



2015 Integrated Report
Supplement

*This document is a supplement to UniCredit Integrated Report
as of December 31, 2015 that ensures coverage of the indicators and quantitative
data required by GRI Guidelines (version G4).*

Supplement - Index

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Determination and distribution of Value Added

(€/000)

Item	2015	2014
10 Interest income and similar revenues	19,518,305	21,741,871
20 Interest expense and similar charges	-7,859,847	-9,680,036
40 Fee and commission income	9,417,551	9,070,316
50 Fee and commission expense (excluded external networks' expense)	-1,327,751	-1,302,717
70 Dividend income and similar revenue	409,719	402,484
80 Gains and losses on financial assets and liabilities held for trading	1,079,443	635,516
90 Fair value adjustments in hedge accounting	-14,146	-9,046
100 Gains and losses on disposal of:	380,435	686,260
a) loans	28,628	16,953
b) available-for-sale financial assets	398,832	622,536
c) held-to-maturity investments	80	4,114
d) financial liabilities	-47,105	42,657
110 Gains and losses on financial assets/liabilities at fair value through profit or loss	-4,913	58,073
130 Impairment losses on:	-4,142,896	-4,520,392
a) loans	-4,081,168	-4,178,413
b) available-for-sale financial assets	-59,165	-248,594
c) held-to-maturity investments	-6,271	-242
d) other financial assets	3,708	-93,143
150 Premiums earned (net)	-	-
160 Other income (net) from insurance activities	-	-
220 Other net operating income	1,138,543	1,224,845
240 Profit (loss) of associates: gains or losses on disposal	21,025	211,225
270 Gains and losses on disposal of investments	113,818	319,359
310 Total profit or loss after tax from discontinued operations	-295,426	-124,126
A. TOTAL ECONOMIC VALUE GENERATED	18,433,860	18,713,632

Item	2015	2014
180 b) other administrative expense (excluded indirect taxes and duties and donations)	-5,155,154	-4,694,355
ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	-5,155,154	-4,694,355
180 a) staff expense (included external networks' expense)	-8,940,695	-8,486,314
ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND SUPERVISED WORKERS^A	-8,940,695	-8,486,314
330 Minority interests	-351,708	-380,199
Net profit attributable to shareholders ^B	-	-
ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	-	-
180 b) other administrative expense: indirect taxes and duties	-921,126	-866,390
290 Tax expense (income) related to profit or loss from continuing operations: current tax, adjustment to current tax of prior years, reduction of current tax for the year	-713,450	-1,597,257
ECONOMIC VALUE DISTRIBUTED TO PUBLIC BODIES & INSTITUTIONS	-1,634,576	-2,463,647
180 b) other administrative expense: donations	-7,760	-8,002
Net profit allocated to the charitable funds	-	-
ECONOMIC VALUE DISTRIBUTED TO COMMUNITY	-7,760	-8,002
B. TOTAL ECONOMIC VALUE DISTRIBUTED	-16,089,893	-16,032,517
C. TOTAL ECONOMIC VALUE RETAINED	-2,343,967	-2,681,115

A. The economic value distributed to employees and supervised workers excluded expenses for financial advisors.

B. For the proposals to the Shareholders' Meeting on the distribution to shareholders please refer to the specific Board of Directors' reports in relation.

Main partnerships and affiliations¹

Determination
and distribution
of Value Added

Main
partnerships
and affiliations

Selection
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awards

Legal Entities	Organization	Description
UniCredit SpA	Utenti Pubblicità Associati (UPA)	UPA is owned and operated by companies with a common interest in resolving concerns related to advertising. UPA is aligned with the Istituto dell'Autodisciplina Pubblicitaria (IAP) in its efforts to defend and promote responsible advertising as a vehicle for consumer information, market competition and social welfare
	Valore D	Valore D is an Italian association of 115 national and multinational companies. Its mission is to increase and support female representation in top positions at major Italian companies
	Executive Corporate Learning Forum (ECLF)	The ECLF is a community of top executives from major global corporations. The community has the strategic responsibility to foster large-scale learning and transformation processes
	Italian Association of Investor Relations (AIR)	AIR is a professional association of investor relations executives in Italy that promotes the professional stature of its members while spreading awareness of their role within a variety of financial institutions
	UN Global Compact Global Compact Network Italy Foundation	The Global Compact is a strategic policy initiative, promoted by the United Nations at national level via local networks, for businesses committed to aligning their operations and strategies with 10 universally accepted principles related to human rights, labor, anticorruption practices and the environment
	London Benchmarking Group (LBG)	LBG is the internationally recognized standard for measuring corporate community investment
	The United Nations Environment Programme Finance Initiative (UNEP FI)	UNEP FI is an initiative promoted by the United Nations which addresses pressing and current issues in sustainable finance
	Carbon Disclosure Project (CDP)	The CDP promotes the understanding of the potential impacts of climate change on shareholder value
	WWF International	WWF is the world's largest, most experienced independent conservation organization. Its mission is to end the degradation of the planet's natural environment and build a future in which humans live in harmony with nature
	Forum per la Finanza Sostenibile	Forum per la Finanza Sostenibile is a non-profit forum that promotes a culture of social responsibility in Italy's finance industry
	Fondazione Sodalitas	Fondazione Sodalitas seeks to: promote sound management in the nonprofit sector and corporate social responsibility; enhance relationships between academia and the corporate sector; build partnerships among companies, nonprofits, universities and other institutions
	European Banking Federation (EBF)	EBF is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 4,500 banks - large and small, wholesale and retail, local and international
	The Management Development Network	The Management Development Network is an international membership organization. It is a forum for information, research networking and debate on innovation and best practice in management development with 800 member organizations from academia, business, public service and consultancy in 81 countries
	European Council on Foreign Relations (ECFR)	ECFR is an award-winning international think tank that aims to: conduct cutting-edge independent research; provide a safe meeting space for policy-makers, activists and intellectuals to share ideas; offer a media platform to get Europeans talking about their role in the world

Legal Entities	Organization	Description	
UniCredit SpA	OECD Development Centre's Emerging Markets Network (EMNet)	OECD Development Centre's Emerging Markets Network looks into emerging economies and their role in global economic, social and environmental challenges. EMNet holds three meetings per year in Paris on Asia, Africa and Latin America to discuss hot economic and business trends and drivers taking a regional perspective	
	Institute for International Finance (IIF)	IIF is a leading global association of financial institutions. Its mission is to support members in prudently managing risks and to develop constructive proposals that contribute to the public debate on financial legislation	
	Association for Financial Markets in Europe (AFME)	AFME is an association actively engaged in the advocacy activities towards the EU institutions on a wide range of regulatory issues	
	International Capital Market Association (ICMA)	ICMA is a self-regulatory association committed to promote resilient and well-functioning international debt capital markets and repo market, which are key for economic growth and financial stability	
	European Financial Services Round Table (EFR)	EFR is an organization of Chairmen and Chief Executives of Europe's leading banks and insurance companies. The purpose of the EFR is to contribute to the European public policy debate on issues relating to financial services and to the financial stability	
	European Banking Group (EBG)	EBG is attended by the Chairmen or CEOs of the 12 major EU banks. The EBG mission is to raise public policy awareness on critical issues which affect (or are likely to affect) the EU banking sector and the real economy	
	Enbicredito	Enbicredito promotes and supports social dialogue, through training and professional requalification activities, agreed and stipulated between ABI and the trade unions	
	Fondazione Prosolidar Onlus	Prosolidar is a foundation established by the National Fund of the credit industry for solidarity projects	
	Ente Nazionale Sordi Onlus (ENS)	The mission of ENS is the integration of deaf people in society, the promotion of their growth, autonomy and full human realization	
	Ministero dell'Interno - OF2CEN, Polizia Postale e delle Comunicazioni	OF2CEN (Online fraud cyber centre and expert network) is a European project against the advanced cyber crime	
	European Foundation Center (EFC)	EFC purpose is to strengthen and spread organized philanthropy in the interest of civil society, in Europe and the world over	
	Grantmakers East Forum	Grantmakers East Forum purpose is to help and sustain steady development of philanthropy and civil society in communities and states in wider Europe	
	Associazione Italiana Fondazioni ed Enti di Erogazione (Assifero)	Assifero's mission is to become the benchmark of institutional philanthropy in Italy by increasing the number, cohesion, resources and the impact of providing institutions	
	Pioneer Global Asset Management SpA	United Nations Principles for Responsible Investment (UNPRI)	The UNPRI initiative is an international network of investors working to put the six principles for responsible investment into practice
	UniCredit Bank AG	B.A.U.M. e.V. and Sustainability Leadership Forum	This German campaign promotes environmental awareness and responsibility among business managers
Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)		VfU is an industry-specific body for environmental management at financial institutions	
Working Group on Energy Efficiency within the Chamber of Commerce and Industry for Munich and Upper Bavaria (IHK)		The Working Group on Energy Efficiency is a network of management and energy consultants	

1. Each UniCredit subsidiary with a banking license is generally member, where they exist, of the local economic chamber and the local banking association.

MAIN PARTNERSHIPS AND AFFILIATIONS

▶ Determination
and distribution
of Value Added

▶ **Main
partnerships
and affiliations**

▶ Selection
of 2015
awards

Legal Entities	Organization	Description
UniCredit Bank AG	German Network of companies with Corporate Citizenship activities (UPJ)	UPJ is the German national network of engaged businesses and local non-profit intermediary organizations. UPJ projects and programs are aimed at creating new connections between businesses, civil society organizations and public authorities, thus contributing to solve societal challenges and to shape sustainable communities
	Joblinge	Joblinge is an initiative to support young people with difficult backgrounds (e.g., crime, drug addiction, not graduated at school) by giving them a qualification program
	Kulturkreis der deutschen Wirtschaft (Association of Arts and Culture of the German Economy at the Federation of German Industries)	The Kulturkreis der deutschen Wirtschaft im BDI e.V. has supported arts and culture since 1951 and campaigns for a society in which art is seen as an essential resource
UniCredit Bank Austria AG	klimaaktiv	klimaaktiv develops and provides quality standards, education and training of professionals, advice, information and a large partner network
	The European Money and Finance Forum (SUERF)	SUERF is a member-based association aimed at bringing together financial practitioners, central bankers and academics. The focus of the Association is on the analysis, discussion and understanding of financial markets and institutions, the monetary economy, the conduct of regulation and monetary policy
	Museum for Social and Economic Affairs (Gesellschafts- und Wirtschaftsmuseum)	The Museum for Social and Economic Affairs aims at educating the public by presenting social and economic facts in a simple and clear way, exploiting both meaningful graphical representations of statistical figures and expositions by the staff
	Kuratorium Sicheres Österreich (KSÖ)	KSÖ organizes events to strengthen community relationships, while addressing economic challenges and other issues in the corporate, political and media sectors
	The Financial Markets Association (ACI)	ACI is a leading non-profit, non-political association of wholesale financial market professionals. Members of ACI are in a large part engaged in professional trading, broking, operations, regulatory and compliance activities in foreign exchange, money fixed income and derivatives markets. ACI was founded in Paris in 1955 as Association Cambiste Internationale and has a proud and illustrious history of involvement in helping its membership through various market iterations/interactions. ACI currently counts some 13,000 international members from more than 60 countries, with growing interest globally
	Osterreichischer Verband Financial Planners	The Austrian Association of Financial Planners aims to improve the quality of financial advice for clients
Bank Pekao SA	Warmińsko-Mazurski Business Club	The purpose of Warmińsko-Mazurski Business Club is to initiate, develop, and intensify the collaboration with the regional and national authorities
	Loan Market Association (LMA)	LMA mission is to improve liquidity, efficiency, and transparency of the consortium credit market in Europe, Middle East, and Africa by way of providing sound and widely accepted practices in this field
	The International Project Finance Association (IFPA)	IFPA is an independent association which focuses on promoting and representing the interests of public and private organizations involved in project financing world-over
	NOBiS - Modern Business Association in Szczecin	NOBiS supports the promotion of the City of Szczecin and the West Pomeranian region as a good place to live and work, as well as a center for fostering the development of companies in the sector of modern services
	Fundation for Financial Advisory Standards (EFPA Poland)	EFPA Poland is a partnership in scope of Private Banking advisory model which helps in ensuring customers about high level of expertise among Bank Pekao Private Bankers
	Polish Association of Capital Investors (PSIK)	PSIK is aimed at developing the private equity/venture capital sector in the country
	ACI Polska - the Financial Markets Association	The Polish Financial Markets Association is an organization of people with professional interest in the international and domestic money market and fx market transactions

Legal Entities	Organization	Description
UniCredit Bulbank AD	Bulgarian Human Resources Management and Development Association (BHRMDA)	BHRMDA is a non-governmental organization established to support and develop professionals in human resource management and development and to raise the status of the profession as a whole
	Bulgarian Donors' Forum	The Forum unites, represents and assists major charitable givers in Bulgaria. Members of the Forum provide nearly 60% of their contributions from private funds, which are then given annually to charities in Bulgaria
	The Council of Women in Business	The Council of Women in Business is aimed at disseminating good management practices and introducing programs fostering the professional development of women in small and mid-sized businesses and their growth in managerial positions
Zagrebačka Banka DD	Green Building Council of Croatia (GBC)	The GBC is a nonprofit organization and countrywide platform for the promotion of sustainable construction practices
	Croatian Business Council for Sustainable Development (HR BCSD)	HR BCSD promotes sustainable development in the private sector and represents business on the issue of sustainable development. It was founded in 1997 by leading Croatian businesses
	The Prof. dr. Marijan Hanžeković Foundation	This foundation promotes the study of finance and encourages scholars and researchers, particularly among younger generations, to engage in the discipline
UniCredit Bank Czech Republic and Slovakia as	Business Alliance of Slovakia (BAS)	BAS is a professional association representing selected entrepreneurs and employers operating throughout Slovakia. The main objective of BAS is the improvement of formal and informal business environment rules in Slovakia within the broader context of society development
UniCredit Bank Hungary Zrt	Joint Venture Association	This association assimilates the views of its members and supports them in meeting challenges related to business conduct and organizational decision-making
UniCredit Bank SA	European Professional Women's Network	This nonprofit membership organization supports women in reaching their professional objectives through online and face-to-face programs (e.g., mentoring), events and professional and business enhancement tools
	The Council of Banking Employers in Romania (CPBR)	Among the main objectives, the Council seeks to: promote cooperation with public authorities; contribute to increasing levels of industry standards and financial literacy in Romania; contribute to new legislative initiatives (or amendments of existing legal framework) on areas of interest; promote fair competition; bring together undertakings that aspire to good corporate governance, business ethics and best practices
UniCredit Bank Serbia Jsc	National Association for Information Systems Security (ANSSI)	The association aligns the efforts and builds upon the experiences of information security professionals for the promotion of standards and best practices in their field
	HR Club	The HR Club is an association of human resources professionals in Romania. Its mission is to encourage HR development by supporting and promoting best practices in the field
	Romanian Banking Institute (RBI)	RBI has the main objective of improving the professional training and specialization of staff from the financial-banking sector, in line with the strategy determined by the National Bank of Romania (NBR), in cooperation with the Romanian Banking Association (RBA) and with the programmes approved by the Board of Directors
AO UniCredit Bank	Foreign Investors Council (FIC)	The FIC is a business association that assists Serbia in embracing and developing a modern market economy
AO UniCredit Bank	Russian Union of Industrialists and Entrepreneurs (RSPP)	RSPP is an independent non-governmental organization that maintains regular contact with governmental authorities to keep them informed about the effectiveness of current laws and to protect the interests of industrialists and entrepreneurs

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Legal Entities	Award
UniCredit SpA	Premio Cerchio d'Oro per l'Innovazione 2015 - AIFIN Premio "Adriano Olivetti" - AIF (Associazione Italiana Formatori) Awards 2015 Pensioni & Welfare Italia - Uni.C.A. is winner for the category "Best welfare plan for the employees" Intranet Design Annual 2015 - winner CRF Institute: Top Employer 2015 International CIB Bank of the year in France with special mention of the jury at the Trophées Leaders de la Finance Awards for Excellence Central and Eastern Europe 2015 - Best Bank - Best Debt House in CEE - Best Transaction Service House in CEE - Euromoney World's Best Treasury & Cash Management Providers (categories: Best Bank for Cash Management in CEE; Best Bank for Liquidity Management in CEE); World's Best Trade Finance Bank in CEE; World's Best Sub-Custodian Bank in CEE; World's Best Private Bank in CEE - Global Finance # 1 Trade Finance Provider in CEE by the 2015 Euromoney Trade Finance Survey Most Innovative Investment Bank in CEE - The Banker Highly commended Bank in CEE - The Banker
FinecoBank SpA	2015 Website of the Year in Italy (Banking and Finance Activity category - Best Website - Most Popular Website) Global Finance Award 2015 (Italy - Best Digital Bank & Best in Social Media) Global Brands Magazine 2015 (category: Most Innovative Banking Brand Italy; Best Financial Brand Italy)
UniCredit Bank AG	CRF Institute: Top Employer 2015
UniCredit Bank Austria AG	Top Service Österreich Award 2015 The 2015 Best Trade Finance Bank in Austria - Global Finance CRF Institute: Top Employer Europe and Top Employer Austria 2015
Bank Pekao SA	# 1 Trade Finance Provider in Poland by the 2015 Euromoney Trade Finance Survey The Most Innovative Banks In Transaction Services 2015 - Global Finance (Category of Innovation I Process) Best Trade Finance Bank in Poland - Global Finance Best Sub-Custodian Bank in Poland - Global Finance
UniCredit Bank DD	Awards for Excellence 2015 - Best Bank in Bosnia - Euromoney # 1 Trade Finance Provider in Bosnia & Herzegovina by the 2015 Euromoney Trade Finance Survey
UniCredit Bulbank AD	Best Digital Bank in Bulgaria - Global Finance magazine Best Subcustodian Bank in Bulgaria - Global Finance magazine Best initiative for development strategy for contactless payment - Visa Europe The International Center of UniCredit Bulbank is the Best Innovative Business Space for 2015 in the House of the Year Competition 2015 - Ideal Home magazine Awards for Excellence 2015 - Best bank in Bulgaria - Euromoney magazine Best Bank in Bulgaria for 2015 - Global Finance magazine Best Foreign Exchange Providers in Bulgaria - Global Finance magazine # 1 Trade Finance Provider in Bulgaria by the 2015 Euromoney Trade Finance Survey

Legal Entities	Award
Zagrebačka Banka DD	# 1 Trade Finance Provider in Croatia by the 2015 Euromoney Trade Finance Survey Best Private Bank in Croatia - The Banker Best Trade Finance Bank in Croatia - Global Finance
UniCredit Bank Czech Republic and Slovakia as	Best Trade Finance Bank in Czech Republic - Global Finance Best Sub-Custodian Bank in Czech Republic - Global Finance # 1 Trade Finance Provider in Czech Republic and Slovakia by the 2015 Euromoney Trade Finance Survey
UniCredit Bank Hungary Zrt	Website of the Year 2015 award in commercial category - Hungarian Marketing Association and Internet Marketing Division's contest Bank of the Year 2015 - The Banker's Magazine Best Private Bank in Hungary - Global Finance magazine Renewed website won the Business/Commerce category quality special award eFestival 2015 competition Best Cash Management House in Hungary of the Euromoney Cash Management Survey 2015 Best CSR practice in 2015 award - Hungarian PR Association (UniCredit Pass it on! CSR program) Awards for Excellence 2015 - Best Bank in 2015 - Euromoney Best Subcustodian Bank in Hungary for 2015 - Global Finance magazine Private Banking Survey 2015 - Euromoney (category: Best Private Banking provider) # 1 Trade Finance Provider in Hungary by the 2015 Euromoney Trade Finance Survey
UniCredit Bank SA	Best Cash Management House in Romania of the Euromoney Cash Management Survey 2015 # 1 Trade Finance Provider in Romania by the 2015 Euromoney Trade Finance Survey
UniCredit Bank Serbia Jsc	Best Sub-Custodian Bank in Serbia - Global Finance # 1 Trade Finance Provider in Serbia by the 2015 Euromoney Trade Finance Survey
AO UniCredit Bank	Euromoney Award of Excellence - Best Bank in Russia - Euromoney # 1 Trade Finance Provider in Russia by the 2015 Euromoney Trade Finance Survey
UniCredit Banka Slovenija DD	Best Cash Management House in Slovenia of the Euromoney Cash Management Survey 2015 Euromoney Award of Excellence - Best Bank in Slovenia - Euromoney Best Sub-Custodian Bank in Slovenia - Global Finance Magazine
PJSC Ukrsofsbank	Best Corporate Bank Ukraine 2015 - Global Banking & Finance review

Governance



Governance

UniCredit SpA is an Italian company with shares listed on the Milan, Frankfurt and Warsaw regulated markets adopting the traditional management and control system and as a bank, parent company of the UniCredit banking Group, carries out, in addition to banking activities, organic policy, governance and control functions vis-à-vis its subsidiary banking, financial and instrumental companies pursuant to the provisions of Section 61 of the Testo Unico Bancario (TUB).

The overall corporate governance framework of UniCredit¹ has been set up in accordance with current provisions, also of a regulatory nature, and the recommendations of the Italian Corporate Governance Code for listed companies².

UniCredit is also subject to the provisions contained in the Supervisory Regulations issued by Bank of Italy and, in detail, with regards to the corporate governance issues, to the relevant Supervisory Regulations on banks corporate governance in being.

As issuer of shares also listed on the Frankfurt and Warsaw regulated markets, UniCredit also fulfils the legal and regulatory obligations related to listings on said markets as well as the provisions on corporate governance contained in the Polish Corporate Governance Code issued by the Warsaw Stock Exchange. Notwithstanding that, the UniCredit corporate governance structure is not influenced by non-Italian legal provisions.

Governance framework

UniCredit encourages its staff, external collaborators and commercial partners to be inspired by the principles of transparency and sound management. This approach complies with current legislation and is in line with fundamental principles governing the pursuit of individual goals.

UniCredit's corporate governance adheres to current rules and regulations as well as to the recommendations set forth in the Italian Corporate Governance Code for listed companies. UniCredit has developed a governance system that is regularly verified and updated to ensure it complies with the evolving regulatory environment and related operating practices, and continuously monitors markets to assess the level and efficacy of its governance efforts.

Components of UniCredit's governance include:

- the Articles of Association, which set forth corporate governance provisions aimed at ensuring proper corporate management
- the Regulations for the Shareholders Meeting, which govern the conduct of ordinary and extraordinary meetings and, mutatis mutandis, meetings of special categories of shareholders
- the Corporate Bodies Regulations, which govern the function and competencies of the Board of Directors and of the Board of Statutory Auditors in compliance with relevant legal and regulatory provisions and UniCredit's Articles of Association, incorporating the principles and criteria set forth in the Italian Corporate Governance Code for listed companies
- the Group Compensation Policy, which establishes an approach consistent with sustainable remuneration and its standardized implementation across UniCredit, with specific reference to the senior management
- the Group Managerial Golden Rules (GMGR)³, which are guidelines for principles of governance within UniCredit, outlining our organizational model and establishing managerial and functional responsibilities for all key processes that ensures also the implementation of the Strategic Plan.

1. For detailed information on the UniCredit's corporate governance system, refer to the UniCredit SpA Report on Corporate Governance and Ownership Structure available to the public in the governance section of the corporate website.

2. Since 2001, UniCredit has adopted the Italian Corporate Governance Code for listed companies. According, inter alia, to the major international markets' experience, this Code identifies the corporate governance standards and best practices for listed companies recommended by the Italian Corporate Governance Committee - based on transparency, accountability and a long-term perspective - to be applied according to the comply or explain principle that requires the explanation in the corporate governance report of the reasons of failure to comply with one or more recommendations contained in its principles or criteria.

3. The Group Managerial Golden Rules (GMGR) are a set of guidelines which, in defining clear Group governance principles, delineate the organization model, establishing managerial/functional responsibilities in Group key processes. In particular the GMGR define the government system based on the Competence Line (Planning, Finance & Administration, Risk Management, Compliance, Legal, Internal Audit, Human Resources, Organization and Identity & Communications), Business Line, Product Line, Key Business Function, Key Service Function and Service Line concept, as well as the most important working rules between the Holding Company and Legal Entities in key processes, which requires a centralized view and leverages on specific strengths and competences throughout the whole Group. The Heads of the Competence Lines and the functions/business lines/products/services of the Holding Company mentioned have a direct role and - without overriding the responsibilities of the corporate bodies of the Legal Entities - have specific guidance, coordination and controlling authority with reference to the corresponding functions of the Legal Entities (e.g., define budget objectives, monitor the implementation of policies and models, express prior non-binding opinions with reference to the definition of the internal organizational structure, etc.).

UniCredit culture permeates both its operations and the way to conduct business and ensures the proper addressing, coordination and control of our Group activities and the management of related risks. It sees its own foundation on an additional consistent system of rules. They are represented by:

- the Integrity Charter, which states the ethical and deontological principles that the Group recognizes as its own and expects to be observed by all those who work to achieve the objectives of UniCredit and of the Group
- the Code of Conduct, which defines general principles of conduct, that aim to promote our culture of compliance and our commitment to sustainability
- the Code of Ethics, which was adopted pursuant to Italian Legislative Decree 231/01 for the Parent Company and its Italian subsidiaries. It contains the rules employees must comply with to ensure their conduct is always guided by criteria of fairness, collaboration, loyalty, transparency and mutual respect, as well as to avoid conduct that could constitute offences and crimes as set forth in Italian Legislative Decree 231/01
- Global Rules, which are Group rules issued by UniCredit - coherently with the GMGR principles - when exercising its guidance, coordination and control functions - in order to discipline activities deemed as significant in terms of compliance with the legal and regulatory provisions in force and/or in terms of risk management.

The Global Rules are classified in three different document types:

- Global Policies (GP): which contain behavioral and methodological principles, guidelines and rules issued by the Holding Company when exercising its guidance, coordination and control functions, as well as the general framework of responsibilities between the Holding Company and the recipient Legal Entities
- Global Process Regulation (GPR): which describe the key elements for the discipline of processes classified as "Global" by the Holding Company: relations among activities, responsibilities and supporting tools
- Global Operational Regulation (GOR): which provide detailed technical, operational or methodological instructions issued by the Holding Company
- service contracts between UniCredit and its related subsidiaries, which formally regulate the provision of intercompany services and ensure transparency regarding the services to be provided and the compensation to be paid for them.

Governance structures

UniCredit has adopted a traditional management and control system featuring two corporate bodies, the members of which are appointed at the Shareholders' Meeting: the Board of Directors, responsible for the strategic supervision and the management of the company, and the Board of Statutory Auditors, responsible for supervising management.

Legal accounting supervision is entrusted to an external auditing firm by the Shareholders' Meeting, on proposal of the Board of Statutory Auditors.

This traditional management system, envisaging specific obligations for the Shareholders' Meetings, allows for the clear exchange of views between shareholders and management on fundamental decisions relating to governance. These include appointing and removing directors, appointing members to the Board of Statutory Auditors, granting a mandate for the external auditing to an auditing firm, and approving all connected fees. Such decisions also encompass the approval of financial statements, the allocation of profit, the resolutions on the remuneration and incentive policies and practices as well as criteria to determine compensation to be granted in the event of early termination of employment or early retirement from office.

All members of the Board of Directors and the Board of Statutory Auditors are appointed by the Shareholders' Meeting on the basis of a proportional representation mechanism (voto di lista). This voting system features lists of the candidates who are competing against one another to ensure that minority shareholders representatives are elected. The above-mentioned corporate bodies structure ensures they are gender-balanced in compliance with current regulations and provisions.

As of December 31, 2015, the UniCredit Board of Directors is composed of 17 members, including the Chairman and the Chief Executive Officer (CEO). Their term of office will expire on the date of the Shareholders' Meeting called upon to approve the 2017 financial statement⁴.

4. For detailed information on the appointment process, refer to the procedures specified in Clause 20 of the Articles of Association available on UniCredit's corporate website in the governance section (www.unicreditgroup.eu).

GOVERNANCE



In compliance with current provisions of both law and regulations, the Board of Directors establishes its qualitative and quantitative composition deemed optimal for the effective completion of the duties and responsibilities entrusted to the supervisory body by law, by the Supervisory Provisions and by UniCredit's Articles of Association. The Board also establishes the requirements that UniCredit directors must meet, in addition to possessing those envisaged by current laws and regulatory provisions, and expressed its opinion on the maximum number of directorships that directors may hold in other companies.

The Board, before appointing the supervisory body, informs the shareholders about the composition deemed to be optimal in order for the choice of the candidates to take into consideration the expertise required. It goes without saying that the shareholders may carry out their own assessment on the best composition of the supervisory body and file candidacies consistent with same, giving the reasons for any difference vis-à-vis the analyses carried out by the Board.

As regards the qualitative and quantitative composition of the Board of Directors, the profile for Board candidates, the maximum number of directorships members may hold, as well as the gender composition criteria for the supervisory body, reference is made to the document Qualitative and Quantitative Composition of the UniCredit SpA Board of Directors published on the corporate website in the Governance section.

The composition of the Board as of December 31, 2015, is quantitatively and qualitatively corresponding to the theoretical profile. The requirements concerning professional experience, integrity and independence, gender balance and the maximum number of directorships that directors may hold in other companies at the same time, as per the desired levels indicated by the Board in the profile recalling the provisions of the CRD IV Directive (Directive 2013/36/EU dated June 26, 2013), were all accounted for. More specifically, all of the competence areas were represented in the Board, all of the Directors had at least two of the required competence areas and, on average, Directors had 6 areas of the competence areas.

The positions held by Board members in other companies listed on regulated markets (both in Italy and abroad), as well as in financial services companies, banks, insurance companies or other large companies, is reported in the Corporate Governance Report.

In order to support the Board of Directors, also pursuant to the provisions of the Italian Corporate Governance Code for listed companies, four committees are established⁵, vested with research, advisory and proposal-making powers diversified by sector of competence, e.g.:

- the Internal Controls & Risks Committee
- the Corporate Governance, HR and Nomination Committee
- the Remuneration Committee
- the Related-Parties and Equity Investments Committee.

The Internal Controls & Risks Committee, the Corporate Governance, HR and Nomination Committee and the Remuneration Committee have been set up in compliance with the provisions contained in the Bank of Italy Supervisory Regulations on banks corporate governance envisaging 3 specialist committees - one on appointments, one on risks and one on remuneration - while the Related-Parties and Equity Investments Committee, established for overseeing issues concerning transactions with related-parties and with associated parties, as well as issues concerning investments in non-financial equities, has been set up in compliance with relevant Commissione Nazionale per le Società e la Borsa (CONSOB) regulatory provisions and the Bank of Italy's Supervisory Regulations.

The above-mentioned committees may operate according to the procedures considered appropriate and may, inter alia, divide into sub-committees.

Board self-evaluation

In compliance with provisions contained in the Bank of Italy's Supervisory Regulations on banks corporate governance, and also pursuant to the provisions of the Italian Corporate Governance Code for listed companies, the Board of Directors undertakes on an at-least annual basis a regular self-evaluation process focused on the adequacy of the Board itself and its Committees in terms of composition and functioning, tangibly measured in specific theme-based areas, with special reference to those relevant to healthy and prudent management.

In particular it is focused on:

- qualitative and quantitative composition, size, degree of diversity, professional training, experience (including managerial), seniority in the present post, a guaranteed balance of non-executive and independent members, adequacy of the appointment processes and selection criteria, and ongoing professional development
- meeting sessions, frequency, duration, the degree and form of attendance, sufficient time available to dedicate to the assignment, the relationship of trust, cooperation and interaction among members, awareness of the role covered, and the quality of debate on the Board.

The self-assessment process is undertaken with the assistance of an external consultant chosen taking into account his/their skill, the professional experience acquired by him/them in corporate governance, and the need to be neutral, objective and independent in judgment - the hallmarks of the self-assessment process.

To date, the Board's activities related to environmental and social issues have not been the object of any evaluation.

Induction initiatives and recurring training

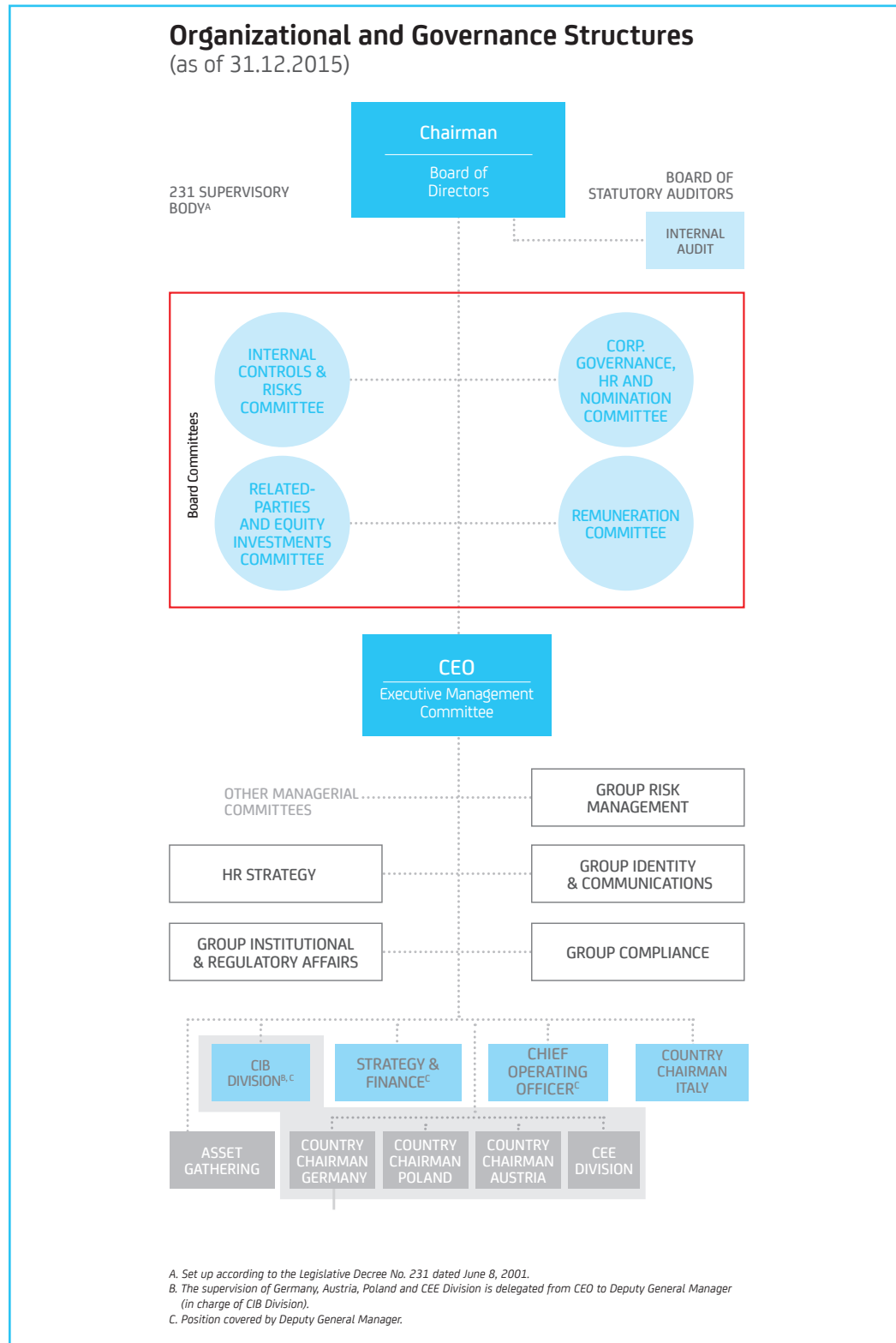
In 2015 the actions undertaken aimed at providing Directors with an adequate knowledge of the macroeconomic scenarios, of the markets' developments and of the sector's regulatory framework continued. Moreover, strategic, legal and regulatory as well as business topics have been the object of training sessions and were examined in detail, in order to ensure both knowledge and awareness of the Group risk profile.

In particular, the Chairman of the Board of Directors ensured that inclusion programmes and training schemes are prepared and implemented for the newly appointed Directors and Statutory Auditor (meetings open to all the Board of Directors and Board of Statutory Auditors members) focused, inter alia, on a presentation of the Top Management of the Group and of its positioning.

Furthermore, as a rule on a quarterly basis, meetings have been arranged for all Directors, also apart from Board meetings ("off site"), open to the Board of Statutory Auditors members and the Top Management, regarding the Group strategy and the checking of its planning as well as the drafting of the strategic plan.

5. For detailed information on the functions performed by the UniCredit Board Committees, refer to the relevant area of the corporate website and the UniCredit SpA Report on Corporate Governance and Ownership Structure, which is published in the governance section on the corporate website.

Organizational structures



During 2015 the Board of Directors approved the creation of a new role of Deputy General Manager - who takes on the responsibilities for the Strategy & Finance area (which also includes the activities currently held by Planning, Finance & Administration) - and the cancellation of the General Manager role with the contextual reallocation of responsibilities and activities to others top managers of the bank (CEO, Deputy General Managers, Country Chairman Italy).

UniCredit Group organization reflects an organizational and business model that maintains a divisional structure for the governance of the Corporate Investment Banking business/products and the business in the Central Eastern Europe (CEE) countries, as well as overall control over the Global Banking Services functions, by ensuring the autonomy of the countries/banks for specific activities, in order to guarantee increased proximity to the client and faster decision-making processes. Specifically:

- the Chief Executive Officer, while maintaining overall responsibility for all the regional businesses (Italy, Germany, Austria, Poland and CEE) that report to him, carries out direct supervision for Italy and delegates the supervision of Germany, Austria, Poland and the CEE Division to the Deputy General Manager responsible for CIB division
- the Deputy General Manager, responsible for CIB Division (which maintains the role as a Global Division), has a coverage role for the multinational customers (“Multinational”), for selected “Large corporate” clients with a strong potential demand for investment banking products, for the Financial and Institutional Groups (FIG) customers and for the Global Lines “Global Transaction Banking (GTB)”, “Global Financing & Advisory (F&A)”, “Markets”, and for internationalization activities
- the Deputy General Manager - Chief Operating Officer (“COO”) concentrates under a sole responsibility all the managerial levers regarding the organizational, operational and service functions (included HR Management and Group Legal) - such as Organization, ICT, Operations, Security - responsible for supporting, also through the Group Global Service Factories, the sustainable business growth of the Group, ensuring the utmost quality of services provided and optimizing cost structures and Group’s internal processes, and taking on the leadership of the digital transformation of the Group
- the Deputy General Manager, responsible for Strategy & Finance, is in charge of the coordination of activities and processes related to the definition of corporate and Group strategies and goals, supporting Top management (e.g., definition of Group business portfolio, creation of expected value and capital absorption), the coordination of comprehensive process of planning and checks, finance and administration, the coordination of strategic partnerships and of the Asset Management business, besides assisting the Chief Executive Officer as for the management and supervision of the internal control system
- the CEE Division coordinates the Group’s activities in the countries of Central and Eastern Europe, aligning them to a single comprehensive business vision in the area
- Group Institutional & Regulatory Affairs is responsible for developing the relations with institutional counterparts of interest for Group activities and managing the relationship with European Banking Supervisory Authorities (e.g., EBA, ECB) and Bank of Italy
- as far as the Italian perimeter is concerned, the Country Chairman Italy is responsible for all the coordination, control and development activities of the client segments (Family, First, Business First, Public Sector, Corporate and Private Banking) of the Italian perimeter, leveraging on a Network breaking down into 7 “Regions”, a Special Network Italy and a Network dedicated to the Private Banking segment. The Country Chairman Italy also functionally coordinates the Legal Entities of its area (e.g., UniCredit Leasing SpA, UniCredit Factoring SpA, Cordusio Società Fiduciaria per Azioni, Cordusio Sim - Advisory & Family Office SpA, UniCredit Subito Casa SpA, UniCredit UK Trust Services Ltd)
- the functions called Competence Lines (Planning, Finance & Administration, Risk Management, Legal, Compliance, Internal Audit, Human Resources, Organization and Identity & Communications) oversee the guidance, coordination and control of UniCredit’s activities and manage the related risks.

The CEO is also supported by a Senior Management Body called the Executive Management Committee (EMC).

The EMC is set up, with consultative functions, with the aim of ensuring an effective steering, coordination and control of Group business as well as an effective alignment of the Holding Company with the different business and geographies.

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In particular, the EMC discusses topics of a strategic nature relating to:

- Group Performance Management at consolidated (Group) level (budget, quarterly results)
- alignment on key topics related to capital, risks and liquidity
- commercial and business strategies related to topics with a strong international and cross content (e.g., payments, multichannel, CRM, etc.)
- external customer satisfaction
- regulatory developments and Internal Control System topics with a strong international/cross content
- HR and GBS topics as well as Group strategic projects with a strong international/cross content
- other key managerial topics which need to be discussed by the EMC.

The EMC can discuss both Group/Cross Country topics and specific topics of regional character.

The EMC is composed of the following members: CEO (Chairman), Deputy General Managers (COO, CIB Division Head, Head of Strategy & Finance), Group Chief Risk Officer (Group CRO), Head of HR Strategy, Group Compliance Officer, Country Chairman Austria, Country Chairman Germany, Country Chairman Italy, Country Chairman Poland, Head of CEE Division and Head of Asset Gathering.

The head of Internal Audit attends the meetings as a permanent guest. The head of Group Legal may attend the meetings, upon invitation by the President of the Committee, on the basis of the topics discussed.

Internal Control System

The Internal Control System is an essential element of the overall governance system of banks. It plays a central role in their organization and can ensure an effective management of risks and of their interrelations, in order to ensure that the activities carried out will be in line with the corporate strategies and policies as well as founded on healthy and prudent management principles.

An effective and efficient internal controls system is, in fact, a prerequisite for the creation of value in the medium-long term, for safeguarding the quality of the activities, for a correct risk perception and for an appropriate allocation of capital.

UniCredit Group's internal controls system is based on:

- control bodies and functions, involving, each one within its respective competence, the Board of Directors, the Internal Controls & Risks Committee, the officer in charge of the internal controls and risks management system, the Board of Statutory Auditors, as well as the corporate functions with specific tasks to that regard
- information flows and coordination procedures among the parties involved in the internal controls and risks management system
- Group governance mechanisms.

Board member compensation⁶

The compensation paid to non-executive directors is not linked to the UniCredit's financial results. Non-executive directors are not beneficiaries of incentive plans based on stock options or, more generally, of any plan that makes use of financial instruments.

The remuneration for members of the administrative and auditing bodies of UniCredit is represented only by a fixed component, determined on the basis of the importance of the position and the time required for the performance of the tasks assigned. This policy applies to non-executive directors as well as statutory auditors and the Supervisory Body members.

6. For more details, refer to the Annual Compensation Report, published within the 2016 Group Compensation Policy, on UniCredit's corporate website (www.unicreditgroup.eu).

In consideration of this policy and market practices, the Ordinary Shareholders' Meeting on May 13, 2015 resolved to assign to UniCredit's Board of Directors a total annual amount of €2,675,000, including €1,110,000 for directors holding offices on the Board's Committees and on other bodies of the company attended to by directors. Also confirmed was the attendance fee of €400 for each meeting of the Board of Directors, meeting of the Board's Committees and meeting of the other bodies of the company attended to by directors, even if these meetings are held on the same day.

For compensation assigned from January 1, 2015 to May 13, 2015, please refer to information disclosed in the 2014 Integrated Report.

Pursuant to sect. 2389, paragraph 3 of the Italian Civil Code, the Board of Directors meeting held on July 9, 2015 also established, after consultation with the Board of Statutory Auditors, to give UniCredit's directors vested with particular offices an additional remuneration consisting of a fixed annual amount for each year of their term of office. These amounts are reported in the Annual Compensation Report included in 2015 Group Compensation Policy.

As mentioned above, the remuneration for UniCredit's Statutory Auditors is represented by a fixed component only.

In light of the above, the Ordinary Shareholders' Meeting held on May 11, 2013, while appointing the Board of Statutory Auditors, resolved to provide an annual compensation of €140,000 for the Chairman of the Board of Statutory Auditors and €100,000 for each standing Statutory Auditor, plus an attendance fee of €400 for every meeting of the Board of Statutory Auditors they attend. Alternate auditors do not receive any compensation unless they are asked to join the Board of Statutory Auditors as a permanent substitute for a standing member.

No Statutory Auditor is a beneficiary of any incentive plan, including those based on stock options or, generally, on financial instruments.

The Remuneration Committee provides advice and opinions on proposals submitted to the Board, also availing itself of the support of an external consultant, regarding - amongst other topics - the remuneration policy for corporate officers (members of the Board of Directors, Board of Statutory Auditors, and of Supervisory Boards of Group Companies).

The Remuneration Committee avails itself of the services of PriceWaterhouseCoopers (PWC), appointed as the new external independent advisor, providing advice on compensation practices and trends, as well as up-to-date remuneration benchmarking studies. It has been determined in advance that such an advisor is not in any position that might compromise its independence.

The CEO is the only executive director who sits on the Board of Directors, and a portion of his remuneration is linked to UniCredit's financial results. This arrangement is in line with the policy applied to the UniCredit management team, of which the CEO is a member.

Compensation for Senior Management

UniCredit's approach to compensation is performance-based, market-aware and aligned with our business strategy and stakeholder interests. To ensure competitiveness and effectiveness of remuneration, as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Group's Compensation Policy.

The compensation policy framework is designed to assure the consistency of the remuneration elements and systems, while also conforming to our Group's long-term strategies and principles of sound risk management. The Board of Directors identified the CEO, the General Manager (position deleted with effective date October, 1 2015, as a consequence of the Organizational set-up adopted by the Group), the Deputy General Managers and

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the other members of the CEO Office, as well as the Group Compliance Officer and the Head of Internal Audit as the executives with strategic responsibilities, to the ends of the application of all statutory and regulatory instructions.

For 2015, according to our Group Compensation Policy and to the provisions of the Capital Requirements Directive (CRD) IV, Bank of Italy "Disposizioni di Vigilanza per le Banche" and the national and international authorities, the fixed and variable components of the compensation of the CEO (the sole executive director sitting on the Board of Directors and serving as an employee of the Company) - consistent with other executives with strategic responsibilities - are balanced through the ex-ante definition of the relative weight of different components of the remuneration, considering also the company's strategic goals, risk management policies and other elements influencing the firm's business.

In particular, the maximum value of the variable compensation for CEO and the Deputy General Managers responsible for business lines could not exceed 200 percent of fixed compensation, with the exception of company control functions to whom a maximum ratio of 100 percent is applied.

The fixed component is defined based on appropriate market awareness and in such a way as to be sufficient to reward the activity rendered even if the variable part of the remuneration package was not paid due to the non-achievement of performance goals.

In line with the latest regulatory requirements, the CEO and the other executives with strategic responsibilities have a balanced part of their remuneration linked to UniCredit's economic results, also taking overall profitability into consideration, weighted by risk and cost of capital, as well as sustainability goals (based on capital and liquidity ratios). The variable compensation considers the achievement of specific goals which are previously approved by the Board upon proposal of the Remuneration Committee and heard the opinion of the Board of Statutory Auditors, as appropriate. In particular, metrics defined ex ante that reflect categories of our Group Risk Appetite Framework align Executives' remuneration to sustainable performance and value creation for the shareholders in a medium/long term perspective.

Such coherence is annually verified by the Internal Control & Risk Committee. Specific individual goals are set out taking into consideration the market practices and the role assigned within the Group, through the systematic use of specific indicators aimed at strengthening the sustainability of business, such as the satisfaction both of external and internal customer, risk and financial sustainability indicators and capital measures. It is also foreseen the deferral in 5 years in cash and shares of the 80 percent of the incentive, including 20 percent of upfront shares with payout subject to the achievement of future performance conditions over the following financial years.

All the installments are subject to the application of malus and/or claw-back conditions, as legally enforceable.

The 50 percent of the overall incentive is paid in UniCredit shares, whose number is defined considering the arithmetic mean of the official market price of UniCredit ordinary shares during the month preceding the Board resolution that approves 2015 bonuses.

The measure and duration of the deferral are aligned with the provisions set by regulators and are consistent with the characteristics of the business and with the company's risk profiles.

For the Heads of the Company Control Functions, pursuant to the provisions of Bank of Italy, the goals are established by the Board of Directors in line with the tasks assigned to them and avoiding, unless good reasons exist, goals linked to bank's performance. In the decision making process related to Company Control Functions, the Board of Statutory Auditors and the Internal Controls and Risks Committee are also involved as far as they are respectively concerned.

Consistent with plans made in 2014, the 2015 Group Incentive System, as approved by UniCredit Board of Directors on January 20, 2015, is based on a bonus pool approach. This approach takes into consideration the most recent national and international regulatory requirements and directly links bonuses to financial results at the Group and country/division level, further ensuring the link between profitability, risk and reward. In particular, the system provides for:

- the allocation of a variable incentive on the basis of the bonus pool
- a malus clause (Zero Factor)⁷ that applies to case specific thresholds (profitability, capital and liquidity) not met at both the Group and the Country/Division levels
- risk-adjusted measures to guarantee the long-term sustainability of the company's financial position and ensure compliance with regulations
- definition of a balanced structure of upfront (directly following the performance evaluation) and deferred payments, in cash and/or shares, to be paid over a period of up to 6 years
- distributions of share payments that take into account the applicable regulatory requirements regarding the application of share retention periods.

Since 2000, UniCredit has maintained equity-based incentive plans for its Top Management, including the CEO and those executives with strategic responsibilities.

In 2013, with reference to the Share Plan resolved by the Shareholders' Meeting of April 29, 2011, an allocation for the CEO of 568,181 shares in 2 tranches of 284,090 and 284,091 shares was set aside for 2015 and 2016, respectively.

On February 11, 2015, The Board of Directors resolved to grant the first tranche of 248,090 shares during 2015 in light of verified achievements of the 2014 entry conditions and the targets linked to the four pillars of the 2012 - 2015 Strategic Plan. After the achievement of specific performance indicators is verified, the last tranche is expected to be granted in 2016.

In 2015, a long-term incentive plan was introduced for the Chief Executive Officer, General Manager and Deputy General Managers. The plan provides for the allocation of incentives based on phantom shares, subject to the achievement of specific performance conditions linked to the UniCredit Strategic Plan. Structured around a four-year performance period, consistent with the UniCredit Strategic Plan, the long-term incentive plan provides for the allocation of 2 possible awards in 2017 and 2019 (in line with the disclosure of the plan). Each award is subject to a three-year deferral period subject to the application of a cumulative Zero Factor linked to minimum levels of profitability, liquidity and capital position. In line with regulatory requirements, an additional holding period of one year will be applied at the end of deferral period.

There are specific share ownership guidelines for the CEO, as well as for the Deputy General Managers.

7. Condition activated in case of negative performance both at Group and Local level which implies: (i) 100% elimination of yearly bonus; (ii) Proportional reduction (50-100%) of previous years deferrals based on actual performance and CRO/CFO assessments.

Employee Grievance Mechanism

To ensure universal adherence to the values set forth in our Integrity Charter and to address situations in which those values may have been breached, our Group first implemented a clearly defined intervention model in 2006.

That model, the Restorative Justice System (RJS), was in force through the end of 2011. At the beginning of 2012 it was replaced by the System of Values (SoV). Both models were designed to repair relationships in situations where one or more employees feel that the Group's values have been breached, but they differ in the role assigned to the Ombudsmen Network. In the SoV, ombudsmen have a broader responsibility to manage their cases and can act, when necessary, as mediators - a task previously delegated to external professionals.

The Ombudsmen Network is active in 13 countries⁸, which represents a majority of those where our Group is present, as a commercial bank. It is comprised of 24 people, who are designated as central, deputy and, where needed, local ombudsmen.

Among the many personal and professional qualities required of an ombudsmen, independence and impartiality are particularly important. To ensure the presence of these qualities, ombudsmen are chosen, whenever possible, from among retired senior managers. Their knowledge of the Group and its mechanisms of management and government are balanced with their independence in the execution of their responsibilities.

Over the past decade, both the RJS and SoV have dealt with a number of cases involving perceived breaches of the Group's values.

Each year, the UniCredit Board of Directors assesses the activities of the SoV. The Group Ombudsmen report directly to the Chairman. In 2009, the SoV recorded a peak of 241 cases spread out over 16 countries⁹. Since 2012, a total of 522 cases were handled by the SoV. That total increases to 524 if the Baltic countries are included, with one case in 2012 and another in 2013. After this, the number of cases trended downward, to slightly more than 100 cases in 2015.

This year, the Board of Directors took note of the positive results achieved by the System and stated that UniCredit has now achieved the objective of disseminating our values throughout the culture of our Group.

Additionally, in 2011, we adopted a system, implemented at the Group level, that provides employees with a way to report conduct that violates the law or the bank's internal rules (i.e., *Whistleblowing*¹⁰). Any employee can make use of this mechanism if he or she has a reasonable suspicion that unlawful conduct or potentially harmful or detrimental behavior has occurred or may occur.

The management of this process is designed to ensure the greatest possible confidentiality of the identity of the whistleblower and of the accused individual and to prevent any possible retaliatory or discriminatory behavior in response to the report.

Cases by country and tools used, 2012-2015

Country	Total	Pending cases	Closed cases	Not admitted cases	Renounced cases	Other	Total number of cases deploying tools	Tools used		
								Meetings	Notice	Other
Italy	119	7	112	21	34	4	53	16	11	26
Germany	31	0	31	0	5	0	26	21	2	3
Austria	31	0	31	1	0	0	30	8	12	10
Poland	125	2	123	11	30	4	78	17	37	24
Bulgaria	44	0	44	0	0	0	44	30	14	0
Croatia	38	0	38	13	1	2	22	7	10	5
Czech Republic	48	1	47	3	2	0	42	27	2	13
Hungary	35	0	35	4	14	2	15	8	4	3
Romania	9	0	9	2	6	0	1	0	1	0
Russia	2	0	2	0	0	0	2	1	1	0
Serbia	11	0	11	0	5	0	6	6	0	0
Slovakia	5	0	5	1	0	0	4	2	0	2
Slovenia	24	1	23	2	3	0	18	7	4	7
TOTAL	522	11	511	58	100	12	341	150	98	93

In 2015, the Ombudsmen network handled 123 new cases.

Cases by country and tools used, 2015

Country	Total	Previously pending cases	Pending cases	Closed cases	Not admitted cases	Renounced cases	Other	Total number of cases deploying tools	Tool used		
									Meetings	Notice	Other
Italy	36	4	7	33	2	5	0	26	4	6	16
Germany	5	1	0	6	0	0	0	6	3	0	3
Austria	5	4	0	9	0	0	0	9	6	0	3
Poland	24	4	2	26	2	1	0	23	3	9	11
Bulgaria	5	0	0	5	0	0	0	5	4	1	0
Croatia	9	0	0	9	2	1	0	6	2	1	3
Czech Republic	25	0	1	24	1	0	0	23	10	0	13
Hungary	6	1	0	7	0	2	0	5	1	1	3
Romania	1	0	0	1	0	0	0	1	0	1	0
Russia	0	0	0	0	0	0	0	0	0	0	0
Serbia	1	0	0	1	0	1	0	0	0	0	0
Slovakia	1	0	0	1	0	0	0	1	1	0	0
Slovenia	5	0	1	4	0	0	0	4	1	0	3
TOTAL	123	14	11	126	7	10	0	109	35	19	55

Since the introduction of intervention models in 2006, discrimination has been treated as a severe breach of our Group values. Employees may appeal to an ombudsman if they feel discriminated against due to their race, religion, physical disabilities, sex or age. In 2015, just one case of discrimination was filed, involving physical disabilities.

8. In Serbia and Hungary, the SoV was active until December 2015.
9. Please refer to the 2009 Sustainability Report for more information.
10. Refer to our website www.unicreditgroup.eu for more information.

Risk Management and Compliance



Managing environmental and social risks

Sound risk management requires a deep understanding of many types of risk, including environmental and social risks and their effects on financial results and the balance sheet.

Two of our statements of commitment, our *Environmental Commitment* and our *Human Rights Commitment*, describe the approach, roles and responsibilities, principles, rules, procedures and systems adopted by UniCredit to prevent and manage environmental, social and human rights impacts and risks in our operations and value chain¹.

Through the *Group General Principles for Credit Activities* and other special policies and practices, UniCredit assesses and manages not only traditional economic and financial impacts, but also non-financial impacts. These include environmental, social and other reputational risk impacts associated with the environmental and social performance of its customers.

To this end, UniCredit implements and integrates the Equator Principles (EP), when applicable, into its project financing transactions and has adopted detailed special policies regarding sectors sensitive to environmental and social risks. Our Group monitors portfolio exposures and other environmental, social and related reputational risk issues within certain industries. Furthermore, we continue to seek more advanced methodologies to assess the financial risks associated with environmental impacts and regulatory risks². In 2015, we launched a dedicated project to improve our understanding of how our operations may affect human rights, thereby increasing our capacity to address related impacts and risks. In keeping with our commitments, we work to disseminate across our Group a strong risk culture that includes social and environmental issues among its priorities.

Equator Principles implementation

UniCredit has adopted the EP as a risk management framework for determining, assessing and managing environmental and social risk in projects. The EP are primarily intended to provide a minimum standard for due diligence to support responsible risk-related decisions.

In 2003, UniCredit was among the world's first adopters of the 10 principles that constitute the EP. Since then, our Group has actively contributed to the framework's development. These activities have provided UniCredit with valuable experience, facilitating the implementation of the framework groupwide and contributing to our further engagement with stakeholders.

The EP apply globally to Project Finance Advisory Services, Project Finance, Project-Related Corporate Loans and Bridge Loans across all industry sectors³. We work in partnership with our clients to identify, assess and manage environmental and social risks and impacts in a structured way on an ongoing basis. The EP are based on the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety (EHS) Guidelines.

An EP Advisory team oversees and supports the implementation of the EP across the Group.

The framework of the EP is embedded in our various internal policies, providing a minimum standard for due diligence and impact mitigation and supporting sustainable decision-making groupwide. These policies include our *Special Credit Policy Project Finance Transactions* and our *Global Policy on Structured Trade and Export Finance*. Aside from roles, responsibilities and principles, these policies define the EP-based process for non-financial risk evaluation for specific projects. Furthermore, an EP-based non-binding opinion is incorporated into our approvals process, along with an internal *EP Screening Tool* that focuses on category A and B projects⁴. Independent environmental and social experts are used to assist our transaction team where applicable, in accordance with the EP. Loan document covenants are reviewed by the specialized transaction team, internal legal department and, where appropriate, technical, environmental and social specialists.

1. Refer to our website www.unicreditgroup.eu for more information.

2. Refer to the *Integrated Report - Natural Capital Chapter 2014 and 2015* for more information.

3. Refer to the EP framework at www.equator-principles.com for more information.

4. Projects with potential significant (Category A) or limited (Category B) adverse social or environmental risks and/or impacts. For more information, refer to the EP framework.

We regularly conduct special workshops and training sessions to enhance our capacity to implement the EP within our organization. In 2015, over 140 employees from the risk competence line and business divisions, including Corporate and Investment Banking, attended seven interactive EP workshops and training sessions tailored to the needs of different audiences. Participants received comprehensive instruction that introduced them to the EP framework and the underlying World Bank Standards, leveraged peer-to-peer knowledge-sharing, and provided practical examples for evaluating financial, environmental and social risks, among other topics.

The EP Advisory team, together with Group Sustainability, represents UniCredit in the EP Association. UniCredit's three-year term as a member of the association's Steering Committee ended in November 2015. To facilitate the good governance of the association by promoting the regular rotation of representatives, UniCredit chose not to apply for another mandate. Nevertheless, as an EP Financial Institution, we will continue to be engaged in the work of the association and to participate in Working Group initiatives that align with our strategy, geographical scope and business footprint.

2015 Equator Principles - Projects evaluated, financed and advised

Projects evaluated	Projects financed ^A	Projects advised
106	27	3

A. Includes 26 Project Finance transactions and 1 Project-Related Corporate Loan.

Equator Principles - Number of projects financed by risk category

Risk category ^A	2015 ^B	2014 ^B	2013 ^B
Category A	7	4	3
Category B	10	10	9
Category C	10	3	10
Total	27	17	22

A. Category A: projects with potential significant adverse social or environmental risks and/or impacts that are diverse, irreversible or unprecedented.

Category B: projects with potential limited adverse social or environmental risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C: projects with minimal or no social or environmental risks and/or impacts.

B. Projects financed by UniCredit SpA, UniCredit Bank AG and UniCredit Bank Austria AG. Additionally, in 2015, 3 Project Finance Advisory transactions were closed.

2015 Equator Principles - Number of projects financed by risk category and sector

Sector	Category A	Category B	Category C
Resources ^A	3	1	0
Energy	1	5	8
Infrastructure	3	4	2
Total	7	10	10

A. Including oil & gas, mining and metals.

2015 Equator Principles - Number of projects financed by risk category and region

Region	Category A	Category B	Category C
Europe: EU	1	7	10
Extra EU	4	2	0
North America and Mexico	0	0	0
Africa	1	0	0
Asia and Australia	1	1	0
Total	7	10	10

2015 Equator Principles - Number of projects financed by Designated Country^A and that received an Independent Review^B

Designated Country & Independent Review	Category A	Category B	Category C
Designated Country	1	7	10
Independent Review	7	10	6

A. Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. The list of Designated Countries may be found on the EP Association website.

B. An Independent Review is a review of the Assessment Documentation, including the ESMPs, ESMS and Stakeholder Engagement process documentation carried out by an independent environmental and social consultant.

RISK MANAGEMENT & COMPLIANCE



The SOCAR Turkey Aegean Refinery (STAR) is a large-scale, deep-conversion, greenfield crude oil refinery with a capacity of 214,000 barrels per day (10 million tonnes per year) located on the Aegean coast of Turkey. UniCredit has acted as sole Financial Advisor. It is the largest foreign investment project in Turkey to date, representing \$5.6 billion in total investment, \$3.2 billion of which was financed by loans from Export Credit Agencies and commercial debt providers. UniCredit has also acted as hedge coordinator and hedging bank. Commissioning and start-up activities are scheduled for late 2017 and early 2018, with commercial production to start in 2018. STAR's Engineering Procurement Construction contract involves qualified turnkey contractors in the oil and gas industry and a reputable technical agent to assess and monitor the rollout of the project. The project falls within Category A under the EP and is required to adhere to the International Finance Corporation (IFC) Performance Standards and the European Bank for Reconstruction and Development (EBRD) Performance Requirements, among others. An experienced external environmental and social consultant has also been engaged by the lenders to provide regular monitoring.

The Bilkent Integrated Health Campus project in Ankara, Turkey, with a 3,704 bed capacity, will be one of the world's three largest hospitals and the largest integrated health campus in Turkey. A public-private partnership agreement with the Turkish government specifies a 42-month construction period and a 25-year operating period, with the Turkish Ministry of Health as counterparty. UniCredit, together with its local affiliate Yapı Kredi, served as the sole Financial Advisor to the project company, its sponsors and one of the multilateral agencies involved in the project. The majority of the payments for the term of the 18-year loan are derived from availability payments during the project's operational period, which is expected to commence in 2018 after the construction of the campus is fully completed. The Environmental and Social Impact Assessment (ESIA) for the project, conducted by an external consultant, was undertaken in line with IFC Performance Standards. The project falls within the Category A under the EP and has been assessed for potential environmental and social impacts, including air quality, waste and wastewater generation, and increases in noise and traffic. The Environmental and Social Due Diligence Report prepared for the Mandated Lead Arrangers provided a gap analysis to assess the project's compliance with the laws of Turkey, the IFC Performance Standards (2012), the EBRD's Environmental and Social Policy and Performance Requirements (2008), the World Bank Group Environment, Health and Safety (EHS) Guidelines, relevant European Union (EU) directives, and international best practice. Before the financing closed, it was confirmed that the project was compliant with EP III. The monthly construction monitoring report prepared by the Lenders' Technical and Environmental Advisor also provides a substantial review of environmental, health and safety, and quality issues for each reporting period.

UniCredit, along with five other commercial banks and the European Investment Bank (EIB), arranged the financing of the IJmond Sea Lock PPP project in the Netherlands. A consortium comprised of experienced contractors won the concession in a competitive tender run by Rijkswaterstaat and subsequently raised more than €540 million in medium- and long-term financing. The project includes the design, building, financing and 26 years of maintenance of a new lock in the IJmond lock complex. It will be located next to the existing North Lock, which has been in operation since 1929 and will reach the end of its useful economic life in a few years. With a length of 500 meters, a width of 70 meters and a depth of 18 meters, the new lock will be the largest of its kind in the world. Located at the entrance to the North Sea Canal, it will service the region of Amsterdam and will form part of the Dutch coastal water defense system. The new lock will foster economic growth in the region by increasing access capacity to the Port of Amsterdam from its current 95 million tonnes of cargo per annum to 125 million. It will also enable the largest cruise vessels to use the Port of Amsterdam. Because the project requires significant construction on land and at sea, potential impacts on flora and fauna were analyzed. A detailed Social Cost-Benefit Analysis and an Environmental Impact Assessment were conducted by relevant authorities and concluded in 2012. The Netherlands qualify as a "Designated Country" (formerly "OECD high-income country") under the EP. Thus, the project has to comply with the relevant EU laws, which are considered to meet or exceed the IFC Performance Standards and the World Bank Group EHS Guidelines. Detailed Environmental Management Plans are being finalized and agreed upon with the contracting parties and Dutch authorities. Numerous permits (under the Water Act and other applicable laws) will have to be obtained. The Lenders' Technical Advisor, Mott MacDonald, has designated the project as Category B under the EP and concluded that the project is highly likely to satisfy the EP through the construction and maintenance phases. Compliance will be closely monitored by the environmental team of the project company as well as by the banks and the EIB.

In 2015, UniCredit was party to two metro transit projects in the city of Milan: Metro 5 and Metro 4. The two deals are worth several billion euros and were financed by a mix of equity, public funds and senior debt. Both concessions were awarded by the City of Milan as grantor. In the case of Metro 4, the city is also the majority owner of the project company. Several experienced contractors and established engineering companies were involved in both projects. A broad group of domestic and international banks, institutional investors and multilateral banks were also party to the transactions. In addition to receiving support from commercial lenders, Metro 5 attracted institutional investors in a bond tranche, while Metro 4 benefitted from funding provided by the EIB.

Line 5 of the Milan Metro was first promoted in the early 2000s. An initial stretch from the northern outskirts to Garibaldi Station was financed in 2007 and has been in operation since 2014. The new transaction refinanced the first project and provided additional financing for an extension from Garibaldi Station across the city to Sempione, Fiera and San Siro. Line 5 is now fully operational, providing the city with a significant measure of relief from car traffic. The project was reviewed by the Lenders' Technical Advisor from a social and environmental point of view and was designated a Category B project.

Metro 4 is a greenfield project promoted by the municipality in a tender held in 2010. Construction started in 2014 and will last for eight years. Line 4 will form an integral part of Milan's transport system, running east-west through the city center and connecting to two of the existing underground lines, the urban rail system, the national rail network and the city airport at Linate. In the context of the EP, based on the magnitude of the potential impacts and risks of the project, the Lenders' Technical Advisor designated it Category B.

Implementation of our environmental, social and reputational risk sector policies

Certain sectors and activities require a specialized approach to ensure that transactional and related risks are addressed properly. We have developed detailed guidance policies for sectors relevant to UniCredit that are susceptible to environmental and social risks.

These policies take into account generally accepted international agreements, guidelines and standards (including the IFC performance standards, the World Bank Group Environmental, Health and Safety Guidelines and the principles of the UN Global Compact), as well as other practices widely employed by specific industries and affected stakeholders. Our Group considers these international agreements, guidelines and standards a representation of best practices for assessing and avoiding potential environmental and social impacts. Through the implementation of appropriate management and mitigation measures on the part of our clients and counterparts, UniCredit aims to avoid or limit the risks associated with transactions and projects in these sectors.

UniCredit's current environmental, social and reputational risk policies apply to a number of sectors, including water infrastructure (dams in particular), nuclear energy and coal-fired power generation. The criteria for these policies are regularly reviewed so that all emerging environmental and social standards and any additional relevant impacts are taken into account in financial decision processes. When necessary, external experts are involved in these processes.

Environmental, social and reputational risk policies

Policy	Policy latest version	Objective
Defense/ Armaments	Dec. 2011	To regulate financial involvement with companies from the defense/armaments industry in order to minimize social, reputational and credit risk
Water Infrastructure (dams)	Feb. 2012	To establish standards and guidelines that address the risks associated with financing large water infrastructure projects such as dams
Nuclear Energy	June 2013	To regulate financial involvement with and address the challenges posed by the nuclear energy sector in order to minimize environmental, social, reputational and credit risk
Mining	July 2014	To establish standards and guidelines that address the risks associated with financing mining operations
Coal-fired Power	Nov. 2014	To establish standards and guidelines that address the risks associated with financing coal-fired power production

The policies apply directly to UniCredit SpA and addressed to all Group legal entities that engage - whether through lending or other forms of financial assistance - with such sectors. Their adoption is subject to monitoring by the parent company's risk management functions.

UniCredit's policies define specific internal processes to consistently identify, assess and monitor potential environmental and social risks. Screening records and tools are implemented in our standard risk and compliance check to support the performance of comprehensive due diligence. These analyses utilize information derived from business intelligence providers on environmental, social and governance risks within the most sensitive sectors, including those regulated by special policies, and other relevant sectors.

Transactions are generally screened by the legal entity responsible at both the transactional and the client level. A record of the screening is integral to the compliance assessment and must be completed before approval is granted. Roughly 500 transactions were assessed in 2015 for potential environmental, social, human rights and other reputational issues. Roughly 350 of these transactions were related to our sector policies.

Decisions regarding transactions that have been assessed as "high risk," as defined by applicable policies and the competent committees of the local legal entities, are submitted to the parent company for approval. Assessments must be updated regularly as part of the annual credit lines renewal process.

Transactions that carry intrinsically higher risks require an independent expert or third-party review (e.g., Environmental and Social Impact Assessment - ESIA or equivalent) in order to ensure a rigorous approach to identifying, quantifying and, where appropriate, mitigating and monitoring environmental and social risks.

Internal reporting on exposure and risk indicators is managed by risk functions at both the local legal entities and the parent company. On a quarterly basis, the Group Operational and Reputational Risk function submits to the Group Operational and Reputational Risk Committee a report on the non-binding opinions that have been issued over the period. This report provides an overview of the number of transactions declined, approved and approved with conditions during the risk assessment process.

Reinforcing our human rights approach

UniCredit is aware that every economic and business activity has potential impacts, both positive and negative, on human rights. Thus we have been working systematically to define a reliable and inclusive approach that enables our Group to manage human rights impacts and risks and to minimize potential human rights violations associated with our operations and value chain.

In 2011, UniCredit published the first UniCredit *Human Rights Commitment*, which describes the principles and systems adopted by UniCredit pertaining to human rights. It represented the first step in aligning our Group's approach with the UN's Guiding Principles on Business and Human Rights.

Since 2011, our Group's approach and our stakeholders' expectations regarding human rights have continued to evolve. Consequently, in 2015 we launched a dedicated project to improve our understanding of how our operations may affect human rights, thereby increasing our capacity to address related impacts and risks.

The project, steered by our Group Environmental and Social Council (GESC) and coordinated by Group Sustainability, involved both internal and external analysis and consultations with relevant counterparts. Based on our analysis of the requirements and expectations of our primary stakeholders (including regulators, sustainability rating indices, and SRI investors), we discussed their implications for UniCredit by engaging some 15 internal Group counterparts, including representatives from functions in areas such as business, risk, human resources, compliance, institutional and regulatory affairs.

As a result, we updated the UniCredit *Human Rights Commitment*. These updates will be published on our website in 2016. We made significant improvements in several areas. In governance, we have clarified how human rights impacts are managed by the governance rules and structures that assign guidance, support and control roles. In impact management, we have better explained how UniCredit is addressing both positive and negative human rights impacts within its operations and value chain. In monitoring, we have clarified the various monitoring mechanisms and processes in place within our organization.

Furthermore, a multi-year improvement action plan will be finalized with the involved functions and discussed with the members of the GESC in 2016. These actions will enable us to live up to our commitments and continue to improve our approach to respecting human rights.

Enhancing communication and training on environmental & social topics

Our positions regarding specific sectors, including the key criteria applied by UniCredit in our internal assessment processes, are disclosed on our website.

Effective risk assessment and monitoring requires appropriate technical risk knowledge at all levels of an organization. For this reason, our Group takes a common and consistent learning approach to risk issues, including those related to the environment, social concerns, human rights and related reputational impacts. This is accomplished by training and developing qualified staff in cooperation with the competent risk management functions.

When necessary, external experts are involved in the training sessions.

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In 2015 we ran a specialized training program on the mining and coal-fired power generation sectors. The training was developed in partnership with an external expert and included both classroom sessions in Milan, Munich, Vienna and Moscow and an online module. It aimed to facilitate the consistent, Groupwide implementation of these two specialized policies, particularly by clarifying the criteria contained within the policies and by ensuring that the criteria and standards are fully understood and correctly and consistently addressed in the course of all assessment processes.

As of January 2016, almost 180 of our relationship managers (including senior bankers), risk managers and employees from other functions involved in due diligence processes participated in this training program. A training program that covered our reputational risk framework and related governance was also provided to middle managers from the Group's main legal entities. More than 30 colleagues attended.

Compliance

The mission of UniCredit Compliance function is to monitor the management of the compliance risk, as well as to assist the Group and its management, corporate bodies and employees to carry out their activities in compliance with mandatory rules, internal procedures and best practices. To reach these goals, Compliance defines, develops and monitors both the implementation of and adherence to Group Compliance rules, procedures, methodologies, trainings and, in particular, minimum compliance standards to be followed and implemented within the Group.

To anticipate risk, identify rapid and efficient monitoring mechanisms and speed up response times, Compliance is leveraging its partnership with UniCredit business operations. To this end, it has launched a series of initiatives that support the bank's commercial network. These initiatives enable Compliance to more smoothly interact with every layer in our network, from regional managers to customer-facing Retail and Corporate personnel.

A new communications strategy has also been developed to facilitate leaner, more sustainable corporate interactions with key internal functions served by Compliance.

UniCredit's Compliance model is coordinated at the Group and local levels.

Group Compliance includes:

- the Group Compliance Officer, who performs general oversight activities on all Group companies through a connection with country Compliance Heads, where appointed, through local Compliance Heads with the support of Group coordinators, and through the managerial coordination of local Compliance Heads
- the Group coordinators, i.e., the Heads of Group Compliance CIB and Monitoring, Group Anti-Financial Crime, Group Compliance Risk Assessment Reporting, QAR and 263, Group Compliance Business Management, Education and Culture, Group Regulatory Counsel, who provide services across the Group and deal with cross-border issues to ensure a consistent approach to compliance is applied Group-wide.

Group Compliance ensures:

- the adequacy of Compliance structures within Group companies, taking appropriate corrective actions when necessary
- the consistent application of compliance standards across the Group by supporting, coordinating, monitoring and controlling the overall compliance plan
- the provision of customized consulting for the Compliance Risk Assessment and second level controls.

Group Compliance also continually monitors activities to support management's work to define and update

processes and products in compliance with both new and existing applicable requirements. During its ongoing process of assessing inherent and residual risks, Compliance maintains a sharp focus on those compliance issues deemed to pose the greatest risk. For these issues, Compliance identifies its top priorities and monitors all related actions taken to mitigate them.

Local Compliance works with Group companies, their corporate bodies and their employees to manage the risk of non-compliance. The Compliance function of each controlling company is directly responsible for overseeing compliance with local requirements for its controlled entities and international branches. It must also ensure that these entities and branches have adequate compliance structures, while enforcing proper measures to promote the adoption of a countrywide compliance coverage model. Regular information flows about actual or potential compliance risks have been established between Group Companies and Group Coordinators.

Compliance's top objectives for 2015 were:

1. the prompt detection, analysis and monitoring of impending regulations
2. the development of better people skills and capabilities within the Compliance function.

Regarding the first objective, Compliance has ensured the Group is aligned with the most crucial regulations. It has also continued its effort to provide faster, more efficient and more comprehensive support to UniCredit business operations. To this end, a Group-wide project to implement the Volcker Rule was launched in August 2014 to ensure timely compliance with Section 619, a crucial part of the Dodd-Frank Act. The key step toward achieving full compliance was the adoption and implementation of a Groupwide Compliance Program. This was made possible through the joint efforts of Group and local Compliance teams.

In the field of monitoring, Compliance further calibrated and extended second level controls and compliance risk assessment activities by introducing Audimex. This IT tool makes possible the automatic tracking of Compliance mitigation actions, reinforcing the overall management and monitoring of non-compliance risk.

Mechanisms implemented to monitor the effectiveness of the Compliance function include:

- periodic monitoring of compliance risk and reporting by Group Compliance functions to corporate bodies
- ongoing enhancement of monitoring and reporting activities by extending Compliance's coverage of regulatory areas and Group legal entities and by updating and fine-tuning risk assessments and second level control compliance methodologies
- a process for defining compliance frameworks, driven by Group Compliance, to provide local Compliance functions with the latest updates on Group regulatory requirements and to support their management of local processes
- systematic internal satisfaction surveys to assess perceptions of the quality and effectiveness of services provided by the Compliance function (e.g., TRI*M index)
- periodical Quality Assurance Review activities to verify the level of compliance achieved by Compliance structures and the effectiveness and efficiency of core compliance processes
- monitoring and control of the approval and implementation of Group rules throughout the organization.

Regarding Compliance's second objective for 2015 - developing better people skills and capabilities - the function carried out many activities to sustain the professional development of its staff and promote the sharing of knowledge among them. Different initiatives were launched to engage four different groups of employees (i.e., *ExCo team, Compliance Leadership Meeting, Emerging Leaders, Talents*).

In 2015, Compliance also designed and rolled-out three mandatory e-learning initiatives for all employees of UniCredit to increase their knowledge of core compliance topics. In addition, the UniCredit Compliance Academy works to promote the ongoing professional development of compliance officers across the Group. In 2015, the Academy's core curriculum was accredited by Kaplan Professional Awards, an international body regulated by OFQUAL (Office of Qualifications and Examinations Regulation).

Lastly, Compliance distributed 5 compliance alerts throughout the Group's main business hubs to further

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increase awareness of particular topics and guarantee their information was quickly distributed across the Group. 3 awareness videos were also published on the Group's intranet portal.

In 2016, extraordinary efforts will be made to effectively spread a culture of compliance across the Group, primarily through communications and engagement in combination with training and development programs. A new series of communication and compliance educational activities will further spread knowledge and awareness of compliance risk, and promote the role each employee must play as the first level of control. A structured roadmap to show how a culture of compliance will be spread across the entire organization will be deployed. A Group-wide internal communications campaign on whistleblowing will also be rolled out to incentivize employees to report suspicious behavior. A dedicated business ethics module is scheduled to be placed on the Group leadership curriculum to underline the ultimate purpose of compliant behavior and our Group positioning.

As per the yearly plan, in 2016 the Compliance function will continue to focus on the 3 Group-level strategic pillars:

- fostering compliance culture, approach, skills and development
- enhancing compliance risk assessment and controls, particularly through continuing its efforts to improve cooperation with other risk and control functions
- overseeing key regulatory projects and regulatory changes, continuing to keep up with forthcoming regulatory challenges, particularly those regarding the digital transformation of UniCredit.

Policies

Anti-money laundering and financial sanctions

The Global Policy on Anti-Money Laundering and Countering of Terrorist Financing (hereinafter the AML Policy), initially issued in June 2011 and updated in July 2015, builds on the Group Compliance Framework Global Policy and sets out more detailed policy statements on issues such as the risk assessment and classification of customers and the minimum due diligence standards for the *Know Your Customer* (KYC) process. The AML Policy sets out the framework by which the Group manages its money laundering and terrorist financing risk and establishes minimum standards for the Legal Entities' Anti-Money Laundering (AML) programs.

Other official documents related to *Anti-Money Laundering and Counter-Terrorism Financing* that build upon and provide more detail than the AML Policy include:

- Global Compliance Operational Instructions: AML and Sanctions Global Controls Monitoring Standards
- Global Operational Instructions: AML Compliance Risk Assessment & Customer Due Diligence
- Global Operational Instructions: Correspondent Banking AML Standards
- Global Operational Instructions on Politically Exposed Persons
- Global Operational Instructions on Private Banking AML Standards
- Global Operational Regulation - Leasing AML Standards.

The Global Policy on Financial Sanctions, initially issued in August 2012, and updated regularly, outlines the principles for setting out a framework by which the Group manages its risks with respect to financial sanctions. The policy sets out a framework to support compliance with relevant regulatory and legal requirements, protect the Group's reputation and define principles and rules for restricting business with countries, individuals and entities.

Other documents related to financial sanctions that provide more details regarding the financial sanctions framework and the restrictions contained therein include:

- Global Compliance Policy on Group Restrictions on Iranian Business
- Restrictions on Business Involving OFAC/EU-sanctioned Parties and Countries
- Global Operational Instructions on Indirect Sanctions Risk.

In 2015, the focus was on reassessing the existing sanctions framework against enhanced standards and to identify and address those gaps, as well as to start developing new policy and procedural documentation. The majority of these corrective actions will be implemented in 2016. On the top of executing the implementation plan, priorities for 2016 include an assessment of existing programs for all legal entities and the roll out of the implementation plan, the development of a specific sanctions risk assessment framework covering inherent to residual risks, and the continuation of efforts to improve the sanctions testing program.

Mechanisms for monitoring the effectiveness of the Group's approach to anti-money laundering, counterterrorism financing and financial sanctions include the design and implementation of second level controls, control storage and reporting. Details of the tests for the effectiveness of second level controls are contained within the Operational Instructions on AML & Sanctions Controls Monitoring Standards. The AML and Sanctions operational instructions are updated and aligned to correspond with changes to relevant regulations. Details of testing to be carried out on the effectiveness of controls are set out in the Global Operational Regulation AML and Sanctions Global Controls Monitoring Standards and documented in detail in the second level controls database. In addition, monthly management information is collected from the legal entities and quarterly reports are submitted to senior Group committees.

The Global AML function underwent an organizational restructure in 2015 and was renamed Group Anti-Financial Crime Compliance. A new Head of Anti-Financial Crime was appointed to lead this new function. New heads for the AML, Financial Sanctions and Anti-Bribery and Corruption functions were also appointed in the last quarter of the year.

In 2015, AML IT systems were rolled out to five legal entities, while quality assurance on AML IT roll-outs was completed for 10 legal entities and substantially progressed on most others. The testing and fine-tuning of payment and customer filter configurations is ongoing. Regarding correspondent banking, a tactical transaction monitoring solution that uses compliance analytics has been developed.

Priorities for 2016 include:

- continued quality assurance for AML IT systems
- sanctions testing for payment and customer filter configurations
- roll out of the AML IT solution to remaining legal entities
- implement the strategic correspondent banking monitoring solution in three hub countries
- update sanctions policies and procedures and operational instructions.

Anti-corruption

Our Group's approach to preventing corruption and bribery is set out in the Global Compliance Policy on Anti-Corruption and its associated Operational Instructions. The Global Policy sets minimum standards for anti-corruption compliance throughout UniCredit. Whenever local rules in a country of operation are stricter than the Global Policy, those rules will apply.

The Global Compliance Policy on Anti-Corruption is addressed to all Group entities and applies to officers and members of strategic, control and executive bodies, employees, tied agents (e.g., financial advisors) and temporary Group employees (hereinafter referred to as "employees"). Further, this policy applies to all Group business activities and shall be applied in compliance with legal requirements and regulations locally in force.

The UniCredit Anti-Corruption Policy aims to:

- define principles and rules for identifying and preventing potential acts of corruption (as defined below) to protect the integrity and reputation of our Group
- provide general information to employees on measures taken by each Group legal entity to identify, mitigate and manage corruption risks.

For the purposes of the Anti-Corruption Policy, an act of corruption is defined as the giving, offering, promising, receiving, accepting, demanding or soliciting of money, gifts or other benefits in order to obtain or retain an undue advantage in the course of business activities, irrespective of:

- whether the recipient of the act of corruption is a domestic or a foreign individual, a public official or a private individual
- where the act is committed
- whether the result of such act entails an actual undue advantage or the improper performance of a function or activity.

The following mechanisms have been put in place to monitor the effectiveness of the Group's approach to anticorruption and anti-bribery: escalation procedures employed for significant and strategic issues; quarterly management information requested from hub entities (Italy, Germany, Austria, Poland); analysis and testing of the results of activities related to the management of second level controls; Compliance Risk Assessment processes performed for each regulatory area in all legal entities within the Compliance function's jurisdiction; and internal audit reviews. The last two mechanisms (the Compliance Risk Assessment and Internal Audit inspections) result in risk mitigation actions that need to be completed on time to ensure the management of the risks identified.

The major anti-bribery and corruption challenges the Group faces are:

1. proper and timely implementation of the policies and procedures articulating the anti-bribery position of the legal entities, and how they will mitigate the specific bribery risks faced
2. existence and operational level of formal responsibility by senior management to ensure anti-bribery and corruption systems and controls
3. proper identification and prioritization of the bribery risks faced
4. monitoring of the risk of bribery and control failures due to a lack of awareness and understanding of policies and procedures
5. proper keeping of books, records and accounts to determine potentially corrupt payments, if any
6. monitoring the risk of failing to report actual or suspected incidents of bribery, both internally and to the external authorities
7. senior management commitment to preventing bribery and the regular communication of that commitment to stakeholders
8. monitoring the risk that an intermediary engages in bribery on behalf of the Group
9. monitoring the risk that a supplier pays bribes on behalf of the Group

10. monitoring the risk that a supplier pays kickbacks to UniCredit Group employees
11. ensuring that due diligence has been carried out before a proprietary investment to avoid UniCredit Group becoming liable for corruption
12. appropriate and proportionate gifts and entertainment expenditures to avoid improper influence or the impression of intent to solicit improper influence
13. appropriate management of charitable donations to avoid the impression that they were made to ingenerate the expectation of obtaining/retaining a business advantage
14. appropriate management of employment offers to avoid the impression that they were made to ingenerate the expectation of obtaining a business advantage.

Risks of non-compliance are managed through a dedicated risk assessment process and quarterly second level controls. In the event of non-compliance, corrective actions to mitigate actual significant risks are undertaken.

Our Group's Global Compliance Policy on Anti-Corruption is addressed to entities operating in UniCredit's core markets⁵. In 2015, all of these legal entities completed an assessment of the risks noted directly above.

UniCredit has zero tolerance towards acts of corruption, prohibits facilitation payments and does not permit any transfers of value to public officials without approval. UniCredit also forbids political donations. Each local legal entity is responsible for the development and implementation of an effective local anti-corruption program.

UniCredit monitors incidents of corruption related to both employees and business partners and maintains a Whistleblowing Policy and processes for: engagement of intermediaries, engagement of third parties for proprietary mergers and acquisitions, gifts and entertainment, offers of employment, charitable contributions, etc. All these are mechanisms in place at UniCredit in order to prevent corruption incidents.

Incident monitoring and follow-up actions are conducted by legal entities. No significant incidents have been escalated to the Group level in the past year. For privacy reasons, we do not disclose the results of these activities.

More detailed guidance regarding the following risk areas is also available: charitable donations and sponsorships, offers of employment and suppliers and contractors.

Since charitable contributions and sponsorships, particularly when requested by a third party, could be used to perpetrate a corrupt act, they must be made in compliance with the Group's internal rules and all applicable local laws. Additionally, their scope cannot exceed that of other contributions or scholarships previously approved by the Board of Directors. If authorized by a delegated corporate body or by a function of a Group legal entity, their scope cannot exceed regulations governing expenses. Each charitable contribution or sponsorship must be made openly and transparently. This means establishing transparent criteria for selection of recipients and reporting on the major donations made by listing them in a publicly accessible manner.

Offers of employment must never be made with the intent to unduly influence anyone. To avoid the impression that an offer of employment, either temporary or permanent, or an offer of any other temporary position or attachment could be an act of corruption, such offers may not be made to anybody - including customers, business partners or public officials (or persons known to be closely associated with them) - other than through the normal competitive hiring process. The normal hiring process of each Group entity should be documented.

UniCredit may be held liable for acts of corruption committed by suppliers or contractors acting on behalf of our Group, whether or not our company had knowledge of the acts in question. Therefore, it is important that suppliers and contractors be subject to appropriate review and assessment, both before being engaged and on an ongoing basis, in order to mitigate this risk.

5. UniCredit SpA, UniCredit Bank AG, UniCredit Bank Austria AG, Schoellerbank Aktiengesellschaft, Bank Pekao SA, AO UniCredit Bank, UniCredit Bank Czech Republic and Slovakia as, Zagrebačka Banka DD, UniCredit Bulbank AD, UniCredit Bank Hungary Zrt, UniCredit Bank SA (former UniCredit Tiriak Bank), UniCredit Bank DD, UniCredit Bank AD Banja Luka, UniCredit Bank Serbia Jsc, UniCredit Banka Slovenija DD, PJSC UkrSotsbank.

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With reference to communications and training, the Global Compliance Policy on Anti-Corruption is addressed to all Group companies and applies to all members of strategic, control and executive bodies, employees, tied agents (e.g., financial advisors) and temporary employees of the Group. UniCredit SpA's strategic and executive bodies are made aware of the existence of and updates to the Global Policy and are responsible for complying with it.

These bodies also participate in our dedicated training programs and are subject to mandatory anti-corruption training.

In 2016, our anti-corruption priorities will be:

- developing a methodology for conducting risk assessments in three dimensions: 1) risks inherent to business/ activities conducted by banks; 2) controls and procedures to mitigate the risk of corruption; 3) residual risks including internal audits and/or opinions rendered by regulators
- conducting comprehensive risk analyses across the Group to identify areas of increased risk and design and apply additional controls.

Antitrust

UniCredit's approach to the subject of Antitrust and Unfair Commercial Practices is based on three Group Rules based on European sources (the previous policy was based solely on Italian laws and regulations):

- the Guidelines on Antitrust and Unfair Commercial Practices at a Group Level, approved in December 2011
- the Operational Instructions on Antitrust and Unfair Commercial Practices, approved in May 2012 and updated in June 2014
- the new Operational Instructions Handling Meetings with Competitors, approved in April 2015.

The Guidelines on Antitrust and Unfair Commercial Practices provide a set of high-level rules that each of our Group's legal entities must comply with in order to set minimum standards Groupwide. These Guidelines, particularly inform the Group legal entities and employees behavior on the following matters:

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

The Operational Instructions on Antitrust and Unfair Commercial Practices establish more detailed rules, roles, responsibilities and organizational processes for handling antitrust and unfair commercial practices that Group legal entities are requested to comply with.

The new Operational Instructions Handling Meetings with Competitors establish principles and rules to comply with in case of meetings or informal contacts with competing undertakings.

These Group Rules are designed to:

- strengthen the effectiveness of any Group-level initiative focused on Antitrust and Unfair Commercial Practices
- enhance transparency vis-à-vis stakeholders to provide a higher level of protection to both competitors and consumers.

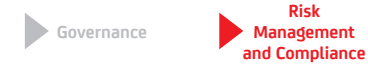
As part of our commitment on Antitrust and Unfair Commercial Practices, Compliance Risk Assessment and second level controls aim to identify, monitor and manage compliance risks in this regulatory area.

Main legal actions regarding anti-competitive behavior, antitrust, monopoly practices and corrupt practices

Country	Description of Main Legal Actions, 2015
Poland	In August 2015, the Polish Office of Competition and Consumer Protection (UOKiK) began administrative proceeding- against Bank Pekao SA for alleged practices infringing on collective consumer interests. The UOKiK alleges that Bank Pekao SA would not have taken into account negative Libor rates when calculating the amount of interest on credits arising from mortgages indexed in CHF. The proceeding is ongoing. In December 2015, the UOKiK started administrative proceeding against Bank Pekao SA for alleged practices infringing on collective consumer interests. In particular, it alleges that the bank: - informed consumers of contractual changes through an electronic banking system that is not a durable information carrier - informed consumers of contractual changes without providing legal basis for the change - unilaterally modified the terms and conditions of banking agreements with consumers without the contractual right to do so. The proceeding is ongoing.
Bulgaria	59 civil action were initiated by consumers against UniCredit Bulbank AD alleging that the bank engaged in misleading commercial practices related to prices and the manner in which prices are calculated.
Romania	9 legal actions alleging unfair commercial practices by UniCredit Bank SA were brought to Courts by individual customers on grounds related to alleged abusive clauses in loan contracts. All legal actions are currently pending before the Courts.
Russia	3 cases were filed by the Federal Antimonopoly Service (FAS) against AO UniCredit Bank. 2 cases were initiated by the St. Petersburg FAS and the Kirovsky FAS on the grounds that AO UniCredit Bank and their partner insurance companies agreed to tie the granting of loans to the purchase of optional insurance (in absence of which no loan would have been granted). These 2 cases were ruled in AO UniCredit Bank's favor and their proceedings are closed. On the same grounds, the Rostovskiy FAS initiated another case that alleged customers lacked the freedom of choice. This case is ongoing.

Country	Update on Legal Actions Listed as Ongoing in the 2014 Integrated Report
Italy	In December 2012, the Italian Antitrust Authority (AGCM) requested information from and commenced proceedings against UniCredit SpA (hereinafter, "UniCredit"), alleging unfair trade practices related to advertising campaigns for deposit accounts (<i>Conto Risparmio Sicuro</i>). In July 2013, the AGCM fined UniCredit €250,000. UniCredit appealed the fine before the Regional Court (<i>Tribunali Amministrativi Regionali</i> , or TAR) and proceedings are ongoing. Following the AGCM's decision to pursue allegations that UniCredit had engaged in unfair trade practices regarding a loan advertising campaign, in February 2012 UniCredit appealed the decision to the TAR. Proceedings are ongoing. In July 2011, the TAR overturned the fine imposed by the AGCM in November 2010 on UniCredit and other banks for alleged collusion to restrict competition in the debit and credit card markets. In November 2011, the AGCM appealed the TAR's decision to the Italian administrative tribunal. As of 2015, the proceedings are still pending.
Austria	With reference to allegations that UniCredit Bank Austria AG incorrectly advised customers on derivatives transactions (e.g., OTC options), criminal charges against 2 employees of UniCredit Bank Austria AG and the bank were dismissed in 2011. As of December 2015, 7 civil proceedings were pending.

RISK MANAGEMENT & COMPLIANCE



Country	Update on Legal Actions Listed as Ongoing in the 2014 Integrated Report
Poland	<p>In 2001, the UOKiK launched proceedings against operators of the Visa and Europay systems, as well as Polish banks issuing Visa and MasterCard credit cards. The proceedings involved alleged anti-competitive practices affecting the Polish payment cards market. In November 2013, the Court of Competition and Consumer Protection (SOKiK) issued a judgment on a 2006 UOKiK decision that the interchange fee in Poland - charged for every non-cash payment transaction made with a Visa or MasterCard card - was set through an agreement among 20 Polish banks. The court partially upheld the decision of UOKiK, however reduced the fine initially imposed on the bank from PLN 16.6 million (roughly €4 million) to PLN 14 million (roughly €3.3 million). In October 2015 the Court of Appeal in Warsaw dismissed the appeals of the banks and card organizations upholding the appeal of the President of the UOKiK. As a result, the Court of Appeal reversed the November 21, 2013 verdict of the Regional Court in Warsaw reducing the fines and restored the original fines imposed on the banks in the original December 29, 2006 decision by the UOKiK. As a result, the fine imposed on Bank Pekao SA amounted to PLN 16 million (roughly €3.6 million). Additionally, due to the spin-off of Bank BPH SA, Bank Pekao SA has been obliged to cover 74.6 percent of the PLN 11 million fine (roughly €2.5 million) imposed on Bank BPH SA. Bank Pekao SA paid this fine in October 2015. The sentence of the Court of Appeal is legally binding, but the bank is entitled to appeal in cassation.</p> <p>In October 2011, the UOKiK informed Bank Pekao SA of proceedings to determine whether the bank violated collective consumer interests by transferring information on expiring customer obligations to the Credit Information Bureau in breach of the Ministry of Finance regulations and the Polish Act on Competition and Consumer protection. In April and November 2012, the UOKiK revised its resolution to initiate proceedings by adding new allegations. In a December 28, 2012 decision, received on January 3, 2013, the UOKiK fined the bank PLN 1.8 million (roughly €450,000). In February 2015 the Court of Competition and Consumer Protection dismissed the appeal filed by the bank in 2013. In April 2015 the bank appealed this decision. The proceeding is ongoing.</p>
Bulgaria	<p>In 2014, 62 civil lawsuits filed by consumers against UniCredit Bulbank AD for alleged unfair commercial practices related to pricing and the manner in which pricing is calculated (mainly concerning interest rates) were pending. In 2015, 23 of these cases were closed.</p>
Croatia	<p>In October 2013, the Croatian Competition Agency requested data and documentation to help it gain greater insight into the payment cards market. Zagrebačka Banka DD provided the agency with the requested information. The bank has not received any further information from CCA regarding this matter. The Croatian National Bank (CNB) started a procedure regarding notifications sent to customers regarding overdue account receivables (dunning letters). The CNB arrived at a preliminary determination that Zagrebačka Banka DD had abused its dominant position in the market by imposing charges for dunning letters. The Competition Agency dismissed all charges against Zagrebačka Banka DD, as the CNB had no competence to render a determination on this issue following Croatia's entry into the European Union. The CNB appealed this decision. The High Administrative Court dismissed the CNB's appeal, citing the same precedent relied on in making the determination by the Competition Agency.</p>
Hungary	<p>In July 2014, new legislation came into force in Hungary as part of a comprehensive settlement regarding household loans. This new legislation introduced a rebuttable presumption that contractual clauses giving the right to banks to unilaterally change terms and conditions without client consent (in the case of consumer credits between 2004-2014) are unfair and thus null. Banks had the right to defend their respective clauses before the court within a set period of time. UniCredit Bank Hungary Zrt initiated judicial proceedings to rebut the legal presumption that terms allowing for unilateral changes to consumer contracts are unfair and thus null. The bank, unsuccessful in its defense.</p> <p>The Hungarian Competition Authority (GVH) began a cartel investigation of 7 Hungarian banks, including UniCredit Bank Hungary Zrt, in connection with foreign currency mortgage loan repayments (early repayments). In 2013, the GVH fined UniCredit Bank Hungary Zrt. HUF 306,300,000 (roughly €1 million). The bank appealed the decision to impose a fine and the court rejected the bank's motion on the first instance (February, 2015). The bank petitioned the Court of Second Instance for further judicial review.</p> <p>The Hungarian Financial Supervisory Authority (HFSA) fined UniCredit Bank Hungary Zrt HUF 5,000,000 (roughly €16,000) in connection with its execution of the foreign exchange prepayment law. In 2013, proceedings involving the bank's appeal in the second instance were interrupted due to the merger of the HFSA and the National Bank of Hungary, and a decision is still pending.</p> <p>In 2012, the GVH began a cartel investigation of the Hungarian Banking Association, the International Training Centre for Bankers and 38 Hungarian banks (including UniCredit Bank Hungary Zrt), all of which participated in the <i>BankAdat</i> system, the interbank database for Hungarian credit institutions. At the end of the investigation, UniCredit Bank Hungary Zrt was not fined but the Hungarian Banking Association was fined HUF 4 billion (roughly €13 million) and the International Training Centre for Bankers was fined HUF 15 million (roughly €48,000). In the event they cannot fulfill their payment obligations, participating banks that were the objects of the investigation (including UniCredit Bank Hungary Zrt) will be responsible for the payment jointly and severally.</p>

Country	Update on Legal Actions Listed as Ongoing in the 2014 Integrated Report
Romania	<p>In 2014, the National Consumer Protection Authority (NCPA) fined UniCredit Bank SA RON 5,000 (roughly €1,100) for alleged unfair commercial practices. The bank successfully appealed the fine. The NCPA formulated an appeal that was rejected by the Court, confirming the first Court's decision to reverse the fine. The final decision was made in favor of the bank.</p> <p>A second civil lawsuit was filed by a customer in 2014 against UniCredit Bank SA for the alleged breach of several legal provisions, including those related to unfair commercial practices. In December 2015, the Court ruled in favor of the bank. The client may elect to appeal this decision.</p> <p>A third civil lawsuit was filed in 2014 against UniCredit Bank SA for the alleged breach of legal provisions related to unfair commercial practices, among others. The Court ruled in favor of the client. The bank had filed an appeal that was admitted by the second Court, which reversed the decision of the first Court, ruling definitively in favor of the bank.</p> <p>A fourth civil lawsuit was filed in 2014 against UniCredit Bank SA, for the alleged breach of legal provisions related to unfair commercial practices, among others. The Court dismissed the lawsuit, determining that it should have been filed against UniCredit Consumer Financing IFN SA, and not UniCredit Bank SA. Subsequently, the lawsuit was filed against UniCredit Consumer Financing IFN SA and the proceeding is ongoing.</p>

Conflicts of Interest

UniCredit has published three rules to govern conflicts of interest:

- the Global Policy on Conflicts of Interest which sets forth principles and rules to assist employees in the identification and management of conflicts of interest. It provides general information on what measures the Group has taken to detect, manage and record such conflicts of interest. In particular, it describes conflicts arising from the outside business interests of employees, from the provision of investment services, investment activities and ancillary services and from the provision of specific financial services. This policy also applies to business conflicts (i.e., conflicts related to the provision of investment banking services), conflicts connected to banking services and activities, and conflicts arising due to organizational matters
- the Global Operational Instructions on Conflicts of Interest, which integrate the Global Policy on Conflicts of Interest by detailing the processes, roles and responsibilities adopted by the Group for the identification, management and recording of conflicts of interest, with a special focus on the categories contained within the Global Policy
- the Process Regulation, which delineates local operative processes, rules and responsibilities related to conflicts of interest.

In 2015, UniCredit:

- drafted and distributed technical instructions for detailed processes (e.g., related to Group IT Tool) to each country within its perimeter (Italy, Germany, Austria, Poland and all of the CEE Countries) asking them to read and acknowledge these instructions and consider them to be in force with immediate effect
- drafted a consolidated rule to merge all current conflict of interest rules into one a single rule
- further extended a process to check for business conflicts to local Corporate networks and CEE countries, among others.

In 2015, a more comprehensive definition of second level controls for the Group-level oversight of conflicts of interest was achieved through the:

- adoption of a minimum set of second level controls by all legal entities
- involvement of Global COI function in the agreement regarding local monitoring plans for second level controls
- sharing of standard controls with all countries, thereby defining and then closing any gaps
- testing a set of sample controls from the Compliance Risk Assessment tool and comparing such sample to the Monitoring Plan.

We also improved second level controls on Outside Business Interests by extending the range of controls on data provided by employees through the ACCORD IT tool, while implementing a procedure to monitor recommendations issued to address the outside business interests of employees.

In 2016, we plan to issue a consolidated rule to merge all current conflict of interest rules into a single rule, which will also include related technical instructions for specific processes.

Privacy Management

UniCredit ensures the compliance with data protection rules by adopting the principles prescribed by Italian legislation, implementing Directive 95/46/EC through UniCredit's Global Policy on Privacy, which was issued in March 2015 to replace the previous version of the Global Compliance Guidelines on Privacy. This new policy has been transmitted to all legal entities within our Group for implementation in compliance with local applicable laws and regulations.

At the end of 2015 after almost three years of negotiation, EU legislators reached an agreement on the General Data Protection Regulation. This Regulation will replace the current Directive and will be directly applicable in all member states without the need of implementing national legislation. Formal approval is expected to be granted in March 2016 and the Regulation will come into force within two years of its publication date. UniCredit is carefully following and assessing any related regulatory developments so as to start working to ensure compliance with this new Regulation.

As part of our commitment to data protection, Compliance Risk Assessment and second level controls aim to identify, monitor and manage compliance risks in this regulatory area.

Frauds Trend, 2014-2015

Card Frauds

In 2015, at Group level, the number of cases increased as well as (gross) economic losses. Frauds were largely located in Italy, Germany and Poland.

In Italy frauds increased 21 percent particularly driven by the e-commerce transaction, 18 percent soared. Frauds are often operated on large retail chains by counterfeiting cards and are thus largely covered by "liability shift" (i.e., losses are charged back to merchants); as for reference 44 percent have been already charged back to acquirers.

Online Fraud

Online frauds increased at a Group level (more than 200 cases compared to 2014), though the gross amount of damages remained almost flat. Most of it is located in Italy and Poland, although for the most part recovered or reversed. Frauds are typically performed via social engineering schemes whereby clients are manipulated in order to release confidential information and so breaching contractual clauses.

Specifically for Italy, in December 2015 the "One Time Password" (OTP) procedure, already active for Retail clients, has been fully extended also to Corporate; this additional measure will further safeguard the bank and its customers.

Stakeholder Engagement



Materiality Matrix

Main stakeholder involved ^A	Material topic	Definition	Boundaries for material topics ^B		Main reference chapter of the Integrated Report
			Internal	External	
All ^C	Bank Solidity	Ensuring financial solidity and resilience in the uncertain economic scenario	Group	<ul style="list-style-type: none"> Customers Communities Investors 	<ul style="list-style-type: none"> Governance Our Sustainable Strategy Financial Capital
All	Compliance	Installing a culture of compliance	Group	<ul style="list-style-type: none"> Customers Regulators Suppliers 	<ul style="list-style-type: none"> Risk Management & Compliance
All	Environmental Impact	Taking responsibility for the potential direct and indirect environmental impacts of our business decisions	Group	<ul style="list-style-type: none"> Customers Regulators Suppliers 	<ul style="list-style-type: none"> Natural Capital
All	Fair Business Behavior	Maintaining high standards for fair business practices and expecting senior management and employees to treat all stakeholders with fairness, respect and reciprocity, according to the Integrity Charter	Group	<ul style="list-style-type: none"> Customers Investors Suppliers 	<ul style="list-style-type: none"> Governance Our Sust.Strategy
All	Human Rights	Respecting and supporting human rights within our sphere of influence, while ensuring our Group is not indirectly complicit in human rights abuse	Group	<ul style="list-style-type: none"> Customers Responsible Investors Regulators Suppliers 	<ul style="list-style-type: none"> Risk Management & Compliance
All	Risk Culture	Enhancing our risk management and risk awareness Groupwide	Group	<ul style="list-style-type: none"> Customers Regulators 	<ul style="list-style-type: none"> Risk Management & Compliance
All	Security	Investing in a comprehensive, prompt and effective ICT security	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Intellectual Capital
Colleagues	Corporate Identity	Committing to raising employees' awareness of sustainability issues, leveraging on employees as first ambassadors of the bank	Group		<ul style="list-style-type: none"> Our Purpose & Identity Human Capital
Colleagues	Diversity and Inclusion	Fostering and improving a culture of inclusion, fairness and respect by promoting equal opportunities in the workplace so all colleagues can maximize their potential	Group		<ul style="list-style-type: none"> Human Capital
Colleagues	Employees' Development	A commitment to enhancing colleagues' professional skills and accelerating their professional development	Group		<ul style="list-style-type: none"> Human Capital
Colleagues	Performance Management	Developing systems based on transparent and fair mechanisms to ensure all employees are capable of performing to the best of their abilities	Group		<ul style="list-style-type: none"> Human Capital
Colleagues	Work-life Balance	Demonstrating concern for employees' well-being and the balance between their professional and personal lives; creating a work environment in which everyone feels at ease and is motivated to build positive relationships with customers	Group		<ul style="list-style-type: none"> Human Capital
Customers	Customer Proximity	Being close to customers, understanding their needs and promptly providing local families and companies with a wide range of specialized products/services on request	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Social & Relationship Capital
Customers	Innovative Bank	Being proactive, acting promptly and promoting innovation	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Intellectual Capital
Customers	Lean and Transparent Organization	Guaranteeing lean and efficient bank procedures and transparent decision making processes	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Social & Relationship Capital
Customers	Quality and Value	Offering high quality products and services that are good value for money	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Social & Relationship Capital

A. Main stakeholder group that raised and/or is impacted by the material topic.
 B. Reporting of data and information for topics that are material outside the organization is limited to the Group activities. The Geographical location where the topic is material refers mainly to the 15 Countries where the Group has significant operations (refer to the Report Structure of the Integrated Report for more information). Internal and External refers to the main subjects that impact the topic.
 C. Includes Colleagues, Customers, Communities, Investors, Regulators, Suppliers.

Main stakeholder involved ^A	Material topic	Definition	Boundaries for material topics ^B		Main reference chapter of the Integrated Report
			Internal	External	
Customers	Responsible Finance	Committing to environmental, social and governance issues through dedicated products in portfolio	Group	<ul style="list-style-type: none"> Customers Responsible Investors 	<ul style="list-style-type: none"> Natural Capital Social & Relationship Capital
Customers	Simplicity and Transparency	Enhancing our trust and credibility by proposing simple and easy to understand products/services, as well as proactive, effective and clear communications and transparent decision-making processes	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Social & Relationship Capital
Customers	Support to Business	Being close to companies by developing products and services that support their economic growth (e.g., innovation, internationalization, research and development)	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Our Sust.Strategy Social & Relationship Capital
Communities	Community Proximity	Understanding territorial issues and responding to local needs to better support social development and positively impact communities	Group	<ul style="list-style-type: none"> Communities 	<ul style="list-style-type: none"> Country Priorities Social & Relationship Capital
Communities	Employment	Contributing indirectly to raising employment levels by developing products and services that both support ongoing business activities and help identify new business opportunities	Group		<ul style="list-style-type: none"> Social & Relationship Capital
Communities	Financial Education	Helping citizens - customers and non-customers alike - to improve their financial knowledge and make more informed financial decisions	Group	<ul style="list-style-type: none"> Communities Customers 	<ul style="list-style-type: none"> Social & Relationship Capital
Communities	Research and Innovation	Developing products and services to support research and innovation intensive industries and to contribute to social and economic progress as well as the well-being of countries	Group	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Intellectual Capital
Investors	Clear Approach to Markets	Maintaining transparent relationships with financial markets by disclosing information that is useful for investors to understand our competitive positioning and bank business trends	Group	<ul style="list-style-type: none"> Investors 	<ul style="list-style-type: none"> Financial Capital Our Sust.Strategy Social & Relationship Capital
Regulators	Financial Stability	Building a long-term foundation for financial stability while supporting customers in an uncertain environment; providing tangible support for regulatory discussions to create a better financial system	Group	<ul style="list-style-type: none"> Regulators 	<ul style="list-style-type: none"> Risk Management & Compliance Social & Relationship Capital

Dialogue tools with stakeholders

Stakeholder group	Principal dialogue tools	Key company departments involved
Customers	<ul style="list-style-type: none"> Customer satisfaction assessment Brand reputation assessment Instant feedback Mystery shopping Focus groups, workshops, seminars 	<ul style="list-style-type: none"> Group Stakeholder Insight Local Stakeholder Insight Local marketing teams
Employees	<ul style="list-style-type: none"> People Survey of professional engagement Internal clients' perceptions of headquarters services Group Intranet Portal Departmental online communities 	<ul style="list-style-type: none"> Group Stakeholder Insight Global HR Management Local HR Group Internal Communications
Investors/shareholders	<ul style="list-style-type: none"> Quarterly webcasts and conference calls to present results One-on-one and group meetings, calls Shareholders' meeting 	<ul style="list-style-type: none"> Group Investor Relations Group Sustainability for SRI investors
Communities	<ul style="list-style-type: none"> Surveys Social media 	<ul style="list-style-type: none"> Group Stakeholder Insight Group Identity & Communications Local Identity & Communications
Advocacy groups/NGOs	<ul style="list-style-type: none"> Regular meetings and calls 	<ul style="list-style-type: none"> Group Sustainability Local sustainability teams

A. Main stakeholder group that raised and/or is impacted by the material topic.
 B. Reporting of data and information for topics that are material outside the organization is limited to the Group activities. The Geographical location where the topic is material refers mainly to the 15 Countries where the Group has significant operations (refer to the Report Structure of the Integrated Report for more information). Internal and External refers to the main subjects that impact the topic.

Human Capital¹

Portrait in numbers

Percentage and number of employees by country and gender, 2013-2015

Country	Female 2015	Male 2015	Head Count 2015	Head Count 2014	Head Count 2013
Italy	43.9%	56.1%	50,259	50,924	51,099
Germany	53.6%	46.4%	20,496	22,452	23,059
Austria	54.1%	45.9%	10,545	10,949	11,125
Poland	77.0%	23.0%	19,442	19,921	19,996
Bosnia and Herzegovina	71.9%	28.1%	1,681	1,688	1,728
Bulgaria	77.1%	22.9%	4,574	4,550	4,508
Croatia	75.6%	24.4%	4,401	4,475	4,910
Czech Republic	62.2%	37.8%	2,944	2,915	2,924
Hungary	69.2%	30.8%	2,332	2,357	2,477
Romania	71.9%	28.1%	5,285	5,095	4,880
Russia	68.0%	32.0%	4,597	4,560	4,202
Serbia	62.9%	37.1%	1,177	1,135	1,095
Slovakia	71.3%	28.7%	1,445	1,408	1,493
Slovenia	64.9%	35.1%	596	618	631
Ukraine	78.5%	21.5%	5,500	6,149	7,516
Other ^A	35.8%	64.2%	1,700	1,721	1,722
Total	57.8%	42.2%	136,974	140,917	143,365

A. Australia, Brazil, China, France, India, Ireland, Latvia, Luxembourg, Switzerland, Taiwan, United Kingdom and United States of America.

Percentage of employees by employment tier, 2013-2015

Employment tier	2015	2014	2013
Top Management	0.06%	0.07%	0.12%
Executive	0.58%	0.61%	0.90%
Middle Management	9.14%	8.93%	8.83%
Staff	90.22%	90.39%	90.15%
Total	100.00%	100.00%	100.00%

Percentage of employees by employment tier and gender, 2013-2015

Employment tier	2015		2014		2013	
	Female	Male	Female	Male	Female	Male
Top Management	0.02%	0.13%	0.02%	0.14%	0.04%	0.23%
Executive	0.19%	1.11%	0.20%	1.19%	0.44%	1.55%
Middle Management	5.02%	14.79%	4.74%	14.78%	4.66%	14.70%
Staff	94.78%	83.97%	95.04%	83.89%	94.87%	83.51%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Percentage of employees by gender and contract type, 2013-2015

Gender	2015		2014		2013	
	Fixed - term	Permanent	Fixed - term	Permanent	Fixed - term	Permanent
Female	3.01%	54.81%	3.30%	55.00%	3.10%	55.38%
Male	1.54%	40.64%	1.61%	40.09%	1.64%	39.89%
Total	4.55%	95.45%	4.91%	95.09%	4.74%	95.26%

1. The data in this part of Supplement applies to UniCredit's employees (expressed in Head Count) as of December 31, 2015-2014-2013. Our employee data does not include external staff (e.g., interns or consultants). The number reflects all employees of fully and proportionately consolidated entities. The data represents 100% of the population unless otherwise noticed.

Percentage of employees by employment tier and education level, 2015^A

Employment tier	Degrees over the High School Diploma	High School	Other	Total
Top Management	87.18%	5.13%	7.69%	100.00%
Executive	70.19%	17.19%	12.62%	100.00%
Middle Management	61.13%	26.05%	12.83%	100.00%
Staff	45.50%	41.10%	13.39%	100.00%

A. Data represents 98.59% of the population.

Percentage of employees by employment tier and length of employment, 2015^A

Employment tier	0-10	11-20	21-30	>31	Total
Top Management	45.88%	27.06%	10.59%	16.47%	100.00%
Executive	39.87%	32.53%	18.35%	9.24%	100.00%
Middle Management	28.95%	32.37%	25.69%	13.00%	100.00%
Staff	39.88%	22.89%	22.78%	14.45%	100.00%

A. Data represents 99.97% of the population.

Percentage of employees by employment tier and age, 2015^A

Employment tier	up to 30 years	31-40 years	41-50 years	above 51 years
Top Management	0.00%	0.00%	0.01%	0.02%
Executive	0.00%	0.06%	0.23%	0.21%
Middle Management	0.08%	2.05%	3.95%	2.93%
Staff	11.53%	24.52%	27.25%	27.16%
Total	11.62%	26.62%	31.44%	30.31%

A. Data represents 98.70% of the population.

Percentage of employees leaving employment by reason, 2013-2015

Reason for leaving the Group	2015	2014	2013
Retirement - employees who left to retire ^A	4.95%	6.12%	4.67%
Restructuring - employees who left due to a common agreement or industrial plan negotiated with trade unions	14.28%	5.75%	16.46%
Individual agreements - employees who left due to individual or one-to-one agreements	21.26%	24.19%	20.89%
Employee resignation - employees who resigned	41.16%	39.84%	36.45%
Employer dismissal - employees who left the bank involuntarily	5.82%	12.11%	8.85%
Other - all remaining reasons, including ending of temporary contracts	12.52%	11.98%	12.68%
Total	100.00%	100.00%	100.00%

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

HUMAN CAPITAL

Turnover by country, 2015^A

Country	Incoming employees		Outgoing employees	
	Number	Percentage	Number	Percentage
Italy	815	1.62%	901	1.79%
Germany	664	3.24%	2,075	10.12%
Austria	267	2.53%	615	5.83%
Poland	627	3.22%	1,203	6.19%
Bosnia and Herzegovina	110	6.54%	115	6.84%
Bulgaria	590	12.90%	566	12.37%
Croatia	127	2.89%	197	4.48%
Czech Republic	381	12.94%	378	12.83%
Hungary	289	12.39%	297	12.74%
Romania	1,011	19.13%	828	15.67%
Russia	724	15.75%	640	13.92%
Serbia	105	8.92%	64	5.44%
Slovakia	220	15.22%	193	13.36%
Slovenia	33	5.54%	53	8.89%
Ukraine	617	11.22%	1,265	23.00%
Other ^B	243	14.29%	222	13.06%
Total	6,823	4.98%	9,612	7.02%

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2015)/(Total employees at the end of 2015)*100; for outgoing employees (Employees who left the Group in 2015)/(Employees at the end of 2015)*100.

B. Australia, Brazil, China, France, India, Ireland, Latvia, Luxembourg, Switzerland, Taiwan, United Kingdom and United States of America.

Turnover by gender^A and age^B, 2015

Gender	Incoming employees		Outgoing employees	
	Number	Percentage	Number	Percentage
Female	3,996	5.05%	6,010	7.59%
Male	2,827	4.89%	3,602	6.24%

Age	Incoming employees		Outgoing employees	
	Number	Percentage	Number	Percentage
Up to 30 years	4,267	27.17%	3,285	20.91%
31 - 40 years	1,765	4.90%	2,670	7.42%
41 - 50 years	621	1.46%	1,377	3.24%
Above 51 years	170	0.41%	2,280	5.56%

A. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2015)/(Total employees by gender at the end of 2015)*100; for outgoing employees (Employees who left the Group in 2015)/(Employees by gender at the end of 2015)*100.

B. Turnover rates are calculated as follows: for incoming employees (Employees hired in 2015)/(Total employees by age at the end of 2015)*100; for outgoing employees (Employees who left the Group in 2015)/(Employees by age at the end of 2015)*100.

Differential^A between female and male employee gross salaries^B by country and employment tier, 2015^C

The percentage represents the weighted averages of women's average gross salary compared to men's.

Country	Executive	Middle Management	Staff
Italy	81.4%	86.2%	88.8%
Germany	71.8%	77.6%	70.7%
Austria	102.4%	88.0%	87.1%
Poland	87.3%	80.6%	73.7%
Bosnia and Herzegovina	89.9%	92.3%	90.8%
Bulgaria	Not available	91.8%	73.2%
Croatia	67.9%	91.2%	96.4%
Czech Republic	Not available	77.4%	73.5%
Hungary	71.2%	93.6%	83.0%
Romania	49.2%	95.4%	82.5%
Russia	Not available	100.0%	72.2%
Serbia	94.0%	93.9%	87.8%
Slovakia	Not applicable	79.1%	74.5%
Slovenia	Not applicable	81.6%	103.5%
Ukraine	Not applicable	87.6%	76.6%

A. The ratios were calculated as follows: (total gross salary of female employees/total female)/(total gross salary of male employees/total male).

B. Gross salary: the full year fixed amount paid to an employee for performing his/her duties. It includes allowances provided related to specific positions.

C. Data represents 82.41% of the population.

Differential^A between female and male employee total remuneration^B by country and employment tier, 2015^C

The percentage represents the weighted averages of women's average remuneration compared to men's.

Country	Executive	Middle Management	Staff
Italy	72.5%	86.1%	88.9%
Germany	61.3%	72.0%	68.6%
Austria	101.3%	86.7%	86.5%
Poland	94.5%	78.6%	74.3%
Bosnia and Herzegovina	83.5%	90.5%	90.2%
Bulgaria	Not available	92.8%	73.2%
Croatia	72.4%	88.0%	95.3%
Czech Republic	Not available	70.9%	71.7%
Hungary	65.4%	91.4%	82.3%
Romania	41.2%	93.0%	82.3%
Russia	Not available	98.8%	72.1%
Serbia	91.1%	93.8%	87.1%
Slovakia	Not applicable	75.6%	75.3%
Slovenia	Not applicable	80.4%	103.1%
Ukraine	Not applicable	95.2%	77.7%

A. The ratios were calculated as follows: (total remuneration of female employees/total female)/(total remuneration of male employees/total male).

B. Total remuneration: gross salary plus additional amounts such as bonuses including cash and/or available equity shares to reward individual performance and Company's results and any other no one-off payments.

C. Data represents 82.41% of the population.

Diversity management

Percentage of permanent employees by gender and employment status, 2013-2015

Gender	2015		2014		2013	
	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time
Female	87.29%	53.15%	87.90%	53.67%	89.85%	53.95%
Male	12.71%	46.85%	12.10%	46.33%	10.15%	46.05%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Percentage of female with part-time contracts out of all women by employment tier, 2013-2015

Employment tier	2015	2014	2013
Executive and Middle Management	11.38%	10.27%	9.18%
Staff	19.71%	18.36%	18.80%

Percentage of employees by gender and educational level, 2015^A

Gender	Degrees over High School Diploma	High School Diploma	Other
Female	61.04%	57.59%	49.93%
Male	38.96%	42.41%	50.07%
Total	100.00%	100.00%	100.00%

A. Data represents 98.59% of the population.

Number and percentage of employees promoted to higher contractual job grade by country and gender, 2015^A

Country	Number		Percentage	
	Female	Male	Female	Male
Italy	737	981	42.90%	57.10%
Germany	918	779	54.10%	45.90%
Austria ^B	7	3	70.00%	30.00%
Poland	146	96	60.33%	39.67%
Bosnia and Herzegovina	59	29	67.05%	32.95%
Bulgaria	3	5	37.50%	62.50%
Croatia	283	116	70.93%	29.07%
Czech Republic	95	106	47.26%	52.74%
Hungary	50	26	65.79%	34.21%
Romania	150	71	67.87%	32.13%
Russia	26	32	44.83%	55.17%
Serbia	4	13	23.53%	76.47%
Slovakia	54	28	65.85%	34.15%
Slovenia	51	32	61.45%	38.55%
Ukraine	246	65	79.10%	20.90%
Other ^C	12	46	20.69%	79.31%
Total	2,841	2,428	53.92%	46.08%

A. Data represents 93.98% of the population.

B. Data does not include UniCredit Bank Austria AG.

C. Australia, Brazil, China, France, India, Ireland, Latvia, Luxembourg, Switzerland, Taiwan, United Kingdom and United States of America.

Number of employees in protected categories by country, 2015^A

Country	2015
Italy	3,341
Germany	981
Austria	402
Poland	245
Bosnia and Herzegovina	11
Bulgaria	117
Croatia	33
Czech Republic	12
Hungary	10
Romania	13
Russia	99
Serbia	0
Slovakia	15
Slovenia	7
Ukraine	182
Other ^B	3

A. Employees in protected categories are reported according to the requirements of applicable local laws. If accepted by local laws alternative solutions are implemented. Due to privacy reasons the employment tier breakdown is not reported.

B. Australia, Brazil, China, France, India, Ireland, Latvia, Luxembourg, Switzerland, Taiwan, United Kingdom and United States of America.

Training

Our Group received €4,429,195 in 2015 by leveraging our capacity to cover training costs with public funds.

Training hours per capita by employment tier, gender and training type, 2015

Training type	Top Management		Executive		Middle Management		Staff	
	Female	Male	Female	Male	Female	Male	Female	Male
Managerial training	8.00	0.07	19.51	11.85	8.36	7.06	1.89	2.64
Technical training	1.00	1.50	77.43	17.43	18.26	13.38	21.28	23.71
Foreign language training	0.00	1.86	8.45	2.91	5.45	1.58	1.73	1.68

This data was drawn from a population that represented 91.5 percent of employees. Training hours included e-learning, classroom instruction and on-the-job training.

In 2015, we conducted 37,955 hours of trainings in our Markets in Financial Instruments Directive (MiFID) courses.

Industrial Relations²

At UniCredit, we strongly believe in the importance of social dialogue, particularly in regards to Group labor practices. We believe that social dialogue enhances our cooperation, listening skills and ability to understand domestic and global labor needs.

This Groupwide approach has enabled us to maintain high standards of social dialogue in recent years, helping us to navigate the turbulent years of the financial crisis.

We remain committed to improving the level of UniCredit's social dialogue in every country of operation, above all leveraging our strong European identity.

Within the Group, workers' interests may be represented at the national level by trade unions, works councils or other representatives in line with labor legislation and local industrial relations systems.

At the international level, workers are represented by the European Works Council (EWC) which, since its foundation in 2007, has worked to guarantee the right of information and consultation on transnational Group activities that could significantly affect workers' interests. It currently has 39 members, representing 18 countries (Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Ireland, Italy, Luxembourg, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine, United Kingdom).

In 2015, at the end of the second four-year term of the Committee, individual countries were called to elect new EWC Workers' Representatives, in accordance with their respective national electoral procedures.

A number of significant Industrial Relations initiatives were conducted over the course of 2015.

At the international level - continuing the process started by the 2 previous declarations on *Equal Opportunities and Non Discrimination* and *Training, Learning and Professional Development* - the company and the European Works Council signed the *Joint Declaration on Responsible Sales*. This new declaration identifies the shared principles that must form the basis for the Group's commercial approach. As such, it represents a common foundation on which all UniCredit countries can build, in full accordance with each geographical area's specific characteristics.

The key principles identified in the declaration relate to customer-centricity, the professional development of employees, sustainable products, organizational governance and a fair and transparent business culture.

The following meetings took place in 2015 to ensure that employees were duly informed and consulted:

- 2 ordinary meetings, attended by members of the EWC and Top Management, covering various topics ranging from the Group's results, to sustainability, to the review of the Strategic Plan
- 7 meetings of the Select Committee, which is the EWC's primary point of contact with central management, and has the power to organize meetings about specific topics to ensure the continuous and timely flow of information to all members of the EWC in the intervals between the 2 general meetings.

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

- Italy: FincoBank SpA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions SCpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions SCpA, UniCredit Global Business Services GmbH
- Austria: UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions SCpA
- Bosnia and Herzegovina: UniCredit Bank ad Banja Luka, UniCredit Bank dd, UniCredit Leasing doo
- Bulgaria: UniCredit Bulbank AD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Business Integrated Solutions SCpA, UniCredit Leasing Hungary Zrt
- Romania: UniCredit Bank SA, UniCredit Business Integrated Solutions SCpA, UniCredit Business Partner GmbH
- Russia: AO UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: PJSC Ukrasotsbank.

At the national level, a process to review the company's welfare system was launched in Italy in 2015. The first major achievement was reaching an agreement on integrating all internal funds into the Group Pension Fund. As part of this agreement, the savings obtained from the successful rationalization of supplementary pensions were used to establish - on a test basis for 2016 - an integrated system of economic support for the surviving relatives of workers who die while employed by UniCredit.

Also in Germany, negotiations with works councils have led to satisfactory agreements. A notable example is the *16/18 Program* for the management of staff reductions under the revised Strategic Plan 2016-2018. Thanks to strong understandings between the company and workers' representatives, solutions have been found for managing staff redundancies, where possible facilitating the internal redeployment of employees and introducing pre-pension measures.

Lastly, UBIS Romania has launched an important trade union engagement initiative which saw them attend 6 Country Management Meetings in order to hear information about strategic business objectives and company decisions, with the aim of consolidating social dialogue and transparency in relations between the company and its social partners.

Percentage of employees covered by collective bargaining agreements, 2015^A

Country	2015
Italy	100.0%
Germany	
UniCredit Bank AG	48.2%
UniCredit Business Integrated Solutions SCpA	53.3%
UniCredit Global Business Services GmbH	53.4%
Austria	100.0%
Poland	
Bank Pekao SA	77.0%
UniCredit Business Integrated Solutions Austria GmbH	100.0%
UniCredit Business Integrated Solutions SCpA	100.0%
Bosnia and Herzegovina	100.0%
Bulgaria	60.0%
Croatia	100.0%
Czech Republic	100.0%
Hungary	Not applicable ^B
Romania	
UniCredit Bank SA	Not applicable ^B
UniCredit Business Partner GmbH	100.0%
UniCredit Business Integrated Solutions SCpA	100.0%
Russia	100.0%
Serbia	Not applicable ^B
Slovakia	100.0%
Slovenia	100.0%
Ukraine	100.0%

A. The collective bargaining agreement refers to national, sector and company level.

B. There is no collective bargaining agreement at the branch and country level as of yet.

HUMAN CAPITAL



Notice period typically provided to employees and their elected representatives prior to implementing significant operational changes that could affect them substantially

Country	Notice period	Legal number of days notice	Notice period specified in collective bargaining agreements
Italy	Yes	25	Yes
Germany	No	-	-
Austria	Yes	5 ^A	No
Poland			
Bank Pekao SA	Yes	3	Yes
UniCredit Business Integrated Solutions Austria GmbH	Yes	30	No
UniCredit Business Integrated Solutions SCpA			
Bosnia and Herzegovina	Yes	15	No
Bulgaria	Yes	45	Yes
Croatia	Yes	14	Yes
Czech Republic	Yes	60	Yes
Hungary	Yes	30	No
Romania			
UniCredit Bank SA	Yes	10 ^B	No
UniCredit Business Partner GmbH	Yes	20	Yes
UniCredit Business Integrated Solutions SCpA			
Russia	Yes	60	No
Serbia	Yes	30	No
Slovakia			
UniCredit Bank Czech Republic and Slovakia as	Yes	30	No
UniCredit Business Integrated Solutions SCpA	Yes	60	Yes
Slovenia	Yes	8	Yes
Ukraine	Yes	60	Yes

A. 5 days to give notice to individual employees. No specific period for organizational changes.

B. Notice period might change according to the situation.

Welfare, health and safety, work-life balance³

We support the well-being of our employees and their families by providing welfare and work-life balance services that respond to their needs, including the supplementation of public services (e.g., enhancing public health assistance with specific coverage provided by our Group). These benefits are defined at the country level due to differences in local laws and practices.

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

- Italy: FincoBank SpA, Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions SCpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions SCpA, UniCredit Global Business Services GmbH
- Austria: UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions SCpA
- Bosnia and Herzegovina: UniCredit Bank ad Banja Luka, UniCredit Bank dd, UniCredit Leasing doo
- Bulgaria: UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Leasing Hungary Zrt, UniCredit Business Integrated Solutions SCpA
- Romania: UniCredit Business Partner GmbH, UniCredit Business Integrated Solutions SCpA, UniCredit Consumer Financing IFN SA, UniCredit Leasing Corporation IFN SA, UniCredit Bank SA
- Russia: AO UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: PJSC Ukrsootsbank.

In nearly all countries, part-time and fixed-term employees are offered the same benefits that are offered to full-time and permanent employees. In several countries, colleagues are provided with certain benefits following an initial work period. Moreover, employees in most countries have the option to go on sabbatical for personal reasons or training purposes.

Retirement plans offered to employees, 2015

Country	Principal retirement plans
Italy	Defined contribution plan
Germany	Defined contribution plan
Austria	
UniCredit Bank Austria AG	Defined contribution plan
UniCredit Business Integrated Solutions Austria GmbH	No plans
Poland	No plans
Bosnia and Herzegovina	No plans
Bulgaria	No plans
Croatia	No plans
Czech Republic	
UniCredit Bank Czech Republic and Slovakia as	Defined contribution plan
UniCredit Business Integrated Solutions SCpA	No plans
Hungary	No plans
Romania	No plans
Russia	Defined contribution plan
Serbia	No plans
Slovakia	
UniCredit Bank Czech Republic and Slovakia as	Defined contribution plan
UniCredit Business Integrated Solutions SCpA	No plans
Slovenia	No plans
Ukraine	Defined contribution plan

Welfare system, 2015^A

Country	National mandatory welfare system	Voluntary company welfare system
Italy	Yes	Yes
Germany	Yes	Yes
Austria	Yes	Yes
Poland	Yes	No
Bosnia and Herzegovina	Yes	No
Bulgaria	Yes	Yes
Croatia	Yes	No
Czech Republic		
UniCredit Bank Czech Republic and Slovakia as	Yes	Yes
UniCredit Business Integrated Solutions SCpA	Yes	No
Hungary	Yes	Yes
Romania		
UniCredit Bank SA		
UniCredit Consumer Financing IFN SA	Yes	No
UniCredit Leasing Corporation IFN SA		
UniCredit Business Integrated Solutions SCpA	Yes	Yes
UniCredit Business Partner GmbH		
Russia	Yes	Yes
Serbia	Yes	Yes
Slovakia		
UniCredit Bank Czech Republic and Slovakia as	Yes	Yes
UniCredit Business Integrated Solutions SCpA	Yes	No
Slovenia	Yes	No
Ukraine	Yes	Yes

A. The welfare system includes pension plan and/or health insurance plans, in accordance with different local laws. Any employee can access voluntary company welfare systems where available.

HUMAN CAPITAL



Contribution by employees and/or employers to the voluntary company pension system, 2015

Country	Contribution from employer	Contribution from employee
Italy ^A	2% or 3%	Minimum 2%
Germany	2.5% of gross income up to gross yearly income of €60,012	2.5% of gross income up to gross yearly income of €60,012
Austria		
UniCredit Bank Austria AG	2.9% or more	Arrangements between the pension fund and employee are made on an individual basis
UniCredit Business Integrated Solutions Austria GmbH	2.5% of the yearly gross salary	Voluntary: arrangements between the pension fund and employee are made on an individual basis
Poland	Not applicable	Not applicable
Bosnia and Herzegovina	Not applicable	Not applicable
Bulgaria	Not applicable	Not applicable
Croatia	Not applicable	Not applicable
Czech Republic		
UniCredit Bank Czech Republic and Slovakia as	Approximately €900	Not specifically required
UniCredit Business Integrated Solutions SCpA	Not applicable	Not applicable
Hungary		
UniCredit Bank Hungary Zrt	No	Max 6% of gross base salary (max €132)
UniCredit Leasing Hungary Zrt	No	Up to 50% of the actual minimal wage
UniCredit Business Integrated Solutions SCpA	No	Up to 50% of the actual minimal wage
Romania		
UniCredit Bank SA	Not applicable	Not applicable
UniCredit Consumer Financing IFN SA	Not applicable	Not applicable
UniCredit Leasing Corporation IFN SA	Not applicable	Not applicable
UniCredit Business Integrated Solutions SCpA	100 RON (approximately €22) of the monthly salary	Not applicable
UniCredit Business Partner GmbH	Not applicable	Not applicable
Russia	7% of the monthly base salary	7% of the monthly base salary
Serbia	Not applicable	Not applicable
Slovakia		
UniCredit Bank Czech Republic and Slovakia as	€180 yearly	Minimum €120 yearly
UniCredit Business Integrated Solutions SCpA	Not applicable	Not applicable
Slovenia	Not applicable	Not applicable
Ukraine	Not applicable	Not applicable

A. The reported contribution percentages refer to the second section of the Fondo Pensione per il Personale delle Aziende del Gruppo UniCredit, the pension fund currently open to new participants.

Transition assistance programs to support employees, 2015^A

Country	The program includes:				
	Pre-retirement planning for intended retirees	Retraining for those intending to continue working	Severance pay	Job placement services	Assistance transitioning to non-working life (training, counseling)
Italy	No	Yes	Yes	Yes/only for Executives	Yes
Germany					
UniCredit Bank AG	Yes	Yes	Yes	Yes	No
UniCredit Global Business Services GmbH	Yes	No	Yes	Yes	No
UniCredit Business Integrated Solutions SCpA	Yes	No	Yes	Yes	No
Austria					
UniCredit Bank Austria AG	Yes	Yes	Yes	Yes	Yes
UniCredit Business Integrated Solutions Austria GmbH	Yes	No	Yes	Yes	No
Poland					
Bank Pekao SA	No	No	Yes	No	No
UniCredit Business Integrated Solutions Austria GmbH	No	No	Yes	Yes	No
UniCredit Business Integrated Solutions SCpA	No	No	Yes	Yes	No
Bosnia and Herzegovina					
UniCredit Bank ad Banja Luka	No	No	Yes	Yes	No
UniCredit Leasing doo	No	No	Yes	Yes	No
UniCredit Bank dd	Yes	No	Yes	Yes	No
Bulgaria	No	No	Yes	No	No
Croatia	No	Yes	Yes	No	No
Czech Republic					
UniCredit Bank Czech Republic and Slovakia as	Yes	Yes	Yes	Yes	No
UniCredit Business Integrated Solutions SCpA	No	Yes	Yes	Yes	No
Hungary					
UniCredit Bank Hungary Zrt	No	No	Yes	Yes	Yes
UniCredit Leasing Hungary Zrt	No	No	Yes	Yes	Yes
UniCredit Business Integrated Solutions SCpA	No	No	Yes	No	No
Romania	No	No	Yes	No	No
Russia	No	No	Yes	No	No
Serbia	No	No	Yes	No	No
Slovakia					
UniCredit Bank Czech Republic and Slovakia as	No	Yes	Yes	Yes	No
UniCredit Business Integrated Solutions SCpA	No	Yes	Yes	No	No
Slovenia	No	No	Yes	No	No
Ukraine	No	No	Yes	No	No

A. In some cases, the programs are provided only in case of company restructuring/reorganization.

Health and safety management⁴

Health and safety at work is a key issue that goes far beyond meeting the obligations set out by law. Instead, it must be seen as a core value whose ultimate goal is to guarantee well-being at work through a combination of actions and systems.

UniCredit has launched many initiatives to help reach this objective, while of course also ensuring compliance with the law. These include:

- adequate evaluation of risks (e.g., analysis and verification of staff work activities, including the nature of the job, the job's instruments, work spaces, individual and collective protection measures, technical infrastructure and contractual matters - both for internal and contracted positions)
- realizing a higher level of wellness at work through dedicated initiatives, workshops and training.

Formal joint management-worker health and safety committees, 2015^A

Country	Existence of a formal joint management worker health and safety committee	Level at which the committee operates
Italy	No	Not applicable
Germany	Yes	Legal Entity
Austria	Yes	Legal Entity
Poland		
Bank Pekao SA	Yes	Legal Entity
UniCredit Business Integrated Solutions Austria GmbH	No	Not applicable
UniCredit Business Integrated Solutions SCpA		
Bosnia and Herzegovina ^B	Yes	Legal Entity
Bulgaria	Yes	Legal Entity
Croatia	Yes	Legal Entity
Czech Republic	No	Not applicable
Hungary	No	Not applicable
Romania	Yes	Legal Entity
Russia	No	Not applicable
Serbia	No	Not applicable
Slovakia	No	Not applicable
Slovenia	No	Not applicable
Ukraine ^C	No	Not applicable

A. If present, all the employees are represented by a formal management-worker health and safety committee.

B. Refers to UniCredit Bank AD Banja Luka.

C. A country level committee takes care of all employees in health and safety issues.

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

- Italy: Pioneer Global Asset Management SpA, Pioneer Investment Management SGRPA, UniCredit Business Integrated Solutions SCpA, UniCredit Leasing SpA, UniCredit SpA
- Germany: UniCredit Bank AG, UniCredit Business Integrated Solutions SCpA, UniCredit Global Business Services GmbH
- Austria: Pioneer Investments Austria GmbH, Schoellerbank Aktiengesellschaft, UniCredit Bank Austria AG, UniCredit Business Integrated Solutions Austria GmbH
- Poland: Bank Pekao SA, UniCredit Business Integrated Solutions Austria GmbH, UniCredit Business Integrated Solutions SCpA
- Bosnia and Herzegovina: UniCredit Bank ad Banja Luka, UniCredit Bank dd, UniCredit Leasing doo
- Bulgaria: UniCredit Bulbank AD, UniCredit Consumer Financing EAD, UniCredit Leasing EAD
- Croatia: Zagrebačka Banka DD
- Czech Republic: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Hungary: UniCredit Bank Hungary Zrt, UniCredit Leasing Hungary Zrt, UniCredit Business Integrated Solutions SCpA
- Romania: UniCredit Bank SA, UniCredit Business Partner GmbH, UniCredit Business Integrated Solutions SCpA
- Russia: Ao UniCredit Bank
- Serbia: UniCredit Bank Serbia Jsc
- Slovakia: UniCredit Bank Czech Republic and Slovakia as, UniCredit Business Integrated Solutions SCpA
- Slovenia: UniCredit Banka Slovenija DD
- Ukraine: PJSC UkrSotsbank.

Formal agreements with employees' representatives on health and safety issues, 2015^A

Country	Existence of formal agreements with employees' representatives
Italy	No
Germany	
UniCredit Bank AG	No
UniCredit Business Integrated Solutions SCpA	Yes
UniCredit Global Business Services GmbH	
Austria	No
Poland	Yes
Bosnia and Herzegovina	Yes
Bulgaria	Yes
Croatia	Yes
Czech Republic	Yes
Hungary	No
Romania	Yes
Russia	No
Serbia	No
Slovakia	Yes
Slovenia	No
Ukraine	No

A. The employees' representatives may refer to Trade Unions, Work Council, etc.

Rates of injury, occupational diseases and absenteeism, 2015^A

Country	Injury ^B		Occupational diseases ^C		Absentee ^D	
	Female	Male	Female	Male	Female	Male
Italy	2.12	1.62	1.03	0.83	7.60	6.86
Germany	0.99	0.50	0.05	0.01	7.29	4.93
Austria	0.29	0.15	0.00	0.01	8.11	6.01
Poland	0.55	0.21	0.11	0.07	6.51	2.93
Bosnia and Herzegovina	1.82	4.66	0.06	0.09	3.50	1.18
Bulgaria	0.14	0.00	0.02	0.00	4.39	2.55
Croatia	0.45	0.48	0.24	0.03	4.93	2.96
Czech Republic	0.15	0.12	0.00	0.00	6.00	2.51
Hungary	0.31	0.36	0.02	0.00	6.73	2.42
Romania	0.00	0.09	0.01	0.00	3.69	1.84
Russia	0.00	0.00	0.00	0.00	3.41	2.46
Serbia	0.00	0.00	0.00	0.00	2.29	1.79
Slovakia	0.14	0.00	0.00	0.00	3.67	1.18
Slovenia	4.07	0.00	0.66	0.67	6.17	3.57
Ukraine	0.00	0.00	0.14	0.16	4.97	1.67

A. Injuries are recorded as per applicable local law. Country to country comparison can be misleading due to different tracking systems and differences in local laws.

B. This was calculated as follows: (total no. of workplace injuries/total working hours)*1,000,000.

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

D. This was calculated as follows: (total no. of days of absence/total working hours)*1,000. Days of absence refers to: injuries, illness, strikes and other reasons (e.g., medical controls, election days).

Disputes concerning labor, welfare issues and administrative bodies⁵

Number of disputes concerning labor issues, 2015

Country	Opened prior to 2015	Opened in 2015	Closed in 2015	Open as Dec. 31, 2015
Italy	785	167	243	709
Germany				
UniCredit Bank AG	32	19	33	18
UniCredit Business Integrated Solutions SCpA	3	5	3	5
UniCredit Global Business Services GmbH				
Austria				
UniCredit Bank Austria AG	24	11	25	10
UniCredit Business Integrated Solutions GmbH	4	17	6	15
Poland				
Bank Pekao SA	79	13	24	68
UniCredit Business Integrated Solutions Austria GmbH	1	1	1	1
UniCredit Business Integrated Solutions SCpA				
Bosnia and Herzegovina	41	8	3	46
Bulgaria	17	2	7	12
Croatia	28	4	5	27
Hungary				
UniCredit Bank Hungary Zrt				
UniCredit Leasing Hungary Zrt	3	6	4	5
Romania				
UniCredit Bank SA	8	4	9	3
Russia	3	4	4	3
Serbia	10	2	0	12
Slovakia ^A	1	0	1	0
Ukraine	2	6	2	6

A. Data does not include UniCredit Bank Czech Republic and Slovakia as.

Number of disputes concerning welfare issues, 2015

Country	Opened prior to 2015	Opened in 2015	Closed in 2015	Open as Dec. 31, 2015
Italy	97	7	19	85
Russia	1	1	2	0

Number of disputes concerning administrative bodies, 2015

Country	Opened prior to 2015	Opened in 2015	Closed in 2015	Open as Dec. 31, 2015
Italy	2	0	0	2
Poland				
Bank Pekao SA	22	2	7	17
Russia	3	1	2	2

5. The tables under this paragraph refer to the perimeter defined at page 46 - Industrial Relations. Due to improved data collection processes, some figures may differ from data presented in the 2014 Integrated Report.

Social and Relationship Capital



Customer distribution

Number of customers by division and country as of December 31, 2015^A

Commercial Banking Division	Number
Italy	7,496,363
Retail	7,313,000
Corporate	44,179
Private Banking	139,184
Germany	1,686,432
Retail	1,318,277
Corporate	323,322
Private Banking	44,833
Austria	1,724,377
Retail	1,594,620
Corporate	103,423
Private Banking	26,334
Poland	5,088,824
Non-Core	219,645
Asset Gathering Division	1,013,585
CEE Retail Banking Division	8,851,089
Bosnia and Herzegovina	1,276,765
Bulgaria	1,095,237
Croatia	1,039,286
Czech Republic (incl. Slovakia)	613,253
Hungary	368,371
Romania	591,715
Russia	1,720,371
Serbia	280,982
Slovenia	145,387
Ukraine	1,719,722
CEE Corporate Banking Division	81,102
Bosnia and Herzegovina	5,042
Bulgaria	11,972
Croatia	8,903
Czech Republic (incl. Slovakia)	19,575
Hungary	9,348
Romania	9,051
Russia	6,285
Serbia	3,820
Slovenia	2,820
Ukraine	4,286
CEE Private Banking Division	14,513
Bulgaria	1,652
Croatia	2,734
Czech Republic (incl. Slovakia)	5,317
Hungary	1,065
Romania	810
Russia	1,734
Slovenia	403
Ukraine	798

A. Clients representation in the Integrated Report 2015 was changed against previous years in order to align the structure with the Segment Reporting view, reflecting current Group business organization.

Customer satisfaction

To measure, analyze and express customer satisfaction levels across the Group, UniCredit has chosen to use the TRI[®]M Index, an approach developed by an Industry World Leader, TNS Infratest. The use of a trademarked external methodology guarantees that methodology and results are in line with the highest and strongest quality standards. It also allows us to make consistent comparisons not only with competitors but also with businesses from other industries. Additionally, the use of a third-party approach is even more important because the TRI[®]M Index is a component of UniCredit's compensation system. Customer satisfaction levels are measured at least once a year across all Group countries, while additional periodical surveys could be carried out in line with local needs.

Retail^A TRI[®]M Index results

Country	2015	2014	2013	2015 competitors' TRI [®] M index results
Italy	66	65	63	56
Germany	67	71	69	62
Austria	67	66	67	67
Poland	62	61	59	59
Bosnia and Herzegovina				
UniCredit Bank ad Banja Luka	95	89	87	75
UniCredit Bank dd	86	90	82	75
Bulgaria	78	81	80	66
Croatia	79	81	77	72
Czech Republic	74	70	74	71
Hungary	68	68	67	61
Romania	70	68	72	66
Russia	86	86	87	78
Serbia	94	93	94	78
Slovakia	88	84	84	80
Slovenia	80	79	89	62
Ukraine ^B	-	-	61	-

A. In Germany and Austria the term Retail segment refers to individual clients (i.e., Mass Market and Affluent). In Italy, Poland and CEE the Retail segment refers to individual clients (i.e., Mass Market and Affluent) and Small Business.

B. Customer satisfaction survey was not carried out in 2015.

In 2015, survey results confirmed UniCredit's leading position in the majority of the countries it serves. The Retail segment performed well overall, with Italy and CEE confirming best-in-class status as in 2014.

SOCIAL AND RELATIONSHIP CAPITAL

Corporate^A TRI[®]M Index results

Country	2015	2014	2013	2015 competitors'/ market ^B TRI [®] M index results
Italy	58	52	51	58
Germany	70	69	66	60
Austria	70	62	61	74
Poland	69	66	63	52
Bosnia and Herzegovina				
UniCredit Bank ad Banja Luka	84	88	80	82
UniCredit Bank dd	86	76	83	82
Bulgaria	81	85	81	73
Croatia	82	82	82	78
Czech Republic	79	77	74	68
Hungary	76	70	70	63
Romania	80	78	73	68
Russia	86	86	89	83
Serbia	80	84	82	76
Slovakia	80	77	78	69
Slovenia	71	78	73	59
Ukraine ^C	-	-	77	-

A. In Germany and Austria the term Corporate segment refers to Small, Medium and Large Companies. In Italy, Poland and CEE the Corporate segment refers to Medium and Large Companies only.

B. Competitors' TRI[®]M 2015 for Italy, Germany, Austria and Poland. Market TRI[®]M 2015 for CEE countries.

C. Customer satisfaction survey was not carried out in 2015.

The Corporate segment leadership is confirmed in the majority of countries. In Germany and CEE, the Corporate segment confirmed best-in-class status as in 2014.

Private Banking TRI[®]M Index results

Country	2015	2014	2013
Italy	67	65	62
Germany	88	80	79
Austria ^A	83	82	77
Poland	86	77	71
Bulgaria	96	98	98
Croatia	103	102	101
Czech Republic	89	88	86
Hungary	79	78	79
Romania	84	83	85
Russia	93	94	93
Slovakia	99	99	96
Slovenia	87	84	78
Ukraine	88	-	88

A. Austria results refer only to UniCredit Bank Austria AG.

Handling complaints

UniCredit's approach to complaints management is driven by the belief that a continuing dialogue and swift responses are fundamental to addressing and improving our service quality and customer satisfaction. Clients can submit their complaints through a number of channels, including email, written letter or in person at one of our branches. Complaints are then managed locally or centrally, depending on the subject or type.

Besides, as far as verbal complaints are concerned, the goal consists in improving the efficiency of the arrangement of various events (errors, delays, malfunctions and churn rate) through a fast resolution in order to increase the customer satisfaction and enhance their confidence in the Bank.

An adequate management of complaints is fundamental for the Group in order to achieve operational excellence and reduce risks. Complaints may highlight areas where service quality can be improved, with positive effects on risk mitigation. In addition, an effective and efficient management of complaints is an opportunity to re-establish a satisfactory relationship with the customers.

As per our Global Compliance Guidelines - Complaint Management, a complaint is any form of dissatisfaction expressed by a current, potential or former customer, certainly recognizable regarding the manner in which the Group has managed a banking, finance or insurance transaction or service. Each UniCredit legal entity develops and regulates its own complaint management processes and defines the methods and timing applied to settling complaints in accordance with their type and the manner of communication chosen by the customer.

Retail division: number of recorded complaints^A

Country	2015		2014		2013	
	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written	Recorded (written + verbal)	Written
Italy	367,032	32,484	332,163	28,369	300,631	19,661
Germany	67,851	26,168	84,653	15,199	102,219	8,108
Austria	55,961	2,502	41,518	1,626	44,407	1,754
Poland ^B	17,091	17,091	17,023	17,023	-	-
Bosnia and Herzegovina	4,773	1,274	4,266	946	5,025	365
Bulgaria ^C	2,516	2,516	2,361	2,361	2,285	2,285
Croatia	32,422	9,279	42,608	5,131	37,283	4,638
Czech Republic	7,638	4,656	7,735	4,271	8,254	4,477
Hungary	12,306	7,413	7,767	3,717	8,341	4,371
Romania	4,136	2,366	5,199	3,055	3,545	2,402
Russia	30,189	23,392	28,798	25,254	24,257	21,790
Serbia	778	769	513	503	547	464
Slovakia	4,556	4,484	3,845	3,698	2,640	2,371
Slovenia	1,594	890	1,775	925	1,797	1,560
Ukraine	10,464	2,942	9,296	2,457	11,395	2,815

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

B. In Poland all complaints are considered as written. The number of complaints referring to 2013 was not published due to confidentiality issues.

C. In Bulgaria there is no distinction between written and verbal complaints. All complaints are considered as written.

Socially Responsible Investments (SRI)

Sustainable investing at Pioneer

By becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI) in March 2009, Pioneer Global Asset Management SpA joined an initiative launched by the UN Secretary-General to advance 6 best-practice principles among asset owners and investment managers. In alignment with its commitment to the UNPRI, Pioneer Global Asset Management SpA expanded its Proxy Voting Policy to include Environmental, Social and corporate Governance (ESG) issues. During 2015, Pioneer Global Asset Management SpA became investor signatory of the Carbon Disclosure Project (CDP) Climate change program and CDP Water program.

Moreover, Pioneer Global Asset Management SpA has defined its search, investment, control and monitoring processes to ensure their alignment with the transparency guidelines of the European Sustainable Investment Forum (Eurosif). Pioneer Global Asset Management SpA provides several asset-management products that are designed to maximize returns while adhering to ethical and sustainable principles. Portfolio Managers hold responsibility within the organization for ESG screening of assets in the portfolios:

- **Pioneer Obbligazionario Euro Corporate Etico a distribuzione (Euro Bond Ethical Corporate Fund)**

The fund's investment strategy is designed to achieve capital appreciation over the medium term. This is accomplished by investing in fixed income instruments issued by companies with business models that meet high standards of social, human and ecological responsibility.

- **Pioneer Funds - Global Ecology**

The fund's investment strategy is designed to achieve capital appreciation over the medium-to-long term. This is accomplished by investing at least two-thirds of the fund's assets in a range of equities and equitylinked instruments issued by companies manufacturing or producing environmentally friendly products or technologies that help to create a cleaner, healthier environment. Such companies include those operating in the fields of air pollution control, alternative energy, recycling, waste incineration, wastewater treatment, water purification and biotechnology.

- **Pioneer Funds Austria - Ethik Fonds**

This is a balanced fund designed to achieve long-term capital growth while generating regular returns. The basic fund portfolio is composed of 30% global equities and 70% euro bonds. An investment is considered ethical when the issuer's business model meets established sustainability standards.

Fund performance (%)

	One year (as of Dec. 31, 2015)		Three years annualized (as of Dec. 31, 2015)	
	Fund	Benchmark	Fund	Benchmark
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	-1.31	-0.62	2.62	3.14
Pioneer Funds - Global Ecology	13.35	10.42	14.33	16.94
Pioneer Funds Austria - Ethik Fonds	2.80	Not available ^A	24.10	Not available ^A

A. The Fund has no declared benchmark in the Prospectus.

Assets subject to positive and negative environmental or social screening (in € million)

	Assets under management (as of Dec 31, 2015)	Assets under management (as of Dec 31, 2014)
Pioneer Obbligazionario Euro Corporate Etico a distribuzione	389	470
Pioneer Funds - Global Ecology	1,137	1,060
Pioneer Funds Austria - Ethik Fonds	104	38
Total assets under management at Pioneer Global Asset Management SpA, including regular funds	223,600	201,030

Sustainable investing at UniCredit Bank AG

Since 2013, at UniCredit Bank AG we have maintained a Sustainable Investments Working Group, in which our experts and decision-makers come together to review products, strategies and overall market dynamics, with an eye to the changing needs of our clients. This Working Group has developed a core concept that is used to assess, for all investment classes, whether any particular investment should be considered sustainable by UniCredit Bank AG. The concept was derived from a methodology developed by oekom research AG, a prominent sustainability rating agency, and from accepted industry certification standards.

To systematically assess the interest of customers in incorporating sustainability into their personal investment strategies, we integrated sustainability into UniCredit Bank AG *FinanzKonzept*, our customer advisory process. During their first advisory sessions with us, all customers are asked about their interest in sustainable investments.

UniCredit Bank AG's "assets under sustainable management" are calculated every year by analyzing the share of sustainable investment to total customer deposits and managed funds. Assets under sustainable management include sustainable equities and bonds, funds and certificates of deposit held by all UniCredit Bank AG clients.

Assets under sustainable management

(in € billion)	2015	2014	2013
Total	2.0	1.5	1.5

Financial inclusion

Percentage of total branches in sparsely settled or economically disadvantaged areas as of December 31, 2015^A

Country ^B	Percentage
Italy	19.2%
Germany	6.1%
Poland	100.0%
Bosnia and Herzegovina	100.0%
Bulgaria	100.0%
Croatia	100.0%
Czech Republic	76.9%
Hungary	46.4%
Romania	100.0%
Russia	100.0%
Serbia	100.0%
Slovakia	75.0%
Slovenia	100.0%
Ukraine	100.0%

A. Relating to EU Countries, in order to identify disadvantaged areas, we used the NUTS classification (Nomenclature of Territorial Units for Statistics: a hierarchical system for dividing up the economic territory of the EU). In particular, we considered those Regions at level 2 of the NUTS classification whose GDP (Gross Domestic Product) per inhabitant is less than 75% of the Community average. Based on this classification, there are no sparsely settled or economically disadvantaged areas in Austria.

B. In Bosnia and Herzegovina, Bulgaria, Croatia, Poland, Romania, Russia, Serbia and Ukraine, we considered as disadvantaged areas the whole territory, since for the World Economic Outlook of the International Monetary Fund published in April 2015 these countries are considered emerging markets and developing economies.

Adherence to legal standards and voluntary codes related to marketing and communications

UniCredit follows the Code of Marketing Communication Self-Regulation (www.iap.it) disseminated by the Istituto dell'Autodisciplina Pubblicitaria (IAP), which commits its subscribers to transparent and honest advertising.

UniCredit is also a member of the Utenti Pubblicità Associati (UPA), which supports the IAP. All UniCredit entities follow the regulations disseminated by these bodies, particularly when local codes do not provide guidance on topics covered by the UPA.

In 2011, the IAP alleged that UniCredit was not properly aligned with certain standards. UniCredit took action accordingly and resolved the issue by modifying the advertising in question.

In 2015, all advertising campaigns were brought to the attention of the IAP before their launch and, in some instances, were changed in accordance with current regulations.

All advertising and communication activities at UniCredit are managed by our Group Identity & Communications department, which is responsible for assuring the effective application of the IAP's code, as well as the oversight of the UniCredit Supervisory Body.

In advertising related to investment products, all texts are submitted to the Commissione Nazionale per le Società e la Borsa (CONSOB) in Italy to ensure that they may be evaluated for regulatory compliance and consistency with the principles of truth and transparency.

Legal standards and voluntary codes related to marketing and communications adopted by Group Legal Entities, 2015

Country	Description
Austria	Advertising Industry Ethics Code of the Austrian Society for Self - Regulation in Advertising (Werberat)
Poland	Principles of Corporate Governance for Supervised Institutions, issued by the Financial Supervision Commission (Komisja Nadzoru Finansowego)
Bosnia and Herzegovina	Consumer Protection Act covering advertisement of financial products and services
Bulgaria	Ethical Code of the Association of Commercial Banks in Bulgaria
Croatia	Code of Advertising issued by the Croatian Association of Advertising Agencies
Hungary	Hungarian Banking Association's Code of Conduct
Serbia	Law on Protection of Financial Services Consumers
Slovenia	The Slovenian Code of Advertising Practice published by Slovenian Advertising Association and Consumer Protection law
Ukraine	Local legislation providing main principles of marketing activities and products. In marketing research practice, the bank follows the recommendations of Ukrainian Association of Marketing (UAM)

Natural Capital

Environmental performance indicators¹

Scope 1: direct GHG emissions (tons CO₂ e), 2013-2015^A

Country	2015	2014	2013
Italy	40,488	42,576	48,134
Germany	16,450	17,232	18,982
Austria	2,887	3,249	3,935
CEE	10,271	10,489	11,481
Total	70,096	73,546	82,533

A. GHG emissions from sources owned or controlled by our Group. Data for 2015 covers 80% (direct energy consumption) and 72% (road business travel) of population (a full-time equivalent of more than 120,000).

Scope 2: indirect GHG emissions (tons CO₂ e), 2013-2015^A

Country	2015	2014	2013
Italy	114,969	110,284	122,258
Germany	77,163	79,317	85,202
Austria	20,803	20,699	22,317
CEE	47,295	49,296	46,565
Total	260,231	259,596	276,341

A. GHG emissions from purchased electricity, steam and heating/cooling consumed by equipment or systems owned or controlled by our Group. The table above reflects the use of emission factor averages of the national grids. Data for 2015 covers 80% of population (a full-time equivalent of more than 120,000).

Scope 3: other indirect GHG emissions (tons CO₂ e), 2013-2015^A

Country	2015	2014	2013
Italy	5,632	5,817	5,625
Germany	3,046	3,249	3,387
Austria	1,119	1,138	1,480
CEE	2,011	2,052	1,627
Total	11,808	12,256	12,119

A. GHG emissions business travel, from copy paper consumption, and from glass, paper and plastic disposal. Data for 2015 covers 78% (copy paper consumption), 72% (air and train travel) and 78% (glass, paper and plastic disposal) of population (a full-time equivalent of more than 120,000).

Energy consumption per employee (GJ/capita), 2013-2015^A

Country	2015	2014	2013
Italy	34	34	38
Germany	43	42	47
Austria	55	54	54
CEE	24	25	25

A. Data for 2015 covers 80% of population (a full-time equivalent of more than 120,000).

1. Data for 2015 have been collected involving 61 legal entities (a full-time equivalent of more than 120,000) operating in Italy, Germany, Austria, Poland and in Central and Eastern Europe (CEE) countries. The CEE countries included are: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine.

Due to improved processes in data collection, calculation, selection of included Group legal entities and to periodical updates of GHG emission factors, several figures may differ from data presented in the 2014 Integrated Report. Country-to-country comparisons may be misleading as different tracking systems should be taken into account.

Copy paper consumption per employee (kg/capita), 2013-2015^A

Country	2015	2014	2013
Italy	50	55	55
Germany	31	32	38
Austria	39	43	49
Poland	41	40	40
CEE	58	60	60

A. Data for 2015 covers 92% of population (a full-time equivalent of more than 120,000).

Roughly 97 percent of the copy paper used Groupwide is Total Chlorine-Free (TCF) or Elementary Chlorine-Free (ECF) and 74 percent is certified by the Forest Stewardship Council (FSC).

Water consumption per employee (m³/capita), 2013-2015^A

Country	2015	2014	2013
Italy	31	31	29
Germany	20	22	19
Austria	34	29	27
Poland	14	13	14
CEE	13	13	13

A. Data for 2015 covers 92% of population (a full-time equivalent of more than 120,000).

Waste production per employee (kg/capita), 2013-2015^A

Country	2015	2014	2013
Italy	84	87	101
Germany	358	341	362
Austria	213	184	178
CEE	170	164	204

A. Data for 2015 covers 78% of population (a full-time equivalent of more than 120,000).

Waste by disposal method (%), 2014-2015^A

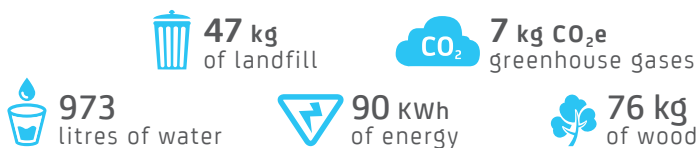
Country	Valuable materials separated and recycled		Waste incinerated		Waste disposed in landfills		Special waste treatment	
	2015	2014	2015	2014	2015	2014	2015	2014
Italy	95.02	95.22	3.21	1.65	1.71	3.14	0.07	0.00
Germany	66.99	68.70	33.00	31.24	0.00	0.00	0.01	0.06
Austria	94.53	93.98	5.47	6.02	0.00	0.00	0.00	0.00
CEE	22.07	18.47	4.34	5.77	71.03	72.00	2.56	3.77

A. Data for 2015 covers 78% of population (a full-time equivalent of more than 120,000).



ENVIRONMENTAL IMPACT CALCULATOR

By choosing to print the Supplement to the 2015 Integrated Report on 100% recycled and Ecolabel certified (no. FR/011/003) paper, UniCredit has avoided:



Source: Carbon footprint data evaluated by Labelia Conseil in accordance with the Bilan Carbone® methodology. Calculations are based on a comparison between the recycled paper used versus a virgin fibre paper according to the latest European BREF data (virgin fibre paper) available. Results are obtained according to technical information and subject to modification.

Life is full of ups and downs.
We're there for both.



unicreditgroup.eu