniCredit Bank)	1,235,502
Serbia (UniCredit Bank Serbia Jsc)	192,600
Slovakia (UniCredit Bank Slovakia AS)	211,422
Slovenia (UniCredit Banka Slovenija dd)	118,174
Ukraine (Ukrsotsbank and Ukraine Bank)	1,406,769

CEE Corporate Banking Division	Number
Bosnia and Herzegovina (UniCredit Bank DD, UniCredit Bank AD Banja Luka)	4,871
Bulgaria (UniCredit Bulbank AD)	9,902
Croatia (Zagrebačka Banka DD)	8,074
Czech Republic (UniCredit Bank Czech Republic As)	10,369
Hungary (UniCredit Bank Hungary ZRT)	8,914
Kazakhstan (JSC ATF Bank)	2,538
Romania (UniCredit Tiriac Bank SA)	8,675
Russia (Zao UniCredit Bank)	6,246
Serbia (UniCredit Bank Serbia Jsc)	3,061
Slovakia (UniCredit Bank Slovakia AS)	5,485
Slovenia (UniCredit Banka Slovenija dd)	2,390
Ukraine (Ukrsotsbank and Ukraine Bank)	10,002

Customers: Individuals and Families-Companies



Continued: Number of customers by division and country as of December 31, 2012

CEE Private Banking Division	Number
Bulgaria (UniCredit Bulbank AD)	1,345
Croatia (Zagrebačka Banka DD)	2,735
Czech Republic (UniCredit Bank Czech Republic AS)	2,774
Hungary (UniCredit Bank Hungary ZRT)	785
Kazakhstan (JSC ATF Bank)	1,451
Romania (UniCredit Tiriatic Bank SA)	1,156
Russia (Zao UniCredit Bank)	1,600
Serbia (UniCredit Bank Serbia Jsc)	373
Slovakia (UniCredit Bank Slovakia AS)	1,577
Slovenia (UniCredit Banka Slovenija dd)	340

Customer Satisfaction

Across the Group, to express the level of customer satisfaction, UniCredit has chosen to use an index provided by an Industry World Leader, TNS Infratest: the TRI*M Index. The use of an external methodology, covered by copyright, guarantees not only that methodology and results are in line with the highest and strongest quality standards, but also the possibility to make consistent comparisons with competitors and players of other industries. Moreover the use of a third party approach in measuring the index is even more important considering that the index is part of the Bank's compensation system.

Individuals TRI*M index results in Italy, Germany and Austria Retail^A TRI*M index results in Poland and CEE

Country	2012	2011	2010	2012 competitors'/market ^B TRI*M index results
Italy	60	60	61	53
Germany	67	68	66	65 ^C
Austria	72 ^D	71	66	73
Poland	58	59	57	62
Bosnia and Herzegovina				
UniCredit Bank AD Banja Luka	82			78
UniCredit Bank DD	91			
Bulgaria	80	71	67	68
Croatia	75	69	79	67
Czech Republic	72	69	68	71

Continued: Individuals TRI*M index results in Italy, Germany and Austria and Retail^A TRI*M index results in Poland and CEE

Hungary	73	72	70	61
Kazakhstan	81			81
Romania	69	65	68	67
Russia	86	83	82	76
Country	2012	2011	2010	2012 competitors'/ market^B TRI*M index results
Serbia	89			83
Slovakia	82			79
Slovenia	82			60
Ukraine	59			51

A. In Poland and CEE, the Retail division includes individual customers and Small Businesses.

B. Competitors' TRI*M 2012 for Italy, Germany, Austria and Poland. Market TRI*M 2012 for CEE countries.

C. Data is comparable to TRI*M index; however, it is calculated by a different research provider.

D. Full year results as of 30/09/2012.

In 2012, we confirmed our leadership in almost all the countries. In Poland we received a lower score than our competitors. We have already started accommodating our product offer by focusing on a higher quality and we will constantly monitor our customers' perception.

SME TRI*M index results in Italy, Germany and Austria

Country	2012	2011	2010^A	2012 competitors' TRI*M index results
Small Business				
Italy	54	58	57	48
Germany	59	58	56	62 ^B
Austria	57 ^C	49	not available	67
Medium Business				
Italy	49	52 ^D	44	55
Germany	69	66	63	62 ^B
Austria	71 ^C	71	not available	74

A. Through our One4C program, new client segmentation criteria were implemented in Italy, Germany and Austria in 2010. Since 2011, the new F&SME division has included enterprises with an annual turnover of less than €50 million. The TRI*M Index data was therefore recalculated for 2010.

B. Data is comparable to TRI*M Index; however, it is calculated by a different research provider.

C. Full year results as of 30/09/2012.

D. Data has been recalculated because of the new Medium Business division's composition in 2012.

We are working to improve our small and medium business service model thus to preserve the market leadership or improve our market positioning. In Italy our 2012 decrease in medium businesses satisfaction is going to be addressed through the set up of the new organizational model, designed to generate greater customer proximity, and the improvement of service model, differentiated on customer needs, to be more effective.

Corporate TRI*M index results

Country	2012	2011	2010^A	2012 competitors' TRI*M index results
Italy	51	53	49	50

Customers: Individuals and Families-Companies



Continued: Corporate TRI*M index results

Germany	68	61	71	76
Austria	78	75	73	66
Poland	60	63	62	64

Country	2012	2011	2010 ^A	2012 market TRI*M index results
Bosnia and Herzegovina	72			68
Bulgaria	79	78	79	75
Croatia	81	84	86	73
Czech Republic	75	78	78	68
Hungary	71	70	66	57
Kazakhstan	66			69
Romania	77	75	73	71
Russia	87	90	87	76
Serbia	75			77
Slovakia	75			74
Slovenia	79			66
Ukraine	71			75

A. Through our One4C program, the new CIB division has included enterprises with an annual turnover of more than €50 million. The TRI*M Index data was therefore recalculated for 2010 in Italy, Germany and Austria.

In 2012 we remained higher than market in Corporate segment, in most of the countries where we are present. In Poland we received a bit lower score compared to our peers mainly due to customer expectations for a high value for money in the offer and a better management of credit decisions process, both of which are being further improved.

Private Banking TRI*M index results

Country	2012	2011	2010
Italy	61	59	58 ^A
Germany	76	68	56
Austria ^B	75	69	69
Poland	72	66	68
Bulgaria	98	95	88
Croatia	102	103	98
Czech Republic	87	80	84
Hungary	80	78	86
Kazakhstan	86		
Romania	85	83	78
Russia	84	90	90
Serbia	102		
Slovakia	98		
Slovenia	85		
Ukraine	89		

A. Through our One4C program, new client segmentation criteria were implemented. The new Private Banking division also includes some customers previously classified under the F&SME segment. The TRI*M index data was therefore recalculated for 2010.

B. Austria results refer only to UniCredit Bank Austria AG.

Handling complaints

UniCredit's approach to complaints management is driven by the belief that a continuing dialogue and swift responses are fundamental to addressing and improving our service quality and customer satisfaction. Clients can submit their complaints through a number of channels, including email, written letter or in person at one of our branches. Complaints are then managed locally or centrally, depending on the subject or type.

As per our Global Compliance Guidelines - Complaint Management, which were implemented Groupwide in 2011, a complaint may be regarded as any form of dissatisfaction expressed by a former, current or potential customer, regarding the manner in which UniCredit has managed a banking, finance or insurance transaction or service. Each UniCredit legal entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints in accordance with their type and the manner of communication chosen by the customer.

Family & SME / Retail division: number of recorded complaints^A

Country	2012		2011		2010	
	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written
Italy	359,039	21,259	397,334	18,826	324,277	18,358
Germany	229,088	9,034	222,739	8,223	71,232	7,443
Austria ^B	not available	not available	48,539	3,504	52,447	3,892
Bosnia and Herzegovina	4,883	578				
Bulgaria ^C	2,071	2,071	2,102	2,102	1,731	1,731
Croatia	35,309	4,925	41,133	5,713	44,012	2,729
Czech Republic	5,672	3,335	4,569	2,805	1,035	934
Hungary	7,864	3,759	6,968	3,233	5,583	3,627
Kazakhstan	2,427	2,045				
Romania	1,721	1,615	894	841	1,610	1,510
Russia	25,005	21,683	20,962	17,902	10,295	9,143
Serbia	417	308				
Slovakia	2,315	2,300				
Slovenia	827	475				
Ukraine	10,100	3,700				

A. Totals are not provided because definitions and recording methods have not been completely aligned across all countries. The number of complaints referring to Bank Pekao SA are not published due to confidentiality issues.

B. In 2012, data are not available due to IT changes.

C. In Bulgaria there is no distinction between the written and verbal complaints. All the complaints are considered as written.



Product committees

The section on the “Corporate Governance Approach”, which is based on transparency, well-informed management and compliance with the rules and principles of professional ethics, also includes a reference to the Product Committee, as a meeting point between company strategies and the management of customer relations and the fulfillment of their needs, while providing concrete sustainable solutions over time. In line with the goals of the “ONE4C” Project, the Committees of UniCredit SpA’s three Italian networks (i.e. Family & Small and Medium Enterprises Italy Product Committee, Private Banking Product Committee and Corporate and Investment Product Committee) and the Product Committees of the Group’s main Italian companies continued their work in 2012.

Specifically, in line with the sustainability principles defined in the Group guidelines and policies, and coordinating with the other bodies and functions of UniCredit involved/responsible, these Product Committees worked to ensure the consistency of external and internal regulations on products and services offered and commercial campaigns and initiatives, by firstly assessing the individual competent functions and, thus, with an overall vision.

In this view and with this goal, the Committees offered an additional opportunity for discussion and synthesis on conclusion of the process of creating banking and non-banking, financial, investment and insurance products/services which are part of UniCredit’s commercial strategy, as well as campaigns/initiatives to support marketing activities, in order to strike the right balance between our products and services, compliance with regulations and meeting customers’ needs over time.

The activities of the Committees in the Italian network took the operational form of binding opinions on the admissibility of commercial products and services, which:

- ensure – with a view to value generation for all stakeholders – the commitment to putting customers first
- assess external and internal regulations and all related implications on risk
- safeguard business needs and those of customers with a time-to-market perspective

Now, following the reorganization launched with the “GOLD” Project to more effectively support customers and local communities, but substantially continuing on from the previous Committees (which ceased operations on 14 January 2013), two new Product Committees have been established:

- the CIB Italy Product Committee, for activities concerning CIB Italy operations of the CIB Division, targeted to Corporate Investment Banking customers (in the set up phase), under the direction of the Head of CIB Italy Network
- the Country Italy Product Committee, for activities concerning Commercial Banking Italy, focused on Italian network customers, under the direction of the Italy Country Chairman, with the support of a Technical Secretariat that ensures its continuity and pro-active operation

In this new organizational context, and in light of the current conditions of the national and international markets, the Country Italy Product Committee began operations. A managerial body which, in fulfilling the goals of its Chairman (the Italy Country Chairman) must achieve its assigned mission not only by issuing a formal opinion on the suitability of products and services for sale, commercial initiatives and personnel incentive campaigns, but also – where suitable/necessary – by defining operational instructions and/or changes to the features/structure of products/services/initiatives to better ensure customer satisfaction. The goal of these actions is to ensure and maintain the overall quality of the following, over time:

- commercial products and services, adjusted to customers’ needs over time
- correct, fair and sustainable prices, both due to suitability and low cost for customers and profitability of the Bank
- regulatory compliance and operational excellence in the entire sales and marketing process

UniCredit’s commitment and achievement are represented in its way of banking and, also through the Country Italy Product Committee, in its every day operations meeting the needs of customers and the communities it serves.

Socially Responsible Investments (SRI)

By becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI) in March 2009, Pioneer Global Asset Management SpA joined an initiative launched by the UN Secretary-General to advance six best-practice principles among asset owners and investment managers. In alignment with its commitment to the UNPRI, Pioneer Global Asset Management SpA expanded its Proxy Voting Policy to include environmental, social and corporate governance (ESG) issues.

Moreover, Pioneer Global Asset Management SpA has defined its search, investment, control and monitoring processes to ensure their alignment with the transparency guidelines of the European Sustainable Investment Forum (Eurosif). Pioneer Global Asset Management SpA provides several asset-management products that are designed to maximize returns while adhering to ethical and sustainable principles:

- Pioneer Obbligazionario Euro Corporate Etico a distribuzione (“Euro Bond Ethical Corporate Fund”)**
 The fund’s investment strategy is designed to achieve capital appreciation over the medium term. This is accomplished by investing in fixed income instruments issued by companies with business models that meet high standards of social, human and ecological responsibility.
- Pioneer Funds – Global Ecology – E Class**
 The fund’s investment strategy is designed to achieve capital appreciation over the medium-to-long term. This is accomplished by investing in at least two-thirds of the fund’s assets in a range of equities and equity-linked instruments issued by companies manufacturing or producing environmentally friendly products or technologies that help to create a cleaner, healthier environment. Such companies include those operating in the fields of air pollution control, alternative energy, recycling, waste incineration, wastewater treatment, water purification and biotechnology.
- Pioneer Funds Austria – Ethik Fonds**
 This is a balanced fund designed to achieve long-term capital growth while generating regular returns. The basic fund portfolio is composed of 30 percent global equities and 70 percent euro bonds. An investment is considered “ethical” when the issuer’s business model meets established sustainability standards.

Fund performance (%)

	One year (as of Dec. 31, 2012)		Three years annualized (as of Dec. 31, 2012)	
	Fund	Benchmark	Fund	Benchmark
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	14.97	13.85	5.82	6.16
Pioneer Funds – Global Ecology – E Class	17.07	14.05	3.53	9.98
Pioneer Funds Austria – Ethik Fonds	9.6	not available ^A	4.3	not available ^A

A. The Fund has no declared benchmark in the Prospectus.

Assets subject to positive and negative environmental or social screening (in € million)

	Assets under management (as of Dec. 31, 2012)	Assets under management (as of Dec. 31, 2011)
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	237.6	180
Pioneer Funds – Global Ecology – E Class	901.3	870
Pioneer Funds Austria – Ethik Fonds	21.7	20.22
Total assets under management at Pioneer Global Asset Management SpA, including regular funds	157,916	162,063



Security

UniCredit Security defines and enhances the Group Security strategy, aiming at protecting people, sensitive information and assets (tangible and intangible) of UniCredit closely to business needs.

The Group Chief Security Officer (GCSO) exercises Global Governance and coordinates the Security functions within the Bank as well as the Group by ensuring the implementation of appropriate security standards while maximizing the quality of services.

In June 2012, the governance role of the Holding Company on security matters at Group level was enhanced, by updating the role of the Security function in particular with respect to the responsibilities in terms of steering, coordination and control towards the Legal Entities. In addition, in 2012 the UniCredit Security reinforced the cooperation with UniCredit Business Integrated Solutions ScpA, the Global Factory of the UniCredit Group, technical competence center for the instrumental services (ICT, Real Estate, Procurement, Back/Middle Office) which, moreover, provides operational security services also on the basis of specific outsourcing agreements.

In 2012 UniCredit Strategic Risk Analysis (SRA) unit enhanced our business security by providing country risk analyses to internal units. SRA issued more than 220 reports on over 12 countries in which we had business prospects, with the aim to assist in security risk analyses activities (e.g. organized crime, terrorism, reputation, etc). Moreover, targeted educational activities allowed SRA unit to strengthen our employee and customer knowledge regarding country-specific security issues. These initiatives aim at supporting our business units as well as external customers in their internationalization activities, by providing specialized information support related to the Security Area.

The protection of the UniCredit employees is a 360-degree activity. To this aim the project Gate 365, launched in 2011, was implemented in 2012. Gate 365 is an intranet web site to monitor UniCredit Travelers and security risks worldwide.

With respect to the Business Continuity & Crisis Management (BC&CM) initiatives during 2012 the improvement of the awareness of the UniCredit BC&CM framework through web-based courses for the BC&CM managers continued. Moreover, a first release of the Crisis Management system was developed in order to immediately identify potential impacts on Company assets, in order to improve the Group emergency responses.

Remaining the personal data protection of the UniCredit customer data a key factor during 2012 the effective and efficient management of all related topics was carried out by updating the related regulations within UniCredit SpA and by monitoring the implementation of the Global Rules issued on the matter.

As far as 2013 is concerned, UniCredit Security will roll out the Group federal approach as per the GOLD project by enhancing the governance role on the basis of high level principles/processes to be locally implemented accordingly to Country/Legal Entity specificities, pursuing a higher level of local responsibility.

With respect to SRA, for 2013 the intention is to continue launching initiatives finalized at mitigating the operative/business risks within the Group.

In 2013, the BC&CM processes (at Legal Entity level) and the related performance monitoring will be enhanced. Moreover, it is intended to develop cross countries synergies to BC&CM processes to be applied to the CIB Division as well as to develop models for emergency response.

As far as the Security Governance is concerned, in 2013 we will improve the management of the Global Rules. Moreover, the security performance monitoring will be enhanced as well as the spreading of the security awareness throughout the Group will be pursued.

Robberies

In 2012, the particular economic crisis environment and the consequent worsening of the social conditions in Italy¹ led to a total of 115 robberies out of which 50 unsuccessful, thanks also to the security countermeasures adopted. In Germany, Austria, Poland and CEE, the number of successful robberies remained in any case limited to 18 cases in 2012.

Thefts

With regard to theft, consisting mainly of attacks on ATMs, in Italy in 2012 a slight decrease of successful cases from 39 in 2011 to 37 was registered. Thanks also to the security countermeasures adopted, out of 91 events 54 were unsuccessful.

In Germany, Austria, Poland and CEE, the ATM attacks remained a marginal phenomenon, registering only 11 successful cases in 2012.

Frauds

Lastly, 2012 saw a substantial decrease at Group level of the successful online frauds (mainly phishing) compared with the previous year. On the other hand, 2012 evidenced an increase of frauds perpetrated to ATM/POS devices in terms of credentials skimming and tampering of cash dispenser devices (shutter tampering).

Nevertheless, in Italy our fraud to sales volume ratio is stable to 0.04 percent, which is well below the best practice ratio of 0.08 percent.

Adherence to legal standards and voluntary codes related to marketing and communication

UniCredit follows the Code of Marketing Communication Self-Regulation (Codice di Autodisciplina della Comunicazione Commerciale - www.iap.it) promoted by the Advertising Self-Regulation Institute (Istituto dell'Autodisciplina Pubblicitaria - IAP), which commits subscribers to transparent, honest and true advertising. UniCredit is also a member of the Utenti Pubblicità Associati (UPA), which supports the Advertising Self-Regulation Institute. All UniCredit entities enforce the regulations promoted by these bodies, specifically when local codes lack guidelines on topics covered by the UPA.

All advertising channels and communication activities for UniCredit are managed by our Group Identity & Communications department, which is responsible for assuring the effective application of the code and of the regulation of the Supervisory Board, among other duties.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy to ensure that they are evaluated for regulatory compliance and consistency with the principles of truth and transparency.

1. This type of crime is more prevalent in Italy than in other European countries.



Financial inclusion

Family & SME / Retail division: percentage of total branches in sparsely settled or economically disadvantaged areas as of December 31, 2012^A

Country	Percentage
Italy	19.3%
Germany	4.7%
Poland	100%
Bosnia and Herzegovina ^B	100%
Bulgaria	100%
Croatia ^B	100%
Czech Republic	75.7%
Hungary	43.3%
Kazakhstan ^B	100%
Romania	100%
Russia ^B	100%
Serbia ^B	100%
Slovakia	75.3%
Slovenia	100%
Ukraine ^B	100%

A. Relating to EU Countries, in order to identify disadvantaged areas, we used the NUTS classification (Nomenclature of territorial units for statistics: a hierarchical system for dividing up the economic territory of the EU). In particular, we considered those Regions at level 2 of the NUTS classification whose GDP (Gross Domestic Product) per inhabitant is less than 75% of the Community average (http://ec.europa.eu/regional_policy/archive/policy/region/index_en.htm). Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria.

B. In these countries we considered as disadvantaged areas the whole territory, since the a study of the IMF published in April 2012 these countries are considered developing economies (<http://www.imf.org/external/pubs/ft/weo/2012/01/pdf/text.pdf>).

Determination and distribution of Value Added

Determination and distribution of Value Added

(€/000)

Item	2012	2011 ^A
10 Interest income and similar revenues	28,219,931	29,285,997
20 Interest expense and similar charges	(14,342,857)	(13,979,469)
40 Fee and commission income	9,416,685	9,792,749
50 Fee and commission expense	(1,412,086)	(1,510,912)
70 Dividend income and similar revenue	226,323	740,877
80 Gains and losses on financial assets and liabilities held for trading	1,327,821	419,377
90 Fair value adjustments in hedge accounting	(133,700)	105,797
100 Gains and losses on disposal of:	1,591,648	315,406
a) loans	33,752	(21,920)
b) available-for-sale financial assets	464,164	304,368
c) held-to-maturity investments	30,467	(3,281)
d) financial liabilities	1,063,265	36,239
110 Gains and losses on financial assets/liabilities at fair value through profit or loss	32,902	23,710
130 Impairment losses on:	(9,767,582)	(6,351,599)
a) loans	(8,996,475)	(5,574,378)
b) available-for-sale financial assets	(158,166)	(471,822)
c) held-to-maturity investments	(15,830)	(152,373)
d) other financial assets	(597,111)	(153,026)
150 Premiums earned (net)	161,315	125,688
160 Other income (net) from insurance activities	(125,739)	(98,814)
220 Other net operating income	805,786	794,354
240 Profit (loss) of associates: gains or losses on disposal	196	27,102
270 Gains and losses on disposal of investments	106,369	180,409
310 Total profit or loss after tax from discontinued operations	(174,808)	(615,553)
A. TOTAL ECONOMIC VALUE GENERATED	15,932,204	19,255,119
180 b) other administrative expense	(4,874,535)	(4,966,502)
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	(4,874,535)	(4,966,502)
180 a) staff expense	(9,398,678)	(9,635,747)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS ^B	(9,398,678)	(9,635,747)
330 Minority Interests	(357,641)	(364,766)
Net profit attributable to shareholders	^C	-
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-	-
180 b) other administrative expense: indirect taxes and duties	(609,436)	(626,431)
290 Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	(3,524,906)	(1,686,721)
ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	(4,134,342)	(2,313,152)
180 b) other administrative expense: donations	(9,697)	(19,715)
Net profit allocated to the charitable funds	-	-
ECONOMIC VALUE DISTRIBUTED TO COMMUNITY	(9,697)	(19,715)
B. TOTAL ECONOMIC VALUE DISTRIBUTED	(18,774,893)	(17,299,882)
C. TOTAL ECONOMIC VALUE RETAINED	2,842,689	(1,955,237)

A. As at December 31, 2012, in accordance with IFRS5, the profit/loss of the following companies was entirely recognized under item "Profit (loss) after tax from discontinued operations" as a result of their classification as "discontinued operations":

JSC ATF BANK; UNICREDIT BANK OJSC; ATF CAPITAL B.V.; ATF FINANCE JSC; ATF INKASSATSIYA LTD.

The previous period was restated accordingly to increase comparability, pursuant to the regulations in force.

In addition, it should be noted that comparative figures as at December 31, 2012 differ from those disclosed in the "2011 Consolidated Reports and Accounts" as a result of:

- the reclassification, carried out by three subsidiaries of the Group in the first half of 2012, of reversals connected with the passing of time from item 10. Interest income and similar revenues to item 130. Impairment losses on loans;
- the recognition under item 80. Gains and losses on financial assets and liabilities held for trading of the margins embedded in the sale price of some trading products, traded by some Group entities, previously recorded under item 40. Fee and commission income and item 50. Fee and commission expense

B. The economic value distributed to employees and supervised workers excludes expenses for financial advisors.

C. For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

Yapı Kredi: a focus on Turkey

Sustainability projects

Yapı Kredi strives to be more than a bank by generating value beyond its business achievements. Yapı Kredi works to address the interests of all of its shareholders and make a positive impact on its communities. It not only meets the financial needs of its customers but also acts with an awareness of its broader responsibilities. Thus, as a good corporate citizen, it carries out social responsibility projects related to education, art and culture, and the environment.

To this end, Yapı Kredi's sustainability activities are managed by its Corporate Social Responsibility Projects unit, which is part of its Corporate Communications department. This unit also works to build and maintain relationships with non-governmental organizations operating in Turkey.

I Read, I Play

Since 2006, Yapı Kredi and the Educational Volunteers Foundation of Turkey (TEGV) have joined forces to run the *I Read, I Play* project. Focused on instilling a love of reading among children between the ages of 7 to 11 years old, the project cultivates independent thinking, creativity, expression, and understanding of the value and need to participate in a reading culture. TEGV volunteers lead *I Read, I Play* sessions at their 11 training parks and 55 education units across Turkey. By the end of 2012, more than 100,000 children have participated in the program.

Finance professorship at Koç University

Yapı Kredi established a finance professorship at Koç University to support scientific studies in Turkey, with an emphasis on finance, and to strengthen the relationship between the banking sector and academia. This program is the first of its kind to be initiated by a member of the Turkish banking sector. Yapı Kredi appointed Associate Professor Oğuzhan Özbaş to serve as the Yapı Kredi Professor of Finance. Previously, Professor Özbaş taught MBA- and PhD-level finance courses at the University of Southern California.

Yapı Kredi Technical and Vocational High School for Girls

Yapı Kredi officially inaugurated the Yapı Kredi Technical and Vocational High School for Girls in 2009. In 2012, the bank launched a scholarship program at this school for high-performing students from low-income families. To date, 10 students have been awarded scholarships through this program.

Vocational Education: A Crucial Matter for the Nation

Yapı Kredi has been as strong supporter of Koç Holding's social project *Vocational Education: A Crucial Matter for the Nation* since it was created in 2006. As part of the project, 48 Yapı Kredi employees have volunteered to be vocational coaches for 370 high school scholarship students.

Anatolian Scholars Program

Koç University created the *Anatolian Scholars* Program to advance its mission to introduce high-achieving prospective students to the finest educational facilities, and to support them as they work towards making significant scientific contributions. During the 2012-2013 academic year, Yapı Kredi is supporting this program by covering tuition costs for four students.

Enabled Banking Program

Yapı Kredi's *Enabled Banking* Program was launched in 2008 to provide simple, modernized banking services to disabled customers. As a part of this program, 368 accessible ATMs were made available in 45 cities across Turkey by the end of 2012, while 200 Yapı Kredi employees were trained to communicate with hearing-impaired customers. Moreover, Yapı Kredi Publications' new initiative gives visually-impaired people access to its recent titles by way of audio books, which are available by phone 24 hours a day, 7 days a week.

Yapı Kredi Volunteers

The Yapı Kredi Volunteers initiative was launched in 2009 to raise awareness among its employees of the value of volunteerism and teamwork. In 2012, nine of the bank's management teams participated in volunteer projects.

Participation in the Intercontinental Eurasia Marathon

In 2012, 32 Yapı Kredi employees ran in the 34th *Intercontinental Eurasia Marathon*, raising funds for the Spinal Cord Paralytics Association of Turkey in the process.

Art and Culture

The Yapı Kredi Cultural Activities, Arts and Publishing institution continued to make its mark in 2012 thanks to a series of publications, exhibitions, and other art and cultural events organized throughout the year. In 2012, the institution hosted 11 successful exhibitions. Moreover, Yapı Kredi Publications, which has the largest share of the Turkish publishing market, printed 1.68 million books in 2012, including first editions in 282 titles and reprints in 522 titles on subjects including literature, poetry, art, history, classics, philosophy, comics and general topics. Yapı Kredi Publications recently published its 3,759th book.

Afife Theater Awards

Yapı Kredi has supported the *Afife Theater Awards* since 1997, Turkey's longest running and most prestigious annual theater event.

Yapı Kredi: a focus on Turkey

Çatalhöyük Excavations

Since 1997, Yapı Kredi has been a main sponsor of the archaeological excavation of Çatalhöyük, the 9,000-year old Neolithic site near the Çumra district of Konya. The Çatalhöyük excavation team has made important archaeological findings each year since 1998. With Yapı Kredi's support, the team continued to excavate the site from June to September 2012. Çatalhöyük was added to the UNESCO World Heritage List in July 2012.

Environmental Projects and Investments

As a part of its effort to help protect the environment, Yapı Kredi complements its forestation activities with various projects to conserve natural resources.

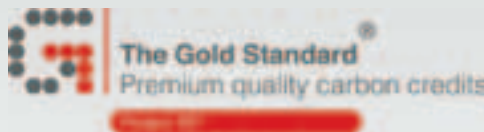
In May 2011, Yapı Kredi launched a recycling campaign to sort paper, plastic, glass and metal recyclable materials at the Yapı Kredi headquarters, its operations center, facilities and regional directorates. In 2012, 888,750 kg of paper, 13,955 kg of plastics, 950 kg of glass and 1,480 kg of metal waste were collected and delivered to recycling centers, saving roughly 15,100 trees.

Moreover, Yapı Kredi supported the Spinal Cord Paralytics Association of Turkey's 2012 plastic bottle cap campaign, which resulted in employees donating five wheelchairs to people in need.



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