

For whatever life brings



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Appendix - Our Approach

Governance

The general approach followed by UniCredit for matters of corporate governance is to encourage all UniCredit staff, external collaborators and commercial partners to espouse principles of transparency and conscientious management in compliance with current legislation and in line with fundamental ethical principles in the pursuit of our goals.

UniCredit's corporate governance is also consistent with the regulations in force and the recommendations contained in the Self-Imposed Corporate Governance Code for Listed Companies.

We have developed a series of governance tools that are subject to continuous control and collation with developments in the regulatory environment, in operating practices and in the markets. Furthermore, these tools must be periodically monitored to verify the level to which they are applied.

The most important of these tools include:

- Articles of Association, which sets forth various prescriptions for corporate governance directed at ensuring correct performance of management activity
- Shareholders' Meeting Regulations
- Rules and Regulations of the Board of Directors
- Group Compensation Policy, which establishes the reference framework for a consistent approach to sustainable remuneration and its standardized implementation across UniCredit, with specific reference to senior management
- Rules and Principles of Group Corporate Governance, through which UniCredit S.p.A. provides guidance and coordination for the Group as a whole and its individual entities through various governance levels/mechanisms
- Group Managerial Golden Rules, which are guidelines defining clear principles of governance within UniCredit, outlining its organization model and establishing managerial responsibility for all key processes

To ensure that our corporate governance system properly guides and controls Group activities as a whole and the management of related risks, we defined an ordered and coherent system of rules based on the following sources:

- Integrity Charter (see dedicated section on corporate website)
- Global Code of Conduct, which defines the general principles of conduct, strives to promote a culture of compliance and to guide actions directed at promoting our commitment to sustainability
- Guidelines regulating the general model and macro processes of our governance
- Policies providing a more precise view of activities and responsibilities while citing fundamental principles and defining basic criteria and rules for regulation of specific issues
- Process Regulations/Technical Instructions providing a detailed description of operating aspects involved in the implementation of provisions and macro processes included in the reference Guidelines and Policies
- Service contracts between UniCredit and its subsidiaries, formally governing the provision of inter-company services and ensuring transparency regarding the services provided and related compensation

Governance structures

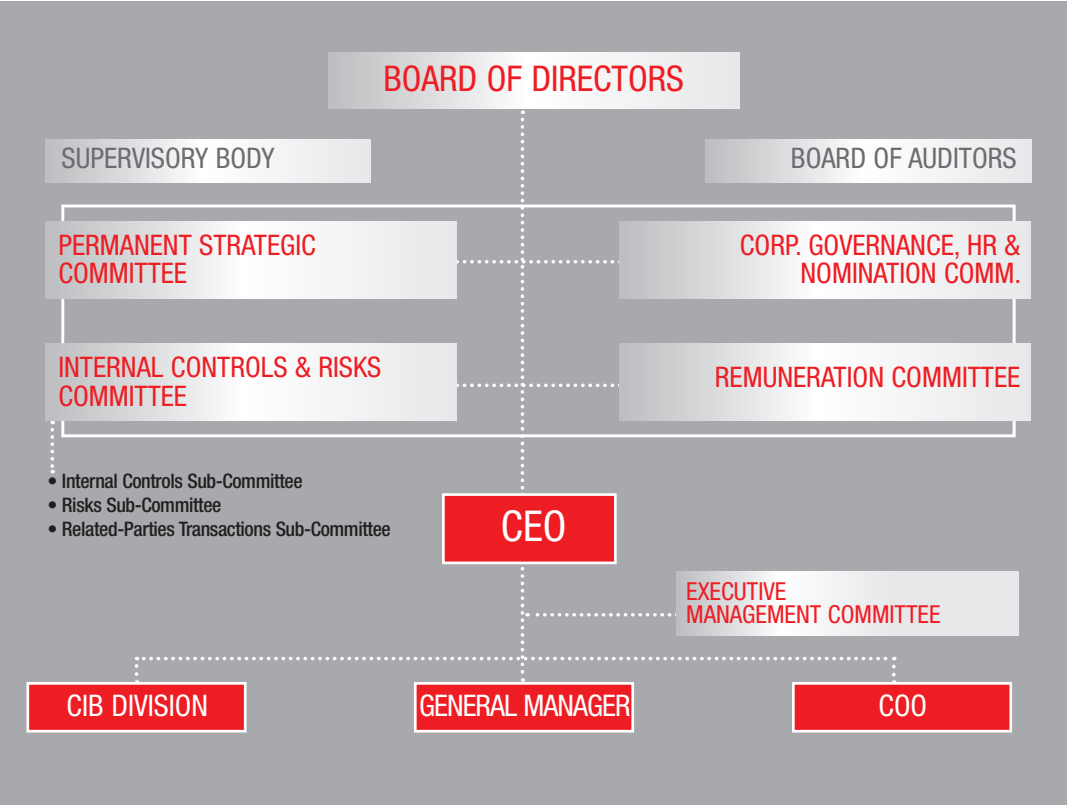
UniCredit S.p.A. has a traditional administration system based on two corporate bodies appointed by the shareholders: an administrative body (the Board of Directors) and a control body (the Board of Statutory Auditors), which supervises the administration of the company. The control of accounting is entrusted to an external auditing firm in compliance with the current laws. The Board of Directors is supported by four committees with the power to advise and submit proposals to it. Within the framework of the overall governance of UniCredit, the most significant changes made in 2010 included the following:

- at the Ordinary General Shareholders' Meeting on April 22, 2010, the standing and substitute members of the Board of Statutory Auditors were appointed for the fiscal years 2010-2012 on the basis of lists of candidates submitted by the shareholders that represented at least 0.5 percent of ordinary share capital bearing voting rights for the General Meeting of Shareholders

- in August, the Board of Directors increased the number of UniCredit's Deputy General Managers from three to four, appointing a new Deputy General Manager and assigning him the responsibility for the CEE Divisionalization Program. In September, following the resignation of the Chief Executive Officer, the Board co-opted this latter Deputy CEO, appointing him as new CEO
- in October and December, the Board approved a new top management structure, establishing the roles of General Manager and Chief Operating Officer and making the related appointments, cancelling the role of the Deputy CEOs and the Strategic Business Areas reporting to them, as they were no longer consistent with the new structure. The Board also assigned the CEO with the direct responsibility for the Country Chairman of Germany and the Country Chairman of Austria. At the same time, the Board approved the establishment of the Corporate & Investment Banking Division, reporting to the CEO, and the Families & Small-Medium sized Enterprises, Private Banking and CEE Divisions, reporting to the General Manager. This new governance structure represented a major step in the advancement of UniCredit as a leading European bank
- the Board also approved the reorganization of the Internal Control & Risks Committee, renamed Internal Controls & Risks Committee, through the set-up of three Sub-Committees named Internal Controls, Risks and Related-Parties Transactions, and increased the number of members of the 231 Supervisory Body from five to seven

For detailed information on the UniCredit S.p.A.'s corporate governance system, please see the dedicated area of the corporate website (www.unicreditgroup.eu) and the UniCredit S.p.A.'s Report on corporate governance and ownership structures (approved by the Board of Directors in February 2011).

Governance Structure



Appendix - Our Approach

Board members compensation

The compensation paid to non-executive directors and to the members of the Board of Statutory Auditors is not linked to the financial results achieved by UniCredit, and non-executive directors are not beneficiaries of incentive plans based on stock options or, more generally, of any plan based on financial instruments.

The only executive director sitting on the Board of Directors – the CEO – has part of his remuneration linked to the financial results of UniCredit. This is in line with the policy that applies to all of UniCredit's management team, of which the CEO is a member.

Moreover, the CEO and other executives holding strategic responsibilities have in the past been the beneficiaries of corporate incentive plans based on financial instruments.

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 compensation approach is performance-oriented, market-aware and aligned with our business strategy and stakeholder interests. To ensure the 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 overall compensation policy framework is designed to assure the consistency of the remuneration elements and systems while conforming to sound risk management and long-term strategies. The framework provides a balance between the fixed and variable components of remuneration, including mechanisms for the deferred payment of a consistent part of performance bonuses, subject to performance conditions. Risk-weighted systems and mechanisms are in place to govern variable compensation and are designed to assure that compensation remains linked to actual sustainable results.

Over the year, the Remuneration Committee analyzes and monitors overall compensation trends in the market in order to make informed decisions on our compensation approach. With reference to the UniCredit executives, an independent external advisor contributes to the definition of a peer group, against which a compensation benchmarking analysis is performed. This peer group is ultimately defined by the Remuneration Committee, considering our main European and international competitors in terms of market capitalization, total assets, business scope and dimension. On the basis of constant benchmarking, we aim to adopt competitive ranges in compensation levels, pay-mix and total reward structures for effective retention and motivation of our critical resources.

On an annual basis, the Group Compensation Policy, as proposed by the Remuneration Committee, is submitted to the Board of Directors and subsequently to the shareholders at the Annual General Meeting for approval, in line with regulatory requirements.

The Board of Directors annually reviews the criteria and features of UniCredit's incentive systems, ensuring an appropriate pay-mix between upfront and deferred reward opportunities, fostering mid- and long-term business sustainability and value creation.

The 2011 Group Incentive System for Executives – comprised of the Bonus Opportunity Plan and the Performance Stock Options Plan – has been designed considering the provisions of the European Directive CRD III (Capital Requirements Directive), the guidelines issued by CEBS (Committee of European Banking Supervisors) and the indications of national regulators regarding compensation policies and practices.

Bonus Opportunity Plan

Our Bonus Opportunity Plan 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 results, adjusted for different types of risks - including capital and liquidity. The Bonus Opportunity Plan provides for the allocation of a performance related bonus in cash and free ordinary shares paid out over four years.

The bonus payable to each executive is determined on the basis of a multi-perspective Performance Screen assessment of operational and sustainability drivers. The maximum bonus is capped and performance is evaluated on both internal absolute goals and relative external goals and considering also risk-adjusted indicators. As appropriate for each role, goals are selected from our Key Performance Indicators catalogue, covering financial dimensions (such as Value Creation, Profitability, Asset Quality, Efficiency) and non-financial dimensions (such as Reputation, Customer Satisfaction, Compliance, Function Effectiveness).

The resulting bonus is paid out in four equal installments through a balanced structure of upfront and deferred payouts, in cash and shares. In 2012, the first installment will be paid in cash, subject to the application of an overall risk/sustainability factor (Group Gate) related to 2011 Group profitability, solidity and liquidity results and in absence of any individual/values compliance breach. In 2013, the second installment will be paid in cash, while the installments in 2014 and 2015 will be allocated in UniCredit shares. Deferred payouts are subject to the application of a Zero Factor related to Group profitability, solidity and liquidity results and in the absence of any individual/values compliance breach.

Performance Stock Options Plan

This plan aims to align UniCredit executives and shareholders interests by rewarding long-term value creation, share price appreciation and absolute and relative performance. The plan provides senior executives with the grant of performance stock options with a four year vesting (2012-2015 reference period) and expiring in 2022.

The vesting of the performance stock options is conditional and proportional to performance achieved over the reference period in terms of:

- Relative Total Shareholder Return (rTSR), measuring the full reward on shareholder investment (considering capital gain & dividends) relative to peers. The peer group will consist of those companies in the European Stoxx Banking Sector Index (as at the last business day of the performance period) with a market capitalization higher than the median level of the companies included in the index
- Group Economic Profit (EP), calculated as the difference between Net Operating Profit After Tax and the product between Allocated Capital and Cost of Equity

The exercise of the maximum number of stock options granted is provided for in case the performance of our EP over the reference period is higher than the cumulative planned target and the positioning of the rTSR is higher or equal to third quartile of the reference peer group. No stock options will be exercisable in case of rTSR positioning below median and EP lower than the target set.

Appendix - Our Approach

Both the CEO and General Manager and Deputy General Managers have open-ended employment contracts regulated within the general framework of the National Labor Agreement for Italian Banking Executives. Such contracts do not contain clauses envisaging the payment of indemnities or the right to keep post retirement benefits in the event of resignations or dismissal/revocation without just cause or if the employment relationship is terminated following a public purchase offer or change of control, and are governed – also with regards to the event of resignations, dismissal/revocation or termination – by the ordinary provisions of the CCNL.

Compliance

The review of the Compliance organizational model launched two years ago is progressing as planned, with the aim of coordinating business coverage and cross-business specialist areas.

During 2010, we moved to a more harmonized structure in the major jurisdictions where we operate. This process will continue in 2011. Although there is a Compliance department in all material jurisdictions where UniCredit operates, the structure varies depending on the local entity's size, activities and regulatory requirements.

Policies

Anti Money Laundering and Anti-Corruption

In 2010, a Global Head of Anti Money Laundering Compliance was appointed, together with a Global Head of Sanctions and a Global Head of Anti-Corruption. A three-year strategy for Anti Money Laundering, Sanctions & Anti-Corruption was drafted.

Anti Money Laundering

The Groupwide Global Compliance Guidelines on Anti Money Laundering and Countering of Terrorist Financing were approved by the Board of Directors in September 2010.

The Guidelines:

- restate UniCredit's commitment to the fight against financial crime and terrorism by actively managing our legal, regulatory and reputational risks across the organization and through the implementation of a risk-based, anti-money laundering and counter-terrorist financing program
- require that employees be alert to potential situations of money laundering and terrorist financing, and manage those situations in accordance with these Guidelines
- establish the roles and responsibilities of UniCredit employees and the AML Compliance function
- require the identification and verification of a customer's identity, including, when relevant, its beneficial owner(s) and controller(s), before the customer carries out transactions unless specific approval has been given by the relevant entity AML officer for transactions to proceed before identification and verification procedures are complete
- require the monitoring of transactions performed by customers in order to identify those transactions that do not fit with known and expected patterns of activity and which therefore may be suspicious
- require employees to report suspicious transactions
- prohibit relationships and transactions with individuals or entities named on either the European Union Financial Sanctions List or the United States Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons List unless approval is given by Legal & Compliance

All of UniCredit's legal entities are required to report suspicious transactions to the relevant authorities and a good deal of time is spent ensuring that reports submitted are of the highest quality. UniCredit is also committed

to substantial investment in its AML IT systems to further increase the effectiveness of its suspicious transaction monitoring capabilities.

Anti-Corruption

UniCredit is firmly committed to a robust anti-corruption policy. In relation to this commitment, we recently appointed a new Global Head of Anti-Corruption within our Legal & Compliance team who was given responsibility for coordinating the various anti-corruption policies, procedures and controls currently in place in each country of operation. We will be introducing a new Global Anti-Corruption Policy next year, to be supplemented by global policies and procedures governing the receipt and offering of gifts and entertainment and the use of intermediaries. As part of a new global education strategy, we are also planning a global education and training program on anti-corruption, together with an awareness campaign to highlight the risks. This will be supplemented by the further development of internal controls aimed at preventing corrupt payments.

Focus on Italy: the new Organizational Model

Legislative Decree No. 231 of June 8, 2001 is the Italian law on the administrative liability of legal entities, companies and associations including those without legal personality. The Decree, which establishes the principle of corporate administrative liability, arises from the consideration that illegal activities carried out within a company are frequently the result of a pervasive company policy and stem from decisions made at the top level of the organization.

On May 4, 2004, the Board of Directors approved an Organization Model for UniCredit S.p.A. that was first updated on August 1, 2008 and further updated on September 30, 2010.

According to Decree No. 231/2001, Italian companies and foreign companies which carry on business in Italy through a permanent establishment must adopt and effectively implement appropriate organization and management models for preventing offences.

Currently the Model is comprised of:

- the UniCredit S.p.A. Organization and Management Model, a document with four sections. The first addresses the content and objectives of legislation related to corporate administrative liability. The second concerns the governance model and the organizational structure of our company. The third section focuses on the contents of the management model, and the fourth addresses conduct guidelines
- Decision Protocols, that address compliance regarding those activities across the company where the risk of committing crimes is likely and has been detected
- Spending Regulations, that were previously in force, identify procedures for managing financial resources in a way that prevents criminal activities

Although employees who perform activities considered as at risk are required to respect a specific set of rules as set forth in the decision-making protocols, the UniCredit S.p.A. Organization and Management Model addresses all UniCredit S.p.A. employees, regardless of the unit or department in which they work.

All employees of UniCredit S.p.A. are therefore required to respect the principles contained in the organization model and, in particular, to report any information concerning the breach of the rules of the model or relating to criminal activities to the 231 Supervisory Body. This collective body is chaired by seven members of whom two are non-executive and independent directors and thus eligible to be selected as the Chairman, and five executives in apical positions with guidance, support and control functions who are charged with overseeing the functioning of and compliance with the model, in addition to keeping it up to date.

Appendix - Our Approach

Antitrust

The Antitrust and Unfair Commercial Practices policy informs UniCredit entities and employees' behavior in the following matters:

- agreements (horizontal and vertical)
- abuse of dominant position
- mergers
- unfair commercial practices

UniCredit has an Antitrust and Unfair Commercial Practices Management Process that is based on:

- internal rules and local procedures
- a function responsible for Antitrust and Unfair Commercial Practices Management (the Antitrust Team), located within the largest Group entities
- training
- reporting and notification

In 2010, UniCredit made progress on the implementation of this particular policy implementation, which will be completed during 2011.

Main Legal Actions Regarding Anticompetitive Behavior, Antitrust and Monopoly Practices

Country	Update on Legal Actions Described in the 2009 Sustainability Report as Not Closed
Italy	With reference to the proceedings initiated on August 2008 against some of the banks of the Group (at present UniCredit S.p.A.) regarding loan portability related to consumers qualified as mortgage loan holders, after the competent Authority's (TAR) decision to accept the banks' appeals, the Italian Antitrust Authority has appealed this decision to Consiglio di Stato. In December 2010, the Consiglio di Stato has rejected the Italian Antitrust Authority's appeal confirming the banks' reasons. The proceedings ended with confirmation, by the Consiglio di Stato, of the TAR decision that cancelled the fines imposed on the banks
	With reference to the proceedings against one of the companies of the Group (at present UniCredit S.p.A.) sanctioned on December 2008 by the Italian Antitrust Authority for allegedly having made arrangements to harm competition in 1996 in the context of its management of the cash treasury of the Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro (INAIL), the company appealed the decision at the beginning of 2009. The procedure is still ongoing
	In July 2009, the Antitrust Authority began an investigation to determine if UniCredit, along with other major Italian banking institutions, colluded to implement agreements that would restrict competition in the card payment area. In November 2010, the Antitrust Authority closed the proceeding and fined UniCredit, together with the other banks, contesting the existence of vertical agreements among the banks and the credit card circuit. UniCredit appealed the decision to the TAR asking for, among other requests, the suspension of the penalties related to the Antitrust Authority's decision. The TAR accepted UniCredit's request concerning the suspension. The hearing on the merits will be held in June. The procedure is still ongoing
	In December 2009, the Italian Antitrust Authority initiated proceedings against a Group company (at present UniCredit S.p.A.) relating to alleged incorrect commercial practices related to the application of regulations concerning the simplified cancellation of mortgages. The Antitrust Authority also formulated a request for information to the company. In February 2010, the Italian Antitrust Authority extended the proceeding against another Group company. In May, the antitrust proceedings were closed without sanction for one of the companies, while the other company was sanctioned. The sanctioned company appealed the Antitrust Authority's decision to the TAR. The procedure is still on going

Country	Update on Legal Actions Described in the 2009 Sustainability Report as Not Closed
Austria	Two parallel proceedings are pending. In one proceeding the plaintiff is Hobex AG, and the defendant is Bank Austria and two other banks. The proceedings against Bank Austria have been adjourned indefinitely. Parallel actions against the other two banks were dismissed and appealed by the plaintiff. Bank Austria intervened in the appeal, which is still pending
	Proceedings initiated by the consumers' association VKI against Bank Austria with allegation of unfavorable terms and conditions with reference to Callable Floater Snowball Obligation. These proceedings were decided by the Supreme Court (OGH) by stating invalidity of termination clause, whereas the other clauses were found valid. Following this decision 22 complaints were placed, most of them already settled out of Court
	With reference to misadvising of Bank Austria in relation to OTC options. Criminal charges against two Bank Austria employees and Bank Austria itself were dismissed. 12 civil proceedings are still pending
Romania	Investigation of Competition Council against several banks started in October 2008, still ongoing

Country	Description of Main Legal Actions, 2010
Italy	In February 2010, the Italian Antitrust Authority initiated proceedings against one bank belonging to the Group (at present UniCredit S.p.A.), concerning the procedures for closing of accounts. The bank was been fined and subsequently appealed the Authority's decision to the TAR. The procedure is still ongoing
	In February 2010, the Italian Antitrust Authority initiated proceedings against one bank belonging to the Group concerning an advertisement in the bank's internet website promoting a grant of credit called Minifido. The bank has been fined and decided to appeal the Antitrust Authority's decision to the TAR. The procedure is still ongoing
Hungary	In 2010, the Hungarian Financial Supervisory Authority, in its role as the consumer protection authority for the financial sector, obliged the Bank to pay a HUF 500 tsd (around €1,800) consumer protection penalty due to a client complaint. According to the client complaint, the credit reference data of the client was entered into the KHR system (Central Credit Information System) erroneously. The administrative mistake happened in 2007 and the bank was not able to justify that the client was informed about the registration
	At the end of the year, the Hungarian Competition Authority started an investigation due to a former advertisement of the Bank that was considered to be a misleading commercial communication, based on the complaint of a client. The investigation is in process

For further information please see the 2010 Consolidated Reports and Accounts (Part E, section 4.B)

Appendix - Our Approach

Conflicts of Interest

In 2010, UniCredit S.p.A. updated the Conflicts of Interest management model and related processes described in the 2009 Sustainability Report.

To this end, UniCredit S.p.A adopted the following actions aimed at guaranteeing the interests of the company and its employees (including members of strategic, control and executive bodies) or that its agents do not damage the interests of UniCredit customers:

- a monitoring process for the approval and Groupwide implementation of the Groupwide Compliance Guidelines – Conflicts of Interest belonging to Compliance and a verification process for every employee's acknowledgement was adopted
- in May 2010, the UniCredit CEO approved the Groupwide Compliance Policy – Conflicts of Interest that updates and replaces the existing policy in force since 2007. Also with reference to this policy, in 2010 a monitoring process of approval and implementation for UniCredit's subsidiaries was adopted
- a new UniCredit IT tool to identify and register conflicts of interest was established
- an internal regulation that addresses investment services supplied by UniCredit S.p.A. and by Italian UniCredit entities was published. Such rules describe the processes aimed at detecting and managing conflicts of interest and second-level controls aimed at monitoring the correctness and completeness of IT application data flows
- initiated in 2009, the training plan regarding the conflicts of interest issue that was addressed to department heads and units based at the parent company is now complete. Moreover, trainings for specific groups of employees regarding the usage of the IT tool have also been supplied

The implementation of UniCredit's conflicts of interest management model was started in 2010 and will continue in 2011 at UniCredit Bank AG, Bank Austria, Bank Pekao, UniCredit Bulbank, UniCredit Bank Czech Republic, UniCredit Tiriak Bank and ZAO UniCredit Bank. The model will then be extended to the all remaining legal entities.

Product Committees

In 2010, UniCredit's Italian Product Committees activity continued with the objective to optimize the assessment process of products, services and other commercial initiatives with a view to reputation and risk management. Other routine functions performed by these Committees included ensuring that company requirements and timing – with reference to the assessment and approval processes of product services and initiatives - are in compliance with internal and external regulations.

These Committees also facilitate an exchange of viewpoints and work to synthesize ideas following the conclusion of product and service design processes. In this capacity, they review and comment upon the viability of the supply, marketing and/or launch of all banking, financial, investment and insurance products and services that will be offered to customers, as well as on all initiatives in support of marketing activities.

The process of creating products and services, which ends with the Product Committees, strives to generate value for our clients.

Thus, we have worked to align our interests with those of our clients, taking into account:

- client needs – including risk tolerance, time horizon and financial requirements. An assessment of a client's risk tolerance is the first and most important step in ensuring that all product features, as defined in subsequent steps, meet the client's needs and avoid inappropriate risk exposure
- client expectations – such as sensitivity to market changes (e.g., products that track market movements vs. products with no mark-to-market aspects), expected return, degree of flexibility in modifying investment portfolios over time, etc.
- substitute products (i.e., those satisfying the same needs) and their relevant major features, distinguishing between existing products and major competitors' products

Since the launch of the *One for Clients (One4C)* program in November 1, 2010, new Product Committees have been formed for Network Italy Corporate & Investment Banking, Private Banking and Families & Small-Medium sized Enterprises in UniCredit S.p.A. Moreover, technical assessment instructions are currently being completed in terms of compliance, new products, business and initiatives to be applied across UniCredit. This aims to standardize the assessment process through the identification of appropriate organizational solutions.

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), 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 the 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 CONSOB (the Italian national commission for companies and stock exchange) so that they may be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

Participation in public debate on the reform of financial regulatory frameworks

As a consequence of the crisis, the reform of the global financial regulatory system has moved to the top of the international agenda. The reform process launched by the G20, which involves both European and national level authorities, addresses major aspects of banking activities and will deeply influence the future of the financial industry.

Our early contributions to the public policy debate were based on sound market analysis, our own business strategy, our business experience and what we perceive as the ongoing global, European and national legislative actions.

In the interest of our clients and shareholders, UniCredit fully supports the creation of a more resilient financial system, emphasizing that any regulatory action should ensure a level playing field, be based on sound cost/benefit analyses and contribute to the further integration of the European Union's internal market.

UniCredit is engaged in a permanent regulatory dialogue with global, European and national level institutions on the senior executive and technical levels. Throughout 2010, we directly participated in 26 public consultations launched by global, European and national level authorities (e.g., Committee of European Banking Supervisors, European Commission, Bank of Italy, Basel Committee on Banking Supervision, etc.).

UniCredit welcomes and strongly promotes – both at the micro and macro prudential levels – the revision of the European supervisory framework and the construction of a more robust market infrastructure. This would be done with a view to identifying and containing systemic vulnerabilities so as to ensure the safety, soundness and efficiency of daily banking operations at local and international levels.

Appendix - Our Approach

In 2010, we followed and actively participated in the debate on key issues related to the process of reforming the European regulatory framework and architectures concerning major aspects of banking activities affected by recent crises. UniCredit's contributions took the form of suggestions on technical aspects and the expression of our position on multiple topics, including:

- risk management (e.g., operational risk, liquidity risk management): to enhance risk management monitoring systems and further develop analytical and action tools, especially in those areas that proved more problematic during the crisis, such as market and liquidity risks
- capital requirements (e.g., Basel III, capital adequacy): to promote a level playing field among peers at global and European levels, and to ensure the short and long-term resilience of banks, even during periods of acute stress.
- supervision (e.g., College of Supervisors): to promote the reform of an integrated and well-designed supervisory architecture at the European level by enforcing the powers of supervisory authorities and providing them with appropriate resources and tools
- remuneration (e.g., remuneration policies, corporate governance and remuneration mechanisms): to build new corporate governance and remuneration systems that aim to establish a risk culture in all financial institutions, thus ensuring that long-term business interests are taken into account
- European Recovery Fund (ERF): to raise awareness of the need to promote the ERF as a tool to guarantee medium to long-term funding in the financial markets, thus ensuring the right mix of public and private mechanisms are providing support to economies during periods of turmoil
- securitization market: to spearhead a market-led initiative to revive securitization markets by harmonizing existing standards for securities settlement infrastructures and enhancing the safety of financial markets
- consumer protection (e.g., tying and other unfair commercial practices, access to basic payment accounts, responsible mortgage lending): to support the revision of national legal systems and to harmonize the operations of cross border and internal retail markets, thus providing consumers with greater choice, transparency and competitive prices; promoting financial inclusion and education

UniCredit also liaises with European and national-level banking sector associations, and actively dialogues with them and participates in their activities. Additionally, we are a member of various business associations such as the Institute of International Finance (IIF), the European Financial Services Round Table (EFR), the European Parliamentary Financial Services Forum (EPFSF) and the Association for Financial Markets in Europe (AFME).

UniCredit also supports the ongoing public debate regarding significant issues that do not directly affect its business activities but are relevant to the communities in which we operate. We work with European and national-level research centers including Bruegel, the Centre for European Policy Studies (CEPS), the European Center for Foreign Relations (ECFR), the Istituto per gli Studi di Politica Internazionale (ISPI) and the Istituto per gli Affari Internazionali (IAI).

In 2011, we will continue to participate intensively in dialogues with national and international-level authorities with the aim of contributing – as a responsible financial player – to the creation of a more resilient financial system that provides a level playing field for and respects the interests of all market participants.

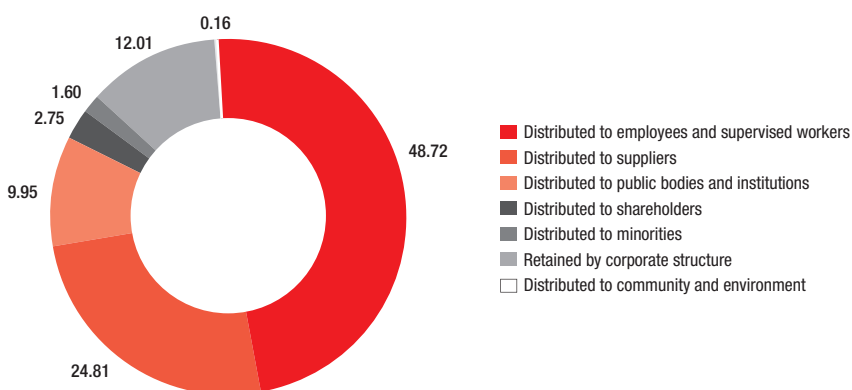
Appendix - Determination and distribution of Value Added

(€/000)

Determination and Distribution of Added Value	2010	2009 ¹
10 Interest income and similar revenues	28,641,891	34,745,987
20 Interest expense and similar charges	(12,885,464)	(17,587,735)
40 Fee and commission income	10,209,704	9,423,742
50 Fee and commission expense (excluded external networks' expense)	(1,497,254)	(1,546,333)
70 Dividend income and similar revenue	718,314	573,644
80 Gains and losses on financial assets and liabilities held for trading	343,169	1,282,864
90 Fair value adjustments in hedge accounting	52,139	23,761
100 Gains and losses on disposal of:	311,636	411,490
a) loans	7,340	81,483
b) available-for-sale financial assets	120,238	194,845
c) held-to-maturity investments	(590)	6,325
d) financial liabilities	184,648	128,837
110 Gains and losses on financial assets/liabilities at fair value through profit or loss	(28,733)	(31,391)
130 Impairment losses on:	(7,006,651)	(8,933,716)
a) loans	(6,708,268)	(8,152,152)
b) available-for-sale financial assets	(141,779)	(629,592)
c) held-to-maturity investments	(2)	(6,497)
d) other financial assets	(156,602)	(145,475)
150 Premiums earned (net)	118,176	87,352
160 Other income (net) from insurance activities	(94,904)	(80,025)
220 Other net operating income	952,019	841,143
240 Profit (loss) of associates: gains or losses on disposal	25,474	4,953
270 Gains and losses on disposal of investments	158,001	773,985
310 Total profit or loss after tax from discontinued operations	-	-
A. TOTAL ECONOMIC VALUE GENERATED	20,017,517	19,989,721
180 b) other administrative expense (excluded indirect taxes and duties, donations and expenses for external networks, such as agents and financial advisors)	(4,967,206)	(4,928,085)
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	(4,967,206)	(4,928,085)
180 a) staff expense (included external networks' expense)	(9,752,080)	(9,584,012)
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS	(9,752,080)	(9,584,012)
330 Minority Interests	(321,226)	(332,295)
ECONOMIC VALUE DISTRIBUTED TO MINORITIES	(321,226)	(332,295)
Net profit attributable to shareholders	(550,277)	(550,250)
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	(550,277)	(550,250)
180 b) other administrative expense: indirect taxes and duties	(485,332)	(452,945)
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	(1,505,430)	(1,610,541)
ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	(1,990,762)	(2,063,486)
180 b) other administrative expense: donations	(23,918)	(17,480)
Net profit allocated to the charitable funds	(8,733)	(10,100)
ECONOMIC VALUE DISTRIBUTED TO COMMUNITY AND ENVIRONMENT	(32,651)	(27,580)
B. TOTAL ECONOMIC VALUE DISTRIBUTED	(17,614,202)	(17,485,708)
C. TOTAL ECONOMIC VALUE RETAINED	(2,403,315)	(2,504,013)

¹ Following the recent merger – which entailed the absorption of certain placement entities by the issuer – the result arising from the placement of securities issued by UniCredit S.p.A. recognised by the former in 2009 has been reclassified from fees and commissions income to interest expense.

Distribution of Value by percentage, 2010



Appendix - Our People¹

Our People: a portrait in numbers

Number of Employees by Country, 2008-2010

Country	Head Count 2010	Head Count 2009	Head Count 2008
Italy	55,814	57,969	60,673
Germany	24,195	23,906	25,790
Austria	11,742	11,987	12,517
Poland	21,166	21,167	21,918
Bulgaria	4,595	4,562	4,598
Croatia	5,278	5,251	5,422
Czech Republic	2,838	2,715	2,777
Hungary	2,548	2,501	2,351
Romania	4,761	4,443	4,544
Russia	4,251	4,573	4,574
Others	37,733	38,540	41,520
Total	174,921	177,614	186,684

Percentage of Employees by Employment Tier, 2008-2010

Employment Tier	2010	2009	2008
Senior management	0.38%	0.37%	0.36%
Executive & middle management	15.24%	14.86%	14.71%
Staff	84.38%	84.77%	84.93%
Total	100%	100%	100%

Percentage of Employees by Contract Type, 2008-2010

2010		2009		2008	
Fixed-Term	Permanent	Fixed-Term	Permanent	Fixed-Term	Permanent
3.62%	96.38%	3.33%	96.67%	3.95%	96.05%

Percentage of Employees by Educational Level and Employment Tier, 2010 (✳)

Employment Tier	Advanced Degree	Bachelor's Degree	High School Diploma	Other	Total
Senior management	38.13%	44.30%	11.40%	6.17%	100%
Executive & middle management	21.09%	42.36%	32.97%	3.58%	100%
Staff	13.56%	32.26%	43.79%	10.39%	100%

Percentage of Employees by Length of Employment and Employment Tier, 2010 (✧)

Employment Tier	0-10	11-20	21-30	>30	Total
Senior management	52.95%	26.36%	12.51%	8.18%	100%
Executive & middle management	34.82%	31.43%	21.45%	12.30%	100%
Staff	47.82%	26.36%	17.12%	8.70%	100%

¹ The data in this appendix apply to UniCredit's employee head count as of December 31, 2010. Certain data is drawn from a population of less than 100 percent. Here we use the (✳) symbol to indicate data drawn from a population that makes up 97 percent of head count, and the (✧) symbol to indicate data drawn from a population that makes up 99 percent of head count. Due to the introduction of a new method of employment tier classification, some data included here may not be directly comparable to figures presented in the 2008 Sustainability Report. Our employee data does not include external staff (e.g., interns or consultants). Number reflects all employees of subsidiaries consolidated proportionally, at 100 percent.

Percentage of Employees Leaving Employment by Reason, 2009-2010

Reason for Leaving ¹	2010	2009
Retirement – employees who left to retire*	6.1%	7.4%
Restructuring – employees who left due to a common agreement or industrial plan negotiated with trade unions	22.3%	18.3%
Individual agreements – employees who left due to individual or one-to-one agreements	16.3%	24.0%
Resignation – employees who resigned	34.5%	30.3%
Dismissal – employees who left the bank involuntarily	6.0%	7.6%
Other – all remaining reasons, including death	14.8%	12.4%
Total	100%	100%

¹ This data applies to transfers of personnel to or from the external job market. The total head count as of December 31, 2010, takes into account the recent consolidation of certain legal entities, which was not considered in the compilation of hiring data for 2010.

* Retirements triggered by restructuring have been reported under restructuring rather than under retirement.

Turnover¹

Turnover Rate	2010	2009	2008
Total turnover rate	8.6%	9.0%	11.8%

Turnover Rate by Gender (❖)	2010	2009
Female	7.9%	8.4%
Male	9.0%	9.6%

Turnover Rate by Age (❖)	2010	2009
Up to 30 years	14.3%	14.4%
31-40 years	5.8%	6.1%
41-50 years	3.4%	4.1%
Over 50 years	13.6%	14.5%

¹ Turnover rates have been calculated as follows: (number of head count who left employment in 2010) / (total head count at the beginning of 2010).

Differential Between Male and Female Compensation by Employment Tier, 2010¹

Employment Tier	2010
Senior management	74%
Executive & middle management	65%
Staff	67%

¹ This data was drawn from a population that represented 71 percent of the head count. For each tier, the ratios have been calculated as follows: [(total gross salary of female employees) / (female head count)] / [(total gross salary of male employees) / (male head count)].

Diversity Management

Percentage of Employees by Employment Status and Gender, 2008-2010

Gender	2010		2009		2008	
	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time
Male	9.04%	44.59%	8.04%	44.75%	8.61%	45.05%
Female	90.96%	55.41%	91.96%	55.25%	91.39%	54.95%
Total	100%	100%	100%	100%	100%	100%

Appendix - Our People

Percentage of Female with Part-Time Contracts out of all Women by Employment Tier, 2008-2010

Employment Tier	2010	2009	2008
Executive & middle management	2.41%	2.23%	2.81%
Staff	15.25%	14.06%	13.31%
Total	17.66%	16.29%	16.12%

Percentage of Employees by Educational Level and Gender, 2010 (✱)

Gender	Advanced Degree	Bachelor's Degree	High School Diploma	Others
Male	32.40%	42.24%	42.21%	46.01%
Female	67.60%	57.76%	57.79%	53.99%
Total	100%	100%	100%	100%

Number of Employees in Protected Categories, 2010¹ (✧)

Country	2010
Italy	3,770
Germany	675
Austria	229
Bulgaria	66
Croatia	22
Czech Republic	0
Hungary	0
Romania	12
Russia	0

¹ Employees in protected categories are reported according to the requirements of applicable local laws. Alternative solutions are implemented as required by law.

Number and Percentage of Employees Promoted to Higher Contractual Job Grade by Gender and Country, 2010 (✧)

Country	Number		Percentage	
	Male	Female	Male	Female
Italy	2,815	2,754	51%	49%
Germany	451	192	70%	30%
Austria	43	20	68%	32%
Poland	75	199	27%	73%
Bulgaria	18	43	30%	70%
Croatia	104	296	26%	74%
Czech Republic*	not available	not available	not available	not available
Hungary	52	105	33%	67%
Romania	153	614	20%	80%
Russia	207	400	34%	66%
Others	2,162	3,181	40%	60%
Total	6,081	7,804	44%	56%

* Data for promotions in the Czech Republic in 2010 are unavailable due to the ongoing redefinition and alignment of local policy with UniCredit's policy on promotions.

Training

Training Hours Pro Capite by Employment Tier and Type of Training, 2010¹

Employment Tier	Managerial Training	Technical Training	Foreign Language Training
Senior management – executive & middle management	12.4	28.7	4.4
Staff	0.9	26.4	3.3

¹ This data was drawn from a population that represented 74 percent of the employee head count. Training hours include e-learning, classroom instruction and training on the job.

Number of Training Hours for Anti Corruption, Anti Money Laundering and MiFID Courses, 2010¹

Courses	Number of Training Hours
Anti Corruption	36,718
Anti Money Laundering	190,286
MiFID	69,789

¹ Courses are identified as compulsory according to country/local law. Data covers 70 percent of employee head count.

Industrial Relations¹

UniCredit fully complies with local laws and terms and conditions of collective labor agreements that set out employees' freedom of association and collective bargaining rights.

The following principles are the cornerstones of our employees' rights:

- the International Labour Organization's (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- the ILO's eight core conventions
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact
- UniCredit Integrity Charter

As a leading financial services provider, our principle asset is a highly skilled workforce. Thus, issues associated with human rights and child and forced labor are not highly relevant to our daily internal operations. Nonetheless, we remain aware of the sensitive nature of these subject matters.

¹ This data is drawn from the following subset of Group entities unless stated otherwise:

Germany: UniCredit Bank AG, UniCredit Global Information Services S.C.p.A. (UGIS, German branch), UniCredit Business Partner S.C.p.A. (UCBP, German branch)

Austria: UniCredit Bank Austria AG

Bulgaria: UniCredit Bulbank AD

Croatia: Zagrebačka banka AD

Czech Republic: UniCredit Czech Republic a.s.

Hungary: UniCredit Bank Hungary Zrt., UniCredit Jelzálogbank Zrt., UniCredit CAIB Hungary Ltd, UniCredit Factoring Pénzügyi Szolgáltató Zrt., Sas-Real KFT

Romania: UniCredit Tiriac Bank S.A., UniCredit Business Partner S.C.p.A. (UCBP, Romanian branch)

Russia: ZAO UniCredit Bank

Italian entities include all except for the following: Aspra Finance S.p.A., Breakeven S.r.l., Entasi S.r.l., EuroFinance 2000 S.r.l., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A.

Appendix - Our People

Industrial Relations has always played an important role at UniCredit, and we fully acknowledge the strategic importance of maintaining a close and mutually respectful relationship with employee representatives. Our shared goal, as always, remains promoting and safeguarding the rights and labor conditions of our employees.

In 2010, several agreements with employee representatives were signed in many countries. Key issues covered included compensation, pension plans, voluntary redundancy plans and healthcare services. The successful conclusion of negotiations on these topics speaks to the high quality of the dialogue and partnership achieved over the past few years thanks to the mutual efforts of both the company and the employee representatives.

Major accomplishments related to the European Works Council (EWC) include:

- steady, structured and timely information provided to the EWC immediately after UniCredit Board of Directors decisions and before any official news is made public to the employees or markets
- the active participation of senior management (e.g., the CEO, COO, General Manager, Head of HR, CRO, Head of Planning, Strategy and Capital Management, Head of Group Identity & Communications) in EWC ordinary meetings to discuss major Groupwide projects, transnational strategies and decisions and to share their expertise during dedicated Q&A sessions with EWC Members
- the holding of four Select Committee meetings (senior management participated on two occasions) to share details on future steps and reorganization processes, in line with the EWC's right of consultation
- more than 30 guests belonging to the HR community were invited to the EWC's general meetings, raising their awareness of the role of Industrial Relations and of the value of the EWC as a governance body at UniCredit

Percentage of Employees Covered by Collective Bargaining Agreements, 2008-2010

Country	2010	2009	2008
Italy	sector and national 100%	sector and national 100%	sector and national 100%
Germany / UniCredit Bank AG	sector 55.7%	sector 57%	sector 58%
Germany / UCBP	sector 99.54%	sector 99.55%	not applicable*
Germany / UGIS	sector 27.1%	sector 29.9%	sector 31.76%
Austria	sector 100%	sector 100%	sector 100%
Bulgaria	company 100%	company 100%	company 100%
Croatia	company 100%	company 100%	company 100%**
Czech Republic***	sector and company 100%	sector and company 100%	sector and company 100%
Hungary****	not applicable	not applicable	not applicable
Romania / UniCredit Tiriac Bank	company 100%	company 100%	national 100%
Romania / UCBP	company 100%	company 100%	company 100%
Russia***	company 100%	company 100%	company 100%

** This company was established in 2009.
** This data includes all managers. Certain provisions of the collective bargaining agreement also apply to them, but only with regard to issues not included in their individual contracts.
*** This company's labor agreement is now in scope.
**** No collective bargaining agreement of any kind is in place.

Number of Meetings Between Company and Employees Representatives in 2010¹

Country	2010
Italy	Approximately 850
Germany	Approximately 410
Austria	Approximately 70
Bulgaria	6
Croatia	21
Czech Republic	13
Hungary	16
Romania	Approximately 20

¹ Industrial relations systems vary according to applicable national labor laws and differing methods of representation at the national and local levels. Accordingly, workers may be represented by trade unions, works councils or other representatives. As a result, the frequency of meetings varied in line with differing industrial relations norms and laws.

Notice Period Typically Provided to Employees and their Elected Representatives prior to the implementation of Significant Operational Changes that Could Substantially Affect Them

Country	Legal Number of Months/ Weeks/Days Notice	Notice Period Specified in Collective Bargaining Agreements	Notes
Italy	25 days	yes	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 that may vary from 15 to 50 days, depending on the nature of the changes undertaken
Germany		no	National regulations do not specify the number of weeks of notice typically provided for consulting employee representatives. The information must be provided to the works council before any decision is made by management, 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	Information must be provided to the works council before the decision is made by management, thus making substantial negotiations about the implementation of measures possible. Austrian legislation does not state any specific timeframe for this issue
Bulgaria	45 days	no	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 dismissal 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	8 days	yes	Further in details are described in the company labor rules
Czech Republic	2 months	no	Every major operational change must be discussed with the trade union and communicated to employees. The time provided before the change's implementation is typically two weeks. In the collective agreement, there is no specification for the timing or nature of changes. The official notice period given by labor code is two months starting from the first day of the month following the month of the change communicated
Hungary	min. 30 days	no	The notice period is typically 30 days (after a 3 months probation period). The works council must be informed by the company and has 15 days in which it can give its feedback. After this period, changes may be implemented. No agreement is needed, only the timely provision of information.
Romania		yes	No established notice period is required for this issue. Employees must be informed in good time before any major change within the organization. For collective dismissals under the Company Collective Bargaining (UniCredit Tirac Bank and UCBP), there are additional specifications
Russia	2 months	no	The legal requirement is a minimum of two months notice. This requirement does not need to be specified in collective agreements, as it is obligatory

Appendix - Our People

Welfare, work-life balance and health and safety²

Welfare

Our colleagues enjoy welfare, healthcare and work-life balance-related benefits that are supplementary to social security plans and minimum contractual requirements. These benefits are intended to provide substantial guarantees for the well-being of staff and their family members during their active career as well as their retirement.

Types of Retirement Plans Offered to Employees, 2010

Country	Principal Types of Retirement Plans
Italy	<p>Defined benefit plans and defined contribution plans are in place.</p> <p>Most of the complementary pension plans concern defined contribution funds. There are also defined benefit funds (unavailable to new employees) with or, as in most cases, without separate funds. In 2010, the liabilities of these funds, estimated on an actuarial basis pursuant to international accounting standards, appear to be adequately covered due to an increase in the discounting back rate deriving from the estimates of economic variables (for further details, please see the 2010 Consolidated Reports and Accounts).</p> <p>Since 2009, in order to pursue the best balance between yields, costs and risks connected with complementary pension plans (i.e., to profit from greater assets and economies of scale), UniCredit has been signing collective labor agreements that provide for the transfer of those employees who are members of a Group pension over to the Fondo pensione per il personale delle aziende del Gruppo UniCredit. This is the so-called UniCredit Group Pension Fund, which is the only fund out of all 16 different funds that, as of December 31, 2010, involves the employees of UniCredit's Italian legal entities and is open to new entries.</p> <p>As of 2010, roughly 12,070 employees were involved in such collective transfers.</p>
Germany	<p>Defined benefit plans and defined contribution plans are in place.</p> <p>Defined benefit plans[*]: a variety of different defined benefit plans that stem from our company's history. The main distinguishing feature is that some plans are final pay plans (a certain percentage of the last gross salary is the pension) and some are career average plans (a percentage of the gross salary of a year is converted into a fixed pension amount). All of these plans are closed to new entries.</p> <p>Defined contribution plans: there are two career average plans, one is closed to new beneficiaries, the other one is open to new beneficiaries. A certain percentage of monthly gross salary is used as a fixed pension amount. In the event of a surplus in the assets under management, employees have the option to credit the profits to their individual pension accounts. But there is no guarantee of this.</p>
Austria	Defined contribution plans
Bulgaria	No plan
Croatia ^{**}	Defined contribution plans
Czech Republic	Not applicable ^{***}
Hungary	Not applicable ^{***}
Romania	No plan
Russia	Defined contribution plans

^{*} As of December 31, 2010, defined benefit plans are nearly fully funded via contractual trust arrangements (in Germany) or via pension funds (outside of Germany).

^{**} Bank contributions began in December 2010.

^{***} Every employee has the option of joining a voluntary pension insurance program. The employee signs a contract with an insurance company after choosing a policy independently. UniCredit is only privy to the amount of the contribution that the employee asks the bank to make.

² This data is drawn from the following subset of Group entities unless stated otherwise:
Germany: UniCredit Bank AG, UniCredit Global Information Services S.C.p.A. (UGIS, German branch), UniCredit Business Partner S.C.p.A. (UCBP, German branch)
Austria: UniCredit Bank Austria AG
Bulgaria: UniCredit Bulbank AD
Croatia: Zagrebačka banka DD
Czech Republic: UniCredit Czech Republic a.s.
Hungary: UniCredit Bank Hungary Zrt., UniCredit Jelzalogbank Zrt., UniCredit CAIB Hungary Ltd, UniCredit Factoring Pénzügyi Szolgáltató Zrt., Sas-Real KFT
Romania: UniCredit Tiriac Bank S.A., UniCredit Business Partner S.C.p.A. (UCBP, Romanian branch)
Russia: ZAO UniCredit Bank
Italian entities include all except for the following: Aspra Finance S.p.A., Breakeven S.r.l., Entasi S.r.l., EuroFinance 2000 S.r.l., Trevi Finance 2 S.p.A., Trevi Finance 3 S.r.l., Trevi Finance S.p.A.

Welfare Systems¹, 2010

Country	National Mandatory Welfare System	Voluntary Company Welfare System	Percentage of Employees Who Can Access the Voluntary Company Welfare System
Italy	yes	yes	100%
Germany	yes	yes	100%
Austria	yes	yes	100%
Bulgaria	yes	yes	100%
Croatia	yes	yes	100%
Czech Republic	yes	yes	100%
Hungary	yes	yes	100%
Romania	yes	no	not applicable
Russia	yes	yes	100%

¹ Welfare systems include pension plans and/or health insurance plans, in accordance with differing national and local laws.

Contribution by the Employee and/or Employer to the Voluntary Company Pension System

Country	Contribution from the Employer	Contribution from the Employee
Italy	2% or 3%	Minimum 2%
Germany / UniCredit Bank AG	The total amount ranges from 2.75% to 15% of gross salary. In 2010, an additional 0.25% of salary for all employees (excluding executives and total compensation) was introduced.	1.25% to 2.5% of gross salary
Germany / UCBP and UGIS	2.5% - 10% of monthly or yearly gross salary	1.25% - 2.5% of gross salary
Austria	2.9% or more	Arrangements between the pension fund and the employee are made on an individual basis.
Bulgaria	Not applicable	Not applicable
Croatia*	1.5% of employees' salaries	0%
Czech Republic**	Max. 24,000 CZK per year (approximately €900)	Not specifically required; tax optimal maximum 17,500 CZK (approximately €680) per year
Hungary**	0%	Maximum 5% of the basic gross salary of the employee
Romania	Not applicable	Not applicable
Russia	7% of employees monthly gross salary	7% of employees monthly gross salary

* Bank contributions began in December 2010.

** Every employee has the option of joining a voluntary pension insurance program. The employee signs a contract with an insurance company after choosing a policy independently. UniCredit is only privy to the amount of the contribution that the employee asks the bank to make.

Work-life balance and healthcare initiatives

Regarding healthcare expenses, most UniCredit employees are supported by a variety of insurance policies, health funds and other benefits (e.g., prevention initiatives, special arrangements for medical costs, benefit platforms enabling employees to select plans best suited to their needs, etc.).

Additional benefits are offered to support colleagues and their families during different stages of their lives, ranging from childcare services, sport and leisure activities, lunch plans, access to company cafeterias, and special terms and conditions on various UniCredit banking products.

Part-time employees are offered the same benefits as their full time colleagues.

Appendix - Our People

In 2010, highlights of our healthcare and work-life balance initiatives included the following:

- in Italy, the Campagna di Prevenzione health screening initiative provided free check-ups with a particular focus on hypertension, oncological and cardiovascular illnesses
- in Germany, the Healthy Company project was launched with the holding of a multi-site exhibition on burnout, complete with information leaflets. Other activities included childcare support services, advice/arrangements for nannies, childcare during school holidays and emergency support, among others. Similar services are also available to employees whose family members have disabilities or are in need of special care
- in Austria, the Fit for Your Health project promoted healthcare management and health awareness. Since 2009, it has extended comprehensive first-time offers for three defined areas of occupational health promotion (Medi-Check, Physical Fitness and Mental Fitness)
- in Bulgaria, nearly 70 percent of all colleagues participated in the annual preventive medical check-up program, which continues to have a positive impact on sickness rates
- in Croatia in 2010, almost 1,600 colleagues of Zagrebačka underwent special health screenings offered by the company
- in Romania, UniCredit Business Partner S.C.p.A. (UCBP - Romanian branch) introduced several new initiatives, including the creation of additional lunch space and the launch of a various informational campaigns (e.g., Be Aware) addressing different medical topics.

Transition Assistance Programs to Support Employees Facing Retirement or Termination, 2010

Countries Where Programs Are Available	Pre-Retirement Planning	Retraining for Those Intending to Continue Working	Severance Pay	Job Placement Services	Assistance with Transitioning to a Non-Working Life (e.g., Training, Counseling, etc.)
Italy	no	no	yes	yes (only executives)	no
Germany*	yes	yes	yes	yes	yes
Austria	yes	yes	yes	yes	yes**
Croatia	yes	no	yes	no	no
Czech Republic	no	yes	yes	yes	no
Romania	no	no	yes	no	no

* This data only includes UniCredit Bank AG and UGIS.
** Assistance initiatives are implemented in cases of reorganization.

Health and safety management

The best approach to managing the health and safety of our employees involves remaining in compliance with and inspired by the law. As the primary source of our guidelines, the law provides specific timing and procedures for all relevant topics.

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 provide the following services:

- an adequate evaluation of risks (e.g., analysis and verification of the factors that constitute working activities, specifically including the organization 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)
- an evaluation of the derivative risk for each position
- the definition and planning of prevention and protection measures to eliminate risks or reduce them to a minimum

Formal Joint Management-Worker Health and Safety Committees, 2010

Country	Existence of a Formal Joint Management-Worker Health and Safety Committee	Percentage of Employees Represented in the Committee	Level at which the Committee Operates
Italy	no	not applicable	not applicable
Germany	yes	all non-managerial employees	legal entity
Austria	yes	100%	legal entity
Bulgaria	yes	100%	legal entity
Croatia	yes	100%	legal entity
Czech Republic	no	not applicable	not applicable
Hungary	no	not applicable	not applicable
Romania	yes	100%	legal entity
Russia	no	not applicable	not applicable

Formal Agreements with Trade Unions on Health and Safety Issues, 2010

Country	Existence of Formal Agreements with Trade Unions	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 access.
Germany	yes	In 2010, in a joint declaration for the private and public banking sectors, key factors for maintaining a healthy workforce were listed. This list included respect and trust towards employees, the further development of measures to maintain and promote the health of employees and to strengthening preventative methods. It also acknowledged that health prevention already plays an important role in the banking sector.
Austria	no	Not applicable
Bulgaria	yes	Additional health insurance benefits, which are a part of a collective labor agreement, include the following medical care packages: - health insurance package Prophylaxis - health insurance package Non-hospital Medical Care - health insurance package Hospital Medical Care - health insurance package Medical services regarding conditions of life and other additional conditions
Croatia	yes	Complete coverage of health and safety issues.
Czech Republic	yes	In the Collective Agreement has set forth the right of trade unions to control the level of health and safety at work and to actively participate in the improvement of conditions.
Hungary	no	Not applicable
Romania (UniCredit Tirioc Bank)	yes	Mandatory medical check-ups, safety conditions, trainings on safety issues and obligations, assuring proper environmental conditions and adequate work conditions in terms of sanitation and ergonomics.
Romania (UCBP)	yes	Comprises a distinct chapter of the collective agreement, with main topics including safety trainings and annual medical check ups.
Russia	no	Not applicable

Appendix - Our People

Rates of Injury, Lost Days and Absenteeism, 2010¹

Country	Injury ²	Lost Day ³	Absentee ⁴
Italy	3.71	0.17	5.95
Germany	3.33	0.03	5.67
Austria	0.25	0.03	4.47
Bulgaria	0.97	0.05	3.23
Croatia	1.15	0.02	3.82
Czech Republic	0.95	0.02	3.49
Hungary	0.82	0.00	2.94
Romania	0.00	0.00	3.68
Russia	0.00	0.00	3.60

¹ This data was drawn from a population that represented 61 percent of the total head count.

² This was calculated as follows: (total no. of workplace injuries/total working hours)*1,000,000. Injuries are recorded as per applicable local law.

³ This was calculated as follows: (total no. of days of absence due to injuries/total working hours)*1,000.

⁴ 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 (i.e. medical controls, election days)

Disputes concerning labor and welfare issues

Number of Disputes Concerning Labor Issues

Countries in which Disputes Are Present	Opened Prior 2010	Opened During 2010	Closed During 2010	Still Open as of Dec. 31, 2010
Italy*	1,219	284	286	1,217
Germany	17	27	25	19
Austria	8	7	5	10
Bulgaria	34	29	38	25
Croatia	23	4	4	23
Czech Republic	0	2	1	1
Romania	10	11	12	9
Total	1,311	364	371	1,304

* Data for Italy includes the following: UniCredit S.p.A., FinecoBank S.p.A., i-Faber S.p.A., UniCredit Management Bank S.p.A., UniCredit MedioCredito Centrale S.p.A., Pioneer Investment Management, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., Quercia Software S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG Milan Branch. The data drawn from the period prior to January 1, 2010, has been recalculated in accordance with the new data-gathering perimeter. Previous data-gathering methods did not consider some disputes managed by certain legal entities within the Group.

Number of Disputes Concerning Welfare Issues

Countries in which Disputes Are Present	Opened Prior 2010	Opened During 2010	Closed During 2010	Still Open as of Dec. 31, 2010
Italy*	106	13	7	112

* Data for Italy includes the following: UniCredit S.p.A., FinecoBank S.p.A., i-Faber S.p.A., UniCredit Management Bank S.p.A., UniCredit MedioCredito Centrale S.p.A., Pioneer Investment Management, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., Quercia Software S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG Milan Branch. The data drawn from the period prior to January 1, 2010, has been recalculated in accordance with the new data-gathering perimeter. Previous data-gathering methods did not consider some disputes managed by certain legal entities within the Group.

Number of Disputes Concerning Administrative Bodies

Countries in which Disputes Are Present	Opened Prior 2010	Opened During 2010	Closed During 2010	Still Open as of Dec. 31, 2010
Italy*	3	2	1	4
Germany	1	0	0	1
Total	4	2	1	5

* Data for Italy includes the following: UniCredit S.p.A., FinecoBank S.p.A., i-Faber S.p.A., UniCredit Management Bank S.p.A., UniCredit MedioCredito Centrale S.p.A., Pioneer Investment Management, UniCredit Factoring S.p.A., UniCredit Leasing S.p.A., Quercia Software S.p.A., UniCredit Audit S.C.p.A., UniCredit Business Partner S.C.p.A., UniCredit Global Information Services S.C.p.A., UniCredit Real Estate S.C.p.A., UniCredit Bank AG Milan Branch.

Restorative Justice System

Number of Cases Accepted by the Restorative Justice System: Breakdown by Country, 2008-2010

Country	Starting Date	Total Number of Cases from 2008 to 2010	2010	2009	2008	Number of Closed cases	Number of Pending cases
Italy	1 October 2006	331	67	97	80	328	3
Germany	1 January 2007	104	19	28	28	97	7
Austria	1 March 2007	48	14	11	12	46	2
Poland	1 January 2008	100	41	26	33	99	1
Bulgaria	1 March 2008	34	11	10	13	34	0
Croatia	1 March 2008	38	10	11	17	38	0
Czech Republic	1 October 2008	30	16	11	3	30	0
Hungary	1 September 2007	72	17	17	22	71	1
Romania	1 March 2009	18	9	9	not applicable	13	5
Russia	1 July 2009	3	2	1	not applicable	3	0
Baltic Countries*	1 February 2009	5	0	5	not applicable	5	0
Serbia	1 April 2009	9	3	6	not applicable	8	1
Slovakia	1 September 2007	9	0	4	3**	9	0
Slovenia	1 February 2008	32	15	5	12	31	1
Total		833	224	241	223	812	21

* The Baltic Countries include Estonia, Latvia and Lithuania.

** In the 2008 Sustainability Report, one additional case was mistakenly classified under the Restorative Justice System.

Focus on Closed Cases: Breakdown by Country and Methods Employed, 2010

Country	Closed Cases	Not Admitted Cases	Mediation Refused	Renounced Cases	Cases Solved without RJS Tools	Others	Total Number of Cases Deploying RJS Tools	Tool Used: Mediation	Tool Used: Meetings	Tool Used: Notice
Italy	328	70	11	49	44	0	154	21	74	59
Germany	97	2	0	6	48	0	41	6	10	25
Austria	46	3	2	5	5	0	31	1	8	22
Poland	99	14	2	20	16	0	47	0	15	32
Bulgaria	34	4	0	2	0	0	28	0	23	5
Croatia	38	17	0	0	0	1	20	2	3	15
Czech Republic	30	2	0	6	4	0	18	0	5	13
Hungary	71	11	0	18	5	5	32	0	7	25
Romania	13	5	0	4	0	1	3	0	3	0
Russia	3	0	1	0	0	0	2	0	1	1
Baltic Countries*	5	0	0	0	1	1	3	0	3	0
Serbia	8	0	0	0	1	2	5	2	3	0
Slovakia	9	1	0	0	0	0	8	0	2	6
Slovenia	31	4	0	10	7	3	7	0	4	3
Total	812	133	16	120	131	13	399	32	161	206

* The Baltic Countries include Estonia, Latvia and Lithuania.

Appendix - Our Customers

Customer distribution

Number of Customers by Division and Country as of December 31, 2010

Division / Country	Number
Retail Division	
Italy (UniCredit S.p.A.)*	7,783,983
Germany (UniCredit Bank AG)	2,403,520
Austria (UniCredit Bank Austria AG)	1,663,408
Corporate Division	
Italy (UniCredit S.p.A.)*	17,652
Germany (UniCredit Bank AG)**	73,489
Austria (UniCredit Bank Austria AG)	27,525
Private Division	
Italy (UniCredit S. p.A.)*	134,670
Germany (UniCredit Bank AG)	42,379
Austria (Schoellerbank, UniCredit Bank Austria AG)***	21,853
Asset Gathering	
Italy (FinecoBank S.p.A.)	817,282
Germany (DAB Bank AG)	470,050
Austria (Direktanlage.at AG)	59,358
CEE - Retail	
Bulgaria (UniCredit Bulbank AD)	1,046,575
Croatia (Zagrebačka banka DD)	1,525,241
Czech Republic (UniCredit Bank Czech Republic A.S.)	225,977
Hungary (UniCredit Bank Hungary ZRT.)	362,523
Romania (UniCredit Tiriak Bank S.A.)	509,044
Russia (ZAO UniCredit Bank)	863,065
CEE - Corporate	
Bulgaria (UniCredit Bulbank AD)	9,259
Croatia (Zagrebačka banka DD)	9,682
Czech Republic (UniCredit Bank Czech Republic A.S.)	9,277
Hungary (UniCredit Bank Hungary ZRT.)	7,306
Romania (UniCredit Tiriak Bank S.A.)	7,548
Russia (ZAO UniCredit Bank)	5,337

* On April 13, 2010, the Board of Directors formally approved the One4C program, which entailed the merger of seven Italian subsidiaries: UniCredit S.p.A., UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A., UniCredit Family Financing Bank S.p.A., UniCredit Private Banking S.p.A. and UniCredit Corporate Banking S.p.A. Clients shared between two divisions of the same legal entity are counted only once, within the predominant division.

** Number of clients as of July 31, 2010 (number as of December 31, 2010 not available due to a system migration).

*** The number of Private Banking clients in Austria is the sum of Private Banking clients for the two Austrian legal entities Schoellerbank and UniCredit Bank Austria AG.

Financial inclusion

In 2010, UniCredit continued to implement initiatives in concert with the Italian Banking Association (ABI) to provide support to those negatively impacted by the financial crisis.

Since 2009, UniCredit has worked with ABI on Cassa Integrazione Guadagni Straordinari (CIGS), which offers support to the employees of financially troubled companies. It has also joined Piano Famiglie ABI (Family Plan ABI) and Fondo Nuovi Nati (the Newborn Fund).

Piano Famiglie ABI provides a one-time suspension of loan payments for up to 12 months under extraordinary

circumstances (e.g., job loss, death, disability, etc.). As of February 15, 2011, more than 6,100 applications to this program had been accepted.

Fondo Nuovi Nati, launched in March 2010, was created through cooperation between ABI and the Presidency of the Council of Ministers. This fund provides credit to families who have had or adopted a child at any time from 2009 to 2011. Beneficiaries receive a fixed-rate personal loan, guaranteed by the Italian government, of up to €5,000 for a maximum term of five years. By the end of 2010, more than 4,500 loans worth roughly €22.2 million had been disbursed.

2010 Retail Division: Number and Percentage of Branches in Sparsely Settled or Economically Disadvantaged Areas as of December 31, 2010¹

Country	Number of Branches	%Total Branches
Italy	816	19%
Germany	47	8%
Bulgaria	229	100%
Croatia*	27	20%
Czech Republic	45	64%
Hungary	74	56%
Romania	225	100%
Russia**	49	53%

¹ To identify sparsely settled or economically disadvantaged areas across the EU, we referred to the EU classification used in its Cohesion Policy 2007-2013. Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria.

* For Croatia, we referred to the Regional Competitiveness Operational Programme 2007-2009 of the Republic of Croatia.

** For Russia, we referred to the Social Map of Russian Regions provided by the Russian Independent Institute for Social Policy.

Responsible finance

Socially responsible investments

Pioneer Investments' mission is to create sustainable value for all stakeholder groups. It believes that responsible investing and good corporate practice will help build trust and confidence in the markets.

Enhancing transparency, accountability and disclosure is something we have always promoted throughout our organization. These beliefs underpin our commitment to the United Nations Principles for Responsible Investment (UNPRI), which we signed in March 2009.

Because we are fully aware of the important role we play as asset managers in safeguarding people's wealth over the long term, we also promote initiatives to manage social and environmental risks and have expanded our offerings with investment solutions designed to take ethical or sustainable criteria into consideration.

Our *Proxy Voting Policy* contributes to enhancing corporate governance in companies invested in by our funds. With this in mind, at the most recent meeting of the *Pioneer Proxy Voting Committee* on October 6, 2010, it was agreed that changes could be made to the policy in order to increase the focus on environmental, social and governance (ESG) issues.

Therefore, in December 2010, Pioneer Investments proposed that we follow the ISS consultancy's sustainability policy

Appendix - Our Customers

for ESG-related items on company meeting agendas. This policy, approved by the board of Pioneer Global Asset Management on March, 16, 2011, addresses ESG matters specifically, and an expert team provides detailed research and recommendations from an ethical and sustainable standpoint. Although recommendations are made by ISS, Pioneer still has full authority to vote as it chooses on any given item.

Pioneer Investments considers it important to participate in general shareholder meetings and to support the proposals of management. In many instances, it believes that advocating the company's strategy and voting for its management's proposals build portfolio value. In other cases, proposals set forth by management may have negative effects on that value, while some shareholder proposals may hold the best prospects for enhancing it.

Pioneer Investments offers all investors worldwide a thematic equity fund called Pioneer Funds – Global Ecology, designed to enable investors to balance their need to maximize returns with their desire to protect the environment.

Locally, Pioneer Investments offers a choice of three socially responsible investment products: a bond distribution fund called Pioneer Obbligazionario Euro Corporate Etico (Corporate Euro Bond Ethical Fund) in Italy, the PIA Ethik Funds in Austria, and the Pioneer Investments Balanced Ecology Fund in Germany, which was launched in July 2010.

Funds Performance

Fund	1 Year		3 Years Annualized	
	Fund	Bmk	Fund	Bmk
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	3.71%	3.99%	4.34%	4.44%
Pioneer Funds – Global Ecology – E Class*	7.96%	19.53%	-6.98%	-2.09%
Pioneer Funds Austria – Ethik Funds	4.93%	5.77%	2.49%	3.42%

* Pioneer Funds – Global Sustainability Equity – E Class on December 13, 2010, was merged into Pioneer Funds – Global Ecology.

Assets Subject to Positive and Negative Environmental or Social Screening as of December 31, 2010 (€ million)

Fund	Asset Under Management
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	228
Pioneer Funds - Global Ecology - E Class*	1,140
Pioneer Funds Austria - Ethik Funds	22.83
Pioneer Investments Balanced Ecology**	2.59
Total Asset Under Management of Pioneer Investments (including regular funds)	186,600

* Pioneer Funds – Global Sustainability Equity – E Class on December 13, 2010, was merged into Pioneer Funds – Global Ecology.

** Pioneer Investments Balanced Ecology was launched in July 2010.

Security

We regard security as a lever to strengthen customer satisfaction, customer care and the Group's reputation. In terms of security, in line with our business model, customer centricity means:

- guaranteeing care and protection to people, information and channels, with a strong focus on customer satisfaction
- improving and developing new solutions and new technology to ensure a high level of security that meets customers' needs

UniCredit has an Information Security Management System Framework that is fully compliant with ISO 27002

International Security standards. Our goal is to implement new solutions to protect our customers' personal data and information, to increase the security of online transactions, to prevent fraud involving payment cards (both credit and debit cards) and to protect people in branches (both colleagues and clients) through the reduction and prevention of robberies.

For 2011, the Security Department has set the following priorities:

- to use the value of security as a Groupwide source of competitive leverage
- to implement antifraud and data protection technologies and methods in order to provide the same high level of security – for online banking, cards and data protection – in all countries
- to continue efforts to develop a Groupwide approach to security in terms of organizational structure, awareness, solutions, methods and sharing of best practices, with particular attention to local rules and customer needs
- to homogenize the security investment strategy at the Group level in order to realize economies of scale and to reduce and rationalize the total cost of the services provided

Robberies and thefts

In 2010, Security department continued the effort to prevent and reduce robberies in the branches, and thefts, specifically ATM attacks, at the Group level.

In Italy there were 140 robbery cases (90 of which were successful) in a network of more than 4,000 branches, down from 218 cases in 2009 and 359 cases in 2008. This strong reduction resulted from investments in new technology, training for personnel in the network, reduction of cash in the branches, and other projects and activities to prevent robberies. The numbers of ATM attacks increased in 2010. Targeted investments have been planned for 2011 to protect the machines against attacks.

A decrease in robberies was also seen in Austria (seven cases in 2010, compared with 11 in 2009 and 16 in 2008 and no ATM attacks).

In Germany, there was an increase in both the number of robberies and ATM attacks, but the numbers remain very small (four robberies in 2010 and three in 2009; five thefts in 2010 and four in 2009).

Retail Division: Number of Robberies⁽¹⁾, 2009-2010

Country	2010	2009
Italy*	140	218
Germany	4	3
Austria	7	11
Bulgaria	1	1
Croatia	0	0
Czech Republic	0	0
Hungary	6	6
Romania	0	0
Russia	0	0
Total	158	239

¹ Figures include both successful and unsuccessful robberies in bank branches.

* This type of crime is more prevalent in Italy than in other European countries.

Appendix - Our Customers

Retail Division: Number of Thefts, 2009-2010¹

Country	2010	2009
Italy	49	37
Germany	5	4
Austria*	0	0
Bulgaria	0	4
Croatia	5	9
Czech Republic	3	0
Hungary	0	9
Romania	3	2
Russia	0	0
Total	65	65

¹ Thefts means successful and unsuccessful ATM attacks.,
* Data refers only to attack on ATM located within the Bank Austria's branches.

Antifraud

In 2010, credit card fraud at the Group level decreased, largely due to new technologies such as microchips and authenticated payment systems (MasterCard® SecureCode™ and Verified by Visa).

In Italy, in the last two years, losses from debit card¹ frauds was down 83 percent, thanks to new solutions preventing the cloning of cards. Regarding online banking UniCredit adopted the one time password to confirm transactions. This new solution reduced internet banking fraud by 94 percent in comparison with 2008.

Additionally, customers now receive SMS confirmations of each transaction, and all the transactions carried out by customers through the internet or with their cards are continuously monitored by a transaction monitoring system, which intercepts suspicious activities. Other new solutions developed by UniCredit in Italy, include the Mobile Token, an innovative dynamic system integrated into smart phones, which generates a one-time password to confirm operations carried out via mobile and online banking.

This new technology, developed internally by UniCredit, provides the highest level of security and is also user-friendly.

Next year, our antifraud strategy in Italy will be focused on developing new solutions for payment cards and online banking, enabling us to anticipate new threats and prevent new risks while maintaining a high level of security and customer satisfaction.

Business continuity and crisis management (BCCM)

In 2010, BCCM initiatives and activities focused mainly on the *One4C* program in Italy, in order to safeguard recovery solutions for critical processes within the scope of that program. A work stream dedicated to BCCM was created at the beginning of the *One4C* program. Periodic comparisons with other related work streams have been carried out in order to assess all continuity requirements. During the startup of the new organizational structure, the BCCM Unit supported the *war room* project to coordinate a response to any major potential problems.

At a global level, BCCM activities have been planned and executed throughout the Group's perimeter in line with the UniCredit model.

¹ The debit card (also named bank card or – in Italy – bancomat) draws money directly from a bank account, while a credit card charges it to a line of credit.

Several visits and workshops have been organized, at the sites of both the Security Department and various other Group entities.

Priorities in 2010 included providing personnel with training on the Group's BCCM methodology and approach, thereby building a common approach to the subject. Next year, our strategy will focus on improving awareness and the effectiveness of BCCM processes among those engaged in related work at all the Group's entities.

Awards

In Italy, UniCredit's ATM project won the Italian Association Financial Innovation prize for the delivery of customized communications through its local ATM network.

In 2010, UniCredit GTB (Global Transaction Banking) won awards for Best Overall Bank for Cash Management in CEE and Best Liquidity Management in CEE.

In Austria, participants at the Alpbach Financial Symposium 2010 nominated Bank Austria's new AufschwungKredit (Economic Revival Loan) as the most innovative financial service of 2010. It was designed specifically for companies with annual sales revenue of €3 million to €250 million that have experienced a temporary rating downgrade but still maintain a strong competitive position in their respective markets. We received the award based on the core concept that underlies the AufschwungKredit loan. The loan is founded on belief that, by offering free, comprehensive advice on liquidity and ways to utilize financial assistance programs, the competitiveness of SMEs and larger companies in the current economic environment can be enhanced.

In Bulgaria, we won the prize for best CSR policy at the annual Socially Responsible Company of the Year competition, organized by Pari, the national business daily newspaper.

In Croatia, we achieved Superbrand status for the fourth consecutive year, as selected by experts and more than 23,000 buyers. This success capped off a successful 2010, which proved to be a year of revenue growth, strengthened market position, and numerous awards and plaudits.

In Hungary we received the Retail Saving Product of the Year award for the Super Capital Protected Derivative Investment Fund at the Hungarian Bank of the Year competition, sponsored by MasterCard.

Pioneer Investments won the Best ESG Asset Manager award in Italy at the third annual World Finance Awards. These awards were created in 2007 to identify industry leaders, individuals, teams and organizations that represent the benchmarks of achievement and best practice in the financial and business world. World Finance is a leading bi-monthly financial magazine with a circulation of 60,000 across Europe and North America, primarily within the financial services industry.

Appendix - Communities

Contributions to communities

The following are some of the most significant initiatives promoted in 2010 by UniCredit in the cultural, social and environmental spheres, as well as in sports.

Culture

In 2010, UniCredit renewed its commitment to and involvement in the promotion of culture. A key component of any sustainable development strategy, culture is a means to stimulate innovation, communicate values and knowledge, and create opportunities for dialogue and sharing. Our commitment translates into support for young talent in the fields of music, visual arts, literature and theater in many of the countries in which we are active. We value the creative contributions of talented young generations, particularly in terms of innovation and development of new trends.

Music

UniCredit has long fostered musical excellence in the countries in which it operates, with major partnerships in:

- Italy – including the Arena di Verona, the Filarmonica della Scala and the foreign tours of the Teatro alla Scala
- Austria – including the long-standing collaboration between Bank Austria and the Vienna Philharmonic
- Germany – including UniCredit Bank AG and the Bavarian State Opera

In 2010 together with its partners from the world of music, UniCredit worked to engage colleagues and citizens alike by offering dedicated benefits and exciting cultural events. In Italy, for example, the Filarmonica della Scala's open rehearsals program and special meetings with performers from the Arena di Verona provided colleagues and communities alike with unique musical experiences.

In 2010, *The Filarmonica della Scala Meets the City* was launched with the Filarmonica della Scala and with the support of the Unidea - UniCredit Foundation. The program comprised five open rehearsals. Three hundred UniCredit employees attended the first one, which was completely free of charge and open to the public. The proceeds from the following four rehearsals were donated to the following non-profit organizations: Don Carlo Gnocchi Foundation, the Arché Association, Casa della carità Angelo Abriani Foundation and the Floriani Foundation. By offering tickets to the rehearsals at reduced prices, this program enabled a broader segment of the population to enjoy the music of the Filarmonica della Scala.

Programs like these reinforce UniCredit's relationships with communities and institutions, and offer the public a unique behind-the-scenes musical experience. At UniCredit, we regard music not only as a pleasure and a cultural expression, but also as a way to support and engage the less fortunate members of the communities in which we work.

In partnership with the Fondazione Arena di Verona, we organized two meetings in Milan and Bologna between the world-famous opera company of the Arena di Verona and UniCredit colleagues. These meetings involved 150 employees and featured presentations on the opera company's history and previews of the coming season. The two meetings provided a fascinating and true cultural experience for these individuals and an opportunity to dialogue with one of UniCredit's most important cultural partners.

In Germany, we supported the following well-known music festivals, as an expression of its interest in and commitment to music field. These initiatives strengthen our relationships with local communities:

- the *UniCredit Festival Night of Munich*, previously known as the HVB Festival Night, was renamed to underscore the

increasingly strong cooperation between UniCredit and this important summer event, one of the most best-known in the city of Munich

- the world famous *Richard Wagner Festival of Bayreuth* features music by one of the greatest composers of the 19th century

UniCredit Bank AG sponsors various music festivals throughout Germany, including the *Richard Strauss Festival* in Garmisch-Partenkirchen, the *Bach Festival* in Leipzig, the *Mozart Festival* in Würzburg, the *Opera Festival* of Gut Immling and the *Rheingau Music Festival* in Frankfurt.

Art

We also form partnerships with museums, art institutions and art galleries in the countries where we live and work. These involve not only financial support but also a genuine engagement on a strategic level.

For many years now, UniCredit has supported the Arnaldo Pomodoro Foundation (APF) and its mission to spread knowledge in sculpture. In 2010, we were proud to work with the foundation to introduce the UniCredit Project Room, a space at the foundation's main location. This confirms the shared commitment, from APF and UniCredit, to stimulate artistic exploration and the work of young sculptors both from Italy and abroad. In 2010, the exhibitions of works by young artists were alternately presented in this space. Further exhibitions of young artists from the countries in which UniCredit is present are scheduled for 2011.

UniCredit's commitment to supporting young talent was further expressed in 2010 by the creation of UniCredit Studios in Milan and Trento. Comprising the former Spazio Milano and Spazio Trento, these special gallery spaces within two selected UniCredit branches were renovated to present debut exhibitions and to facilitate the entry of new artists into the contemporary art circuit. Both the artists and the curators come from the countries in which we operate. In 2010 two exhibitions were presented: *L'Archivio storico: quattro interpretazioni (The Historic Archive: Four Interpretations)* and *Maneggiare con cura (Handle with Care)*. Catalogues were published for both shows and were included in our Carte Blanche series, which was created for this particular occasion, and testifying our commitment to this innovative project. New openings have been scheduled for 2011 both in Italy and abroad.

As an initiative dedicated to art in the countries in which we are present, the *UniCredit Art Day* invites colleagues and their families to visit our partner museums and contemporary art centers free of charge for a day of sharing, dialogue and cultural enrichment. In 2010, the *UniCredit Art Day* provided guided visits (included about 70 visits in Italy) and workshops for adults and children (more than 20 in Italy and abroad). Overall, 7,000 employees and their families visited 108 museums in 17 countries.

The UniCredit Art Collection and the *PastPresentFuture* exhibition serve as the backbone of the Group's engagement with the art world in 2010. The Collection, which includes roughly 60,000 items, is one of the most important corporate collections in Europe and is augmented annually by new acquisitions. The collection is a vital asset that embodies the artistic patrimony of the different banks that have been incorporated into UniCredit, over the years. Each year, more than 1,000 works from the collection are requested by international museums for exhibitions. Many are granted on long-term loan free of charge to prominent contemporary art museums with which we have long-standing relationships (e.g., Rome's Museum of Contemporary Art – MACRO, the National Museum of Art of the XXI Century – MAXXI, the Museum of Modern Art of Bologna – MAMbo, the Museum of Modern and Contemporary Art of Trento and Rovereto – MART), thus becoming a shared patrimony with the communities.

Appendix - Communities

PastPresentFuture – Highlights from the UniCredit Collection, our Group's first major international exhibition made UniCredit's artistic heritage available to the public at large. First shown in Vienna in the fall of 2009, the exhibition then moved on to Verona and Istanbul in 2010. In all three cities, the exhibition was complemented by parallel events, such as meetings and classes for adults and children, visits by school groups and educational workshops. In 2011, a new exhibition concept will be developed and presented in several of the Group's countries.

UniCredit also supports initiatives that promote synergies between art, music and other creative disciplines, including those associated with the Fondazione Arena di Verona and the Adriano and Michele Atelier of Painting.

In 2010, in partnership with the Fondazione Arena di Verona, UniCredit organized four special evenings of dialogue between art and music for employees and customers. In March, roughly 100 UniCredit colleagues attended the inaugural performance, while 200 customers attended another three performances in April, May and June.

In 2010, five years of artistic output from the Acrobazie project in Italy was exhibited in Munich at the headquarters of UniCredit Bank AG in the Viktualienmarkt. Acrobazie embodies the value of dialogue between art, local communities and medical science. Its artworks are the result of constructive encounters between the outsider artists of the Adriano and Michele Atelier of Painting, which operates within a Milan psychiatric hospital, and select young Italian artists.

Society

UniCredit also provides support to initiatives that focus on the more vulnerable segments of society, including children, the ill, the elderly, the poor and victims of natural disasters.

Additionally, UniCredit supports scientific research in serious diseases. In Italy, among others, we support the AIRC (Italian Association for Cancer Research) and CERBA Foundation (European Center for Advanced Biomedical Research Foundation).

In Croatia, we support All For Her, a project dedicated to spread awareness about cervical and breast cancer prevention and to raise funds to establish the Support Centre for Women with Cancer. The centre will provide psychological counseling and health education programs to help women through their treatments periods.

Internationally, UniCredit also works with the Red Cross in support of local health-care projects.

Environment

In 2010, UniCredit provided assistance to national and international environmental organizations and events.

We continue to support the international WWF network and its efforts to raise awareness of environmental protection and climate change issues.

UniCredit supports environmental protection through the WWF Oases system, which is the most important pan-European private project for the conservation and protection of the habitat of some of the main at-risk species, including otters, wolves and the spadefoot toad. Through its contributions, UniCredit helps protect more than 5,000 hectares of nature and also involves people in sharing experiences, as for example with the annual Festa della Oasi (WWF Oases Feast). We also promote studies, meetings and public discussions including climate change sensitization initiatives. Further support is provided through such banking products as the WWF UniCreditCard.

Since 2001, UniCredit has sponsored *Puliamo il Mondo* (PIM), the Italian edition of Clean Up the World, which is the largest volunteer-based environmental event in the world. In 2010, PIM and the Legambiente organization assembled thousands of volunteers in the town squares of Italy. Everyone then worked together to remove rubbish from parks,

public gardens, streets, squares, rivers and beaches and becoming testimonials of environmental care messages. For further information, visit: www.puliamoilmondo.it/2010

UniCredit was a gold sponsor for the Green Economy series of Aperitivo events, held in Milan in 2010 and organized by e-gazette, Terre di mezzo Eventi and Legambiente. The meetings presented opportunities to discuss and study issues connected with the green economy, and included the participation of non-experts, as well as professionals, business managers and journalists. For further information, visit: www.apegreen.org

In Bucharest, UniCredit Tiriatic Bank sponsored Cicloteque, a bike sharing service for inhabitants and tourists, in partnership with the environmental organisation MaiMultVerde and the Bucharest Parks Administration. In 2010, Cicloteque has organized or been involved in many bike promoting events, such as *BikeWalk* event series, *Ciclopromenada*, *Cicloteque Network march*, *ViaSport Kiseleff*, *A Day Without My Car* march, *White Night of the Romanian Film* event, *Romanian Papergirl*, *AdFel Bike Permit* event, *Park(ing) Day*, *Discovery Channel* bike event and also the annual *Bike Story Contest*, during the European Mobility Week. Cicloteque is a project that we want to develop further by opening new centers both in Bucharest and in other major Romanian cities and by extending the current bike fleet.

Sport

UniCredit supports sports as a means to promote social cohesion and dialogue within our communities. The international sports initiatives promoted by UniCredit included – among others - those launched in the framework of the the UEFA Champions League Trophy Tour and marathon races in Italy.

The *UEFA Champions League Trophy Tour*, at its second edition in 2010, continued its journey across Europe and it brought a once-in-a-lifetime experience to communities in Germany, Austria, the Czech Republic, Poland and Slovakia. In 2010 in total, 138,500 fans experienced this excitement, and more than 24,000 pictures were taken with the most sought-after European club trophy. More countries will be visited in 2011.

Through the *UEFA Champions League Trophy Tour* UniCredit developed a series of local football-related social initiatives to benefit local communities and, as in 2009, each country could design them within the context of football experience. In Croatia, Zagrebačka banka supported UNICEF's School without Violence network. In Romania, UniCredit Tiriatic Bank donated sports equipment to schools. UniCredit Bank Hungary provided assistance to children's hospitals and local sporting activities. In Bulgaria, UniCredit Bulbank invited children in foster homes to participate in a special event involving the trophy. In Austria, a children's tournament, SOS Kinderdorf, was held in cooperation with Caritas and other organizations at the Trophy Tour site. In Germany, initiatives were held in cooperation with local volunteer firefighters. At most of the tour locations, Intercampus, an initiative by FC Internazionale Milano, the famous football club, provided special activities for children.

In 2011, UniCredit will provide support to Open Fun Football Schools in several Eastern European countries, through funding raised by the Final Online Campaign. The program underlines our Group's commitment to giving something back to our communities in connection with our sponsorship of the UEFA Champions League.

More information about UniCredit's official sponsorship and the Trophy Tour are available at www.unicredit.eu/champions.

In addition in Italy, UniCredit supports marathon races, which bring people together and combine a spirit of competition with community development and sharing. Among others, in 2010 UniCredit supported the *UniCredit Run Tune Up* in Bologna, the *Grifonissima* in Perugia and other marathon events in Palermo and Messina.

UniCredit also sponsors professional sport events as *UniCredit Czech Open*, *Bank Austria Tennis Trophy*, *UniCredit Ladies German Open*.

Appendix - Environment and Suppliers

Partnerships and affiliations

UniCredit has developed a significant network of partners and participated in numerous initiatives in various Countries and at international level.

International

- Carbon Disclosure Project (CDP)
- The Global Compact
- United Nations Environment Programme's Finance Initiative (UNEP-FI)
- WWF- World Wildlife Fund International

Italy

- Forum of Socially Responsible Investment
- Green Light Program and Green Building association
- Kyoto Club
- Italian Forum for Sustainable Finance
- Legambiente - Puliamo il Mondo
- WWF- World Wildlife Fund Italy

Germany

- Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (VfU)
- BenE München e.V. - RCE - Regional Centre of Expertise der Vereinten Nationen
- Finanzforum: Klimawandel
- Forum Nachhaltige Geldanlagen
- The national German Environmental Management Association (B.A.U.M.)
- The Global Compact Germany
- UNEP-FI Work Streams Biodiversity
- Equator principles

Austria

- Austrian Society for Environment and Technology (ÖGUT)
- Austrian Society for the Management of Contaminated Sites (ÖVA)
- RESPACT - Austrian Business Council for Sustainable Development
- ÖNORM Workgroup (Arbeitskreis ÖNORM)

Bulgaria

- National Park Association in Bulgaria

Awards

Germany

UniCredit Bank AG has received the Lexmark Green Award

Bulgaria

UniCredit Bulbank has received the award Investor in environment for its consistent National Green Programme by Bulgarian Association of the Business Leaders

Slovenia

UniCredit Banka Slovenija received the Horus award for socially responsible operations

Appendix - Yapı Kredi: a focus on Turkey

As a respected corporate player in Turkey, Yapı Kredi aspires to be more than just a bank. It strives to be a corporation that contributes to the society in which it operates and to the well-being of people by creating value that goes beyond its commercial activities.

In all projects, Yapı Kredi aims to generate sustainable benefits for its shareholders employees, customers, suppliers and non-governmental organizations, as well as the communities in which it has a presence.

Yapı Kredi intends to outline and disclose to its stakeholders the measurable outcomes of the efforts it has undertaken in the name of sustainability.

Yapı Kredi for a modern society: educational management in 2010

Yapı Kredi believes that education is the best means to creating a modern and bright future. That is why education is the fundamental pillar of the company's corporate sustainability strategy. Consequently, Yapı Kredi is rolling out educational initiatives designed to become long-standing achievements capable of providing ongoing support to those in need.

Vocational Education: a crucial matter for the Nation

In 2010, Yapı Kredi extended internship opportunities to 98 vocational high school students at branches within the scope of a project designed to encourage vocational technical education. Through this project, 77 Yapı Kredi employees are providing high school students with life coaching all around Turkey.

I Read, I Play

The *I Read, I Play* project carried out in collaboration with the Turkey Educational Volunteers Foundation (TEGV) aims to nurture a self-conscious generation of reading, thinking and inquisitive individuals with the capacity to create an enlightened future for Turkey. The project has successfully reached out to 74,000 children.

The project aims to instill the joy of listening and reading in children of primary school age. It helps them to acquire scientific, critical, constructive and creative ways of thinking; to develop speaking and debating skills; and to exercise their ability to look, listen and then explain their observations and experiences to their peers – both verbally and in writing.

Darüşşafaka Scholarship

Yapı Kredi's scholarship program for Darüşşafaka Educational Institutions extends educational opportunities to successful children who are orphaned. Yapı Kredi employees make voluntary monthly donations to provide scholarships for two Darüşşafaka students.

Yapı Kredi Technical and Vocational High School for Girls

Today, 450 students are being trained in the fields of Child Development, Graphic Design & Photography, Catering Services, Apparel Manufacturing Technology, and Information & Communication at the Yapı Kredi Technical and Vocational High School for Girls that opened in Gebze Çayirova in 2009.

Yapı Kredi Banking Academy

The Yapı Kredi Banking Academy was launched in May 2008 in order to develop qualified human resources for the Turkish banking industry. In 2010, the Academy was pleased to announce its new Banking Certificate Program for university students.

In keeping with its tradition of providing support for academic initiatives, Yapı Kredi founded the Academy with a vision of restructuring educational and development activities through innovative methods and investments.

The Banking Academy, with a curriculum based around four key pillars – Banking, Individual Development, Leadership and corporate sustainability – aspires to develop skilled, well-rounded bankers and make employees feel like they are a part of a high-performance team. Its goal is to help leading bankers strengthen not only their financial acumen, but also their personal abilities, leadership capacity and sense of corporate sustainability.

Yapı Kredi's environmental engagements in 2010

Infinite Blue

The *Infinite Blue* project, carried out jointly by Yapı Kredi and Turkish Marine Environment Protection Association (Turmepa), aims to create environmental awareness among elementary and high school students about the need to preserve Turkey's natural resources. The two stage educational program is offered to teachers who then train students. The five-year project intends to reach more than 6.5 million students. By the end of 2010, roughly 5 million children had been trained.

Paper optimization

Yapı Kredi believes that reforestation efforts alone are not sufficient to protect our shared natural resources. It therefore takes additional action through a *Paper Optimization* project.

Due to e-statements and other recycling initiatives, in 2010 the bank saved roughly 36,000 trees from being cut down.

Furthermore, since 2008 Yapı Kredi has stopped producing promotional materials for the New Year (e.g., calendars, daily planners, etc.). Thanks to this initiative, it has saved roughly 55,000 trees from being cut down in 2010.

Additional initiatives include the company's investment in a new printer system at the Yapı Kredi headquarters, which has reduced paper consumption by roughly 2.4 million sheets of A4 paper in 2010.

Yapı Kredi's banking packages have been turned into forests

Yapı Kredi planted saplings on behalf of the 150,000 customers who become members of the *Oak*, *Juniper*, *Pine*, *Sycamore Mortgage* and *Plane* banking packages that are offered to Retail and SME customers. These banking packages, which Yapı Kredi developed under the aegis of its corporate sustainability program, were planted with the assistance of the TEMA Foundation. Efforts to integrate the bank's environmental sustainability mission into our products and services has resulted in contributions to forests in Tekirdağ, Antalya, Konya and Urfa.

Appendix - Yapı Kredi: a focus on Turkey

Yapı Kredi's involvement in culture and arts in 2010

Yapı Kredi Cultural Activities, Arts and Publishing

In 2010, Yapı Kredi Cultural Activities, Arts and Publishing remained the number one promoter of culture and arts in Turkey. The Yapı Kredi Cultural Center hosted exhibitions in 10 different art disciplines throughout the year, while Yapı Kredi Publications presented 581 books, including 210 new titles and 371 reprints for the Turkish publishing community. More than one million copies were sold during the year, of which roughly 370,000 were new titles and 810,000 reprints.

Çatalhöyük Excavations

In 2010, Yapı Kredi continued to sponsor a remarkable project in art and culture, the Çatalhöyük Excavations. It was the 13th year of Yapı Kredi's sponsorship and the 18th year of excavations, during which time archeologists continued to unearth significant archaeological every year.

Çatalhöyük was first discovered by J. Mellaart in 1958, and a number of excavations were carried out in 1961 through 1963 and also in 1965, revealing 13 distinct archeological layers and shedding light on human history. Since 1996, the British Archaeology Institute has continued excavating the site under the direction of Ian Hodder. Some of the remains discovered are exhibited at the Konya Archeology Museum, while others are preserved in storage.

One hundred and seventy one researchers and students and 20 local workers took part in the 2010 season over the period from 11th June – 3rd September 2010. In addition excavation area was visited by 21 guests and excavation team hosted two seminars and a conference. The team was made up of individuals from Britain, the United States, France, Germany, Canada, Serbia, Australia, Poland – in fact 19 different nationalities joined Turkish colleagues from Selçuk University and the University of Thrace.

Afife Theater Awards

Since 1997, the annual Afife Theater Awards, among the most prestigious art awards given in Turkey, have been distributed by Yapı Kredi with a view to ensuring that Turkish theater is able to operate freely and receive regular support. The award has become a significant cultural symbol in Turkey and helps encourage theater as an art form while recognizing the individual success of award-winning artists. Named after the first Turkish stage actress, Afife Jale (1902-1941), these awards are both an expression of respect for the challenges she faced and of a commitment to ensuring that future actors and actresses will benefit from the kind of incentives and support denied to her.

The 14th Afife Theater Awards Ceremony, which was held at the Lütfü Kırdar Convention and Exhibition Center on April 27, 2010, brought the world of art together. Awards for 19 different categories were given.

The 15th Afife Theater Awards will be held in April 2011 sponsored by Yapı Kredi.

Voluntary engagement

As a bank dedicated to improving the standards of living for people from all walks of life, Yapi Kredi strongly believes in the power of institutional volunteering and encourages its employees to contribute their time and energy to worthy causes. In 2010, the Yapi Kredi Volunteers Platform, which was established to promote voluntarism among our employees, rolled out several projects developed by our seven management units/partnerships:

- Legal Management – *Women The First Step for Social Development*, in collaboration with Foundation for the Support of Women's Work (FSWW)
- Human Resources – *Human Resources*
- Corporate and Commercial Loans – *We will be the consolation for the desolate children*
- Operations Management – *Every Child is a World*
- Retail Banking – *A World of Ever Young*
- Yapi Kredi Culture and Art Publishing – *We Didn't Leave Them On Their Own* in collaboration with GEA Association
- Yapi Kredi Insurance – *Hand in Hand* with Darüşşafaka

Furthermore, through the *I donate blood for my country* campaign, employees of Yapi Kredi from all across Turkey donated 607 units of blood to the Turkish Red Crescent.

Yapi Kredi for the people with disabilities

As the first and only bank to undertake projects aimed at ensuring the engagement of people with disabilities in normal social life, Yapi Kredi added new dimensions to its *Disability-Free Banking* initiative. Previously, we created a call center for the hearing disabled, established an online financial information service for the visually impaired and redesigned ATMs so that they were accessible for the disable people. In 2010, we instituted Disability Free ATMs and POS services for the visually impaired.

