UniCredit Factoring

Meeting real needs with concrete solutions.

2011 Reports and Accounts

UniCredit
Factoring

Every day, life presents new challenges and opportunities. Every day, we each have a new story to tell that involves tangible needs and requires clear answers.

In this year's annual report, we illustrate our way of banking with stories of the people, businesses and institutions who use our customized solutions. You will read stories about how we worked together to promote sports in schools and how we gave a boost to long-established industrial firms by enabling them to update their machinery. You will also learn about how we have supported the development of new computer systems and have provided broad support to the green economy.

These stories were built on entrepreneurship, courageous innovation, respect for tradition, and our strong bonds with local communities.

We strongly believe that being a bank today means making a concrete difference, day in and day out, for those who have chosen to do business with us. It means facing challenges together and creating a world of new opportunities.

These are true stories - snapshots of ordinary life that shape the mosaic of our daily work. At UniCredit, we are creating a world of relationships, where our stakeholders can best meet the changing needs of the times.

2011 Reports and Accounts

Making “Made in Italy” an international success.

Many Italian SMEs have expressed interest in participating in a series of workshops on internationalization. The *Export Business School* is a programme UniCredit developed to reinforce the competitiveness of companies in the international arena by means of in-depth coursework and creation of networking opportunities. In conjunction with this initiative, the bank also created the *East Gate Export* programme to promote the activities of Italian companies in Eastern Europe. And moving further eastward, a UniCredit project to promote Italian SMEs in China has drawn praise from entrepreneurs and managers from among a wide cross-section of Italian companies.

“Destinazione Cina 2011” project - October 26, 2011, Magnani Palace, Bologna

Corporate Officer and General Management

as at 31st December 2011

Board of Directors

Cesare Caletti	Chairman
Francesco Mezzadri Majani	Vice-Chairman
Ferdinando Brandi	Chief Executive Officer
Armando Artoni Umberto Giacomelli Alessandro Cataldo Giuseppina Gualtieri	Members
Andrea Ernesto Romano	Secretary

Board of Auditors

Giorgio Cumin	Chairman
Roberto Bianco Federica Bonato	Standing Auditors
Paolo Colombo Massimo Gatto	Substitute Auditors

General Management

Ferdinando Brandi	Chief Executive Officer
Eugenio Calini	Vice Director General Head of Commercial Department
Elvio Campagnola	Vice Director General Head of Debtor Department
Antonio Fiore	Vice General Director Head of Credit and Risks Department
Flavio Marco Ambrosetti	Head of Human Resources
Silvio Felice Asti	Head of Planning, Finance and Administration
Antonio Moretti	Head of Organisation and Logistics
Andrea Ernesto Romano	Head of Legal Department
Mauro Zandonà	Head of Marketing

UNICREDIT FACTORING S.p.A.
A sole partner company belonging to the Gruppo Bancario UniCredit
entered in the Roll of Bank Groups cod.2008.1
Share capital Euro: 114,518,475.48 fully paid up
Legal reserve: Euro 9,018,855.97
Registered office in Milan - 20122 Milan via Albricci, 10
Tel. +39 02 366 71181 - Fax +39 02 366 71143
R.E.A. n. 840973
Tax code and registration number in the Business Registry of Milan 01462680156
Registered in the general list in conformity with the article 106 TUB with the nr. 28148
and in the special list of financial intermediaries in conformity with article 107 TUB
with the nr. 1000005239
e-mail: info.ucfactoring.it@unicreditgroup.eu
www.unicreditfactoring.it
Certified Electronic Mail: UniCreditfactoring@pecUniCredit.UniCreditgroup.eu

Rewarding talented young entrepreneurs.

As Italy's future relies on its young talents, *Il talento delle idee* (The Talent of Ideas), a contest involving UniCredit and the Young Entrepreneurs Association, provides a valuable challenge. Dedicated to entrepreneurs between the ages of 18 and 40, the contest identifies and promotes business ideas based on feasibility and innovation. Originators of the three best ideas are awarded with specialized financial support, entrepreneurial training, introductions to potential investors and mentoring from UniCredit. Financial awards go to selected projects at a national level. This is a concrete example of how real needs find clear answers at UniCredit.

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Notice
In the tables the following conventional signs are used:
- **(---)** when the case does not exist;
- **(n.s.)** when the data do not reach the representative number of the minimum considered order or appear however not signifi cant;
- **(xxx)** when the data is not available.

Amounts where not differently indicated, are expressed in thousand of euro.

Speaking the language of our clients.

As a result of expanded international mobility, many citizens who work in Austria do not speak German. These are citizens of other nationalities and cultures, who need to communicate in their own languages when discussing delicate subjects such as banking transactions. Bank Austria's *Banking Without Borders* programme guarantees that such customers, on any given day, will have access to an employee who speaks his or her own language. Additionally, in Vienna, five branches provide documentation and product literature in several languages other than German. An effective answer to a multicultural society.

Agenda of the Ordinary Shareholders' Meeting

UNICREDIT FACTORING S.p.A.
A UniCredit Banking Group Company
Listed in the Register of Banking Groups
Registered Offices in Milan, Via Albricci, 10
Share Capital 114,518,475.48 Euros fully paid-in
Number of enrolment in the Milan Register of Companies,
Fiscal Code and VAT Number 01462680156, R.E.A. nr. 840973

Our shareholders are convened to the Ordinary General Shareholder' Meeting to be held on **19th April 2012, at 17.00**, at the Company's registered offices in Milan, via Albricci 10, at first call and, if necessary, at second call on 20th April 2012 at the same time, same place, in order to deliberate the following

AGENDA

1. Approval of the yearly Balance Sheet at 12.31.2011, the Board of Directors' and Board of Auditors' Reports. Relevant resolutions.
2. Integration of the composition of the Board of Directors following the exits of Messrs. Antonio Muto and Roberto Venturini, together with the subsequent nomination by co-optation of members Signor Alessandro Cataldo and Mrs Giuseppina Gualtieri.
3. Adherence/Revision of the terms and conditions of the Civil Liability Policy of Company Exponents (D&O) and resolutions deriving from the new treatment of the insurance premium as regards such Exponents.

Pursuant to article 13 of the Articles of Association the owners of shares with voting rights enrolled in the shareholders' book may participate.

Milan, 23rd March 2012

The Chairman
Cesare CALETTI

Financing the excitement of UEFA EURO 2012™.

Bank Pekao participated in acquisition of financing of three UEFA EURO 2012™ stadiums: Stadion Narodowy in Warsaw, the Poznań Stadium and Stadium in Gdańsk. From an architectural standpoint, the Stadium in Gdańsk is considered the most impressive construction of UEFA EURO 2012™. This year for UEFA EURO 2012™ Bank Pekao has also financed other infrastructures, such as highways, regional airports and public transportation. As the official slogan states "simple emotions are sometimes not enough", Bank Pekao has really become part of EURO UEFA 2012™ as a National Sponsor.
This is another way to be close to local communities and a concrete sign of trust in the future of the country.

Stadium in Gdańsk

Directors' report

N.B.
The possible lack of balancing between the data reported in the management report depends exclusively on prospective roundings.

Directors' report

Synthesis of results

The external scenario relevant to the fiscal period recently closed was distinguished by the ongoing deterioration of the global, financial crisis. Public debt tensions were reflected in the state of supply to banks and, more in general, regarding the credit market. This led, also bearing in mind the restrictive effects of the measures enforced to contain public debt, to a slow-down in production activities during the second half of the year.

However, in this highly unfavourable context, UniCredit Factoring, by applying Group-planned strategies, managed to satisfy its customer's demands for credit adequately, achieving a vigorous increase in turnover and uses. It also managed to invest in resources, processes and instruments planting solid foundations for developing our operations in future years.

The 2011 fiscal year was, in fact, marked by considerable growth for our Company. The number of employees rose, in terms of "Full-Time Equivalent", from the 190 units at the end of 2010 to 217 at the end of 2011 (+14,6%). Turnover reached 25 billion with a 20.4% upswing compared to the previous year, while receivables exceeded 9 billion at closure, a 13.6% increase compared to 31st December 2010.

The development of the Company was, moreover, accompanied by the fortification strengthening of our organisational structure, also with a view to ensuring efficient risk control. Together with the Legal and Compliance structures, Credit Management in particular was also reorganised and strengthened with the creation, alongside Risk Management, of Credit Recovery and Monitoring, of a new Department ("Credit Operations") articulated to supervise not only the two commercial channels ("Corporate & Investment Banking" and "Family & Small/Medium Enterprises"), but also, transversally, the public debt.

Positive, ongoing progress was also shown by our financial results. Net profits stood at 36.2 million, a 9% increase compared to 2010 despite the higher tax load (+16,6% gross profits).
The comparison is, however, invalidated by the presence in the previous year of significant extraordinary interest, net of which the net profits increase would have been higher than 40%, in line with net operating income.

All the main operating indicators show homogenous improvement. The "cost/income", equal to 23,3%, stayed at an excellent level, while turnover per employee highlighted a 5% growth. Risk indexes too showed net improvement. In particular the ratio between outstanding and uses dropped to 0.88% (from 1.16%) and the ratio between total impaired receivables and uses dropped from 3.33% to 2.78%.

Net Equity, the allocation of profits to the reserve, stands to 247 million. The total Equity coefficient stood at 5.86%, a downswing compared to the previous year due to the down-grading of the sovereign debt on the total weighted assets, attributable to the higher weighting of credits towards State Organisations.

Finally, with respect to prospects for the present year, the relative improvement observed as regards the Euro-zone's monetary and financial market conditions, despite a probable contraction of financial activities, should allow our Company to operate according to full potential and to improve results even further.

Principle Data relating to the Company

Operating data

(€ milion)

	PERIOD		CHANGE	
	2011	2010	ABSOLUTE	%
Turnover	25,051	20,810	+4,241	+20.4%
Outstanding	11,848	10,516	+1,332	+12.7%

Financial data

(€ milion)

	PERIOD		CHANGE	
	2011	2010	ABSOLUTE	%
Brokering margin	148	140	+8	+5.9%
of which: net interest	82	80	+2	+1.9%
- net commission commissioni	65	58	+6	+10.7%
Operational costs	-34	-30	-4	+12.8%
Operating income	113	109	+4	+3.9%
Net operating income	64	58	+6	+10.2%
Net profit	**36**	**33**	**+3**	**+9.1%**

Equity data

(€ milion)

	CONSISTENCIES AT		CHANGE	
	12.31.2011	12.31.2010	ABSOLUTE	%
Total assets	9.078	7.995	+1.083	+13.5%
Receivables	9.051	7.965	+1.086	+13.6%
Net equity	**247**	**211**	**+36**	**+17.2%**

Structure data

	DATA AT		CHANGE	
	12.31.2011	12.31.2010	ABSOLUTE	%
Number of employees (Full time equivalent)	217	190	+28	+14.6%
Number of Trading Points	13	13	-	-

Profitability index

	PERIOD		
	2011	2010	CHANGE
ROE[1]	17.2%	18.7%	-1.5
Cost/income[2]	23.3%	24.0%	-0.7

Risk indexes

	DATA AT		
	12.31.2011	12.31.2010	CHANGE
Net non-performing receivables / Receivables	0.88%	1.16%	-0.27
Net impaired receivables / Receivables	2.78%	3.33%	-0.55

Productivity indexes

(€ milion)

	PERIOD		CHANGE	
	2011	2010	ABSOLUTE	%
Turnover/employee	124.0	118.1	5.9	+5.0%
Brokering margin/employee[2]	0.73	0.72	0.01	+1.5%

Equity coefficients

(€ milion)

	DATA AT		CHANGE	
	12.31.2011	12.31.2010	ABSOLUTE	%
Supervised assets	335	301	+34	11.1%
Total risk-weighted assets	5,707	4,548	+1,159	25.5%
Core Tier 1	4.33%	4.64%	-0.31%	
Supervised assets/total weighted assets	5.86%	6.62%	-0.76%	

1 The assets used in the report correspond to the end-of-period figure (excluding period profits)

2 The indicators are calculated net of extraordinary interest (default interest registered over the period)

Directors' report (Continued)

The external scenario

Macroeconomic situation

2011 began with promising indications regarding worldwide growth. Recovery saw progress in line with expectations and with encouraging signals on the sustainability front. These prospects for growth started to deteriorate in the second quarter, when the first signs of a worldwide, economic slowdown began to appear and become more marked in August due to growing tension on financial markets linked to the worsening sovereign debt crisis in the Euro area, undermining the confidence and credit costs of both consumers and companies. The escalation of the debt crisis over the following months induced Euro-zone countries to stipulate an agreement for recapitalising European banks, together with a new inter-government fiscal pact with stricter taxation rules, and to decide to anticipate the launching of a European mechanism aimed at achieving stability (ESM). This was accompanied by noteworthy, fiscal consolidation measures in countries considered more vulnerable and by Central European Bank provisions for supporting liquidity in the banking sector. After a significant slowdown phase, 2011 closed with the first hints of stabilisation. With respect to inflation the more highly developed countries saw larger stability in the second half of the year, while emerging countries, whose existing levels were, however significantly high, registered a slowdown over the last months of the year.

In the Euro area, the growth rate for 2011 reached an overall 1.5% compared to the 1.8% of 2010. To be more specific, economic growth, after a relatively favourable first six months which saw a 2.0% (annualised rate) increase in the gross domestic product, registered a downswing in the second half of the year. The loss of confidence on the part of investors boosted spreads between Italian and Spanish bonds and German State securities up to record levels, forcing their respective governments to undertake serious fiscal consolidation and causing funding difficulties for the entire banking sector. All this led to repercussions on consumer and companies' confidence and funding costs and, as a result, on the real economy. èThe gross domestic product grew by a mere 0.1% in the third quarter (-0,2% in Italy) and 0.3% (0,7% in Italy) in the last three months of the year. During December, however, the first signs indicating larger stability in economic activities became apparent. Inflation, after reaching a 3.0% peak in November, started a slowdown trend dropping in December to 2.7%.

With respect to monetary policy the Central European Bank, due to growing tensions on the financial markets and worsening prospects for economic growth, reduced the reference rate by 25 basic points in November and December, lowering it from 1.50% to 1.00%. The CEB also announced a series of extraordinary measures aimed at ensuring the proper functioning of monetary policy transmission channels, i.e. the introduction of long-term funding operations with one and three-year durations, of a new programme for purchasing covered bonds, and the relaxing of the regulations governing collateral.

The banking context

Towards the end of 2011 the go-slow trend in the Euro-zone 's private credit sector increased significantly, in line with the general slowdown of economic activities, which probably touched its lowest point in the last few years of 2011, and also with the severely stricter, allocation guidelines relevant to family and company loans. The banks participating in the Banking Credit survey, conducted by the Central European Bank, emphasised the fact that the considerably more restricting terms and conditions applied to the offer during the last quarter of 2011, chiefly affected the significant difficulties pertinent to collection by banks from markets, and also led to increasing credit risks.

In the Euro-zone, in the last two months of 2011, on the whole, bank loans to the private sector (families and companies) indicated a marked slowdown, with an annual growth rate of around 1.0% in December compared to the higher expansion rate (2.5%) registered over the entire year.

The dynamics inherent to credit expansion in the private sector has proved to be particularly weak in Italy, where banks have suffered more directly from the counterblows of the sovereign debt deterioration, with obvious effects as regards a distinct stiffening, in the last quarter of 2011, of the terms and conditions governing loans, which reached levels near to those observed after the Lehman collapse.

As a result loans to the private sector showed, in December, an annual growth rate of only 1.8%, a far cry from the almost 7% annual expansion rate achieved in February 2011. More in detail, loans to families continued to decelerate, reaching an annual 4.3% in December (compared to the annual 8.4% in February 2011, while the growth rate concerning loans to companies, after indicating a tendency to recover during the year, dropped considerably, precisely during the last two months of 2011, reaching in December an annual 3.1%.

The ongoing progress relevant to the collection system employed by banks, even though in general it highlighted a slight recovery in the second half of 2011 in the Euro-zone, confirmed its larger weakness in Italy. In particular, the slowdown in customers deposits chiefly reflected the tendency to contraction showed by current account deposits (around -3% annually in December) and a deceleration in refundable accounts with prior notice deposits which increased, on an annual basis, only by 1.7% in December (from the +5.4% of December 2010). Both forms of collection from retail customers were heavily affected by the ongoing deterioration in Italian families' saving potential, in the extremely weak context relevant to available income.

In the last few months of 2011, bank rates in Italy, both lending and borrowing, were characterised by a further upswing trend, in line with the increased costs for bank provisioning.

The factoring market

Although the macroeconomic scenario is still critical, the factoring market has shown larger resistance when compared to banks. On the basis of the data furnished by the category association Assifact (from a 34 associates sample) turnover indicated a strong upswing compared to 2010 (+23,5%), the outstanding and funded grew, respectively, by +12,7% and +13%. The considerable, annual changes were explained by the product's characteristic connotation as an alternative and trading risk management financial instrument (the latter having grown significantly over the last two years).

The market has confirmed its highly competitive and concentrated trend. Indeed, notwithstanding the entry of new operators, the first four hold a market portion of the turnover amounting to 66.4%, an upswing compared to the 65.6% of the previous year. Bank-based companies have, however, shown lower turnover increases compared to captive companies (+22.6% against +29.4%), diminishing their market portion to 86.6% compared to the 87.3% of 2010.

Company activities

UniCredit Factoring is the Italian company, belonging to the UniCredit Group, which specialises in the no-recourse and with-recourse purchase of commercial receivables assigned by customers who, besides optimising their Equity structure, are able to take advantage of a series of correlated services, comprising the collection, management and insurance of such receivables.

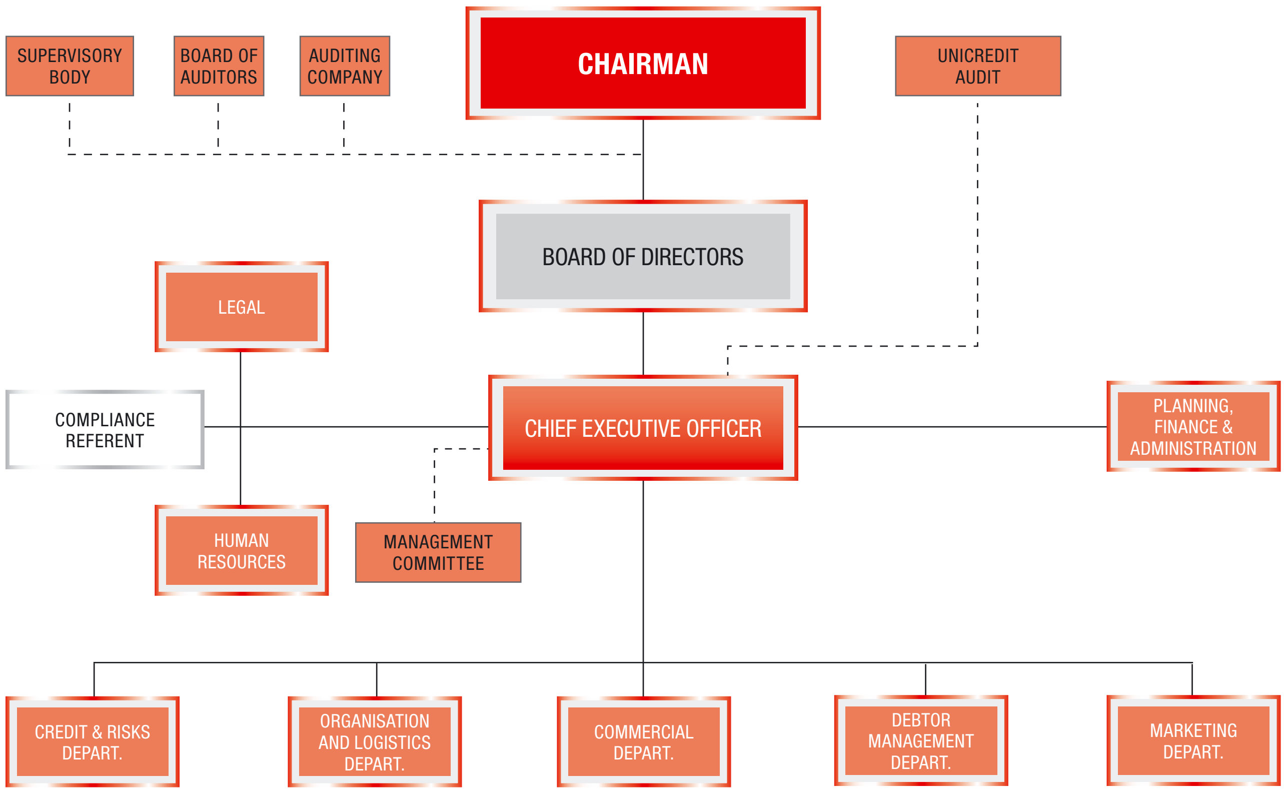
Our company is active on both the domestic and cross-border markets. For both types of transactions it is supported by our Group-owned banks, due to the solid cooperation developed between our own and Group-run trading networks.

Organisational structure

UniCredit Factoring forms part, as does Leasing and Consumer Finance, of the Holding's "Family & SME" Division.

The organizational structure of the Company, illustrated here below, after the in-depth review carried out in 2010, has been further developed to improve the efficiency of the Company's operating processes, in line with Group strategies.

The subdivision of turnover by Product and Branch is indicated in the following tables:



Directors' report (Continued)

We underline, in particular, as regards the Commercial Department, its re-organisation in 8 commercial areas, compared to the previous 4, created to ensure improved coverage for the entire domestic territory. The new network structure is indicated here below:

Trade network

TERRITORIAL AREAS	TRADING POINTS
Milan	Milan
Lombardy	Milan
North West	Turin
North East	Verona Padua
Emilia Romagna	Bologna
Centre North	Florence Ancona
Centre South	Rome
South	Naples Bari Potenza Palermo

Within the framework of this department two new Organisational structures have been implemented to guarantee and develop synergies with the Group as regards "Family and SME (small and medium enterprises) and "Corporate & Investment Banking".

Inside the Credit and Risks Department, the credit allocation structure has been renewed with the introduction of the Credit Operations Management, characterised by the same logic employed by our company and by the Group in coordinating channels and trading activities. The structures, under the management of the Credit Operations Department, include the following:
- CIB Underwriting Organisational Unit;
- F&SME Underwriting Organisational Unit;
- Public Underwriting Organisational Unit;
- Portfolio Team;
- Loan Administration Team.

During the period, also the Debtor Management Department undertook in-depth reorganisation in order to increase efficiency and effectiveness levels as regards collection with a view to facing the critical macro-economic context, by:
- introducing new and more stringent temporal periods for intervention and the activation of analytic, control instruments;
- strengthening of, which/quantities of resources;
- activating a systematic phone collection operation run by the Group's Customer Recovery Service.

The entire series of activities implemented allowed us to chalk up an appreciable improvement in collection temporal periods and, as a result, a significant reduction in the past due Total receivables.

In conclusion, with respect to the Organisational and Logistics Department, the computer area development sector was strengthened in order to support the Company and conduct it towards efficiency and updating standards regarding the technical-productive process, fundamental for the performance of the strategic plan.

Resources

UniCredit Factoring's workforce, at 31st December 2011, numbered 217 "full time equivalent" units, with a net increase of 14.6% compared to the previous year, and aimed at a well-balanced strengthening of the Network and Business roles, as well as the completion of the Governance structures. This increase was also the result of stronger selection, management, training and resources development activities.

The following tables indicate the breakdown of our Company's workforce by age, profile and gender.

As regards the age group a significant increase was registered in the 31 to 40 age group. The average age of our employees, around 44 years, has remained substantially the same as at the end of 2010.

By age group

	12.31.2011		12.31.2010		CHANGE	
	FTE	BRCKDN %	FTE	BRCKDN %	ABSOLUTE	%
Up to 30 years	17	7.8%	16	8.4%	+1	+6.3%
From 31 to 40 years	68	31.4%	49	25.7%	+19	+39.8%
From 41 to 50 years	89	40.9%	86	45.5%	+3	+3.2%
Over 50 years	43	19.9%	39	20.4%	+5	+11.9%
Total	**217**	**100.0%**	**190**	**100.0%**	**+28**	**+14.6%**

Regarding profiles, over the year the number of managerial executives (1st and 2nd levels) increased, together with the professional areas, whereas the number of managers remains the same.

By category

	12.31.2011		12.31.2010		CHANGE	
	FTE	BRCKDN %	FTE	BRCKDN %	ABSOLUTE	%
Managers	15	6.9%	15	8.0%	0	-1.3%
4th and 5th level executives	57	26.2%	55	29.0%	+2	+3.4%
1st and 2nd level executives	54	24.7%	41	21.5%	+13	+31.4%
Professional profiles	92	42.3%	79	41.5%	+13	+16.9%
Total	**217**	**100.0%**	**190**	**100.0%**	**+28**	**+14.6%**

The ratio women/men continues to represent the attention paid by UniCredit Factoring to the insertion of female resources, with a view to sustaining the Group's Gender Diversity projects. In this respect we underline our Company's female resources' participation initiatives such as Woman Value and UWIN - UniCredit Women's International Network.

Women/men

	12.31.2011		12.31.2010		CHANGE	
	FTE	BRCKDN %	FTE	BRCKDN %	ABSOLUTE	%
Women	73	33.8%	62	32.6%	+12	+18.6%
Men	144	66.2%	128	67.4%	+16	+12.7%
Total	**217**	**100.0%**	**190**	**100.0%**	**+28**	**+14.6%**

Resources: Training and development

With respect to training, activities were developed along 4 directives: on-the-job training, technical-specialised, managerial and obligatory.

On-the-job training

For on-the-job training the "Cross Skills" project is ongoing and dedicated to our Account Managers and in general to human resources.

Hired in 2011. The project aims, through full immersion into the chief company Departments, at encouraging the rapid insertion into the roles of the various professional profiles and at promoting a culture of transversal collaboration between the various company functions.

In 2011 the "Cross Know-how" project was launched, foreseeing the temporary interchanging of roles between 2 colleagues holding positions with responsibilities. The purpose of the project is to offer our colleagues involved a concrete, in-depth overview of activities specifically strategic to the Company, thus encouraging, at the same time, a formative and developing action in relation to areas subject to professional improvement, "cross" or interdisciplinary skills and a 360° vision of Company's operating activities as regards managerial role profiles.

Technical-specialist training:

This type of training, besides the "Fine Tuning of credit and trading activities" training stream, addressed to the Factoring experts in the trading and credit field (with themes such as "Factoring Sector regulations", "Valuation of basic and advance risks" and "Balance-sheet analysis", focused in 2011 on the "on demand" requirements which emerged during that year.

By way of example we indicate the theme dealt with in various "UCF factoring product courses: book-keeping, identification and balance-sheet", "The risk centre: basic course:" and "The accounts matrix in financial companies".

Manager training

In 2011 the training of managers was, on the other hand, addressed to the development of Leadership skills, according to the guidelines of the Group's New Competency Model, as well as to the start-up of a stream concerning the management of collaborators and feedbacks, in cooperation with UniManagement.

Obligatory training

Considering the specific importance of the themes relating to obligatory training, together with courses in e-learning modes, in 2011 a person-participation, in-depth route was undertaken. Various key figures were, in fact, requested to take part in courses for the in-depth study of themes such as "Administrative responsibility ex Legislative Decree 231/01" or "Anti-recycling legislation pursuant to Legislative Decree 231/07: applicative profiles".

Directors' report (Continued)

Marketing

Customer care and innovative projects

Without prejudice, as regards the services offered, to our primary objective which is to guarantee more and more attention to the end-client, 2011 was characterized by a further two strategic guidelines: emphasising collaboration and synergy with the Bank network and dealing, in the best way possible, with the turbulence disturbing the markets.

To simplify collaboration with our customer companies, we substantially overhauled our internet website as regards both consultancy and implementation.

Collaboration with the Bank's network was significantly increased in order to offer the end-client a mix of solutions to satisfy the latter's needs, also in this financially problematical period.

We implemented innovative price-determining methods in order to continue to offer to our customers the best possible service at best possible price. This allowed us to bolster our partnership relations with our customers giving them the ongoing benefit of a form of funding otherwise no longer accessible.

Finally we were able to keep open a privileged channel with State Organisations which allowed us, even when the Country's risk profile was de-classified, to continue to guarantee regular payment flows to State Organisation suppliers, effectively sustaining small and medium firms during this negative, economic conjuncture.

Customer care

Even though the economic situation is problematical, we have confirmed our desire to pay in-depth and systematic attention to our customers by means of annual surveys on Customer Satisfaction.

The 2011 survey was carried out using online interviews with a structured questionnaire which 2,130 client companies were invited to compile. 487 customers responded to the initiative with a redemption rate of 27% (2 percent points less than the 2010 survey).
The analysis evaluated various themes such as:

- verification of the state of relations between clients and Company in terms of the satisfaction and image perceived;
- verification of the customer experience through the quality perceived in relation to all the components of the service model and product offer;
- identification, from the customer's viewpoint, of the Company's strengths and weaknesses in comparison with other, market-based competitors;
- verification of the degree of appreciation of various innovations applied, i.e. WEB implementation; automation of collection processes versus State Organisations and the introduction of CIB and F&SME trade channels on the basis of our Bank's network realities;
- definition of priorities as regards the improvement of business relations.

The results of the survey supplied an, on the whole, positive, satisfaction index of (71) - a 3 percent improvement on the 2010 figure.

The improvement of the satisfaction index was the same for both channels, proving that their introduction was properly communicated to and received by customers.

The percent increase of very satisfied clients was 11.8% (ex 9.3%) and the decrease in the dissatisfied client figure - 9% (ex 13%) indicates that the actions undertaken to improve the service offered were appreciated by our customers.

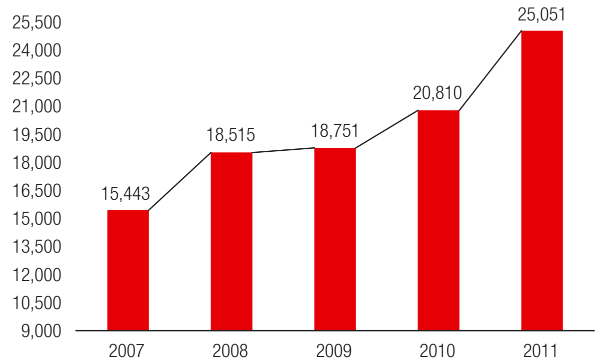
This positive result commits our entire Company more and more to a process of qualitative development targeting a further reduction in the number of real and perceived disservices, as well as to the ongoing upgrading of overall service quality through innovation and computer-system development.

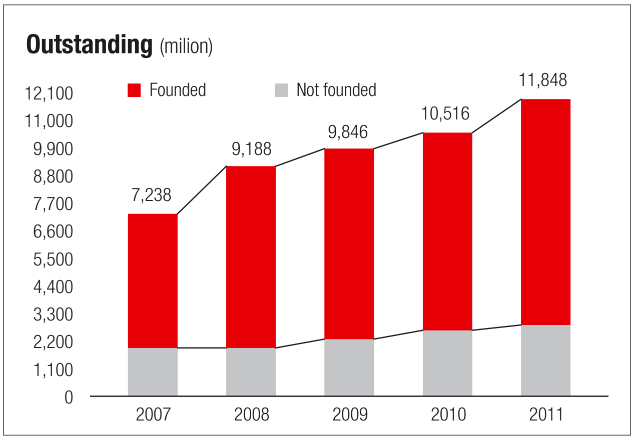
Turnover and total credit

In terms of turnover the Company registered an overall financial flow of 25,051 million Euros - a 20.4% growth compared to 2010, also thanks to increasingly close collaboration with Group networks. Company's market portion now stands at 14.8%.

During 2011 new clients were acquired generating turnover for 2.2 billion.

Turnover (milion)





As regards Outstanding and Funded, the Company kept its first place on the market and registered a significant upswing (respectively +12.7% and +14.0% compared to quantities at end of 2010.

As highlighted in the following table, with-recourse transactions represented around two thirds of both turnover and Total receivables. The evolution compared to the previous year emphasises more dynamic growth in non-recourse transactions as regards turnover against a reduction in these operations on the total outstanding at end of year due not only to closer average maturities, but also to collections on the initial Total receivables.

(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ABSOLUTE	%
Turnover	**25,051**	**100.0%**	**20,810**	**100.0%**	**+4,241**	**+20.4%**
non-recourse	9,261	37.0%	7,105	34.1%	+2,157	+30.4%
with-recourse	15,790	63.0%	13,705	65.9%	+2,084	+15.2%
Outstanding	**11,848**	**100.0%**	**10,516**	**100.0%**	**+1,332**	**+12.7%**
non-recourse	4,143	35.0%	3,954	37.6%	+189	+4.8%
with-recourse	7,705	65.0%	6,562	62.4%	+1,143	+17.4%

Turnover per product indicated, alongside traditional transactions, a consistent quota represented by definite credit purchases, reserved chiefly to assignors claiming receivables from State Organisations. These registered a 25.5% increase compared to the previous year. Maturity factoring also showed a significant upswing (+26.6%).

(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ABSOLUTE	%
Turnover	**25,051**	**100.0%**	**20,810**	**100.0%**	**+4,241**	**+20.4%**
traditional	14,267	56.9%	12,199	58.6%	+2,068	+16.9%
definite and discounted purchase	7,343	29.3%	5,805	27.9%	+1,538	+26.5%
guarantee only	659	.6%	608	2.9%	+51	+8.4%
maturity	2,783	11.1%	2,197	10.6%	+585	+26.6%

The sharing of turnover between domestic and international remained stable, compared to the previous year, with a domestic quota of over 90%.

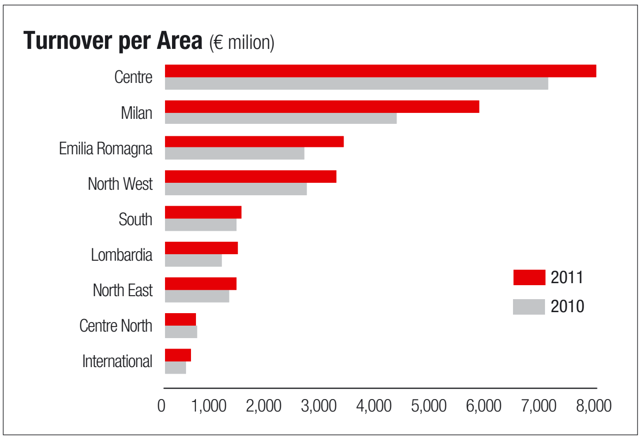
(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ABSOLUTE	%
Turnover	**25,051**	**100.0%**	**20,810**	**100.0%**	**+4,241**	**+20.4%**
Domestic	23,204	92.6%	19,276	92.6%	+3,928	+20.4%
Import	231	0.9%	205	1.0%	+27	+13.1%
Export	1,616	6.5%	1,330	6.4%	+286	+21.5%

Directors' report (Continued)

In conclusion, regarding territorial dimensions, the Centre and Milan areas alone generate slightly more than half of the overall turnover. In percent terms growth rates considerably higher than average growth rates were registered in the Milan, Emilia Romagna, Lombardy and International areas.

Finally, the following table indicates the sharing of the Total receivables by sector and branch of debtor's financial activity. As regards these sectors, the non-financial companies (5.608 million) represent the largest component with a 47.3% quota, on the increase by 2 points over the year, whereas State Organisations (4,860 million), including the Central State, Local Agencies, ASL (health bureaus) and other State Agencies, reduce the impact on the total by almost 4 points.



Total receivables by debtor's financial sector

(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ABSOLUTE	%
State organisations	4,860	41.0%	4,715	44.8%	+145	+3.1%
financial companies	204	1.7%	196	1.9%	+8	+3.9%
non-financial companies	5,608	47.3%	4,749	45.2%	+859	+18.1%
family producers	56	0.5%	62	0.6%	-7	-10.8%
family consumers	1	0.0%	1	0.0%	0	-19.8%
non-profit institutes	172	1.5%	183	1.7%	-11	-5.9%
rest of the world	891	7.5%	608	5.8%	+284	+46.7%
Other	56	0.5%	1	0.0%	+55	n.s.
Total receivables	**11,848**	**100.0%**	**10,516**	**100.0%**	**+1,332**	**+12.7%**

As regards by branch sharing of financial activities of debtor counterparts, contemplating only "non-financial companies" and "family businesses", the highest concentration concerned energy products, trade services, recoveries and remedies, transport means and other sales-based services.

Total receivables by debtor's financial activity sector

(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ABSOLUTE	%
agriculture, forestry, fishing	14	0.2%	8	0.2%	+6	+78.1%
energy	1,234	21.8%	878	18.3%	+356	+40.5%
minerals, iron metals and other	348	6.1%	156	3.2%	+192	+123.2%
minerals and non-metal, mineral-based products	19	0.3%	8	0.2%	+11	+140.5%
chemicals	47	0.8%	31	0.6%	+16	+51.5%
metal products exc. machinery and transport means	88	1.6%	43	0.9%	+46	+106.7%
industrial and agricultural machinery	206	3.6%	198	4.1%	+8	+4.2%
office machines	166	2.9%	159	3.3%	+7	+4.3%
electrical machinery and supplies	116	2.1%	118	2.4%	-1	-1.1%
transport means	633	11.2%	563	11.7%	+70	+12.4%
foodstuffs, beverages, tobacco	218	3.9%	162	3.4%	+56	+34.5%
textiles, leather, shoes, clothing	49	0.9%	36	0.8%	+13	+35.7%
paper, printing products publishing sector	53	0.9%	55	1.1%	-2	-3.8%
rubber, plastic	18	0.3%	13	0.3%	+5	+37.7%
other industrial products	33	0.6%	33	0.7%	0	-0.8%
building and public works	160	2.8%	223	4.6%	-63	-28.2%
business services, recoveries, remedies	1,077	19.0%	816	17.0%	+261	+32.0%
hotel and public agency services	23	0.4%	33	0.7%	-10	-30.5%
internal transport services	149	2.6%	161	3.3%	-12	-7.3%
maritime, air-related services	12	0.2%	7	0.1%	+5	+70.4%
transport-related services	52	0.9%	92	1.9%	-40	-43.8%
communications	406	7.2%	541	11.2%	-135	-25.0%
other sales-based services	542	9.6%	477	9.9%	+65	+13.5%
Total non-financial companies and family businesses	**5,663**	**100.0%**	**4,811**	**100.0%**	**+852**	**+17.7%**

Receivables

The amount of receivables, net of adjustment funds, stood at around 9,051 million, a 13.6% increase compared with the previous year thanks to the upswing in turnover. The most significant component, amounting to 95.4%, was represented by receivables versus customers, registering a 10.6% increase. The financial agencies' portion also rose considerably from 1.6% to 4.1% of the total, while the figure representing credit agencies, despite a percent change of 63%, remained marginal (0.5%).

Receivables

(€ milion)

	12.31.2011		12.31.2010		CHANGE	
	AMOUNT	BRCKDN %	AMOUNT	BRCKDN %	ASBOLUTE	%
Receivables from banks	44	0.5%	27	0.3%	+17	+63.5%
Receivables from financial agencies	369	4.1%	126	1.6%	+243	+193.7%
Receivables from customers	8,639	95.4%	7,813	98.1%	+826	+10.6%
Total Receivables	**9,051**	**100.0%**	**7,965**	**100.0%**	**+1,086**	**+13.6%**
of which:						
with-recourse advances	*2,382*	*26.3%*	*1,868*	*23.5%*	*+514*	*+27.5%*
with-recourse advances (ex formal non-recourse)	*1,489*	*16.5%*	*1,239*	*15.6%*	*+250*	*+20.2%*
advances on contracts	*65*	*0.7%*	*155*	*1.9%*	*-90*	*-58.0%*
non-recourse receivables	*3,874*	*42.8%*	*3,660*	*45.9%*	*+214*	*+5.8%*
deferred receivables	*883*	*9.8%*	*700*	*8.8%*	*+183*	*+26.1%*
impaired receivables	*252*	*2.8%*	*265*	*3.3%*	*-14*	*-5.2%*
other receivables	*107*	*1.2%*	*78*	*1.0%*	*+30*	*+38.1%*

Directors' report (Continued)

With-recourse and on-agreement advances, all in all amounting to 43.5% of the receivables registered in the balance sheet, showed considerably more dynamic progress compared to the total receivables, thus contributing to the improvement of the portfolio's risk profile.

Growth regarding non-recourse receivables, on the other hand, was more restrained - (+5.8% -), thus reducing their impact on the total by around 3 points (42.8% at 31st December 2011). With respect to this category, moreover, re-composition is ongoing, in favour of definite purchase receivables, equal to 3,021 million at end of 2011 and on the increase, to the detriment of the non-recourse transactions with sum advances, equal to 852 million at end 2011 - a 12% reduction compared to 2010.

From the viewpoint covering the quality of the assets, impaired receivables at balance-sheet value dropped to around 14 million in the recently ended year (from 26.4 million at end 2010 to 251.6 million at end 2011), thanks to the increase in adjustment funds and the transfers to losses which more than compensated for the increase in gross receivables. The hedge ratio of the value adjustments, including transfers to losses, on the contrary, rose from 23.95% to 33.13%.

The following table highlights the significant reduction in non-performing and doubtfuls as to balance-sheet values, only partially compensated by the increase in past due receivables.

Impaired receivables

(€ milion)

	NON-PERFORMING					TOTAL IMPAIRED	
	BALANCE-SHEET	INCL. TRANSFER TO LOSSES	DOUBTFUL	RE-STRUCTURED RECEIVABLES	PAST DUE RECEIVABLES	BALANCE-SHEET	INCL. TRANSFERS TO LOSSES
Situation at 12.31.2011							
Face-value	98.9	181.0	147.3	-	48.1	**294.3**	**376.3**
impact on total receivables	*1.08%*		*1.61%*	-	*0.53%*	**3.23%**	
Value adjustments	19.1	101.1	22.8	-	0.9	**42.7**	**124.7**
in relation to face-value	*19.25%*	*55.85%*	*15.46%*	-	*1.77%*	**14.50%**	**33.13%**
Balance-sheet value	79.9	79.9	124.5	-	47.2	**251.6**	**251.6**
impact on total receivables	*0.88%*		*1.38%*	-	*0.52%*	**2.78%**	
Situation at 12.31.2010							
Face-value	100.0	158.1	171.1	7,0	12.8	**290.8**	**348.9**
impact on total receivables	*1.25%*		*2.13%*	*0.09%*	*0.16%*	**3.63%**	
Value adjustments	7.9	66.0	16.8	0,5	0.2	**25.5**	**83.6**
in relation to face-value	*7.92%*	*41.77%*	*9.83%*	*7.00%*	*1.72%*	**8.75%**	**23.95%**
balance-sheet value	92.0	92.0	154.3	6.5	12.5	**265.4**	**265.4**
impact on total receivables	*1.16%*		*1.94%*	*0.08%*	*0.16%*	**3.33%**	

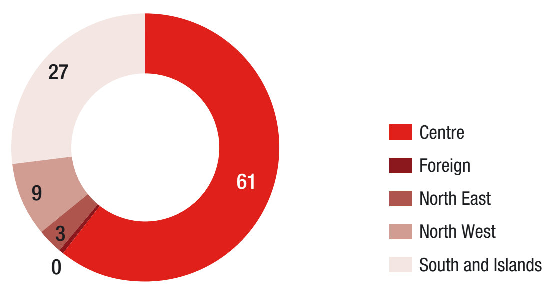
The non-performing at balance-sheet values dropped over the twelve months from 92 million to 79.9 million with respect to absolute value and from 1.16% to 0.88% as to total receivables. The hedge ratio, considering adjustments and transfers to losses, rose from 41.77% at end 2010 to 55.85% at December 2011.

During 2011, 52 new positions became non-performing, for an overall face-value of 21.8 million (net of depreciation for 6.9 million) faced by reserves for 6.3 million.

Distribution by geographic area of the non-performing showed a net predominance of such positions in the centre and South.

Also the doubtful positions indicated a significant reduction between the end of 2010 and end 2011 dropping from 154.3 million to 124.5 million in terms of balance-sheet value and from 1.94% to 1.38% compared to total receivables.

Overdue by geographic area (%)



During 2011 79 new positions became doubtful, for an overall face-value of 35.6 million, covered by reserves for 9.6 million.

Objective doubtfuls amounted to a total 65, for an overall 78.1 million, covered by reserves for 1.7 million.

Distribution of the doubtfuls by geographic area showed a net predominance of the centre, South and islands.

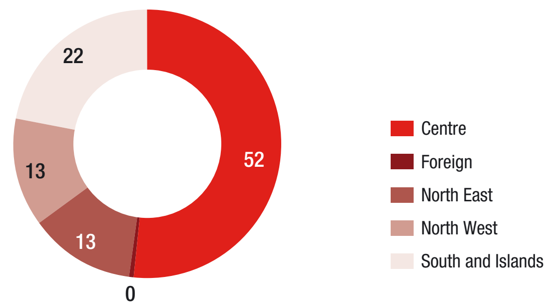
At the end of 2011 there were no re-structured positions (at end 2010 there was only one exposure amounting to about 7 million).

Past due positions exceeding 180 days, considering a deteriorating economic scenario, and identified as around 217 by the Bank of Italy, amounted to a nominal 48.1% (12.8 million at end 2010.

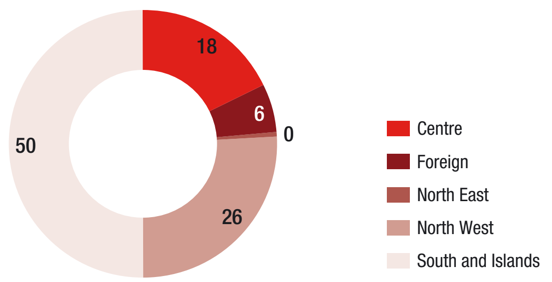
Distribution of past due receivables by geographic area showed strong concentration in the South and islands followed by the North West.

The lump-sum fund on performing receivables rose from 27.2% in 2010 (0.35% on total receivables) to 29.9 million in 2011 (0.34% on total receivables). The level of hedging for performing receivables takes into account exposures versus State Organisations (around f41% of the total receivables versus State Organisation debtors).

Doubtfuls by geographic area (%)



Past-due by geographic area (%)



Risk management and control methods

The Loans and Risks Department supervises the processes relating to the valuation/measuring/monitoring of risks and guarantees overall governance through an optimised composition of the portfolio and the containment of correlated costs.

For the proper management of credit risks, in line with the organisation model adopted by the Holding, the Company has designed the organisation structure of our Company by separating the assigned customers' acquisition and management procedures from those related to debtor management, entrusting the decision-making faculties to the Loans and Risks Department which also supervises the systematic monitoring and Risk management activities.

The faculty to grant loans is also attributed to the Board of Directors and the Credits Committee, as well as to the Chief Executive Officer, the Vice-Director Generals and, for limited amounts, to the Commercial Structure.

Regarding market risks, the product's characteristics and the operational modes implemented allow us to circumscribe the risk assumed within restricted levels.

The Company's assets, characterized chiefly by short-term entries, make for minimum exposure to interest-rate changes because, in general, our Company operates by:
- Periodically updating the variable rates to match the same due dates as the provisions;
- Applying fixed rates based on the cost of the provision (definitely purchased receivables).

At the same time the liquidity profile is mitigated by associating financial flow maturities with collection.

The Company performs, on an exclusive basis, sale activities relating to commercial receivables (banking book) and, therefore, does not operate in financial instruments, unless with marginal hedges performed with derivative instruments, acquired exclusively by Group desks, in order to sterilise the interest risk on receivable entries with maturities exceeding 18 months.

The assigned receivables registered in UCF's receivables in foreign currency are speculatively covered by same value liabilities. This operational method allows us to minimise exchange risks.

For more detailed information on risks and their relevant hedging policies see the Notes to the Financial Statements (Part D - Section 3).

Directors' report (Continued)

Income Statement and Equity

Income Statement

The Income Statement illustrated here below reflects the reclassification outline adopted by the Group (link-up with balance-sheet outline in Attachment). To implement homogenous comparisons with the previous year a normalised variation was also calculated, sterilising the impact of default interest registered over the two periods (12.7 million in 2010 and 0.2 million in 2011).

Reclassified income statement

(€ milion)

	PERIOD		CHANGE		NORMALISED % CHANGE
	2011	2010	ABSOLUTE	%	
Net interest	81.9	80.4	1.5	+1.9%	+20.8%
Net commission	64.6	58.3	6.2	+10.7%	+10.7%
Trading result and hedging	0.3	0.3	0.0	-9.4%	-9.4%
Balance other revenue/charges	1.0	0.5	0.5	+90.2%	+90.2%
BROKERING MARGIN	**147.7**	**139.5**	**8.2**	**+5.9%**	**+16.3%**
Human resources costs	-19.0	-17.4	-1.6	+9.4%	+9.4%
Other administration costs	-15.2	-13.0	-2.3	+17.5%	+17.5%
Value adjustments to tangible and intang, fixed assets	-0.1	-0.1	0.0	-10.0%	-10.0%
Operating costs	**-34.4**	**-30.5**	**-3.9**	**+12.8%**	**+12.8%**
OPERATING INCOME	**113.3**	**109.0**	**4.3**	**+3.9%**	**+17.5%**
Net adjustments on receivables	-49.5	-51.2	1.6	-3.2%	-3.2%
NET OPERATING INCOME	**63.8**	**57.9**	**5.9**	**+10.2%**	**+40.8%**
Net reserves for risks and charges	-1.6	-4.6	3.0	-65.1%	-65.1%
GROSS PROFITS	**62.2**	**53.3**	**8.9**	**+16.6%**	**+52.7%**
Taxes on income for the period	-26.0	-20.1	-5.8	+29.0%	+68.9%
NET PROFITS	**36.2**	**33.2**	**3.0**	**+9.1%**	**+42.9%**

The positive evolution of our activities sustained the increase in revenue. The brokerage margin raised it to 147.7 million with a 16.3% upswing net of extraordinary interest. This result was achieved with the contribution of 81.9 million - interest margin (+20,8%) and 64.6 million - net commission (+10,7%).

To be more specific, the interest margin's performance benefited not only from increased uses but also from a slight expansion of the overall spread, caused by prompt re-pricing according to risk levels and provision market conditions, together with optimised collection and treasury activities.

Regarding costs, human resources expenses registered a 9.4% increase compared with an annual 14.6% workforce hike.
The gap is explained by the reduction in the variable quota and by the more contained average costs relevant to new entries. All in all, the average, per-unit cost was reduced by 4.7%.

Other administration costs registered a 17.5% increase, in line with the increase in employees and operating activities. There was an upswing, on one side, relevant to expenses linked to the granting/recovery of loans and to marketing upswing and, on the other, for expenses for furniture, also for setting up our new offices in Rome and for back-offices, following the start-up of a new outsourcing service for the collection of the trade receivables purchased.

On the contrary, expenses relating to consultancies and professional services registered a marked downturn.
Overall operating costs stood at 34.4 million, with a 23,3% impact on revenue. The operating income, therefore, stood at 113.3 million, a 17.5% increase compared to the previous year, net of extraordinary interest.

Net adjustments to receivables amounted to 49.5 million, a 3.2% decrease notwithstanding increased uses and the deterioration of the macroeconomic scenario. With respect to average uses the adjustments dropped to 0.75% compared to the 0.83% of 2010.

Gross profits, bearing in mind the net provisions for risks and charges for 1.6 million, amounted to 62.2 million, compared to the 53.3 million of the previous year. By deducting the extraordinary interest from this figure the increase amounts to over 50%.

The fiscal load inherent to the period was particularly high, due to an IRAP hike and to the effects produced by the Robin Hood Tax which affected payable interest, doubling it when compared to 2010. The tax rate amounted, therefore, to 41.8% compared to the 37.7% of the previous year.

After taxes the net profits for the period amounted to 36.2 million, compared to the 33.2 million of 2010.

Net Equity and Equity coefficients

Net Equity, bearing in mind the profit for the period and without dividend distribution, stood at 247 million, against the 211 million at end 2010 (+17,2%). The Supervised Equity, including hybrid capital and subordinated liability instruments for an overall 87 million (90 million at end 2010, stood at 335 million against the 301 million of the previous year.

The evolution of the total weighted assets was influenced by the down-grading of the sovereign debt registered at the beginning of October which led to an increase from 20% to 50% of the weighting of receivables from public sector agencies, including Local Health Bureaus with considerable exposures towards the Company.
The ongoing progress of the weighted assets was also supported by the composition of the growth relating to uses, entirely referable to exposures versus counterparts not belonging to the public sector, which determined an increase in the average weighting, only partially mitigated by the a reduction in past due receivables.

Taking into account such dynamics, the Core Tier 1 dropped from the 4.64% of 2010 to 4.33% at end 2011, whereas the total Equity coefficient remained at 5.86%, compared to the 6.62% of the previous year and a permitted minimum of 4.5%.

Net equity and equity coefficients

(€ milion)

	DATA AT		CHANGE	
	12.31.2011	12.31.2010	ABSOLUTE	%
Net Equity	247	211	+36	17.2%
Hybrid instruments and subordinated liabilities	87	90	-3	-2.9%
Supervisory Equity	335	301	+34	11.2%
Total risk weighted assets	5,707	4,548	+1,159	25.5%
Core Tier 1	4.33%	4.64%	-0.31%	
Supervisory Equity/Total weighted assets	5.86%	6.62%	-0.76%	

Other information

Auditing

With respect to control the Company employees the Internal Auditing Service offered by UniCredit Audit S.C.p.A., a company entirely controlled by UniCredit S.p.A..

In line with the control Plan established for 2011, during the year the Audit Function implemented all the operations foreseen, paying specific attention to the verification of the adequacy of the credit and operating risks linked to the core business, as well as to compliance with external legislation and in conclusion expressed an overall "satisfactory" opinion.

Administrative liability, Legislative Decree nr. 231/2001

With respect to the provisions of Legislative Decree nr.231/01 governing the administrative liability of legal persons, corporations and associations, also without judicial status, in 2011 the activities of the Supervisory Body, constituted in compliance with the foregoing legislation, were ongoing.

The operations carried out included the supervision of the adequacy of and compliance with the Organisational and Management Model, the updating of that Model and the controls stipulated by the supervision plan.

Privacy and protection of personal details

The updating of the "Programme document on security" is in progress, pursuant to the instructions issued by the Holding, even though Legislative Decree nr.5 of February 2012 - at present about to become law - has eliminated the relevant obligation.

Business Continuity

As foreseen by the Bank of Italy legislation and in harmony with the indications issued by the Holding, our Company approved and activated the Operational Continuity Plan which takes account of the chief crisis/disaster scenarios and identifies, as regards each and every potentially damaging event, the solutions to be adopted to guarantee an adequate operational continuity in acceptable, deterioration conditions. The principle guidelines indicated by the Plan foresee the distribution of the critical activities, in each prospective case, pinpointed as regards the Company's offices (headquarters in Milan and secondary location in Rome), together with the use of resources belonging to those offices, periodically updated and possessing the necessary skills, capable of intervening rapidly to replace the units unable to operate in the disaster struck location.

The environment and work safety

Also in 2011 the updating of the activities governed by Legislative Decree 81/2008 was ongoing, in harmony with the guidelines indicated by the Holding. The convention was renewed with the physician responsible for the health supervision activities stipulated by law.

Directors' report (Continued)

The activities programmed in relation to safety and hygiene for the protection of health continued with periodic surveys to verify the situation relevant to already consolidated structures.

Also the training programmes for employees responsible for managing emergencies continued, i.e. fire-fighting, first-aid and appointees - together with the health control programme for "video-terminal appointees" and a training programme for newly nominated appointees was set up.

Operations with correlated parties

With respect to business relations with the Holding and with other companies belonging to UniCredit Group, we refer you to the relevant table illustrated in the Notes to the Income Statements (Part D - Other Information - Section 6 - Operations with correlated parties).

Own shares or portfolio shares belonging to the Holding

The Company does not hold, and has not held during the period, under any title whatever, own shares or shares belonging to the Holding.

Research and development

During the period no investments were made as regards research and development.

Financial instruments

At 31st December 2011 the Company possessed derivative financial instruments for the hedging of interest-rate risks.
More detailed information on the management policy relating to financial risks and the composition of the derivative portfolio are illustrated in the Notes to the Financial Statements.

The Holding: management and coordination

We underline that, pursuant to articles 2497 and subsequent of the Civil Code, the Company is subject to the management and coordination of UniCredit S.p.A.; the Notes to the Financial Statements (Part D - Other Information - Section 6) illustrate the business relations existing between whoever exercises management and coordination activities and the other companies thereto subject. The Attachments to the Notes to the Financial Statements include a statement summarising the principle data pertaining to the Holding.

We specify, moreover, that the Company has adhered to the funded fiscal debt adopted by the Group.

Indications on secondary, registered offices

The Company has no secondary, registered offices.

Significant events subsequent to end of period and expected management evolution

Significant events following closure of the fiscal year

After the closure of the year no significant facts occurred which might affect the balance-sheet illustrated herein.

Expected management evolution

The end of 2011, with operating levels lower than expected, determined a downturn in the prospects for 2012, for Italy in particular which expects to see a reduction in gross domestic product amounting to 1-1.5% of the average annual datum. This contraction reflects not only the weakness of family consumption, chiefly influenced by tax measures, but also investments which suffered from particularly severe financial conditions around the end of they year.
Prospects depend mainly on the evolution of the sovereign debt crisis which, if positive, could also lead to the normalisation of the financial and credit markets.
To be more specific, with respect to the factoring sector, the relevant operators' expectations, reported in January, are still positive, even if re-dimensioned compared to those registered three months before. Turnover growth compared to 2011 is, in fact, still expected to be over 8%, a value amply higher, in any case, than the figure foreseen for short-term uses in the banking sector.
In this, contrast-ridden scenario, the Company is committed to an ambitious growth project, as foreseen by the tri-annual plan presented last autumn and confirmed by the budget targets for the current year. As mentioned in the premise, the Company is investing in resources, processes and instruments in order to sustain this development. Collaboration with the Holding is a particularly important area, characterised above all by the setting up of shared, commercial operations and the search for further synergies, also aiming at the ulterior improvement of the costs/revenue ratio.
The results of these first two months are positive and allow us to look with confidence to our prospects for the rest of the year, although great attention must be paid to the evolution of financial activities and to possible impacts on demand and credit value.

Milan 23rd March 2012

Chief Executive Officer Ferdinando Brandi	For the Board of Directors The Chairman: Cesare Caletti

Proposals submitted to the Shareholders' Meeting

The fiscal year Balance-Sheet, including the report on management which we submit to your approval, was audited by KPMG S.p.A, pursuant to the Shareholders' Meeting resolution of 30th March 2004.

Furthermore, we propose the sharing of the period's profits, amounting to 36,231,542 Euros, as follows:

to the Legal Reserve	Euro 1,811,577
to other Reserves	Euro 34,419,965

Milan, 23rd March 2012

Chief Executive Officer
Ferdinando Brandi

For the Board of Directors
The Chairman: Cesare Caletti

Balance-Sheet Analysis

Balance-Sheet Analysis

Statement of Financial Position

Eurovalues

ASSETS	12.31.2011	12.31.2010
10. Cash at bank and in hand	2,324	3,100
40. Financial assets available for sale	394	405
60. Assets:	9,050,813,996	7,964,900,978
From banks	43,537,767	26,620,088
From financial institutes	368,770,771	125,555,512
From customers	8,638,505,458	7,812,725,378
80. Adjustment to value of financial receivables subject to generic hedging (+/-)	1,653,402	1,181,390
100. Tangible assets	251,305	341,880
120. Fiscal assets	8,836,687	9,457,878
a) current	-	4,078,383
b) prepaid	8,836,687	5,379,495
140. Other assets	16,649,681	19,226,997
TOTAL ASSETS	**9,078,207,789**	**7,995,112,628**

Statement of Financial Position

Eurovalues

LIABILITIES AND NET EQUITY	12.31.2011	12.31.2010
10. Payables	8,546,560,686	7,474,219,825
To banks	8,419,642,547	7,338,258,454
To financial institutes	6,193,530	2,553,599
To customers	120,724,609	133,407,772
20. Outstanding securities	77,213,822	77,163,875
50. Hedging derivates	1,781,919	1,272,301
70. Tax payables	25,270,027	-
a) current	23,867,630	-
b) deferred	1,402,397	-
90. Other liabilities	165,906,120	217,833,210
100. Human resources severance fund	2,344,348	2,137,559
110. Provision for risks and charges	11,909,089	11,495,622
b) Provisions	11,909,089	11,495,622
120. Share capital	114,518,475	114,518,475
150. Share premiums	951,314	951,314
160. Reserves	95,520,447	62,324,331
180. Profit (Loss) for the period	36,231,542	33,196,116
TOTAL LIABILITIES AND NET EQUITY	**9,078,207,789**	**7,995,112,628**

Income Statement

Eurovalues

ITEMS	2011	2010
10. Receivable interest and assimilated revenues	169,675,469	123,525,580
20. Payable interest and assimilated charges	(87,822,727)	(43,179,176)
INTEREST MARGIN	**81,852,742**	**80,346,404**
30. Commission income	73,518,563	65,379,371
40. Commission costs	(8,961,759)	(7,056,452)
NET COMMISSION	**64,556,804**	**58,322,919**
50. Dividends and assimilated revenues	-	5
60. Net result from trading assets	293,332	323,440
BROKERING MARGIN	**146,702,878**	**138,992,768**
100. Net value adjustments for impairment of:	(49,527,299)	(51,150,085)
a) financial assets	(49,527,299)	(50,850,085)
b) others financial assets	-	(300,000)
110. Administration costs:	(34,259,633)	(30,361,903)
a) staff costs	(19,015,107)	(17,392,387)
b) other administration costs	(15,244,526)	(12,969,516)
120. Net value adjustments/write-backs to tangible assets	(91,540)	(102,405)
150. Net allocations to provisions for risks and charges	(1,593,509)	(4,559,999)
160. Other revenues and operating charges	966,826	506,921
OPERATING RESULT	**62,197,723**	**53,325,297**
PROFIT (LOSS) FROM CURRENT ASSETS BEFORE TAXES	**62,197,723**	**53,325,297**
190. Income tax on financial year revenue from current operations	(25,966,181)	(20,129,181)
PROFIT (LOSS) FROM CURRENT ASSETS AFTER TAXES	**36,231,542**	**33,196,116**
PROFIT (LOSS) FOR THE YEAR	**36,231,542**	**33,196,116**

Statement of Comprehensive Income

Eurovalues

ITEMS	2011	2010
10. Profit (Loss) for the period	36,231,542	33,196,116
120. Overall profitability (ITEM 10+110)	36,231,542	33,196,116

Balance-Sheet Analysis (Continued)

Statement of changes in Shareholders' equity at 31st December 2011

	BALANCE AT 12.31.2010	CHANGES IN OPENING BALANCES	BALANCE AT 01.01.2011	ALLOCATION OF RESULT PREVIOUS YEAR	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share Capital	114,518,475	-	114,518,475	-	-
Share premiums	951,314	-	951,314	-	-
Reserves:					
a) profits	62,324,331	-	62,324,331	33,196,116	-
b) others	-	-	-	-	-
Valuation reserves	-	-	-	-	-
Capital instruments	-	-	-	-	-
Own shares	-	-	-	-	-
Profit (Loss) for the year	33,196,116	-	33,196,116	(33,196,116)	-
Net Equity	**210,990,236**	**-**	**210,990,236**	**-**	**-**

Statement of changes in Shareholders' equity at 31st December 2010

	BALANCE AT 12.31.2009	CHANGES IN OPENING BALANCES	BALANCE AT 01.01.2010	ALLOCATION OF RESULT PREVIOUS YEAR	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share Capital	114,518,475	-	114,518,475	-	-
Share premiums	951,314	-	951,314	-	-
Reserves:					
a) profits	37,163,897	-	37,163,897	25,160,434	-
b) others	-	-	-	-	-
Valuation reserves	-	-	-	-	-
Capital instruments	-	-	-	-	-
Own shares	-	-	-	-	-
Profit (Loss) for the year	47,797,807	-	47,797,807	(25,160,434)	(22,637,373)
Net Equity	**200,431,493**	**-**	**200,431,493**	**-**	**(22,637,373)**

Eurovalues

	CHANGES DURING YEAR							
		EQUITY TRANSACTIONS						
	CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORDINARY DISTRIBUTION OF SHARES	CHANGES TO CAPITAL INSTRUMENTS	OTHER CHANGES	OVERALL PROFITABILITY FOR THE YEAR 2011	NET EQUITY AT 12.31.2011
	-	-	-	-	-	-	-	114,518,475
	-	-	-	-	-	-	-	951,314
	-	-	-	-	-	-	-	95,520,447
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	36,231,542	36,231,542
	-	**-**	**-**	**-**	**-**	**-**	**36,231,542**	**247,221,778**

Eurovalues

	CHANGES DURING YEAR							
		EQUITY TRANSACTIONS						
	CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORDINARY DISTRIBUTION OF SHARES	CHANGES TO CAPITAL INSTRUMENTS	OTHER CHANGES	OVERALL PROFITABILITY FOR THE YEAR 2010	NET EQUITY AT 12.31.2010
	-	-	-	-	-	-	-	114,518,475
	-	-	-	-	-	-	-	951,314
	-	-	-	-	-	-	-	62,324,331
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	33,196,116	33,196,116
	-	**-**	**-**	**-**	**-**	**-**	**33,196,116**	**210,990,236**

Balance-Sheet Analysis (Continued)

Statement of Cash Flows (Direct Method)

Eurovalues

	AMOUNT	
	12.31.2011	12.31.2010
A. OPERATING ASSETS		
1. MANAGEMENT	**85,389,095**	**88,755,410**
- interest income collected	169,675,469	123,525,580
- interest paid	(87,822,727)	(43,179,176)
- dividends and similar revenues		
- net commission	64,556,804	58,322,919
- staff costs	(19,015,107)	(17,392,387)
- other costs	(15,244,526)	(12,969,516)
- other revenues	1,260,158	830,361
- taxes	(28,020,976)	(20,382,371)
2. CASH FLOW GENERATED/ABSORBED BY FINANCIAL ASSETS	**(1,105,002,363)**	**(423,506,175)**
- Financial assets available for sale	11	(162)
- Receivables from banks	7,336,577	15,721,131
- Receivables from financial institutes	(243,215,259)	297,218,726
- Receivables from customers	(875,307,379)	(720,059,181)
- others assets	6,183,687	(16,386,689)
3. CASH FLOW GENERATED/ABSORBED BY FINANCIAL LIABILITIES	**1,043,867,713**	**355,286,685**
- payables to banks	1,081,384,093	208,448,212
- payables to financial institutes	3,639,931	(1,054,691)
- payables to customers	(12,683,163)	26,278,238
- Outstanding securities	49,947	12,883
- others liabilities	(28,523,095)	121,602,043
NET CASH FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES	**24,254,445**	**20,535,920**
B. INVESTMENT ASSETS		
2. CASH FLOW ABSORBED BY:		
- tangible assets purchase	(965)	(2,495)
NET CASH FLOW GENERATED/ABSORBED BY INVESTMENT ACTIVITIES	**(965)**	**(2,495)**
C. FUNDING ASSETS		
- distribution of dividends and other purposes	-	(22,637,373)
NET CASH FLOW GENERATED/ABSORBED BY FUNDING ACTIVITIES	**-**	**(22,637,373)**
NET CASH FLOW GENERATED/ABSORBED OVER THE YEAR	**24,253,480**	**(2,103,948)**

Reconciliation

Eurovalues

	AMOUNT	
	12.31.2011	12.31.2010
Cash at bank and in hand at start of year	3,561,128	5,665,076
Total net cash-flow generated/absorbed during the year	24,253,480	(2,103,948)
Cash at bank and in hand at end of year	27,814,608	3,561,128

Notes to the Financial Statements

Part A - Accounting Standards

Part A - Accounting Standards

A.1 - General

Section 1 - Declaration of compliance with International accounting standards

The balance-sheet at 31st December 2011was drawn up according to international IAS/IFRS book-keeping guidelines, ratified by the European Commission, including the relevant interpretations indicated by the International Financial Reporting Interpretation Committee (IFRIC), as stipulated by Community regulation nr. 1606 of 19th July 2002, applied in Italy by Legislative Decree nr. 38 of 2005, which governing the entry into force of the IAS/IFRS international book-keeping principles and subsequent amendments and supplements.

The balance-sheet was prepared on the basis of the outlines illustrated in the instructions attached to the Governor of the Bank of Italy's provision of 16th December 2099 "Instructions for the drafting of the balance-sheets of financial brokers registered in the Special list, of electronic money Institutes 8IMEL), of Savings management companies (SGR) and of Brokerage companies (SIM), which have totally replaced the instructions attached to the Regulations of 14th February 2006.

Section 2 - General drafting standards

The preparation of the financial statements at 31st December 2011 pertaining to Uniicredit Factoring S.p.A. was carried out, as mentioned above, in compliance with the international book-keeping standards (IAS/IFRS), ratified by the European Commission. The balance-sheet is made up of the Asset and Liability Statement, the Income Statement, the Statement of Overall Profitability, the Cash-flow Statement and the Statement of Net Equity Changes. It includes the Directors' Report on the ongoing performance of the management. The position was drawn up in Euro units and corresponds to the company accounting which faithfully reflects the transactions undertaken during the period.

Drafting was implemented on a going-concern basis and corresponds to standards of competency, relevance and significance of the book-keeping information and of the prevalence of economic substance over legal form. The informative details relating to the Cash flow statement were drafted on a cash-flow basis.

The costs and revenues, assets and liabilities were not offset, unless otherwise indicated by an accounting standard and/or by the relevant interpretation, in order to render the annual financial statements clearer and more representative.

The balance-sheet and Notes to the Financial Statements outlines indicate the corresponding comparisons with the previous year.

The balance-sheet at 31st December 2011 was drafted clearly and presents a true and faithful representation of the asset and liability position, the financial position and the financial result pertaining the period, together with the changes in the Company's Net Equity and cash-flows.

No exceptions the IAS/IFRS book-keeping standards were applied in the balance-sheet.

Section 3 - Events subsequent to the reference date pertaining to the balance-sheet

After the date of closure of the period no significant events occurred which might lead to the adjustment of the results report in the balance-sheet at 31st December 2011.

Section 4 - Other aspects

This balance-sheet was audited by KPMG S.p.A , pursuant to Legislative Decree nr. 39 of 27th January 2010 and in execution of the Shareholders' meeting resolution of 3rd March 2004, extended on 17th April 2007.

Risks and uncertainties connected with the use of estimates

In conformity with the IAS/IFRS standards the company management must formulate valuations, estimates and hypotheses which influence the application of the accounting standards and the amounts inherent to the assets, liabilities, costs and revenue reported in the balance-sheet. The estimates and relevant hypotheses are based on previous experience and on other factors considered reasonable as regards the case in question. They were adopted in order to estimate the book value of those assets and liabilities not easily deducible from other sources.

In particular, estimation procedures were adopted to support the registration values.

Such estimates and hypotheses are regularly reviewed. Possible variations resulting from such reviews are reported in the period when the review is carried out, should the latter concern that period only. If the revision concerns both current and future periods, the variation is reported in the period when such revision takes place and in the relevant future periods.
The risk of uncertainty as regards estimation is substantially inherent to:
- receivables;
- severance funds and other benefits owed to employees;
- funds for risks and charges.

A.2 - Relating to principle balance-sheet items

The guidelines adopted for evaluating the more significant items are illustrated here below:

1) Receivables

The receivables are made up of non-derivative financial assets, versus customers and banks, with fixed or determinable payments, unlisted in an active market.

The first registration of a receivable takes place at the date of assignment following the signing of the agreement (in case of non-recourse assignment), and coincides with the date of allocation as regards with-recourse.

The receivable is registered on the basis of its fair-value, amounting to the sum allocated (with-recourse) or the face-value of the receivable purchased (non-recourse).

After the initial registration at fair-value, inclusive of the transaction costs which are directly chargeable to the acquisition of the financial assets, the receivables are valued at depreciated cost.

Factoring operations are is characterised, to be extremely brief, by exposures versus assignors, representing loans granted against with-recourse assignments and exposures versus assigned debtors representing the value of the acquired receivables against non-recourse assignments.

Within the framework of IAS 39 the foregoing operating activities entails, as regards the assignor company and the Factoring Company, the valuation of the existence or not of the conditions required by the mentioned international accounting standard governing the implementation of the so-called de-recognition.

In point of fact, in conformity with the general principle of the prevalence of economic substance over legal form, a company can cancel a financial asset from its balance-sheet only if, as a result of an assignment, it has transferred the risks and benefits connected with the instrument assigned.

IAS 39 foresees, in fact, that a company may cancel a financial asset from its balance-sheet if and only if:
a) the financial asset is transferred together with substantially all the associated risks, and if the contractual rights to the cash flows deriving from the asset expire;
b) the benefits associated with the ownership of the asset no longer apply.

To evaluate the effective transfer of the risks and benefits the assignor's exposure must be compared to the variability of the current value or of the financial flows generated by the financial asset transferred, before and after the assignment.

The assignor substantially maintains all the risks and benefits whenever its exposure to the 'variability' of the current value of the future net cash flows relating to the financial asset does not change significantly after its transfer. Conversely, transfer takes place when exposure to this 'variability' is no longer significant.

The most common forms of assignment of a financial instrument may entail considerably different book-keeping effects:
- when, in a non-recourse assignment (with no guarantee whatever) the assets assigned may be cancelled from the assignor's balance-sheet;
- when, in a with-recourse assignment it is probable that in the majority of cases the risk connected with the assigned asset remains with the seller and therefore the assignment does not possess the requisites for the cancellation from the books of the instrument sold.

The Company has recorded among its receivables those purchased with non-recourse subject to the condition that there are no contractual clauses preventing the which cancel the effective, substantial transfer of all the risks and benefits. With respect to the portfolio assigned with-recourse, the receivables are registered and maintained in the balance-sheet exclusive as regards the sums allocated to the assignor as advance payments for the valuable consideration.

To be more specific:
a) the receivables assigned with-recourse and "legal" non-recourse" (without cancellation by the assignor) are recorded only on the basis of the amounts paid to the assignor as advance payments of the valuable consideration, including accrued interest and commission, and the first entry is registered on the basis of the consideration prepaid to the assignor against assignment of the receivables.
b) the receivables conclusively purchased without recourse, with substantial transfer of the overall risks and benefits and the accrued receivables paid at maturity are recorded according to the nominal amount of the invoices assigned (with assignor's de-recognition) and the first entry is recorded at the face-value of the receivable (equivalent to fair-value).
c) the loans allocated against future receivables, not subject to assignments of receivables, together with the instalment loans are recorded according to the value equal to the amount of the loan, including the accrued interest and commission.

At each balance sheet date, if there is objective evidence that loss has been sustained due to impaired receivables, the extent of the loss is measured as the difference between the book value of the asset and the present value of the future, estimated cash flows, discounted back at the original effective interest-rate. In particular, the guidelines for determining the write-downs to be applied to the receivables are based on the discounting back of the expected cash flows from capital and interest, net of collection charges and any advances payments received. The basic elements used to determine the present value of the cash flows are the identification of the estimated proceeds, the related due dates and the discount-back rate to be applied.

Part A - Accounting Standards (Continued)

A receivable is regarded as impaired when the impossibility of collecting the whole amount on the basis of the original contract terms, or of an equivalent value, is considered likely.

The full cancellation of a receivable is acknowledged when it is considered irrecoverable or is totally written off;

According to Bank of Italy rules, impaired exposures are classified on the basis of the following categories:
- Non-performing-receivables – these exposures versus customers (even when insolvency is not legally recognised) or those in similar positions. They are valuated on an analytical basis.
- Doubtful receivables - these are exposures versus customers experiencing temporary difficulties, in expectation of resolution within an reasonable period of time. Moreover, the doubtfuls include exposures, not classified as non-performing and granted to legal persons – not State organisations – which have satisfied both of the following conditions:
  - They have matured and have been past due on an ongoing basis for over 270 days;
  - The overall amount of the exposures indicated in the previous point, including the other quotas past due for less than 270 days versus the same debtor, is equal to at least 10% of the entire exposure versus the foregoing debtor.

The doubtfuls are valuated analytically when particular factors make it advisable, or by analytically applying lump-sum percents, determined according to historic/statistical bases, in the remaining cases.
- Restructured exposures - these are exposures towards counterparts with whom specific postponement agreements have been concluded, with contextual re-negotiation of terms and conditions below market values. They are valuated on an analytical basis.
- Past due exposures - these represent exposures towards counterparts which, at the reference date, present receivables overdue by more than 180 days. They are valuated on a lump-sum basis.

The valuation of the performing receivables involves receivables portfolios presenting no objective evidence of loss. The valuation performed tends, therefore to measure losses already sustained at balance-sheet date . Such valuation tends, therefore, to measure losses already incurred at the balance-sheet date but not yet manifest due to the normal delay between the impairment of the customer's financial position and its classification among the impaired exposures. This delay can be evaluated for the factoring operation in a average 6 to 12 month period. The adjustment to performing credits is, therefore, determined by taking into consideration the corresponding fraction of the expected annual loss. The latter is calculated as produced between the credit exposure - the probable, counterpart default, considered on a one year basis -, and the percent loss should of non-payment occur.

2) Tangible assets

"Assets for instrumental uses" is the definition given to assets with physical consistency, held for use in the production or supply of goods and services or for administrative purposes and considered usable for more than one financial period.

This item comprises: plants and equipment, furniture and fittings.

Tangible assets are initially recorded at cost, including all the charges required to put them to use as regards the asset for which they were purchased (including all the costs directly related to putting the asset to use and to the relevant, irrecoverable purchase tax and duties). This value is subsequently increased by the expenses incurred, from which future profits are expected. Ordinary maintenance costs for the asset are acknowledged in the income statement as soon as they occur. Conversely, extraordinary maintenance costs, which are expected to generate future economic benefits, are capitalised and increase the value of the assets to which they refer.

After initial acknowledgment, operating tangible assets are recorded at cost, net of accumulated depreciation and of possible accumulated impairment. The depreciable amount, corresponding to the cost, less the residual value (i.e. the expected amount normally resulting from the divestment, less the expected divestment costs, assuming that the asset is already in the state, also age-wise, expected at the end of its useful life), is systematically spread, on a straight-line basis as regards depreciation, over the useful life of the tangible asset.

According to standard practice the residual value of depreciable assets is zero.

The useful life, regularly reviewed to determine whether any estimates differ significantly from those previously made, is defined as:
- the period of time over which an asset is expected to remain useable for the company;
- the quantity of products or similar units the company expects to obtain from the use of the asset.

If there is objective evidence that a single asset may have been impaired, the book value of the asset is compared with its recoverable value, which corresponds to the higher between the fair-value, less sale costs, and the related value in use, i.e. the current value of the future cash flows expected to stem from the asset. Possible value adjustments are recorded under the item "net value adjustments/write backs on tangible assets" of the income statement.

If the impairment loss is reversed for an asset previously written-down, the new book value cannot exceed the net book value which would have resulted if no impairment had been acknowledged for that asset during previous years.

A tangible asset is cancelled from the balance sheet at the moment of assignment, or when no future economic benefits are expected from its use. Possible differences between the assignment value and the book value are recorded in the income statement under the item "profits/losses from the assignment of investments".

3) Payables and outstanding securities

Payables and subordinated, issued liabilities are initially recorded at fair-value, which generally corresponds to the consideration received, net of the transaction costs directly attributable to the financial liability. After initial recognition, these instruments are valued at amortised cost, using the effective interest method.

Payables arising from factoring transactions reflect the remaining amount to be paid to the assignors, resulting from the difference between the value of the receivables acquired in non-recourse and the advance payment made.

Financial liabilities are cancelled from the Financial Statements upon settlement or maturity.

Financial liabilities with an under 12 month original duration are recorded at face-value, because the application of the "amortised cost" does not entail significant changes.

4) Hedging activities

The purpose of hedging operations is to neutralise losses, deriving from a specific element (or group of elements) attributable to a specific risk, by means of profits deriving from a different element (or group of elements), should the foregoing risk effectively become manifest. The hedging instruments used by the Company are designed to cover the fair-value of a recognised asset.

Financial hedging derivatives, like all derivatives, are initially recorded and subsequently measured at fair-value and are classified in the Balance sheet assets under item 70 "Hedging derivates" and in the liabilities under item 50 "Hedging derivatives".

As regards general hedging operations the value of the financial assets is recorded in the balance sheet under item 80 "Adjustment to the value of the financial assets subject to generic hedging" and the financial liabilities under item 60 "Adjustment to the value of the financial liabilities subject to generic hedging". Positive adjustment may not be offset by negative adjustment.

An operation qualifies as hedging and is recorded in the accounting, only if the following conditions have been satisfied:
- at the start of the hedging operation there is formal designation, with documentation, of the hedging relations, of the company' objectives relating to the management of the risk and of the strategy underlying the application of the hedging. This documentation includes the identification of the hedging instrument, the element or operation hedged, the nature of the risk covered and how the company valuates the effectiveness of the hedging instrument in offsetting exposure to fair-value changes as regards the element covered;
- hedging is considered to be highly effective;
- hedging effectiveness can be reliably valuated;
- hedging is valuated on a continuity basis and is considered highly effective for all the reference periods for which it was designed.

Hedging is considered highly effective if, both at the beginning and during its useful life, the fair-value changes in the monetary amount hedged are almost totally offset by the fair-value changes in the hedging derivative, i.e. the effective results are between 80% and 125%.

The effectiveness of the hedging is verified during the initial phase and when the annual Financial Statements are drafted by using, respectively, prospective and retrospective tests; the outcome of the latter test justifies the application of hedge accounting because it demonstrates its expected efficiency.

5) Human resources severance fund

The human resources severance fund (TFR) can be considered as a post-employment, defined benefit payment. Consequently, its acknowledgment in the Financial Statements required the estimate - using actuarial methods - of the amount of benefits accrued by employees together with the relevant actualisation. An external actuary was assigned to determine of these benefits using the "projected unit credit method". This method spreads the cost of the benefit uniformly over the employee's working life. Obligations are defined as the discounted-back value of the average future allocations on the basis of the ratio between the years of service matured and the overall seniority reached at the moment of allocation of the benefit.

Following the supplementary insurance reform pursuant to Legislative Decree nr 252 of 5th December 2005 the Severance Fund quotas accrued up to (or up to the date chosen by the employee - between 1.1.2007 and 30.6.2007 - in case of allocation of the employee's severance payment to the Supplementary Insurance) remain with the company and continue to be considered as a "post-employment, defined benefit service" and are, therefore subject to actuarial valuation. However, hypotheses discounting forecasts relevant to future remuneration increases, have been simplified.
The Severance fund quotas accrued as from 1.1.2007 (date of application of Legislative Decree nr. 252) (or from the date falling between'1.1.2007 and 30.06.2007) allocated, at the employee's choice, to supplementary forms of insurance, or left in the company, and transferred by the latter (by companies with more than 50 employees) to the INPS Treasury Fund are, on the contrary, considered as a 'defined contribution' plan.

The costs relating to the severance payments accrued during the period are registered in the Income Statement and include the interest matured over the year (interest cost) on the obligation already existing at the date of the reform. The quotas matured during the year and transferred to the Supplementary Insurance or to the INPS Treasury Fund are reported under the item "Severance Indemnities". The actuarial profits and losses, defined as the difference between the balance-sheet value of the liability and the current value of the obligation at the end of the period, are registered according to the 'corridor' method, i,e, only when they exceed by 10% the current value of the mentioned obligation at the end of the period. Possible surpluses are acknowledged in

Part A - Accounting Standards (Continued)

the Income Statement with depreciation on the average, remaining useful life expected as regards employees participating in the plan, as from the following period. Possible surpluses are acknowledged in the Income Statement with depreciation on the average, remaining useful life expected as regards employees participating in the plan, as from the following period.

6) Funds for risks and charges

Provisions for the Fund for risks and charges are registered in the books if and only if:
- an obligation is in progress (legal or implicit) as the result of a previous event;
- there is likelihood that, in order to fulfil an obligation, the use of resources expected to produce financial benefits becomes necessary;
- a reliable estimate of the amount deriving from fulfilment of the obligation can be produced.

The amount recorded as provision represents the best estimate of the expense required to fulfil the obligation existing at the reference date of the balance-sheet and reflects the risks and uncertainties which inevitably characterize a plurality of facts and circumstances.

The Funds reserved are periodically re-examined and prospectively adjusted to reflect the best, current estimate. Whenever, as a result of the review, sustaining the burden becomes improbable, the provision is written off.

A provision is used only with respect to those charges for which it was originally registered.

Regarding only potential and improbable liabilities, no provision is reported although, in any case, a description of the nature of such liabilities are supplied.

7) Deferred and current taxation

Current taxes relating to the year and to previous years are acknowledged, for the uncollected amount, as liabilities. Any surplus relating to the amount due is recognised as an asset.

Current tax liabilities/assets for the current and previous years are set at the amount expected to be paid/recovered from tax authorities, after application of all the prevailing tax rates and tax regulations currently in force.

A deferred tax liability is recorded for all taxable, temporal differences.

A prepaid tax asset is recognised for all deductible, temporal differences if it is likely that taxable income will be earned against which the prepaid temporal difference may be used.

Prepaid tax assets and deferred tax liabilities are continuously monitored and are quantified on the basis of the tax rates likely to be applied in the year when the tax asset is earned, or the tax liability settled, taking into account the fiscal regulations stipulated by current legislation.
Prepaid tax assets and deferred tax liabilities are neither discounted-back nor offset.

8) Share-based payments

These are payments in favour of employees as consideration for work performed, based on shares representing the Holding company's share capital.
The foregoing payments comprise the assignment of:
a) rights to subscribe share capital increases against payment (known as Stock Options);
b) rights to receive shares on achieving their quantitative/qualitative objectives ("performance shares");
c) shares subject to unavailability clauses (so-called "restricted shares").

Given the difficulty in estimating reliably the fair-value of the benefits received as counterpart for the Holding's Equity instruments, reference is made to the fair-value of the instruments, measured at their assignment date.

The fair-value of the payments made through the share issue is acknowledged as a cost and recorded in the income statement under the item "human resources costs" as offsetting the item "other liabilities", according to the guideline governing competency in proportion to the period in which the service is supplied.

9) Revenue

Revenue, as defined by IAS 18, is represented by the gross inflows of economic benefits deriving from a company's ordinary activities, when such inflows produce Net Equity increases unrelated to the increases deriving from shareholders' contributions and are measured according to their temporal periods.

Revenue is measured at the fair-value of the consideration received or receivable and is recognised in the accounts when it can be estimated reliably.

The outcome of a transaction involving the rendering of services can be estimated reliably when all the following conditions have been met:
- the total revenue can be measured reliably;
- the company will probably profit from the financial benefits associated with the transaction;
- the transaction's completion stage can be measured reliably at balance sheet date; and
- the costs incurred for the transaction and those to be sustained for its completion can be measured reliably.

Revenue is recognised only when the economic benefits associated with the transaction will probably be collected by the company. However, when uncertainty arises regarding the collectability of an amount already included in revenue, the non-collectable amount, or the value whose recovery is no longer probable, is recognised as a cost rather than an adjustment to the revenue originally recorded.

10) Foreign currency transactions

Foreign currency transactions are recognised at the exchange-rate current at the date of the transaction.

The monetary assets and liabilities are converted using the exchange-rate current at closure of the period.

Exchange differences, deriving from the liquidation of the transactions at rates different from those reported at the date of the transaction and exchange-rate differences not performed on monetary assets and liabilities in currency, not yet concluded and different from hedges, are registered under item 80 "Net result of trading activities" of the Income Statement.

11) Other information

Long-term employee benefits

Long-term employee benefits, such as those deriving from length-of-service bonuses allocated on achievement of a pre-defined length of service (25th and 35th year), are recorded under the item "other liabilities - length-of-service bonuses" based on the valuation of the liability assumed at the balance sheet date, determined by an non-Group, external actuary. For this type of benefit the actuarial gains/losses are immediately recorded in the income statement, without using the so-called "corridor method".

A.3 Information on fair-value

This section includes the disclosure on financial instruments subject to reclassification from one portfolio to another, according to the regulations stipulated by IAS 39, together with information on the hierarchy of the fair-value required by IFRS 7.

Fair-value the valuable consideration for which an asset could be exchanged, or a liability cancelled, in a free transaction between fully aware and independent parties.

A.3.1 Transfers between portfolios

The Company has performed no reclassifications of financial instruments between portfolios, either during the period or in previous years.

A.3.2 Fair-value hierarchy

The IFRS 7 standard foresees the classification of instruments subject to valuation a fair-value according to the degree of observability of the inputs used for pricing.

Three levels in particular are foreseen:
Level 1: the fair-value of the instruments classified in this Level is determined on the basis of the quotation prices observed on active markets;
Level 2: the fair-value of the instruments classified in this Level is determined on the basis of valuation model using inputs observable on the market;
Level 3: the fair-value Of the instruments classified in this Level is determined on the basis of valuation model using inputs not observable on the market.

The following table indicates, therefore, the sharing financial asset and liability portfolios at 31st December 2011 valuated at fair-value on the basis of the mentioned levels.

TAB A.3.2.1

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
1 Financial assets held for trading	-	-	-	-
2 Financial assets valued at Fair value	-	-	-	-
3 Financial assets available for sale	-	-	-	-
4 Hedge derivatives	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
1 Financial liabilities held for trading	-	-	-	-
2 Financial liabilities held for trading	-	-	-	-
4 Hedge derivatives	-	1,781,919	-	1,781,919
Tota Liabilities	**-**	**1,781,919**	**-**	**1,781,919**

A.3.3 Information on so-called "day-one profit/loss"

The company carries out no operations entailing the recording of "day-one profit/loss"

Part B - Information on Balance Sheet

Part B - Information on Balance Sheet

Assets

Section 1 - Cash in hand and at bank - Item 10

Breakdown of item 10 "Cash in hand and at bank"

ITEMS/VALUES	12.31.2011	12.31.2010
1.1 Cash and stamp values	2,324	3,100
Total	**2,324**	**3,100**

Section 4 - Financial assets available for sale - Item 40

4.1 Breakdown of item 40 "Financial assets available for sale

	12.31.2011			12.31.2010		
ITEMS/VALUE	LEVEL 1	LEVEL 2	LEVEL 3*	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-
2. Capital securities and OICR quotas *	-	-	394	-	-	405
3. Loans	-	-	-	-	-	-
Total	**-**	**-**	**394**	**-**	**-**	**405**

* The Company has 30 shares in portfolio issued by the following Group controlled compnaies:
nr. 10 shares UniCredit Global Information Services ScpA for 11,34 euros
nr. 10 shares UniCredit Audit ScpA for 220,63 euros
nr. 10 shares UniCredit Business Partner ScpA for 162,22 euros
The shares, not quoted, are valued at cost.

4.2 Financial assets available for sale: breakdown by debtors/issuers

ITEMS/VALUES	12.31.2011	12.31.2010
Financial assets	394	405
a) Governments and central banks	-	-
b) Other public agencies	-	-
c) Banks	-	-
d) Financial agencies	-	-
e) Other issuers	394	405
Total	**394**	**405**

4.3 Financial assets available for sale: annual changes

CHANGES/TYPES	DEBT SECURITIES	CAPITAL AND OICR QUOTAS	LOANS	TOTAL
A. Initial balance	**-**	**405**	**-**	**405**
B. Increases	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-
B.2 Positive fair value changes	-	-	-	-
B.3 Write-backs	-	-	-	-
- Allocated to income statement	-	-	-	-
- Allocated to Net Equity	-	-	-	-
B.4 Transfers to other portfolios	-	-	-	-
B.5 Other changes	-	-	-	-
C. Decreases	**-**	**11**	**-**	**11**
C.1 Sales	-	-	-	-
C.2 Refunds	-	11	-	11
C.3 Negative fair value changes	-	-	-	-
C.4 Write-backs	-	-	-	-
C.5 Cash in hand and at bank	-	-	-	-
C.6 Other changes	-	-	-	-
D. Final balance	**-**	**394**	**-**	**394**

Section 6 - Receivables - Item 60

6.1 "Receivables from banks"

BREAKDOWN	12.31.2011	12.31.2010
1. Deposit and current accounts	**27,812,284**	**3,558,028**
2. Loans	**11,026,249**	**19,078,751**
2.1 Re-purchase agreements	-	-
2.2 Financial leasing	-	-
2.3 Factoring	*11,026,249*	*19,078,751*
- with-recourse	8,057,821	10,570,553
- non-recourse	2,968,428	8,508,198
2.4 Other loans	-	-
3. Debt securities	**-**	**-**
- structures securities	-	-
- other debt securities	-	-
4. Other assets*	**4,699,234**	**3,983,309**
Total balance-sheet value	**43,537,767**	**26,620,088**
Total fair value	***43,537,767***	***26,620,088***

* Versus banks participating in pool transactions.

6.2 "Receivables versus financial agencies"

	12.31.2011		12.31.2010	
BREAKDOWN	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED
1. Loans	**363,619,814**	**172,167**	**124,686,597**	**-**
1.1 Re-purchase agreements	-	-	-	-
1.2 Financial leasing	-	-	-	-
1.3 Factoring	*363,619,814*	*172,167*	*124,652,820*	-
- with-recourse	360,273,517	172,167	122,848,354	-
- non-recourse	3,346,297	-	1,804,466	-
1.4 Other loans	-	-	*33,777*	-
3. Debt securities	-	-	-	-
- Structured securities	-	-	-	-
- other debt securities	-	-	-	-
4. Other assets *	4,978,790	-	868,915	-
Total balance-sheet value	**368,598,604**	**172,167**	**125,555,512**	**-**
Total fair value	***368,598,604***	***172,167***	***125,555,512***	**-**

* The item includes receivables versus financial agencies participating in pool transactions.

Part B - Information on Balance Sheet - Assets (Continued)

6.3 "Receivables versus customers"

	12.31.2011		12.31.2010	
BREAKDOWN	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED
1. Financial leasing	-	-	-	-
of which: no final purchase option	-	-	-	-
2. Factoring	8,350,308,028	249,929,239	7,492,155,010	265,396,314
- with-recourse	3,602,420,943	174,093,795	3,142,450,207	186,982,015
- non-recourse	4,747,887,085	75,835,444	4,349,704,803	78,414,299
3. Consumer credit (including revolving cards)	-	-	-	-
4. Credit cards	-	-	-	-
5. Loans granted for payment services performed	-	-	-	-
6. Other loans*	36,756,444	1,511,747	55,174,054	-
of which: from execution of guarantees and commitments				
7. Debt securities	-	-	-	-
- structured securities	-	-	-	-
- other debt securities	-	-	-	-
8. Other assets	-	-	-	-
Total balance sheet values	**8,387,064,472**	**251,440,986**	**7,547,329,064**	**265,396,314**
Total fair value	**8,387,064,472**	**251,440,986**	**7,547,329,064**	**265,396,314**

* The other loans are made up of invoices issued for receivables versus debtors which have been granted deferred payments.

6.4 “Receivables”: secured assets

	12.31.2011					
	RECEIVABLES VS BANKS		RECEIVABLES VS FINANCIAL INSTIT.		RECEIVABLES VS CUSTOMERS	
	VE	VG	VE	VG	VE	VG
1. Performing assets guaranteed by:	**8,057,821**	**8,057,821**	**360,273,517**	**360,273,517**	**3,680,149,291**	**3,680,149,291**
- Financial leasing assets	-	-	-	-	-	-
- Factoring receivables*	8,057,821	8,057,821	360,273,517	360,273,517	3,602,420,943	3,602,420,943
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	77,728,348	77,728,348
- Derivatives on receivables	-	-	-	-	-	-
2. Impaired assets guaranteed by:	**-**	**-**	**172,167**	**172,167**	**174,093,795**	**174,093,795**
- Financial leasing assets	-	-	-	-	-	-
- Factoring receivables*	-	-	172,167	172,167	174,093,795	174,093,795
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-
- Derivatives on receivables	-	-	-	-	-	-
Total	**8,057,821**	**8,057,821**	**360,445,684**	**360,445,684**	**3,854,243,086**	**3,854,243,086**

VE = balance-sheet of exposures
VG = fair-value of guarantees

* The balance-sheet value of the exposures represents the advance payment to assignors exclusively for with-recourse transactions. The guarantee value represents the total receivables up to the equivalent of the advance payment for with-recourse transactions.

Continued: 6.4 “Receivables”: secured assets

	12.31.2010					
	RECEIVABLES VS BANKS		RECEIVABLES VS FINANCIAL INSTIT.		RECEIVABLES VS CUSTOMERS	
	VE	VG	VE	VG	VE	VG
1. Performing assets guaranteed by:	**10,570,553**	**10,570,553**	**122,848,354**	**122,848,354**	**3,182,734,674**	**3,182,734,674**
- Financial leasing assets	-	-	-	-	-	-
- Factoring receivables*	10,570,553	10,570,553	122,848,354	122,848,354	3,142,450,207	3,142,450,207
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	40,284,467	40,284,467
- Derivatives on receivables	-	-	-	-	-	-
2. Impaired assets guaranteed by:	**-**	**-**	**-**	**-**	**186,982,015**	**186,982,015**
- Financial leasing assets	-	-	-	-	-	-
- Factoring receivables*	-	-	-	-	186,982,015	186,982,015
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-
- Derivatives on receivables	-	-	-	-	-	-
Total	**10,570,553**	**10,570,553**	**122,848,354**	**122,848,354**	**3,369,716,689**	**3,369,716,689**

VE = balance-sheet of exposures
VG = fair-value of guarantees

* The balance-sheet value of the exposures represents the advance payment to assignors exclusively for with-recourse transactions. The guarantee value represents the total receivables up to the equivalent of the advance payment for with-recourse transactions.

Part B - Information on Balance Sheet - Assets (Continued)

Section 8 - Value adjustment to financial assets subject to generic hedging - Item 80

8.1 Breakdown of Item 80 "Value adjustment to financial assets subject to generic hedging"

VALUE ADJUSTMENT TO HEDGED ASSETS	12.31.2011	12.31.2010
1. Positive adjustment	**1,653,402**	**1,181,390**
1.1 of specific portfolios:	1,653,402	1,181,390
a) receivables	1,653,402	1,181,390
b) financial assets available for sale	-	-
1.2 overall	-	-
2. Negative adjustment	**-**	**-**
2.1 of specific porftfolios:	-	-
a) receivables	-	-
b) financial assets available for sale	-	-
2.2 overall	-	-
Total	**1,653,402**	**1,181,390**

Section 10 - Tangible assets - Item 100

10.1 Breakdown of Item 100 "Tangible assets"

ITEMS/VALUTATION	12.31.2011		12.31.2010	
	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED
1. Functional values	**251,305**	**-**	**341,880**	**-**
1.1 owned	**251,305**	**-**	**341,880**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	219,644		295,560	
d) instruments	31,661	-	46,320	-
e) others	-	-	-	-
1.2 purchased in financial leasing	**-**	**-**	**-**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	-	-	-	-
d) instruments	-	-	-	-
e) others	-	-	-	-
Total 1	**251,305**	**-**	**341,880**	**-**
2. Assets referable to financial leasing	**-**	**-**	**-**	**-**
2.1 Unredeemed goods	-	-	-	-
2.2 Goods withdrawn after termination	-	-	-	-
2.3 Other goods	-	-	-	-
Total 2	**-**	**-**	**-**	**-**
3. Asset held for investment	**-**	**-**	**-**	**-**
of which: granted in operating leasing	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
Total (1+2+3)	**251,305**	**-**	**341,880**	**-**
Total (assets at cost and revalued)	**251,305**	**-**	**341,880**	**-**

10.2 "Tangible assets": annual changes

	MOVEMENTS IN 2011					
	LAND	BUILDINGS	FURNITURE	INSTRUMENTAL	OTHER	TOTAL
A.Initial balance	**-**	**-**	**295,560**	**46,320**	**-**	**341,880**
B. Increases	**-**	**-**	**965**	**-**	**-**	**965**
B.1 Purchases	-	-	965	-	-	965
B.2 Write-backs	-	-	-	-	-	-
B.3 Positive changes in fair value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**(76,880)**	**(14,660)**	**-**	**(91,540)**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	-	(76,880)	(14,660)	-	(91,540)
C.3 Adjustments to impaired value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes to fair value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Other changes						
D. Final balance	**-**	**-**	**219,645**	**31,660**	**-**	**251,305**

The depreciation rates used are:
- Electronic machines 20%;
- Furniture and fittings 12%.

Section 12 - Fiscal assets and fiscal liabilities (Item 120 receivable and Item 70 payable)

12.1 Breakdown of item 120: "Fiscal assets: current and advanced"

FISCAL RECEIVABLES	12.31.2011	12.31.2010
a) current	-	4,078,383
b) prepaid	8,836,687	5,379,495
Total	**8,836,687**	**9,457,878**

12.2 Breakdown of item 70 "Fiscal liabilities: current and deferred"

FISCAL PAYABLES	12.31.2011	12.31.2010
a) current	23,867,630	-
b) deferred	1,402,397	-
Total	**25,270,027**	**-**

* UniCredit Factoring S.p.A. adheres to the UniCredit Group's funded fiscal debt. The item current fiscal liabilities is offset with the item current fiscal assets pursuant to IAS 12.

Part B - Information on Balance Sheet - Assets (Continued)

12.3 Changes to advanced taxes (offset in Income Statement)

ITEMS	MOVEMENTS IN 2011	2010
1. Opening balance	**4,787,175**	**4,533,985**
2. Increases	**1,592,398**	**2,347,225**
2.1 Prepaid taxes reported in period	-	2,347,225
a) relating to previous periods	-	-
b) due to changed book-keeping standards	-	-
c) writebacks	-	-
d) others	1,574,357	2,347,225
2.2. New taxes or tax bracket increases	18,041	-
2.3 Other increases	-	-
3. Decreases	**(2,216,182)**	**(2,094,035)**
3.1 Deferred taxes annulled in period	(839,021)	(951,580)
a) re-endorsements	(839,021)	(951,580)
b) write-downs for impossible recovery	-	-
c) due to changed book-keeping standards	-	-
d) others	-	-
3.2 Tax bracket reductions	-	-
3.3 Other decreases	(1,377,161)	(1,142,455)
4. Final balance	**4,163,391**	**4,787,175**

12.4 Changes to deferred taxes (offset in Income Statement)

ITEMS	MOVEMENTS IN 2011	2010
1. Opening balance	**(129,443)**	**(129,443)**
2. Increases	**1,402,397**	**-**
2.1 Deferred taxes reported in period	1,402,397	-
a) relating to previous periods	1,402,397	-
b) due to changed book-keeping standards	-	-
c) others	-	-
2.2. New taxes or tax bracket increases	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**-**
3.1 Deferred taxes annulled in period	-	-
a) re-endorsements	-	-
b) due to changed book-keeping standards	-	-
c) others	-	-
3.2 Tax bracket reductions	-	-
3.3 Other decreases	-	-
4. Final balance	**1,272,954**	**(129,443)**

12.5 Changes to deferred taxes (offset in Net Equity)

ITEMS	MOVEMENTS IN 2011	MOVEMENTS IN 2010
1. Opening balance	**592,320**	**592,320**
2. Increases	**4,262,500**	**-**
2.1 Prepaid taxes reported in period	4,262,500	-
a) relating to previous periods	-	-
b) due to changed book-keeping standards	-	-
d) others	4,262,500	-
2.2. New taxes or tax bracket increases	-	-
2.3 Other increases	-	-
3. Decreases	**(181,524)**	**-**
3.1 Deferred taxes annulled in period	(181,524)	-
a) re-endorsements	(181,524)	-
b) write-downs for impossible recovery	-	-
c) due to changed book-keeping standards	-	-
d) others	-	-
3.2 Tax bracket reductions	-	-
3.3 Other decreases	-	-
4. Final balance	**4,673,296**	**592,320**

The initial balance represents the entity of the asset for prepaid taxes created as regards FTA due to the transition to In International Accounting Standards as offset to Net Equity according to the provisions of IFRS 1.

The increase in delayed taxation offset in Net Equity refers to prepaid taxes (IRES) as regards to fiscal recognition of the Start-up relevant to the purchase of the branch activity “factoring” from UniCredit Medio Credito Centrale S.p.A. implemented fin 2007 on a tax neutrality basis.
The assignment of UniCredit Medio Credito Centrale S.p.A. to Poste Italiane S.p.A., perfected on 1.08.2011, entailed the exit of UniCredit Medio Credito Centrale S.p.A. from the Group’s funded fiscal debt and as a result led to the forfeiting of the facilitated fiscal regime foreseen by art. 123 T.u.i.r..
The cancellation of the foregoing regime entailed, on one side, the emergence, the 2011 period, of a taxable Surplus concerning UniCredit Group’s funded fiscal debt and, on the other, the fact that the same amount will be fiscally acknowledged to UniCredit Factoring S.p.A. under the item Start-up, thus entailing deductibility, pursuant to art. 103 comma 3 T.u.i.r. and art. 6 D.Lgs. 446/1997.

12.6 Changes to prepaid taxes (offset in Net Equity)

ITEMS	MOVEMENTS IN 2011	MOVEMENTS IN 2010
1. Opening balance	**129,443**	**129,443**
2. Increases	**-**	**-**
2.1 Deferred taxes reported in period	-	-
a) relating to previous periods	-	-
b) due to changed book-keeping standards	-	-
c) others	-	-
2.2. New taxes or tax bracket increases	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**-**
3.1 Deferred taxes annulled in period	-	-
a) re-endorsements	-	-
b) due to changed book-keeping standards	-	-
c) others	-	-
3.2 Tax bracket reductions	-	-
3.3 Other decreases	-	-
4. Final balance	**129,443**	**129,443**

The initial balance represents the amount of liabilities based on deferred taxes as regards FTA due to the transition to International Accounting Standards, offset in Net Equity according to the provisions of IFRS 1.

Part B - Information on Balance Sheet - Assets (Continued)

Section 14 - Other assets - Item 140

14.1 Breakdown of item 140 “Other assets”

ITEMS	12.31.2011	12.31.2010
Effects credited sbf to customers awaiting bank collection	15,190,254	8,998,235
Receivables vs tax authorities (inland revenue)	451,099	531,066
Cautionary deposits	3,160	3,160
Advances and subsidies to human resources	892	-
Receivables vs Insurance companies for expected indemnities	130,977	-
Transitory entries	407,560	8,110,331
Other*	122,536	688,941
Improvements to third-party assets**	343,203	895,264
Total	**16,649,681**	**19,226,997**

* This item includes those sums invoiced in advance by other Group-owned companies.

** This item represents the improvements carried out to the premises of our new, third party owned, offices in Via Albricci 10, Milan.

Liabilities

Section 1 - Payables - Item 10

1.1 Payables

ITEMS	12.31.2011 VS BANKS	12.31.2011 VS FINANCIAL INSTITUTES	12.31.2011 VS CUSTOMERS	12.31.2010 VS BANKS	12.31.2010 VS FINANCIAL INSTITUTES	12.31.2010 VS CUSTOMERS
1. Loans	8,419,642,547	-	-	7,338,258,454	-	-
1.1 Re-purchase agreements	-	-	-	-	-	-
1.2 Other loans	8,419,642,547	-	-	7,338,258,454	-	-
2. Other payables	-	6,193,530	120,724,609	-	2,553,599	133,407,772
Total	**8,419,642,547**	**6,193,530**	**120,724,609**	**7,338,258,454**	**2,553,599**	**133,407,772**
Fair Value	**8,419,642,547**	**6,193,530**	**120,724,609**	**7,338,258,454**	**2,553,599**	**133,407,772**

Payables versus banks are chiefly made up of the provisions implemented with the Holding. This item includes two subordinated loans (the first for 5.4 million issued on 22.12.2003 with maturity at 23.12.2013 - at December 2011 the third instalment, 2,7 million was repaid - the second for 5 million issued on 22.12.2003 with maturity at 23.12.2013), together with loans received for participation in pool transactions with UniCredit S.p.A..
"Payables versus customers" ("Other Payables") chiefly represent the difference between total receivables and the amount of valuable considerations already advanced to assignors with respect to non-recourse transactions, amount to 81,717,847 Euros, and the debt exposure versus customers, amounting to 38,724,270 euro.

Section 2 - Outstanding securities - Item 203

2.1 Breakdown of item 20 "Outstanding securities"

LIABILITIES	12.31.2011 BALANCE-SHEET VALUE	12.31.2011 FAIR VALUE L1	12.31.2011 FAIR VALUE L2	12.31.2011 FAIR VALUE L3	12.31.2010 BALANCE-SHEET VALUE	12.31.2010 FAIR VALUE L1	12.31.2010 FAIR VALUE L2	12.31.2010 FAIR VALUE L3
1.Securities	77,213,822	-	-	77,213,822	77,163,875	-	-	77,163,875
- bonds	77,213,822	-	-	77,213,822	77,163,875	-	-	77,163,875
- structured	-	-	-	-	-	-	-	-
- others	77,213,822	-	-	77,213,822	77,163,875	-	-	77,163,875
- Other securities	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
Total	**77,213,822**	**-**	**-**	**77,213,822**	**77,163,875**	**-**	**-**	**77,163,875**

L1 = Level 1
L2 = Level 2
L3 = Level 3
This item is entirely made up of subordinated securities detailed in Section 2.2.

Part B - Information on Balance Sheet - Liabilities (Continued)

2.2 Subordinated securities

The subordinated liabilities are characterised as follows:

		AMOUNT AT 01.01.11	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.11	MATURITY	RATE
capital	Euros	10,000,000	-	10,000,000	03.30.2017	For first 5 yrs: Euribor 6 months + 30 bps from 6° yr, if not repaid in advance: Euribor 6 months + 90 bps
interest	Euros	36,851	15,417	52,268		
Total	**Euros**	**10,036,851**	**15,417**	**10,052,268**		

- Type: infra-group subordinated liabilities LOWER TIER II TV;
- Commencement: 03.30.2007;
- Variable, six-monthly rate: for the first five years Euribor 6 months + 30 bps and as from the sixth year, if not refunded before, Euribor 6 months + 90 bps;
- Refunding: full capital refund at maturity subject to prior Bank of Italy consent;
- Advance refund: subject to Bank of Italy authorisation, having verified market conditions the Company reserves the right to implement, at 60 months after the allocation date pertaining to the loan, and in coincidence with the dates foreseen for interest payment, full refund of all or part of the capital still to be repaid, with prior notice of at least one month;
- Subordination clause: in case of liquidation of the Company or subjection of the latter to solvency proceedings, the debt will be repaid only after all the other, not equally subordinated customers have been satisfied;
- The subordinated debenture debt was underwritten by UniCredit Bank Ireland p.l.c..

		AMOUNT AT 01.01.11	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.11	MATURITY	RATE
capital	Euros	15,000,000	-	15,000,000	03.30.2017	Euribor 6 months + 53 bps
interest	Euros	63,000	24,274	87,274		
Total	**Euros**	**15,063,000**	**24,274**	**15,087,274**		

- Type: hybrid instrument for infra-group Equity-settling UPPER TIER II TV;
- Start-up: 03.30.2007;
- Six-monthly variable rate: Euribor 6 months + 53 bps;
- Refunding: full capital refund at maturity subject to prior Bank of Italy consent;
- Subordination clause: in case of liquidation of the Company or subjection of the latter to solvency proceedings, the debt will be repaid only after all the other, not equally subordinated customers have been satisfied;
- Loss hedging clause: in case of balance-sheet losses determining a decrease in paid-in capital and reserves below the minimum level of capital stipulated for enrolment in the general List ex art. 106 TUB, the sums deriving from the loan and from the accrued interest may be used to offset losses in order to permit the Company to continue its activities;
- In case of negative management performances, the right to remuneration may be suspended to the extent needed to avoid or limit, as far as possible, the emergence of losses;
- The subordinated debenture loan was underwritten UniCredit Bank Ireland p.l.c..

		AMOUNT AT 01.01.11	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.11	MATURITY	RATE
capital	Euros	24,000,000	-	24,000,000	12.14.2017	For first 5 yrs: Euribor 6 months + 100 bps from 6° yr, if not repaid in advance: Euribor 6 months + 160 bps
interest	Euros	25,578	4,743	30,321		
Total	**Euros**	**24,025,578**	**4,743**	**24,030,321**		

- Type: infra-group subordinated liabilities LOWER TIER II TV;
- Start-up: 12.14.2007;
- Variable, six-monthly rate: for the first five years Euribor 6 months + 100 bps and as from the sixth year, if not refunded before, Euribor 6 months + 160 bps;
- Refunding: full capital refund at maturity subject to prior Bank of Italy consent;
- Advance refund: subject to Bank of Italy authorisation, having verified market conditions the Company reserves the right to implement, as from 12.14.2012, and in coincidence with the dates foreseen for interest payment, full refund of all or part of the capital still to be repaid, with prior notice of at least one month;
- Subordination clause: in case of liquidation of the Company or subjection of the latter to solvency proceedings, the debt will be repaid only after all the other, not equally subordinated customers have been satisfied;
- The subordinated debenture debt was underwritten by the Holding.

		AMOUNT AT 01.01.11	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.11	MATURITY	RATE
capital	Euros	28,000,000	-	28,000,000	12.14.2017	
interest	Euros	38,446	5,513	43,959		Euribor 6 months + 165 bps
Total	**Euros**	**28,038,446**	**5,513**	**28,043,959**		

- Type: hybrid instrument for infra-group Equity-settling UPPER TIER II TV;
- Start-up: 12.14.2012;
- Six-monthly variable rate: Euribor 6 months + 165 bps;
- Refunding: full capital refund at maturity subject to prior Bank of Italy consent;
- Subordination clause: in case of liquidation of the Company or subjection of the latter to solvency proceedings, the debt will be repaid only after all the other, not equally subordinated customers have been satisfied;
- Loss hedging clause: in case of balance-sheet losses determining a decrease in paid-in capital and reserves below the minimum level of capital stipulated for enrolment in the general List ex art. 106 TUB, the sums deriving from the loan and from the accrued interest may be used to offset losses in order to permit the Company to continue its activities;
- In case of negative management performances, the right to remuneration may be suspended to the extent needed to avoid or limit, as far as possible, the emergence of losses;
- The subordinated debenture loan was underwritten by the Holding.

Section 5 - Hedge derivatives - Item 50

5.1 Breakdown of item 50 "Hedge derivatives"

NOTIONAL VALUE/ FAIR VALUE LEVELS	12.31.2011				12.31.2010			
	FAIR VALUE				FAIR VALUE			
	L1	L2	L3	FV	L1	L2	L3	FV
A. Financial derivatives	-	1,781,919	-	75,748,755	-	1,272,301	-	88,585,436
1 Fair value	-	1,781,919	-	75,748,755	-	1,272,301	-	88,585,436
2 Financial flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	**-**	**1,781,919**	**-**	**75,748,755**	**-**	**1,272,301**	**-**	**88,585,436**
B. Credit derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Financial flows	-	-	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**1,781,919**	**-**	**75,748,755**	**-**	**1,272,301**	**-**	**88,585,436**

L1= Level 1
L2= Level 2
L3= Level 3
FV = face value.

Part B - Information on Balance Sheet - Liabilities (Continued)

5.2 Breakdown of item 50 “Hedge derivates”: hedged portfolios and types of hedging

	FAIR VALUE						FINANCIAL FLOWS		
	SPECIFIC					GENERIC	SPECIFIC	GENERIC	
TRANSACTIONS/TYPES OF HEDGING	RATE RISK	EXCHANGE-RATE RISK	CREDIT RISK	PRICE RISK	OTHER RISKS				FOREIGN INVESTMENTS
1. Financial assets available for sale	-	-	-	-	-	-	-	-	-
2. Receivables	-	-	-	-		1,781,919	-	-	-
3. Financial assets held till maturity	-	-	-	-	-	-	-	-	-
4. Portfolio	-	-	-	-	-	-	-	-	-
5. Other transactions	-	-	-	-	-	-	-	-	-
Total assets	**-**	**-**	**-**	**-**	**-**	**1,781,919**			
1. Financial liabilities	-	-	-	-	-	-	-	-	-
2. Portfolio	-	-	-	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**			
1. Expected transactions	-	-	-	-	-	-	-	-	-
2. Portfolio of financial assets and liabilities	-	-	-	-	-	-	-	-	-

The derivatives hedging risk rates are implemented chiefly as regards transactions with maturities exceeding 18 months consisting of the Company's portfolio.

Section 7 - Fiscal liabilities - Item 70

For this item see 12 - Fiscal assets and fiscal liabilities.

Section 9 - Other liabilities - Item 90

9.1 Breakdown of item 90 “Other liabilities”

ITEMS	12.31.2011	12.31.2010
Credits awaiting attribution*	61,169,957	167,206,285
Account for reserved transfers**	37,165,956	6,225,517
Effects awaiting debiting	-	-
INPS and INAIL contributions to be paid	632,654	510,761
Taxes and withholdings to be paid	689,514	582,555
Remuneration to be paid to human resources ***	7,271,314	7,527,101
Unenjoyed holidays	385,080	269,536
Suppliers: invoices to be received and/or paid	9,923,092	8,581,615
Transitory entries to be allocated	15,850,026	9,550,626
Other current liabilities ****	32,818,527	17,379,214
Total	**165,906,120**	**217,833,210**

* This item includes takings received from debtors, to be re-allocated to their respective credit positions.
** The amount is made up of transfers reserved to assignors not yet performed by the bank.
*** The amount is made chiefly made up of provisions to the premium system, exit incentives and third party human resources.
**** Deferred earnings relating to interest and commission collected by customer in advance.

Section 10 - Human resources severance fund - Item 100

10.1 "Human resources severance fund": annual changes

ITEMS	MOVEMENTS IN 2011	2010
A.Initial balance	**2,137,559**	**2,041,384**
B. Increases	**524,128**	**304,030**
B.1 Provision for the period	110,665	133,787
B.2 Other increase changes	413,463	170,243
C. Decreases	**(317,339)**	**(207,855)**
C.1 Liquidations performed	(292,577)	(162,676)
C.2 Other decrease changes	(24,762)	(45,179)
D. Final balance	**2,344,348**	**2,137,559**

10.2 Other information

The human resources severance fund is included in the defined plans and benefits and therefore determined according to the actuarial method illustrated in the accounting policies. The following table indicates the actuarial hypotheses and the reconciliation between the present value of the fund and the relative liabilities registered in the balance-sheet.

DESCRIPTION OF MAIN ACTUARIAL HYPOTHESES	
Actualisation rate	4.50%
Expected inflation rate	2.00%

values in euro thousands

RECONCILIATION, BETWEEN CURRENT VALUE OF FUNDS, CURRENT VALUE OF SERVICE PLAN ASSETS AND ASSETS AND LIABILITIES REPORTED IN BALANCE-SHEET	
Current value of defined benefits plan - TFR	2,419
Un-reported actuarial Profits (Losses)	(75)
Net lliabilities	2,344

The human resources severance fund (TFR) can be considered as a post-employment, defined benefit payment. Consequently, its acknowledgment in the balance-sheet required the estimate - using actuarial methods - of the amount of benefits accrued by employees together with the relevant discounting-back.

Following the supplementary insurance reform pursuant to Legislative Decree nr. 252 of 5th December 2005, the TFR portions accrued up to 12.31.2006 remained with the company, whereas the TFR portions accrued as from 1st January 2007 were, on the employee's-choice basis (exercised within 06.30.2007), allocated to forms of supplementary insurance or to the INPS Treasury Fund.

As a result:
The TFR Fund accrued up to 31.12.2006 (or as from the date of choice – made between 01.01.2007 and 06.30.2007 - by the employee relating to allocation of his/her TFR to the Supplementary Insurance) continues to be a "defined benefit" plan and consequently subject to actuarial valuation, although the actuarial hypotheses have been simplified and no longer comprise forecasts on expected remuneration increases.

The portions accrued at 01.01.2007 (or as from the date of choice - made between 01.01.2007 and 06.30.2007 - by the employee relating to allocation of his/her TFR to the Supplementary Insurance) were considered as a 'defined contribution plan' (because the Company's obligation ceases when the TFR portions accrued are transferred to the fund chosen by the employee) and, consequently, the relevant cost entailed during the period amounts to the sums transferred to the Supplementary Insurance or to the INPS Treasury Fund.

The costs relating to the TFR accrued over the year were registered under Item 10 a) "Human Resources Costs" and include the interest accrued during the year (interest cost) on the obligation already extant at the date of the Reform, together with the portions accrued over the year and transferred to the Supplementary Insurance or to the INPS Treasury Fund.

The actuarial profits/losses, defined as the difference between the balance-sheet value of the liability and the present value of the obligation at end-of-period, were registered according to the "corridor" method, i.e. only when they exceed 10%of the present value of the obligation at closure of the previous period. Any possible excess is acknowledged in the Income Statement with depreciation of the average residual working life expected for the human resources participating in the plan, as from the subsequent period.

Part B - Information on Balance Sheet - Liabilities (Continued)

Section 11 - Funds for risks and charges - Item 110

11.1 Breakdown of item 110 “Funds for risks and charges”

ITEMS	12.31.2011	12.31.2010
Fund for revocatory actions	7,249,292	6,535,632
Fund for staff claims	141,000	141,000
Fund for legal charges	52,000	137,958
Fund for Intesa Mediofactoring guarantee	59,057	59,057
Fund for outstanding lawsuits	553,367	765,000
Fund for Poligrafico risks and charges	2,546,601	2,405,508
Other risks fund	1,307,772	1,451,467
Total	**11,909,089**	**11,495,622**

The Company is currently involved in outstanding and revocation lawsuits for an overall, maximum risk amounting to 21.1 €/millions (33.3 million euros at end 2010) covered by funds for 8 €/millions (7.6 €/millions at end 2010), which represents the best estimate of the costs our Company expects to sustain to cover the foregoing risks. and by a release from liability issued by MCC for 1.2 €/millions.

The guarantee fund Intesa Mediofactoring represents our risk quota in a pool transaction, (the latter derives from the ex MCC Factoring branch). As pool participants, with no receivables reported in the balance-sheet, as a cautionary measure provision was made for allocation to the funds for risks and charges to hedge prospective defaults.

The Poligrafico-based fund for risks and charges was created following payment by part of the Istituto Poligrafico e Zecca dello Stato S.p.A., (Poligraphic Institute and State Mint) due to the granting of the temporary execution of the enforcement order obtained by us. This is a pool transaction led by our Company and the amount allocated concerns our portion of the interest paid by the Poligrafico with express repetition reserve at the outcome of the pending lawsuit.

11.2 Changes in the period item 110 “Funds for risks and charges”

	MOVEMENTS IN	
ITEMS	2011	2010
1. Initial balance	**11,495,622**	**7,387,534**
2. Increases	**1,715,807**	**4,713,529**
Fund for revocatory actions	750,000	2,370,000
Fund for staff claims	-	141,000
Fund for legal charges	-	52,000
Fund for outstanding lawsuits	468,409	605,000
Fundfor Poligrafico risks and charges	141,093	94,062
Other risk funds	356,305	1,451,467
3. Decreases	**(1,302,340)**	**(605,441)**
Fund for revocatory actions	(36,340)	(87,204)
Fund for legal charges	(85,958)	-
Fund for ex Bank of Umbria guarantee	-	(297,341)
Fund for Intesa Mediofactoring guarantee	-	(145,896)
Fund for outstanding lawsuits	(680,042)	-
Fund for ascertainment registration tax	-	(75,000)
Other risk funds	(500,000)	-
4. Final balance	**11,909,089**	**11,495,622**

Section 12 - Equity - Items 120, 150 and 160

12.1 Breakdown of item 120 “Capital”

TYPES	AMOUNT
1. Capital	**114,518,475**
1.1 Ordinary shares	114,518,475
1.2 Other shares	-

The number of ordinary shares is è 22.193.503.

12.4 Breakdown of item 150 “Share premiums”

TYPES	AMOUNT
1. Share premiums	**951,314**
1.1 Share premium from 1997 capital increase	951,314

12.5 Other information

	BREAKDOWNOF RESERVES				
ITEMS	LEGAL RESERVE	PROFITS CARRIED FORWARD	STATUTORY RESERVE	OTHER RESERVES	TOTAL
A. Initial balance	**7,359,050**	**118,160**	**184,631**	**54,662,490**	**62,324,331**
B. Increases	**1,659,806**	**-**	**-**	**31,536,310**	**33,196,116**
B.1 Allocations of profits	1,659,806		-	31,536,310	33,196,116
B.2 Other increase changes	-	-	-		-
C. Decreases	**-**	**-**	**-**	**-**	**-**
C.1 Uses	-	-	-	-	-
- loss hedges	-	-	-	-	-
- distribution	-	-	-	-	-
- transfer to capital	-	-	-	-	-
C.2 Other decrease changes	-	-	-	-	-
D. Final residuals	**9,018,856**	**118,160**	**184,631**	**86,198,800**	**95,520,447**

The “Other Reserves” are mainly made up of non-distributed profits.

Analyses of the Net Equity Breakdown with reference to availability and possible distribution (art. 2427, n. 7 bis)

				SUMMARY OF USES PERFORMED IN 3 PREVIOUS PERIODS	
NATURE/DESCRIPTION	AMOUNT	POSSIBILITY FOR USE	PORTION AVAILABLE	FOR LOSS HEDGE	FOR OTHER REASONS
Capital	**114,518,475**		**-**		
Capital reserve	**951,314**		**-**		
- Share premiums	951,314	B	-		
Profit reserve	**95,520,447**		**86,605,866**		
- Statutory reserve	184,631	A, B, C	184,631		
- legal reserve	9,018,856	B	-		
- reserve FTA	(447,478)		-		
- Other Reserves *	86,646,278	A, B, C	86,303,075		
- Previous period profit	118,160	A, B, C	118,160		
Profit for the period	**36,231,542**		**-**		
Total	**247,221,778**	**-**	**86,605,866**		

Legend:
A: for capital increase
B: for loss hedging
C: for distribution to shareholders

* Pursuant to 'OIC 28 and article 2426 comma 5 cc the unavailable portion concerns the value of the installation and enlargement costs reported in the balance-sheet under the item “Other Assets”.

Part C - Information on the Income Statement

Part C - Information on the Income Statement

Section 1 - Interest - Items 10 and 20

1.1.1 Breakdown of item 10 "Receivable interest and assimilated revenue"

ITEMS/TECHNICAL TYPES	LOANS	SECURITIES	OTHER	2011	2010
1. Financial receivables held for trading	-	-	-	-	-
2. Financial receivables at fair value	-	-	-	-	-
3. Financial receivables available for sale	-	-	-	-	-
4. Financial receivables held till maturity	-	-	-	-	-
5. Receivables	-	169,675,469	-	169,675,469	123,525,580
5.1 Receivables vs banks	-	2,550,107	-	2,550,107	531,198
5.2 Receivables vs financial institutes	-	6,968,477	-	6,968,477	10,880,368
5.3 Receivables vs customers	-	160,156,885	-	160,156,885	112,114,014
6. Other assets	-	-	-	-	-
7. Hedge derivatives	-	-	-	-	-
Total	**-**	**169,675,469**	**-**	**169,675,469**	**123,525,580**

The receivable interest, different from the interest registered under item Write-backs, accrued in fiscal year 2011 against exposures classified in the impaired receivables at 31st December, amounted to 3.7 million.

1.3 Breakdown of item 20 "Payable interest and assimilated charges"

ITEMS/TECHNICAL TYPES	LOANS	SECURITIES	OTHER	2011	2010
1. Payables vs banks	(84,829,046)	-	-	(84,829,046)	(40,521,711)
2. Payables vs financial institutes	-	-	-	-	-
3. Payables vs customers	-	-	-	-	-
4. Outstanding securities	-	(2,358,222)	-	(2,358,222)	(1,971,939)
5. Financial trading payables	-	-	-	-	-
6. Financial payables at fair value	-	-	-	-	-
7. Other liabilities	-	-	(166)	(166)	-
8. Hedge derivatives	(635,293)	-	-	(635,293)	(685,526)
Total	**(85,464,339)**	**(2,358,222)**	**(166)**	**(87,822,727)**	**(43,179,176)**

The increase, as regards absolute value, of both receivable and payable interest is linked to the increase in interest-rates occurring in 2011 and to the contextual growth of operations.

Section 2 - Commission - Items 30 and 40

2.1 Breakdown of item 30 "Receivable commission"

DETAIL	2011	2010
1. financial leasing transactions	-	-
2. factoring transactions	71,952,757	63,752,517
3. consumer loans	-	-
4. merchant banking receivables	-	-
5. guarantees issued	-	82,612
6. services:	-	-
- third party fund management	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- others	-	-
7. collection and payment services	121,593	111,799
8. servicing for securitisation transactions	-	-
9. other commission: cost recovery from customers for preparation of credit-line files,account keeping costs etc.	1,444,213	1,432,443
Total	**73,518,563**	**65,379,371**

2.2 Breakdown of item 40 "Payable commission"

DETAIL	2011	2010
1. guarantees received	(1,989,314)	(703,677)
2. distribution of services to third parties	-	-
3. collection and payment services	(277,663)	(234,664)
4. others Commission	(6,694,782)	(6,118,111)
4.1 provisions	(4,123,897)	(4,095,483)
4.2 reinsurance cost for receivables	(2,570,885)	(2,022,628)
Total	**(8,961,759)**	**(7,056,452)**

The increase in commission is related to turnover performance. In the payable commission item, commission linked to credit risk hedging showed a marked increase.

Section 4 - Net result of trading operations - Item 60

4.1 Breakdown of item 60 "Net result of trading operations"

	2011				
ITEMS/INCOME PROD. COMPONS	CAPITAL GAINS	TRADING PROFITS	CAPITAL LOSSES	TRADING LOSSES	NET RESULT
1. Financial assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Capital securities + OICR quotas	-	-	-	-	-
1.3 Loans	-	-	-	-	-
1.4 Other assets	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-
3. Financial receivables and payables: exchange-rate differences	**-**	**293,332**	**-**	**-**	**293,332**
4. Financial derivates		**-**	**-**	**-**	**-**
5. derivatives on receivables	**-**	**-**	**-**	**-**	**-**
Total	**-**	**293,332**	**-**	**-**	**293,332**

The Company performed no trading operations: the result refers to the exchange-rate difference on factoring transactions in foreign currency.

Section 8 - Net value adjustments/write-backs for impairment - Item 100

8.1 "Net adjustment/write-backs for loan impairment"

	VALUE ADJUSTMENTS		WRITE-BACKS			
ITEMS/ADJUSTMENTS	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO	2011	2010
1. Receivables from banks	**-**	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
2. Receivables from finan. institutes	**-**	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
3. Receivables from customers	**(49,588,073)**	**(2,650,000)**	**2,710,774**	**-**	**(49,527,299)**	**(50,850,085)**
- for leasing	-	-	-	-	-	-
- for factoring*	(49,588,073)	(2,650,000)	2,710,774		(49,527,299)	(50,850,085)
- for consumer credit	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
Total	**(49,588,073)**	**(2,650,000)**	**2,710,774**	**-**	**(49,527,299)**	**(50,850,085)**

* The specific value adjustments also include transfers to losses (23 million in 2011 and 31.4 million in 2010).

Part C - Income Statement: information (CONTINUED)

8.4 "Net value adjustments/write-backs for impairment of other financial transactions"

ITEMS/ADJUSTMENTS	VALUE ADJUSTMENTS SPECIFIC	VALUE ADJUSTMENTS PORTFOLIO	WRITE-BACKS SPECIFIC	WRITE-BACKS PORTFOLIO	2011	2010
1. Guarantees issued	-	-	-	-	-	(300,000)
2. derivatives on receivables	-	-	-	-	-	-
3. Committments to grant funds	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**(300,000)**

Section 9 - Administration costs - Item 110

9.1 Breakdown of item 110.a "Staff costs"

ITEMS/SECTORS	2011	2010
1. Subordinate human resources	**(16,544,362)**	**(14,077,664)**
a) salaries and wages	(11,408,173)	(9,441,187)
b) social security	(3,510,893)	(2,594,727)
c) retirement indemnities	(642,177)	(603,685)
d) insurance costs	-	-
e) reserve for staff severance bonus	(110,665)	(133,787)
f) reserve for retirement fund and similar obligations	-	-
- defined contribution	-	-
- defined benefits	-	-
g) transfer to external, complementary insurance funds	-	-
- defined contribution	-	-
- defined benefits	-	-
h) other expenses	(872,454)	(1,304,278)
2. Other human resources	**(22,008)**	**(42,779)**
3. Directors and auditors	**(214,484)**	**(142,292)**
4. Retirees	**-**	**-**
5. Cost recovery for employees seconded to other companies	**3,884**	**15,290**
6. Cost refunds for employees seconded to the Company*	**(2,238,137)**	**(3,144,942)**
Total	**(19,015,107)**	**(17,392,387)**

* The item "repayments for expenses for employees seconded to the Company" refers chiefly to the cost for seconded staff.
The 2011 costs relating to directors and auditors amount respectively to 140,179 (88,740 in 2010) and 74,305 (5,552 in 2010).

9.2 Average number of employees by category

DETAIL BY CATEGORY	2011	2010
Managers	10.8	8.4
Managerial executive	100.2	75.2
Remaining staff	77.8	72.3
Total subordinate staff	**188.8**	**155.9**
Third party staff	10.5	19.6
Temporary	0.0	0.9
Other	2.1	0.6
Total	**201.4**	**177.0**

9.3 Breakdown of item 110.b "Other administration costs"

COST CATEGORY	2011	2010
1. INDIRECT DUTIES AND TAXES	**(488,803)**	**(774,322)**
A. Paid	**(488,803)**	**(774,322)**
- stamp duty	*(384,244)*	*(350,747)*
- registration	*(94,537)*	*(413,963)*
- other duties and taxes	*(10,022)*	*(9,612)*
2. MISCELLANEOUS COSTS AND EXPENSES	**(14,755,723)**	**(12,195,194)**
A. Advertising, marketing and communication costs	**(408,320)**	**(134,906)**
- advertising expenses: mass media communication	*(205,848)*	*(5,052)*
- advertising expenses: market research	-	*(19,800)*
- advertising expenses: sponsorising	*(94,267)*	*(53,451)*
- representation	*(34,214)*	*(18,344)*
- conventions and internal communication	*(73,991)*	*(38,259)*
B. Credit risk expenses	**(2,162,531)**	**(1,462,904)**
- legal expenses for recovery receivables	*(1,574,979)*	*(993,259)*
- commercial information and title research	*(587,552)*	*(469,645)*
C. Indirect staff-based expenses	**(990,415)**	**(853,112)**
- human resources service area	*(108,708)*	*(79,975)*
- human resources selection and training	*(156,025)*	*(173,936)*
- travel expenses and vehicle rentals	*(605,222)*	*(493,171)*
- payable rentals for personal use real estate rentals	*(120,460)*	*(106,030)*
D. Expenses for information, communication, technology	**(4,193,448)**	**(4,006,682)**
- equipment rentals and ICT software	-	-
- telephone, swift and data transmission costs	*(271,360)*	*(181,107)*
- ICT service	*(3,922,088)*	*(3,825,575)*
- financial infoproviders	-	-
E. Consultancies and professional services	**(512,163)**	**(996,849)**
- technical advice	*(179,726)*	*(346,519)*
- other professional services	*(27,904)*	*(18,785)*
- strategic/managerial consultancy	-	*(417,800)*
- legal and notarial costs	*(304,533)*	*(213,745)*
F. Real estate expenses	**(2,906,006)**	**(2,342,986)**
- real estate service area	*(12,024)*	*(11,800)*
- premises cleaning	*(92,894)*	*(79,400)*
- furniture, vehicle, installation maintenance	-	*(153)*
- premises maintenance	*(436,120)*	*(81,428)*
- payable rentals for real estate renting	*(2,073,259)*	*(1,789,368)*
- utilities	*(291,709)*	*(380,837)*
G. Other functioning costs	**(3,582,840)**	**(2,397,755)**
- insurance	*(75,375)*	*(44,526)*
- office equipment rentals	*(1,066)*	*(2,572)*
- postage	*(247,021)*	*(261,779)*
- printouts and stationary	*(26,114)*	*(42,727)*
- administration services - others	*(2,579,144)*	*(1,676,359)*
- logisitic services	*(161,374)*	*(125,617)*
- security and documentation transport	*(22,135)*	*(17,839)*
- various office object supply	*(38,152)*	*(20,820)*
- charity	*(201,044)*	*(3,000)*
- rights, quotas and contributions to category insur. and protection funds	*(74,102)*	*(45,447)*
- other administration costs	*(157,313)*	*(157,069)*
Total	**(15,244,526)**	**(12,969,516)**

The increase in administration costs compared to the previous year depends chiefly on the increase in legal costs, in expenses for administrative services and on the increase in payable rentals linked to the growth in resources during 2011.

Part C - Income Statement: information (Continued)

Section 10 - Net value adjustments on tangible assets - Item 120

10.1 Breakdown of item 120 "Net value adjustments/write-backs on tangible assets"

ITEMS/ ADJUSTMENTS AND WRITE-BACKS	2011 DEPRECIATION	2011 ADJUSTMENTS TO IMPAIRED VALUE	2011 WRITE-BACKSRIPRESE DI VALORE	2011 NET RESULT	2010 DEPRECIATION	2010 ADJUSTMENTS TO IMPAIRED VALUE	2010 WRITE-BACKSRIPRESE DI VALORE	2010 NET RESULT
1. functional assets	**(91,540)**	**-**	**-**	**(91,540)**	**(102,405)**	**-**	**-**	**(102,405)**
1.1 owned	(91,540)	-	-	(91,540)	(102,405)	-	-	(102,405)
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	*(76,880)*	-	-	*(76,880)*	*(84,041)*	-	-	*(84,041)*
d) capital instruments	*(14,660)*	-	-	*(14,660)*	*(18,364)*	-	-	*(18,364)*
e) others	-	-	-	-	-	-	-	-
1.2 acquired through fin. leasing	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-	-	-
d) capital instruments	-	-	-	-	-	-	-	-
e) others	-	-	-	-	-	-	-	-
2. Assets ref. to financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Assets held for investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which granted under ope.g lease	-	-	-	-	-	-	-	-
Total	**(91,540)**	**-**	**-**	**(91,540)**	**(102,405)**	**-**	**-**	**(102,405)**

Section 13 - Net allocations to funds for risks and charges - Item 150

13 Breakdown of item 150 "Net allocations to funds for risks and charges"

PROVISIONS FOR RISK AND CHARGES	2011	2010
- Provision for revocatory actions	(750,000)	(2,370,000)
- Provision for outstanding lawsuits	(468,409)	(746,000)
- Provision for legal charges fund	-	(52,000)
- Provision for Poligrafico risks	(141,092)	(94,062)
- Provision for registration tax	(356,305)	(1,451,467)
- Write-back on risks and charges fund	122,297	153,530
Total	**(1,593,509)**	**(4,559,999)**

Kindly refer to the comment on table 11.1 of the 'payables' in the Asset and Liability Statement (Breakdown of item 110 "Fund for risks and charges").

Section 14 - Other revenue and management charges - Item 160

14.1 Breakdown of item 160 "Other revenue and management charges"

ITEMS/OTHER REVENUE AND OPERATING COSTS	2011	2010
- customers' legal expenses	77,827	20,952
- dual purpose use of company cars	30,778	30,344
- receivable income from rentals	323	-
- recovery of costs for legal deeds	108,161	-
- insurance indemnity	123,071	575,163
- miscellaneous revenue	1,197,114	235,291
Total other operating revenue	**1,537,274**	**861,750**
- Other operating costs*	(570,448)	(354,829)
Total other operating costs	**(570,448)**	**(354,829)**
Total other revenue and operating costs	**966,826**	**506,921**

* Includes the quota relevant to the period, pertaining to the re-structuring of the building in via Albricci 1 - the Company headquarters.

Section 17 - Income tax for the period on current transactions - Item 190

17.1 Breakdown of item 190 "Income tax for the period on current transactions"

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2011	2010
1.Current taxes	(25,340,000)	(21,382,371)
2. Variations in current taxes compared to previous periods	1,400,000	1,000,000
3. Reduction in current taxes for the period	-	-
4. Variation to prepaid taxes	(623,784)	253,190
5. Variaton to deferred taxes	(1,402,397)	-
Taxes pertinent to the period	**(25,966,181)**	**(20,129,181)**

17.2 Reconciliation between theoretic and effective, balance-sheet tax load

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2011	2010
Profit (Loss) on current transactions with taxes	**62,197,723**	**53,325,297**
Theoretic imposable tax rate	27.5%	27.5%
Theoretic taxes	(17,104,374)	(14,664,457)
Tax effects deriving from		
+ Non-taxable revenue - permanent differences	952,053	1,598,293
- non- deductible costs - permanent differences	(1,955,192)	(626,073)
- IRAP	(7,230,000)	(5,977,879)
+ Asset registration for prepaid and deferred taxes	-	-
+/- Other differences	(628,668)	(459,065)
Income tax registered in income statement	**(25,966,181)**	**(20,129,181)**
Income tax for period on current transactions	**(25,966,181)**	**(20,129,181)**
Difference	**-**	**-**

In 2011 the effective tax rate was 41.75%.

Part C - Income Statement: information (Continued)

Section 19 - Income Statement: other information

19.1 Analysis of receivable interest and commission

ITEMS/ COUNTERPARTS	INTEREST			COMMISSION				
	BANKS	FINANCIAL INSTITUTES	CUSTOMERS	BANKS	FINANCIAL INSTITUTES	CUSTOMERS	2011	2010
1. Financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- real estate	-	-	-	-	-	-	-	-
- movables	-	-	-	-	-	-	-	-
- capital instruments	-	-	-	-	-	-	-	-
- intangibles	-	-	-	-	-	-	-	-
2. Factoring	**2,550,107**	**6,968,477**	**160,156,885**	**62,373**	**1,060,866**	**72,395,324**	**243,194,032**	**188,822,339**
- on current receivables	-	-	-	-	-	-	-	-
- on future receivables	-	-	10,480,231	-	-	2,769,416	13,249,647	8,034,900
- on final purchase receivables	193,281	-	38,308,414	-	-	12,197,837	50,699,532	42,336,626
- on receivables purchased under original value	-	-	-	-	-	-	-	-
- for other loans	2,356,826	6,968,477	111,368,240	62,373	1,060,866	57,428,071	179,244,853	138,450,813
3. Consumer credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- personal loans	-	-	-	-	-	-	-	-
- financial loans	-	-	-	-	-	-	-	-
- ass. of one fifth of salary	-	-	-	-	-	-	-	-
4. Guarantees + commitments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**82,612**
- commercial	-	-	-	-	-	-	-	82,612
- financial	-	-	-	-	-	-	-	-
Total	**2,550,107**	**6,968,477**	**160,156,885**	**62,373**	**1,060,866**	**72,395,324**	**243,194,032**	**188,904,951**

Part D - Other information

Part D - Other Information

Section 1 - Specific references to performed receivables

B. Factoring and Assignment of Receivables

B.1 Gross value and balance-sheet value

ITEMS/VALUES	12.31.2011 GROSS VALUE	12.31.2011 VALUE ADJUSTMENTS	12.31.2011 NET VALUE	12.31.2010 GROSS VALUE	12.31.2010 VALUE ADJUSTMENTS	12.31.2010 NET VALUE
1. Performing assets	**8,754,569,837**	**29,615,746**	**8,724,954,091**	**7,662,992,439**	**27,105,858**	**7,635,886,581**
- Exposures vs assignors (with recourse)	3,978,329,705	7,577,424	3,970,752,281	3,288,042,706	12,173,592	3,275,869,114
- assignments of future receivables	*65,029,299*	*121,693*	*64,907,606*	*155,366,235*	*677,324*	*154,688,911*
- others	*3,913,300,406*	*7,455,731*	*3,905,844,675*	*3,132,676,471*	*11,496,268*	*3,121,180,203*
- Exposures vs assigned debtors (non-recourse)	4,776,240,132	22,038,322	4,754,201,810	4,374,949,733	14,932,266	4,360,017,467
2. Impaired assets	**292,772,554**	**42,671,148**	**250,101,406**	**290,845,241**	**25,448,927**	**265,396,314**
2.1 non-performing	**98,935,937**	**19,050,178**	**79,885,759**	**99,971,917**	**7,922,285**	**92,049,632**
- Exposures vs assignors (with recourse)	92,586,221	16,429,876	76,156,345	95,414,307	6,139,000	89,275,307
- assignments of future receivables	-	-	-	-	-	-
- others	*92,586,221*	*16,429,876*	*76,156,345*	*95,414,307*	*6,139,000*	*89,275,307*
- Exposures vs assigned debtors (non-recourse)	6,349,716	2,620,302	3,729,414	4,557,610	1,783,285	2,774,325
- purchases under face value	-	-	-	-	-	-
- others	*6,349,716*	*2,620,302*	*3,729,414*	*4,557,610*	*1,783,285*	*2,774,325*
2.2 Doubtfuls	**146,480,955**	**22,770,022**	**123,710,933**	**171,108,710**	**16,817,409**	**154,291,301**
- Exposures vs assignors (with recourse)	110,002,462	20,067,833	89,934,629	105,275,509	14,083,007	91,192,502
- assignments of future receivables	-	-	-	-	-	-
- others	*110,002,462*	*20,067,833*	*89,934,629*	*105,275,509*	*14,083,007*	*91,192,502*
- Exposures vs assigned debtors (non-recourse)	36,478,493	2,702,189	33,776,304	65,833,201	2,734,402	63,098,799
- purchases under face value						-
- others	*36,478,493*	*2,702,189*	*33,776,304*	*65,833,201*	*2,734,402*	*63,098,799*
2.3 Re-structured exposures	**-**	**-**	**-**	**7,004,523**	**490,317**	**6,514,206**
- Exposures vs assignors (with recourse)	-	-	-	7,004,523	490,317	6,514,206
- assignments of future receivables	-	-	-	-	-	-
- others	-	-	-	*7,004,523*	*490,317*	*6,514,206*
- Exposures vs as. Debtors (non-recourse)	-	-	-	-	-	-
- purchases under face value	-	-	-	-	-	-
- others	-	-	-	-	-	-
2.4 Past due exposures	**47,355,662**	**850,948**	**46,504,714**	**12,760,091**	**218,916**	**12,541,175**
- Exposures vs assignors (with recourse)	8,433,638	258,650	8,174,988	-	-	-
- assignments of future receivables	-	-	-	-	-	-
- others	*8,433,638*	*258,650*	*8,174,988*	-	-	-
- Exposures vs assigned debtors (non-recourse)	38,922,024	592,298	38,329,726	12,760,091	218,916	12,541,175
- purchases under face value	-	-	-	-	-	-
- others	*38,922,024*	*592,298*	*38,329,726*	*12,760,091*	*218,916*	*12,541,175*
Total	9,047,342,391	72,286,894	8,975,055,497	7,953,837,680	52,554,785	7,901,282,895

B.2 Residual life of exposures and "total loans"

The data relevant to 2010 were reconstructed, for homogenous comparison, considering the modified classification guideline pertaining to receivables past due at maturity date of the receivables, previously classified in the indeterminate duration, bracket.
Such receivables, if unimpaired, are classified in the "on demand" category, if impaired at the maturity estimated for balance-sheet valuations.

B.2.1 With-recourse factoring transactions: advances and "total loans"

	INCREASES		TOTAL LOANS	
TIMELINES	12.31.2011	12.31.2010	12.31.2011	12.31.2010
- on demand	1,281,345,431	1,558,671,145	2,721,779,173	2,837,597,545
- up to 3 months	1,674,210,457	1,146,473,355	2,535,360,064	1,986,419,728
- over 3 months up to 6 months	538,524,381	331,166,168	907,578,331	573,790,055
- from 6 months and 1 year	307,508,574	118,183,126	353,237,264	204,768,208
- over 1 year	343,429,400	341,243,251	474,780,878	454,260,414
- unspecified duration	-	-	-	-
Total	**4,145,018,243**	**3,495,737,045**	**6,992,735,710**	**6,056,835,950**

The sharing of the with-recourse advances by temporal period was conventionally performed in proportion to the maturities of the relevant total loans.

B.2.2 Non-recourse factoring transactions: exposures

	EXPOSURES	
TIMELINES	12.31.2011	12.31.2010
- on demand	1,499,368,117	1,546,525,477
- up to 3 months	2,292,994,078	2,018,960,160
- over 3 months up to 6 year	391,188,582	322,059,694
- from 6 months and 1 year	295,277,853	256,709,876
- over 1 year	351,208,624	313,845,428
- unspecified duration	-	-
Total	**4,830,037,254**	**4,458,100,635**

B.3 Ongoing progress of value adjustments

		INCREASES			DECREASES				
ITEM	INTITIAL VALUE ADJUSTMENTS	VALUE ADJUSTMENTS	TRASF. FROM OTHER STATUS	OTHER INCREASES	WRITEBACKS	TRASF. FROM OTHER STATUS	CANCELLATIONS	OTHER DECREASES	FINAL ADJUSTMENTS
Specifications on impaired assets	**25,448,927**	**49,588,073**	**6,720,112**	**-**	**2,710,774**	**6,720,112**	**29,583,727**	**71,351**	**42,671,148**
Specifications on impaired assets	20,712,324	46,476,044	5,843,805	-	2,370,677	5,843,805	27,989,981	71,351	36,756,359
- Non-performing	6,139,000	29,976,397	5,843,805	-	1,341,461	-	24,116,514	71,351	16,429,876
- Doubtful	14,083,007	15,501,685	-	-	1,029,216	5,104,493	3,383,150		20,067,833
- Restructured exposures	490,317	739,312	-	-	-	739,312	490,317	-	-
- Past due exposures	-	258,650	-	-	-	-	-	-	258,650
Exposures vs assigned debtors	4,736,603	3,112,029	876,307	-	340,097	876,307	1,593,746	-	5,914,789
- Non-performing	1,783,285	1,560,782	839,050		307,884	-	1,254,931	-	2,620,302
- Doubtful	2,734,402	1,128,608	37,257		32,213	827,050	338,815	-	2,702,189
- Restructured exposures	-	-	-	-	-	-	-	-	-
- Past due exposures	218,916	422,639	-	-	-	49,257	-	-	592,298
From portfolio on other assets	**27,240,336**	**2,650,000**	**-**	**4,596,168**	**-**	**-**	**-**	**4,596,168**	**29,890,336**
- Exposures vs assignors	12,173,592	-	-	-	-	-	-	4,596,168	7,577,424
- Exposures vs assigned debtors	15,066,744	2,650,000	-	4,596,168	-	-	-	-	22,312,912
Total	**52,689,263**	**52,238,073**	**6,720,112**	**4,596,168**	**2,710,774**	**6,720,112**	**29,583,727**	**4,667,519**	**72,561,484**

Part D - Other Information (Continued)

B.4 Other information

B.4.1 Turnover of receivables from factoring transactions

ITEM	12.31.2011	12.31.2010
1. Non-recourse transactions	**9,261,441,189**	**7,117,748,727**
- of which purchases under face-value	-	-
2. With recourse transactions*	**15,789,614,639**	**13,692,162,479**
Total	**25,051,055,827**	**20,809,911,206**

* This item includes the 4,842,511,122 Euros for 2010 and the 5.315.868.395 Euros for 2011 relating to non-recourse agreements which failed the recognition test pursuant to IAS 39.

B.4.2 Collection services

There are no receivables subject to the collection-only service.

B.4.3 Face-value of future receivables purchase agreements

ITEM	12.31.2011	12.31.2010
Turnover of future receivables purchase agreements over period	1,953,081,577	1,897,669,766
Number of agreement extant at period closure	3,255,251,690	3,316,433,717

Margin between assignor's credit-line and receivables purchased with-recourse

ITEM	12.31.2011	12.31.2010
clua	**411,758,336**	**849,241,536**

The value of this table represents the difference between the credit-line granted to the assignor and the total receivables relevant exclusively to with-recourse transactions.

D. Issued guarantees and commitments

D.1 Value of issued guarantees and committments

OPERATIONS	12.31.2011	12.31.2010
1) Financial guarantees released	-	-
a) Banks	-	-
b) Financial institutes	-	-
c) Customers	-	-
2) Commercial guarantees released	-	23,226,636
a) Banks	-	-
b) Financial institutes	-	23,226,636
c) Customers	-	-
3) Irrevocable commitments to grant funds	456,379,069	368,752,783
a) Banks	-	-
i) for certain use	-	-
ii) for uncertain use	-	-
b) Financial institutes	-	-
i) for certain use	-	-
ii) for uncertain use	-	-
c) Customers	456,379,069	368,752,783
i) for certain use	81,926,836	89,747,802
ii) for uncertain use	374,452,233	279,004,981
4) Commitments supporting derivatives on receivables: protection sales	-	-
5) Assets as guarantees for third party obligations	-	-
6) Other irrevocable commitments	-	-
Total	**456,379,069**	**391,979,419**

The irrevocable commitments to grant funds are made up of the non-advanced part relevant to non-recourse and ex- formal non-recourse.

D.2 Loans registered in balance-sheet for perfected discussion

Item not present.

Section 3 - Information on risks and relevant hedging policies

3.1 Credit risks

QUALITATIVE INFORMATION

1. General Aspects

Factoring offers a number of different services to satisfy various company-based requirements concerning the management, insurance and funding of trade receivables.

It presents a financial component, supplementary to other funding sources available to the enterprise, includes management service (collection from debtors) and guarantees the assigned receivables (as regards non-recourse transactions).

The credit risk assumed by the Factor possesses only a few features in common with the credit risk typical of the banking activity.

Whereas in banking operations advances on invoices, as a possible-assimilation form , takes place when cash credit is granted chiefly as regards the customer's creditworthiness, factoring transactions are based on the characteristics inherent to the receivables to be purchased, on the quality of the single debtors and on the relevant operating modes.

When the factoring company assumes a risk, it valuates the two counterparts, the assignor supplier and the assigned debtor. Both of them are analysed to qualify their credit profile; the assumption of risk on the foregoing counterparts can assume different operating profiles in relation to the type of product required by the customer/assignor.

When the factor advances the receivables to the assignor, it is subject to cash exposure for an amount equal to the advance granted, which, in general, does not exceed a specific percent of the Total receivables purchased and/or approved.

In the non-recourse agreement, the anti-insolvency guarantee, secures the assignor against the assigned debtor's default, with the exception of cases expressly regulated by the agreement. When no advance is paid, the factor undertakes to pay the amount pertaining to the assigned receivables once a pre-established period of days has elapsed since the receivables became payable. In order to mitigate the risk assumed, the factor may negotiate and subordinate the performance of such guarantee (signature loan).

According to the operating modes employed, the factoring company is more protected if the purchang transaction relating to the receivables is accompanied by:
• notification to debtors of the perfected assignment of the receivable;
• recognition by debtors of the perfected assignment of the receivable;
• certification by State Authorities of the Assigned Receivables;
• purchase of trade receivables with respect to other types of receivables;
• purchase of payable receivables or at maturity with respect to loans on future receivables;
• existence of current deposit accounts in non-notified transactions.

In with-recourse agreements, in case of debtor's default, the factor may request payment from the assignor.

The combination of basic services and credit risks in factoring

	LOAN SERVICES		NO-LOAN SERVICES	
WITH-RECOURSE	MANAGEMENT SERVICE	NO MANAGEMENT SERVICE	MANAGEMENT SERVIC	NO MANAGEMENT SERVICE
NON-RECOURSE	MANAGEMENT SERVICE	NO MANAGEMENT SERVICE	MANAGEMENT SERVICE	NO MANAGEMENT SERVICE
	CREDIT RISK FROM CASH EXPOSURE			
	CREDIT RISK FROM SIGNATURE EXPOSURE			
	NO CREDIT RISK			

The performance of funding and guarantee services entails for the factor exposure to credit risks as regards not only the assigned debtors (non-recourse product) but also the assignors (with-recourse product; vice-versa, when the factor performs only management services it undergoes no risk exposure whatever.

In general, when the factor performs the funding and/or guarantee services, the possibility of incurring losses is determined, first of all, by the down-grading of the credit-worthiness of the counterparts, with the resulting appearance of the assigned debtor's default risk (in both non-recourse and with-recourse transactions) or of the risk of non-repayment of the valuable considerations advanced by the assignor in with-recourse transactions.

Part D - Other Information (Continued)

To be more specific, because the factor grants its services within the framework of pre-existing business relations (between assignor and debtor), the credit risk is characterised by the following, main factors relevant to the debtor:
- the risk of watering when the debtor refuses to pay due to events relating to the ongoing progress of the underlying supply relations (by way of example we underline offsetting, allowances, disputes regarding product quality and promotional discounts);
- the risk of delayed payment as regards real or conventional maturity (maturity negotiated at purchase of the trade receivables) of the purchased receivable linked to critical economic situations or to various Italian State Organisations. The delayed payment risk scenario also includes risk of administrative quashing of funds. This occurs when the sums allocated in the State balance-sheet are not spent by the State Organisations within a definite period of time;
- the risk of offsetting compensation is particularly high in operations with State Organisations which reserve the right to offset their receivables and payables.

2. Credit risk management policies

2.1 Organisational aspects

The regulation of credit risks is based on structures and processes consolidated over time and entrusted to skilled and expert resources.

The origination process starts off with the Commercial Department, responsible for managing the business with the assignors through the ongoing control of the relevant progress with direct visits and the use of remote instruments. In this sense, one of the tasks is to perceive possible signs of credit-worthiness deterioration relating to the assignor counterpart and therefore to prevent the potential losses deriving from the deterioration.

Valuation of the assignor and debtor counterparts is carried out using Group methods foreseeing the analysis of balance-sheets, central risks, trade information and information available to the UniCredit Group. For customers shared with the UniCredit Group, counterpart rating, calculated by the Holding and supplemented in the assignors' and debtors' electronic files, constitutes a fundamental support feature as regards valuation.

When assuming assignor and debtor risks, the credit risk is valuated by the Credit <Operations management which operates through distinctive structures as regards granting to Corporate, Family, SME (small and medium enterprises) and State Organisation customers.

The Debtor Management Department manages, on an ongoing basis, business relations with debtor counterparts, by controlling the assigned receivables and surveys/actions in order to secure prompt payments (supervision of maturities and payment reminders).

The Receivables Department also includes:
- the monitoring Office, which guarantees the maintenance of portfolio quality through ongoing monitoring activities permitting systematic intervention whenever impairment of both assignor and debtor risk profiles emerge. This activity is performed during the phase before the appearance of the default, when there is still a chance that the counterpart (assignor/debtor) may be able to respect its commitments and to make provision for the transfer of the state of risk associated with the position or an improved management protection;
- the Recovery Office ensures the management and monitoring of the restructured, doubtful and non-performing entries, by identifying and adopting the most effective solutions to maximise recovery and proposing the necessary provisions against loss forecasts;
- the Risk Management Office ensures:
  - analysis, valuation, measuring and monitoring of the typical risks inherent to company activities (loan-based, operational and market –based) in order to determine the relevant financial and Equity-based impacts);
  - support for the implementation of Group policies;
  - systematic reporting for the Senior Management and the Board of Directors;
  - support for the management in the measuring and management of cost risks.

In 2011 the scenario characterised by the sovereign debt crisis in various European countries including Italy, the Company continued to carry out activities aimed at strengthening our organic structure and improving the management and control of credit risks.

In particular, we underline operations regarding the:
- re-modulation of the Loans and Risks Department with the creation, in line with the UniCredit Group structure, of the Credit Operations Management, re-articulated into three Organisational Units dedicated to decision-making for the various types of customers (Family %SME and State Organisations) and two Teams (Portfolio and Loan Administration) dedicated to the valuation of definite purchase operations, to the supervision and systematic insertion of the decisions into the information system and to the management of insurance policies relating to receivables; the structure was designed to upgrade the risk orientation of the different types of customers and/or operations;
- project for re-designing power delegation, to adapt them to changed business conditions and to new organisational choices;
- strengthening of the reporting system and of the available data bases, with particular attention to cost risk monitoring, to portfolio quality and to liquidity and interest-rate indicators;
- updating of monitoring instruments for the implementation of a forecasting control system aimed at revealing portfolio impairment;
- strengthening of monitoring and reporting activities as regards State Organisations.

2.2 Management, measuring and control systems

Measuring and reporting operations entail the releasing of periodic and systematic documents, together with the production of ad hoc estimates to support the different types of decisions.

As regards reporting the most significant documents are:
1) The "Credit Tableau de Bord" containing the analysis of:
- total loans and uses;
- asset quality;
- concentration risk and weighted risk operations.

2) The "Cost of Risk report" for the monitoring of the credit strategy guidelines.
3) The monitoring control panel relating to assignors and debtors including anomaly tracing.

2.3 Credit risk mitigation techniques

Management of the guarantees forms an integrating part of the credit process. The primary purpose of guarantee agreements is to maximize the Net Actualised Value of the recoverable sums, thus reducing potential credit losses (LGD) in case of transfers to recovery of the position. Indeed, despite the fact that guarantees represent an essential feature in the definition of the terms and conditions of the funding agreement (above all for more long-term operations), their collection merely offers subsidiary support to the loan. In no way can it replace the objective capacity of the customer to honour its obligations.

Risk mitigation techniques take into account the aspect particular to factoring which, according to the service performed, spread the risk between the client/assignor and the assigned debtor.

UniCredit Factoring's credit exposures concern chiefly company counterparts and can be secured by "personal" type guarantees (usually: performance guarantees from private persons or companies) and, less frequently, by real type guarantees (usually: pledges on sums or receivables) issued by natural and legal persons (owners, family members, holding).
Personal guarantees are released, in general, by owners of companies making use of credit-lines, or by their family members.

Among the guarantees acquired by the Company we further underline the following:
- performance guarantees issued by the Holding to hedge credit-lines in favour of assignors or debtors for sums exceeding 40% of the Company's Supervised Equity. To this end the Company periodically reports the guaranteed positions and takes care of the updating of the guarantees with respect to risk evolution (increase/reduction);
- insurance policies covering receivables to attenuate the credit risk deriving from private, assigned, non-recourse debtor's default.

Concentration risks and larger risks

Concentration risk indicates the risk deriving from significant exposure versus single counterparts, groups of connected counterparts or those exercising the same activity or belonging to the same geographic area.

The impact is valuated in relation to capital, to total activities or to the overall risk level and must be kept within limits that do not threaten Company solidity or its capacity to carry out, on a continuity basis, the regular performance of its characteristics management.

This first pillar includes the regulations relating to the so-called "larger risks" which monitors the instability risk pertaining to the granting to single entrepreneurs or groups of entrepreneurs of loans for considerable amounts with respect to the Supervised Equity.

In order to maintain an adequate degree of splitting of the credit risk, the Supervisory Authority establishes an overall, global limit of the so-called "larger risks" and an individual limit to the size of each one of them. At the present moment, this limit is fixed to the extent of 40% of the Supervised Equity.

The second pillar includes the sector-based "concentration risks" and the single name concentration risks which must also be measured by the broker.

With respect to sector-based concentration risks, quantitative limits relating to credit exposure were determined by industrial sector at Group level. Compliance with such limits is monitored by Holding structures in collaboration with the CRO structures belonging to Legal Entities.

As regards single name concentration risks (bulk risks), quantitative limits were relating to the credit exposure of the Group versus a single counterpart, or group of connected customers differentiated according to their ratings. In this case too compliance with such limits is monitored by Holding structures, in collaboration with the CRO structures belonging to Legal Entities.

To guarantee the timely control of risk concentration at Group level, specific guidelines have been established for the management of the Larger Credit-lines. A "Larger Credit-line" indicates any credit commitment whatever (direct and indirect) requiring at least one of the following conditions:
- exclusively for direct risks, the total amount of applicant's commitments (single counterpart/financial group) versus all the Entities belonging to the Group, exceeds the amount thresholds defined by the Holding and approved by the competent Bodies of the Entities; for factoring, the foregoing threshold is fixed at 40 million Euros (source: UniCredit, Group Credit Risk Governance Guidelines);
- the applicant is included in a specific list of counterparts, distributed and regularly updated by the Holding's CRO Function.

The Company must systematically request a non-binding opinion from the Holding in relation to all the proposals for the granting, re-examination, recovery/restructuring included in the "Larger Credit-lines" in favour of the assignors (with-recourse clause) or of the assigned debtors (non-recourse clause).

Part D - Other Information (Continued)

2.4 Impaired financial assets

The Company makes use of appropriate regulations, which contemplate the definition of various states of risk for assignors and debtors (performing, monitored, doubtful, non-performing, restructured), the faculties correlated with the changes pertaining to them, together with the faculties linked to the implementation of provisions and transfers to losses. These regulations also govern the faculties connected with the approval of re-entry plans proposed by assigned debtors and with the acquisition of new guarantees.

In line with International Accounting Standards and with the Bank of Italy instructions, impaired assets include the so-called "persistent non-fulfilments" which reveal positions presenting receivables (not present among the non-performing, doubtfuls ad restructured) which are past due or overdue on an ongoing basis for a number of days exceeding 90-180-270 days. UCF makes use of internal control systems relating to past dues and usually examines the entire portfolio in order to monitor and control the evolution of all the past due exposures.

QUANTITATIVE INFORMATION

1 - Distribution of credit exposures by sector portfolio and credit value

PORTFOLIO/VALUE	NON-PERFORMING	DOUBTFUL	RESTRUCTURED POSITIONS	PAST DUE EXPOSURES	OTHER ASSETS	TOTAL
1. Financial assets held for trading	-	-	-	-	-	-
2. Financial assets valued at fair value	-	-	-	-	-	-
3. Financial assets available for sale	-	-	-	-	394	394
4. Financial assets held till maturity	-	-	-	-	-	-
5. Receivables vs banks	-	-	-	-	43,537,767	43,537,767
6. Receivables vs financial insti.	-	172,167	-	-	368,598,604	368,770,771
7. Receivables vs customers	79,893,474	124,309,656	-	47,237,856	8,387,064,472	8,638,505,458
8. Hedge derivatives	-	-	-	-	-	-
Total al 12.31.2011	**79,893,474**	**124,481,823**	**-**	**47,237,856**	**8,799,201,237**	**9,050,814,390**
Total at 12.31.2012	**92,049,632**	**154,291,301**	**6,514,206**	**12,541,175**	**7,699,505,069**	**7,964,901,383**

2 - Credit exposures

2.1 Credit exposures versus customers: gross and net values

TYPE OF EXPOSURE/VALUES	GROSS EXPOSURE	ADJUSTMENT TO SPECIFIC VALUES	ADJUSTMENTS TO PORTFOLIO VALUE	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES	293,566,322	42,125,336	-	251,440,986
- Non-performing	98,943,652	19,050,178	-	79,893,474
- Doubtful	146,533,866	22,224,210	-	124,309,656
- Re-structured exposures	-	-	-	-
- Pastdue impaired exposures	48,088,804	850,948	-	47,237,856
OFF BALANCE-SHEET EXPOSURES:	-	-	-	-
- Non-performing	-	-	-	-
- Doubtful	-	-	-	-
- Re-structured exposures	-	-	-	-
- Past due impaired exposures	-	-	-	-
Total A	**293,566,322**	**42,125,336**	**-**	**251,440,986**
B. PERFORMING EXPOSURES				
- Past due,unimpaired exposures	67,056,496	-	164,094	66,892,402
- Other exposures	8,349,526,117	-	29,354,047	8,320,172,070
Total B	**8,416,582,613**	**-**	**29,518,141**	**8,387,064,472**
Total (A+B)	**8,710,148,935**	**42,125,336**	**29,518,141**	**8,638,505,458**

* There are no exposures subject to renegotiation within the framework of the collective agreements.

2.2 Credit exposures versus banks and financial agencies: gross and net values

TYPE OF EXPOSURE/VALUES	GROSS EXPOSURE	ADJUSTMENT TO SPECIFIC VALUES	ADJUSTMENTS TO PORTFOLIO VALUE	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES	717,979	545,812	-	172,167
- Non-performing	-	-	-	-
- Doubtful	717,979	545,812	-	172,167
- Re-structured exposures	-	-	-	-
- Pastdue impaired exposures	-	-	-	-
OFF BALANCE-SHEET EXPOSURES:	-	-	-	-
- Non-performing	-	-	-	-
- Doubtful	-	-	-	-
- Re-structured exposures	-	-	-	-
- Past due impaired exposures	-	-	-	-
Total A	**717,979**	**545,812**	**-**	**172,167**
B. PERFORMING EXPOSURES				
- Past due,unimpaired exposures	-	-	-	-
- Other exposures	412,508,566	-	372,195	412,136,371
Total B	**412,508,566**	**-**	**372,195**	**412,136,371**
Total (A+B)	**413,226,545**	**545,812**	**372,195**	**412,308,538**

2.3 Classification of exposures according to external and internal rating

2.3.1 Distribution of credit exposures by cash and "off-balance-sheet" by external rating categories

	RATING CATEGORIES							
EXPOSURES	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	TOTAL
A. Cash exposures	-	174,866,857	218,762,835	1,872,865	-	-	8,573,384,603	8,968,887,160
B. Derivates	-	-	-	-	-	-	-	-
C. Guarantees issued	-	-	-	-	-	-	-	-
D. Commitments to issue funds	-	-	-	-	-	-	456,379,069	456,379,069,00
Total	**-**	**174,866,857**	**218,762,835**	**1,872,865**	**-**	**-**	**9,029,763,672**	**9,425,266,229**

2.3.2 Distribution of exposures by cash and balance-sheet by internal rating categories

Table not reported because the Company uses the standard method for calculating credit risks.

Part D - Other Information (Continued)

3 - Loan concentration

3.1 Distribution of loans to customers* by counterpart's sector of financial activity

	TOTAL
Governments	301,363,568
Other state organisations	1,754,369,825
Non-financial enterprises	5,765,555,214
Financial enterprises	526,528,934
Insurance companies	35,983
Other	659,422,705
Total	**9,007,276,229**

* including financial agencies.

3.2 Distribution of loans versus customers* by counterpart's geographic area

	TOTAL
North west	2,853,829,119
North east	1,455,915,936
Centre	3,510,249,499
South	645,471,585
Islands	79,801,403
Foreign	462,008,687
Total	**9,007,276,229**

* including financial agencies.

3.3 Larger risks

a) Amount:	4,658,353,280
b) Number:	18

4 - Models and other methods for credit risk management and measurement

The analytic write-downs are promptly performed on the basis of forecast for losses implemented each and every time: whereas collective write-downs are calculated, while awaiting the set-up of an internal model, according to the Expected Loss models used by the Holding, adapted to the specific features of factoring.

The relevant calculations are performed in conformity with the Branches of Financial Activities (RAE) and with the Sectors of Financial Activity (SAE) pertaining to the assignors, as regards with-recourse advances and to the debtors for non-recourse total receivables.

3.2 Market risks

3.2.1 Interest-rate risk

QUALITATIVE INFORMATION

1. General aspects

In line with Group guidelines, the Company adopted, in January 2010, a liquidity policy aimed at minimising the risk of transformation of the maturities between receivables and payables and managing the cost of liquidity. In order to manage the liquidity and interest-rate risks, the various technical forms of usage can be re-conducted to the following two, main types of operation:

- definite purchase and/or under-discount of receivables operations: these are fixed rate transactions with definite durations, although they are uncertain because the due date pertaining to the transaction includes an estimated delay period for invoice collection compared with their natural maturity;
- standard transactions (non-recourse and with-recourse): these are revolving exposures, in principle revocable at stipulated conditions, and are usually regulated at a variable rate according to the average monthly reports and liquidated on a monthly/quarterly basis.

On the whole:

- the first event is funded by time deposits;
- the second is funded by a credit-line periodically adjusted to the amount and regulated at a rate consistent with the contractual rate applied to customers.

This permits the minimisation of the interest-rate risk, in itself already limited considering that operating activities is almost entirely short-term, together with the liquidity risk.
Furthermore various swaps agreements have been concluded with the Group Treasury to transform from fixed to variable the interest-rate on definite purchase transactions with original duration beyond the short-term.

QUANTITATIVE INFORMATION

1 Distribution by residual duration (repricing date) of financial assets and liabilities

ITEMS/RESIDUAL DURATION	UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 5 YEARS	FROM OVER 5 YEARS UP TO 10 YEARS	OVER 10 YEARS	INDEFINITE DURATION
1. Assets	**8,142,028,382**	**335,342,316**	**353,381,911**	**157,489,191**	**62,572,196**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-
1.3 Receivables	8,142,028,382	335,342,316	353,381,911	157,489,191	62,572,196	-	-
1.4 Other assets	-	-	-	-	-	-	
2. Liabilities	**8,198,687,957**	**136,846,551**	**260,447,000**	**27,793,000**	**-**	**-**	**-**
3.1 Payables	8,173,548,415	84,772,271	260,447,000	27,793,000	-	-	-
3.2 Debt securities	25,139,542	52,074,280	-	-	-	-	-
3.3 Other liabilities	-	-	-	-	-	-	
3. Financial derivates							
Options							
3.1 Long positions	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-
Other derivates							
3.3 Long positions	75,748,755	-	-	-	-	-	-
3.4 Short positions	5,992,454	16,495,644	19,734,912	31,670,840	1,854,905	-	-

The non-performing receivables are classified according to expected collection date and are mainly included in the period "from over 5 years up to 20 years".

3.2.2 Price risk

QUALITATIVE INFORMATION

1. General aspects
The Company does not hold and has not issued financial instruments exposed to price risks.

3.2.3 Exchange-rate risk

QUALITITATIVE INFORMATION

1. General aspects
The exchange risk expresses the risk of incurring losses due to the currency fluctuations and the gold price. The Equity hedging needed for the exchange-rate risk is determined by applying to the net open position in exchange-rates an 8% co-efficient, reduced by 25% for companies belonging to a banking group. The Equity requisite for the Company amounts to 1.7 million Euros.

Company policy relating to the exchange-rate risk foresees that receivables assigned in foreign currency are advanced and funded in the same currency. With respect to advances implemented in Euros, prospective differences or conversion cost inherent to the provision are governed by specific agreements with customers which foresee that the possible exchange-rate risk shall be charged to the mentioned customers.

Part D - Other Information (Continued)

QUALITATIVE INFORMATION

1. Distribution by face-value of assets, liabilities and derivatives

ITEMS	CURRENCIES					
	US DOLLARS	KUWAIT DINARI	SWISS FRANCS	POUNDS STERLING	YEN	OTHER CURRENCIES
1. Financial assets	103,499,311	19,953,823	14,847,269	40,193,704	391,194	8,267
1.1 Debt securities	-	-	-	-	-	-
1.2 Capital securities	-	-	-	-	-	-
1.3 Receivables	29,234,494	-	-	1,840,184	-	-
1.4 Other Financial assets	74,264,817	19,953,823	14,847,269	38,353,520	391,194	8,267
2. Other assets	-	-	-	-	-	-
3. Financial liabilities	96,153,990	19,881,979	14,366,617	38,584,733	401,943	320
3.1 Payables	128,601	-	-	-	-	-
3.2 Debt securities	-	-	-	-	-	-
3.3 Other financial liabilities	96,025,389	19,881,979	14,366,617	38,584,733	401,943	320
4. Other liabilities	-	-	-	-	-	-
5. Derivates	-	-	-	-	-	-
5.1 Long positions	-	-	-	-	-	-
5.2 Short positions	-	-	-	-	-	-
Total assets	**103,499,311**	**19,953,823**	**14,847,269**	**40,193,704**	**391,194**	**8,267**
Total liabilities	**96,153,990**	**19,881,979**	**14,366,617**	**38,584,733**	**401,943**	**320**
Imbalance (+/-)	**7,345,321**	**71,844**	**480,652**	**1,608,971**	**(10,749)**	**7,947**

3.3 Operating risks

QUALITATIVE INFORMATION

1. General aspects, management processes and measurement of operation risks

In conformity with in- Group internal and external regulations, the operating risk consists in the possibility of incurring losses due to errors, infractions, interruptions or damage attributable to internal processes, persons, systems or external events.

Operating events can stem from inadequate or disrespected internal procedures, human resources, informative systems or telecommunications, sysmic events or other external events, internal or external fraud, inadequate work practices or workplace safety, customer's complaints, product distribution, fines or penalties for failure to comply with provisions or legislative fulfilments, damage to company assets, interruption of informative or communications systems, performance of procedures.

In order to measure and manage the operating risk, UCF operates with the following aims:
- mapping Company processes (including the mappings required by legislation L. 262/2005);
- implementation of computer-based procedures with automatic controls and systems for managing anomalies;
- supplying human resources with the information needed to identify operating risks;
- utilisation of Group methods and instruments for Disaster Recovery, Business Continuity and Insurance Policies;
- collection of operating loss events by registering them in the applicative established by the Group (ARGO);
- calculation of the Equity requisite with respect to the operating risk, using the "Basic method" or applying a regulation coefficient equal to 15% of the average brokering margin of the last three periods.

QUANTITATIVE INFORMATION

The Equity absorption quantified according to the basic method, corresponds to 15% of the average brokering margin of the last three years, amounted to 20.6 million at end 2011, against the 18 million at end of previous year.

3.4 Liquidity risk

QUALITATIVE INFORMATION

1. General aspects, management processes and measurement of liquidity risks

In addition to the comments illustrated in the paragraph relating to the interest-rate risk, we emphasise that UniCredit Factoring implements its provisions exclusively through the Holding, which also monitors our Company as regards the liquidity risk. In fact, the Company is part of the

perimeter of the Regional Liquidity Centre Italy which manages the liquidity risk at centralised level and accesses capital market also on behalf of bank/product companies belonging to their own perimeter.
Provisioning is carried out according to the following modes, within the framework of a credit-line periodically reviewed in relation to approved budgets and development plans, bearing also in mind the characteristics of the uses to be funded:

- **Accessory current account:** this is the chief source of provisions and finances the most stable portion of the revolving uses. It is normally moved on a monthly basis according to the potential level of such uses;
- **Maturity deposits (at one month or more):** these are the natural type of provision for definite purchase of receivables operations;
- **Very brief maturity deposits (from overnight to 2 weeks):** these are the instruments used to cover the daily needs for liquidity and to finance the short-term use fluctuations;
- **Subordinated liabilities:** together with capital these constituted the main source of funding for transactions with over one year maturities;
- **Current account:** the current bank account is the channel through which all UCF's operating activities (allocations, collections, creation and extinction of deposit, changes to accessory accounts etc.) are vehicled. The unused credit margin constitutes a ready to use liquidity reserve also for hedging sudden needs for cash.

For all the foregoing the Company's liquidity position does not possess significant, autonomous value, but should be viewed within the framework of the funded debt pertaining to the Group managed Regione Italia.

QUANTITATIVE INFORMATION

ITEMS/RESIDUAL DURATION	ON HAND	FROM OVER 1 DAY UP TO 7 DAYS	FROM OVER 7 DAYS UP TO 15 DAYS	FROM OVER 15 DAYS UP TO 1 MONTH	FROM OVER 1 MONTH UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 3 YEARS	FROM OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	INDEFINITE DURATION
Cash assets	**3,074,699,659**	**263,195,661**	**388,042,719**	**1,688,497,765**	**1,627,141,505**	**846,983,094**	**499,930,266**	**463,107,087**	**79,327,257**	**119,889,033**	**-**
A.1 State securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other payable securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	3,074,699,659	263,195,661	388,042,719	1,688,497,765	1,627,141,505	846,983,094	499,930,266	463,107,087	79,327,257	119,889,033	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	**2,217,420,108**	**757,757,756**	**750,760,175**	**1,688,497,765**	**1,627,141,505**	**846,983,094**	**499,930,266**	**158,070,017**	**-**	**77,213,822**	**-**
B.1 Payables to:											
- banks	2,172,219,816	755,034,386	750,000,000	1,688,497,765	1,617,263,944	842,800,061	437,927,129	155,899,446	-	-	-
- financial institutes	6,193,530	-	-	-	-	-	-	-	-	-	-
- customers	39,006,762	2,723,370	760,175	-	9,877,561	4,183,033	62,003,137	2,170,571	-	-	-
B.2 Payable securities	-	-	-	-	-	-	-	-	-	77,213,822	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off balance-sheet transactions											
C.1 Financial derivatives with capital echange											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange											
- Long positions	(75,748,755)	-	-	-	-	-	-	-	-	-	-
- Short positions	-	580,491	-	748,909	3,902,994	3,639,405	32,977,610	28,440,089	3,604,352	1,854,905	-
C.3 Loans to be received											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to allocate funds											
- Long positions	-	-	-	-	(456,379,069)	-	-	-	-	-	-
- Short positions	-	-	-	-	456,379,069	-	-	-	-	-	-
C.5 Financial guarantees issued											

Part D - Other Information (Continued)

Section 4 - Information on Equity

4.1 Company Equity

4.1.1 QUALITATIVE INFORMATION

Company Equity is made up of the amount of own means allocated to the achievement of the company purpose and the protection against the risks connected with Company activities. An adequate business wealth is therefore fundamental to the development of the Company and at the same time ensures solidity and stability over time.

UniCredit Factoring, in compliance with Group policies, pays great attention to the management of capital with a view, not only to maximising returns for the shareholder, but also to sustaining the growth of uses.

The entity of the capital subject to monitoring was defined by circular nr.216 of the Bank of Italy's "Supervising Instructions for Financial Brokers enrolled in the Special List" which foresee that UniCredit Factoring, as part of a banking group, must maintain a solvency coefficient (ratio between Supervised Equity and weighted risk activities) of at least 4.5%

From an organisational viewpoint the monitoring of equity coefficients is performed by the Planning, Finance and Administration Department, on a monthly basis, both for the final balance and as regards prospects.

Management of capital is implemented in coordination with the competent structures of the Holding, by using as chief levers, on the one side, the dividend and subordinated loans issue policy and, on the other the issue of performance bonds and trade lists.

4.1.2 QUANTITATIVE INFORMATION

4.1.2.1 Company Equity: Breakdown

VALUE/ITEMS	12.31.2011	12.31.2010
1. Capital	114,518,475	114,518,475
2. Share premiums	951,314	951,314
3. Reserves	95,520,447	62,324,331
- of profits	95,520,447	62,324,331
a) legal	9,018,856	7,359,050
b) statutary	184,631	184,631
c) own shares	-	-
d) others*	86,316,960	54,780,650
- others	-	-
4. (Own shares)	-	-
5. Reserves from valuation	-	-
6. Capital instruments	-	-
7. Profit (loss) for the period	36,231,542	33,196,116
Total	**247,221,778**	**210,990,236**

* The Item "Other Reserves" includes profits carried forward (118,160 Euros in 2007, 31,891,946 Euros in 2008, 22,770,544 Euros in 2009 and 31,536,310 in 2010).

4.2 Equity and Supervisory coefficients

4.2.1 Supervised Equity

4.2.1.1 QUALITATIVE INFORMATION

The supervised Equity at 31st December 2011 was determined in conformity with the regulations stipulated by the Bank of Italy in circular nr.216 relating to the "Instructions for the compilation of the reports concerning Supervised Equity and Equity coefficients".

The basic equity is made up of own means belonging to the Company because there are no deductions nor prudential filters applicable. The basic Equity includes the entire profit for the period, in line with the sharing of the profits proposed by the Board of Directors at the General Shareholders' Meeting.
The supplementary Equity is represented by hybrid Equity-settled instruments and by subordinated liabilities as illustrated in part B of the Notes to the Financial Statements (section 1 "Payables " and section 2 "Outstanding securities").

4.2.1.2 QUANTITATIVE INFORMATION

VALUES/ITEMS	12.31.2011	12.31.2010
A. Basic equity before application of cautionary filters	**247,221,778**	**210,990,236**
B. Basic equity cautionary filters:	**-**	**-**
B.1 Positive IAS/IFRS cautionary filters (+)	-	-
B.2 Negative IAS/IFRS cautionary filters (-)	-	-
C. Basic equity gross of items to be deducted (A + B)	**247,221,778**	**210,990,236**
D. Items to be deducted from basic equity	**-**	**-**
E. Total basic equity (TIER 1) (C – D)	**247,221,778**	**210,990,236**
F. Supplementary equity before application of cautionary filters	**87,360,000**	**90,040,000**
G. Supplementary equity cautionary filter:	**-**	**-**
G.1 Positive IAS/IFRS cautionary filters (+)	-	-
G.2 Negative IAS/IFRS cautionary filters (-)	-	-
H. Supplementary equity gross of items to be deducted (F + G)	**87,360,000**	**90,040,000**
I. Items to be deducted from Supplementary equity	**-**	**-**
L. Total Supplementary equity (TIER 2) (H – I)	**87,360,000**	**90,040,000**
M. Items to be deducted from Total basic and supplementary equity	**-**	**-**
N. Supervised equity (E + L – M)	**334,581,778**	**301,030,236**
0 Third level equity (TIER 3)	**-**	**-**
P. Supervised equity including TIER 3 (N+0)	**334,581,778**	**301,030,236**

4.2.2 Adequacy of Equity

4.2.2.1 QUALITATIVE INFORMATION

The level of adequacy inherent to Equity regularly monitored:
- at final balance, at end of month, by applying the rules for the drafting of the quarterly reports to the Supervisory body;
- prospectively, usually every quarter, according to the evolution and expected breakdown of receivables and Equity.

Should it become appropriate to intervene, possible options are valuated with the Holding foreseeing, among others, capital increase, a specific distribution policy, the issue of capital instruments computable in the Supplementary Equity, assignment of receivables.

4.2.2.2 QUANTITATIVE INFORMATION

	NON-WEIGHTED AMOUNTS		WEIGHTED AMOUNTS/REQUISITES	
CATEGORY/VALUES	12.31.2011	12.31.2010	12.31.2011	12.31.2010
A. RISK-BEARING ASSETS				
A.1 Credit and counterpart risks	**10,088,272,447**	**8,962,388,096**	**5,443,330,063**	**4,294,205,910**
1. Standard method	10,088,272,447	8,962,388,096	5,443,330,063	4,294,205,910
2. Internal rating method	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3.Securitisations	-	-	-	-
B. SUPERVISED EQUITY REQUISITE				
B.1 Credit and counterpart risks	**-**	**-**	**326,599,804**	**257,652,355**
B.2 Market risks	**-**	**-**	**-**	**-**
1. Standard method	-	-	-	-
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.3 Operating risk	**-**	**-**	**20,607,100**	**18,012,150**
1. Basic method	-	-	20,607,100	18,012,150
2. Standard method	-	-	-	-
3. Advanced method	-	-	-	-
B.4 Other cautionary requisites	**-**	**-**	**745,964**	**2,268,142**
B.5 Other calculation features	**-**	**-**	**(86,988,217)**	**(69,483,162)**
B.6 Total cautionary requisites	**-**	**-**	**260,964,651**	**208,449,485**
C. RISK-BASED ASSETS AND SUPERVISED COEFF.s				
C.1 Weighted risk assets	-	-	4,350,280,729	3,474,852,919
C.2 Basic equity/Weighted risk assets (Tier 1 capital ratio)	-	-	5.68%	6.07%
C.3 Supervised equity including TIER 3/Weighted risk assets (Total capital ratio)	-	-	7.69%	8.66%

Item B.5 includes the reduction of requisites by 25%, foreseen for brokers belonging to Italian banking groups. The weighted risk assets, reported in Item C.1, used also to calculate the coefficients reported in items C.2 and C.3, are calculated as the product between the total, prudential requisite (Item B.6) and 1.67 (inverse proportion of the minimum, obligatory coefficient, equal to 6%).

Part D - Other Information (Continued)

Section 5 - Statement of breakdown of overall profitability

ITEMS	GROSS AMOUNT	INCOME TAX	NET AMOUNT
10 Profit (Loss) for the period	**62,197,723**	**(25,966,181)**	**36,231,542**
Other income-producing components			
20 Financial assets available for sale:	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
- adjustments from impaired	-	-	-
- profits/losses from takings	-	-	-
c) other variations	-	-	-
30 Tangibles	**-**	**-**	**-**
40 Intangibles	**-**	**-**	**-**
50 foreign investment hedges:	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
c) other variations	-	-	-
60 Financial flow hedging:	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
c) other variations	-	-	-
70 Exchange rate differences:	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
c) other variations	-	-	-
80 Non-current assets under divestment:	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
c) other variations	-	-	-
90 Actuarial Profits (Losses) on defined benefits plans	**-**	**-**	**-**
100 Reserves quoata from valuation of stock valued at net equity	**-**	**-**	**-**
a) fair value variations	-	-	-
b) write-back to income statement	-	-	-
- adjustments from impaired	-	-	-
- profits/losses from takings	-	-	-
c) other variations	-	-	-
110 Total other income-producing components	**-**	**-**	**-**
120 Overall profitability (Item 10+110)	**62,197,723**	**(25,966,181)**	**36,231,542**

Section 6 - Operations with correlated parties

The types of correlated parties, as defined in IAS 24 and significant for UniCredit Factoring, include:
- the Holding company;
- Company controlled by the Holding;
- "managers with strategic responsibilities" employed by UniCredit Factoring and by the Holding;
- the immediate family of "managers with strategic responsibilities" and companies controlled by (or connected with) managers with strategy responsibilities or their immediate family;
- pension funds in favour of Group employees.

The managers with strategic responsibilities are persons who, in relation to the Holding or to UniCredit Factoring have the power and responsibility, directly or indirectly, relating to planning, management and control of Company assets. This category includes, besides the Chief Executive Officer and the other members of the Board of Directors, also the members of the Executive Management Committee.

6.1 Information on remuneration for managers with strategic responsibilities

The information on remuneration for UniCredit Factoring managers with strategic responsibilities is illustrated here below, as required by IAS 24, in line with the Bank of Italy instructions stipulating the inclusion of the remuneration paid to members of the Board of Auditors.

REMUNERATION FOR MANAGERS WITH STRATEGIC RESPONSIBILITIES	2011	2010
a) short-term benefits for employees	2,257,520	1,235,063
b) benefits subsequent to work relations	-	-
relevant to defined services plans	-	-
relevant to defined contributions plans	-	-
c) other long-term benefits	-	-
d) retirement indemnities	-	-
e) stock-option payments	-	-
Total	**2,257,520**	**1,235,063**

6.2 Receivables and guarantees issued in favour of Directors and Auditors

The Company has issued no receivables or guarantees in favour of Directors and Auditors.

6.3 Information on transactions with correlated parties

In order to ensure ongoing compliance with the legislation and regulations currently in force regarding company information relating to transactions with correlated parties, UniCredit Factoring identifies the transactions in question.

Within this framework, in agreement with the instructions stipulated by the Holding, the guidelines for identifying the transactions concluded with correlated parties have been defined in conformity with the indications supplied by Consob.

The transactions in question were carried out, in general, under the same conditions as those applied for transactions concluded with independent, third-party persons.

Infra-group transactions were undertaken on the basis of mutual financial interest valuations and the definition of the terms and conditions to be applied took place in compliance with the governing substantial propriety, bearing in mind the common aim to create value for the entire group.

The same principle was applied also in the case of performance of infra-group services, together with the principle of regulating such services according to a minimum basis proportionate to the recovery of the relative production costs.

The following synergies were activated and are producing positive effects:

- the premises situated in Milan, via Albricci n. 10, registered offices of the Company, were leased from UniCredit Business Integrated Solutions S.C.p.A., service line Real Estate, which also performs the relevant ordinary and extraordinary maintenance;
- the branches of UniCredit S.p.A. perform development activities on behalf of the Company according to the new convention signed during 2011 between UniCredit factoring S.p.A. and the CIB and F&SME divisions;
- the Holding manages human resources administration, purchasing activities, mailing and soft collection, aimed at the recovery of past-due and unpaid receivables, UniCredit Business Integrated Solutions S.c.p.A, belonging to the Group, supplies technological outsourcing and acts as Internet Provider, together with all the operational activities relating to staff. The unification of the foregoing activities encouraged the use of specific, profession profile levels;
- auditing, as a result of Group policy, is entrusted to UniCredit Audit S.c.p.A. on the basis of a detailed service agreement. A referent of UniCredit Audit S.c.p.A., co-adjuvated by two other resources, operates internally on an exclusive basis.

Part D - Other Information (Continued)

The following statement indicates the assets, liabilities, guarantees and commitments extant at 31st December 2011, distinguished by the various types of correlated parties. The main item is represented by loans and current accounts in Euros and other currencies for provisioning operations.

Transactions with correlated parties

	CONSISTENCIES AT 12.31.2011			
	HOLDING COMPANY	COMPANIES CONTROLLED BY HOLDING	MANAGERS WITH STRATEGIC RESPONSIBILITIES	OTHER CORRELATED PARTIES
EQUITY ITEMS				
Financial assets available for sale (shareholdings)	-	394	-	-
Receivables from financial institutes	27,788,188	-	-	-
Receivables from customers	-	-	-	901,844
Other items on the asset side	330,217	35,681	-	-
Total asset side	**28,118,405**	**36,075**	**-**	**901,844**
Payables vs financial institutes	8,416,398,831	-	-	-
Securities and financial liabilities	54,852,832	25,747,859	-	-
Other items on the liability side	-	1,781,919	-	-
Total liabilities	**8,471,251,663**	**27,529,778**	**-**	**-**
Guarantees issued and commitments				
FINANCIAL DATA				
Interest earned and assimilated income	1,704,068	-	-	1,118,478
Interest paid and assimilated income	(86,483,552)	(1,123,787)	-	-
Commission earned	-	33,189	-	768,641
Commission paid	(3,084,596)	(77,648)	-	-
Administration costs: other expenses for human resources	(594,941)	(11,187)	(1,104,775)	-
Administration costs: other administration costs	(967,129)	(6,894,276)	-	-
Total income statement	**(89,426,150)**	**(8,073,709)**	**(1,104,775)**	**1,887,119**

In conclusion we underline, for the purposes of the provisions currently in force, that in the Period 2011 no atypical and/or unusual operations were undertake which, as regards significance/importance might cause doubts as to the protection of the Company Equity, neither with correlated parties nor with persons other than correlated parties.

Section 7 - Further information

Payment agreements based on own equity instruments

1. Outstanding instruments

Medium-long-term incentive plans addressed to Company employees include Equity-Settled Share Based Payments which foresee the allocation of shares in the Holding UniCredit S.p.A..

This category comprises assignments of:

- **Stock Options** assigned to selected beneficiaries belonging to Top and Senior Management and Key Group resources, represented by underwriting rights for UniCredit shares;
- **Performance Stock Options and Performance Shares** attributed to selected beneficiaries belonging to Top and Senior Management and Key Resources, represented respectively by ordinary, free, UniCredit shares which the Holding undertakes to assign, subject to the achievement of the performance targets stipulated by the Holding's Board of Directors;
- **Employee Share Ownership Plan (ESOP)** which offers to Group employees, possessing the requisites, the opportunity to purchase ordinary UniCredit shares with the following advantages: assignment of a number of free shares ("Discount Shares" and "Matching Shares" or, regarding the latter, rights to receive them) calculated on the number of shares purchased by each participant ("Investment Shares) during the "Underwriting period". The assignment of the free shares is subject to compliance with the "vesting" conditions (different from market conditions) established by the Regulations governing the Plan;
- **Group Executive Incentive System** which offers to selected Group Executives a variable compensation with payment implemented over four years. In the first two years of the plan the beneficiaries will receive a cash-payment, whereas in the next two years payment will be in shares. In compliance with the conditions governing individual and Group performances pursuant to the provisions of the Regulations inherent to the Plan.

2. Evaluation model

2.1 Stock option

To estimate the financial value of the Stock Option Options and the Performance Stock Options the Hull and White model was adopted.

The model is based on a price distribution on trinomial tree determined according to Boyle's algorithm and estimates the probabilities for the anticipated on the basis of a deterministic model connected to:

- the achievement of a market value equal to a multiple (M) of the price value inherent to the period;
- the assignors' tendency to anticipate exit (E) once the Vesting period has matured.

The following table indicates the value-increases and parameters relating to the Performance Stock Options, in the subsequent table the value-increases and relative parameters assigned in 2011.

Valuation Performance Stock Option 2011

	PERFORMANCE STOCK OPTION 2011
Period price [€]	18.07
Market price/ UniCredit share UniCredit [€]	18.07
Date of resolution assignment (Grant Date)	22-Mar-2011
Start of Vesting period	1-Jan-2011
Maturity Vesting period	31-Dec-2013
Maturity of plan	31-Dec-2020
Period multiple (M)	1.5
Exit Rate - Post Vesting (E)	3.73%
Dividend Yield	2.583%
Implicit volatility	42.755%
Risk Free Rate	3.314%
Unitary Value of option at assignment [€]	**6.019**

The parameters were quantified as follows:

- **Exit Rate:** annual percent of rights cancelled due to exits;
- **Dividend Yield:** average dividend yield expected for next fours years;
- **Implicit volatility:** Average daily values on a historic series relating to a 4 year horizon;
- **Period price:** arithmetic mean of official price/UniCredit share in month preceding Board of Directors' resolution for assignment;
- **Market price/ UniCredit share:** equal to Period Price, to reflect attribution of "at the money" options at date of assignment.

2.2 Other share-based instruments (Performance Shares)

The financial value of a performance share amounts to the market price of the share reduced by the present value on unassigned dividends in the period between the date of promise and the future delivery of the share. The parameters are estimated according to the same modes as those regulating stock options.

The following table registers the parameters relating to the Performance Shares promised in 2011 together with their unitary values.

Valuation of Performance Shares 2011

	PERFORMANCE SHARE 2011
Date of resolution for assignment (Grant Date)	22-Mar-2011
Start of Vesting period	1-Jan-2011
Maturity of Vesting period	31-Dec-2013
Market price/UniCredit share [€]	18.07
Financial value of Vesting conditions	-1.272
Unitary value of Performance Share at promise [€]	16.798

Part D - Other Information (Continued)

2.3 Employee Share Ownership Plan
For both Discount Shares and Matching Shares (or for the rights to receive them), the unitary value will be measured at the end of the Underwriting Period on the basis of the average weighted prices paid by the participants for purchasing the Investment Shares on the market.

The following tables indicate the parameters relating to the Discount Shares and Matching Shares (or rights to receive them) connected with the "Employee Share Ownership Plan" plan approved in 2010.

Valuation Discount Share ESOP 2009

VALUTAZIONE DISCOUNT ESOP 2009	DISCOUNT SHARE
Date of assignment of Discount Shares to Group employees	10-Jan-12
Start-up Vesting period	01-Jan-2011
Expiry Vesting period	31-dec-2011
Unitary Fair Value unitario of Discount Share [€]	11.687

Valutation Matching Share ESOP 2009

VALUTATION MATCHING SHARE ESOP 2009	MATCHING SHARE
Date assignment of Matching Shares (or relative rights) to Group employees	10-Jan-12
Start-up Vesting period	01-Jan-2011
Expiry Vesting period	31-dec-2011
Unitary Fair Value of Matching Share (or of relative right) [€]	11,687

2.4 Group Executive Incentive System
The amount of the incentive will be determined on the basis of the achievement of the qualitative and quantitative targets described in the plan.
In particular the determination of the achievement of the targets will be expressed in variable, percent terms from 0% to 150% (non market vesting conditions). This percent, corrected by applying a risk/sustainability factor – Group Gate – at first payment, multiplied by the sum-total of the incentive, will determine the effective amount to be paid to the beneficiary.

The Equity-based and financial effects will be shared according to the duration of the Plans.

3 Other information
2011 Share Participation Plan for UniCredit Group employees (Let's Share Plan 2011)
In April 2011 the Ordinary General Meeting of UniCredit Shareholders approved the "2011 Plan for the Shareholding of UniCredit Group Employees (Let's Share 2011") which offer in-Group Employees the opportunity to purchase ordinary UniCredit shares at favourable conditions, as from January 2012, in order to fortify their sense of belonging to the Group together with motivation to achieve the company targets.

The 2011 Plan foresees that:
1. during the "Underwriting Period" (from January 2012 to December 2012) the Participants can purchase ordinary UniCredit shares ("Investment Shares") by debiting the relevant current account, on a monthly basis, or in one or more solutions, pursuant to the orders issued in March, May and/or October ("one-off" modes). With respect to exits from the Plan during the Underwriting Period, the Participant will lose the right to receive free shares at closure of the Underwriting Period;
2. at closure of the Underwriting Period (January 2012), each Participant will receive one free ordinary share ("Free Share") for each 3 purchased; the Free Shares will be subject to prohibition to alienate for the next three years, the Participant will lose ownership if he/she ceases to be a UniCredit Group employee during the tri-annual Binding Period, unless his/her service ceases due to reasons permitted by the Plan Regulations. For fiscal motives, in various countries it is not possible to assign Free Shares at closure of the Underwriting Period: therefore an alternative structure has been foreseen acknowledging to the Participants of those countries the right to receive the Matching Shares at closure of the Binding Period ("Alternative Structure");
3. during the "Binding Period" (from January 2013 to January 2016) the Participants may alienate, at any moment, their "purchased" Investments Shares, but will lose the corresponding Free Shares (or the right to receive them).

The Free Shares are qualifiable as "Equity Settled Share-based Payments" because the Participants, according to the Plan Regulation, will receive Net Equity instruments from UniCredit as remuneration of the financial value of their services performed in favour of the company employing them.
For Free Shares (or the right to receive them) the unitary value will be measured at closure of the Underwriting Period on the basis of the average weighted price paid by the Participants to purchase the Investment Share on the market.

Each and every financial and equity-based effect relating to the Let's Share 2011 Plan will book-registered during the four-year period 2012-2015 .

Attachments to the Notes to the Financial Statements

Attachment 1

UniCredit S.p.A.

Reclassified asset and liability statement at 12.31.2010

Values in €millions

Assets	
Cash in hand and at bank	2,152
Financial assets for trading	10,128
Receivables from banks	33,806
Receivables from customers	253,102
Financial investments	87,451
Hedging	5,089
Tangible assets	281
Goodwill	7,707
Other intangible assets	33
Fiscal assets	6,954
Non-current assets and groups of assets under divestment	22
Toal assets	8,655
Total asset side	**415,380**

Liabilities and net equity	
Payables vs banks	49,024
Takings from customers and securities	281,694
Financial liabilities from negotiation	6,875
Fair value financial liabilities	51
Hedging	4,946
Funds for risks and charges	1,782
Fiscal liabilities	495
Liabilities associated with groups of assets under divestment	-
Other liabilities	12,743
Net equity	57,770
- capital and reserves	*56,909*
- reserves from available assets evaluation for sales and cash-flow hedge	*-*
- net profits	*783*
Total liabilities and Net equity	**415,380**

Re-classified Income Statement - Period 2010

Values in €millions

Net interest	5,043
Dividends and other revenue on stock	2,786
Interest Margin	**7,829**
Net commission	3,313
Net negotiation, hedging and fair value income	-193
Balance other income/charges	36
Brokering and other income	**3,156**
BROKERING MARGIN	**10,985**
Human resources costs	-3,634
Other administration costs	-3,027
Cost recoveries	375
Value adjustments on tangible and intangibles	-83
Operating costs	**-6,369**
OPERATING INCOME	**4,616**
Net provisions for risks and charges	-236
Integration charges	-196
Net adjustments on receivables and on reserves for guarantees and commitments	-3,774
Net profits from investments	-3
GROSS PROFITS ON CURRENT OPERATIONS	**407**
Taxes on fiscal period income	376
NET PROFITS	**783**

Attachment 2

Feeder of Income Statement Items with reclassified Income Statement Items

	BALANCE SHEET STAT. ITEMS
Net interest	Interest margin
Dividends and other proceeds from shareholdings	item 50
Net commission	Net commission
Negotiation and hedging income	item 60
Balance other revenue/charges	item 160
BROKERING MARGIN	**Amount**
Human resources costs	item 110 a)
Other administration costs	item 110 b)
Value adjustments to tangible and intangibles	item 120
Operating costs	**Amount**
OPERATING INCOME	**Amount**
Net adjustments on receivables	item 100 a)
NET OPERATING INCOME	**Amount**
Net reserves for risks and charges	item 150
GROSS PROFITS	**Amount**
Taxes on fiscal year income	item 190
NET PROFITS	**Amount**

Attachment 3

Advertising of remuneration pertaining to the Auditing Company

Pursuant to the provisions of art. 149 twelfth of the Consob Issuers Regulaions, as follows the table illustrating the information relating to the considerations allocated in favour of the Auditing Company KPMG S.p.A., and of the companies belonging to the same network, for the following services:

1. Auditing services comprising:
   - Control activities pertaining of the accounts pertaining to the companies, in order to express a professional opinion;
   - Control activities pertaining to the infra-annual accounts.

2. Certification services comprising assignments permitting the auditor to valuate a specific element, whose determination is implemented by another person, with responsibility, by means of appropriate guidelines, in order to express a conclusion supplying the addressee with a degree of reliability regarding the foregoing, specific feature. This category also include the services linked to the control of regulatory book-keeping.

3. Other services including residual assignments which must be detailed according to an adequate detail level. By way of non-exhaustive example the foregoing could include services such as: book-keeping - fiscal - legal - administrative due diligences, pre-arranged procedures and advisory services addressed to the appointed manager.

The considerations reported in the table, pertaining to the 2011 Period, are contractualised and include prospective indexing (excluding out-of-pocket expenses, prospective supervisory contributions and VAT).

According to the mentioned provision, acknowledged remuneration and possible, secondary auditors, or persons belonging to their respective networks, are not included.

TYPE OF SERVICES	LEGAL PERSON PERFORMING SERVICE	SERVICE RECEIVER	COMPENSATION (EUROS)
Audit			
- Asset and Liability Statement	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	79,600
- Limitated verification procedures re six-monthly book-keeping situation	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	14,420
Certification services	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	4,600
Other services	K.P.M.G. Advisory S.p.A.	UniCredit Factoring S.p.A.	20,000
Total			**118,620**

Board of Auditors' Report

Board of Auditors’ Report

Board of Auditors Report to the Balance-sheet closed at 12.31.2011
(art. 2429, second comma, c.c.)

Dear Shareholders,

by virtue and effect of the provisions of art. 2429 of the Civil Code, we hereby render account of the supervisory activity performed during the course of the fiscal year closed at 31st December 2011, specifying that the Board of Auditors controlled management, ex art. 2403, co. 1 C.C., whereas the auditing control, ex art. 2409 bis C.C., was assigned by the Company to KPMG S.p.a.
During the period closed at 31st December 2011 we performed the supervisory activity pursuant to the law, according to the standards of behaviour of the Board of Auditors, recommended by the Consigli Nazionali dei Dottori Commercialisti e degli Esperti Contabili. (National Councils of Accountants and Book-keeping Experts).
We specify, in particular that:

- We verified the observance of the law and the articles of association, or compliance with the statutory provisions governing the functioning of the company bodies and the company’s relations with institutional organisations;
- Our ongoing participation in the Board of Directors’ meetings, together with the information assumed on such occasions allows us to bear witness to the proper performance of the company’s activities and to its compliance with the statutory provisions and with the law.
  We can, therefore, assure you that the more important financial, economic and equity-based operations resolved and carried out during the period were in conformity with the law and with the articles of association and that the foregoing were not manifestly imprudent, hazardous, in potential conflict of interests or in contract with the resolutions deliberated by the shareholders’ meeting or such that they might compromise the integrity of the share capital;
- Due to the information obtained from the executives responsible for the various company functions, both in writing and during the verifications regularly performed in the course of the year, when examining the company documents and analysing the operations implemented by the auditing company, we acquired knowledge of and supervised, also as regards the stipulations of art. 19 of Legislative Decree Nr. 39/2010, the organisational structure of the company and of the internal control and administration-accounting systems adopted, both to be considered adequate and reliable, for the purposes of an efficient regulation of management events and of their proper representation;
- We found no evidence of atypical or unusual operations with Group controlled companies, third parties or correlated parties. The Board of Directors, in its management report, has supplied exhaustive illustration of the more important, economic, financial and equity-based operations carried out with correlated parties, of the determination modes and amounts pertaining to the valuable considerations inherent to the foregoing.
- We supervised the legal auditing of the accounts through periodic meetings with representatives from KPMG S.p.a., the appointed auditing company, who illustrated the quarterly controls performed and their relevant outcomes, the auditing strategy and the fundamental issues emerging during the performance of this activity. The auditing operations revealed no censurable facts nor aspects needing specific, in-depth analyses.
- During 2011 the auditing company KPMG Advisory S.p.a., performed for Unicredit Factoring various, limited assignments, different from their legal auditing operations i.e., more specifically, advisory activities resulting in the issue of a statement, ex art. 17 of Legislative Decree 39/2010 indicating the non-existence of situations which might compromise the independence of your company or lead to causes for incompatibility.
  Bearing in mind the statement issued by the Legal Auditing Company and of the assignments conferred on the latter, the Board of Auditors considers that no critical aspects exist in relation to KPMG Advisory S.p.a.’s independence.
- With reference to the provisions stipulated by Legislative Decree nr. 231/01, the company has adopted an Organizational Model consistent with the principles indicated in the foregoing Decree and in harmony with the guidelines established by the Holding.
  The Company’s Supervisory Body reported on the activities performed during 2011, without any highlighting significant events.

With respect to the Financial Statements for the fiscal period closed at 12.31.2011, which indicated profits amounting to 36,231,542, we refer to you the following comments:

- As we had no mandate for the book-keeping control, we supervised the general layout given to the balance-sheet and to its compliance with the law regarding its formation and structure.
- We also analyzed and verified the application of the accounting standards and specify that this balance-sheet was drafted in conformity with the International IAS/IFRS accounting standards issued by IASB, ratified by the European Commission, and with the relevant interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).
- We ascertained the completeness of and correspondence with the balance-sheet of the Management Report, and also its compliance with the provisions stipulated in art. 2428 C.C..
- We verified the correspondence of the balance-sheet with the facts and information of which we became cognizant, as a result not only of the execution of our supervisory, inspection and control duties, but also of our participation in the meetings of the company bodies.

During the supervisory activities, illustrated here above, no events were found to warrant mention in this report.
We furthermore inform you that:

- The foregoing supervisory activities were performed during nr. 7 meeting of the Board of Auditors and nr. 14 of the Board of Directors;
- No accusations ex art. 2408 C.C. nor third party exposés were received.

We are not aware of any other fact or statements needing to be submitted to the attention of the shareholders’ meeting.
In view of all the foregoing and having acknowledged that the mentioned Auditing Company will issue the obligatory auditing report pursuant to art. 14 of Legislative Decree 39/2010 without comments, we express our favourable opinion as to the approval of the Balance-Sheet at 31st December and to the allocation of the profits gained, according to the Board of Directors’ proposal.

Milan, 31st March 2012

THE BOARD OF AUDITORS
(dott. Giorgio Cumin)
(dott. Roberto Bianco)
(dott.ssa Federica Bonato)

Auditing Company's Report

KPMG

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010 and article 165 of Legislative decree no. 58 of 24 February 1998

To the sole shareholder of
UniCredit Factoring S.p.A.

1 We have audited the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2011, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 31 March 2011 for our opinion on the prior year financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2011 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of UniCredit Factoring S.p.A. as at 31 December 2011, the results of its operations and its cash flows for the year then ended.

4 As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of UniCredit Factoring S.p.A. does not extend to such data.

5 The directors of UniCredit Factoring S.p.A. are responsible for the preparation of a directors' report on the financial statements in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2011.

Milan, 30 March 2012

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

Ordinary General Shareholder’s meeting: resolutions

Ordinary General Shareholder’s meeting: resolutions

The Ordinary Meeting of the Shareholders of UNICREDIT FACTORING S.p.A., held on 19th April 2012, resolved:

- To approve the financial statements at 12.31.2011 according to the terms foreseen;
- To approve the allocation of the 2011 fiscal year profits, amounting to 36,231,542, as follows:

34,419,965 Euros	to the reconstruction of the other reserves
1,811,577 Euros	to the legal reserve;

- To confirm Mrs. Giuseppina Gualtieri and Mr. Alessandro Cataldo as Members of the Board of Directors of UniCredit Factoring, with mandates which will expire at the same time as those of the other Directors in office and therefore upon approval of the financial statements relating to the fiscal year 2012;
- To authorize by virtue and effect of art. 2390 of the Civil code., the newly-nominated Directors to perform assignments in competitor companies;
- The civil liability of the company representatives of UniCredit Factoring S.p.A. and the relative underwriting of such liability in the name and on behalf of UniCredit S.p.A..

Our Products

Our Products

Non-recourse Notified Domestic Factoring (Guarantee only)

This Product is addressed to Companies intending to secure themselves against the insolvency risks relating to their customers. These companies are approaching new markets or have already made use of forms of credit insurance. The product also addresses all those operators desirous of upgrading their company ratios.

Notified With-Recourse Domestic Factoring

With-recourse is indicated for customers which, in the presence of growing turnover or redefinition and fortification of business relations, intend to outsource the management of their receivables portfolios with a view to valuation, administration and control, versus debtors who do not oppose the assignment of their receivables.

Export/Import Factoring

The Product is reserved to export/import companies dealing with goods and services, with consolidated trade relations towards foreign entities.
At the same time it is addressed to operators who, by making use of the service offered by UniCredit Factoring, within the framework of collaboration agreements with their foreign partners (Factor Chain International) and with UniCredit Group's international network, wish to entrust the running of their receivable portfolios to a management expert.

Conventions with Groups of debtors Indirect (Reverse) Factoring)

Created for the Larger Groups, with split and ongoing supplier portfolios, this type of Factoring is a financial service able to censure exhaustive assistance in managing supply-based debts and to dynamically develop the Product - with respect to marketing - in the purchase area.

Maturity Factoring (with payment extensions for debtors)

Particularly adapted to industrial and commercial companies who, with solid customer portfolios (usually in direct sale networks) and with financial cycles, often seasonal, wish to normalise financial flows deriving from their receivable cycles.

Management and Disinvestment of Receivables versus State Organisations

UniCredit Factoring offers a Valuation service for the non-recourse/with-recourse purchase of receivables claimed by companies from State Authorities for contracts relating to the supply of goods or service. Moreover, particular care is taken by UniCredit Factoring to the application of Ministerial Decree of 19th May 2009 relating to the certification of supply-based receivables.

Structured Operations (IAS 39)

UniCredit Factoring takes care of the definition and granting of Credit as regards each debtor proposed by the “Assignor” company, with 100% hedging of the receivables assigned.

The operation is concretely implemented on the basis of specific contractual structures which also require the approval and certification of Auditing Companies.

Furthermore, the assignments of credit are mainly notified and refer to receivables with a maximum duration of 150/180 days, with respect to private debtors, and a maximum twelve months when the debtors belong to Public Organizations.

Assignment of annual VAT Credit

This type of product is addressed to companies intending to unfreeze annual VAT credit refunds requested through ordinary VR procedures (VR Schedule).

The assignment of credit can be either with-recourse or non-recourse, in which case UniCredit Factoring provides for the granting of a revolving Credit-limit with coverage up to 100% of the assigned receivables.

The credit assignment must be formalized by notary’s deed, and/or private deed authenticated by a Notary, and notified to the Agenzie delle Entrate (Tax Bureau) by Process Server, through the express acceptance, via the Assignor, of the assignment of the credit by the debtor Organization, together with specific reference to the non-existence of default situations pertaining to the Assignor.

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UniCredit
Factoring