



# UniCredit

**UniCredito Italiano S.p.A.**

## **Information Memorandum**

**prepared in relation to an intended application for admission to trading on  
the regulated market operated by the Warsaw Stock Exchange (“WSE”)**

**13,342,782,900 ordinary shares (“UniCredit Ordinary Shares”)**

**with the nominal value of €0.50 each**

of

UniCredito Italiano S.p.A.

Rome, Italy

This information memorandum (“**Information Memorandum**” or “**Memorandum**”) has been prepared in relation to an intention of UniCredito Italiano S.p.A. (“**UniCredit**”, the “**Company**”) to apply for the admission of all UniCredit Ordinary Shares to trading on the regulated market operated by the WSE.

This Information Memorandum has been prepared pursuant to Article 39 Section 1 in conjunction with Article 7 Section 4 item 8 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated July 29, 2005 (“**Act on Public Offering**”), and pursuant to the Ordinance of the Minister of Finance of July 6, 2007 on detailed conditions that should be satisfied by an information memorandum referred to in Article 39 Section 1 and Article 42 Section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (“**Memorandum Ordinance**”).

This Information Memorandum has been prepared solely in relation to the intended application for admission of UniCredit Ordinary Shares to trading on the regulated market operated by the WSE. In particular, it has not been published in relation to any offer to sell new or existing shares of UniCredit. UniCredit intends to apply to WSE authorities for the admission of UniCredit Ordinary Shares to trading on the WSE’s main market, so as to have the shares first listed before the end of 2007.

This Information Memorandum has not been approved by the Financial Supervision Commission (“**FSC**” a competent Polish supervisory authority for the financial market in Poland), Commissione Nazionale per la Società e la Borsa (“**CONSOB**” the Italian competent supervision authority for the financial market in Italy) or any other regulatory body in Poland or abroad. UniCredit has not filed any notifications in this respect with any regulator.

All UniCredit Ordinary Shares have been admitted to trading on the regulated market in Italy and are listed on the Italian Stock Exchange operated by Borsa Italiana S.p.A. (“**Italian Stock Exchange**” and “**Borsa Italiana**”, respectively) on the Electronic Share Market (Mercato Telematico Azionario). Moreover, certain UniCredit Ordinary Shares have been admitted to trading on the regulated market in Germany and are listed on the Frankfurt Stock Exchange operated by Deutsche Boerse AG (the “**Frankfurt Stock Exchange**”) on the Official Market (*Amtlicher Markt*). Additionally, 21,706,552 UniCredit saving shares (“**UniCredit Saving Shares**” and, together with the UniCredit Ordinary Shares, the “**UniCredit Shares**” or “**Shares**”) are listed on the Italian Stock Exchange. The UniCredit Saving Shares are not intended to be listed on the WSE. The UniCredit Ordinary Shares have been awarded the International Securities Identification Number (ISIN): IT0000064854.

For relevant information, please study the Information Memorandum in its entirety, including in particular its Chapter 8 “*Key risk factors related to the Company and the Shares*”.

This Information Memorandum has been published in Polish on the Internet on the websites [www.unicreditgroup.eu](http://www.unicreditgroup.eu) and [www.gpw.pl](http://www.gpw.pl). In addition, an English translation of the Memorandum has been published on the website [www.unicreditgroup.eu](http://www.unicreditgroup.eu). Please note that the binding language version of the Information Memorandum is the Polish version.

December 10, 2007

DEWEY & LEBOEUF

## IMPORTANT NOTICE

The contents of this Information Memorandum are not to be construed as legal, financial, business or tax advice. Each investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. If in any doubt about the contents of this Information Memorandum, prospective investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

This Information Memorandum has been prepared pursuant to Article 39 Section 1 in conjunction with Article 7 Section 4 item 8 of the Act on Public Offering. According to the cited regulation, an issuer of securities admitted to trading on a foreign regulated market may apply, on the basis of an information memorandum, for admission of its securities to trading on a regulated market operated by the WSE, provided that the conditions set forth in Article 7 Section 4 item 8 of the Act on Public Offering are satisfied. In the case of UniCredit these conditions have been satisfied (relevant information is provided in Chapter 5 “*Statutory provisions which authorize admitting UniCredit Ordinary Shares to trading on WSE on the basis of the Information Memorandum*”).

The Information Memorandum contains information pursuant to detailed requirements regarding the minimum scope of information to be disclosed in the Information Memorandum as provided in § 55 of the Memorandum Ordinance. Moreover, Chapter 13 “*Additional information*” of this Information Memorandum includes the following additional information: additional information on UniCredit’s share capital, performance of shareholders’ rights by Polish shareholders of UniCredit, form and rules governing the trading in UniCredit Ordinary Shares in Poland, payment of dividends and other distributions to Polish UniCredit shareholders, participation of Polish shareholders in UniCredit’s Shareholders’ Meetings, taxation in Poland and Italy, reporting obligations in Poland, Italy and Germany and corporate governance. A Polish translation of the Articles of Associations is attached hereto as well (compare Chapter 16 “*Appendices*”). Moreover, certain additional corporate and financial documents in English relating to UniCredit and the UniCredit Group may be inspected electronically at [www.unicreditgroup.eu](http://www.unicreditgroup.eu).

Any amendments to the Information Memorandum will be notified to the public in the manner presented in Chapter 14 “*Information on the Memorandum*”. In addition, as of the day when UniCredit files an application with the WSE to have the UniCredit Ordinary Shares admitted to trading, UniCredit will be required to satisfy ongoing reporting requirements and disclose certain information to the public in Poland, as required under the relevant regulations (for relevant information see Section 13.4 “*Reporting obligations in Poland*”).

## NOTE ON ESTIMATES AND FORECASTS

This Information Memorandum contains estimates and forecasts related to the business, financial performance, results of operations and the related risk factors of UniCredit Group and to business lines through which it operates or will operate.

These estimates and forecasts concern future events, results and other elements other than historical facts, and can be identified with expressions such as “it is deemed”, “it is forecast”, “it is meant”, “it is projected”, “it is planned”, “it is estimated”, “it is expected”, “it is anticipated”, “we aim to”, “it is foreseen that” and other similar expressions. These statements reflect only the expectations with respect to future events and are therefore subject to risks and uncertainties, including those related to:

- changes in the economic, business or legal conditions in general;
- changes and volatility in the interest rates and stock prices;
- changes in the government policies and regulation;
- changes in the competitive scenario of UniCredit Group;
- the success of acquisitions (particularly of banks and loan portfolios), mergers and strategic alliances realized by UniCredit Group;
- the ability of UniCredit Group to realize cost and revenue synergies and to improve productivity;
- other factors that are treated in detail in Section 8.1 “*Disclaimer – risk factors*”; and
- factors that are currently unknown to UniCredit.

The actual occurrence of one or more risks or the incorrectness of the underlying assumptions elaborated by UniCredit could determine substantially different results with respect to those described in the estimates and forecasts contained in the Information Memorandum. As a consequence, UniCredit Group may not be able to reach the stated strategic/industrial targets. UniCredit does not intend to and will endorse no obligation, such as the updating of consensus estimates and of synergies forecasts and/or of any other information related to the sector or clients contained in the Information Memorandum, except in situations in which such updating is required by the current laws.

## DISCLAIMER

**THIS INFORMATION MEMORANDUM (THE “ANNOUNCEMENT”) DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OF SECURITIES, OR CONSTITUTE A SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR SECURITIES.**

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada or Japan.

This announcement is directed at persons outside the United Kingdom or otherwise only at (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professional” in Articles 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order. Any investment or investment activity to which this communication relates is only available to and will only be engaged in with such persons and persons who receive this communication (other than persons falling within (i) and (ii) above) should not rely or act upon this communication. Accordingly this announcement is exempt from the general restriction set out in Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) and has not been approved by a person who is authorised under FSMA.

This announcement does not constitute an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”), and may not be offered or sold in the United States unless they are registered under the Securities Act or pursuant to an available exemption therefrom.

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## Chapter 1 Information on UniCredit

Corporate name:	UniCredito Italiano S.p.A.
Legal form:	Società per Azioni ( <i>joint stock company</i> )
Registered Office:	via Marco Minghetti 17, 00187 Rome, Italy
Corporate Head Office:	Piazza Cordusio, 20121 Milan, Italy
Telephone No.:	+39 02 88 621
website:	<a href="http://www.unicreditgroup.eu">www.unicreditgroup.eu</a>
email:	<a href="mailto:info@unicreditgroup.eu">info@unicreditgroup.eu</a>
Fiscal code and VAT number and registration number with the Companies Register:	00348170101
Code in the Register of Banking Groups and Parent Companies of the UniCredit Group:	3135.1
Member of the Interbank Fund for Deposit Protection	

## Chapter 2 Information on UniCredit Ordinary Shares

As at the date hereof, the share capital of UniCredit amounts to € 6,682,244,726 and consists of 13,364,489,452 UniCredit Shares, each with a nominal value of € 0.50, including 13,342,782,900 UniCredit Ordinary Shares and 21,706,552 UniCredit Saving Shares.

All of the UniCredit Ordinary Shares are intended to be admitted to trading and listed on the WSE's main market.

Banca di Genova (later renamed Credito Italiano S.p.A.), the Company's legal predecessor, was established in 1870. Since then, numerous issuances of shares, which now constitute UniCredit Shares, have been effected. The most significant issuances of UniCredit Ordinary Shares in recent years include: (i) the issuance of 3,525,544,730 UniCredit Ordinary Shares to the shareholders of HVB and 509,929,948 UniCredit Ordinary Shares to the shareholders of BA-CA in the course of HVB's takeover effected on the basis of the resolution of UniCredit's Shareholders' Meeting of July 29, 2005; and (ii) the issuance of 2,917,730,188 UniCredit Ordinary Shares to the shareholders of Capitalia in the course of Capitalia's takeover effected on the basis of the resolution of UniCredit's Shareholders' Meeting of July 30, 2007.

For additional information concerning UniCredit's share capital see Section 13.1 "*Additional information on UniCredit's share capital*".

## Chapter 3 Legal basis for applying for admission of UniCredit Ordinary Shares to trading on WSE

Under Italian law and the Articles of Association, the Board of Directors is the appropriate authority to make any and all decisions relating to the listing of UniCredit shares on the WSE. On June 12, 2005, the Board of Directors adopted resolution No. CDA 12/6/2005, stating the Board of Directors' approval to the taking of any actions that are necessary to have UniCredit shares listed on the WSE. The resolution also constitutes the basis for UniCredit to enter into an agreement with the NDS on the registration of the UniCredit Ordinary Shares in the deposit operated by the NDS.

## Chapter 4 Summary of rights and obligations attached to UniCredit Ordinary Shares and UniCredit Saving Shares

Pursuant to the requirements set forth in the Memorandum Ordinance, this Chapter of the Information Memorandum includes only a summary of the rights and obligations attaching to the Shares, the additional performances for the benefit of the Company that the buyer is supposed to make, and also the buyer's or seller's

obligation to obtain the requisite permits or make the requisite notifications, envisaged by the Articles of Association or the provisions of the law. In order to obtain a more detailed information on the foregoing requirements please refer to the documents published by UniCredit in the past and available at: [www.unicreditgroup.eu](http://www.unicreditgroup.eu), including in particular the documents specified in Section 13.7 “*UniCredit corporate documents available to investors*” and Chapter 15 “*UniCredit prospectuses and financial information available to investors*”.

Similarly, Sections 4.9 “*Certain applicable Polish laws and regulations*” and 4.10 “*Concentration regulations of the European Union*” of this Chapter provides only a concise summary of certain respectively Polish and European Union regulations that UniCredit deems applicable in the context of this Chapter. However, in any case, the contents of this Chapter are not to be construed as legal advice and each investor should consult his, her or its own legal adviser.

## 4.1 UniCredit Shares

### 4.1.1 Shareholders’ Meeting

The UniCredit Ordinary Shares entitle their holders to participate in Ordinary and Extraordinary Shareholders’ Meetings and to discuss matters on the agenda. Holders of UniCredit Saving Shares are not entitled by law to participate in Ordinary or Extraordinary Shareholders’ Meetings.

The Italian regulations require certain quorums necessary to hold the valid Shareholders’ Meeting (quorum costitutivi) and to validly pass resolutions (quorum deliberativi). In the event that the legally necessary quorum to hold the Shareholders’ Meeting is not achieved at the respective Shareholders’ Meeting (at the first call) a further Shareholders’ Meeting may be convened (second, third and subsequent call). Provisions of Italian law provide that quorum requirement for valid Shareholders’ Meeting and to validly pass resolutions is reduced upon the second, third and possible subsequent calls. The notice of a Shareholders’ Meeting indicates the place, date, time of the Shareholders’ Meeting and the relevant agenda. It may also indicate the date, time and place of possible Shareholders’ Meeting in second, third and subsequent call, should the required quorum be not gathered at the first or subsequent calls. The above provisions of law allow the avoidance at multiple re-convening of the Shareholders’ Meeting in case that relevant quorum is not reached at the first call. It should be noted that there are various quorums required for Ordinary and Extraordinary Shareholders’ Meetings.

The following table summarizes the quorum costitutivi (the quorum required to hold a valid meeting) and quorum deliberativi (the quorum required to validly pass resolutions) for Shareholders’ Meetings of listed companies as provided by law.

**Table:** Quorums for Shareholders’ Meetings

Quorum costitutivi (QC) and quorum deliberativi (QD) for Shareholders’ Meeting			
		Ordinary Shareholders’ Meeting	Extraordinary Shareholders’ Meeting
<b>First call</b>	QC <sup>1</sup>	Half of share capital	Half of share capital*
	QD <sup>2</sup>	More than half of share capital present at meeting*	At least two-thirds of share capital present at meeting
<b>Second call</b>	QC	Any amount of share capital	More than one-third of share capital
	QD	More than half of share capital present at meeting*	At least two-thirds of share capital present at meeting*
<b>Third call and subsequent calls</b>	QC	Any amount of share capital*	At least one-fifth of share capital*
	QD	More than half of share capital present at meeting*	At least two-thirds of share capital present at meeting*

\* Or the higher percentage set forth in the articles of association (except for second and subsequent calls, the approval by the Ordinary Shareholders’ Meeting of financial statements and of appointment and removal of members of the board of directors).

<sup>1</sup> Share capital here means voting share capital, i.e., to the exclusion of shares which have no voting rights. Unless otherwise provided by law, shares for which voting rights cannot be exercised (e.g. treasury shares) must be included in the share capital for these purposes.

<sup>2</sup> Shares for which voting rights cannot be exercised (e.g. treasury shares) and shares for which the voting rights have not been exercised because the relevant shareholders have abstained for reasons of conflict are ignored for these purposes.

The Articles of Association do not provide for any requirements regarding the quorum costitutivi and quorum deliberativi required for Shareholders’ Meetings that would be more stringent than those set forth by law.

#### **4.1.2 Voting rights**

The UniCredit Ordinary Shares entitle holders thereof to vote at the Shareholders' Meetings.

The UniCredit Ordinary Shares are subject to the voting restrictions set forth in Clause 5 paragraph 14 of the Articles of Association, pursuant to which no shareholder may vote, for any reason whatsoever, for a number of UniCredit Shares exceeding 5% of the share capital, held by such shareholder, bearing voting rights.

The calculation of the 5% holding takes into account all shares held by a shareholder of UniCredit (whether a private individual, legal entity or company), including all shares held by all direct and indirect subsidiaries and affiliates.

The determination of whether shares are held by direct and indirect subsidiaries and affiliates of such shareholder takes into account the stake held by such shareholder, shares held by companies controlled by such shareholder, shares held through fiduciaries and shares whose voting rights are assigned, for any purpose or reason, to a party other than their owner. However, shares held by third parties whose voting rights have been assigned to such shareholder are not taken into account. In addition, Clause 5 paragraph 14 of the Articles of Association provides that this determination does not take into account shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates.

The calculation of quorum necessary for the meeting to be properly convened takes into account shares whose voting rights may not be exercised at such meetings. For relevant information also see Section 4.1.1 "Shareholders' Meeting".

See Section 13.2.3 "Participation of Polish shareholders in UniCredit Shareholders' Meetings" for information concerning the participation of Polish shareholders in UniCredit Shareholders' Meetings.

#### **4.1.3 Dividend rights**

Holders of UniCredit Shares are entitled to receive (i) dividends which are paid after the approval of the Company's unconsolidated annual financial statements by the Shareholders' Meeting (usually in the second half of May) and (ii) advance payments on dividends, if, in accordance with applicable law, the Shareholders' Meeting has passed a relevant resolution. Such payments are made on fixed dates in compliance with a calendar approved by the Italian Stock Exchange. In Italy, holders of UniCredit Shares receive their dividend payments and/or their advance payments through the respective shareholder's custodian bank(s). The holders of UniCredit Saving Shares are entitled to preferential dividend distribution that reduce the amount of profits available for distribution to holders of UniCredit Ordinary Shares.

Pursuant to the Italian Civil Code, the Company must allocate to a mandatory reserve at least 5% of the annual net profits. The minimum amount of such reserve must equal at least 20% of the Company's share capital. Clause 38 paragraph 1 of the Articles of Association provide for net profits, if any, resulting from the financial statements to be allocated as follows:

- (i) The Company must allocate at least 10% of the annual net profits (i.e., 5% more than the requirement under the Italian Civil Code) to the mandatory reserve. Once the 20% minimum reserve amount described above is reached, any remaining profit is distributed in compliance with the rules governing preferred dividends on UniCredit Saving Shares, as set forth under paragraph (ii) below;
- (ii) Holders of UniCredit Saving Shares are entitled to a preferred dividend of up to 5% of the nominal value of such shares. If, for a single financial year, less than 5% of the nominal value of the UniCredit Saving Shares is distributed, the difference is added to preferred dividends, if any, distributed over the following two years. Any remaining net profits following allocation of the preferred dividend on the UniCredit Saving Shares will be distributed to holders of all shares (including holders of UniCredit Saving Shares), so that UniCredit Saving Shares are assigned an aggregate dividend greater than the dividend assigned to UniCredit Ordinary Shares, equal to the 3% of the nominal value of each share.
- (iii) Notwithstanding paragraph (ii) above, dividends to be allocated to UniCredit Ordinary Shares may not exceed 5% of such shares' nominal value.
- (iv) If, following allocation of net profits as set forth above, any net profits remain, the Shareholders' Meeting may pass a resolution approving the distribution of such net profits. In this case, net profits will be distributed to all holders of shares of the Company.

- (v) With respect to any net profits not distributed as set forth above, the Board of Directors may make a proposal to the Ordinary Shareholders' Meeting to pass a resolution regarding allocation of such net profits.

The Board of Directors may propose to the Ordinary Shareholders' Meeting that it passes a resolution regarding the creation and incremental increase of extraordinary and special reserves to be created using any net profits, also prior to distribution of dividends as set forth in paragraphs (iii), (iv) and (v) above. The Board of Directors may propose to the Ordinary Shareholders' Meeting that it passes a resolution to allocate an amount of no more than 1% of the annual net profit (and in any event no more than € 10 million) following the allocation to the mandatory reserve as set forth in paragraph (i) above, and prior to any other distributions of net profits, to social, welfare and/or cultural causes. The Board of Directors has discretion with respect to the distribution of funds from such amount for donations to such causes.

The Italian Civil Code requires that dividends not collected by shareholders within a period of five years following the first day on which such dividends are payable, be transferred automatically to the Company.

See Section 13.2.2 "*Payment of dividends and other distributions to Polish UniCredit shareholders*" for information concerning a dividend payment to UniCredit Polish shareholders.

#### **4.1.4 Rights to share in any surplus capital in the event of liquidation**

Clause 5 paragraph 15 of the Articles of Association provides that, in the case of a capital reduction due to losses, the nominal value of UniCredit Saving Shares shall be reduced to the extent that losses exceed the overall nominal value of other shares. If the Company is wound up, holders of UniCredit Saving Shares shall have pre-emptive rights, in respect of the redemption of capital, for the full nominal value of the shares held. Clause 5 paragraph 15 of the Articles of Association also provides that, in the case of a distribution of reserves, holders of UniCredit Saving Shares enjoy the same rights as the remaining shareholders, including distributions of reserves in the same amount as other shareholders.

#### **4.2 Other rights relating to UniCredit Ordinary Shares**

UniCredit Ordinary Shares carry dividend rights and certain other rights as set forth under Section 4.1.3 "*Dividend rights*", as well as rights to share in any surplus capital in the event of liquidation as set forth under Section 4.1.4 "*Rights to share in any surplus capital in the event of liquidation*". UniCredit Ordinary Shares do not grant holders any rights to share in the Company's profits other than the rights mentioned above.

#### **4.3 Pre-emptive rights in offerings of securities of the same class**

Each shareholder of the Company has the right to subscribe to new shares issued by the Company as part of a capital increase, proportionally to such shareholder's current shareholding.

Under Italian law, pre-emptive rights generally may be excluded only if the interest of the relevant company so requires and if the capital increase is approved by a qualified majority representing more than 50% of the company's share capital. Moreover, pre-emptive rights may be excluded in connection with a contribution in kind. Articles of association of listed companies may contain a specific provision pursuant to which pre-emptive rights may be excluded for up to 10% of the company's issued share capital, provided that the offer price is equal to the market value of the shares and is confirmed by a report issued by the relevant company's board of statutory auditors. At present, the Articles of Association do not contain such a provision.

The Consolidated Financial Act provides that, if pre-emptive rights have been excluded or limited in a capital increase, the fairness of the issue price of the shares shall be determined by the relevant company's external auditors. Proposals for capital increases shall be sent to the relevant company's external auditors together with the directors' report at least 45 days before the day set for the first call of the Extraordinary Shareholders' Meeting that must approve the capital increases. The relevant company's external auditors then must issue their opinion within 30 days of receipt of the proposal.

The directors' report mentioned above and the opinion of the relevant company's external auditors must be held available at the registered office of such company during the 15 days preceding the Extraordinary Shareholders' Meeting and until such meeting has passed the resolution. Such documents must remain publicly available for inspection.

If pre-emptive rights have not been excluded, the procedure for the exercise of pre-emptive rights is as follows. All shareholders and market operators must be informed of the capital increase by means of a press release. After the adoption of the resolution to increase the share capital, but before the issuance of new shares, the relevant company must (i) file a notice with the relevant Companies Register informing shareholders of their



entitlement to exercise their pre-emptive rights and (ii) publish a notice in accordance with applicable law. Such notice must specify the subscription period to be agreed upon with the Italian Stock Exchange and communicated to CONSOB. In addition, the relevant company must publish a prospectus prepared in accordance with applicable law prior to the commencement of the subscription period. The subscription period must last for a minimum of 15 days. To the extent that the relevant company's shares are listed on a regulated market, pre-emptive rights that have not been exercised by the relevant shareholders within the subscription period are to be offered by the company to third parties on the Italian Stock Exchange for a period of at least five trading days (i.e., days on which the Italian Stock Exchange is open for trading).

#### **4.4 Redemption provisions**

The Italian Civil Code sets forth the redemption provisions applicable to the Shares upon the relevant shareholder's exercise of its withdrawal rights.

Each shareholder may, by law, exercise its withdrawal right for either the whole or a part of its shareholding if such shareholder has not voted in favor of resolutions on any the following items:

- (i) an amendment to the Company's purpose significantly changing the Company's activity;
- (ii) a change to the Company's form;
- (iii) relocation of the Company's registered office outside Italy;
- (iv) revocation of a winding up process;
- (v) removal from the Articles of Association of rights of withdrawal provided by the Articles of Association or by law;
- (vi) amendment of share valuation criteria used in connection with withdrawal as set forth in the Articles of Association; and
- (vii) amendments of the Articles of Association relating to voting or participation rights.

Moreover, Clause 39 of UniCredit's Articles of Association sets forth that shareholders who have not voted for extension of the Company's term of duration, or for the introduction or removal of share transfer restrictions, may not withdraw from the Company.

With respect to listed companies, if a resolution is proposed to the Shareholders' Meeting to exclude such a company from listing each shareholder of such company may withdraw if such shareholder has not voted for the exclusion from listing.

The Italian Civil Code provides that each shareholder of a company (a "directed company") that is subject to the "activity of direction and coordination" by another entity (a "directing entity") is entitled to withdraw from the directed company in any of the following events:

- (i) in the event that the directing entity has passed a resolution regarding either (a) a transformation that causes a change of the directing entity's corporate purpose or (b) an amendment to its corporate purposes which permits activities that materially and directly alter the economic and financial condition of the directed company;
- (ii) in the event an enforceable judgment is issued against the directing entity, recognizing the relevant claim of such shareholder; and
- (iii) at commencement or termination of "activity of direction and coordination", if (a) the directed company is not a joint stock company (S.p.A.) listed on a regulated market and (b) the fact that the directed company is not a joint stock company (S.p.A.) listed on a regulated market may result into an alteration of the level of investment risk, and (c) no public tender offer has been launched.

#### **4.5 Conversion provisions**

Clause 6 paragraph 17 of the Articles of Association provides that the Extraordinary Shareholders' Meeting may grant holders of UniCredit Saving Shares the opportunity to convert their shares into ordinary shares, pursuant to certain terms and conditions. Furthermore, Clause 5 paragraph 16 of the Articles of Association provides that in the event that UniCredit Ordinary Shares or UniCredit Saving Shares are barred from trading, a holder of UniCredit Saving Shares may request that its shares be converted into ordinary shares. Such conversion shall occur on the terms set forth in a resolution passed by an Extraordinary Shareholders' Meeting convened within two months of the shares being barred from trading.

#### **4.6 Transferability**

As a rule, UniCredit Shares are freely transferable. In Italy, the UniCredit Shares are deposited in book-entry form at Monte Titoli. Regardless of where the Shares are traded, any transfer of such Shares must be effected as a stock exchange transaction or by means of financial intermediation.

For relevant information on the basic terms of trading in UniCredit Ordinary Shares in Poland, see Section 13.2.1 “*The form and rules governing the trading in UniCredit Ordinary Shares in Poland*”.

#### **4.7 Mandatory takeover bids and/or squeeze-out rules in relation to Shares under Italian regulations**

With regard to mandatory takeover bids, the Consolidated Financial Act provides that any person who, following an acquisition for consideration other than in the context of a general offer for all the shares or an Offerta Preventiva (i.e., when an offer is made for less than 100% (but not less than 60%) of the shares giving the right to appoint, or remove, the management body of the company provided that certain requirements are met), holds (taken together with its concert parties) more than 30% of a company’s shares giving the right to appoint, or remove, the management body of the company, must make an offer (a mandatory bid) for all the shares of such company with the right to appoint, or remove, the management body. The offer must be launched within 30 days at a price not less than (i) the arithmetic mean of the average daily market price of the shares over the previous 12 months and (ii) the highest price paid by the bidder for any of those shares in the same period.

Acquisitions of companies whose principal asset or assets are listed shares (according to detailed parameters described in the CONSOB regulations) will also count towards the 30% threshold.

A person must also make a mandatory bid if such person (together with concert parties) holds, directly or indirectly, at least 30% but not more than 50% of the shares giving the right to appoint, or remove, the management body of the relevant company, and such person acquires or exercises a right to acquire more than an additional 3% of such target’s shares in any 12 month period.

These obligations are subject to the following exceptions: (i) the threshold is exceeded, but one or more other shareholders acting in conjunction with each other already have control of the company; (ii) the threshold is exceeded by virtue of the underwriting of an increase in capital of a listed company in financial difficulties as part of a debt restructuring plan which has been notified to CONSOB and the stock exchange; (iii) the threshold is exceeded by means of a transfer of the shares between companies under common control or from one company to its controlling shareholder; (iv) the threshold is exceeded as a result of the exercise of an option or conversion right or an underwriting; (v) the 30% threshold is exceeded by no more than 3%, and the purchaser undertakes to sell the shares exceeding the threshold within 12 months and to refrain from voting such shares in the interim; or (vi) the threshold is exceeded as a result of a merger or de-merger which is part of an industrial reorganization or rationalization provided that the merger, or de-merger, is approved by the Shareholders’ Meeting of the company whose shares would otherwise have been the subject of the mandatory offer.

A mandatory bid is also required if, in the 12 months following the close of an Offerta Preventiva (see above), the bidder or any concert party buys or contracts to buy more than 1% of the shares giving the right to appoint, or remove, the management body of a company, or the Shareholders’ Meeting of the target approves a merger or de-merger.

A residual bid is also mandatory if a person holds more than 90% of a company’s shares giving the right to appoint, or remove, the management body of such company unless within 120 days a free float sufficient to ensure regular trading has been restored. Such a bid must be in cash at a price determined by CONSOB.

With respect to squeeze out rules, the Consolidated Financial Act provides that any person who, following a general offer for all the voting shares, acquires more than 98% of such shares, has the right to purchase the remaining shares within four months of the closing date of the offer. This is provided in case the bidder has reserved the right to do so in its original offer document. The price must be determined by an expert appointed by the court, taking into account the offer price and the market price within the last six months. In such circumstances, any non-accepting shareholders have no right to object, and their shares will be automatically transferred to the bidder as soon as it notifies the target that the purchase price for the shares has been deposited in a bank. The relevant company is then obliged to enter the name of the bidder in its stock ledger.

#### **4.8 Form of UniCredit Shares**

Like all financial instruments traded on regulated Italian markets, the UniCredit Shares are traded on a dematerialized basis. The UniCredit Shares are deposited in book-entry form at Monte Titoli. Holders of UniCredit Shares do not have any right to receive share certificates.

For relevant information on the basic terms of trading in UniCredit Ordinary Shares in Poland, see Section 13.2.1 “*The form and rules governing the trading in UniCredit Ordinary Shares in Poland*”.

## **4.9 Certain applicable Polish laws and regulations**

### **4.9.1 General remarks**

UniCredit is incorporated under the laws of Italy and is therefore subject to the provisions of Italian law. As a consequence, all corporate matters (relating, among others, to the company’s legal status, shareholders’ rights and obligations) pertaining to UniCredit are generally governed by the laws of Italy (the principle of *lex societatis*). However, the UniCredit Shares will be listed on the WSE and therefore, certain Polish laws and regulations will be applicable to some of these matters. Investors should be aware that, in connection with certain Polish regulations, in particular those on the trading of securities admitted to trading on a regulated market in Poland, and international private law regulations, controversies may arise regarding the extent of the possible application of Polish legal regulations to the Company and its shareholders in respect of exercising rights and performing obligations under Polish law. Because the Act on Public Offering contains regulations of an administrative as well as a corporate nature, only some of these provisions will apply to the Company’s shareholders, and, at the same time, a case by case assessment will be required to determine the possible consequences of the respective regulations on UniCredit and its shareholders. The interaction of Italian and Polish legal considerations relating to the Company and its shareholders may be complex and in many instances an unambiguous answer regarding the manner and the scope of such interaction may not be available. Accordingly, potential investors are urged to consult their own legal advisors before making an investment decision in respect of UniCredit Ordinary Shares.

The following description of selected Polish laws, and the rights and obligations of stockholders arising therefrom is a concise summary of the material provisions of these matters and does not purport to be a complete statement of the rights and obligations under Polish law.

### **4.9.2 Rights and obligations attached to shares as provided in the Act on Public Offering**

Trading in public company’s shares in Poland is subject, in particular, to the regulations contained in the Act on Public Offering, Act on Trading in Financial Instruments, and secondary regulations issued thereunder. This Section presents a general overview of these regulations. The main obligations related to the holding and acquisition of large blocks of shares in a public company, as defined in the Act on Public Offering (i.e. a company in which at least one share is registered with the NDS), are described below. Investors are urged to seek legal advice prior to acquiring any significant block of shares or entering into any agreement with other stockholders with respect to exercising voting rights vested by such shares.

### **4.9.3 Mandatory disclosure of changes in ownership of shares in a public company**

Pursuant to the Act on Public Offering, an entity that (i) has achieved or exceeded 5%, 10%, 20%, 25%, 33%, 50% or 75% of the total votes in a public company, or (ii) held at least 5%, 10%, 20%, 25%, 33%, 50% or 75% of the total votes in a public company, and as a result of a reduction of its equity interest, has achieved 5%, 10%, 20%, 25%, 33%, 50% or 75% or less of the total votes, respectively, should notify the FSC and the public company of such fact. The requirement to notify the FSC and the public company also arises if the number of votes held in a public company changes by a certain percentage of the total votes. The Act on Public Offering sets forth detailed requirements related to the notifications mentioned above including the contents and deadlines for such notifications.

### **4.9.4 Obligation to acquire shares in a public company by way of public tender offer for the sale or exchange of shares under the Act on Public Offering**

#### **(a) Tender pursuant to Article 72 of the Act on Public Offering**

An acquisition of shares in a public company in a number that would result in increasing the share in the aggregate number of votes by more than: (i) 10% of the total number of votes within less than 60 days by an entity whose share in the total number of votes is lower than 33%; (ii) 5% of the total number of votes within less than 12 months by a shareholder whose share in the total number of votes is at least 33%, may generally be effected only as a result of a tender for the sale or exchange of shares in a public company.

(b) Tender based on Article 73 of the Act on Public Offering

Pursuant to Article 73 of the Act on Public Offering, as a general rule, an investor may exceed the threshold of 33% of total votes in a public company only as a result of a tender offer to sell or exchange shares in such company, in a number which ensures the achievement of 66% of the total vote in the company, unless the 33% threshold is to be exceeded as a result of a tender offer for the sale or exchange of all remaining shares in the public company (other than those already held by the investor) announced pursuant to Article 74 of the Act on Public Offering.

(c) Tender pursuant to Article 74 of the Act on Public Offering

As a general rule, the threshold of 66% of total votes in a public company may be exceeded only as a result of a tender offer to sell or exchange all the remaining shares in the company (other than those already held by the investor).

(d) Additional regulations regarding tender offers to sell or exchange shares in a public company under Articles 72-74 of the Act on Public Offering

Provisions of Articles 73 and 74 of the Act on Public Offering separately regulate certain cases of achieving the thresholds of the overall number of votes in a public company, provided by these provisions. The regulation refers specifically to the acquisition of a public company's shares in a public offerings or by making a non-cash contribution - in a form of shares in a public company - to the company, the merger or de-merger of a company. In such a cases, the entity that exceeds a certain threshold of the overall number of votes is generally obliged to dispose of shares within the prescribed time to achieve the required threshold or to announce a tender offer to sell or exchange the relevant number of shares. Similarly pursuant to Article 72 of the Act on Public Offering the shareholder that: increases the shares in the general number of votes, as a result of a legal event other than legal transaction above certain thresholds, is obliged to dispose the relevant number of shares within the relevant period of time.

Moreover, the Act on Public Offering and the related secondary legislation stipulate a number of detailed provisions on announcing the tender. These requirements relate, in particular to: (i) collateral to be created by the tenderer; (ii) the rules for determining the price of shares under the tender; (iii) cases where a tender offer may be abandoned; (iv) dates when the subscription period commences and closes; and (v) exemptions from the obligation to announce a tender offer.

#### ***4.9.5 Regulations dealing with squeeze-out and sell-out contained in the Act on Public Offering***

Pursuant to Article 82 of the Act on Public Offering, a stockholder in a public company that (on its own or together with its subsidiaries or parent or other entities that are the other parties to an agreement with that stockholder referred to in Article 87 Section 1, item 5 of that Act), reaches or exceeds 90% of the overall number of votes in such public company, may demand that the remaining stockholders sell all their shares to such stockholder (squeeze-out). Shares are purchased by the shareholder demanding a squeeze-out, without the consent of the stockholders to which the demand to sell is addressed.

Pursuant to Article 83 of the Act on Public Offering, a stockholder in a public company may demand that another stockholder, which has reached or exceeded 90% of the total number of votes (on its own or together with other entities as indicated by the said Act), purchase from it the shares it holds in such company (sell-out).

In both of the above cases, the squeeze-out and the sell-out price is required to be determined according to detailed rules stipulated in the Act on Public Offering.

#### ***4.9.6 Rights and obligations of a public company's stockholders under Antimonopoly Act***

Pursuant to the key provision of Article 13 of the Antimonopoly Act, an intention to concentrate undertakings should be notified to the President of the AMO if the aggregate global turnover of the participating undertakings in the fiscal year preceding the year of notification exceeded the equivalent in PLN of € 1 billion or if the combined turnover of the participating undertakings in the fiscal year preceding the year of notification in Poland exceeded the equivalent in PLN of € 50 million. The AMO President shall consent to a concentration that does not materially limit competition on the market, especially through the establishment or consolidation of a dominant market position.

This notification applies to, among others, an intention to purchasing or acquiring shares or other securities if it aims at taking over direct or indirect control of one or more undertakings by one or more undertakings. Within the meaning of the Antimonopoly Act, the taking over of control shall denote the obtainment of any form of direct or indirect rights which, individually or collectively, taking into account all legal and factual

circumstances, make it possible to exert a decisive influence on a certain undertaking/s. The Antimonopoly Act lists, however, specific instances where despite fulfilling the premises indicated above the notification is not required depending on: (i) the amount of the turnover in Poland of the undertaking to be taken over or (ii) the nature of the transaction resulting in the concentration of undertakings.

Pursuant to Article 97 of Antimonopoly Act, undertakings whose contemplated concentration is subject to notification, are obliged to refrain from effecting the concentration pending the issuance of a decision consenting to the concentration by the AMO President, or the expiry of the deadline by which such decision should be issued.

Please note however that due to the global scale of UniCredit's activities and the amount of its turnover, in practice almost every acquisition of UniCredit Ordinary Shares resulting in the concentration of undertakings may have a Community dimension and as such may directly fall in the scope of the relevant European Union regulations discussed below.

#### **4.10 Concentration regulations of the European Union**

A concentration with the participation of undertakings operating in Poland may be directly subject to European Union laws. In particular it may be subject to the provisions of the Concentration Regulation that applies to the concentrations that have a Community dimension. A concentration is deemed to have a Community dimension if: (i) the combined aggregate worldwide turnover of all the undertakings concerned is more than € 5,000 million; and (ii) the aggregate Community-wide turnover of each of at least two of the undertakings concerned is more than € 250 million, unless each of the undertakings concerned achieves more than two-thirds of its aggregate Community-wide turnover within one and the same member state.

A concentration that does not satisfy the above criteria may still be deemed to have a Community dimension if: (i) the aggregate global turnover of all participating undertakings exceeds € 2,500 million; (ii) the aggregate turnover of all the participating undertakings exceeds € 100 million in each of at least three member states; (iii) in each of at least three member states of the European Communities specified for the purposes indicated in item (ii) above, the aggregate turnover of each of at least two of the participating undertakings exceeds € 25 million; and (iv) the total turnover in the European Community of each of at least two of the participating entities exceeds € 100 million, unless each of the participating undertakings generates more than two-thirds of its aggregate intra-Community turnover in one and the same member state.

According to Article 3 of the Concentration Regulation, a concentration is deemed to appear where a permanent change of control occurs because: (i) two or more previously independent undertakings or parts thereof merge; or (ii) one or more persons already controlling at least one undertaking, or one or more undertakings, acquire, whether by purchase of securities or assets or by contract or by any other means, direct or indirect control of the whole or parts of one or more other undertakings.

Concentrations with a Community dimension should be notified to the European Commission before they are implemented although after the conclusion of the agreement, or the announcement of the public bid, or the acquisition of a controlling interest. As a general rule, if the European Commission concludes that the concentration notified does not significantly impede competition on the common market or a substantial part of it as a result of creating or reinforcing an incumbent entity, it will deem the concentration compatible with the common market.

Concentrations which fall within the scope of the Concentration Regulation may not be assessed pursuant to any national antimonopoly laws. The Concentration Regulation itself, however, provides for a system of case referrals between the European Commission and the national antimonopoly authorities, and, in certain limited cases, even permits a national antimonopoly authority to take over, for consideration, a concentration notification of a community dimension.

## **Chapter 5 Statutory provisions which authorize admitting UniCredit Ordinary Shares to trading on WSE on the basis of the Information Memorandum**

This Information Memorandum has been prepared pursuant to Article 39 Section 1 in conjunction with Article 7 Section 4 item 8 of the Act on Public Offering. These regulations implement the provisions of Article 4 of the Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (O. J. L 345/64) ("Directive 2003/71/WE"). According to Article 7 Section 4 item 8 Act on Public Offering, an issuer of securities admitted to trading on a foreign regulated market may apply, on the basis of an information memorandum, for admission of its securities to trading on a regulated market operated by the WSE, provided

that the following conditions are satisfied: (i) such securities or other securities of the same kind of that issuer have been admitted to trading for at least 18 months on that other regulated market, and (ii) such securities or other securities of the same kind of that issuer were for the first time admitted to trading on that other regulated market after December 31, 2003, which followed the approval and publications of the issue prospectus upon principles confirming to the provisions of Chapter 2, Part I of the Act on Public Offering, and (iii) the information document published in connection with the admission which took place after July 1, 1983 by December 31, 2003 was drawn up and approved in accordance with provisions of European Union law applicable in that period and (iv) the issuer exercises its duties related to the admission of securities to trading on that other regulated market.

The requirements stipulated in Article 7 Section 4 item 8 of the Act on Public Offering have been satisfied with respect to UniCredit Ordinary Shares and to UniCredit. In particular, all 10,368,848,154 ordinary shares of UniCredit in issue at that time have been admitted to trading on the Frankfurt Stock Exchange (on the Official Market - *Amtlicher Markt*) on the basis of the prospectus approved by CONSOB on August 4, 2005 with the authorization number 5055662 prepared in accordance with Commission Regulation No. 809. As at the date of this Information Memorandum, some of the UniCredit Ordinary Shares are not admitted to trading on the Frankfurt Stock Exchange (the new issues of shares of 2006 and 2007 have not been admitted to trading on this bourse yet). It is the intention of UniCredit to apply shortly for the admission of the remaining UniCredit ordinary shares to trading on the Frankfurt Stock Exchange, so that all the UniCredit Ordinary Shares be admitted to trading and listed on that bourse.

Furthermore, the UniCredit Ordinary Shares have been traded on the regulated market of the Italian Stock Exchange (and respectively legal predecessors of that Exchange) since 1970. UniCredit ordinary shares issued in connection with the acquisition of Capitalia have been admitted to trading on the Italian Stock Exchange, based on the Information Document prepared by UniCredit and Capitalia and published on July 17, 2007, pursuant to Article 70 Section 4 of the Rules for Issuers, CONSOB's Regulation No. 11971/99 of May 14, 1999, as amended, which complies with the provisions of Directive 2003/71/WE. UniCredit fulfills the obligations imposed on it in relation to the admission to trading on the above regulated markets in Italy and Germany.

## **Chapter 6      Persons managing the Company, its advisors and auditors**

### **6.1      Corporate bodies**

UniCredit operates through a traditional administration system (ordinary system), based on two bodies appointed by the Shareholders' Meeting that is Board of Directors (*Consiglio d'Amministrazione*) and Board of Statutory Auditors (*Collegio Sindacale*). Please be aware that the due to the fact that UniCredit is an Italian company, its administration system is significantly different from that of a typical Polish joint stock company.

The Board of Directors of the Company is responsible for the ordinary and extraordinary management of UniCredit and the UniCredit Group. The Board of Directors may delegate its powers to one or more managers and appoint and determine the scope and powers of an executive committee.

The Board of Statutory Auditors monitors the management of the Company and its compliance with laws, regulations and Articles of Association, and assesses and monitors the adequacy of the Company's organization, internal controls, administrative and accounting systems and its disclosure procedures. The Board of Statutory Auditors must report any irregularities to CONSOB, Banca d'Italia and the Shareholders' Meeting called to approve the Company's financial statements.

#### **6.1.1      Board of Directors**

At the date of preparation of the Information Memorandum, the Board of Directors of UniCredit is composed of 23 members, appointed until the Shareholders' Meeting called to approve the 2008 financial statements.

Dieter Rampl	Chairman
Gianfranco Guty	Stand-in Chairman
Franco Bellei	Vice Chairman
Berardino Libonati *	Vice Chairman
Fabrizio Palenzona	Vice Chairman
Anthony Wyand	Vice Chairman

Alessandro Profumo	Chief Executive Officer
Manfred Bischoff	Director
Vincenzo Calandra Buonauro	Director
Enrico Tommaso Cucchiani **	Director
Donato Fontanesi *	Director
Francesco Giacomini	Director
Piero Gnudi	Director
Friedrich Kadroska	Director
Max Dietrich Kley	Director
Salvatore Ligresti *	Director
Salvatore Mancuso *	Director
Luigi Maramotti	Director
Antonio Maria Marocco	Director
Carlo Pesenti	Director
Hans Jürgen Schinzler	Director
Nikolaus Von Bomhard	Director
Franz Zwickl ***	Director
Lorenzo Lampiano	Company Secretary****

\* Directors co-opted in substitution of Messrs. Bertazzoni, Doppelfeld, Garino and Vaccarino

\*\* Director co-opted in substitution of Mr. Paolo Vagnone

\*\*\* Director co-opted in substitution of Mr. Dieter Münich

\*\*\*\* Not a member of the Board of Directors

In accordance with Section 3 of the Corporate Governance Code, an adequate number of non-executive directors (i.e. the directors who are not granted with individual management powers and do not play a specific role in the definition of the business strategy) have to be independent, in the sense that they:

*“do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgment.”*

The directors’ independence has to be periodically assessed by the Board of Directors. The results of the assessments of the Board have to be communicated to the market.

The Board of Directors evaluates, after the appointment of a director who qualifies himself/herself as independent, and subsequently at least once a year, on the basis of the information provided by the same director or, however available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgment of such director.

The Board of Directors gives notice of the result of its evaluations, on the occasion of the appointment, through a press release to the market and, subsequently, within the report on corporate governance, specifying, with adequate reasons, whether any criteria have been adopted other than those indicated in the criteria set forth in Section 3 of the Corporate Governance Code.

The Board of Statutory Auditors shall ascertain, within the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the Board for evaluating the independence of its members. The result of such controls is notified to the market in the report on corporate governance or in the report of the Board of Statutory Auditors to the Shareholders’ Meeting.

On the basis of the information provided by each director, the UniCredit Board of Directors on March 21, 2007 communicated, pursuant to Section 3 of the Corporate Governance Code that:

- Mr. Gianfranco Gutty, Mr. Anthony Wyand, Mr. Manfred Bischoff, Mr. Vincenzo Calandra Buonauro, Mr. Francesco Giacomini, Mr. Piero Gnudi, Mr. Friedrich Kadroska, Mr. Max Dietrich Kley, Mr. Luigi Maramotti, Mr. Carlo Pesenti, Mr. Hans Jürgen Schinzler are “independent” directors;

- Mr. Dieter Rampl, Mr. Franco Bellei, Mr. Fabrizio Palenzona, Mr. Alessandro Profumo, Mr. Nikolaus von Bomhard are “non-independent” directors.

Afterwards, on the basis of the information provided by the relevant Board Members the Board of Directors assessed – pursuant to Section 3 of the Corporate Governance Code – that the following persons are further:

- “Independent” directors: Mr. Antonio Maria Marocco (appointed by the Shareholders’ Meeting held on May 10, 2007), Mr. Berardino Libonati, Mr. Donato Fontanesi, Mr. Salvatore Ligresti, Mr. Salvatore Mancuso (co-opted on August 3, 2007) and Mr. Franz Zwickl (co-opted on September 18, 2007).
- “Non-Independent” director: Mr. Enrico Tommaso Cucchiani (co-opted on September 18, 2007).

All the Board Members mentioned here-above are independent pursuant to Section 148, paragraph 3, of the Consolidated Financial Act.

Moreover, all the members of the UniCredit Board of Directors meet the experience and integrity requirements provided for by the current legal and regulatory provisions.

There are no employment agreements in place entered into either by the members of the Board of Directors or the Board of Statutory Auditors with UniCredit or its subsidiaries which provide for any termination indemnity.

### **6.1.2 Board of Statutory Auditors**

At the date of preparation of the Information Memorandum, the members of the Board of Statutory Auditors appointed until the approval of the 2009 financial statements are:

Giorgio Loli	Chairman
Gian Luigi Francardo	Standing Auditor
Siegfried Mayr	Standing Auditor
Aldo Milanese	Standing Auditor
Vincenzo Nicastro	Standing Auditor

Investigation concerning the requirements of experience, integrity and independence of the Statutory Auditors has been carried out by the Board of Directors as provided for by applicable law.

Massimo Livatino and Giuseppe Verrascina are appointed as Alternate Auditors. According to the Italian Civil Code, alternate auditors substitute the standing ones in the case the latter cease their office in advance, in order to ensure continuity of the composition of the Board of Statutory Auditors.

### **6.2 Accounting audit**

On May 10, 2007 the Shareholders’ Meeting extended the appointment of KPMG S.p.A. for a period of six years (i.e. until 2012) for the accounting audit of the Company’s financial statements and consolidated financial statements, for assessing the proper account book-keeping and accurate disclosure of operating events in the accounts, in compliance with Article 155 of Consolidated Financial Act, and for the performance of limited auditing of the half yearly report, in compliance with the provisions set forth in CONSOB communication No. 97001574 of February 20, 1997.

### **6.3 Advisors with respect to the listing on the WSE**

The law office of Dewey & LeBoeuf Grzesiak sp. k. with its registered office in Warsaw, at ul. Książęca 4 is acting as UniCredit’s legal advisor with respect to the listing of UniCredit Ordinary Shares on the WSE.

## **Chapter 7 Selected financial information**

### **7.1 Selected consolidated financial and other information**

The following tables present selected consolidated information that has been derived from UniCredit’s audited consolidated financial statements as of and for the years ended December 31, 2005 and 2006, as well as unaudited interim consolidated financial statements for six-month periods ended June 30, 2007 and 2006.



The selected consolidated financial and other information presented in this Section of the Information Memorandum has been extracted from the Offering Document. The Offering Document is available at [www.unicreditgroup.eu](http://www.unicreditgroup.eu).

UniCredit's audited consolidated financial statements as of and for the years ended December 31, 2005 and 2006 (the "IFRS Consolidated Financial Statements") and unaudited interim consolidated financial statements for the six months ended June 30, 2007 were prepared in accordance with IFRS. For the purposes of comparison, the data presented in this Section contains unaudited financial information for the period ended December 31, 2004 restated in accordance with the IFRS.

Pursuant to information contained in the Offering Document the information presented in this Section of the Information Memorandum should be read in conjunction with the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" section of the Offering Document and UniCredit's IFRS Consolidated Financial Statements and the related notes thereto, included in the F-pages to the Offering Document or incorporated to the Offering Document by reference.

The table below does not reflect any amounts relating to the Capitalia group, which UniCredit has begun consolidating only since October 1, 2007. For pro forma financial data for combined group of UniCredit and Capitalia please see Section 7.3 below.

## UniCredit Group

	Six Months Ended June 30,		Year Ended December 31,		
	2007	2006	2006	2005	2004
	IFRS	IFRS	IFRS	IFRS	IFRS(1)
	(€millions) (unaudited)		(€millions) (audited)		
<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>					
Net interest and similar income	6,425	5,903	12,155	5,394	4,879
Dividends and other income from equity investments (2)	435	375	705	225	277
<b>Net interest income</b>	<b>6,860</b>	<b>6,278</b>	<b>12,860</b>	<b>5,619</b>	<b>5,156</b>
Net commissions	4,609	4,242	8,348	4,373	3,905
Net trading, hedging and fair value income (2)	1,389	1,257	1,922	868	978
Net other expenses/income	266	193	334	159	164
<b>Net non-interest income</b>	<b>6,264</b>	<b>5,692</b>	<b>10,604</b>	<b>5,400</b>	<b>5,047</b>
<b>Operating Income (3)</b>	<b>13,124</b>	<b>11,970</b>	<b>23,464</b>	<b>11,019</b>	<b>10,203</b>
Payroll costs	(3,861)	(3,898)	(7,845)	(3,720)	(3,473)
Other administrative expenses	(2,291)	(2,180)	(4,431)	(2,092)	(1,992)
Recovery of expenses	135	121	285	235	230
Write-downs of intangible and tangible fixed assets	(576)	(609)	(1,267)	(468)	(466)
<b>Operating expenses</b>	<b>(6,593)</b>	<b>(6,566)</b>	<b>(13,258)</b>	<b>(6,045)</b>	<b>(5,701)</b>
<b>Operating profit (3)</b>	<b>6,531</b>	<b>5,404</b>	<b>10,206</b>	<b>4,974</b>	<b>4,502</b>
Impairment of goodwill	(1)	—	(9)	—	—
Provisions for risk and charges	(114)	(143)	(473)	(154)	(265)
Integration costs	(35)	(52)	(465)	(177)	(238)
Net write-downs of loans and provisions for guarantees and commitments	(1,075)	(1,016)	(2,233)	(905)	(888)
Net income from investments	315	626	1,184	330	127
<b>Profit before tax</b>	<b>5,621</b>	<b>4,819</b>	<b>8,210</b>	<b>4,068</b>	<b>3,238</b>
Income tax for the period	(1,629)	(1,351)	(2,138)	(1,396)	(999)
HVB Group net profit after acquisition	n.a.	n.a.	n.a.	59	n.a.
<b>Net profit for the period</b>	<b>3,992</b>	<b>3,468</b>	<b>6,072</b>	<b>2,731</b>	<b>2,239</b>
Profit (loss) from non current assets held for sale, after tax	—	39	56	—	—
<b>Profit (loss) for the period</b>	<b>3,992</b>	<b>3,507</b>	<b>6,128</b>	<b>2,731</b>	<b>2,239</b>
Minority interests	(385)	(414)	(680)	(261)	(170)
<b>Net profit attributable to the Group</b>	<b>3,607</b>	<b>3,093</b>	<b>5,448</b>	<b>2,470</b>	<b>2,069</b>

- (1) The profit and loss account does not take into account the effects of IAS 39, which was adopted beginning on January 1, 2005.
- (2) Dividends on Equity Instruments held for trading are included in Net trading, hedging and fair value income. Information on the methods applied to restate data is provided in the introductory note to the 2006 Interim Financial Statements included in the Offering Document.
- (3) In our financial reporting, “Operating income” is a measure of the revenue we generate, whereas “Operating profit” is calculated as the difference between “Operating income” and “Operating expenses”.

	At June 30,	At December 31,		
	2007	2006	2005	2004
	IFRS (€millions) (unaudited)	IFRS	IFRS (€millions) (audited)	IFRS(1)
<b>BALANCE SHEET DATA</b>				
<b>Assets</b>				
Cash and cash balances	4,841	5,681	3,459	2,084
Financial assets held for trading	205,858	191,593	172,179	(*)
Financial assets at fair value through profit and loss	15,124	15,933	22,530	(*)
Available-for-sale financial assets	31,955	29,358	27,906	(*)
Held-to-maturity investments	9,688	10,752	11,898	(*)
Loans and receivables with banks	100,171	83,715	76,099	(*)
Loans and receivables with customers	454,132	441,320	425,277	(*)
Derivatives used for hedging	3,599	3,010	4,337	(*)
Changes in fair value of portfolio hedged items	(161)	228	582	(*)
Financial instruments	820,366	775,909	740,808	248,500
Investments in associates and joint ventures	3,189	3,086	3,418	871
Insurance reserves attributable to reinsurers	—	—	—	—
Property, plant and equipment	8,659	8,615	7,797	3,730
Intangible assets	13,144	13,336	13,382	2,280
Tax assets	7,751	7,747	6,933	906
Non-current assets and disposal groups classified as held for sale	2,847	573	3,309	—
Other assets	7,890	8,337	8,178	7,035
<b>Total Assets</b>	<b>868,687</b>	<b>823,284</b>	<b>787,284</b>	<b>265,406</b>
<b>Liabilities</b>				
Deposits from banks	159,085	145,683	141,682	(*)
Deposits from customers	303,323	287,979	268,322	(*)
Debt certificates including bonds	199,398	207,276	193,904	(*)
Financial liabilities held for trading	123,697	103,980	107,094	(*)
Financial liabilities at fair value through profit and loss	2,994	1,731	1,129	(*)
Derivatives used for hedging	4,115	4,070	4,143	(*)
Changes in fair value of portfolio hedged items	(912)	(363)	356	(*)
Financial instruments	791,700	750,356	716,630	237,309
Tax liabilities	6,464	6,094	5,925	1,108
Liabilities included in disposal groups classified as held for sale	2,447	97	1,887	—
Other liabilities	16,022	15,727	15,754	9,791
Provisions for employee severance pay	1,078	1,234	977	972
Provisions	6,676	6,871	6,535	1,151
Insurance reserves	165	162	141	—
Revaluation reserves	2,120	2,444	1,904	277
Reserves	11,521	8,091	9,172	6,426
Share premium	17,639	17,628	16,816	2,309

Share capital	5,222	5,219	5,195	3,168
Treasury shares	(362)	(362)	(359)	(358)
Minorities	4,388	4,275	4,237	1,184
Net Profit or Loss	3,607	5,448	2,470	2,069
<b>Total Liabilities, minority interest and equity</b>	<b>868,687</b>	<b>823,284</b>	<b>787,284</b>	<b>265,406</b>

(1) The balance sheet as at December 31, 2004 does not take into account the effects of IAS 32 and IAS 39, which were adopted beginning on January 1, 2005.

(\*) Comparable information is not available since IAS 32 and IAS 39 were not applied in the preparation of the balance sheet for 2004.

The following table sets forth certain key financial ratios.

	Six-Months Ended June 30,		Year Ended December 31,	
	2007	2006	2005	2004
	IFRS	IFRS	IFRS	IFRS
<b>Profitability ratios</b>				
ROE (1)	19.8%	16.7%	15.6%	15.7%
Cost/Income ratio (2)	50.2%	56.5%	54.8%	55.9%
<b>Risk Ratios</b>				
Net non-performing loans/Loans to customers	1.44%	1.54%	1.61%	1.47%
Impaired loans to customers/Loans to customers	2.72%	3.23%	4.26%	2.85%
<b>Capital Ratios</b>				
Core Tier 1/Total risk-weighted assets	6.09%	5.82%	5.33%	7.36%
Capital for regulatory purposes (3)/Total risk-weighted assets	10.49%	10.50%	10.16%	11.64%
<b>Productivity ratios (4) (in thousands)</b>				
Operating income/Number of employees	208(5)	177	154	149
Total assets/Number of employees (€ thousands)	6,858	6,214	5,920	3,802
Payroll Costs/Number of employees (€ thousands)	60(5)	59	56	51

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

(2) Cost to income ratio is defined as the ratio between operating expenses (excluding amortization of goodwill) and operating income.

(3) Capital for regulatory purposes is defined as the sum of Tier 1 capital (including preferred shares) plus Tier 2 capital, less deductions, plus Tier 3 instruments.

(4) The number of employees used to calculate these ratios is that at the end of each period calculated as "Full time equivalent". Koç group is consolidated proportionally.

(5) Annualized.

## 7.2 Capitalization and indebtedness

The following table summarizes the consolidated capitalization and indebtedness of the UniCredit Group as of December 31, 2006. This table does not reflect any amounts relating to the Capitalia group, which UniCredit has begun consolidating only since October 1, 2007. For pro forma financial data for combined group of UniCredit and Capitalia please see Section 7.3 below.

	As of June 30, 2007 (€thousands)
<b>Debt</b>	
Long-term debt (1)	38,385,495
Subordinated debt (2)	26,480,407
<b>Total debt</b>	<b>64,685,902</b>
<b>Shareholders' Equity</b>	
Share capital	5,222,465
Paid-in surplus	17,639,468
Reserves:	
Legal reserve	1,044,493
Own shares reserves	(362,512)
Other reserves	10,476,944
Revaluation reserve	2,119,935
Net profit attributable to the Group	3,607,318
<b>Total shareholders' equity</b>	<b>39,748,111</b>
<b>Total capitalization and indebtedness (3)</b>	<b>104,614,013</b>

- (1) Long-term debt is the sum of (a) debt to customers (as opposed to banks) and (b) securities, other than preferred shares, each with a duration of more than five years. As of June 30, 2007, these components totaled € 6,222,927 thousand and € 32,162,568 thousand, respectively.
- (2) Of which € 3,561,150 thousand is perpetual.
- (3) There has been no material change to the capitalization and indebtedness of the Group since June 30, 2007, other than the issuance of € 1 billion of Lower Tier 2 subordinated notes on September 26, 2007 and GBP 350 million (equal to approximately € 505.4 million) of Lower Tier 2 subordinated notes on October 16, 2007.

## 7.3 Pro forma financial data for combined group of UniCredit and Capitalia

Information and data contained in this Section of the Information Memorandum has been extracted from the Offering Document prepared on October 18, 2007 and relate to the merger with Capitalia which is legally effective from October 1, 2007, but is still to be completed with respect to operational integration.

The following Section contains unaudited pro forma interim consolidated income statement and balance sheet data as at and for the six months ended June 30, 2007 which seek to describe the effects resulting from UniCredit's merger with Capitalia and give retroactive effect to such combination as if it had occurred on January 1, 2007 and pro forma consolidated income statement data which seek to describe such effect for the year ended December 31, 2006 as if the transaction had occurred on January 1, 2006. For more information please see the Offering Document Section "*Risk Factors - The pro forma financial data in this offering memorandum relating to our acquisition of Capitalia may not reflect our actual results*" and the below Section the "*Explanatory notes*".

The following table summarizes certain of such pro forma figures as at June 30, 2007 and for the six months then ended and with respect to certain income statement items, for the year ended December 31, 2006.

	<b>Six Months Ended June 30, 2007</b>			
	<b>UniCredit</b>	<b>Capitalia</b>	<b>Adjustments</b>	<b>Pro Forma</b>
	(€millions)			
Net interest income	6,860	1,446	—	8,306
Operating income	13,124	2,500	(4)	15,620
Operating profit	6,531	971	(13)	7,489
Profit before tax	5,621	857	(13)	6,465
<b>Profit (Loss) for the period</b>	<b>3,607</b>	<b>531</b>	<b>(8)</b>	<b>4,130</b>
Financial asset held for trading	205,858	10,220	(973)	215,105
Loans and receivables with banks	100,171	10,729	(1,231)	109,669
Loans and receivables with customers	454,132	103,616	—	557,748
<b>Total assets</b>	<b>868,687</b>	<b>142,795</b>	<b>5,565</b>	<b>1,017,047</b>
Deposits from customers and debt securities in issue	502,720	103,138	(765)	605,093
Minorities	4,388	55	—	4,443
<b>Shareholders' equity</b>	<b>39,748</b>	<b>9,738</b>	<b>(7,767)</b>	<b>57,253</b>
Consolidated Net Earnings Per Share (€)	0.35	0.20	—	0.31
Consolidated Net Equity Per Share (€)	3.84	3.74	—	4.31

	<b>December 31, 2006</b>			
	<b>UniCredit</b>	<b>Capitalia</b>	<b>Adjustments</b>	<b>Pro Forma</b>
	(€millions)			
Net interest income	12,860	2,756	—	15,616
Operating income	23,464	4,766	(5)	28,225
Operating profit	10,206	1,792	(22)	11,976
Profit before tax	8,210	1,822	(22)	10,010
<b>Profit (Loss) for the year</b>	<b>6,128</b>	<b>1,165</b>	<b>(15)</b>	<b>7,278</b>

*Consolidated Pro Forma Balance Sheet and Income Statements—Basis for preparation*

The following is a description of the basis of preparation of pro forma balance sheet and income statement as at June 30, 2007 and pro forma income statement for the year ended December 31, 2006.

The pro forma balance sheet and income statement contained herein have been prepared without taking into account the effects of the possible purchase by UniCredit of Capitalia shares (or the equivalent amount of UniCredit ordinary shares pursuant to the merger exchange ratio) for which dissenters' rights provided under Italian law have been exercised and that have not been purchased by other Capitalia shareholders or by the market during the compulsory public offer period. For further information regarding dissenters' rights and the current status of the related proceedings, see Section "Business—Our Business Combination with the Capitalia Group" contained in the Offering Document. The effects on the balance sheet and income statement deriving from the possibility that all such shares will have to be purchased by UniCredit have been specifically quantified under "Explanatory notes—Pro forma adjustments" below.

For the purposes of the pro forma information, the capital increase effected by UniCredit in connection with the merger was based on an exchange ratio of 1.12 new ordinary shares of UniCredit for each Capitalia ordinary share outstanding at August 31, 2007. On the basis of the exchange ratio approved by the Shareholders' Meeting held on July 30, 2007, UniCredit will issue a maximum of 2,947,094,176 new ordinary shares (carrying the same rights as the UniCredit shares already outstanding), for a maximum nominal amount of € 1,473,547,088. The Extraordinary Shareholders' Meeting of UniCredit on the same date has also approved four capital increases for an overall maximum nominal amount of € 17,731,028 through the issuance of a maximum of 35,462,056 ordinary shares to be issued upon possible exercise of the subscription rights to be assigned to holders in exchange for the warrants issued by Capitalia pursuant to its existing incentive plans.

The pro forma consolidated figures were prepared in accordance with the provisions set forth by CONSOB communication No. DEM/1052803 of July 5, 2001 and by the Banca d'Italia Circular n. 262 of December 22, 2005 and pursuant to IFRS.

Pro forma financial data have been obtained by applying pro forma adjustments to historical financial data in order to reflect the effects of merger with Capitalia retroactively. The aggregate financial data obtained by combining the consolidated figures of the two groups as at June 30, 2007 (as reported by each of the groups in their financial statements for the first half of 2007, as filed with CONSOB), were adjusted to show the effects of the merger, by measuring the value of the new shares to be issued by UniCredit in light of the share exchange being made to effect the merger on the basis of the price of UniCredit ordinary shares at October 1, 2007 (equal to € 6.004), and preliminarily recording in the item "Goodwill" the difference between such value of the shares and the consolidated shareholders' equity of Capitalia as at June 30, 2007. No purchase price allocations to assets, liabilities or contingent liabilities have been made. This activity will be carried out during the preparation of the consolidated financial statements of the combined group as at and for the period ending December 31, 2007.

The pro forma adjustments also included any tax effects associated with such adjustments, where appropriate, on the basis of the tax rate theoretically applicable.

In consideration of the merger with Capitalia, the consolidated pro forma financial data include:

- historical interim consolidated balance sheet information for each of UniCredit Group and Capitalia group as at June 30, 2007;
- historical consolidated interim and annual income statement information for each of UniCredit Group and Capitalia group for the six-month period ended June 30, 2007 and for the year ended December 31, 2006;
- the effects of the capital increase approved by UniCredit to service the exchange of UniCredit ordinary shares for Capitalia shares in the merger;
- the effects of the consolidation of Capitalia group; and
- merger adjustments and intercompany eliminations.

The financial information for the Capitalia group used in the preparation of the following consolidated pro forma financial data was extracted from the Capitalia group's published interim and annual consolidated financial statements as of and for the periods ended June 30, 2007 and December 31, 2006, respectively. Details of certain of the pro forma adjustments are provided in the Explanatory notes below.

## Pro forma consolidated balance sheet at June 30, 2007

	<u>Six Months Ended June 30, 2007</u>				
	<u>UniCredit</u>	<u>Capitalia</u>	<u>Intercompany Eliminations</u>	<u>Pro forma Adjustments</u>	<u>Pro Forma</u>
	(€millions)				
<b>Assets</b>					
Cash and cash balance	4,841	749	—	—	5,590
Financial assets held for trading	205,858	10,220	(973)	—	215,105
Loans and receivables with banks	100,171	10,729	(1,231)	—	109,669
Loans and receivables with customers	454,132	103,616	—	—	557,748
Financial investments	59,956	5,534	(8)	—	65,482
Hedging instruments	3,438	142	—	—	3,580
Property, plant and equipment	8,659	3,041	—	—	11,700
Goodwill	9,996	1,508	—	7,777	19,281
Other intangible assets	3,148	209	—	—	3,357
Tax assets	7,751	4,021	—	—	11,772
Non-current assets and disposal groups classified as held for sale	2,847	16	—	—	2,863
Other assets	7,890	3,010	—	—	10,900
<b>Total assets</b>	<b>868,687</b>	<b>142,795</b>	<b>(2,212)</b>	<b>7,777</b>	<b>1,017,047</b>
<b>Liabilities</b>					
Deposits from banks	159,085	15,804	(913)	—	173,976
Deposits from customers and debt securities in issue	502,720	103,138	(765)	—	605,093
Financial liabilities held for trading	123,697	5,229	(524)	—	128,402
Financial liabilities at fair value through profit and loss	2,994	0	—	—	2,994
Hedging instruments	3,203	517	—	—	3,720
Provisions	6,676	1,274	—	—	7,950
Tax liabilities	6,464	931	—	—	7,395
Liabilities included in disposal groups classified as held for sale	2,447	—	—	—	2,447
Other liabilities (1)	17,265	6,109	—	—	23,374
Minorities	4,388	55	—	—	4,443
Shareholders' equity	39,748	9,738	(10)	7,777	57,253
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>868,687</b>	<b>142,795</b>	<b>(2,212)</b>	<b>7,777</b>	<b>1,017,047</b>

(1) Includes other liabilities, provisions for employee severance pay and insurance reserves.



**Pro forma consolidated income statement for six-month period ended June 30, 2007**

	<u>Six Months Ended</u> <u>June 30, 2007</u>			
	<u>UniCredit</u>	<u>Capitalia</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
	(€millions)			
Net interest and similar income	6,425	1,409	—	7,834
Dividend and other income from equity investments	435	37	—	472
<b>Net interest income</b>	<b>6,860</b>	<b>1,446</b>	<b>—</b>	<b>8,306</b>
Net commissions	4,609	866	—	5,475
Net trading, hedging and fair value income	1,389	184	(4)	1,569
Net other expenses/income	266	4	—	270
<b>Net non-interest income</b>	<b>6,264</b>	<b>1,054</b>	<b>(4)</b>	<b>7,314</b>
<b>Operating income</b>	<b>13,124</b>	<b>2,500</b>	<b>(4)</b>	<b>15,620</b>
Payroll costs	(3,861)	(1,008)	—	(4,869)
Other administrative expenses	(2,291)	(576)	—	(2,867)
Recovery of expenses	135	158	—	293
Write-downs of intangible and tangible assets	(576)	(103)	(9)	(688)
<b>Operating expenses</b>	<b>(6,593)</b>	<b>(1,529)</b>	<b>(9)</b>	<b>(8,131)</b>
<b>Operating profit</b>	<b>6,531</b>	<b>971</b>	<b>(13)</b>	<b>7,489</b>
Impairment of goodwill	(1)	—	—	(1)
Provisions for risks and charges	(114)	(45)	—	(159)
Integration costs	(35)	—	—	(35)
Net write-downs of loans and provisions for guarantees and commitments	(1,075)	(204)	—	(1,279)
Net income from investments	315	135	—	450
<b>Profit before tax</b>	<b>5,621</b>	<b>857</b>	<b>(13)</b>	<b>6,465</b>
Income tax for the period	(1,629)	(325)	5	(1,949)
<b>Net profit for the period</b>	<b>3,992</b>	<b>532</b>	<b>(8)</b>	<b>4,516</b>
Gains (losses) on assets classified as held for sale, after tax	—	—	—	—
<b>Profit (Loss) for the period</b>	<b>3,992</b>	<b>532</b>	<b>(8)</b>	<b>4,516</b>
Minority interests	(385)	(1)	—	(386)
<b>Net profit attributable to the group</b>	<b>3,607</b>	<b>531</b>	<b>(8)</b>	<b>4,130</b>

Note: dividends from equity investments held for trading are classified in Net trading, hedging and fair value income.

**Pro forma consolidated income statement for the year ended December 31, 2006**

	<u>Year Ended</u> <u>December 31, 2006</u>			
	<u>UniCredit</u>	<u>Capitalia</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u>
	(€millions)			
Net interest and similar income	12,155	2,588	—	14,743
Dividend and other income from equity investments	705	168	—	873
<b>Net interest income</b>	<b>12,860</b>	<b>2,756</b>	<b>—</b>	<b>15,616</b>
Net commissions	8,348	1,723	—	10,071
Net trading, hedging and fair value income	1,922	276	(5)	2,193
Net other expenses/income	334	11	—	345
<b>Net non-interest income</b>	<b>10,604</b>	<b>2,010</b>	<b>(5)</b>	<b>12,609</b>
<b>Operating income</b>	<b>23,464</b>	<b>4,766</b>	<b>(5)</b>	<b>28,225</b>
Payroll costs	(7,845)	(1,988)	—	(9,833)
Other administrative expenses	(4,431)	(1,089)	—	(5,520)
Recovery of expenses	285	302	—	587
Write-downs of intangible and tangible assets	(1,267)	(199)	(17)	(1,483)
<b>Operating expenses</b>	<b>(13,258)</b>	<b>(2,974)</b>	<b>(17)</b>	<b>(16,249)</b>
<b>Operating profit</b>	<b>10,206</b>	<b>1,792</b>	<b>(22)</b>	<b>11,976</b>
Impairment of goodwill	(9)	—	—	(9)
Provisions for risks and charges	(473)	(120)	—	(593)
Integration costs	(465)	—	—	(465)
Net write-downs of loans and provisions for guarantees and commitments	(2,233)	(228)	—	(2,461)
Net income from investments	1,184	378	—	1,562
<b>Profit before tax</b>	<b>8,210</b>	<b>1,822</b>	<b>(22)</b>	<b>10,010</b>
Income tax for the period	(2,138)	(657)	7	(2,788)
<b>Net profit for the period</b>	<b>6,072</b>	<b>1,165</b>	<b>(15)</b>	<b>7,222</b>
Gains (losses) on assets classified as held for sale, after tax	56	—	—	56
<b>Profit (Loss) for the period</b>	<b>6,128</b>	<b>1,165</b>	<b>(15)</b>	<b>7,278</b>
Minority interests	(680)	(3)	—	(683)
<b>Net profit attributable to the group</b>	<b>5,448</b>	<b>1,162</b>	<b>(15)</b>	<b>6,595</b>

Note: dividends from equity investments held for trading are classified in Net trading, hedging and fair value income.

*Explanatory notes*

Purpose of the presentation of pro forma figures

The purpose of the presentation of pro forma consolidated data, which is being furnished for illustrative purposes only, is to provide information on the long-term effects of the completion of the merger of Capitalia into UniCredit and of the consequences of the consolidation of the Capitalia group and UniCredit Group as if the transaction had occurred in 2006 (with respect to which only income statement information is being provided) and in the first half of 2007.

Data contained in the pro forma information is based on the assumptions described below. The data included in the pro forma data should not be considered representative of the results that would have been obtained had the transactions considered in the preparation of such pro forma had taken place during the reference periods. Furthermore, the pro forma figures address a hypothetical situation and should not be deemed to represent the actual or foreseen financial position and the results of the UniCredit Group.

In consideration of the different objectives in preparing pro forma data and historical financial statements, and since effects are calculated in a different way with reference to the balance sheet and the income statement, the pro forma balance sheet and income statement have to be examined and interpreted separately, without seeking to read them in conjunction with each other.

The pro forma adjustments have been calculated according to the general rule that balance sheet items are compiled assuming that the transactions have taken place as of the balance sheet date, while profit and loss items are compiled assuming that the transactions have taken place at the beginning of the period to which the profit and loss account refers to. The impact of actual and predicted transactions after June 30, 2007 has not been considered, with the sole exception of the UniCredit capital increase approved to the Shareholders' Meeting of July 30, 2007. Similarly, expenses related to the capital increase have not been considered as they are not reliably measurable and are, in any case, not material in the context of the capital increase.

#### Form and content of pro forma information

The pro forma consolidated financial and economic data included in the Offering Document has been prepared in accordance with CONSOB communication No. DEM/1052803 of July 5, 2001 and the reporting guidance included in the technical attachment thereto. As a result, the pro forma information has been obtained by adding to the unaudited consolidated financial figures of the UniCredit Group as of and for the half year ended June 30, 2007 and the audited consolidated financial figures for the year ended December 31, 2006 (each included in the Offering Document) all adjustments necessary to reflect retrospectively the impact of the merger of Capitalia into UniCredit and the relevant UniCredit capital increase to support the transaction.

The pro forma consolidated balance sheet is presented to show:

- in the column “pro forma adjustments”, principally the consolidated effects of the issue of new ordinary shares of UniCredit in connection with the merger;
- in the column “intercompany eliminations”, the effects of the consolidation of Capitalia group through the merger.

The pro forma consolidated income statement information, only presents the column “Pro forma adjustments” since no significant intercompany eliminations were required.

#### *Scope of consolidation*

The scope of consolidation used for the pro forma information comprises the companies included in the consolidation of the UniCredit Group and the Capitalia group as of June 30, 2007 or December 31, 2006, as the case may be.

The consolidation area has not been changed to consider any equity stakes held by the two groups in the same entities, including if their combined percentage holdings may create the preconditions for full consolidation or equity method of accounting.

The two groups' combined 18.072% shareholding in Mediobanca S.p.A. has not been accounted for using the equity method in consideration of the fact that, as a condition to antitrust approval of the merger, UniCredit has committed to reduce its stake to no more than 8.68% by the end of 2007. The sale of such excess shares will be conducted through Mediobanca S.p.A.

#### *Accounting policies, valuation criteria and method of consolidation*

The accounting policies, valuation criteria and method of consolidation applied to the pro forma financial information are in accordance with applicable IFRS as of the date of the pro forma information.

Both the UniCredit and Capitalia groups adopted IFRS effective January 1, 2005. Although the accounting policies applied by the merging entities are basically the same, there are some differences attributable to alternative accounting treatments allowed by the IFRS. Nevertheless it is believed these differences are not sufficient to invalidate the significance of the pro forma information and they have, therefore, been disregarded.

A detailed analysis of the accounting policies applied by UniCredit Group and Capitalia group, can be found in the notes to the consolidated financial statements as at December 31, 2006 (please see Chapter 15 hereof for a reference to the financial statements of UniCredit Group).

#### *Consolidation*

The consolidation of Capitalia group has been carried out as follows:

- aggregation of consolidated accounts of Capitalia group to the consolidated accounts of UniCredit Group;

- elimination of consolidated net equity of Capitalia as at June 30, 2007 and a corresponding increase in the share capital of UniCredit;
- allocation to “Goodwill” of the difference arising from the merger (as described in more detail below).

#### *Intercompany Eliminations*

The main transactions between UniCredit Group and Capitalia group have been eliminated as follows:

- interbank transactions have been cancelled from loans and receivables with banks and deposits from banks, respectively equal to € 1,231 million and € 913 million, as well as from financial liabilities held for trading of € 318 million;
- € 765 million in bonds issued by Capitalia group and included in the UniCredit Group’s securities portfolio were deducted from “Financial assets held for trading” (€ 757 million) and from “Financial investments” (€ 8 million), as well as from “Debt securities in issue” on the liabilities side;
- derivative contracts, entered into by Capitalia with UniCredit Group companies for hedging purposes and equal to € 206 million, have been eliminated from financial assets and liabilities held for trading, in consideration of UniCredit’s corresponding hedge on those instruments;
- Capitalia shares in the portfolio of UniCredit Group and included in “Financial assets held for trading” have been eliminated and offset by shareholders’ equity, in the specific item “Treasury shares,” for € 3 million;
- UniCredit shares in the portfolio of Capitalia group and included in “Financial assets held for trading” have been eliminated and offset by shareholders’ equity, in the specific item “Treasury shares”, for € 7 million.

The elimination of reciprocal profit and loss items has no impact on the reclassified pro forma consolidated statement of income account neither at a single item level for significant figures nor, obviously, at a net profit level. In addition, reciprocal income and expense related to transactions between the groups offset each other in the item “Net interest” and those related to servicing transactions offset each other in the item “Net fees and commissions”.

#### *Pro forma adjustments*

Balance sheet adjustments relate to the merger. The difference between the cost of the transaction, represented by the fair value of new ordinary shares of UniCredit, valued at the official stock price on the market as at October 1, 2007 (€ 6.004 per share) and Capitalia’s consolidated shareholders’ equity as at June 30, 2007 (€ 9,738 million) is € 7,777 million and, as described above, was recorded in the item “Goodwill”.

The merger will be accounted for using the “purchase method,” which entails that, on the date on which the merger becomes legally effective, any excess of the fair value of net assets acquired in the transaction over the cost of transaction (as described above), is attributed to goodwill. Consequently, if in the allocation process, property, equipment and intangible assets with finite useful life are identified, the future income statements will include adjustments to such allocations.

With regard to the income statements, an adjustment has been made to align the residual life applied by Capitalia group for the calculation of amortization of buildings (annual amortization of 2%), to the residual life applied by UniCredit Group in Italy (annual amortization of 3%). The ensuing adjustments to write downs of intangible and tangible assets were € 9 million before tax (€ 17 million as at December 31, 2006), with a tax effect of approximately € 3 million (€ 5 million as at December 31, 2006).

Net trading, hedging and fair value income has been adjusted by € 4 million before tax (€ 5 million as at December 31, 2006), with a tax effect of about € 1 million (€ 2 million as at December 31, 2006), in order to eliminate the trading effects of Capitalia shares held by UniCredit Group. The trading income of UniCredit shares held by Capitalia group is not material so no adjustments have been made to the pro forma.

Pursuant to CONSOB criteria for the preparation of pro forma consolidated figures to give evidence of extraordinary, unusual or non-recurring events, UniCredit notes that during both 2006 and the first half 2007 no extraordinary or unusual transactions were effected, while non-recurring transactions essentially comprised transactions involving UniCredit’s equity holdings. The most significant transactions in the year ended December 31, 2006 were the disposal of 2S Banca and Splitska Banka by UniCredit (with gains of € 401 million and € 367 million, respectively) and the disposal of Capitalia Assicurazioni by Capitalia (gains of €

49.6 million), while in first half 2007 the most significant non-recurring transactions were the sale of IndExchange by HVB (with a capital gain of € 140 million), all of which have been booked in “net gains on investments” on condensed income statement.

As indicated above, in the preparation of this pro forma financial information UniCredit did not consider the potential consequences of the purchase by UniCredit of shares deriving from the exercise of dissenters’ rights in connection with the merger with Capitalia. These effects are illustrated below and assume the repurchase by UniCredit, using funds provided by inter-bank borrowing, of all of the shares for which Capitalia shareholders exercised dissenters’ rights:

- On the balance sheet, pro forma adjustments would include deposits from banks of about € 571 million. This liability would be substantially offset by a capital increase in a lower amount (approximately € 547 million), equivalent to the value of the shares as to which dissenters’ rights have been exercised.
- On the income statement, the negative financial effect on first half 2007 net profit would be € 7 million, assuming € 11 million in interest expenses on deposits from banks (€ 571 million), partially offset by lower tax expenses for € 4 million.

#### *Consolidated Pro Forma Share Indicators*

Pro forma share indicators were computed as at June 30, 2007 and for the six months then ended on the basis of the pro forma financial statements included in the Offering Document and of the number of UniCredit ordinary shares following the capital increase.

	<u>June 30, 2007</u> <u>Actual</u>	<u>June 30, 2007</u> <u>Pro Forma</u>
<b>Shares outstanding</b>	<b>10,357,930,193</b>	<b>13,275,110,827</b>
Consolidated gross profit per share (€)	0.54	0.49
Consolidated earning per share (€)	0.35	0.31
Consolidated net equity per share (€)	3.84	4.31

Pro forma consolidated earnings per share (€ 0.31) are lower than actual earnings per share (€ 0.35) due to the fact that Capitalia’s earnings per share for the relevant period (€0.18) were lower than those for UniCredit.

The increase of net equity per share (€ 3.84 actual versus € 4.31 pro forma) is due to the valuation of UniCredit shares issued for the transaction at the official stock price on the market as at October 1, 2007 and is reflected in the pro forma goodwill per share (€ 0.59).

## **Chapter 8 Key risk factors related to the Company and the Shares**

### **8.1 Disclaimer - risk factors**

Investors are invited to carefully review the risk factors and the uncertainties directly connected with UniCredit Group and listing on the WSE as described herein. Within their investment decision, also on the basis of recent UniCredit Group business developments, investors are invited to closely consider the specific risk factors of UniCredit Group, its activities and financial instruments which will be issued following the listing on the WSE.

Within its operations, UniCredit Group could be exposed to a series of risks typical of the banking sector, such as the risk of interest rates fluctuation and hedging strategies carried out on this regard, as well as more generic risks such as potential slowdown of the economy and financial markets volatility. The key risks that could significantly affect the financial and operating results of UniCredit Group are detailed below.

Pursuant to the requirements set forth in the Memorandum Ordinance, this Chapter of the Information Memorandum includes only a description of key risk factors relating to UniCredit, UniCredit Group and UniCredit Ordinary Shares. In order to obtain more detailed information on risk factors and the uncertainties related thereto, investors should refer to the documents published by UniCredit in the past and available at: [www.unicreditgroup.eu](http://www.unicreditgroup.eu), including the documents specified in Section 13.7 “*UniCredit corporate documents available to investors*” and Chapter 15 “*UniCredit prospectuses and financial information available to investors*”.

## **8.2 Risk factors**

### ***8.2.1 Risk connected to economy slowdown and financial markets volatility – credit risk***

Banking and financial services market, in which UniCredit Group operates its business, is affected by several non-predictable factors including the overall economy development, fiscal and monetary policies, liquidity and expectations within capital markets and consumers' behavior in terms of investment and saving. Considering traditional lending operations, in particular, demand for financial products could experience a contraction, within periods of downturn.

The overall economy development can furthermore negatively impact the solvency of mortgage debtors and other borrowers of UniCredit Group such to affect its overall financial condition, recovery of loans and of the amounts due by the counterparties of UniCredit Group, together with an increase of insolvent clients compared to outstanding loans and other obligations (i.e., credit risk).

The above factors could have a significant impact also in the context of capital market volatility. As a result, volumes, revenues and net profits in banking and financial services business can vary significantly over the time.

### ***8.2.2 Risk connected to non-traditional banking activities - additional credit risk***

Several banking operations of UniCredit Group, different from traditional banking lending and deposits activity, will expose UniCredit Group to additional credit risk. For example, credit risk deriving from non traditional activities may arise from: (i) open derivative contracts requiring payments from counterparties; (ii) trading of securities, futures, currencies or commodities, not settled within the terms agreed due to failed delivery by the counterparty or due to systems and procedures adopted by clearing agents, stock exchanges, clearing houses or other financial intermediaries; (iii) owning third-party securities; and (iv) extending credit through other arrangements.

The parties involved in these transactions, such as the trading counterparties or issuers of securities held by UniCredit Group, could become insolvent in respect of their obligations as a result of default, political and economic events, lack of liquidity, operative problems or other reasons. Default in relation to a significant number of transactions, or one or more transactions with relevant volumes, would have a material adverse impact on the business, financial condition and operating results of UniCredit Group.

### ***8.2.3 Risk connected to credit losses***

UniCredit Group is one of the main lenders to several corporate clients of relevant dimension which are insolvent, are undergoing a restructuring process and/or which are in payment default. If the realization value of collaterals underlying non performing/impaired loans or the number of future insolvencies and defaults exceed the anticipated levels, UniCredit Group may require higher provisions for loan losses and advances or incur loan losses in excess of provisioned amounts.

### ***8.2.4 Risks related to interest rates fluctuations***

The performance of UniCredit Group is being affected by the development and the fluctuations in interest rates. In particular, lending and deposits activities are strictly dependent on the interest rate risk hedging policies of UniCredit Group, or in other words on the correlation between changes in the interest rates in the reference markets and those in the interest margin. Although UniCredit Group, whereas appropriate, carries out strategies hedging the risk of interest rate fluctuations via derivative contracts, such hedging strategies could result inadequate. As a result, a misalignment between the interest income realized by UniCredit Group and the interest expenses due to it, following the movement in interest rates, could significantly affect the financial position and operating results of UniCredit Group.

### ***8.2.5 Risks related to volatility of the trading income***

The trading income of UniCredit Group has been in the past volatile and the same level of fluctuation is expected to continue in the future. Such trading income depends on a number of factors which are beyond the control of UniCredit Group, such as market and macroeconomic factors. There can be no certainty that UniCredit Group will be able to sustain its historic levels of trading income in the future.

### ***8.2.6 Operational risk***

Banks and financial institutions of UniCredit Group, as other such institutions, are exposed to several operating risks, including the risk of any fraud by their own employees and other external persons/entities, risk of

unauthorized operations performed by their employees and the risk of losses resulting from operating errors, including those caused by inadequate or failed IT or telecommunication systems. The operational risk management systems and methodologies of UniCredit Group are designed to guarantee that the risks connected with their own activities are kept under adequate control. Any problem or failure of these systems could negatively affect the financial position and the operating results of UniCredit Group. Moreover, the dependency of UniCredit Group on the automatic systems of registration and management of its own operations could further increase the operational risk due to personnel inefficiencies, or problems or failure of the information and telecommunication systems.

#### **8.2.7 Risk related to risk management systems and procedures**

Risk management mechanisms, procedures and strategies of UniCredit Group may fail and generate unexpected losses on UniCredit Group due to unidentified or incorrectly evaluated market developments, trends or other circumstances. These risks and the adverse effects resulting from them may be further aggravated by the integration of the risk management systems of UniCredit and Capitalia following their recent merger.

#### **8.2.8 Risk connected to lawsuits**

There are lawsuits pending against entities of UniCredit Group. They are ordinary, physiological and split litigations, that have been duly analyzed in order, when seen as appropriate or necessary, to effect provisions in the amount believed suitable according to the circumstances or to make a mention thereof in a supplementary note to the balance, according to correct accounting principles. In particular, as at the date of June 30, 2007, provisions were made as to risks and charges for lawsuits and revocatory actions (excluding employment, tax and credit recovery lawsuits) by UniCredit Group for an amount of about € 527.4 million and by the Capitalia group for an amount of about € 418.5 million (Capitalia, holding company of the Capitalia group, was merged into UniCredit on October 1, 2007). The unfavorable outcome of said lawsuits might, however, determine for UniCredit Group negative effects on the economic and financial situation, even though – as far as one can foresee at the moment – not such as to significantly effect their activities or solvency.

The following passive litigations of UniCredit Group exceed € 100 million in their amounts (as of mid-October 2007):

- **Cirio Litigation:** The lawsuit was filed in April 2007 by certain companies belonging to Cirio group against, *inter alia*, Capitalia (merged into UniCredit on October 1, 2007), UniCredit Banca Mobiliare S.p.A. and Banca di Roma S.p.A. (UniCredit's subsidiaries) and for damages arising from their role of the arrangers of the issuances of bonds by companies of the said Cirio group, which according to the claimants were already insolvent at that time. Damages claimed jointly from all defendants has been quantified as follows: (i) from € 421,671,050 to € 2,082,249,718 (depending on the criteria applied) for the increase of difficulties for the claimants; (ii) € 9,812,000 for the fees paid by some of the claimants to the lead managers with respect to the placement of bonds; (iii) damages suffered by one of the claimants in respect of the loss of the possibility to recover, through revocatory action, at least the amount of money used by Cirio Finanziaria S.p.A. between 1999 and 2000 to cover the debts of some companies of the group, are to be determined during the proceedings. All the above with the addition of interest and currency appreciation from the date owed to the date of payment. UniCredit Banca Mobiliare S.p.A., Banca di Roma S.p.A. and UniCredit (as successor of Capitalia) believe that the claims are groundless. No provisions have been made.

In addition, with reference to "Cirio", it must also be noted that in April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. notified Sergio Cragnotti and various banks including Capitalia (merged into UniCredit on October 1, 2007) and Banca di Roma S.p.A. (a Capitalia's subsidiary) a claim to obtain a judgment declaring the invalidity of an alleged illegal agreement with Cirio S.p.A., whose purpose was the sale of the dairy company Eurolat to Dalmata S.r.l. (Parmalat). The extraordinary administration subsequently requested that Capitalia and Banca di Roma S.p.A. be jointly sentenced to pay back a sum of approximately € 168 million, as well as joint sentencing of all the defendants to pay compensation of damages set at € 474 million.

The extraordinary administration also requested, in a subordinate manner, the revocation pursuant to Article 2901 of the Italian Civil Code of the deeds of covenant implemented by Cirio S.p.A. and/or repayment by the banks of the sums handed over by Cirio on the basis of the agreement in question, given that they were obtained illegally.

At the end of the last hearing on May 28, 2007, the lawsuits was withheld for ruling. As regards said dispute, and given the opinion of the defense counsel, it was not deemed necessary to make

any provisions in the balance sheet insofar as the claim seems unfounded both from a litigation viewpoint and with regard to its general, rather vague, nature.

Finally, on October 30, 2007, International Industrial Participations Holding IIP N.V. (former Cragnotti & Partners Capital Investment N.V.) and Dr. Sergio Cragnotti brought a civil action against UniCredit (as successor to Capitalia) and Banca di Roma S.p.A. for compensation of no less than € 135 million allegedly resulting (as actual damage and loss of profits): (i) primarily, from the breach of financial assistance undertakings previously executed in favor of Cragnotti & Partners Capital Investment N.V., of Dr. Sergio Cragnotti, of Cirio Finanziaria and of the Cirio group, causing the insolvency of said group; and (ii) subordinately, from the illegal, unfair and contrary to good faith refusal to provide to Cirio Finanziaria S.p.A. and to the Cirio group the financial assistance deemed necessary to repay a bond expiring on 6 November 2002.

UniCredit and Banca di Roma believe the proceedings to be completely groundless.

- Parmalat Litigation: Five lawsuits exceeding the above mentioned threshold were filed. The first lawsuit constitutes of Parmalat S.p.A.'s action to prevent the diminution of the debtor's estate by his fraud (*azione revocatoria*) against UniCredit Banca d'Impresa S.p.A. (a UniCredit's subsidiary), for a total amount of € 611,578,370. By this lawsuit the "procedura" claims all the amounts credited during the year before Parmalat entered the extraordinary administration based on the subjective assumption (*presupposto soggettivo*) that the bank could not not have been aware of the insolvent situation (*stato di decozione*) of the company and also on the fact that the transactions were made on an overdrawn account. The bank has presented its reasons and, in particular, it has denied the existence of the subjective assumption. Provisions have been made for the total amount of € 23,600,000.

The second lawsuit was filed in December 2004 by Parmalat S.p.A. against, *inter alia*, several banks of UniCredit Group (former subsidiaries of Capitalia, which was merged into UniCredit on October 1, 2007) for rendering ineffective the payments made during the year prior to declaration of the insolvency of Parmalat S.p.A. Payments claimed jointly from all defendants amount to € 630 million. The defense's arguments rest preliminary on non-awareness of Parmalat group's insolvency. Moreover, objections were raised with regard to the non-referrability of most of the payments in question to the list of payments that can be revoked. At present, the lawsuits are still not in the preliminary phase. The defendants believe the proceedings to be groundless. No provisions have been made.

The third lawsuit was filed at the beginning of August 2005 by certain companies belonging to Parmalat group against, *inter alia*, UniCredit, UniCredit Banca Mobiliare S.p.A. and UniCredit Banca d'Impresa S.p.A. (both belonging to UniCredit Group) for damages arising from the participation, as co-lead manager, in the issuance of bonds (from 1997 to the first half of 2001) by certain companies belonging to the Parmalat group (and for having entertained other banking relationships with them) which according to the claimants were already insolvent at the time of the issuance. Damages claimed jointly from all defendants amount to approximately € 4.4 billion. UniCredit Group believes the proceedings is groundless. No provisions have been made.

The fourth lawsuit was filed in August 2005 by the same companies which started the third lawsuit against, *inter alia*, UniCredit Banca Mobiliare S.p.A. (a subsidiary of UniCredit) for damages caused by having first promoted (2001) and then participated in the renewal (2002 and 2003) of a program for the issuance of bonds on the Euromarket, as well for damages caused by its activity as a co-lead manager in another bonds issuance (external to said program). Damages claimed jointly from all defendants amount to € 1,861.8 million. UniCredit Banca Mobiliare S.p.A. believes the proceedings is groundless. No provisions have been made.

The fifth lawsuit was filed in September 2005 by Parmalat S.p.A. against Banca di Roma S.p.A. (a subsidiary of UniCredit, former subsidiary of Capitalia, which was merged into the former on October 1, 2007) for damages in which it asked for the bank to be sentenced:

- a) for its alleged involvement in the bankruptcy of Parmalat group, taking into account that the worsening of the group's bankruptcy amounts to € 4,299 million as the negative difference between Parmalat's net equity at December 31, 2003, compared to December 31, 2002, which it is claimed is linked to an € 50 million loan granted by Banca di Roma to HIT (tourism company controlled by the Tanzi family);
- b) to pay € 8.5 million for the acquisition of Ciappazzi;



- c) to pay € 258 million or € 103 million for the acquisition of Eurolat (depending on the technical report used regarding the fairness of the price);
  - d) for the granting of loans by Banca di Roma upon the submission of cash orders (RI.BA.) issued in relation to totally or partially non-existent credits. At present, the lawsuit is still not in the preliminary phase. Banca di Roma S.p.A. believes that the claims described above are groundless. No provisions have been made.
- Treuhandanstalt litigation: There is pending against BA-CA a lawsuit related to alleged claims of Treuhandanstalt, the German public body for the new Lander reorganization, the predecessor of the Bundesanstalt für vereinigungsbedingte Sonderaufgaben (“BvS”), against Bank Austria (Schweiz) AG, a former subsidiary of BA-CA. One of the claims in the proceedings is that the former subsidiary participated in the embezzlement of funds from companies in the former East Germany. BvS seeks damages in the amount of approximately € 128 million plus interests. However, BA-CA believes that the claims are groundless; for that reason no provisions have been made.
  - Divania Litigation: The lawsuit was filed by Divania S.r.l. against UniCredit Banca d’Impresa S.p.A. (a subsidiary of UniCredit) on March 26, 2007 relating to certain transactions in financial derivative instruments (on interest rates and forex; in all 206 contracts were executed). The total amount of the claim is € 276,564,502 plus costs and interests (with reservation to file an independent lawsuit for the recovery of the alleged suffered damages).

According to UniCredit Banca d’Impresa S.p.A. the claimed amount is absolutely disproportionate in respect of the real risk brought up in the lawsuit since the amount claimed has been determined by making a sum of all the debit entries made (in an amount that is much bigger than the effective one) without considering the credit entries which drastically reduce the claimant’s demands. In addition, the writ of summons (atto di citazione) does not take into consideration the fact that a settlement (executed on 8 June 2005) had been reached referring to the challenged transactions, by which the plaintiff declared to have nothing else to claim for any cause with reference to the transactions now disputed. UniCredit Banca d’Impresa S.p.A. believes that the maximum amount at risk might be determined in the sum of € 4,015,000, that is the sum that was charged on the plaintiff’s account when the settlement was reached. For the above reasons a prudential provision of € 2,000,000 has been made.

- Litigation initiated by minority shareholders of HVB: At the beginning of July 2007 eight companies, being minority shareholders of HVB, submitted a writ of summons to the Munich Court (Germany) for damages allegedly suffered as a consequence of some transactions regarding the transfer of shareholdings or business lines from HVB (after its entry into the UniCredit Group) to UniCredit or other UniCredit Group companies (or vice versa); in addition they argue that burdens for reorganization measures on HVB would have to be borne by UniCredit. The defendants in the lawsuit are UniCredit, its CEO and the Spokesman of HVB. The plaintiffs state that the fact that the above operations were carried out on the basis of evaluations made by independent advisors does not detract from the defendants’ responsibilities as they ought to have effected said operations by way of competitive auctions, in order to obtain the highest possible price (to take into account a majority award).

The plaintiffs ask: (i) for damages, in the amount of € 17.35 billion plus interest; (ii) for the Munich Court to order UniCredit to pay to HVB’s minority shareholders appropriate compensation in the form of a recurring cash benefit as from November 19, 2005 onwards.

The defendants consider the lawsuit completely devoid of grounds, bearing in mind that all the operations taken into consideration by the plaintiffs were effected on payment of considerations which are considered fair also on the basis of external and independent opinions and evaluations.

The minorities shareholders of HVB who have filed a damage claim before the Munich Court have also served to HVB a statement of claim asserting the voidance of the HVB financial statements 2006 due to breach of accounting rules due to unclaimed/not activated damages related to the damage claim subsequently served.

### **8.2.9 Derivative instruments (CONSOB’s investigation)**

Following an investigation, CONSOB has recently sanctioned corporate representatives of a few banks of UniCredit Group in connection with alleged regulatory violations relating to transactions in derivative instruments (the overall amount of sanctions is € 779,700). The charges regarded insufficient disclosure to

customers, as well as violations of administrative procedures. UniCredit Group intends to vigorously defend itself against these allegations and to appeal to the Court of Appeal.

However, the management believes that the amount of these sanctions does not prejudice the business of the UniCredit Group.

#### ***8.2.10 Risks related to integration process of recently acquired companies***

During 2007 UniCredit Group has negotiated and/or entered into a series of acquisition agreements, among which important acquisitions in CEE countries. The subsequent integration process has involved and will involve in the future complexity to the UniCredit Group, particularly where management information and accounting systems differ materially from those used elsewhere in the UniCredit Group. Despite the management believes to have the required resources to successfully integrate these operations, it is possible that further integration difficulties could arise or that unanticipated problems could be discovered in one or more of the acquired entities. If UniCredit Group were to conclude further significant acquisitions in the near future, these risks would be enhanced.

#### ***8.2.11 Risks related to future expansion of UniCredit Group in CEE countries***

An important element of UniCredit's strategy is represented by the business expansion in CEE countries. CEE countries have undergone rapid political, economic and social change since the end of the 1980s and this process was accelerated by the accession to the European Union in May 2004 of many of the CEE countries, in which UniCredit Group operates. Economic growth of CEE countries might slow down in the coming years, due to the evolution of legal, fiscal and monetary disciplines, of the European Union, which could limit the ability of a country of matching the needs rising in the local economic context. In addition, an increase of the competitive pressure in CEE countries is expected.

Moreover, delays and disruptions of the accession process of the CEE countries not yet part of the European Union (Croatia and Turkey) might determine negative effects on the economies of those countries and on UniCredit Group's business in such areas.

#### ***8.2.12 Risks related to international exposure***

The business operated abroad by UniCredit Group involves a series of risks and exposures. Such risks include the difference in terms of legislative systems and political and economic conditions.

In particular, such risks and exposures arise with respect to UniCredit Group's operations in CEE countries. Although the management believes there are significant growth opportunities and interesting perspectives to reach significant additional margins with limited costs, several risks still exist in connection with the businesses in those countries. While there are occasionally significant differences in the nature of risks in each country, they generally include economic fluctuations, exchange rate and stock markets conditions, as well as, often, a lower development level of political, financial and legislative infrastructures. The materialization of one or more of the mentioned risks might have a negative effect on the financial condition and economic results of UniCredit Group.

The UniCredit Group exposure to the US-subprime market, as well as its engagement in so called conduits is negligible. In fact, the total direct and indirect exposure of UniCredit to US-subprimes at the end of September was € 246 million, including € 213 million on the balance sheet (mainly US Residential Mortgage Backed Securities (RMBS) and Collateralized Debt Obligations (CDO) both with a very high asset quality).

#### ***8.2.13 Exchange ratio risk***

A significant amount of the activities of UniCredit Group is conducted in currencies other than Euro, mainly in currencies of the CEE area and in US Dollars. This causes the exposure of UniCredit Group to exchange risks and currency trading risks.

#### ***8.2.14 Risk connected to increase of competitive pressure***

Intense competition, particularly in the Italian market, where UniCredit Group realizes a significant part of its activities, could have a negative impact on the economic result and financial condition of UniCredit Group.

Main business areas in Italy and in the other countries where UniCredit Group operates are characterized by a high degree of competition. UniCredit Group realizes a sizeable portion of its revenues from banking business in Italy, a mature market where competitive pressures have rapidly grown. In case UniCredit Group was unable to cope with the competitive environment with interesting products and profitable service offerings, it could lose

market share in relevant business areas or suffer losses in all or some operating segments. Moreover, an economic recession in Italy could increase the competitive pressure through, e.g., an increase in the pressure on prices and a reduction of available business volumes.

#### ***8.2.15 Risk connected to changes in the Italian and European regulatory context***

UniCredit is subject to the extensive regulatory and supervisory activity of Banca d'Italia, CONSOB, of the European Central Bank, the European System of Central Banks as well as the supervisory authorities and markets where the companies of UniCredit Group are present. The banking regulation to which they are subject set, among others, the activities that can be pursued by the banks and it is aimed to guarantee the solidity and the solvency of the banking system, limiting its exposure to risk factors. In addition, UniCredit Group must comply with the law on financial services that disciplines the marketing and sale practices adopted by banks and financial institutions. Any change in the application of such laws or the implementation of the New Capital Accord (Basel II) on prudential requirements for financial institutions could materially affect the activities and businesses of UniCredit Group. As some of the rules affecting UniCredit Group have been only recently adopted, the way these rules are applied is still evolving. The adoption of new rules and regulations, or the implementation or interpretation of such rules, could negatively affect the business, financial condition, cash flows and results of operations of UniCredit Group.

#### ***8.2.16 Risks related to the rating of UniCredit***

UniCredit currently has “A+” rating from Standard & Poor’s, “A+” from Fitch and “Aa2” from Moody’s. While determining the rating assigned to UniCredit, these agencies have considered and will continue to consider several indicators of the performance of UniCredit Group, such as UniCredit Group’s profitability and its capacity to maintain those capital indicators within certain target levels. Failure by UniCredit Group to maintain one or more indicators, among which the consolidated capital ratios with the target levels, could determine a downgrade of UniCredit by Standard & Poor’s, Fitch or Moody’s. Any worsening of UniCredit’s or other UniCredit Group entities’ rating would rise refinancing cost for UniCredit Group and could limit the access to financial markets and other liquidity sources, which could determine a negative impact on the business, financial condition and operating results. A credit rating is not a recommendation to buy, hold or sell securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organization.

#### ***8.2.17 Risks related to changes in fiscal regulation and its implementation***

Fiscal discipline and its interpretation by the fiscal authorities and courts are subject to constant changes, the effect of which, occasionally, may have retroactive nature. Therefore, potential changes may negatively affect UniCredit Group operations. Moreover, in some countries, where UniCredit Group operates, political elections may take place in the near future. The political views in those countries may cause modifications to existing fiscal structures affecting UniCredit Group fiscal position.

#### ***8.2.18 Risk of reduced dividend with respect to the UniCredit Ordinary Shares holders***

Articles of Association provide that all of the UniCredit Saving Shares, having face value of € 0.50 each, are entitled to an increased dividend up to 5% of their face value (up to € 0.025 per share), payable on UniCredit’s net income after the appropriation of profits to statutory reserves. Should an amount of less than 5% of the nominal value of the UniCredit Saving Shares be distributed within a financial year to the holders of such shares, the difference is added to the preferential dividend for the following two years; any net profit available for dividend distribution after allocation of the preferred dividend described above is distributed among all shareholders in such a way that UniCredit Saving Shares holders receive a total dividend higher than the one of the UniCredit Ordinary Shares by 3% of share face value. Notwithstanding this requirement as to the preferred dividend to be assigned to the UniCredit Saving Shares, UniCredit Ordinary Shares are entitled to a dividend up to 5% of their nominal value. The remaining net income, should the Shareholders’ Meeting pass a resolution with respect to the distribution thereof, is allocated to all outstanding shares on top of allocations above described.

#### ***8.2.19 Risks related to the disbursement of distributions to Polish UniCredit shareholders***

In Italy, UniCredit Ordinary Shares are deposited in book-entry form at Monte Titoli. In Poland, once UniCredit enters into an agreement with NDS on the registration of UniCredit Ordinary Shares in the depository of securities operated by NDS, these shares will be registered in book-entry form and recorded on securities accounts maintained by participants in the NDS depository system. The procedure of disbursement of dividends and other distributions, followed in Italy, to UniCredit shareholders, differ significantly at present and may differ in the future from the standard procedures employed by NDS. In particular, the procedures involved in the

disbursement of dividend in Italy establish shorter periods between the record date and dividend (distributions) disbursement date, compared to the periods resulting from standard NDS procedures applicable to companies for which NDS acts as the home depository (as of the date of preparing the Information Memorandum). Due to the aforementioned differences in the procedures involved in the disbursement of distributions to UniCredit shareholders employed in Italy and in Poland, NDS and the NDS participants may be unable to provide the appropriate information or perform other actions connected with the disbursement of dividend (distributions) at such a date as to allow the disbursement of dividend (distributions) to Polish shareholders of UniCredit to occur on the same dates as such dividend (distributions) disbursement in Italy. Therefore, the risk exists that the disbursement of dividend (distributions) to Polish UniCredit shareholders might occur later than disbursement to shareholders whose UniCredit shares are registered in accounts maintained outside the depository system of the NDS.

Furthermore, in the case of disbursement of dividend or other distributions of profits obtained from participation in legal persons by UniCredit to UniCredit shareholders other than Italian tax residents, the amount of the disbursement may be subject to withholding tax (information on taxation rules can be found in Section 13.3.2(b)). If such taxation applied as per the local legal regulations, a shareholder may seek the exemption of the withholding of (the whole or part of) such tax, or, if already collected, for a refund of such withheld tax, provided he presents appropriate documents confirming such rights in this respect. If the documents referred as to above have to be obtained and presented to the relevant authorities (including the Italian tax authorities) via NDS or via NDS participants (or have to be approved by NDS or NDS participants), due to the aforementioned procedural differences involved in the disbursement of distributions in Poland and in Italy, it may not be possible to deliver to the relevant authorities the appropriate documents confirming a shareholder's right to a tax refund (or to the exemption of the withholding of same) by NDS or by NDS participants on time. Therefore, there is a risk that Polish shareholders will not be able to seek the exemption from withholding of the tax. If, however, the tax has already been withheld, then, Polish shareholders will be able to get the tax refunded to them, after the relevant documents have been passed to the competent tax authorities. If the relevant documents have to be passed to the competent tax authorities via NDS or NDS participants (or approved by NDS or NDS participants), this may require additional time.

#### ***8.2.20 Risk related to general volatility of the price of UniCredit Ordinary Shares***

The price of UniCredit Ordinary Shares has been in the past – and it may continue to be in the future – volatile, as a result in part of a high volatility of stock markets in general, of financial institutions stock prices in particular and also for the evolutions that contributed to determine the business, the financial situation and the operating result of UniCredit Group. Further factors that could affect the price of UniCredit Ordinary Shares include, as an example, UniCredit Group's strategy described; a downgrade or rumor about a downgrade of credit ratings of UniCredit Group; risk of prosecutions or regulatory suits involving UniCredit Groups' entities or any segment towards which UniCredit Group's entities are significantly exposed; market expectations about financial institutions performance and capital adequacy in general; investors perception of other institutional institutions performance, as well as the effective performance; communications involving bankruptcy or similar reorganization procedures involving other banks, as well as inquiry procedures about accounting practices, and market volatility in general.

Prior to the listing on the WSE there has been no public market for UniCredit Ordinary Shares in Poland. Therefore, the extent to which a trading market for UniCredit Ordinary Shares will develop on the WSE or how liquid that market will become cannot be predicted. In general, trading in securities in Poland is characterized by significantly lower liquidity than on the developed markets, such as the Italian or German market. If no active trading market for UniCredit Ordinary Shares develops on the WSE, their holders may not be able to resell them on the WSE at their fair market value, if at all. If a Polish investor elects to sell UniCredit Ordinary Shares on Italian or German market where they are also listed, the costs of such sale may be significantly higher than the costs to be incurred by selling them on the WSE.

#### ***8.2.21 Risks related to the ongoing merger with Capitalia group***

Unforeseen difficulties related to the ongoing merger of UniCredit with Capitalia (which is legally effective from October 1, 2007, but is still to be completed with respect to operational integration) might negatively affect UniCredit Group's activities, financial situation and operating results. The merger will determine the integration of two large banking groups previously managed as separate and competing entities. Such a complex integration process exposes UniCredit Group, and thus UniCredit's shareholders, to specific risks, including: uncertainties in synergies realization, extreme complexity of harmonization of IT systems of UniCredit Group and Capitalia group, time-consuming involvement of managerial resources in the integration process, need to communicate effectively to partners and customers and potential loss of key personnel.

Moreover, the merger may carry certain fiscal implications. According to the current Italian fiscal policy, the merger with Capitalia is fiscally neutral and, therefore, mostly unable to determine the rise of taxable earnings. Nevertheless, balance sheet items acquired or entered by UniCredit as consequence of the merger will maintain the same fiscal value they had in Capitalia. Such circumstance could determine a misalignment between accounting and fiscal valuation of some balance sheet items of UniCredit with possible occurrence of effective costs in terms of direct taxes exceeding those estimated considering reported figures.

#### **8.2.22 Risk of the listing of the UniCredit Ordinary Shares on the WSE being delayed or withheld**

The admission and introduction of the UniCredit Ordinary Shares to trading on the WSE, requires UniCredit to among others execute an agreement with the NDS to register the UniCredit Ordinary Shares in its securities deposit, a resolution of the WSE's Management Board to admit the UniCredit Ordinary Shares to trading and a resolution to introduce the UniCredit Ordinary Shares to trading on the WSE and to schedule the first day of listing. UniCredit is not in a position to guarantee that all these requirements will be satisfied.

Furthermore, in the case of an infringement or substantiated suspicion of infringement of legal provisions committed by UniCredit in connection with seeking the admission of UniCredit Ordinary Shares to trading on the WSE or in the case of a substantiated suspicion that such infringement may occur, the FSC may: (i) withhold the admission of the UniCredit Ordinary Shares to trading on the WSE for a period not exceeding 10 working days, or (ii) prohibit the admission of these Shares to trading on the WSE or (iii) publish, at UniCredit's expense, information about any unlawful action taken by UniCredit in connection with seeking the admission of such Shares to trading on the WSE.

The FSC may also apply the sanctions referred to above if the content of the Information Memorandum indicates that: (i) the admission of the UniCredit Ordinary Shares to trading on the WSE would materially prejudice investors' interests; (ii) a material breach of law was committed in establishing UniCredit the consequences of which remain in force; (iii) activities of UniCredit were or have been conducted in breach of the law, the consequences of which remain in force; or (iv) the legal status of the UniCredit Ordinary Shares does not satisfy the requirements of law.

Upon expiration of the grounds for the FSC's decision to withhold or prohibit the admission of the UniCredit Ordinary Shares to trading on the WSE, the FSC may repeal such a decision at the request of UniCredit, or on its own initiative.

The FSC may also demand that the WSE withhold the admission of the UniCredit Ordinary Shares to trading or withhold commencement of their listing on the WSE for a period not exceeding 10 working days, if it determines that this is necessary to protect the security of trading or investors' interests so require.

#### **8.2.23 Risk of the UniCredit Ordinary Shares being excluded from trading on the WSE by relevant authorities**

In connection with the listing on the WSE, UniCredit is subject to obligations imposed by the Act on Public Offering. In the event that UniCredit fails to perform certain of such obligations, the FSC may issue a decision to exclude the UniCredit Ordinary Shares from trading on the WSE for a specified or unspecified period of time, impose an administrative penalty of up to PLN 1 million or apply both measures simultaneously.

Pursuant to the WSE Rules, the Management Board of the WSE is required to exclude the UniCredit Ordinary Shares from trading on the WSE in the following events: (i) if their transferability is restricted; (ii) upon the FSC's demand made pursuant to the provisions of the Act on Trading in Financial Instruments (if the FSC determines that trading in UniCredit Ordinary Shares presents a material threat to the proper operation of the WSE main market or the security of trading on that market or impairs investors' interests); (iii) if they are reverted from book-entry form; (iv) if they are excluded from trading on the regulated market by the appropriate regulatory authority. The Management Board of the WSE can also exclude the UniCredit Ordinary Shares from trading on the WSE: (i) upon UniCredit's motion (provided that UniCredit satisfies the potential conditions imposed by the Management Board of the WSE), (ii) if it determines that such exclusion is required by the interests and safety of the trading participants, (iii) if UniCredit continuously infringes regulations governing the WSE; (iv) if the UniCredit Ordinary Shares cease to satisfy the requirements for admission to trading on the WSE main market, (v) if a decision is made to de-merge, transform or merge UniCredit with another company, (vi) if UniCredit is declared bankrupt or the motion for bankruptcy is dismissed by the court due to UniCredit's assets being insufficient to cover the cost of the proceedings, (vii) if, for a period of the last three months, there are no transactions in the UniCredit Ordinary Shares on the WSE, (viii) if UniCredit undertakes any activity prohibited by the law in force, or (ix) if UniCredit is placed under liquidation.

#### **8.2.24 Risk of the UniCredit Ordinary Shares being de-listed from the WSE upon UniCredit's application**

If UniCredit intends to withdraw UniCredit Ordinary Shares from trading on a regulated market in Poland, UniCredit should apply for the FSC's permission to revert UniCredit Ordinary Shares in Poland from book-entry form (i.e. to remove them from the securities deposit maintained by the NDS). Pursuant to the Act on Public Offering before applying for such permission, there would be an obligation to announce a public tender offer to sell all of UniCredit Ordinary Shares which were acquired through transactions executed on a regulated market in Poland and entered on securities accounts maintained in Poland, as at the end of the third day from the announcement of such public tender offer. The announcement and conduct of such tender offer are regulated by the provisions of Articles 77-79 of the Act on Public Offering. Upon completion of the required tender offer for the sale of UniCredit Ordinary Shares and obtaining FSC's approval to revert the Shares in Poland from book-entry form, UniCredit would be exempt from the obligations under the Act on Public Offering within one month and the UniCredit Ordinary Shares would be de-listed from the WSE within this period.

Any such action aimed at de-listing UniCredit Ordinary Shares from trading on the WSE or reverting them in Poland from book-entry form (and any subsequent de-listing from the WSE) would decrease the liquidity of UniCredit Ordinary Shares in Poland. In the event the UniCredit Ordinary Shares are de-listed from trading on the WSE and its holder elects to sell them on the Italian or Frankfurt Stock Exchanges, the costs related to the sale of the UniCredit Ordinary Shares may be significantly higher than those that would be incurred in connection with their sale of on the WSE.

#### **8.2.25 Risk of trading in UniCredit Ordinary Shares on WSE being suspended**

If the FSC determines that trading in the UniCredit Ordinary Shares on the WSE would be conducted in circumstances that might jeopardize the proper functioning of the WSE main market or the security of trading thereon or impair investors' interests, the FSC may demand that the WSE suspend the UniCredit Ordinary Shares from trading on the WSE main market for a period not exceeding one month.

The Management Board of the WSE may suspend trading in the UniCredit Ordinary Shares on the WSE for up to three months: (i) upon UniCredit's motion; (ii) if the Management Board of the WSE deems that such suspension is required by the interests and safety of the trading participants; or (iii) if UniCredit is in breach of the regulations governing the WSE.

A decision to suspend the UniCredit Ordinary Shares from trading on the WSE could adversely affect their liquidity in Poland.

## **Chapter 9 Concise description of the Company's history**

Credito Italiano S.p.A., founded in 1870 under the name Banca di Genova, grew to become one of Italy's largest banking institutions with a strong geographic presence throughout Italy as well as numerous branches abroad. In 1993, the Italian Republic sold its indirect controlling stake in Credito Italiano, making it the first Italian bank to be privatized. Subsequently, in February 1995, Credito Italiano acquired a majority interest in Credito Romagnolo, a leading commercial bank based in Bologna, Italy, which thereafter merged with Carimonte Banca, a leading savings bank, to form Rolo Banca 1473 S.p.A.

The UniCredit Group was established as a result of the October 1998 business combination between Credito Italiano S.p.A., the parent company of a national commercial banking group, and Unicredito S.p.A., the holding company of a group of regional savings banks, which resulted in the creation of UniCredit Group with UniCredit (formerly Credito Italiano S.p.A.) as the holding company. The UniCredit Group of regional savings banks was formed in 1997 by a three-way merger among Banca Cassa di Risparmio di Torino S.p.A., Cassa di Risparmio di Verona Vicenza Belluno and Ancona Banca S.p.A., which were at the time the second and third largest Italian savings banks, respectively, and Cassamarca – Cassa di Risparmio della Marca Trivigiana S.p.A. Through this transaction, these two leading Italian banking groups combined their product strengths and complementary geographic coverage in order to compete more effectively in the Italian and European banking and financial services markets.

In the years following its formation the UniCredit Group continued to expand in Italy and launched its operations in the countries of the so-called New Europe through both acquisitions and organic growth. On June 12, 2005 the Board of Directors of UniCredit and the Management Board of HVB, with the consent of HVB's Supervisory Board, resolved to enter into a business combination agreement setting forth the basic agreements and understanding of the parties with respect to the combination of the UniCredit Group's and the HVB Group's respective businesses. UniCredit and HVB agreed, inter alia, on the terms and conditions of two public tender

offers in Germany and Austria for all of the shares of HVB and BA-CA. Following the successful completion of the two offers, in November 2006 UniCredit acquired the majority of HVB's and BA-CA's share capital.

On May 20, 2007, UniCredit's and Capitalia's Board of Directors approved the project on the merger of Capitalia in UniCredit, calling the respective Extraordinary Shareholders' Meetings which approved the merger project and the relevant changes of the Articles of Association of UniCredit on July 30, 2007. Following receipt of the necessary regulatory approvals and of merger controls clearance, the deed of merger was executed on September 25, 2007 and the merger of Capitalia into UniCredit has become effective as of October 1, 2007.

## **Chapter 10 Concise description of the Company's business**

### **10.1 Overview**

The UniCredit Group is a full-service financial services group engaged in a wide range of banking, financial and related activities throughout Italy and certain CEE countries. The UniCredit Group's activities include deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*). As of June 30, 2007, the UniCredit Group's multi-channel distribution network comprised 9,000 retail branches (of which 5,025 were located in Italy), various licensed banks held either directly as subsidiaries or through joint ventures in a number of countries and as of December 31, 2006 a network of 3,034 licensed financial consultants (*promotori finanziari*) operating in Italy, with a market share amounting to 10.1% as well as internet and telephone banking capabilities.

As of November 20, 2007, the UniCredit Group was the largest banking group in Italy, the second largest bank in the Euro Zone and the third largest bank in Europe, and controlled the largest commercial banks in Croatia, Bosnia-Herzegovina, Bulgaria and Poland and had significant operations in Slovakia, the Czech Republic, Romania and Turkey<sup>1</sup>. As of December 31, 2006, the Company believes that it holds, in Italy, a 15.8 % market share for loans and 15.7% for direct deposits, and a market share of 16.9% for mutual funds (excluding portfolio management)<sup>2</sup>.

In recent years, the UniCredit Group has taken aggressive steps to expand and diversify its business and to implement a thorough rationalization and automation of its back-office and administrative functions. At the same time, the UniCredit Group has upgraded its information technology systems and centralized its group treasury and risk management functions. As a result of these efforts, from 1998, the first year for which the UniCredit Group reported consolidated financial information, through the end of 2006, the UniCredit Group recorded consistent increases in total revenues and earnings per share, while maintaining its cost/income ratio at good levels of performance. As of December 31, 2006, the UniCredit Group recorded a increase in revenues of 12.5% y/y, thanks to the growth seen in all divisions, especially in the CEE countries (more than 20%). The UniCredit Group's total revenues increased from € 6,299 million in 1998 to € 6,547 million in 2006, and its earnings per share increased from € 0.19 in 1998 to € 0.24 in 2006.

### **10.2 Business and current organizational structure**

UniCredit conducts its activity through:

- guidance, support and control functions: Chief Financial Officer, Chief Risk Officer, Compliance and Corporate Affairs, Group M&A and Business Development, Human Resources, Internal Audit, Institutional and Regulatory Strategic Advisory;
- organization and service functions: Group ICT, Group Organisation & Logistics, Banking Services (globally named Global Banking Services – “GBS”), Legal Affairs, Group Identity and Communications, and Global Banking Services CEE (“GBS CEE”);
- Business Divisions/Departments: Asset Management, Household Financing, Retail, Corporate, Private Banking, Markets & Investment Banking, Central Eastern Europe (“CEE”), Poland's Markets.

The coordination of business and organization/ service functions is assigned to three “Deputy CEOs”, who are respectively responsible:

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<sup>1</sup> Source: UniCredit's own data

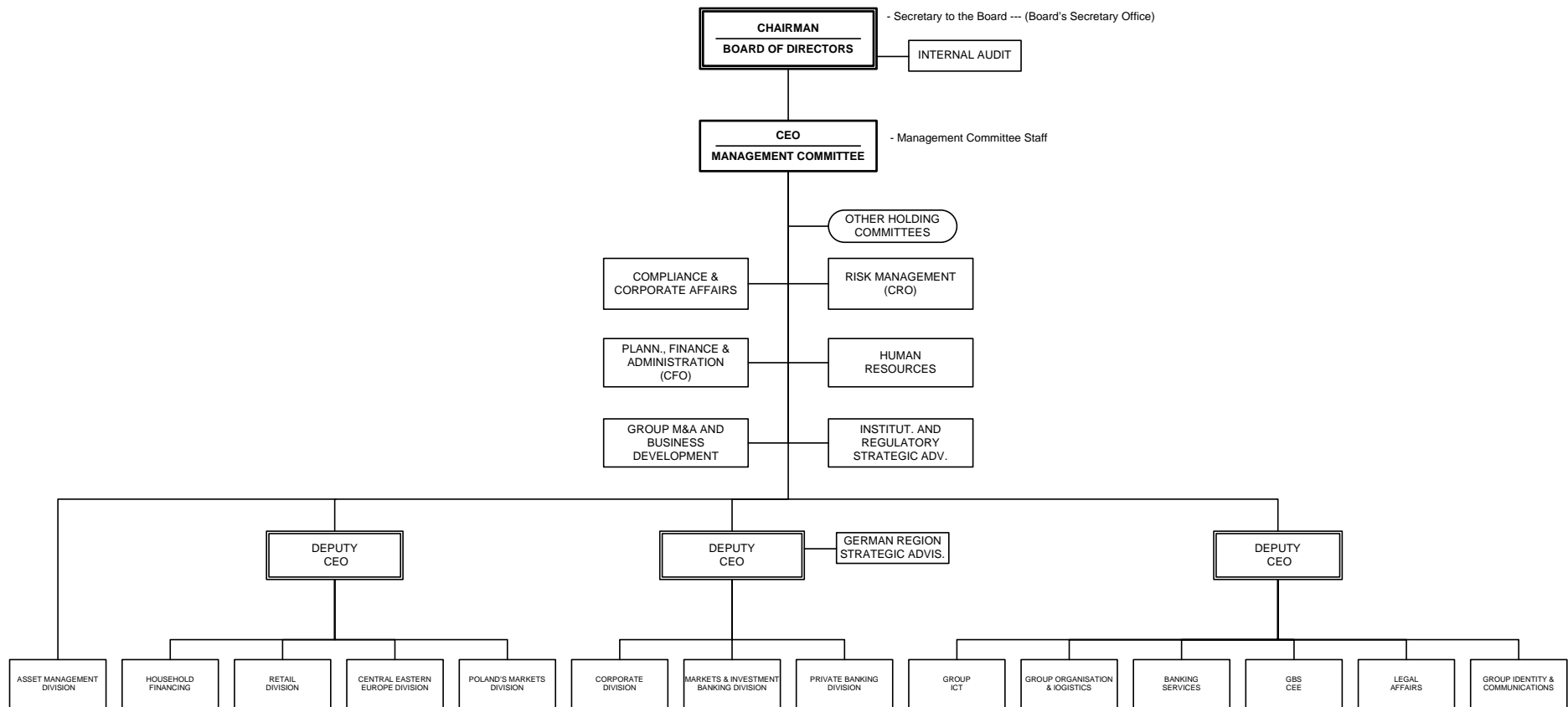
<sup>2</sup> Source: UniCredit's own data

- the first for the “Retail”, “Central Eastern Europe (CEE)”, “Poland’s Markets” Divisions and for the “Household Financing” Department (coordination of consumer finance and mortgages business lines);
- the second for the “Corporate” and “Markets & Investment Banking” Divisions and for the “Private Banking” Division;
- the third for Group ICT, Group Organization & Logistics and Banking Services and GBS CEE.

The Asset Management activities are carried out through the Division named “Asset Management”, directly reporting to the CEO. Through its partnership with leading global financial institutions, the Asset Management Division can offer an innovative and comprehensive range of financial solutions, including mutual funds, hedge funds, asset management, institutional portfolios and structured products.

Please find below the organization chart of UniCredit showing the above.





### 10.2.1 Deputy CEO (1)

In particular, this Deputy CEO is responsible for:

- **Retail Division** which coordinates the retail banking operations of the UniCredit Group in Italy, Germany and Austria, including bank assurance business, focusing on the financial needs of the mass-market and of affluent individuals, together with small businesses.
- **Central Eastern Europe Division** which coordinates, through BA-CA sub-holding, the CEE Banks through selected guidance, support and controlling and business functions and supports the development of the global businesses of the relevant Divisions in the CEE.
- **Poland's Markets Division** which coordinates the banks established in the relevant markets through selected guidance, support and controlling and business functions and supports the development of the global businesses of the relevant Divisions in the above mentioned markets. The Poland's Markets Division manages the Group's operations in Poland and Ukraine.
- **Household Financing Department** which coordinates the loans and consumer credit sectors at Group level.

### 10.2.2 Deputy CEO (2)

In particular, this Deputy CEO is responsible for:

- **The Corporate Division**, which coordinates the Corporate Business Line of Regional Entities - HVB and BA-CA the Corporate Segment Bank and the Corporate Specialized Banks/ Companies (e.g. leasing at Group level) as global businesses also in CEE and the Global Financial Services business. The Corporate Division mainly serves clients with an annual turnover of over € 3 million. It provides a range of dedicated products and services, which may vary according to client requirements, regional presence and growth potential.
- **The Markets & Investment Banking Division**, which coordinates the Markets & Investment Banking Business Line of Regional Entities (until the set up of the Global Investment Banking business of the Group), the relevant Foreign Branches and the relevant Specialized Banks/ Companies (e.g. UBM) as global business also in CEE. The Markets area includes all trading, structuring and distribution activities, whereas the Investment Banking area combines coverage and origination-based business, as well as financing and loan syndication.
- **The Private Banking Division**, which coordinates the Private Banking Business Line of Regional Entities - HVB and BA-CA, the Private Banking Segment Bank and the Specialized Banks/ Companies (e.g. Xelion, Private Banks).

### 10.2.3 Deputy CEO (3)

In particular, this Deputy CEO is responsible for:

- **Group ICT, Group Organisation & Logistics, Banking Services, GBS CEE**, operating as a preferred supplier of the Group for a full range of services in support of the business divisions' operations, such as back-office, workout services, ICT, procurement management, insurance claims assessment, property management, securities and settlement management, ensuring strategic support for the sustainable growth of the UniCredit Group's businesses and generating added value to the benefit of UniCredit Group.
- **Legal Affairs**, with the objective of (i) supporting the Divisions in legal disputes and infragroup contracts, (ii) supporting, for the relevant legal matters, the M&A activities, (iii) performing the Legal CEE functions.
- **Group Identity & Communications**, with the objective of building and spreading the corporate image, values, culture and identity which are consistent and will be pursued over time, through internal and external communication activities.

The Deputy CEO, through the Global Service Factories of the Group, is responsible for providing strategic support for sustainable growth within the Group's activities, adding value and ensuring maximum quality of services offered.

The mentioned Deputy CEO is also responsible for optimizing the internal procedures and cost structures of the Group, as well as cost control via centralized provisioning for the Group.

## Chapter 11 UniCredit's shareholders

As of the hereof no Company's shareholder holds 5% or more of the votes at the Shareholders' Meeting.

**Table:** Shareholders owning more than 2% as of the date of this Information Memorandum

Shareholders	UniCredit Ordinary Shares	%owned <sup>1</sup>
1. Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	606,077,204	4.542%
2. Fondazione Cassa di Risparmio di Torino	505,858,753	3.791%
3. Gruppo Munich Re	499,559,020	3.744%
4. Carimonte Holding S.p.A.	446,567,993	3.347%
5. Gruppo Allianz	319,137,270	2.392%

<sup>1</sup> On ordinary capital (i.e. excluding the UniCredit Saving Shares)

**Table:** The number and value of share as of the date of this Information Memorandum

Ordinary Capital	Shares	€
1. Total Shares	13,364,489,452	6,682,244,726.00
2. UniCredit Ordinary Shares	13,342,782,900	6,671,391,450.00
3. UniCredit Saving Shares	21,706,552	10,853,276.00

## Chapter 12 Information on the intended admission to trading on WSE

UniCredit intends to apply to the WSE Management Board to for the admission of UniCredit Ordinary Shares to trading on the WSE main market, so as to have the Shares first listed before the end of 2007.

The admission and introduction the UniCredit Ordinary Shares to trading on the WSE requires UniCredit to execute an agreement with the NDS to register the UniCredit Ordinary Shares in its securities deposit and the adoption by the WSE Management Board of resolutions to admit and introduce them to trading, determine the listing market and schedule the first day of listing.

UniCredit has not yet entered into an agreement with the NDS to register the UniCredit Ordinary Shares and has not filed an application to have the UniCredit Ordinary Shares admitted to trading on the WSE, but it intends to file the application accompanied by required documents in the nearest future. If the agreement on the registration is signed with the NDS and the WSE Management Board adopts the resolutions regarding the listing of UniCredit Ordinary Shares on the WSE, UniCredit will immediately disclose the relevant information to the public.

## Chapter 13 Additional information

### 13.1 Additional information on UniCredit's share capital

As of the date hereof, the share capital of UniCredit amounts to € 6,682,244,726 and is divided into 13,364,489,452 UniCredit Shares, each with the nominal value of € 0.50, including 13,342,782,900 UniCredit Ordinary Shares and 21,706,552 UniCredit Saving Shares.

Information presented below is based on the resolutions adopted by UniCredit's respective corporate bodies, which resolutions may change UniCredit's current share capital described in Chapter 2 "*Information on UniCredit Ordinary Shares*".

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 2, 2000, the Board of Directors of UniCredit, in accordance with Article 2443 of the Italian Civil Code, granted to the executive staff of UniCredit, of other banks and companies of the UniCredit Group identified by the Board of Directors, on May 23, 2000, 18,635,000 option rights to be exercised up to 2009 at a unit price of € 4.53 and on March 28, 2001

31,365,000 option rights to be exercised up to 2009 at a unit price of € 4.99. On May 23, 2000, 10,039,765 option rights have been exercised and 9,979,765 10,039,765 UniCredit's ordinary shares have been issued. With respect to the option rights issued pursuant to the resolution passed on March 28, 2001, 13,336,080 option rights have been exercised and 13,336,080 ordinary shares have been issued.

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 6, 2002, the Board of Directors of UniCredit decided to issue 35,000,000 option rights granted to the executive staff of UniCredit, of other banks and companies of UniCredit Group identified by the Board of Directors, to be exercised up to 2011 at a unit price of € 4.263. 19, 247,852 ordinary shares have been issued.

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 6, 2002, the Board of Directors of UniCredit decided to issue 585,899 "Option Rights UniCredito Italiano S.p.A. 2001 – 2010 – Ex Option Rights Rolo Banca 1473 S.p.A. 2001– 2005" and 738,667 "Option Rights UniCredito Italiano S.p.A. 2002 – 2010 – Ex Option Rights Rolo Banca 1473 S.p.A. 2002-2005" issued and allotted to replace the same number of option rights granted to the members of the executive staff of Rolo Banca 1473 S.p.A. With respect to the "2001-2010" option rights, 413,566 were exercised and 1,571,549 ordinary shares were issued. With respect to the "2002-2010" option rights, 571,067 were exercised and 2,170,053 ordinary shares were issued.

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 4, 2004, the Board of Directors of UniCredit decided to issue (i) on July 22, 2004, 14,568,700 option rights to be exercised from 2008 to 2017 at a unit price of € 4.018; (ii) on November 18, 2005, 41,630,000 option rights to be exercised from 2009 to 2018 at a unit price of € 4.817; (iii) on December 15, 2005, 1,500,000 option rights to be exercised from 2009 to 2018 at a unit price of € 5.301, to be granted to the executive staff of UniCredit, of the banks and of other companies of the UniCredit Group who hold positions considered highly relevant for the attainment of the overall UniCredit Group targets.

The Board of Directors of UniCredit also has the power, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital free of charge, through one or more transactions and over a period of no more than five years from the Shareholders' Meeting Resolution passed on May 4, 2004, pursuant to the provisions of Article 2349 of the Italian Civil Code, for a maximum nominal amount of € 52,425,000, corresponding to a maximum number of 104,850,000 ordinary shares with a nominal value of € 0.50 each, to be allotted to the staff of UniCredit and other Group banks and companies. Such powers were exercised by resolutions of the Board of Directors dated July 22, 2004, March 14, 2005, June 12, 2005, November 30, 2005, March 22, 2006 and March 21, 2007 increasing the share capital by issuing: 20,373,063, 1,341,480, 16,984,286, 2,946,000, 2,548,860 and 4,085,100 ordinary shares, respectively.

The Extraordinary Shareholders' Meeting of UniCredit dated May 12, 2006 granted to the Board of Directors, in accordance with Article 2443 of the Italian Civil Code, the power to resolve on one or more tranches for a maximum period of five years starting from the date of the above shareholders' resolution, to carry out a free capital increase, pursuant to Article 2349 of the Italian Civil Code, for a maximum nominal amount of € 6,500,000 corresponding to up to 13,000,000 ordinary shares with the par value of € 0.50 each to be granted to the management of UniCredit, of the banks and of the companies that belong to UniCredit Group.

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 12, 2006 the Board of Directors of UniCredit issued: (i) on June 13, 2006, 29,204,700 option rights to be exercised from the year 2010 and up to the year 2019 at a unitary price of € 5.951 (ii) on July 1, 2006, 90,300 option rights to be exercised from the year 2010 and up to the year 2019 at a unitary price of € 5.879.

Based on the powers received from the Extraordinary Shareholders' Meeting dated May 10, 2007, on June 12, 2007 the Board of Directors of UniCredit issued no. 29,809,423 option rights to be exercised from 2011 to 2017 at a unit price of € 7.094, to be granted to the executive staff of UniCredit, as well as of the other banks and companies of the UniCredit Group, who hold positions considered highly relevant for the attainment of the overall UniCredit Group targets. During the same meeting, the Board of Directors of UniCredit undertook to issue free of charge 8,205,268 UniCredit ordinary shares (performance shares) in one tranche in the year following the relevant three-year period (2008/2010), provided that the performance goals, both of the UniCredit Group and of each business line, outlined in the strategic plan as approved and amended by the Board of Directors of UniCredit, are met, as verified at the end of the relative three-year period.

The Board of Directors of UniCredit is also authorized, pursuant to Article 2443 of the Italian Civil Code, to resolve, in one or more tranches and for a maximum period of five years starting from the Shareholders' Resolution dated May 10, 2007, upon a free capital increase pursuant to Article 2349 of the Italian Civil Code, for a maximum nominal amount of € 5,500,000 corresponding to up to 11,000,000 ordinary shares with a par value of € 0.50 each, to be granted to the management of UniCredit, of the banks and of the companies that belong to UniCredit Group.

The Board of Directors has also the right, pursuant to Article 2443 of the Italian Civil Code, to resolve within a maximum five-year period from the date of the Extraordinary Shareholders' Meeting Resolution passed on May 10, 2007 - to increase the share capital, in one or more tranches, for cash in accordance with Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code, for a total nominal amount of € 525,000,000 corresponding to up to 1,050,000,000 UniCredit ordinary shares with a par value of € 0.50 each, to be used for potential acquisition transactions to be carried out by UniCredit.

The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase, pursuant to Article 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of € 1,561,140, to be effected through the issue of up to a maximum 3,122,280 ordinary shares with a par value of € 0.50 each, to service the 2,787,750 "Subscriptions Rights UniCredit S.p.A. 2007-2008 – Ex Capitalia Warrants 2002" assigned in exchange for an equal number of warrants issued pursuant to the "Stock Incentive Plan 2002 in favor of Banca di Roma Group's employees" formerly allocated, free of charge, to Capitalia group's employees pursuant to the resolution adopted by the Capitalia's Extraordinary Shareholders' Meeting of May 16, 2002. The subscription rights may be exercised, as far as the first tranche of 94,750 rights is concerned, at a price equal to € 1.214 each and, as far as the second tranche of 2,693,000 rights is concerned, at a price equal to € 2.4743 each; and each of them assigns the right to purchase 1.12 UniCredit ordinary shares no later than by October 10, 2008 in accordance with the terms and conditions approved by the above mentioned Extraordinary Shareholders' Meeting. Of the rights exercised at a price of € 2.4743, a total of 148,000 were exercised, against which a total of 165,759 ordinary shares were subscribed for and issued.

The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase pursuant to Article 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of € 9,060,380, to be effected through the issue of up to a maximum 18,120,760 ordinary shares with a par value of € 0.50 each, to service the 16,179,250 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex Capitalia Warrants 2005" assigned in exchange for an equal number of warrants issued pursuant to the "Stock Incentive Plan 2005 in favor of Capitalia Group's employees" formerly allocated, free of charge, to Capitalia group's employees pursuant to the resolution adopted by the Capitalia's Extraordinary Shareholders' Meeting of April 4, 2005. Each option may be exercised at a price equal to € 4.1599 and assigns the right to purchase 1.12 ordinary shares of UniCredit, no later than by December 31, 2011 pursuant to the relevant terms and conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 40,000 rights were exercised, against which a total of 44,800 ordinary shares were subscribed for and issued.

The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase pursuant to Article 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of € 186,438, to be effected through the issue of up to a maximum 372,876 ordinary shares with a par value of € 0.50 each, to service the 332,925 "Subscription Rights UniCredit S.p.A. 2007-2009 – Ex FinecoGroup Warrants 2003" assigned in exchange for an equal number of warrants formerly allocated, free of charge, to Fineco group's employees and Fineco Bank's private bankers pursuant to the resolution adopted by the Capitalia's Extraordinary Shareholders Meeting of November 28, 2005. Each subscription right may be exercised at a price equal to € 4.24 and assigns the right to purchase 1.12 UniCredit ordinary shares, no later than by December 31, 2009 pursuant to the relevant terms and conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 9,750 rights were exercised, against which a total of 10,920 ordinary shares were subscribed for and issued.

The Extraordinary Shareholders' Meeting of July 30, 2007 approved a capital increase pursuant to Art. 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of € 3,839,922, to be effected through the issue of up to a maximum 7,679,844 ordinary shares with a par value of € 0.50 each, to service the 6,857,004 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex FinecoGroup Warrants 2005" assigned in exchange for an equal number of warrants formerly allocated, free of charge, to Fineco group's employees and Fineco Bank's private bankers pursuant to the resolution adopted by the Capitalia's Extraordinary Shareholders' Meeting of November 28, 2005. Each subscription right may be exercised at a price equal to € 3.9348 and assigns the right to purchase 1.12 UniCredit ordinary shares, no later than by December 31, 2011 pursuant to the relevant terms and conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 33,831 rights were exercised, against which a total of 37,888 ordinary shares were subscribed for and issued.

### **13.2 Information on performance of shareholders' rights by Polish shareholders of UniCredit**

UniCredit is an Italian company and its organization, structure, rules of operation and shareholder relations are governed by the laws of Italy. Therefore, the regulations and procedures governing the exercise of rights of UniCredit's shareholders are significantly different than the corresponding regulations and procedures relating to Polish joint stock companies. Specifically, exercising the rights attached to UniCredit Ordinary Shares might be subject to conditions or require actions which are not applicable to a Polish joint stock company.

In order to allow its Polish shareholders to effectively exercise their rights and obtain necessary information in this respect, UniCredit will disclose to the public in Poland, on an ongoing basis and sufficient time in advance, information on all important events that may affect the exercising of rights attached to the UniCredit Ordinary Shares by the Polish shareholders of UniCredit, in the form of current reports (and, if the Company deems it advisable, additionally in the form of press releases or in any other manner).

### ***13.2.1 The form and rules governing the trading in UniCredit Ordinary Shares in Poland***

In Poland, UniCredit Ordinary shares will be registered with the NDS in a book-entry form and recorded in the securities accounts maintained by participants in the NDS depository system. Therefore, no UniCredit Ordinary Shares in a physical form will be issued to Polish shareholders of UniCredit. However, share deposit certificates evidencing such Shares may be issued at the request of the account holder by an entity keeping the account. Pursuant to the Article 9 of the Act on Trading in Financial Instruments, a share deposit certificate confirms the title to exercise all rights arising from the securities which are not or cannot be exercised exclusively on the basis of entries in a securities account. At the same time, investors should note that the rights vested by UniCredit Ordinary Shares are not exercised with the use of a share deposit certificate. In particular, the provisions of the Act on Trading in Financial Instruments referred to above, according to which a shareholder is entitled to exercise certain rights with the use of a share deposit certificate, constitute a Polish corporate law regulation which does not apply to UniCredit, incorporated under Italian law.

Any transfer of UniCredit Ordinary Shares in Poland would be effective as of the moment the relevant entry is made in the securities account. The transactions in UniCredit Ordinary Shares on the WSE will be settled pursuant to the regulations of the WSE and the NDS. The registration of UniCredit Ordinary Shares in a securities account is effected after the registration of the transfer of such Shares between the relevant deposit accounts. If UniCredit Ordinary Shares are acquired by virtue of a legal event which results in the transfer of such Shares by operation of the Act on Trading in Financial Instruments, such Shares shall be registered in the transferee's account at the request of the transferee.

In order to effect a transaction in UniCredit Ordinary Shares on the Italian or Frankfurt Stock Exchanges, a Polish shareholder of UniCredit, whose shares are registered in a securities account in Poland, would be required to transfer his/her shares to that other market by placing appropriate instructions with an entity maintaining his/her Polish securities account (participant in the NDS) as well as with an entity maintaining his/her securities account on the German or Italian market, respectively. Please note that the costs related to the transfer and sale of UniCredit Ordinary Shares on the German or Italian market might be significantly higher than those that would be incurred in connection with their sale of on the WSE.

### ***13.2.2 Payment of dividends and other distributions to Polish UniCredit shareholders***

Pursuant to the NDS Rules (valid at the date of this Information Memorandum), the implementation of UniCredit's liabilities to shareholders owning UniCredit Ordinary Shares registered on securities accounts maintained by the NDS participants will take place based on, and via, the information obtained by NDS from the foreign entity that will maintain appropriate accounts for NDS for the purpose of registering UniCredit Ordinary Shares on them. This means in particular that in principle the terms, dates and procedures relating to disbursements to such shareholders will be determined in keeping with the regulations in place in Italy and the standard NDS procedures regarding the disbursement of distributions in the case of companies for which NDS is the home depository, may not apply. It should be noted that the procedure of disbursement of dividends and other distributions, followed in Italy, to UniCredit shareholders, differ significantly at present and may differ in the future from the standard procedures employed by NDS. In particular, the procedures involved in the disbursement of dividend (distributions) in Italy establish shorter periods between the record date and dividend (distributions) disbursement date, compared to the periods resulting from standard NDS procedures.

As per the Italian regulations, UniCredit is obliged to announce the intention of paying dividend and specify the record date at which shareholders entitled to receive dividend are determined. The record date at which the shareholders entitled to receive dividends are determined and the date of dividend payment must fall on dates specified by UniCredit in keeping with the Borsa Italiana calendar.

Due to the differences in the procedures involved in the disbursement of distributions to UniCredit shareholders employed in Italy and in Poland, NDS and the NDS participants may be unable to provide the appropriate information or perform other actions connected with the disbursement of dividend (or other distributions) at such a date as to allow the disbursement of dividend (distributions) to Polish shareholders of UniCredit to occur on the same dates as such dividend (distributions) disbursement in Italy. Therefore, the risk exists that the disbursement of dividend (distributions) to Polish UniCredit shareholders might occur later than disbursement to shareholders whose UniCredit shares are registered in accounts maintained outside the depository system of the

NDS. Besides, due to the above reasons, there may be some risks for Polish UniCredit shareholders related to the right to a refund (or the waiving of collection) of withholding tax on the disbursements made by UniCredit (more information on the subject is supplied in the Section 8.2.19 “*Risks related to the disbursement of distributions to Polish UniCredit shareholders*”).

Investors should also take note of some differences regarding the principles of listing of UniCredit Ordinary Shares (with or without the right to dividend) on the Italian Stock Exchange compared to the standard terms applied in this regard to companies listed on WSE. Due to these differences, it cannot be ruled out that the date from which the UniCredit Ordinary Shares are listed without the right to dividend on the Italian Stock Exchange will not be the same as the corresponding date on WSE.

In connection with the circumstances described above, UniCredit intends to contact NDS on each occasion, sufficiently in advance of the commencement of the disbursement of a dividend or any other distribution to be remitted by UniCredit via NDS. The purpose of these contacts will be to discuss the principles of disbursement of distributions to shareholders owning UniCredit Ordinary Shares registered on securities accounts maintained by NDS participants. UniCredit will, wherever possible and permitted under Italian law, seek to ensure that the dates of disbursements to Polish UniCredit shareholders differ as little as possible from the dates of such disbursements in Italy.

With regard to shareholders owning UniCredit Ordinary Shares registered on securities accounts maintained by NDS participants, the dividend will be disbursed via NDS. To this end, UniCredit, through Monte Titoli, will transfer to NDS the amount designated for the shareholders whose UniCredit Ordinary Shares are registered on securities accounts kept by NDS participants. Next NDS will transfer the dividends to its participants, who in turn will transfer the amount of dividend to their clients’ accounts.

That procedure may also be applied to distributions other than the dividend.

UniCredit will, sufficiently in advance and always in compliance with the Italian regulations, release in Poland, in the form of current reports (and also in the form of press releases or in any other manner, if the Company deems it advisable) any material information regarding the disbursement of the dividend or other distribution, including in particular information about the intention to pay dividend (distributions), the day of determination of the right to dividend (distributions), and the disbursement date.

### ***13.2.3 Participation of Polish shareholders in UniCredit Shareholders’ Meetings***

UniCredit will make public in Poland notices of convening its Shareholders’ Meetings. The information will contain a date (or dates), place and agenda for the Meeting, as well as information on the documents that must be submitted by UniCredit shareholders in order to attend the Shareholders’ Meeting, as well as other information on Shareholders’ Meetings, to the extent prescribed by the applicable provisions. The procedure for convening Shareholders’ Meetings has been discussed in more detail in Section 4.1.1.

The principles for evidencing the shareholders’ rights to participate in a Shareholders’ Meeting of UniCredit are set forth by the provisions of Italian law, including the applicable provisions of CONSOB, the Articles of Association and the Regulations Governing General Meetings of UniCredit. Pursuant to the foregoing provisions, a shareholder intending to participate in a Shareholders’ Meeting should apply to an entity maintaining its securities account to issue, by means of a Monte Titoli participant, and send to UniCredit a relevant notification confirming that the shareholder holds UniCredit shares. The notification should be sent to the Company, not later than two days prior to the date set forth for the first call of the Shareholders’ Meeting. The contents of such notification, the manner of proceeding in relation to its issuance and provision to the Company, as well as in the event of any amendments to the information contained therein are set forth by the CONSOB regulations. Furthermore, to participate in a Shareholders’ Meeting, a shareholder should submit to the Company a copy of such notification. The UniCredit shares indicated in the notification should be registered in the securities account until the completion of the Shareholders’ Meeting, otherwise the shareholder shall lose the relevant right to vote at the Meeting.

A shareholder is entitled to participate in and vote at a Shareholders’ Meeting in person or by proxy, pursuant to the provisions of Italian law and Clause 13, Section IV, of the Articles of Association. It being understood that a proxy needs not necessarily be a shareholder of the Company.

Together with a notice of convening a Shareholders’ Meeting published in Poland, UniCredit will also provide information on the document that a Polish shareholder should obtain and submit to the Company in order to attend and vote at a Shareholders’ Meeting (whether in person or by proxy), as well as information on the procedure for obtaining such documents and submitting them to UniCredit. If required, the procedure of obtaining the above documents and submitting them to UniCredit will be earlier agreed with the NDS and the relevant information forwarded to the NDS participants through the NDS. The information referred to above

will be made public in the form of current reports (and, if the Company deems it advisable, additionally in the form of press releases).

Currently, provisions of Italian law do not permit UniCredit shareholders to attend and vote at Shareholders' Meetings by means of electronic communications.

### **13.3 Selected Polish and Italian tax considerations**

The information below is only of a general nature and should be treated exclusively as a general information.

It should not, in particular, constitute the sole grounds for assessing the domestic tax consequences of making any investment decisions. Potential Polish investors are urged to obtain an individual advice of a tax advisor or legal counsel and/or an individual, binding tax ruling issued by the Polish tax authorities. Please note that the information presented below has been prepared based on provisions of the Polish law in force, effective as of the date of this Information Memorandum.

#### ***13.3.1 Taxation of income relating to holding UniCredit Ordinary Shares – Polish regulations***

##### *Polish corporate shareholders*

Dividends and other income (revenue) actually earned on shares held by corporate entities and companies as well as other unincorporated entities (except partnerships) with their registered office or place of management in Poland, shall be subject to taxation (on their worldwide income) on the general rules under the CIT Law. The applicable tax rate is 19%. In case of dividends, the tax base is the entire amount of the dividend without any decrease for tax-deductible expenses.

Pursuant to Article 20(3) of the CIT Law, a tax exemption may apply to dividends and other income derived from the holding of shares in corporations, whose seat or management office is outside Poland, that are earned by Polish corporate shareholders, whose worldwide income is subject to income tax in Poland, regardless of where the income is earned, provided that certain conditions provided for in the CIT Law are met. The shareholder, in order to qualify for exemption, must hold sufficiently large block of shares (currently 15%, as of January 1, 2009 - at least 10%) for the uninterrupted period of two years (this term may lapse after the dividend disbursement).

The Double Taxation Treaty provides that dividends payable by a company with its registered office in Italy to a corporation with its registered office in Poland being the beneficial owner of the dividends may be taxed in Italy, although such tax cannot exceed 10% of the gross amount of the dividends (provided that the given income is not connected with the recipient's "permanent establishment" in Italy).

##### *Polish individual shareholders*

Pursuant to Article 30a of the PIT Law, the dividend income earned by individuals domiciled (the domicile is defined as possession of the centre of personal and/or business interests in Poland, i.e. so-called centre of vital interests and/or the stay exceeding 183 days in the tax year) in Poland on holding shares is taxable at a flat 19% rate. The tax is applied without any decrease for tax-deductible expenses. The above income is not amalgamated with other income earned during a tax year, taxable pursuant to general PIT rules, i.e. at the progressive tax rates.

Pursuant to Article 41(4) of the PIT Law, the tax is collected by a tax remitter, i.e. an entity that disburses or makes available to the taxpayer dividends and other income (revenues) actually earned from shares. Taxpayers are not required to disclose the flat tax withheld by the remitter in their annual tax return.

With respect to the UniCredit Ordinary Shares, however, any distributions will be made by a foreign entity which does not have its registered office in Poland, and, therefore, Polish regulations cannot impose any obligation on UniCredit to withhold Polish tax as a tax remitter. Therefore, unless the Polish tax authorities would be of the view that the income tax should be withheld by a Polish resident acting as an intermediary for the purpose of dividend distributions (if any), UniCredit will not be obligated to withhold Polish tax. If the tax is not withheld and transferred by the tax remitter, the flat rate income tax should be calculated and paid by the taxpayers themselves (by the prescribed deadline). The individual taxpayers may also be required to pay tax advances in course of the fiscal year.

The Double Taxation Treaty provides for that dividends payable by a company with its registered office in Italy to an individual domiciled in Poland, being the beneficial owner of the dividend, may be taxed in Italy, although such tax cannot exceed 10% of the gross amount of the dividends (provided that the given income is not connected with the recipient's "permanent establishment" in Italy).



### ***13.3.2 Taxation of income relating to holding UniCredit Ordinary Shares – Italian regulations***

#### **(a) Residents**

If the beneficial owner is a resident company, the 5% of the dividend will be taxed within the whole taxable base subject to the 33% corporate rate, while if the beneficial owner is a resident individual, the 100% of the dividend is subject to a 12,5% final withholding tax (assuming that the shareholding is not qualified).

A shareholding is considered “qualified” when its amount is more than 2% of the voting rights or 5% of the capital in listed companies, or more than 20% of the voting rights or 25% of the capital in other companies. In case of “qualified” shareholdings, the 40% is subject to income tax (and therefore to be included in the annual tax return) at the progressive tax rate. The provisions that implement the Parent-Subsidiary Directive cannot apply to dividends derived by an Italian resident individual from an Italian resident company, nor to dividends derived by an Italian resident company from an Italian resident company.

#### **(b) Non-residents**

If the beneficial owner is not Italian resident, the dividend is subject to a final 27% withholding tax (without distinguishing between companies and individuals), but a refund of 4/9 of the tax withheld can be claimed, up to the limitation of the tax paid on such dividend abroad. Withholding tax rate may be reduced to 10% under Double Taxation Treaty between Poland and Italy.

Under the provisions that implement the Parent-Subsidiary Directive, no withholding tax is levied on dividends paid to a parent company in Poland if both the parent and the subsidiary are qualified companies under the Directive and the parent has held at least 20% of the capital of the subsidiary for a period of at least one year. The minimum participation should be reduced to 15% in 2008 and to 10% in 2009. The Parent-Subsidiary Directive is applicable only to companies and not to individuals. On the other hand, in order to benefit from the Double Taxation Treaty provisions, the beneficial owner has to provide a certificate of residence, signed by the tax authorities of the country in which such beneficial owner is resident.

### ***13.3.3 Taxation of income from a disposal of UniCredit Ordinary Shares – Polish regulations***

#### ***Polish corporate shareholders***

Income on the disposal of shares for consideration earned by corporate entities (including those in course of incorporation, i.e. not vested with legal personality yet), as well as other unincorporated entities (excluding partnerships) with their registered office or place of management in Poland will be subject to taxation on the general rules under the CIT Law (i.e. at the basic 19% rate, together with other income earned during the given fiscal year). The taxable base is the income on disposal of the shares for consideration, defined as the selling price of the shares reduced by the expenditures incurred to acquire the shares.

#### ***Polish individual shareholders***

Article 30b of the PIT Law provides for the possibility of applying the flat 19% tax rate to income from the disposal of securities (including stock) against consideration. However, this provision shall not apply if a disposal of shares takes place within the scope of the taxpayer’s business activity. In such case, the selected rules concerning taxation of individuals carrying out business activity would apply.

#### ***Foreign shareholders***

Foreign shareholders, whose registered office (place of management) or domicile is not located in Poland are subject to taxation in Poland on the disposal of shares only with respect to income earned in Poland (Article 3 (2a) of the PIT Law and Article 3 (2) of the CIT Law). Income from the sale of the shares on the WSE is considered to be income earned in Poland. However, in addition to the aforementioned regulations, the taxation principles regarding foreign shareholders will be based on the respective double taxation treaties signed by Poland with the state, where the shareholder has its registered office (place of management) or domicile. Generally, the double taxation treaties provide that capital gains (including income on a sale of shares) may only be taxed in the country in which the seller’s country of residence (management) or domicile.

### ***13.3.4 Taxation of income from a disposal of UniCredit Ordinary Shares – Italian regulations***

#### **(a) Residents**

## *Corporations*

If the beneficial owner is a resident company, the 100% of the capital gain (income derived from the disposal of shares) is taxed within the whole taxable base subject to 33%, unless the participation exemption applies; in the latter, only the 16% of the capital gain is subject to tax.

The conditions that have to be met are and the participation exemption applies if:

- the participation has been held at least from the first day of the 18th month preceding the alienation (the LIFO method applies);
- the participation is classified as financial assets in the first balance sheet closed after the acquisition;
- the participation is not in a company resident in a tax heaven;
- at least since the beginning of the third financial year preceding the alienation the participated company has been engaged in a business activity (in case the company is established less than three years, such company has to be engaged in a business activity from the beginning).

The participation exemption applies only to Italian resident companies or to Italian permanent establishment of foreign companies.

In the case the participation exemption does not apply, the income deriving from the disposal of shares is fully taxable in the hands of the company beneficial owner. However, if the participation has been held for a period not lower than three years, the capital gain may be included, at the company's option, in equal installments for the current and the following tax year, but not beyond the fourth.

Also this rule applies only to Italian resident companies or to Italian permanent establishment of foreign companies.

## *Individuals*

If the beneficial owner is a resident individual, the 100% of the gain is subject to a 12.5% final withholding tax (assuming that the shareholding is not qualified).

The definition of "qualified" shareholding is provided in the section regarding dividends, in Section 13.3.2(a) above. No exemption is available for Italian resident individuals.

### (b) Non residents

On the other hand, if the beneficial owner is not Italian resident, the capital gain is exempt in Italy (assuming that the shareholding is not qualified).

The definition of "qualified" shareholding is provided in the section regarding dividends, in Section 13.3.2(a) above.

In order to benefit from the exemption, the foreign resident has to provide a self-declaration of being resident in Poland. The exemption applies both to companies and to individuals.

### **13.3.5 Tax on civil law transactions charged in Poland**

The tax on civil law transactions is levied on agreements regarding a sale or exchange of property rights, provided that these property rights are exercised in Poland or, if executed abroad, the purchaser is a Polish tax resident and the transaction is effected in Poland. The tax rate on the sale of shares is 1% and the tax should be paid within 14 days of the date the transaction was performed. The purchaser shall be exclusively liable for paying the due tax. In the case of an exchange of property rights, the liability to settle tax shall be borne jointly and severally by the parties to the transaction. Exemptions from the tax on civil law transactions apply to transactions, concerning the sale of brokers' financial instruments (including shares) to investment companies or, through them, or selling such instruments within the framework of organized trading as defined in the Act on Trading in Financial Instruments. Pursuant to some interpretations of tax authorities prerequisite for applying the above exemption is the true nature of intermediary services provided by the investment firm in the given transaction.

### **13.4 Reporting obligations in Poland**

Pursuant to the Act on Public Offering, issuers of securities listed on a regulated market in Poland are required to inform the public, through the electronic data transmission system (ESPI) managed by the FSC, of certain events

enumerated in the said Act and secondary legislation, including the Ordinance on Reports. Such information is released to the public in the form of current and periodic reports (the contents of which are set out by the provisions of the Ordinance on Reports) or reports containing so-called “confidential information” (i.e. information concerning the issuer or the listed securities which has not been made public, and which if made public could significantly affect the price of securities). With respect to UniCredit, the obligation to disclose information referred to above to the public shall arise upon UniCredit filing the application for the admission of UniCredit Ordinary Shares to trading on the WSE.

According to § 36 of the Ordinance on Reports, UniCredit, as an entity having its registered office in the European Union with its shares admitted to trading on a regulated market in another European Union member state, will generally be deemed to have satisfied the reporting requirements consisting in the submission of current and periodic reports, if it publishes in Poland (through ESPI) current and periodic reports announced on the markets on which UniCredit shares are listed (i.e. the Italian Stock Exchange and the Frankfurt Stock Exchange).

UniCredit’s current and periodic reports will be publicly announced in Poland concurrently with their disclosure on the Italian Stock Exchange or the Frankfurt Stock Exchange. Pursuant to the Ordinance on Reports currently in force, such reports will be published in Poland in English, and will be accompanied by a brief summary in Polish. Periodic reports will contain tabular information regarding UniCredit’s main financial position, translated into Polish. The full contents of the current and periodic reports translated into Polish will be published as soon as practicable, but in no event later than five days for current reports and three weeks for periodic reports.

In addition to disclosure of current and periodic reports and other information in Poland, through the ESPI system, UniCredit may also publish in Poland other important information in the form of press releases and announcements for investors published through other media.

Investors should be aware that, in certain aspects, the scope of UniCredit’s reporting obligations on the Italian Stock Exchange and the Frankfurt Stock Exchange may materially differ from the scope of the reporting obligations imposed on Polish issuers in Poland.

Apart from the above, in Poland the issuers are also required to make public, through ESPI, information on transactions in their securities or related instruments entered into by their managing or affiliated persons (and their relatives) as defined in Article 160 Section 1 of the Act on Trading in Financial Instruments (the information is made public following its receipt from the managing person). This obligation will also apply to UniCredit.

### **13.5 Reporting obligations in Italy and Germany**

#### *Reporting obligations in Italy*

According to Italian law and regulations, information to be disclosed by issuers of the securities listed on the regulated market can be basically divided in four categories: (i) price sensitive information (general rule applicable to significant facts and circumstances able to influence the stock price ); (ii) information concerning extraordinary corporate transactions (e.g. mergers, spin-offs, purchase and sale of assets of certain value, transactions with related parties, amendments to the company’s articles of association, issuance of bonds, purchase and sale of treasury shares); (iii) periodic information (annual financial statements, half yearly reports, quarterly reports, auditing); and (iv) other information explicitly required by law (e.g. appointment and resignation of directors, capital increase, stock option plans, exercise of rights, internal dealing, purchase of more than 2% of the share capital of a listed company, adherence to Corporate Governance Code).

Most of the above mentioned information have to be disclosed through press releases to be published by means of NIS (Network Information System) - an IT channel of distribution managed by the Italian Stock Exchange - which releases the press releases also to the press agencies.

Moreover, Italian law also requires that in many cases some documents are deposited (e.g. annual financial statements, half yearly reports, quarterly reports, directors’ reports to be submitted to the Shareholders’ Meeting, list of candidates to the office of directors and statutory auditors, information documents (prospectuses, memoranda) concerning mergers, spin-offs, transactions with related parties or issuance of bonds). Such further requirements are fulfilled through depositing such documents at the issuer’s registered office, sending them to the Italian Stock Exchange and publishing them on the company’s website.

#### *Reporting obligations in Germany*

Subsequent to its listing on the Frankfurt Stock Exchange in 2005, UniCredit had to comply with certain German reporting obligations, including so-called “ad-hoc” disclosure of price-sensitive information. Following the

implementation of the Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (O. J. L 390/38), these reporting obligations no longer apply to issuers from other EU member states such as UniCredit. UniCredit can now fulfill its reporting obligations in Germany by complying with the corresponding Italian requirements. UniCredit does not have to comply with these German disclosure requirements as of the date of implementation of the aforesaid Directive in Italy, that is as of November 24, 2007.

Under German securities trading law, any trades in shares or in financial instruments linked to the shares exceeding an aggregate amount of € 5,000 within one calendar year by the senior management and/or persons closely related to them, must be notified to UniCredit and the competent German securities regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) within five working days.

### **13.6 Corporate governance**

The overall corporate governance structure of UniCredit, meaning the system of rules and procedures that serve as guidelines for the conduct of the corporate bodies in carrying out their duties to their stockholders, has been defined in consideration of the applicable laws and the recommendations included in the Corporate Governance Code. Every year UniCredit prepares the “Annual Report on Corporate Governance” (a report issued in 2007 may be inspected electronically in English and Italian at [www.unicreditgroup.eu](http://www.unicreditgroup.eu)) for its shareholders that is drawn up in compliance with the provision of the “Rules of the Markets Organized and Managed by Borsa Italiana S.p.A.” with which it supplies appropriate information about its system of corporate governance and its compliance with the Corporate Governance Code.

The Company has implemented a procedure designed to monitor the financial operations managed by relevant persons in the UniCredit Group and to prevent the use of insider information in internal dealings. This procedure complies with the legal provisions and current regulations and respects the principles expressed by CONSOB in its applicable communications. The procedures also contains practical instructions on complying with the reporting obligations of Germany’s market supervisory authority arising from the listing of UniCredit shares on the Frankfurt Stock Exchange, in accordance with the applicable local laws.

In connection with the intended listing on the WSE UniCredit will be obliged to file a statement as to the observance (on a “*comply or explain*” principle) of the WSE Best Practices. The statement is required to be appended to Company’s application filed with the WSE to have UniCredit Ordinary Shares admitted to trading. The statement will be publicly available. In addition, according to WSE Regulations all issuers listed on the WSE are obliged to file each year, not later than by July 1, their statements as to the observance of the WSE Best Practice.

### **13.7 UniCredit corporate documents available to investors**

The copies of the following corporate documents may be inspected electronically at [www.unicreditgroup.eu](http://www.unicreditgroup.eu):

- Articles of Association (Statuto);
- Regulations Governing General Meetings (Regolamento assembleare);
- Organizational Chart (Modello di Organizzazione di Gestione);
- Corporate Governance Code, March 2006 (Codice di Autodisciplina, Marzo 2006);
- Annual Report on Corporate Governance, 2007 (Relazione Annuale sull Governo Societario 2007);
- Integrity Charter (Carta di Integrità)
- Internal Dealing Rules, April 2006 (Procedura in tema di Internal Dealing, Aprile 2006 );

Certain financial information pertaining to UniCredit may also be reviewed on the same website (see Chapter 15 “*UniCredit prospectuses and financial information available to investors*”). All of the above documents may be reviewed in English and in Italian. The Polish translation of the Articles of Association is attached hereto (see Chapter 16 “*Appendices*”).

## **Chapter 14 Information on the Memorandum**

The Information Memorandum have been prepared in Milan, Italy as of December 10, 2007 and information contained in the Memorandum, unless otherwise clearly stated herein, are true and accurate as of this date. If

after that date and before the date when UniCredit Ordinary Shares are first listed on the WSE any events occur resulting in amendments by requiring to be incorporated to the Information Memorandum, UniCredit will give notice of such amendments by publishing relevant information on the websites on which the Information Memorandum has been published, that is at [www.gpw.pl](http://www.gpw.pl) and [www.unicreditgropu.eu](http://www.unicreditgropu.eu). Additionally, as of the day of submitting the application for the admission of UniCredit Ordinary Shares to trading on the WSE, the Company will give notice of any amendments to the Information Memorandum also through the current reports (See Section 13.4 “*Reporting obligations in Poland*”).

The validity period of this Information Memorandum elapses on the day on which the UniCredit Ordinary Shares are first listed on the WSE, however no later than within two months from the date of releasing the Memorandum to the public.

## **Chapter 15 UniCredit prospectuses and financial information available to investors**

Copies of the following documents may be inspected electronically at [www.unicreditgroup.eu](http://www.unicreditgroup.eu):

- Information Document prepared by UniCredit and Capitalia for the purpose of the merger of Capitalia into UniCredit drawn up pursuant to Section 70, paragraph 4 of the Regulations concerning issuers - CONSOB Regulation No. 1197/99, as amended (disclosed on July 17, 2007), including annexes to the Information Document;
- UniCredit Securities Prospectus dated August 4, 2005 and approved by CONSOB on the same date with the authorization number 505662 prepared in accordance with Commission Regulation No. 809, including annexes to the Prospectus;
- consolidated and unconsolidated financial statements of the UniCredit Group as of and for the years ending December 31, 2004, 2005 and 2006, and the interim financial statements as of and for the quarters ended March 31, June 30, and September 30, 2007;
- reports of the Board of Statutory Auditors, and report of the external auditors, each relating to the financial statements of the UniCredit Group for the financial years 2004, 2005 and 2006; and
- Offering Document.

## **Chapter 16 Appendices**

1. Glossary
2. Articles of Associations

## Glossary

<b>Act on Public Offering</b>	the Polish Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws No. 184, item 1539, as amended)
<b>Act on Trading in Financial Instruments</b>	the Polish Act of July 29, 2005 on Trading in Financial Instruments (Journal of Laws No. 183, item 1538, as amended)
<b>AMO</b>	the Polish Antimonopoly Office ( <i>Urząd Ochrony Konkurencji i Konsumentów</i> )
<b>Antimonopoly Act</b>	the Polish Act of February 16, 2007 on the Protection of Competition and Consumers (Journal of Laws No. 50, item 331, as amended)
<b>Articles of Association</b>	the UniCredit's Articles of Association (Statuto)
<b>BA-CA</b>	Bank Austria Creditanstalt AG with its registered office in Vienna, Austria
<b>Banca d'Italia</b>	the Italian central bank
<b>Borsa Italiana</b>	Borsa Italiana S.p.A., operating the Italian Stock Exchange
<b>Capitalia</b>	Capitalia S.p.A. with its registered office in Rome, Italy
<b>CEE</b>	Central and Eastern Europe
<b>CIT Law</b>	the Polish Act of February 15, 1992 on Corporate Income Tax (consolidated text: Journal of Laws No. 54 of 2000, item 654, as amended)
<b>Commission Regulation No. 809</b>	Commission Regulation (EC) No. 809/2004 of April 29, 2004, implementing Directive No. 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses, as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (O. J. L 149/1, as amended)
<b>Companies Register</b>	the Italian Business Register (Registro delle Imprese)
<b>Company</b>	UniCredito Italiano S.p.A., with its registered office in Rome, Italy, the parent company of the UniCredit Group
<b>Concentration Regulation</b>	Council Regulation (EC) No. 139/2004 of January 20, 2004 on the control of concentrations between undertakings (O. J. L 24/1)
<b>CONSOB</b>	Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa) the public authority responsible for regulating the Italian securities market
<b>Consolidated Financial Act</b>	the Legislative Decree No. 58/1998 of February 24, 1998 as amended, which is a consolidating law in matters of financial brokerage
<b>Corporate Governance Code</b>	Corporate Governance Code issued by Borsa Italiana in March 2006
<b>Double Taxation Treaty</b>	the agreement of June 21, 1985 between the Peoples Republic of Poland and the Republic of Italy for the avoidance of double taxation with respect to taxes on income and the prevention of fiscal evasion (Journal of Laws No. 62 of 1989, item 374)
<b>Frankfurt Stock Exchange</b>	the stock exchange operated by Deutsche Boerse AG ( <i>FWB Frankfurter Wertpapierboerse</i> ); the German's main stock exchange
<b>FSC</b>	the Polish Financial Supervision Commission ( <i>Komisja Nadzoru Finansowego</i> )
<b>Group</b>	UniCredit Group

<b>HVB</b>	Bayerische Hypo- und Vereinsbank AG with its registered office in Munich, Germany
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>Information Memorandum</b>	this information memorandum
<b>Italian Civil Code</b>	the Italian Civil Code law No. 262 of March 16, 1942, published in the Official Journal No. 79 of April 4, 1942
<b>Italian Stock Exchange</b>	Italian Stock Exchange operated by Borsa Italiana S.p.A.; the Italy's main stock exchange
<b>Memorandum</b>	Information Memorandum
<b>Memorandum Ordinance</b>	Polish Ordinance of the Minister of Finance of July 6, 2007 on detail conditions that should be satisfied by an information memorandum referred to in Article 39 Section 1 and Article 42 Section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws No. 132, item 916)
<b>Monte Titoli</b>	Monte Titoli S.p.A., a clearing company having its registered office at Via Mantegna 6, 20154 Milan, Italy, where UniCredit's Shares are deposited in book-entry form
<b>NDS</b>	the Polish National Depository of Securities operating as a joint stock company ( <i>Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna</i> )
<b>New Capital Accord (Basel II)</b>	a set of market practices relating to the financial risk management in the banking sector and the banks' maintenance of a safe level of capital issued by the Basel Committee on Banking Supervision
<b>Offering Document</b>	Offering Memorandum prepared on October 18, 2007 by UniCredit Luxembourg Finance S.A. (incorporated under the laws of the Grand Duchy of Luxembourg), a subsidiary of UniCredit, in connection with the offering of debt securities under the US\$10,000,000,000 Medium Term Note Program, issued by UniCredit Luxembourg Finance S.A. and other subsidiaries of UniCredit
<b>Ordinance on Reports</b>	Polish Ordinance of the Minister of Finance of October 19, 2005 regarding current and periodic information to be submitted by issuers of securities (Journal of Laws No. 209, item 1744)
<b>Parent-Subsidiary Directive</b>	Directive 90/435/EEC of July 23, 1990 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (O. J. L 225 of August 20, 1990) amended by Council Directive 2003/123/EC of December 22, 2003 amending Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States O. J. L 007, January 13, 2004)
<b>PIT Law</b>	the Polish Act of July 26, 1991 on Personal Income Tax (consolidated text: Journal of Laws No. 14 of 2000, item 176, as amended)
<b>Shares</b>	13,364,489,452 UniCredit existing shares (including all UniCredit Ordinary Shares and all UniCredit Saving Shares), each with a nominal value of € 0.50 each
<b>Tier 1, Tier 2, Tier 3</b>	terms used in classification of capital for the purposes of measurement of capital requirements used by banks, according to the guidelines of Bank for International Settlements
<b>UniCredit</b>	the Company
<b>UniCredit Group</b>	the UniCredit and its affiliates

<b>UniCredit Ordinary Shares</b>	13,342,782,900 UniCredit ordinary shares (Azioni Ordinarie)
<b>UniCredit Saving Shares</b>	21,706,552 UniCredit saving shares (Azioni Di Risparmio)
<b>UniCredit Shares</b>	Shares
<b>WSE</b>	the Warsaw Stock Exchange operating as a joint stock company (Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna)
<b>WSE Best Practices</b>	the corporate governance rules set forth in the WSE Supervisory Board's Resolution No. 12/1170/2007 of July 4, 2007
<b>WSE Rules</b>	the Rules of the WSE, adopted by the WSE Supervisory Board's Resolution No. 1/1110/2006 of January 4, 2006, as amended



**Articles of Associations**

# Articles of Association



A Joint Stock Company - Registered Office in Rome, via Minghetti 17 - Head Office in Milan - Piazza Cordusio;  
Registered in the Company Register of Roma, register, fiscal code and VAT number 00348170101;  
Registered in the Register of Banking Groups and Parent Company of the UniCredito Italiano Banking Group registered with code 3135.1 - Member of the Interbank Fund for Deposit Protection

*Translation in English of the document  
originally issued in Italian.  
In the event of any discrepancy, the Italian  
language version prevails.*

*Amendments to clause 5 paragraphs 1, 2, 4, 8,  
9, 10 and 11 pursuant to the exercise of Stock  
Rights UniCredito Italiano S.p.A, in the period 9  
November 2007 - 30 November 2007.*

## **SECTION I**

### **Establishment, registered office and duration of the Bank**

#### Clause 1

1. UniCredito Italiano, a limited company, formerly known as Credito Italiano and Banca di Genova prior to that, and established in Genoa by way of a private deed dated 28 April 1870, is a bank pursuant to the provisions of Legislative Decree no. 385 dated 1 September 1993, also known by the abbreviated form of UniCredit S.p.A.

#### Clause 2

1. The registered office of the Bank is located in Rome, via Minghetti 17, while its Central Management Unit is located in Milan, Piazza Cordusio. It may establish, both in Italy and abroad, branches, agencies, outlets and representative offices.

#### Clause 3

1. The duration of the Bank runs until 31 December 2050.

## **SECTION II**

### **Regarding the transactions of the Bank**

#### Clause 4

1. The purpose of the Bank is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Bank may engage in any activity that is instrumental or in any case related to the above.

2. The Bank, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad.

3. The Bank, in its role of parent to the Banking Group UniCredito Italiano, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated 1 September 1993, issues – in undertaking its management and co-ordination activities – instructions to other members of the Group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

## **SECTION III**

### **Regarding share capital and shares**

#### Clause 5

1. The Bank's share capital, fully subscribed and paid-up, amounts to Euro 6,682,244,726.00 and is divided into 13,364,489,452 shares of Euro 0.50 each, in turn made up of 13,342,782,900 ordinary shares and 21,706,552 savings shares.

2. The Board of Directors, in exercising the power assigned to it pursuant to the provisions of Clause 2443 of the Italian Civil Code by the Special Meeting of Shareholders held on 2 May 2000 and that assigned to it by the Special Meeting of Shareholders held on 5 May 2001, decided, on 23 May 2000, to increase the Bank's share capital up to a maximum nominal amount of Euro 9,317,500, equating to a maximum number of 18,635,000 ordinary shares bearing a nominal value of Euro 0,50 each and, on 28 March 2001, to increase share capital up to a maximum nominal amount of Euro 15,682,500, equating to a maximum number of 31,365,000 ordinary shares bearing a nominal value of Euro 0,50 each, to service the exercising of the equivalent number of stock rights reserved for the Executive Staff of UniCredito Italiano S.p.A and federated banks, as well as other Group companies identified by the Board of Directors, subscribing to the "Growth in Group Value - Global Action Plan" resolved upon by the Board itself, of the rights issued pursuant to the resolution passed on May 23rd 2000, a total of 10,039,765 were exercised, against which 10,039,765 ordinary shares were subscribed for and issued; of the rights issued pursuant to the resolution passed on March 28th 2001, a total of 13,336,080 were exercised against which 13,336,080 ordinary shares were subscribed for and issue.

3. The Board of Directors, in exercising the power assigned to it pursuant to the provisions of Clause 2443 of the Italian Civil Code by the Special Meeting of Shareholders held on 6 May 2002, decided, on 25 July 2002, to increase the Bank's share capital up to a maximum nominal amount of Euro 17,500,000, equating to a maximum number of 35,000,000 ordinary shares bearing a nominal value of Euro 0,50 each, to service the exercising of the equivalent number of stock rights reserved for the Executive Staff of UniCredito Italiano Limited company, as well as other Group banks and companies identified by the Board of Directors, subscribing to the "Growth in Group Value - Global Action Plan" resolved upon by the Board itself on 11 March 2002, 19,247,852 rights were exercised, against which a total of 19,247,852 ordinary shares were subscribed for and issued.

4. The Special Meeting of Shareholders held on 6 May 2002 carried a resolution, agreeing to increase share capital, with the exclusion of the option right pursuant to the provisions of the Clause 2441, paragraph 8, of the Italian Civil Code, by a maximum nominal amount of Euro 2,516,676, equating to a maximum number of 5,033,352 ordinary shares bearing a nominal value of Euro 0,50 each, to service 585,899 "Stock Rights UniCredito Italiano S.p.A. 2001 – 2010 – Ex Stock Rights Rolo Banca 1473 S.p.A. 2001-2005" and 738,667 "Stock Rights UniCredito Italiano S.p.A. 2002 – 2010 – Ex Stock Rights Rolo Banca 1473 S.p.A. 2002-2005" allotted to replace respectively, the same number of "Stock Rights for Rolo Banca 1473 S.p.A. 2001-2005" and "Stock Rights for Rolo Banca 1473 S.p.A. 2002-2005", in turn allotted to members of the Executive Staff of Rolo Banca 1473 S.p.A. in compliance with the "Stock Option Plan for Top Management" adopted by the Board of Directors of same bank. Of the "2001-2010" rights, a total of 413,566 were exercised, against which a total of 1,571,549 ordinary shares were subscribed for and issued; of the "2002-2010" rights, a total of 571,067 were exercised, against which a total of 2,170,053 ordinary shares were subscribed for and issued.

5. In partial exercise of powers conferred by the Extraordinary Shareholders' Meeting held on May 4th 2004 pursuant to Article 2443 of the Italian Civil Code, the Board of Directors passed a resolution on July 22nd 2004 to increase capital by a maximum amount of Euro 7,284,350 corresponding to a maximum number of 14,568,700 ordinary shares of Euro 0,50 each, passing another resolution on November 18th 2005 to increase capital by a maximum

amount of Euro 20,815,000 corresponding to a maximum number of 41,630,000 ordinary shares of Euro 0,50 each, to be used to exercise a corresponding number of subscription rights reserved for the Executive Personnel of UniCredito Italiano Spa and the other Group Banks and Companies who hold positions which are significant in terms of achieving the overall objectives of the Group, and passing another resolution on December 15th 2005 to increase capital by a maximum amount of Euro 750,000 corresponding to a maximum number of 1,500,000 ordinary shares of Euro 0.50 each.

6. The Board of Directors, in partial exercise of the powers received as per art. 2443 Civil Code from the Extraordinary Shareholders' Meeting of May 12<sup>th</sup> 2006, has resolved, on June 13<sup>th</sup> 2006 to increase the share capital of a maximum nominal amount of € 14,602,350 corresponding to a maximum number of 29,204,700 ordinary shares having a value of € 0.50 each, on July 1<sup>st</sup> 2006 to increase the share capital of a maximum nominal amount of € 45,150 corresponding to a maximum number of 90,300 ordinary shares having a value of € 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets.

7. The Board of Directors, in partial exercise of the powers received, as per art. 2443 Civil Code, from the Extraordinary Shareholders' Meeting of May 10<sup>th</sup> 2007, has resolved on June 12<sup>th</sup> 2007 to increase the share capital of a maximum nominal amount of € 14,904,711.50 corresponding to a maximum number of 29,809,423 ordinary shares with a value of € 0.50 each, at the service of the exercise of a corresponding number of subscription rights to be granted to the Management of UniCredit S.p.A., as well as of the other Banks and companies of the Group, who hold positions considered highly relevant for the attainment of the overall Group targets.

8. The Extraordinary Shareholders' Meeting of 30th July 2007 approved a capital increase, with the exclusion of the shareholders' options rights under art. 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 1,561,140.00, to be effected through the issue of up to a maximum 3,122,280 ordinary shares with a par value of Euro 0.50 each, to service the 2,787,750 "Subscriptions Rights UniCredit S.p.A. 2007-2008 – Ex Capitalia Warrants 2002" assigned in exchange for an equal number of Warrants issued pursuant to the "Stock Incentive Plan 2002 in favour of Banca di Roma Group's employees" formerly allocated, free of charged, to Capitalia Group's employees pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary Shareholders meeting of 16 May 2002. The subscription rights may be exercised, as far as a first tranche of 94,750 rights is concerned, at a price equal to Euro 1.214 each and, as far as a second tranche of 2,693,000 rights is concerned, at a price equal to Euro 2.4743 each and each of them assigns the right to purchase 1.12 ordinary shares of the company within and no later than 10 October 2008 in accordance with the Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. Of the rights exercised at a price of Euro 2.4743, a total of 148.000 were exercised, against which a total of 165.759 ordinary shares were subscribed for and issued.

9. The Extraordinary Shareholders' Meeting of 30th July 2007 approved a capital increase, with the exclusion of the shareholders' options rights under art. 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 9,060,380.00, to be effected through the issue of up to a

maximum 18,120,760 ordinary shares with a par value of Euro 0.50 each, to service the 16,179,250 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex Capitalia Warrants 2005" assigned in exchange for an equal number of Warrants issued pursuant to the "Stock Incentive Plan 2005 in favour of Capitalia Group's employees" formerly allocated, free of charged, to Capitalia Group's employees pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary Shareholders meeting of 4 April 2005. Each option may be exercised at a price equal to Euro 4.1599 and assigns the right to purchase 1.12 ordinary shares of the company, within and no later than 31 December 2011 pursuant to the relevant Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 40.000 rights were exercised, against which a total of 44.800 ordinary shares were subscribed for and issued.

10. The Extraordinary Shareholders' Meeting of 30th July 2007 approved a capital increase, with the exclusion of the shareholders' options rights under art. 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 186,438.00, to be effected through the issue of up to a maximum 372,876 ordinary shares with a par value of Euro 0.50 each, to service the 332,925 "Subscription Rights UniCredit S.p.A. 2007-2009 – Ex FinecoGroup Warrants 2003" assigned in exchange for an equal number of Warrants formerly allocated, free of charged, to Fineco Group's employees and Fineco Bank's private bankers pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary Shareholders meeting of 28 November 2005. Each subscription right may be exercised at a price equal to Euro 4.24 and assigns the right to purchase 1.12 ordinary shares of the company, within and no later than 31 December 2009 pursuant to the relevant Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 9,750 rights were exercised, against which a total of 10,920 ordinary shares were subscribed for and issued.

11. The Extraordinary Shareholders' Meeting of 30th July 2007 approved a capital increase, with the exclusion of the shareholders' options rights under art. 2441, paragraph 8, of the Italian Civil Code, of a maximum nominal amount of Euro 3,839,922.00, to be effected through the issue of up to a maximum 7,679,844 ordinary shares with a par value of Euro 0.50 each, to service the 6,857,004 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex FinecoGroup Warrants 2005" assigned in exchange for an equal number of Warrants formerly allocated, free of charged, to Fineco Group's employees and Fineco Bank's private bankers pursuant to the resolution adopted by the Capitalia S.p.A.'s Extraordinary Shareholders Meeting of 28 November 2005. Each subscription right may be exercised at a price equal to Euro 3.9348 and assigns the right to purchase 1.12 ordinary shares of the company, within and no later than 31 December 2011 pursuant to the relevant Terms and Conditions approved by the above mentioned Extraordinary Shareholders' Meeting. 33,831 rights were exercised, against which a total of 37,888 ordinary shares were subscribed for and issued.

12. The Special Meeting of Shareholders may resolve upon the allocation of earnings to the employees of the Bank or subsidiaries, in conformity to prevailing laws.

13. Ordinary shares are registered shares.

14. No one entitled to vote may vote, for any reason whatsoever, for a number of Bank shares exceeding five per cent of share capital bearing voting rights, To this end, the global stake held by the controlling party, (be it a private individual, legal entity or company), all direct and indirect subsidiaries

and affiliates has been taken into consideration; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates have not, on the other hand, been taken into consideration. Control, including with regard to parties other than companies, emerges in the situations provided for by Clause 2359, first and second paragraph, of the Italian Civil Code. Control whereby significant influence is exercised is regarded to be present in the situations provided for by Clause 23, second paragraph, of Legislative Decree no. 385 dated 1 September 1993 (Consolidation Act for Laws Relating to Banking and Lending Activities). An affiliation emerges in the situations referred to in Clause 2359, third paragraph, of the Italian Civil Code. For the purposes of computing the stake held, those shares held through custodian companies and/or intermediaries and/or those shares whose voting rights are assigned for any purpose or reason to a party other than their owner, are also taken into consideration. In the event of the above provisions being breached, any shareholders resolution carried may be impugned impugnabile pursuant to the provisions of Clause 2377 of the Italian Civil Code, where the majority required would not have been reached without this breach. Those shares whose voting rights may not be exercised are in any event computed in order for the Meeting to be properly formed.

15. Savings shares do not bear any voting rights. Any reduction of share capital due to losses does not reduce the nominal value of savings shares, other than by the portion of any loss exceeding the global nominal value of other shares; in the event of the Bank being wound up, savings shares enjoy the right of pre-emption in respect of the redemption of capital, for their full nominal value. In the event of reserves being distributed, savings shares bear the same rights as other shares.

16. Whenever the Bank's ordinary shares or savings shares are barred from trading, the holder of savings shares may ask for its shares to be converted into ordinary shares, in accordance with the procedures resolved upon by the Special Meeting of Shareholders, convened as and when the need arises within two months from shares being barred from trading.

17. Savings shares, when fully paid-up, are bearer shares, unless provided for otherwise by law. At the request and expense of the Shareholder, they may be transformed into registered savings shares and vice versa.,

#### Clause 6

1. Share capital may be increased by way of a shareholders' resolution, through the issuance of shares bearing various rights, in conformity to legal requirements,

2. Specifically, the Meeting may resolve upon the issuance of savings shares bearing the features and rights provided for by prevailing laws and by these Articles of Association,

3. The 17,479,663 ordinary shares issued following the capital increase decided by the Board of Directors on 22 July 2004 and the 16,984,286 ordinary shares issued following the capital increase decided by the Board of Directors on 12 June 2005, in partial exercise of powers conferred pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting on 4 May 2004, were allotted to all members of staff of UniCredito Italiano and the other Group banks and companies when implementing the "Medium-term Incentive Scheme for Group Staff – Year 2004" approved by the Board of Directors of UniCredito Italiano. Such shares may not be transferred between living persons or used as collateral.



4. The 2,893,400 ordinary shares issued following the capital increase decided by the Board of Directors on July 22nd 2004 and the 2,946,000 ordinary shares issued following the capital increase decided by the Board on November 30th 2005, in partial exercise of the powers conferred pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting held on May 4th 2004, were assigned to Executive Personnel of UniCredito Italiano and the other Group banks and companies during implementation of the "Medium-term Incentive Scheme for Group Staff – Year 2005" approved by the Board of Directors of UniCredito Italiano. Such shares are encumbered by a restriction freezing them for three years from issue, and may not be transferred between living persons or used as collateral. In the case of death of the employee, the shares will be transferred to his/her heirs and the above restriction will no longer apply. In the case of resignation or sacking for just cause or justified motives, or if the employee resigns without being entitled to a pension, the Pension Fund for staff of the companies of the UniCredito Italiano Group will have the right to repurchase the shares assigned to the employee who has retired, at their nominal value. The right to repurchase the shares must be exercised by the Pension Fund for personnel of the companies of the UniCredito Italiano Group within 90 days of the employee's ceasing to work for the company, and if in the meantime the 3-year restriction set out in the present clause expires, the shares will remain frozen for 90 days. The dividend relating to such shares will only be paid once the restriction period has expired.

5. The 50,000,000 stock rights – of which 18,635,000 were issued on 23 May 2000 and 31,365,000 were issued on 28 March 2001, by virtue of the Board of Directors exercising the power assigned to it, pursuant to the provisions of Clause 2443 of the Italian Civil Code, by the Special Meeting of Shareholders held on 2 May 2000, to increase share capital with the exclusion of option rights pursuant to the provisions of Clause 2441, paragraph 8, of the Italian Civil Code – and allotted to the Executive Staff of UniCredito Italiano and other Group banks and companies identified by the Board of Directors, are registered and non-transferable and automatically lapse in the event of dismissal for just cause or justifiable reason; similarly, the stock rights lapse in the event of an employee resigning without the right to receive a pension, unless established otherwise by the Board of Directors on an individual case basis; in the event of an employee's death, the right shall be transferred to his heirs. These rights, may be exercised until 2009 at the unit price of Euro 4.53 referring to n. 18,635,000, at a unit price of Euro 4.99 referring to n. 31,365,300, with both prices subject to change, pursuant to the provisions of their respective Issue Regulations and in accordance with the criteria and during the periods identified by the Board of Directors.

6. The 35,000,000 stock rights - issued on 25 July 2002, further to the Board of Directors exercising the power assigned to it, pursuant to the provisions of Clause 2443 of the Italian Civil Code, by the Special Meeting of Shareholders held on 6 May 2002, to increase share capital with the exclusion of option rights pursuant to the provisions of Clause 2441, paragraph 8, of the Italian Civil Code – and allotted to the Executive Staff of UniCredito Italiano and other Group banks and companies identified by the Board of Directors, are registered and non-transferable and automatically lapse in the event of dismissal for just cause or justifiable reason; similarly, the stock rights lapse in the event of an employee resigning without the right to receive a pension, unless established otherwise by the Board of Directors on an individual case basis; in the event of an employee's death, the right shall be transferred to his heirs. These rights may be exercised until 2011, with effective on the days provided for in the Issue Regulations, at a unit price of Euro 4.263 each,

which is subject to change, pursuant to the provisions of their Issue Regulations.

7. The 585,899 "Stock rights UniCredito Italiano 2001 – 2010 - Ex Stock rights Rolo Banca 1473 Spa 2001 – 2005" and the 738,667 "Stock rights UniCredito Italiano 2002 – 2010 - Ex Stock rights Rolo Banca 1473 Spa 2002 – 2005" by virtue of the resolution carried by the Special Meeting of Shareholders on 6 May 2002 and allotted to replace the same number of stock rights allotted in turn to the Executive Staff of Rolo Banca 1473 S.p.A. are registered and non-transferable and automatically lapse in the event of an employee leaving the Group's service for reasons other than retirement or resignation due to his transfer to another company belonging to the Banking Group UniCredito Italiano, These rights also lapse in the event of an employee retiring and subsequently engaging in activities that compete with those of UniCredito Italiano. In the event of an employee's death, the right shall be transferred to his heirs.

8. The 14,568,700 subscription rights issued by the Board of Directors on July 22 2004 pursuant to powers conferred by the Extraordinary Shareholders' Meeting of 4 May 2004 may be exercised between 2008 and 2017 at a unit price of Euro 4.018, subject to change on the basis of the issue Regulations and according to such criteria and periods as may be chosen by the Board of Directors. The 41,630,000 subscription rights issued by the Board of Directors on November 18th 2005 on the basis of powers conferred by the Extraordinary Shareholders' Meeting of 4 May 2004 may be exercised from 2009 until 2018 at the unit price of Euro 4.817, subject to amendment pursuant to the Regulations of Issue and according to the criteria and periods decided by the Board of Directors. The 1,500,000 subscription rights issued by the Board of Directors on December 15th 2005 on the basis of powers conferred by the Extraordinary Shareholders' Meeting referred to in the present clause may be exercised from 2009 until 2018 at the unit price of Euro 5.301, subject to amendment pursuant to the Regulations of Issue and according to the criteria and periods decided by the Board of Directors. The subscription rights set forth in this paragraph were allocated to Management of UniCredito Italiano S.p.A. and of the Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The subscription rights shall be nominative and non-transferrable and automatically expire in the case of dismissal for just cause or justified motives; similarly the subscription rights shall expire in the event of the voluntary resignation of the employee without entitlement to receive pension benefits unless the Board of Directors of UniCredito Italiano has specified otherwise with respect to this specific case. In the event of the death of the employee, the right shall be transferred to his/her heirs.

9. The 2,787,750 "Subscription Rights UniCredit S.p.A. 2007-2008 – Ex Capitalia Warrants 2002", the 16,179,250 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex Capitalia Warrants 2005", the 332,925 "Subscription Rights UniCredit S.p.A. 2007-2009 – Ex FinecoGroup Warrants 2003" and the 6,857,004 "Subscription Rights UniCredit S.p.A. 2007-2011 – Ex FinecoGroup Warrants 2005" issued pursuant to the resolution adopted by the Extraordinary Shareholders' Meeting of 30<sup>th</sup> July 2007, assigned and exercisable in accordance with paragraph 5 above and the relevant Terms and Conditions, are registered and non-transferable inter vivos (between living persons); in the event of beneficiary's death, such options shall be transferred to beneficiary's heirs. In the event of interruption of the relationship between the beneficiary and the UniCredit Group before the normal term, the options shall automatically lapse.

10. The Board of Directors has the ability, pursuant to the provisions of Clause 2443 of the Italian Civil Code, to agree to increase – through one or more transactions and over a period of no more than five years from the shareholders' resolution carried on 4 May 2004, a rights issue, pursuant to the provisions of Clause 2349 of the Italian Civil Code, for a maximum nominal amount of Euro 52,425,000, equating to a maximum number of 104,850,000 ordinary shares bearing a nominal value of Euro 0,50 each, to be allotted to the Staff of UniCredito Italiano and other Group banks and companies. This capital increase shall be effected by utilising the special reserve known as the "Reserve relating to the medium-term incentive scheme for Group staff" established as and when necessary and restored or increased from year to year, or in accordance with the various procedures laid down by the laws in force at any given time. The powers pertaining to the present clause were exercised by resolutions of the Board of Directors dated July 22nd 2004, March 14th 2005, June 12th 2005, November 30th 2005, March 22 2006 and March 21 2007 for 20,373,063, 1,341,480, 16,984,286, 2,946,000, 2,548,860 and 4,085,100 ordinary shares, respectively.

11. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve - including on one or more occasions for a maximum period of one year starting from the shareholders' resolution dated May 12 2006 - to increase share capital with the exclusion of rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of options issued by the Board of Directors to subscribe to a maximum number of 42,000,000 ordinary shares, corresponding to a maximum nominal amount of € 21,000,000, to be reserved for Management of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The resolutions of the Board of Directors shall specify that if the sole increase or individual partial increases approved are subscribed, then share capital will be treated as having been increased by the amount corresponding to the subscriptions received. The unit price of the shares being issued shall be equal to the mean price of UniCredit S.p.A. shares reported in the month before the related Board resolution, bearing in mind the rules on the taxation of employment income tax applying at that time. The stock options shall be registered, non-transferable securities; the Holding Company's Board of Directors shall establish the terms of forfeiture of the right to exercise stock options if the employee leaves the Group or dies. The Board of Directors will be able to decide one or more periods in which the options may be exercised, starting from the fourth year after their grant, unless otherwise established by the Board of Directors if a public bid is made involving the purchase and exchange of UniCredit shares. The 29.204.700 subscription rights issued by the Board of Directors on June 13th 2006, based on the powers received from the Extraordinary Shareholders' Meeting of May 12th 2006, are exercisable starting from the year 2010 and up to the year 2019 at a unitary price of € 5.951 subject to variation according to the relevant Regulations of issue, according to the criteria and in the periods defined by the Board of Directors, the 45,150 subscription rights issued by the Board of Directors on July 1<sup>st</sup> 2006, based on the powers received from the Extraordinary Shareholders' Meeting of May 12<sup>th</sup> 2006, are exercisable starting from the year 2010 and up to the year 2019 at a unitary price of € 5.879 subject to variation according to the relevant Regulations of issue, according to the criteria and in the periods defined by the Board of Directors.

12. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 12<sup>th</sup> 2006, to carry out a free capital increase, as allowed by section 2349

of the Italian Civil Code, for a maximum nominal amount of € 6,500,000 corresponding to up to 13,000,000 ordinary shares of par value € 0.50 each, to be granted to Management of UniCredit and of Group banks and companies. Such an increase in capital shall be carried out using the special reserve known as "Reserve for group personnel long-term incentive plans" set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations,

13. The Board of Directors has the right, in accordance with art. 2443 of the Civil Code, to resolve - once or more times and for a period of maximum 5 years from the date of the Extraordinary Shareholders Meeting resolution taken on May 10<sup>th</sup> 2007 - to increase the registered capital for cash in accordance with art. 2441, paragraphs 1, 2 and 3 of the Civil Code, for a total amount of nominal Euro 525,000,000 corresponding to up to 1,050,000,000 ordinary shares in UniCredit of par value € 0.50 each, to be used for potential acquisition transactions by UniCredit. The Board resolutions will have to specify that, in case the capital increase which has been resolved upon is not fully underwritten within the established term from time to time, the capital will be increased by an amount equal to the subscriptions collected up to such term. The Board resolutions will also have to determine the terms and conditions of each capital increase, including the number of shares to be issued from time to time in execution of the delegation, the subscription price (including potential issue premiums) of new shares, determined also considering the conditions of financial markets, as well as the market trend of UniCredit's common shares in the period prior to the mentioned increase. In any event, such issue price could never be lower than the nominal value of common shares as of the date of the Board resolution.

14. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve - including on one or more occasions for a maximum period of one year starting from the shareholders' resolution dated May 10<sup>th</sup> 2007 - to increase share capital with the exclusion of rights, as allowed by section 2441.8 of the Italian Civil Code, to service the exercise of options issued by the Board of Directors to subscribe to a maximum number of 47,350,000 ordinary shares corresponding to a maximum nominal amount of € 23,675,000, to be reserved for Management of UniCredit S.p.A. and of Group banks and companies who hold positions of particular importance for the purposes of achieving the Group's overall objectives. The resolutions of the Board of Directors shall specify that if the sole increase or individual partial increases approved are subscribed, then share capital will be treated as having been increased by the amount corresponding to the subscriptions received. The unit price of the shares being issued shall be equal to the mean price of UniCredit S.p.A. shares reported in the month before the related Board resolution, bearing in mind the rules on the taxation of employment income tax applying at that time. The stock options shall be registered, non-transferable securities; the Holding Company's Board of Directors shall establish the terms of forfeiture of the right to exercise stock options if the employee leaves the Group or dies. The Board of Directors will be able to decide one or more periods in which the options may be exercised, starting from the fourth year after their grant, unless otherwise established by the Board of Directors if a public bid is made involving the purchase and exchange of UniCredit shares. The 29,809,423 subscription rights issued by the Board of Directors on June 13<sup>th</sup> 2006, based on the powers received from the Extraordinary Shareholders' Meeting of May 12<sup>th</sup> 2006, are exercisable starting from the year 2010 and up to the year 2019 at a unitary price of € 7.094 subject to variation according to the relevant Regulations of issue, according to the criteria and in the periods defined by the Board of Directors.

15. The Board of Directors has the power, under the provisions of section 2443 of the Italian Civil Code, to resolve, on one or more occasions for a maximum period of five years starting from the shareholders' resolution dated May 10th 2007, to carry out a free capital increase, as allowed by section 2349 of the Italian Civil Code, for a maximum nominal amount of € 5,500,000 corresponding to up to 11,000,000 ordinary shares of par value € 0.50 each, to be granted to Management of UniCredit and of Group banks and companies. Such an increase in capital shall be carried out using the special reserve known as "Reserve for group personnel long-term incentive plans" set up for this purpose and reinstated or increased each year or in accordance with other methods dictated by applicable laws and regulations.

16. Resolutions carried for the issuance of new savings and/or ordinary shares at the time of a capital increase or the conversion of shares of another class that have already been issued, do not require the approval of a Special Meeting of Savings Shareholders.

17. A resolution of the Special Meeting of Shareholders may vest the holders of savings shares with the ability to convert said shares into ordinary shares in accordance with the procedures and by the deadlines determined.

#### Clause 7

1. In the event of a share capital increase, the rules, terms and conditions for the issuance of the new capital and the dates and procedures for the payments to be effected in this regard, except for the mandatory requirements laid down in this regard by the law, are resolved upon by the Board of Directors; requests are addressed to subscribers by way of a notice that is to be published in two national newspapers, one of which is to be a business newspaper, whilst specific legal provisions shall continue to apply,

2. Late payment shall incur, by full right, annual interest at a level that shall be established by Board of Directors, that shall not however exceed 3% over the benchmark determined from year to year by the Bank of Italy, on the understanding that the legal provisions to be observed by any Shareholder that does not pay the quotas due, and the liability of assigners and transferors of shares not paid-up shall remain in force,

### **SECTION IV**

#### **Regarding Meetings of Shareholders**

#### Clause 8

1. A General Meeting of Shareholders is convened at least one a year, within 120 days of the end of the year, or within 180 days of the end of the year when the conditions foreseen by law prevail, in order to resolve upon the issues that the law and the Articles of Association make it responsible for.

2. A Special Meeting of Shareholders is convened whenever it is necessary to resolve upon any of the matters that are exclusively attributed to it by law.

#### Clause 9

1. The Meeting takes place at the Bank's Registered Office, at its Central Management Unit or in another location within Italy, as indicated in the Notice of Meeting.

#### Clause 10

1. The Meeting – be it an Ordinary or Special Meeting – is convened, in accordance with the terms and deadlines provided for by prevailing laws, with a notice published in Gazzetta Ufficiale della Repubblica Italiana containing the Meeting's Agenda, with every other provision laid down by prevailing laws to be duly observed in the process.

#### Clause 11

1. The Agenda of the Meeting is established by whoever exercises the power to call a meeting, pursuant to legal requirements and the Bank's Articles of Association, in keeping - where the Meeting is convened further to a request from shareholders – with the comments contained in said request.

2. The right to amend the agenda may be exercised, in the situations, methods and time limits indicated in current regulations, by shareholders who individually or collectively represent at least 0.50% of share capital.

#### Clause 12

1. The Meeting may be attended by those holders of ordinary shares who provide a copy of the notice sent to the Company by the broker holding their accounts, at least two days prior to the date set for the first call of the Meeting. The notice of meeting may specify that the above advance notice of two days is also applicable to any subsequent calls.

#### Clause 13

1. Unless provided for otherwise by prevailing legislation relating to the delegation of voting powers, those entitled to attend the Meeting may arrange to be represented by third parties that are not necessarily Shareholders, in accordance with the provisions of Clause 2372 of the Italian Civil Code.

#### Clause 14

1. Every ordinary share entitles its holder to one vote, the provisions of Clause 5, paragraph 9 excepted.

#### Clause 15

1. The Meeting is chaired by the Chairman of the Board of Directors or, where he is absent or impeded, by the sole Deputy Chairman or, where there is more than one Deputy Chairman, by the Stand-in Chairman or, where the latter is absent or impeded, by the older Deputy Chairman. Where both the Chairman and the sole Deputy Chairman or all Deputy Chairmen are absent or impeded, the Meeting is chaired by a Director or by a Shareholder designated by those in attendance, The person chairing the Meeting is assisted by a Secretary designated by the majority of shareholders in attendance.

2. The Chairman of the Meeting has full powers to regulate activities and discussions, in conformity to the criteria and procedures established by law and foreseen in the Regulations for Shareholders' Meetings.

#### Clause 16

1. In order for a Meeting – be it an Ordinary or Special Meeting – along with the resolutions carried therein to be valid, the relevant legal provisions are to

be duly observed, except for what is provided for in the Articles of Association.

2. Further sessions of a Meeting may be held after the second call, in accordance with legal provisions.

#### Clause 17

1. All resolutions (including those relating to the appointment of individuals to executive organs) are carried by way of an open vote.

2. The election of Directors is resolved upon in accordance with the procedures set forth in Clause 20 below.

3. With regard to the appointment of permanent and stand-in members to the Statutory Board of Auditors, Clause 36 applies.

#### Clause 18

1. The minutes of Meetings are prepared, approved and signed by the Chairman of the Meeting, the Secretary and the scrutineers when not prepared by a notary.

#### Clause 19

1. The copies and extracts of minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputises for him or where the latter is/are absent or impeded by two Directors, constitute full evidence.

### **SECTION V**

#### **Regarding the Board of Directors**

#### Clause 20

1. The Board of Directors is composed of between nine and twenty-four members.

2. Members of the Board of Directors must meet the experience and integrity requirements laid down by prevailing regulations and other laws.

3. In addition, at least three directors must meet the independence requirements established for statutory auditors by Clause 148, paragraph 3 of Legislative Decree No. 58 of 24 February 1998, and at least five directors must meet the additional independence requirements indicated by the Code on Corporate Governance for Listed Companies issued by Borsa Italiana S.p.A. The independence requirements established by Clause 148, paragraph 3 of Legislative Decree No. 58 of 24 February 1998 and those specified by the Code on Corporate Governance for Listed Companies issued by Borsa Italiana S.p.A. may be cumulative for the same person.

4. The directors term in office spans three operating years, except where a shorter term is established at the time they are appointed, and ends on the date of the meeting convened for the approval of the accounts relating to the last operating year in which they were in office.

5. With regard to their election, termination and replacement, the relevant legal requirements are to be observed.

6. In particular, directors must be appointed by the Meeting on the basis of lists submitted by shareholders in which candidates must be listed using a progressive number.

7. In order to be valid, the lists submitted by shareholders must be filed at the registered office and published in at least two national newspapers, including one business newspaper, at least fifteen days prior to the date set for the first session of the Meeting. Each shareholder may submit or contribute to the submission of only one list, and similarly, each candidate may only be included on one list, on penalty of ineligibility. Only those shareholders who individually or collectively with other shareholders represent at least 0.5% of share capital in the form of ordinary shares with voting rights at ordinary Meetings are entitled to submit lists.

8. In order to substantiate ownership of the number of shares necessary for filing lists, shareholders must submit and/or deliver to the registered office, at the same time that lists are filed, a copy of the notice of the meeting issued by the authorised brokers holding the shares on deposit.

9. By the deadline indicated above, shareholders who filed lists must file the following together with each list:

- the information on shareholders who filed lists with information on the total percentage of equity investment held;
- information on the personal and professional characteristics of the candidates indicated on the list;
- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility or incompatibility, and that they meet the experience and integrity requirements provided for by current regulatory and other provisions;
- a statement submitted by at least five candidates for each list, that the independence requirements dictated by current regulatory and other provisions and by these Articles of Association, have been met.

Any list that does not meet the above requirements shall be deemed to have not been filed.

10. All those entitled to vote may only vote for one list.

11. The election of Members of the Board of Directors shall proceed as follows:

a) from the list obtaining the majority of votes cast by shareholders shall be taken - in the consecutive order in which they are shown on the list – as much directors as to be appointed, decreased of one director – if the Board of Directors consists in a number lower or equal to 20 members – or decreased of two directors - if the Board of Directors consists in a number higher than 20 members. The remaining directors shall be taken - in the consecutive order in which they are shown on the list – from the minority list receiving the highest votes.

b) If the majority list doesn't reach a sufficient number of candidates for the election of the number of directors to be appointed – following the mechanism pointed out under the previous lett a) – all the candidates from the majority



list shall be appointed and the remaining directors shall be taken from the minority list receiving the highest votes, in the consecutive order in which they are shown on the such list. If the minority list receiving the highest votes doesn't reach a sufficient number of candidates for the election of the number of directors to be appointed – following the previous mechanism - the remaining directors shall be taken in succession from the further minorities lists receiving the highest votes, always in the order in which they are shown on the lists.

c) If the number of candidates included on the majority as well as minorities lists submitted is less than the number of the directors to be elected, the remaining directors shall be elected by a resolution passed by the Meeting by a relative majority. If there is a tie vote between several candidates, a run-off will be held between these candidates by means of another vote at the Meeting.

d) If in accordance with the deadlines and procedures specified in the above paragraphs only one list or no list is filed, the Meeting shall deliberate in accordance with the procedures set forth in item c) above.

e) If the criterion set forth in this paragraph is followed and the minimum number of independent directors established pursuant to this paragraph 3 is not elected, the directors who have in each list the highest consecutive number and do not meet the requirements in question shall be replaced by the subsequent candidates, who meet the necessary requirements, taken from the same list. If the replacement of the directors who do not meet the requirements in question with the subsequent candidates taken from the same list is not possible, they shall be replaced by the candidates who meet the necessary requirements taken in succession from minorities lists receiving the highest votes, in the order in which they are shown on the lists.

12. In the event of a director dying or leaving office or where his term in office is lapse or losing for any other reason the experience or integrity requirements, the Board of Directors shall take steps to co-opt a director, taking into proper account the right of minority interests to be represented. In the event of a director lacking or subsequent losing of the independence requirements, pursuant to the above paragraph 9, the Board of Directors shall replace such director according the provision of the above paragraph 11, lett. e).

#### Clause 21

1. The Board of Directors elects from amongst its members, for three operating years, unless a different duration is established by the Meeting pursuant to the provisions of Clause 20 above, one Chairman, one or more Deputy Chairmen (including one who acts as a stand-in) and a Secretary, who need not be one of its members. Where absent or impeded, the Chairman is replaced by the Stand-in Chairman. Where both the Chairman and Stand-in Chairman are absent or impeded, the Meeting is chaired by the oldest Deputy Chairman of those in attendance or, where all Deputy Chairmen are absent or impeded, by the oldest Director. Where the Secretary is absent or impeded, the Board of Directors designates a person to replace him.

2. The Board of Directors may appoint one or more Managing Directors, while also determining their duties, powers and authorities, and may bestow special duties and powers upon other Board members. The Managing Directors may also be vested with powers that the Executive Committee decides to delegate to them, said powers being part of those delegated to said Committee by the Articles of Association and by the Board of Directors.

3. Unless a General Manager is appointed, pursuant to the provisions of paragraph 6 of this Clause – the Managing Directors are responsible for following the execution of resolutions carried by the Board of Directors and Executive Committee, availing themselves of the Bank's Central Management Unit.

4. The Board of Directors appoints a "Comitato Strategico" (the "Management Committee"), consisting of members of the Head Office, in charge of consultation and support functions to the activity of the Managing Director/s for the management of the company and of its Banking Group. Terms and conditions governing the "Comitato Strategico" functions are set forth in the Company's internal rules. In their respective capacities as of members of the Head Office, the members of the "Comitato Strategico" also implement decisions adopted by the Managing Director/s, according to the provisions of the subsequent Article 33, par. 2, and reports to him/her/them.

5. The Managing Directors and other Directors entrusted with specific duties report to the Board of Directors and/or to the Executive Committee, as per the procedures and deadlines established by the latter, on the activities undertaken by themselves, in conformity to legal requirements.

6. The Board of Directors, as an alternative to, or in addition to, the Managing Directors, may appoint a General Manager and one or more Deputy General Managers, while also determining their duties, powers and authorities and the duration of their term in office. The General Manager may also be vested with powers that the Executive Committee decides to delegate to them, said powers being part of those delegated to said Committee by the Articles of Association and by the Board of Directors.

7. The General Manager, where no Managing Director has been appointed, may be elected Director of the Bank, in such a situation, the Board of Directors shall appoint him Managing Director.

8. The General Manager is responsible for following the execution of resolutions carried by the Board of Directors and Executive Committee, availing himself, where appointed, of the Deputy General Managers and the Bank's Central Management Unit.

9. Except where he also holds the position of Managing Director pursuant to the provisions of paragraph 7 of this Clause, the General Manager, in exercising the powers assigned to him shall operate below the Managing Directors, where appointed, performing the management duties that they ask him to perform.,

10. The General Manager, unless specific powers are assigned to him as a member of the Board of Directors or Executive Committee, participates in the meetings of the Board of Directors and the Executive Committee, vested with the ability to table proposals and cast an advisory vote.

## Clause 22

1. The Board of Directors meets at the Bank's Registered Office or elsewhere in Italy or abroad at intervals of usually no more than three months and every time the Chairman feels it necessary or a Board meeting is requested by the Managing Directors or by least three Directors. A Board meeting may also be convened on the initiative of at least two Statutory Auditors.

2. Whenever the Chairman of the Board of Directors deems it opportune, meetings of the Board of Directors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Board of Directors is considered held in the place where the Chairman is located and where the secretary of the meeting is also located.

3. The Board is convened by the Chairman or by whoever replaces him pursuant to the provisions of Clause 21 above, and may also be convened – in urgent situations – by telegram or fax.

4. The Chairman and Managing Directors may invite the Deputy General Managers, Executive Managers, Assistant Executive Managers and other Managers within the Central Management Unit, or a number of them, to attend Board meetings, without being granted voting rights.,

### Clause 23

1. The Board of Directors is vested with all powers necessary for the ordinary and extraordinary running of the Bank, except for those powers reserved for Meetings of Shareholders by law and by the Articles of Association.

2. In compliance with applicable laws and the Company's articles of association, the Board of Directors adopt rules concerning its functioning and attributions, Such rules are published consistently with the provisions applicable to other communications addressed to shareholders and/or the market, making them publicly available with the market management company and through publication on the Company's web site.

3. In addition to those duties and powers that may not be not delegated according to the law, the Board of Directors is exclusively responsible for carrying resolutions regarding the following:

- the general guiding of, as well as the adoption and amendment of, the Bank's industrial, strategic and financial plans;
- assessing the general trend of business;
- adjustments made to the Articles of Association to comply with legal requirements;
- the merger by incorporation of companies in the situations foreseen by Clauses 2505 and 2505 (ii) of the Italian Civil Code;
- the reduction of capital in the event of a shareholder withdrawing;
- decisions as to which Directors, in addition to those indicated in these Articles of Association, may represent the Bank;
- the determination of criteria for the coordination and management of Group companies and the determination of criteria for compliance with Bank of Italy requirements;

- risk management policies, as well as the evaluation of the functionality, efficiency and effectiveness of the internal audit system and the adequacy of the organisational, administrative and accounting set-up;
- the acquisition and sale of shareholdings, companies and/or businesses involving investments or divestments that exceed 5% of equity, as recorded in the last set of accounts approved by the Bank, and in any event the acquisition and sale of shareholdings that modify the composition of the Banking Group not included in the industrial, strategic and financial plans already approved by the Board of Directors, whilst the provisions of Clause 2361, second paragraph, of the Italian Civil Code continue to be duly observed;
- the resolutions concerning organization structures of the company and the related internal rules and regulations that shall be considered relevant, following the criteria established by the Board of Directors;
- the creation and organisation (with a view to creating, among other things, a structure for signing powers), in Italy and abroad, of sub-offices, agencies, outlets and representative offices, as well as their elimination;
- the appointment and revocation of members within the Central Management Unit;
- the matters the determination of which is assigned to the exclusive competence of the Board of Directors in the rules of procedures provided for by the preceding paragraph 2.

4. The Board of Directors may delegates its own duties, powers and authorities to the Executive Committee, and specifically every power relating to the granting of loans. It may also delegate duties, powers and authorities to the Central Management Unit, determining the procedures by which they are to be exercised by the latter.

5. The Directors report to the Statutory Board of Auditors on the activities undertaken by the Bank and its subsidiaries, as well as on those transactions effected by them that are of significant importance from an economic, financial and balance-sheet perspective, with specific attention being paid to those transactions that could potentially give rise to a conflict of interest. To this end, they provide the Statutory Board of Auditors, at least once every quarter, with reports received from the Bank's relevant bodies and from subsidiaries that concern the activities and transactions in question, said reports being prepared in accordance with the guidelines issued by the Directors themselves.

#### Clause 24

1. In order for Board resolutions to be valid, the presence of the majority of Directors in office at the time is required.
2. The resolutions of the Board are adopted with the majority of the votes of those who have expressed their votes, with the exclusion of those who abstained and, save for the resolutions referred to in the following paragraph 3, in case of equality of votes the Chairman will have a casting vote.,
3. Resolutions concerning the adoption of, and amendments to, the rules of procedure, as well as those for which such qualified majority is required by the rules of procedure, shall be adopted with the favourable vote of 79% of

the directors holding office with the exclusion of those who abstained. Any board resolution adopted in breach of the quorum provided for under this paragraph 3 and of the provisions of the Rules of Procedure pursuant to which certain decisions fall within the exclusive responsibility of the Board of Directors can be challenged pursuant to article 2388 of the Civil Code.

4. Voting takes place by way of an open vote, except where one third of the Directors present asks for voting to take place by way of a secret ballot,

5. Voting for the election of persons to executive positions is always carried out by using secret voting forms, except where votes are carried by unanimous acclamation.

#### Clause 25

1. Resolutions carried by the Board of Directors are verified by way of minutes recorded in the register provided for this specific purpose, which are signed by the Chairman of the meeting and the Secretary.

2. Copies of the minutes, signed and certified as valid and in conformity to requirements by the Chairman of the Board or by whoever deputises for him, constitute full evidence.

#### Clause 26

1. The Directors are entitled to a reimbursement of those expenses incurred when performing their duties. The Board is also entitled to an annual fee, which shall be resolved upon by the Meeting and shall remain unchanged until the Meeting subsequently decides otherwise.

2. The way in which the emoluments payable to the Board of Directors (as resolved upon by the Meeting) are distributed is established by way of a Board resolution. The Board of Directors may also, after hearing the opinions of the Statutory Board of Auditors, establish the remuneration of the Chairman, Deputy Chairmen and Managing Directors provided for by Clause 2389, third paragraph, of the Italian Civil Code.

3. The Meeting resolves upon the annual fee payable to the Executive Committee, said fee remaining unchanged until subsequently decided upon otherwise by the Meeting, The way in which this fee is established by way of a resolution carried by the Committee itself.

### **SECTION VI**

#### **Regarding the Executive Committee**

#### Clause 27

1. The Board of Directors may appoints, for three operating years ending on the date of the meeting convened for the approval of the accounts relating to the last year in which they were in office, unless a different term in office is established for the Board of Directors by the Meeting pursuant to the provisions of Clause 20 above, an Executive Committee, determining in advance the number of its members, which shall not however be less than five.

2. The number of Committee members includes, as members by right, the Chairman of the Board of Directors, the Deputy Chairman of the same and the

Managing Directors. The Executive Committee elects, among its members, the Chairman. The Committee Secretary is the same person as the Board Secretary, unless the Committee resolves otherwise.

3. The Chairman of the Executive Committee and the Managing Directors may invite the Deputy General Managers, Executive Managers, Assistant Executive Managers and other managers within the Central Management Unit, or a number of them, to attend Committee meetings, without being granted voting rights.

#### Clause 28

1. The Executive Committee is convened by its Chairman or by whoever substitutes him in his absence. A Committee meeting may also be convened on the initiative of at least two members of the Statutory Board of Auditors.

2. The Committee usually meets once a month and whenever its Chairman feels it necessary or a meeting is requested by two Committee members.

3. Whenever the Chairman of the Executive Committee deems it appropriate, the meetings of the Committee may be held by using means of telecommunication, provided that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as to receive, send and view documents. Once the fulfilment of such requirements has been verified, the Executive Committee is considered held in the place where the Chairman is located and where the secretary of the meeting is also located.

#### Clause 29

1. In order for resolutions carried by the Executive Committee to be valid, the presence of the majority of its members is required. Committee resolutions are carried as per the majority of votes cast by those voting, excluding abstainers, In the event of a split vote, the vote of the person chairing the meeting shall prevail.

#### Clause 30

1. The Committee is vested with all the duties, powers and authorities assigned to them by the Board of Directors; as part of this set-up, the Committee determines the criteria for the administration of business operations and oversees the running of the Bank.

2. The Executive Committee may, in situations of substantiated urgency, carry resolutions relating to any business matter or transaction, notifying the Board in this regard at the first meeting to be held thereafter.

3. The Executive Committee reports to the Board of Directors, as per the procedures and deadlines established by the latter, on the activities undertaken by themselves, in conformity to legal requirements.

#### Clause 31

1. The Executive Committee may delegate to the Central Management Unit the powers and authorities conferred to it by the Articles of Association and by the Board of Directors, determining the procedures by which they are to be exercised.

2. Resolutions carried in this regard must be disclosed to the Board of Directors at the first meeting to be held thereafter.

Clause 32

1. The minutes of Executive Committee meetings are signed by its Chairman of the meeting and by the Secretary: copies, signed by the Chairman of the Committee or by whoever substitutes him in his absence, constitute full evidence.

**SECTION VII**  
**Regarding Management**

Clause 33

1, The Board of Directors appoints a Central Management Unit composed of Executive Managers, Assistant Executive Managers and other Managers assigned to the Unit, for the number deemed appropriate, The Managing Directors or – where appointed – the General Manager oversees the Central Management Unit,

2. The Central Management Unit guarantees, in accordance with the guidelines established by the Managing Directors or – where appointed – by the General Manager, the smooth running of the business and the correct execution of resolutions carried by the Board of Directors and Executive Committee.

3. The Central Management Unit, in performing the duties assigned to it, avails itself of the Executive Staff assigned to the Unit itself.

4. The workplace of Central Management Unit executives, where different from that of the Central Management Unit itself, is established by the Executive Committee.

5. The Managing Directors or – where appointed – the General Manager determine the duties, powers and authorities assigned to other members of the Central Management Unit and of the Executive Staff assigned to the Unit itself.

6. The Central Management Unit is vested, as indicated in Clause 35 below, with all the powers needed to effect the Bank's ordinary transactions, including, without any specific powers needing to be delegated, the following abilities:

a) to promote and support legal and administrative actions at any level of the law, including the exercising, remission and waiver of the right to proceed with a lawsuit, and to represent the Bank within every place of judicial, administrative and arbitration proceedings, including therefore in cassation and revocation proceedings and before the State Council, with the ability to reach agreements and to settle by compromise in arbitration proceedings, which may include friendly settlement arrangements;

b) to enable, possibly through the use of special agents, mortgages and liens to be registered, subrogated, reduced, postponed and cancelled, as well as to effect and cancel registrations and records of any kind, regardless of whether or not the loans to which these registrations, records and entries refer have been paid;

c) to effect any transaction whatsoever, including the collection and withdrawal of securities and other instruments, with the Bank of Italy, Bank for Deposits and Loans, the Public Debt Agency, and, in any event, any office of the Public Administration, with no exclusion, State-owned organisations, enterprises and companies or public bodies, and, furthermore, to carry out every measure pertaining to these transactions;

d) to issue special mandates for the execution of specific ordinary transactions and powers of attorney for litigation proceedings;

e) to vest employees or third parties, including individually, with the ability to represent the Bank, as shareholder or as the delegatee of minority interests, at the General or Special Meetings of Shareholders of Italian or foreign companies, in conformity to prevailing laws.

7. The Board of Directors has the ability to establish organisational structures and/or decision-making units, such as regional management offices, situated locally, to which the Managing Directors or – where appointed – the General Manager may delegate (availing itself of the Central Management Unit if necessary) duties, powers and authorities, in addition to those indicated in Clause 34, for the management of Branches, determining the procedures by which they are to be exercised.

8. The Managing Directors or – where appointed – the General Manager may delegate to the Management Teams of Branches (availing themselves of the Central Management Unit and the structures referred to in the previous paragraph if necessary) duties, powers and authorities, in addition to those indicated in Clause 34, for the management of Branches, determining the procedures by which they are to be exercised.

#### Clause 34

1. The management of each Branch is entrusted to a Management Team, composed of the Executive Staff assigned to it. The Management Team, solely for the management of the Branch, is vested with the all the powers needed in order for ordinary transactions to be effected, said powers including the abilities referred to in points a) b) c) and d) of Clause 33 above and to be exercised by adopting the procedures set out in Clause 35 below.

### **SECTION VIII**

#### **Regarding representation and signing powers**

#### Clause 35

1. Representation of the Bank (including procedural representation) and signing on behalf of the Bank are responsibilities assumed separately by the Chairman of the Board of Directors, the Deputy Chairmen, the Managing Directors, the General Manager, and the Deputy General Managers, with said individuals vested with the ability to designate, be it a continuous basis or otherwise, employees of the Bank and persons on attachment to the Bank, as well as outside third parties, as representatives and special agents for the undertaking of single actions and operations or specific types of actions and operations and to appoint lawyers, technical consultants and arbiters, assigning to them the appropriate powers and authorities.

2. Procedural representation comprises the ability to initiate any action and measure to protect the Bank's rights and interests, which may involve



applying for warnings, precautionary measures and emergency actions, and exercising enforceable actions, within every place of judicial, administrative and arbitration proceedings, before any authority and in any state, and at any level of the law, with all the powers needed for such purposes, including the power to confer the necessary relative powers of attorney for litigation proceedings, including general ones, and with every ability foreseen by law to waive acts and actions.

3. The following persons also have the ability to sign in the name of UniCredito Italiano:

- a) for the Central Management Unit and for all sub-offices, agencies, outlets and representative offices: Executive Managers, Assistant Executive Managers and the relevant Executive Staff vested with this ability;
- b) for the Central Management Unit alone: also Senior Managers, Managers, and grade 2, 3 and 4 Assistant Managers assigned to the Unit, as well as other Executive Staff members vested with this ability;
- c) for individual sub-offices, agencies, branches and representative offices: also Senior Managers, Managers, and grade 2, 3 and 4 Assistant Managers assigned to the Unit, as well as other Executive Staff members vested with this ability.

In order to be binding, documents issued for the Bank by representatives who have been authorised pursuant to the provisions of this paragraph must be signed jointly by two of the persons indicated, with the restriction however that grade 2 and 3 Assistant Managers may only sign with a grade 4 Assistant Manager or a Manager.

4. In order to facilitate the smooth running of operations, the Board of Directors may however authorise the joint signature of grade 2 and/or 3 Assistant Managers, as well as the sole signature of Managers, Assistant Managers and employees belonging to the third professional area, for documents concerning ordinary business operations that shall be determined by the Board itself.

## **SECTION IX**

### **Regarding the Statutory Board of Auditors**

#### Clause 36

1. The General Meeting of Shareholders appoints five permanent Statutory Auditors, from whom it also elects the Chairman and two stand-in members.

2. Permanent and stand-in Statutory Auditors may be re-elected.

3. Pursuant to the provisions of prevailing legislation, at least two permanent auditors and one stand-in auditor must have been listed for at least three years in the Rolls of Accountants and have undertaken the legal auditing of accounts for a period of no less than three years. Any auditors who are not listed in the Rolls of Accountants must have gained at least three years' total experience:

- a) undertaking professional activities as a business accountant or lawyer, undertaken primarily in the banking, insurance and financial sectors;

b) teaching, at University level, subjects concerning - in the field of law – banking, commercial and/or fiscal law, as well as the running of financial markets and – in the field of business/finance – banking operations, business economics, accountancy, the running of the securities markets, the running of the financial and international markets and corporate finance;

c) performing managerial/executive duties within public organisations or offices of the Public Administration, as well as in the credit, financial or insurance sector, and the investment services sector and collective investment-management sector, both of which are defined in the Consolidation Act for Financial Intermediation no. 58 /1998.

4. Permanent and stand-in members of the Statutory Board of Auditors are appointed in keeping with lists in which candidates are listed by being given a progressive number.

5. The lists, bearing the names of one or more candidates and who are to be listed with a progressive number, must be presented by being submitted to the Registered Office at least fifteen days prior to the date set for the first session of the Meeting, by sufficient shareholders to represent, at the time the lists are presented, at least 0.5% of shares bearing voting rights for the General Meeting of Shareholders. The lists must be published in two national newspapers, one of which is to be a business newspaper, by the same deadline set for the submission of the lists.

Minority shareholders who have no connecting relationship with the shareholders concerned shall continue to have the option to take advantage of an extension in the deadline to present lists in those instances and using those procedures specified by current regulatory and other provisions,

6. In order to substantiate the ownership of the number of shares necessary for the presentation of lists, shareholders must present and/or deliver to the registered office, at the time the lists are filed, a copy of the notice of Meeting issued by the broker holding the related accounts.

7. Along with the lists presented by shareholders, the latter must also submit the following within the deadline indicated in paragraph 5 above:

- the information regarding the shareholders that presented the list, indicating the percentage of the total equity investment held;

- complete information on the personal and professional characteristics of the candidates indicated on the list;

- statements whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no reasons for their ineligibility and incompatibility, and that they meet the experience, integrity and independence requirements provided for by current regulatory and other provisions and by these Articles of Association.

Any list that does not meet the above requirements shall be deemed to have not been filed.

8. The lists for the appointment of members of the Statutory Board of Auditors are split into two sub-lists, which contain respectively five candidates for the position of permanent auditor and two candidates for the position of stand-in auditor; at least the first two candidates from each list for the position of permanent auditor and at least the first candidate from each list for the position of stand-in auditor must be listed in the Rolls of Accountants, No candidate may appear in more than one list, or shall otherwise be disqualified.

9. Every person entitled to vote may vote in respect of one list only.

10. With regard to the appointment of permanent auditors, the votes obtained by each list are subsequently divided by one, two, three, four and five. The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected as permanent auditors.

11. Given the above, whenever four or more candidates obtaining the highest ratios belong to the same list, the first three shall be elected, while the fourth and fifth shall be those who obtain the highest ratios out of those belonging to the lists of minority.

12. The candidate who has obtained the highest share of votes among the candidates belonging to the list that obtained the highest number of votes among the minority lists, as defined by the current provisions (also regulatory) in force, shall be elected by the Shareholders' Meeting as Chairman of the Board of Statutory Auditors. In case of a tie between lists, the candidate from the list presented by the shareholders with a larger stake or, subordinately, by the higher number of shareholders, shall be elected Chairman of the Board of Statutory Auditors. In case of a further tie, the more senior candidate in terms of age shall be appointed Chairman. If the Chairman has not been elected on the basis of the above mentioned criteria, the Shareholders' meeting shall appoint directly with relative majority.

13. With regard to the appointment of stand-in auditors, the votes obtained by each list are subsequently divided by one and two, The ratios thus obtained are allocated progressively to the candidates in the first sub-list of each list in the order foreseen by the list concerned, and are arranged in just the one schedule in descending order. Except where provided for otherwise in the next paragraph, those obtaining the highest ratios are elected.

14. Whenever the two candidates to obtain the highest ratios belong to the same list, the one with the highest ratio shall be elected, while the second one shall be the candidate who obtains the highest ratio out of those belonging to the other lists.

15. In the event of two or more ratios being level for the position of the last permanent auditor and/or the last stand-in auditor, the candidate from the list that has obtained the highest number of votes shall take priority – and if the number votes are equal, the oldest candidate shall then take priority – unless this list has already indicated three permanent auditors or the other stand-in auditor; in the event of this happening, the candidate from the list bearing the next lowest number of votes shall take priority.

16. If in accordance with the deadlines and procedures set forth in the previous paragraphs only one list, or no list, has been presented, the Meeting shall pass a resolution by the necessary majority of the shareholders present. If there is a tie vote between several candidates, a run-off election shall be held between them with a further vote of the Meeting.

17. In the event of a permanent auditor dying or leaving office or where his term in office is lapsed or he is not available for any other reason, he shall be replaced by the stand-in auditor on the same list indicated by the outgoing auditor.

If this is not possible, the departing auditor shall be replaced by the candidate who eventually obtains the highest ratio of those not elected from the list

indicated by the outgoing auditor or, in the event of an auditor appointed by the minorities departing, from the minority lists receiving the highest votes. Where auditors are not appointed by the list-based system, the stand-in auditor provided for by legal provisions shall take over. Where the appointment of this auditor to the position of permanent auditor is not confirmed by the next Meeting, he shall return to his position of stand-in auditor.

18. For issues relating to the duties, powers and authorities assigned to Statutory Auditors, the determination of their remuneration and the length of their term in office, the norms laid down by prevailing laws shall apply,

19. Statutory Auditors may assume administration and control positions within other companies within the limits established by regulatory and other provisions.

20. The Statutory Board of Auditors is properly formed when the majority of Statutory Auditors are present, with resolutions being carried as per the outright majority of votes cast by those present, In the event of a tie, the vote of the Chairman shall prevail.

21. Whenever the Chairman of Statutory Board of Auditors deems it opportune, meetings of the Statutory Board of Auditors may be held by using means of telecommunication, providing that each of the attendees may be identified by all the others and that each of the attendees is in a position to intervene real time during the discussion of the topics being examined, as well as receive, transmit and view documents. Once the fulfilment of these prerequisites has been verified, the meeting of the Statutory Board of Auditors is considered held in the place where the Chairman is located.

## **SECTION X**

### **Regarding the accounts, dividend and reserve fund**

#### Clause 37

1. The Bank's operating year ends on 31 December of every year.
2. At the end of every operating year, the Board of Directors sees to the formation of the Bank's accounts.

#### Clause 38

1. The net profit reported in the accounts is allocated as follows:
  - a) no less than 10% to the reserve; when the reserve is at the maximum level foreseen by legal provisions, said profit is allocated with priority to the savings shares, at the level set out in point b) below;
  - b) the savings shares are allocated up to five per cent of their nominal value; when, in any given operating year, the savings shares are allocated a dividend of less than five per cent of their nominal value, the difference is added to the preferential dividend for the next two years; any earnings that remain after allocating the above dividend to the savings shares are distributed among all shares, in such a way that the savings shares are assigned a higher global dividend than due to ordinary shares, at a level equal to three per cent of the share's nominal value;

c) whilst the above provisions regarding the higher overall dividend due to savings shares shall continue to be observed, the ordinary shares are allocated up to five per cent of their nominal value;

d) any earnings that remain, and in respect of whose distribution the Meeting of Shareholders carries a resolution, are distributed among shares in addition to the allocations referred to in points b) and c) above;

e) the Meeting of Shareholders resolves upon the distribution of any undistributed earnings, further to a proposal from the Board of Directors.

2. The Meeting of Shareholders, further to a proposal from the Board of Directors, may also resolve upon the formation and increase of reserves of an extraordinary and special nature, which are to be sourced from net profit before or after the allocations referred to in points c), d) and e) above.

3. The Meeting of Shareholders, further to a proposal from the Board of Directors, may establish a global annual amount – of no more than 1% of net profit, and in any event of no more than Euro 10 million – that is to be allocated to projects of a social, welfare and/or cultural nature, with any such donations to be made as per the judgement of the Board of Directors.

4. The Bank may resolve upon the distribution of advance dividend payments in those situations, by those procedures and within those limits permitted by prevailing laws.

## **SECTION XI**

### **Regarding withdrawal**

#### Clause 39

1. The right of withdrawal is regulated by the law, on the understanding that shareholders that have not been involved in the approval of resolutions regarding the extension of the Bank's duration or the introduction or removal of restrictions imposed upon the circulation of shares may not exercise the right of withdrawal.

## **SECTION XII**

### **Regarding Manager charged with preparing a company's financial reports**

#### Clause 40

1. The Board of Directors shall, subject to the mandatory opinion of the Board of Statutory Auditors, appoint a manager, for a period of up to three years, in charge of preparing company's financial reports for the performance of the duties assigned to such manager under current laws, and shall establish his powers, qualifications and compensation.

2. The manager in charge of preparing the company's financial reports shall be selected by the Board of Directors from the Bank's managers who meet all the following qualifications:

a) a degree (or equivalent) in business or finance obtained in Italy or abroad;

b) at least three years experience as a manager of an in-house area dedicated to the preparation of accounts or as a Chief Financial Officer in an Italian or foreign listed limited company (or equivalent) including UniCredit and its subsidiaries;

c) assignment at the time of the appointment in a management or more senior position.

3. The board of directors shall ensure that the manager in charge of the preparation of company's financial reports has the appropriate powers and means to carry out the duties assigned to him under current laws and to properly comply with administrative and accounting procedures.

4. In the performance of his duties, the manager in charge of preparing company's financial reports may avail himself of collaboration provided by all areas of the UniCredit Group.

5. The manager in charge shall make all attestations and declarations that he is required to make in accordance with current laws including in conjunction with delegated bodies as required.