UniCredit Leasing

Make it simple. It's easy with UniCredit.

2009 Annual Report

We UniCredit people are committed to generating value for our customers.

As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work.

We aim for excellence and we consistently strive to be easy to deal with.

These commitments will allow us to create sustainable value for our shareholders.

UniCredit Leasing

Times change, but commitments do not. We emerged from 2009 with a renewed sense of purpose and direction. What was important to us before is even more important today. Namely, our customers.

Accordingly, we developed a new mission statement in 2009 to reinforce those principles and practices that we believe to be drivers of greater customer centricity. Emphasized in this mission is the desire to make banking as easy as possible for our customers by offering the kind of simple, straightforward solutions that can assist them in achieving their financial goals reliably and efficiently.

This is what we call “real-life banking”. It means providing our clients with more than just financial services by giving them the right support at the right time and in the right way. It is about looking our customers in the eye, working closely with them to assess their real-life needs, and then using our expertise to deliver effective solutions through smooth and easy interactions.

We believe that our rigorous dedication to simplicity and transparency will continue to advance excellence in all that we do. It will also maintain and grow the trust of our customers - a trust that is exemplified in the following pages.

This year’s report features photographs and personal stories from UniCredit Group customers across Europe, highlighting the concrete role that our company has played in their lives. Each of these individuals, who represent the foundation upon which we are structuring our shared future, has told us about a time we made their life easier.

2009 Annual Report

Andreas Schmidt,
Bayerische Börse AG
Corporate Banking Client
Germany

«We have frequent personal contact with our relationship manager, whom we can easily reach anytime. We set great store by the offers we receive from him that are precisely tailored to our needs. We value the expertise and many product offerings we find at HypoVereinsbank - UniCredit Group. Our interactions with the bank go quickly and smoothly. We have been a loyal and satisfied customer for many years.»

It's easy with UniCredit.

Contents

Dace Markeviča
Uralchem Trading Sia
Corporate Banking Client - Latvia

«Uralchem Trading has the assurance that every time, even when it comes to fairly simple banking transactions like payments, UniCredit Bank will look for and find mutually beneficial solutions. The bank's professional staff always offers helpful advice on successful business operations, thereby laying the foundation for mutual trust and a long-term partnership.»

It's easy with UniCredit.

Introduction

Board of Directors and Board of Statutory Auditors

	Board of Directors
Vittorio Ogliengo	**Chairman**
Rosario Corso	**Senior Deputy Chairman**
Luigi Marino	**Deputy Chairman**
Massimiliano Moi	**Chief Executive Officer**
Paolo Avesani Helmut Bernkopf (resigned on 11.09.2009) Gianni Coriani Giovanni Desiderio Lutz Diederichs Federico Ghizzoni Renato Martini Marcello Massinelli Fabrizio Onida Pasquale Santomassimo Sergio Sieni	**Directors**
	Board Of Statutory Auditors
Michele Paolillo	**Chairman**
Daniele Andretta Romano Conti Ferruccio Magi Vincenzo Nicastro	**Standing Auditors**
Claudia Cattani Paolo Colombo	**Alternate Auditors**
	Management
Luca Lorenzi	**Chief Operating Officer**
Elvio Campagnola	**Deputy Chief Operating Officer**
KPMG S.p.A.	**Independent Auditors**

AT A GLANCE

With more than 3,000 employees in 17 countries we are the leading company in Europe for asset based financing solutions.

As part of UniCredit Group one of the major financial institutions at international level, we have strengthened and further expanded our business in Italy, Germany, Austria and in the emerging markets of Central and Eastern Europe.

In Italy, we are present with 17 branches, 4 Leasing Points, and a network of dedicated agents. In addition, our leasing solutions are accessible also through more than 5,000 UniCredit Group branches.

AUSTRIA
BOSNIA AND HERZEGOVINA
BULGARIA
CZECH REPUBLIC
CROATIA
GERMANY
HUNGARY
ITALY
LATVIA
POLAND
ROMANIA
RUSSIA
SERBIA
SLOVAKIA
SLOVENIA
TURKEY
UKRAINE

KEY FIGURES (Data as of December 2009)

TOTAL REVENUES	284.4 mln €
NET PROFIT	40.0 mln €
MARKET SHARE	11.91%
NEW CONTRACTS	22,149

OUR OFFER

We help customers in seizing their business opportunities throughout customized leasing packages and a complete range of products and services: equipment, vehicles, nautical, real estate and renewable energy.

Apart from leasing, we provide complementary services in the fields of insurance, fleet management and construction management.

The solid experience in the leasing sector, together with an in-depth knowledge of the most important European markets, represent our winning combination.

SALES CHANNELS

We offer our products and services through 3 main sales channels:

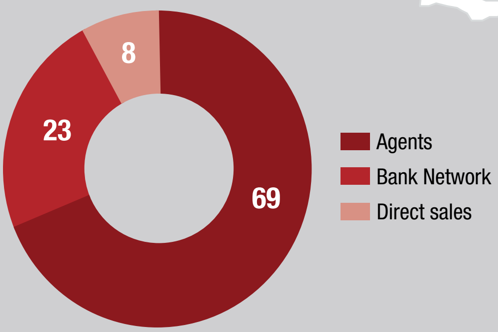
- **UniCredit Leasing Branches**
  UniCredit Leasing branches and leasing points offer our clients a dedicated support, guaranteeing standard or tailored financial solutions according to the individual needs, as well as professional consultancy of great reliability.

- **Agent Network**
  We can count on a network of specialized agents that support our business, guaranteeing customers the advantage of high professionalism matched with a deep knowledge of the local territory.

- **UniCredit Group bank network**
  Our products and services are available also through the wide banking network of UniCredit Group, that operates in 22 European countries with approximately 10,000 branches.

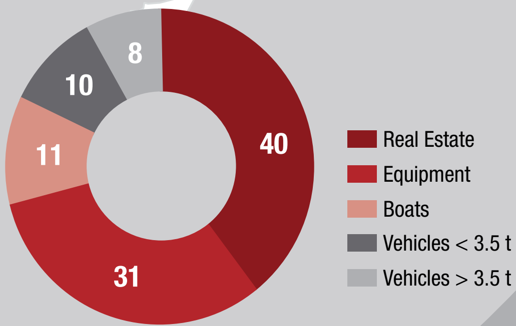
NEW BUSINESS BY CHANNEL (%)

Data as of December 2009



NEW BUSINESS BY PRODUCTS (%)

Data as of December 2009



Radim Passer,
Passerinvest Group
Corporate Banking Client - Czech Republic

**«I've been a satisfied client of UniCredit Bank for many years, both for my business and for personal use. Above all, we appreciate that the bank thoroughly understands the real estate market, so that it can effectively evaluate the financing for an individual project.
In 2009, we had a few more chances to appreciate our bank's helpful and constructive approach. Specifically, when we financed our "Filadelfie" project, and then again when we negotiated a loan for the "Residential Park Baarova" project.»**

It's easy with UniCredit.

Report on operations

Background

The global economy: US and Eurozone

The freefall in economic activity seen at the beginning of 2009 seemed to have stopped at the end of the year. In fact, a resurgence in international trade helped the major economies pull out of recession. However, although the global recovery is under way and the risks of falling back into recession are rather limited, growth seemed to have slowed in the final quarter of the year because the temporary factors behind recent improvement in the economy were losing some of their effect. In the major developed economies (USA, eurozone, UK and Japan), signs of "endogenous" growth are still scarce, and prospects for consumption and investment remain weak.

Despite improvement in the final two quarters, the overall situation was characterised by weak demand from the private sector, which suffered a widespread and especially dramatic fall at the beginning of the year and had an impact on all growth in 2009: GDP contracted by -2.5% in the US, -4.0% in the eurozone and as much as -5.3% in Japan.

In the eurozone, net exports and the rebuilding of inventories were the main factors that led to the recent improvement in the economy and contributed to GDP growth. The summer months brought good news in the area of exports: the global economy saw a resurgence in trade volumes - which had dropped to all-time lows following the collapse of Lehman Brothers - thanks to highly expansive fiscal and monetary policies implemented by governments and central banks. Asian countries, particularly China, were the first to show signs of recovery and to provide a greater push to trade volumes, followed by the US and the eurozone. Aggregated Q3 eurozone exports rose by 3.1% compared with the previous quarter, while imports were up by 3.0%. These indicators were still down year on year, but less so than in previous quarters (-13.5% in Q3 compared with -17.2% in Q2 for exports; -11.8% in Q3 compared with -14.3% in Q2 for imports). The second factor that seems to have played a significant role in the recovery during the final months of the year was the rebuilding of inventories: following the crisis and the unprecedented drop in demand, businesses decided to meet their own demand through stock, resulting in a sharp decline in inventories. In the final months of the year, as a direct result of the extremely low level of inventories, it is likely that there was a rapid increase in production aimed at satisfying any further rise in external demand.

Investments remained the weak point of this fragile economic situation, having been on a downward spiral for two years in the eurozone (-0.7% in 2008 and -10.8% in 2009) and in Japan (-1.6% in 2008 and -19.3% in 2009), while the drop was especially sharp in the US in 2009 (-17.8%) after moderate growth in 2008 (1.8%). Businesses are still having a hard time kick-starting investment in a big way, and this difficulty will continue for all of 2010.

However, economic indicators from business confidence surveys continue to indicate an upward trend. After collapsing to record lows at an unprecedented speed, business confidence began to grow again, returning to levels that indicate expansion in economic activity: this was due to significant, widespread improvements in all indicators. The biggest improvements were reported mainly in new-business indicators, which returned to pre-crisis levels in the eurozone. The PMI manufacturing index began to grow in October 2009, and in December stood at 51.6, which is a long way from the low of 33.5 reported in February 2009. Similarly, the ISM manufacturing index in the US rose from 35.6 in January 2009 to 55.9 in December. However, despite the fact that the level of these economic indicators signals expansion in the manufacturing sector, it is indicative of a period of stagnation in manufacturing activities in the coming months.

Naturally, the crisis also had a major impact on labour market conditions. The widespread slowdown in manufacturing resulted in a sharp reduction in jobs. In 2009, the US economy lost a total of 4.1 million jobs (compared with 3.1 million in 2008). The decline was significant and led to a considerable increase in the unemployment rate, which hit 10.0%. The labour market in the eurozone resisted more strongly, due in part to employment-support mechanisms that limited job losses. Furthermore, even though the first weak signs of improvement are being seen in the labour market, it is likely to remain weak for most of 2010 due to the heavy underutilisation of the workforce.

In terms of price movements, after remaining in negative territory for five months (from June to October 2009), eurozone inflation (the HICP index) returned to a positive figure (+0.5%) in November and was up by 0.9% in December due to an unfavourable base effect on energy prices (oil prices were in freefall at the end of 2008), which put upward pressure on prices. On the other hand, after contributing significantly to the decline in overall inflation in the first half of the year, inflation of food prices continued to fall in the second half and is likely to do so for several months in 2010.

With regard to monetary policy, after bringing the refi rate to 1.0%, the European Central Bank (ECB) took several steps to bring about an effective resolution of the financial crisis and to support the real economy by buying guaranteed bonds and extending cash refinancing transactions for banks in order to revitalise one of the markets most heavily hit by the financial crisis and to reopen a significant source of financing for the banking industry.

In the US, after reducing the Fed funds rate to an all-time low (between 0 and 0.2%), the Federal Reserve implemented a quantitative-easing policy, injecting liquidity into the market by purchasing government securities and increasing the TALF (Term Asset-Backed Securities Loan Facility).

The first signs of improvement in economic activity were greeted enthusiastically by the equity markets, which reported increases of 20.0%-30.0% in just over two months. At the same time, yields on the longest part of the bond curve rose significantly, getting close to 4.0% for the 10-year maturity in the US and 3.7% in the eurozone. However, this increase in bond yields was interrupted during the summer when indicators from the real economy ceased to paint a clear picture of recovery and left the impression that the road out of recession was still rather long.

Background (Continued)

The Italian economy

A brief summary of the major macroeconomic indicators for Italy appears below.

In the third quarter of 2009, GDP rose for the first time since spring 2008, increasing by 0.6% compared with the previous three months. This increase largely reflected the boost from exports, which ended a sequence of five consecutive falls. The recovery in exports has proved decisive in supporting recent expansion given the weakness of domestic demand.

Having almost stagnated in the previous three months, household consumption rose by just 0.4% in the third quarter of 2009. The increase was due primarily to the acquisition of durables (2.7%), thanks to tax incentives for new cars, and semi-durables (3.5%). There was not much growth in spending on services, while the three-year downward trend in consumption of non-durables was accelerated by a fall of 1.2%.

There was a sharp rise in industrial manufacturing (4.4% in the third quarter), the first for more than a year. Intermediate, capital and consumer durable goods, which had been hit hardest at the start of the crisis, contributed particularly to the increase. In the third quarter of 2009, in fact, gross fixed investments rose slightly, driven solely by a strong rebound in the machinery and equipment sector (up 4.2%), although this remains at very low levels close to those seen a decade ago. With production capacity not being used and an ongoing weakness in demand, spending on capital goods presumably benefited from a better manufacturing outlook, the first effects of tax incentives for investment introduced last July and the need to replace obsolete facilities.

Taking into account preliminary data for December 2009, the average annual variation of the consumer price index fell to 0.8%. Net of food and energy prices, underlying inflation was practically stable in the second half of the year. After hitting a low point in July, however, prices began to gradually rise again and inflation reached 1.0% in December.

Despite the faint signs of recovery, there remains great uncertainty about the months ahead. There is not yet the kind of continuous improvement in quantitative indicators that we have seen in the cyclical phase from economic surveys.

There are two pieces of information that should be added to this background to help explain some of the performances that have characterised the year and the credit sector in particular.

The ministry of economy and finance (hereinafter “MEF”), the Italian Banking Association (hereinafter “ABI”) and representatives of companies from all economic sectors signed an agreement, effective from 3 August 2009, which enables small and medium-sized businesses to suspend for up to 12 months the capital portion of loan repayment instalments, provided they request such a suspension before 30 June 2010. Under the terms of this agreement, to which almost all the banks have signed up, requests from companies that meet determined criteria and are classified as performing, should be understood as approved unless the bank in question explicitly and justifiably refuses.

The quality of banking assets continued to decline in the third quarter of 2009. The ratio of non-performing loans, annualised and net of seasonal factors, reached 2.2%, the highest since 1998.

The leasing sector in Italy

In 2009, the leasing sector was marked by a significant decline in volume and number of contracts. The total amount signed during the year was € 26,116 million, a decrease of € 12,815 million, or 32.9%, on the same period in the previous year.

This was due to a fall in the economic cycle on the back of the financial crisis at the end of 2008, which also affected the real economy in 2009.

(Amounts in millions of €)

VALUE OF CONTRACTS SIGNED	12.31.2009		12.31.2008		CHANGE	
Sector	AMOUNT	%	AMOUNT	%	AMOUNT	%
Cars	*2,392*	*9.2*	*3,338*	*8.6*	*(946)*	*(28.3)*
Commercial and industrial vehicles	*3,311*	*12.7*	*5,157*	*13.2*	*(1,846)*	*(35.8)*
Vehicles	**5,703**	**21.9**	**8,495**	**21.8**	**(2,792)**	**(32.9)**
Capital goods	**8,539**	**32.7**	**12,377**	**31.8**	**(3,838)**	**(31.0)**
Air, sea and rail	**1,288**	**4.9**	**3,018**	**7.8**	**(1,730)**	**(57.3)**
Non-property total	**15,530**	**59.5**	**23,890**	**61.4**	**(8,360)**	**(35.0)**
Completed properties	*6,426*	*24.6*	*9,508*	*24.4*	*(3,082)*	*(32.4)*
Properties under construction	*4,160*	*15.9*	*5,533*	*14.2*	*(1,373)*	*(24.8)*
Property total	**10,586**	**40.5**	**15,041**	**38.6**	**(4,455)**	**(29.6)**
Total value signed	**26,116**	**100.0**	**38,931**	**100.0**	**(12,815)**	**(32.9)**

source, Assilea

As a result, all areas of the leasing sector saw a significant reduction in business levels.

NUMBER OF CONTRACTS SIGNED	12.31.2009		12.31.2008		CHANGE	
Sector	NUMBER	%	NUMBER	%	NUMBER	%
Cars	*70,709*	*25.7*	*99,260*	*25.6*	*(28,551)*	*(28.8)*
Commercial and industrial vehicles	*80,798*	*29.4*	*111,978*	*28.9*	*(31,180)*	*(27.8)*
Vehicles	**151,507**	**55.1**	**211,238**	**54.5**	**(59,731)**	**(28.3)**
Capital goods	**111,416**	**40.5**	**158,408**	**40.8**	**(46,992)**	**(29.7)**
Air, sea and rail	**2,154**	**0.8**	**4,228**	**1.1**	**(2,074)**	**(49.1)**
Non-property total	**265,077**	**96.4**	**373,874**	**96.4**	**(108,797)**	**(29.1)**
Completed properties	*7,282*	*2.7*	*10,525*	*2.7*	*(3,243)*	*(30.8)*
Properties under construction	*2,412*	*0.9*	*3,505*	*0.9*	*(1,093)*	*(31.2)*
Property total	**9,694**	**3.6**	**14,030**	**3.6**	**(4,336)**	**(30.9)**
Total number signed	**274,771**	**100.0**	**387,904**	**100.0**	**(113,133)**	**(29.2)**

source, Assilea

There were a series of government and central bank initiatives to support the economy in order to re-establish levels as close as possible to physiological levels and to kick-start lending, especially to SMEs, which have always been the fabric of the Italian economy.

The agreement between the ABI and the MEF - the so-called ABI Moratorium - also includes loans in the form of finance leases and enables customers, provided their financial difficulties are temporary, to get a contract extension during which only interest is paid.

Background (Continued)

The leasing sector in Italy (Continued)

The following summarises the impact of the moratorium on the leasing sector as a whole, according to the industry body and the ABI.

(Amounts in millions of €)

	TOTAL				PROPERTY				CAPITAL GOODS			
	NUMBER	%	DEBT REMAINING	%	NUMBER	%	DEBT REMAINING	%	NUMBER	%	DEBT REMAINING	%
Requests approved	22,127	62.1	6,092	64.2	4,722	66.2	4,421	66.0	17,405	61.0	1,671	59.8
Requests denied	766	2.1	167	1.8	143	2.0	116	1.7	623	2.2	51	1.8
Requests under review	4,336	12.2	1,605	16.9	1,275	17.9	1,262	18.9	3,061	10.7	343	12.3
Total valid requests	**27,229**	**76.4**	**7,864**	**82.9**	**6,140**	**86.1**	**5,799**	**86.6**	**21,089**	**73.9**	**2,065**	**73.9**
Invalid requests	2,366	6.6	467	4.9	341	4.8	255	3.8	2,025	7.1	212	7.6
Total requests analysed	**29,595**	**83.0**	**8,331**	**87.8**	**6,481**	**90.9**	**6,054**	**90.4**	**23,114**	**81.0**	**2,277**	**81.5**
Requests received and not analysed	6,057	17.0	1,157	12.2	648	9.1	640	9.6	5,409	19.0	517	18.5
Total requests received	**35,652**	**100.0**	**9,488**	**100.0**	**7,129**	**100.0**	**6,694**	**100.0**	**28,523**	**100.0**	**2,794**	**100.0**

source, prepared by Assilea from ABI data

Company Activity

The UniCredit Group continued the internal reorganisation of its leasing business in 2009. As of 1 January 2009, UniCredit Leasing S.p.A. is the leasing arm of the Group, responsible for coordinating and managing the activities of all its leasing companies in Europe as well as Fineco Leasing S.p.A. in Italy (part of the Group). Unlike the other subholdings, UniCredit Leasing retains an operational dimension insofar as it directly manages business in the Italian market.

Background (Continued)

Results of commercial activity in Italy

There was a significant reduction in volumes in 2009 (-37.1%), in line with the market (-32.9%). As a result, the market share dropped from 13.0% at the end of 2008 to 11.9% a year later.

(Amounts in millions of €)

VALUE OF CONTRACTS SIGNED	12.31.2009		12.31.2008		CHANGE	
Sector	AMOUNT	%	AMOUNT	%	AMOUNT	%
Cars	*230*	*7.4*	*302*	*6.1*	*(72)*	*(23.8)*
Commercial and industrial vehicles	*328*	*10.5*	*493*	*10.0*	*(165)*	*(33.5)*
Vehicles	**558**	**17.9**	**795**	**16.1**	**(237)**	**(29.8)**
Capital goods	**970**	**31.2**	**1,397**	**28.3**	**(427)**	**(30.6)**
Air and sea	**344**	**11.1**	**670**	**13.5**	**(326)**	**(48.7)**
Non-property total	**1,872**	**60.2**	**2,862**	**57.9**	**(990)**	**(34.6)**
Completed properties	*770*	*24.8*	*1,409*	*28.5*	*(639)*	*(45.4)*
Properties under construction	*468*	*15.0*	*674*	*13.6*	*(206)*	*(30.6)*
Property total	**1,238**	**39.8**	**2,083**	**42.1**	**(845)**	**(40.6)**
Leasing total	**3,110**	**100.0**	**4,945**	**100.0**	**(1,835)**	**(37.1)**

The reduction in business affected all segments, especially real estate (-40.6%) and aircraft and rolling stock (-48.7%).

The automotive and capital-goods segments outperformed the market (-29.8% and -30.6% respectively).

NUMBER OF CONTRACTS SIGNED	12.31,2009		12.31.2008		CHANGE	
Sector	NUMBER	%	NUMBER	%	NUMBER	%
Cars	*5,841*	*26.4*	*7,848*	*23.9*	*(2,007)*	*(25.6)*
Commercial and industrial vehicles	*5,744*	*26.0*	*8,848*	*27.0*	*(3,104)*	*(35.1)*
Vehicles	**11,585**	**52.4**	**16,696**	**50.9**	**(5,111)**	**(30.6)**
Capital goods	**8,769**	**39.8**	**12,946**	**39.4**	**(4,177)**	**(32.3)**
Air and sea	**557**	**2.5**	**1,386**	**4.2**	**(829)**	**(59.8)**
Non-property total	**20,911**	**94.7**	**31,028**	**94.5**	**(10,117)**	**(32.6)**
Completed properties	*916*	*4.1*	*1,363*	*4.2*	*(447)*	*(32.8)*
Properties under construction	*274*	*1.2*	*426*	*1.3*	*(152)*	*(35.7)*
Property total	**1,190**	**5.3**	**1,789**	**5.5**	**(599)**	**(33.5)**
Leasing total	**22,101**	**100.0**	**32,817**	**100.0**	**(10,716)**	**(32.7)**

The breakdown of performance by distribution channel shows lower contributions from both the external (-31.8%) and internal (-67.4%) channels.

(Amounts in millions of €)

VALUE SIGNED	12.31.2009		12.31.2008		CHANGE	
Channel	AMOUNT	%	AMOUNT	%	AMOUNT	%
Group banks	725	23.3	1,012	20.5	(287)	(28.4)
Agents and brokers	2,145	69.0	3,196	64.6	(1,051)	(32.9)
External network	**2,870**	**92.3**	**4,208**	**85.1**	**(1,338)**	**(31.8)**
Internal network	**240**	**7.7**	**737**	**14.9**	**(497)**	**(67.4)**
Total contracts signed	**3,110**	**100.0**	**4,945**	**100.0**	**(1,835)**	**(37.1)**

2008 include MCC data

In more detail, there was an increase in the portion of volumes intermediated by agents (69.0% compared with 64.6% in 2008), while the banking channel increased its share from 20.5% to 23.3%.

The contribution from the direct network fell from 14.9% in 2008 to 7.7%.

For more information on the new distribution model effective from 1 January 2010, please refer to the Outlook section.

Key balance sheet and income statement combined data for Italy

The 2008 figures used for comparative purposes refer solely to the former Locat S.p.A., which did not include figures for the former UniCredit Global Leasing S.p.A. (hereinafter “UGL”) that was merged by incorporation into the former Locat S.p.A. on 1 January 2009.

Balance sheet

The standout figure from the balance sheet at 31 December 2009 is the increase in Total assets, due almost exclusively to the transfer of the equity investments portfolio from the former UGL on the occasion of the merger of 1 January 2009.

(Amounts in thousands of €)

	12.31.2009	12.31.2008 (*)	CHANGE AMOUNT	CHANGE %
Total assets	**21,246,702**	**20,721,028**	**525,674**	**2.5**
- Receivables	*19,238,622*	*19,818,336*	*(579,714)*	*(2.9)*
- Property. plant and equipment and intangible assets	*94,961*	*97,497*	*(2,536)*	*(2.6)*
- Equity investments	*1,033,759*	*3,494*	*1,030,265*	*n,a,*
- Other assets	*665,486*	*654,440*	*11,046*	*1.7*
Total liabilities	**19,654,069**	**19,604,396**	**49,673**	**0.3**
- Payables	*19,196,794*	*19,021,863*	*174,931*	*0.9*
- Other liabilities	*270,910*	*447,585*	*(176,675)*	*(39.5)*
Equity	**1,592,633**	**1,116,632**	**476,001**	**42.6**

(*) Values reclassified for purposes of comparison with 31 December 2009, as follows:
- from item 100. b) “Provisions for risks and charges b) other provisions” to item 10. “Payables” for transactions with agents (€ 3,961 thousand at 31 December 2008);

- from item 90. “Other liabilities” to item 10. “Payables” for payable due to agents (€ 6,785 thousand);
- from item 140. “Other assets” to item 60. “Receivables” for receivables due from the holding company (€ 1,507 thousand).

The other core items, such as loans and receivables with customers and deposits from banks, rose slightly in line with the market performance described earlier.

Loans and receivables with customers

Gross loans and receivables, amounted to € 19,735 million at the end of the year, down by around € 490 million compared with 31 December 2008 (-2.4%). The reduction in new contracts signed, discussed in the previous section, had a significant impact on business. Coupled with the scheduled repayment for the period, this led to a fall in loans and receivables at the end of the year.

(Amounts in thousands of €)

	12.31.2009		12.31.2008 (*)		CHANGE	
NOMINAL VALUE	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	AMOUNT	%
Non-performing	594,920	3.0	523,500	2.6	71,420	13.6
Doubtful	873,350	4.4	420,884	2.1	452,466	107.5
Restructured	90,868	0.5	50,598	0.3	40,270	79.6
Past due	730,537	3.7	249,126	1.2	481,411	193.2
Total impaired loans	*2,289,675*	*11.6*	*1,244,108*	*6.2*	*1,045,567*	*84.0*
Performing loans	*17,445,752*	*88.4*	*18,981,182*	*93.8*	*(1,535,430)*	*(8.1)*
Total loans	**19,735,427**	**100.0**	**20,225,290**	**100.0**	**(489,863)**	**(2.4)**

(*) Data for 2008 have been reclassified in accordance with the new regulatory definition of doubtful (loans of € 274,405 thousand from past due to doubtful).
Additional loans of € 1,507 thousand for 2008 have been reclassified from “Other assets” to “Receivables”.

Background (Continued)

Key balance sheet and income statement combined data for Italy (Continued)

The reduction affected both the volume and the composition of gross loans and receivables with customers, which differed greatly from one year to the next. Impaired loans rose by € 1,045 million, an increase that manifested itself mainly in the doubtful and past-due categories and was caused by a deterioration of the quality of the portfolio in 2009. Around € 300 million were also reclassified to impaired loans after the Bank of Italy issued new regulations on accounts and oversight of intermediaries at the end of the year.

For a detailed explanation of the changes, please refer to part D of the notes to the financial statements, which describes changes to credit risk control instruments and policies.
As a result, the portion of total loans and receivables that were impaired rose from 6.2% at the end of 2008 to 11.6% a year later. Of this, two percentage points were down to the effects of the new regulations.

The situation of the MCC portfolio at the end of the year is shown below:

(Amounts in thousands of €)

	NOMINAL VALUE		IMPAIRMENT LOSSES		CARRYING AMOUNT	
	12.31.2009	12.31.2008 (*)	12.31.2009	12.31.2008 (*)	12.31.2009	12.31.2008
Non-performing	139,830	188,648	59,092	60,974	80,738	127,674
Doubtful	145,732	154,433	15,384	15,766	130,348	138,667
Restructured	1,166	2,814	-	-	1,166	2,814
Past due	110,857	47,783	4,770	2,252	106,087	45,531
Total impaired loans	**397,585**	**393,678**	**79,246**	**78,992**	**318,339**	**314,686**

(*) Data for 2008 have been reclassified in accordance with the new regulatory definition of doubtful (loans of € 123,035 thousand from past due to doubtful; impairment losses of € 5,730 thousand)

It should be noted that the MCC portfolio acquired by UCL in 2008 is monitored separately because it does not conform to UCL portfolio standards.Once again, the biggest increase was in past-due loans, while doubtful and non-performing loans fell slightly as a result of position management.

The coverage ratio (impairment losses / gross loans) of this part of the portfolio was largely unchanged from 20.1% in 2008 to 19.9% at the end of 2009.

(Amounts in thousands of €)

	12.31.2009		12.31.2008 (*)		CHANGE	
IMPAIRMENT LOSSES	AMOUNT	COVERAGE RATIO	AMOUNT	COVERAGE RATIO	AMOUNT	%
Non-performing	230,697	38.8	210,642	40.2	20,055	9.5
Doubtful	112,439	12.9	61,531	14.6	50,908	82.7
Restructured	2,372	2.6	4,725	9.3	(2,353)	(49.8)
Past due	49,871	6.8	13,744	5.5	36,127	262.9
Total impaired loans	*395,379*	*17.3*	*290,642*	*23.4*	*104,737*	*36.0*
Performing loans	*101,426*	*0.6*	*116,312*	*0.6*	*(14,886)*	*(12.8)*
Total loans	**496,805**	**2.5**	**406,954**	**2.0**	**89,851**	**22.1**

(*) Data for 2008 have been reclassified in accordance with the new regulatory definition of doubtful (impairment losses of € 24.245 thousand from past due to doubtful)

Impairment losses

Total impairment losses rose from € 407 million in 2008 to € 497 million last year.At the end of the year, the coverage of loans to customers (impairment losses / gross loans) was 2.5%, up from 2.0% a year earlier.

At 31 December 2009, the coverage ratio (impairment losses / nominal value) of impaired loans was 17.3%, down from 23.4% a year earlier. This reduction was due primarily to an increase in impaired loans as a result of the macroeconomic situation.

During the first quarter of 2009, the Company set up a task force - together with UniCredit Credit Management Bank (UCMB) - to confront the increase in “irregular” loans and to deal proactively with existing impaired positions in order to prevent the situation getting worse, thereby ensuring more efficient recovery of customer loans by restructuring or changing the maturity of outstanding contracts in order to better adapt to the liquidity of customers. This activity - which continued for the whole of 2009 - aims to prevent and limit losses on short and long-term loans by enabling strict monitoring of trends in customer behaviour and in the market for realising any repossessed and held-for-sale assets.

Net performing loans

These were down by € 1,521 million compared with the end of December 2008 to € 17,334 million, owing to less new business and the overall economic climate as described earlier.

(Amounts in thousands of €)

CARRYING AMOUNT	12.31.2009 AMOUNT	12.31.2009 % OF TOTAL	12.31.2008 (*) AMOUNT	12.31.2008 (*) % OF TOTAL	CHANGE AMOUNT	CHANGE %
Non-performing	364,223	1.9	312,858	1.6	51,365	16.4
Doubtful	760,911	4.0	359,353	1.8	401,558	111.7
Restructured	88,496	0.5	45,873	0.2	42,623	n,a,
Past due	680,666	3.5	235,382	1.2	445,284	189.2
Total impaired loans	*1,894,296*	*9.9*	*953,466*	*4.8*	*940,830*	*98.7*
Performing loans	*17,344,326*	*90.1*	*18,864,870*	*95.2*	*(1,520,544)*	*(8.1)*
Total loans	**19,238,622**	**100.0**	**19,818,336**	**100.0**	**(579,714)**	**(2.9)**

(*) Data for 2008 have been reclassified in accordance with the new regulatory definition of doubtful (loans of € 250.106 thousand from past due to doubtful),
Additional loans of € 1.507 thousand for 2008 have been reclassified from "Other assets" to "Receivables",

The table above shows net loans (gross loans of € 19,735,427 million net of impairment losses at the reference date of € 496,805 million, giving an exposure of € 19,238,622 million).

Securitised loans and receivables with customers

The amount of loans and receivables with customers reported on the balance sheet includes securitised loans that, because of their nature, do not qualify for derecognition from loans.

(Amounts in thousands of €)

ASSETS SOLD BUT NOT DERECOGNISED	NOMINAL VALUE 12.31.2009	NOMINAL VALUE 12.31.2008 (*)	IMPAIRMENT LOSSES 12.31.2009	IMPAIRMENT LOSSES 12.31.2008 (*)	CARRYING AMOUNT 12.31.2009	CARRYING AMOUNT 12.31.2008 (*)
Non-performing	142,394	73,016	48,458	31,035	93,936	41,981
Doubtful	251,009	83,837	53,067	17,873	197,942	65,964
Restructured	4,373	4,539	281	177	4,092	4,362
Past due	160,569	48,435	19,905	3,369	140,664	45,066
Total impaired loans	*558,345*	*209,827*	*121,711*	*52,454*	*436,634*	*157,373*
Performing loans	*7,422,544*	*8,895,502*	*42,463*	*45,989*	*7,380,081*	*8,849,513*
Total loans	**7,980,889**	**9,105,329**	**164,174**	**98,443**	**7,816,715**	**9,006,886**

(*) Data for 2008 have been reclassified in accordance with the new regulatory definition of doubtful (loans of € 57.524 thousand from past due to doubtful; impairment losses of € 9.704 thousand)

The reduction shown arises from the fact that some of the transactions in this group ended their revolving period in 2009, and therefore entered the amortisation phase whereby the maturing portfolio is no longer replaced by the transfer of new tranches.
During the year, two events marked this portfolio of assets.
In order to contribute to the Group's "counter-balance capacity", and taking into account changes introduced by the ECB on the eligibility of securities, the Company decided to restructure its last securitisation transaction by upgrading the securities issued by the vehicle to a AAA rating. This involved changing the structure of the transaction by injecting an additional € 247 million of cash.
After UniCredit Leasing signed up to the ABI Moratorium, the necessary changes - backed by the ratings agencies - were made to the servicing contracts in order to recognise the effects of the moratoria granted to customers and to include the effect thereof in periodic reporting.

Background (CONTINUED)

Key balance sheet and income statement combined data for Italy (CONTINUED)

The requests so far received from customers and managed by UniCredit Leasing S.p.A. to join the ABI Moratorium are shown in the table below.

(Amounts in millions of €)

	Total				PROPERTY				CAPITAL GOODS			
	NUMBER	%	DEBT REMAINING	%	NUMBER	%	DEBT REMAINING	%	NUMBER	%	DEBT REMAINING	%
Requests approved	3,367	81.7	743	76.1	541	78.0	517	73.5	2,826	82.5	226	82.5
Requests denied	89	2.2	15	1.5	20	2.9	11	1.6	69	2.0	4	1.5
Requests under review	514	12.5	127	13.0	82	11.8	94	13.4	432	12.6	33	12.0
Total valid requests	**3,970**	**96.4**	**885**	**90.6**	**643**	**92.7**	**622**	**88.5**	**3,327**	**97.1**	**263**	**96.0**
Invalid requests	44	1.1	11	1.1	16	2.3	9	1.3	28	0.8	2	0.7
Total requests analysed	**4,014**	**97.5**	**896**	**91.7**	**659**	**95.0**	**631**	**89.8**	**3,355**	**97.9**	**265**	**96.7**
Requests received and not analysed	106	2.5	81	8.3	35	5.0	72	10.2	71	2.1	9	3.3
Total requests received	**4,120**	**100.0**	**977**	**100.0**	**694**	**100.0**	**703**	**100.0**	**3,426**	**100.0**	**274**	**100.0**

It should be noted that ratings agencies have not adjusted the Company's rating as a result of these changes.

UniCredit Leasing's current ratings are shown below:

	SHORT-TERM DEBT	MEDIUM- AND LONG-TERM DEBT	OUTLOOK	DATE OF LAST RATING
Moody's Investor Service	P-1	A1	Stable	**7-Oct-08**
Standard & Poor's	A-2	A-	Stable	**18-Mar-09**

Equity investments

The value of these assets became particularly significant last year following the transfer of the equity investments portfolio previously held by the former UniCredit Global Leasing and operating business carried out in 2009. The total value stood at € 1,034 million.
In coordination with the parent, management processes and investment monitoring methodology were defined in 2009, notably with regard to impairment tests.

The portfolio comprises operating companies and a group of vehicle companies specifically set up to manage some specific transactions as per the tradition in the countries where the company operates.
An overview of the year's activities can be found in the "Subsidiaries and associates" section of this report, while information relating more to measurement and monitoring can be found in the section of the notes to the financial statements dedicated to equity investments.

Property, plant and equipment and intangibile assets

The end-year Total of these assets was € 95 million, a decrease from the end of 2008.

(Amounts in thousands of €)

	12.31.2009	12.31.2008	CHANGE AMOUNT	CHANGE %
Assets held for investment	62,605	64,545	(1,940)	(3.0)
Assets held for operating leases	-	1,067	(1,067)	(100.0)
Assets returning from leases	1,524	1,524	-	-
Assets held for use by the business	18,563	19,359	(796)	(4.1)
Goodwill	10,985	10,985	-	-
Other long-term costs	1,284	17	1,267	7,452.9
Total	**94,961**	**97,497**	**(2,536)**	**(2.6)**

The reduction is partly due to the normal process of amortisation and depreciation of assets and in relation to the operating lease from the sale of one asset and from the existing full impairment thereof.

Other assets

This item was relatively unchanged from December 2008, climbing by 1.7% to € 665 million.

(Amounts in thousands of €)

	12.31.2009	12.31.2008(*)	CHANGE AMOUNT	CHANGE %
Receivables due from the parent	577,503	553,312	24,191	4.4
Various tax receivables	36,702	29,145	7,557	25.9
Receivables for prepayments with suppliers	41,620	66,657	(25,037)	(37.6)
Other	9,661	5,326	4,335	81.4
Total	**665,486**	**654,440**	**11,046**	**1.7**

(*) Amounts reclassified for purposes of comparison with 31 December 2009. as follows,
- from item 140, “Other assets” to item 60, “Receivables” for receivables due from the holding company (€ 1.507 thousand)

The largest amount was linked to receivables due from UniCredit for the transfer of VAT credit as part of the group VAT settlement procedure in which the Company has participated for some time.

The other main item related to advances to suppliers for assets held for leasing and not yet delivered to customers. This item saw the biggest change in the year, in line with the market.

Background (Continued)

Key balance sheet and income statement combined data for Italy (Continued)

Deposits from banks and financial entities

Financial payables were € 19,197 million, an increase of just € 175 million (0.9%) compared with December 2008.

(Amounts in thousands of €)

			CHANGE	
	12.31.2009	12.31.2008 (*)	AMOUNT	%
Loans	12,414,333	10,683,420	1,730,913	16.2
Liabilities relating to assets sold but not derecognised	6,625,066	8,161,299	(1,536,233)	(18.8)
Reimbursements due for servicing activities	17,863	29,804	(11,941)	(40.1)
Other	139,532	147,340	(7,808)	(5.3)
Total	**19,196,794**	**19,021,863**	**174,931**	**0.9**

(*) Amounts reclassified for purposes of comparison with 31 December 2009. as follows:
- from item 90. "Other liabilities" to item 10. "Payables" for debt with agents (€ 6.785 thousand);
- from item 100. b) "Provisions for risks and charges b) other provisions" to item 10. "Payables" for transactions with agents (€ 3.961 thousand at 31 December 2008).

This result was due to two things: on the one hand, a reduction reflecting the same trend in receivables with customers and, on the other, the need to finance equity investments - a significant new commitment in 2009.

Other liabilities

At the end of the year, other liabilities totalled € 271 million, down by € 177 million on the end of 2008.

(Amounts in thousands of €)

			CHANGE	
	12.31.2009	12.31.2008 (*)	AMOUNT	%
Trade payables	138,908	281,675	(142,767)	(50.7)
Miscellaneous staff payables	15,884	15,633	251	1.6
Insurance payables	9,176	8,503	673	7.9
Invoices to be received	83,662	115,914	(32,252)	(27.8)
Miscellaneous tax payables	11,005	13,569	(2,564)	(18.9)
Other	12,275	12,291	(16)	(0.1)
Total	**270,910**	**447,585**	**(176,675)**	**(39.5)**

(*) Amounts reclassified for purposes of comparison with 31 December 2009. as follows,
- from item 90. "Other liabilities" to item 10. "Payables" for payables due to agents (€ 6.785 thousand);

Trade payables and invoices to be received, linked to the supply of goods and services for which payment is not yet due, remained the largest items, even if they saw the biggest reductions because of a fall in contracts signed volumes.

Staff payables related to accrued amounts still owing to employees at the end of the year, while other tax liabilities included taxes on leased assets such as buildings and vehicles.

Equity

Total equity also includes profit for the year. Reserves were adjusted to account for the merger with the former UniCredit Global Leasing. For the first time, the Company applied regulations on cash flow hedge, resulting in the creation of the related hedging reserve.

All the details on movement and content can be found in the equity and recently added comprehensive income sections of the notes to the financial statements.

(Amounts in thousands of €)

	12.31.2009	12.31.2008	CHANGE AMOUNT	CHANGE %
Share capital	410,131	410,131	-	-
Share premiums	149,963	149,963	-	-
Reserves	949,176	443,836	505,340	113.9
Revaluation reserves	(1,113)	-	(1,113)	n.a.
Profit for the year	84,476	112,702	(28,226)	(25.0)
Total	**1,592,633**	**1,116,632**	**476,001**	**42.6**

Finally, it should be noted that the shareholders' meeting of 16 April 2010 allocated € 800,000 to Unidea foundation humanitarian projects and to a project in Haiti.

Income Statement

(Amounts in thousands of €)

	2009	2008 (*)	CHANGE AMOUNT	CHANGE %
Net interest income	229,711	294,206	(64,495)	(21.9)
Net commissions	26,186	4,906	21,280	over 100.0
Dividend income and similar revenue	53,570	54	53,516	over 100.0
Net trading and hedging income	(2,772)	4	(2,776)	over 100.0
Operating income	**306,695**	**299,170**	**7,525**	**2.5**
Operating costs:				
- payroll costs	(55,201)	(42,171)	(13,030)	30.9
- other	(34,171)	(24,137)	(10,034)	41.6
Impairment losses on property, plant and equipment and intangible assets	(3,536)	(1,986)	(1,550)	78.0
Other net operating income	18,986	21,257	(2,271)	(10.7)
Structural costs	**(73,922)**	**(47,037)**	**(26,885)**	**57.2**
Impairment losses on loans and other financial assets	(115,712)	(67,368)	(48,344)	71.8
Provisions for risks and charges	(2,605)	(3,732)	1,127	(30.2)
Gains (losses) on disposal of investments	391	11	380	over 100.0
Gains (losses) on disposal of equity investments	(204)	-	(204)	-
Operating profit	**114,643**	**181,044**	**(66,401)**	**(36.7)**
Income taxes	(30,167)	(68,342)	38,175	(55.9)
Profit	**84,476**	**112,702**	**(28,226)**	**(25.0)**
Average loans	**18,542,103**	**17,401,527**	**1,140,576**	**6.6**

Data for 2008 refer only to Locat
(*) Amounts reclassified for purposes of comparison with 31 December 2009. as follows:
- from item 30. "Fee and commission income" to item 180. "Other operating income" in accordance with new regulations (€ 75.953 thousand)
- from item 40. "Fee and commission expense" to item 170. "Other operating costs" in accordance with new regulations (€ 56.655 thousand)

As previously indicated, the 2008 data used for comparative purposes refer just to the former Locat and therefore do not include figures for the former UniCredit Global Leasing.

Net interest income totalled € 230 million, a decrease of € 64 million compared with the previous year. Operating income was € 306.6 million, a rise of 2.5% compared with 2008. The contribution of € 229.7 million from net interest income was down 21.9% on the previous year. This fall was due primarily to the CDS linked to the latest securitisation transaction (reclassified in net commissions) but was also influenced by limited growth in new volumes of contracts signed and by a bigger weighting of impaired positions that reduced interest-bearing loans. In 2009, there was a significant rise in dividends (€ 50 million were collected from UniCredit Leasing Austria). Net commissions increased from € 4.9 million to € 26.2 million. UCL booked the effects of the CDS in this item.

The rise in average assets from € 17,401 million at the end of 2008 to € 18,542 million a year later was the result of the merger with the former UniCredit Global Leasing and the associated assumption of equity investments in the amount of around € 1,030 million.

Net commissions increased from € 5 million at the end of 2008 to € 26 million a year later. The Company included in this item the sum

Background (Continued)

Key balance sheet and income statement combined data for Italy (Continued)

of the economic effects related to the credit default swaps (financial guarantee given) traded with the securitisations concluded at the end of the previous year, effects which constitute almost all of the item.

Dividends are made up largely of € 50 million from UniCredit Leasing Austria and also € 3.6 million from other subsidiaries and associates (Pekao Leasing Holding S.A., IPG Industriepark Gyor, Real Estate Management Poland and Polimar 6 and 13). In December 2008, the item contained only € 54,000 from Zao Locat Russia.

In light of these factors, operating income increased by € 7 million to € 307 million.

Payroll costs rose significantly owing to an additional increase in the workforce as a result of the merger with UniCredit Global Leasing.

Administrative expenses rose by € 10 million. Total costs were limited owing to a cost-containment programme enacted at the start of 2009 to deal with the current crisis.

Impairment losses on loans and receivables amounted to € 116 million, a significant increase (the figure almost doubled from € 67 million in 2008) owing to the economic conditions and their previously discussed effect on the portfolio as well as to the change in classification criteria provided for by new regulations.

Taxes for the year amounted to € 30 million, compared with € 68 million in 2008. The reduction was due primarily to lower taxable income because the tax rate was broadly unchanged over the two years.

Net profit for the year was € 84.5 million, down by € 28.2 million on 2008.

Profitability ratios

A summary of the main profitability ratios for 2009, compared with those for 2008, is shown below.

RATIO	YEAR 2009	YEAR 2008
1. Operating income / Total average assets (*)	1.5%	1.2%
2. Operating income / Total average loans (*)	1.7%	1.4%
3. Structural costs / operating income	24.1%	20.5%
4. Income taxes / pre-tax profit	26.3%	37.7%
5. Profit / average equity (*)	6.2%	12.1%

(*) calculated as the arithmetic mean of the amounts at the beginning and the end of the year

Breakdown of indices:

	YEAR 2009	YEAR 2008
Operating income	306,695	229,170
2007 assets		17,108,629
2008 assets	20,721,028	20,721,028
2009 assets	21,246,702	
Average assets	20,983,865	18,914,829
1. Ratio	1.5%	1.2%

	YEAR 2009	YEAR 2008
Operating income	306,695	229,170
2007 loans		14,963,662
2008 loans	17,401,527	17,401,527
2009 loans	18,542,103	
Average loans	17,971,815	16,182,595
2. Ratio	1.7%	1.4%

	YEAR 2009	YEAR 2008
Payroll costs	55,201	42,171
Administrative expenses	34,171	24,137
Impairment losses on owned assets	3,536	1,986
Other net operating income	(18,986)	(21,257)
	73,922	47,037
Operating income	306,695	229,170
3. Ratio	24.1%	20.5%

	YEAR 2009	YEAR 2008
Income taxes	30,167	68,342
Pre-tax profit	114,643	181,044
4. Ratio	26.3%	37.7%

	YEAR 2009	YEAR 2008
Profit	84,476	112,702
2007 equity		740,915
2008 equity	1,116,632	1,116,632
2009 equity	1,592,632	
Average equity	1,354,632	928,774
5. Ratio	6.2%	12.1%

Background (Continued)

Regulatory capital, prudential requirements and risk-weighted assets

A summary of data on regulatory capital, as well as a table showing capital adequacy parameters pursuant to current regulation, is shown below.

(Amounts in thousands of €)

CATEGORIES / AMOUNTS	12.31.2009 NOMINAL AMOUNTS
Core (Tier 1) capital	
Positive items	1,592,633
Negative items	12,269
Core capital before deductions	**1,580,364**
Items to be deducted - deductions for securitisation	58,405
Total core capital	**1,521,959**
Supplementary (Tier 2) capital	
Items to be deducted - deductions for securitisation	58,405
Total regulatory capital	**1,463,554**

(Amounts in thousands of €)

CATEGORIES / AMOUNTS	12.31.2009 UNWEIGHTED AMOUNT	12.31.2009 WEIGHTED/ REQUIRED AMOUNT
A. Risk assets		
A. 1. Credit and counterparty risk		
1. Standardised approach	23,225,365	13,558,816
2. Internal ratings-based approach	-	-
2.1 Basic		-
2.2 Advanced		-
3. Securitisation		-
B. Regulatory capital requirements		
B. 1. Credit and counterparty risk		813,529
B. 2. Market risk		
1. Standard method		-
2. Internal methods		-
3. Concentration risk		-
B. 3. Operating risk		
1. Basic method		-
2. Standardised method		-
3. Advanced method		25,975
B. 4. Reduction of requirements for financial intermediaries belonging to banking groups or brokerages (25.0%)		209,876
B. 5. Total prudential requirements		629,628
C . Risk assets and regulatory ratios		
C . 1 Risk-weighted assets		13,991,733
C . 2 Core capital / risk-weighted assets (Tier 1 capital ratio)		10.88
C . 3 Regulatory capital including Tier 3 / risk-weighted assets		10.46

These statements were prepared on the basis of new reporting rules included in Bank of Italy Circular no. 155 “Instructions for preparing reports on regulatory capital and prudential ratios”.

Capital requirements in view of the credit risk were calculated using standardised methodology, while requirements in view of operating risks were determined using the advanced measurement approach (AMA).

Reduced weighting (50.0%) was applied to real estate finance lease transactions (transactions assimilated to exposures secured by real estate), as per Bank of Italy Circular no. 217 of 5 August 1996 - 8th amendment of 16 December 2009.

Since 31 March 2008, the compulsory minimum ratio for financial entities in view of credit risks has been 6.0%. When calculating total prudential requirements, entities belonging to a banking group are entitled to a reduction of 25.0%.

Subsidiaries and associates

Since 1 January 2009, UniCredit Leasing S.p.A. has been the leasing subholding within UniCredit Group, while also maintaining its operational functions through the direct management of the Italian company.
Business performance in the Company's main markets is summarised below.

(Amounts in millions of €)

	VOLUMES OF CONTRACTS SIGNED		ACCUMULATED IMPAIRMENT LOSSES	OPERATING COSTS
COUNTRY	AMOUNT	CHANGE FROM 2008	AMOUNT	CHANGE FROM 2008
Austria	508.58	(45.0%)	17.10	(16.0%)
Germany	1,154.81	(23.0%)	29.40	(9.0%)
Russia	19.42	(90.0%)	9.00	2.0%
Croatia	175.70	(36.8%)	4.65	(8.4%)
Serbia	42.67	(27.0%)	1.46	(5.5%)
Bulgaria	115.26	(61.9%)	35.10	3.0%
Bosnia	37.17	(51.5%)	0.90	(11.0%)
Hungary	163.66	(16.0%)	18.00	(22.0%)
Slovenia	64.83	(42.0%)	1.50	(2.0%)
Ukraine	38.40	(69.0%)	5.00	(26.0%)
Latvia	49.82	(54.0%)	3.70	(17.0%)
Slovakia	173.14	(38.0%)	27.40	(18.0%)
Romania	227.16	(50.0%)	25.70	9.0%
Czech Republic	258.28	(34.0%)	10.00	13.0%

The summary shows that new volumes stipulated of contract signed fell considerably in all countries compared with the previous year - proof that the crisis affected the whole of Europe.
The reactions of the different operating companies focused primarily on containing operating and structural costs, which in some countries were particularly high.
On the other hand, figures for total impairement losses on loans with customers showed considerable increases (in the table, the accumulated amount at December 2009) owing both to a deterioration in asset quality and to changes in group policy on latent risk in the performing portfolio (IBNR policy).

The following is a summary of business performance in the Company's two main foreign markets.

Austria

The economic crisis in 2009 affected volumes of new contract signed, especially in capital-intensive areas. Despite the overall deterioration in economic conditions, the company remained solid and profitable thanks in part to a cost-control system that enabled the cost/income ratio to improve over the year.

Volumes
At the end of the year, volumes had fallen by 45.0% compared with 2008. The largest drop (60.0%) came in the real estate sector.

Revenue
Interest income declined compared with 2008 because of rate reductions during 2009. Additional income, linked mainly to the closure of real estate contracts, was down on last year, but it must be remembered that the 2008 figure contained an extraordinary transaction. The reduction in 2009 amounted to 17.0%.

Operating costs
A fairly rigorous cost-control system was implemented in order to monitor cost levels. This has proved effective, as savings of around 16.0% were made compared with 2008.

Loans and provisions for related risks
At the end of 2009, total impairment losses on loans amounted to € 17.1 million. The increase on the previous year was due to the effects of the economic crisis.

Germany

Despite weak signs of recovery in the final few months of 2009, a strong sense of a decline in the overall economic climate was at the root of less investment, particularly in capital-intensive areas. This general aspect, combined with uncertainties surrounding future changes to the German tax system, led to a fall across the leasing market. Against such a background, the initiatives of UniCredit Leasing in Germany were aimed at maintaining profitability, notably

Background (Continued)

Subsidiaries and affiliates (Continued)

through a cost-control programme. The business was orientated to small and medium-sized enterprises and preference was given to the direct and banking distribution channels, a combination that ensured UniCredit Leasing in Germany achieved above-average results in terms of added value.

Volumes

In line with market performance, volumes of new contracts signed fell by 23.0% compared with 2008, with an even bigger drop in the vehicle sector (-29.0%) even though there was a partial recovery from the first half of 2009 (-34.0%). The deteriorating economic situation and continued pessimism among operators was reflected in a 25.0% reduction in investment on capital goods compared with 2008. The year-on-year significant decline in volumes was checked to some degree, as in the previous quarters, by improved average spreads (around 130 bps).

Revenue

The total increase of around 13.0% was partly linked to a 14.0% rise in interest income (to € 9 million), as explained previously, boosted by forfaiting business. Non-interest income was € 0.3 million, down on the previous year but partially recovering the negative result of the previous quarters.

Operating costs

In 2009, a cost-control programme was implemented to reduce structural costs and to better control non-recurring expenditure. Total operating costs dropped by 9.0% compared with 2008 owing to a reduction in payroll costs (6.0%) and a streamlining of general operating expenses (19.0%).

Loans and provisions for related risks

Total provisions were € 29.4 million, compared with € 7.1 million in the previous year. The first adoption of the group's IBNR policy contributed around € 7.8 million to this significant increase. Specific provisions essentially tripled during the year, affecting all sectors, especially logistics and vehicles.

Other European countries

Contracts signed

As the summary table shows, all countries in central and eastern Europe saw considerable reductions in volumes of contracts signed compared with 2008.
The reduction was broadly accompanied by changes to the portfolio composition, which involved real estate gaining at the expense of capital goods. Another trend during the year was the slow increase in spreads on new contracts.
Croatia witnessed an overall reduction of around 37.0%, with real estate volumes more than doubling but capital goods volumes down by some 60.0%. Hungary saw the narrowest overall reduction (16.0%), with vehicles down by around 40.0% but real estate up by about 13.0%. There were particularly steep falls in Russia, Ukraine and Bulgaria (90.0%, 69.0% and 61.9% respectively) affecting all sectors compared with the previous year.

Impairment losses on loans

All the countries decided to increase their provisions, partly to align themselves with group policy on dealing with latent portfolio risk (IBNR policy) and partly to align provisions with asset quality, which continued to deteriorate during the year.
Among the countries with the most accumulated provisions were Bulgaria, with around € 35 million, Slovakia (€ 27 million) and Romania (€ 26 million). Latvia's provisions of € 3.7 million are also significant given the overall size of its portfolio.
Last year, all the countries implemented procedures to make more efficient the process of recovering and reselling assets deriving from terminated contracts.

Cost control

Another key theme in 2009 was the cost-control programme, which was adopted at the behest and under the guidance of the subholding. The table summarises how well this went in the various countries.
There were good results in Bosnia, Slovakia and Hungary. In the latter's case, payroll costs were also cut by a change to the bonus system. Generally, the largest reductions came in non-recurring expenses and, in many cases, management costs. Costs rose in Russia on the back of corporate restructuring (merger between IMB Leasing and Zao Locat Russia) that took place in 2009.

Risk management

Full details on recent and further changes to the entire risk management process can be found in the notes to the financial statements (Part D - Section 3 “Information on risks and related hedging policies”).

Background (Continued)

Personnel and operational structure

There were 614 employees at the end of 2009, an increase of 23 on a year earlier.

CATEGORY	12.31.2009	12.31.2008
Executives	30	27
3rd / 4th-level managers	144	131
1st / 2nd-level managers	124	115
Other employees	316	318
Total	**614**	**591**
of which are part-time	67	65

Taking into account the addition of 32 employees from the merger with the former UniCredit Global Leasing, the workforce effectively shrank in 2009.

As in the past, relations with trade unions were relaxed and co-operative.

UniCredit Leasing S.p.A. employees were involved in more than 15,000 hours of training in 2009, divided between managerial, language and technical courses.

The new training initiatives were as follows:

- a 'Target Advanced' course on strengthening leadership through self-awareness, for managers and senior managers at UCL Italia and in Vienna;
- a UniManagement programme offering various managerial courses, for managers in Italy;
- beginners' and non-beginners' courses on MS Office products (PowerPoint and Excel), taught internally;
- customised courses on managerial themes (negotiation, brainstorming, etc.) aimed at improving soft skills, for all staff.

There were further sessions of the 'Open Dialogue' project in all UCL areas, involving sales staff and credit analysts focusing on communication and working together towards a common goal.

The Isvap course also continued, with a new training method: online. An innovative tool, developed with lecturers from SDA Bocconi, enabled staff to do the entire course online via lessons recorded on video and help from a virtual tutor.

There were more 'Target' courses for CFOs and CROs, and a 'Managerial' module held over six sessions for managers, 'promising talents' and 'key people' at UCI.

In terms of compulsory online training through UCILearning, the courses on anti-money laundering and international terrorism, the new privacy code and employees' health and safety were updated.

There was special focus on language training to help staff function in relation to the global business of the company and the group:

- group courses were held at headquarters and branches to improve knowledge of English;
- telephone language training was trialled for employees with a good grounding in English.

Operational structure

In 2009, the organisational structure changed significantly to ensure smooth and efficient implementation of the new leasing business management model provided for at group level.

UniCredit Leasing S.p.A. was created from the merger by incorporation of UniCredit Global Leasing S.p.A. into Locat S.p.A., which, effective from 1 January 2009, also changed its company name.
As already outlined in the merger documents, the new Company:

- is an operating subholding that directs, coordinates and controls core business at group level and in accordance with guidelines issued by the parent UniCredit S.p.A.;
- retains operating and oversight activities of the Italian leasing business, which were previously carried out by Locat.

The organisational structure of UniCredit Leasing has therefore been designed to manage the business in a uniform manner, while accounting for the individual characteristics of each country and / or specific business area.
This process has laid the foundations for simpler organisation, the achievement of possible operating synergies and improved transfer of best practice, making it easier to share expertise across the group's leasing business.

More specifically, and in line with the organisational model defined by the parent, the previous structure of the former Locat S.p.A. was totally overhauled, introducing:

- departments responsible for defining overall strategy, main objectives and resulting activities, as well as specific teams to ensure comprehensive risk management;
- departments dedicated to ensuring operations across European markets by controlling and monitoring the activities of local subsidiaries and affiliates;
- departments responsible for making sure the structure functions properly, providing appropriate technical and organisational solutions to support the business.

UniCredit Leasing retained the Vienna branch, a permanent establishment set up as part of the former UniCredit Global Leasing.

The Company gave notification of the changes and additions to its organisational structure, and updated its regulations accordingly. All staff are able to access this documentation on the group website.

Outlook

The macroeconomic picture is still unclear, but there are signs of recovery and the Company aims to increase volumes and margins from previous years, especially 2009.
A new, multi-channel distribution model has been adopted to help meet this objective.

During 2009, the Company's multi-channel strategy was drawn up and the new distribution model, which will be implemented from the opening months of 2010, was fine-tuned.

The main changes brought about by the new organisational structure of the sales division are:

- the introduction of the Corporate Channel with structures and resources, both in the leasing branches and at the bank itself, dedicated to promoting and supporting the growth of leasing at UniCredit Corporate Banking and UniCredit Private Banking;

- the introduction of the Retail Channel, with a stronger 'Retail Center' (dedicated exclusively to processing leasing transactions originating from retail banks) and direct placement with the bank of resources dedicated to promoting and supporting the growth of leasing at small-business agencies of the group's retail banks;

- the introduction of a Direct Channel focused on government bodies, international leasing, vendors, direct customers and renewable energies;

- the concentration of leasing agents in Fineco Leasing, which is also part of the group;

- the launch of a new model of cooperation with the network of agents, who will be gradually trained in the sale of a selected range of banking products;

- the reorganisation of areas and branches through the introduction of specialists to support the individual distribution channels (direct, corporate and agents).

The Company hopes its new organisational structure will maximise the quality of service offered to its own sales channels by allocating resources and specialists across its network.

The new service model should also strengthen cooperation with the group, making it easier for our customers to receive personalised, timely and high-quality leasing advice at the bank itself.

Background (Continued)

Research and development

The Company did not carry out any research and development activities during the year.

Related party transactions

Pursuant to the fifth paragraph of Article 2497- bis of the Italian Civil Code relating to "… transactions with parties performing management and coordination activities and with other companies that are subject thereto, as well as the effect of such activities on the financial year of the company and on its results", it should be stressed that related-party transactions completed in 2009 were concluded in the interests of the Company and under the same conditions as those applied to transactions with independent third parties.

More specifically, related-party transactions include: Disbursement /renewal/revision of credit lines, signing of service contracts and commercial agreements.
Some finance lease contracts - also regulated under market conditions - are also included.

Details on existing transactions with group companies can be found in Part D, Section 6 of the notes to the financial statements.

Finally, it should be noted that, with reference also to the abovementioned counterparties, no transactions were carried out during 2009 or in the first few months of this year that were atypical and/or unusual with respect to normal business operations.

Management and coordination activities are carried out by parent UniCredit S.p.A..

Other information

Effect of adopting the AIRB approach for classifying loans and determining impairment losses. - 2009 update.

As indicated in the section on credit risks, where more details can be found, adopting the AIRB approach significantly altered not only the loan disbursement processes but also all resulting processes, particularly the measurement of loans at the end of a financial period. On this subject, we would like to make the following points:

- in 2009, several processes with close ties to AIRB quantities (pricing system, risk-weighted lending, new loan classification and impairment losses) were fully implemented. More generally, AIRB instruments and processes were refined, such as rating systems and loss given default. As part of the validation of local rating systems, the parent approved both the corporate and small-business rating systems used by the Company, which, pursuant to rule 263, asked the Bank of Italy for authorisation to apply AIRB also to calculation of capital.
- particular attention was paid to managing impaired or doubtful loans. In this regard, a task force was created consisting of credit recovery staff (from CRO and UCMB) and sales staff (from regional branches and the external branch network).
  This task force, which is split into specialised teams, coordinated from centralised structures and supported by carefully allocated rules and powers, deals with the entire recovery process, from the first unpaid fee to non-performing loans, often fully amortised.
- the role of holding company for the group's leasing firms primarily involves issuing lending policies and directives by systematically comparing the CRO structures of all the leasing companies and through audits in the individual countries, using either internal resources at UCL's CRO or group company UniCredit Audit.

With reference to specific regulations, the following should be noted:

- the Company does not own treasury shares or shares in its parent, not even through trust companies or an intermediary person. The Company did not acquire or dispose of treasury shares or shares in its parent during the year, not even through trust companies or an intermediary person.

- in accordance with Article 26 of Appendix B) of Legislative Decree no. 196 / 2003 (Privacy Code), the chairman of the Board of Directors hereby gives notification that the Documento Programmatico sulla Sicurezza (policy document on privacy) is in operation, was updated on 30 March 2009 and certified on 31 March 2009.

On 16 December 2008, the Giudice per le Indagini Preliminari (preliminary investigation magistrate) at the district court in Rome, with notification served on 18 December 2008, ordered the preventive seizure of assets that belong to the Company and are the subject of finance lease agreements with companies that are all traceable to the same owner, who has been indicted on criminal charges related to the preventive seizure.

These assets, comprising various buildings, a helicopter and a boat, were bought over time by the Company for a total of € 160.7 million. The associated risk at the end of 2009 amounted to € 156.5 million.

In order to secure the release of the assets, a sum of € 22.9 million was deposited in an ad hoc bank account. The money was seized in return for the release of the aforementioned assets subjected to preventive seizure.

At 31 December 2009, the counterparties involved were classified as "doubtful" and the market value of the assets was greater than the total exposure.

Subsequent events

Following notification from the postal and communications police, checks are currently being carried out on transactions that appear to have defrauded the business.
As far as we are aware, this relates to a limited number of cases, some of which - apart from anything else - were found to be regular. For cases which had by the end of the year already been found to display irregularities in terms of customer relations, the Company made the necessary provisions to meet the known level of risk at such date.
Once the current investigations are complete and it has been determined how widespread the problem is, we will be able to assess whether the Company needs to resort to its insurance coverage that is in place specifically for this type of risk.

Background (Continued)

Other information (Continued)

Financial authorities' investigations into nautical leasing

On 8 September 2009, the Lazio regional directorate of the Agenzia delle Entrate (Italian revenue agency) gave notification of a VAT assessment for 2006, in which the Ufficio Grandi Contribuenti (office for the highest band of taxpayers) of said directorate determined an additional VAT payment of € 461,158.00, plus interest, and issued a total fine of € 576,447.50 for the following reasons:

- the reference is to the results of the "processo verbale di constatazione" (official report on findings, hereinafter "PVC") of 15 May 2008 prepared with regard to UniCredit Medio Credito Centrale S.p.A. (UniCredit Leasing acquired the leasing arm of MCC in July 2008) following a tax audit conducted by officials from the Lazio regional directorate of Agenzia delle Entrate. This audit was limited to the control of correct VAT application in the nautical leasing sector. More specifically, in the aforementioned PVC, the auditors accused the Company of failing to apply, for the tax years from 2003 to 2007, the measure pursuant to Article 7.4(f) of Presidential Decree no. 633 of 26 October 1972 (under which leasing transactions, including those of a financial nature, carried out by subjects resident or domiciled in Italy, are subject to VAT only to the extent in which the asset is used in European Union waters) and the power (pursuant to Circular nos. 76 / E of 2 August 2001, 49 / E of 7 June 2002 and 38 / E of 22 July 2009) to determine a flat rate for the amount of time the asset is used outside EU waters (i.e. the taxable percentage of charges) on the basis of percentages predetermined by the authorities.

On 13 November 2009, the Emilia-Romagna regional directorate of Agenzia delle Entrate notified UniCredit Leasing S.p.A. (formerly Locat S.p.A.) of a VAT assessment for 2004. The amount requested on the basis of the PVC prepared on 20 May 2008 was € 5,328,954, plus interest and fines equal to € 9,236,249, for the following reasons:

- failure to apply the measure pursuant to Article 7.4(f) of Presidential Decree no. 633 / 1972 (under which leasing transactions, including finance leases, carried out by subjects resident or domiciled in Italy, are subject to VAT only to the extent in which the asset is used in European Union waters) and the power (pursuant to Circular nos. 76 / E of 2 August 2001, 49 / E of 7 June 2002 and 38 / E of 22 July 2009) to determine a flat rate for the amount of time the asset is used outside EU waters (i.e. the taxable percentage of charges) on the basis of percentages predetermined by the authorities.

- "abuse of law", where for some contracts it is contested that the legal nature of finance leases is replaced by a suspected true nature of asset-selling with the aim of profiting exclusively therefrom.

Appeals have been filed against the above-mentioned assessment notifications under the rule of law and to the competent tax authorities.

The charges brought against UniCredit Leasing have also been the subject of several assessments of other market operators.
The first legal judgments on the appeals filed by other finance lease companies resulted in the financial authorities' case being thrown out on two of three occasions (in Treviso and Brescia, while the successful case was brought in Florence):

a) Treviso Provincial Tax Commission (pronounced on 07/10/2009 and filed on 04/11/2009), Ruling no. 118/10/09 - "The Commission believes that, in the case in question, the leasing does not constitute abuse of law resulting in different outcomes; instead, it corresponds to the will of the parties whose relationship was governed by a contract in accordance with Italian law and, moreover, approved and governed in the nautical sector by the financial authorities.
Claims of the existence of a sale contract are wholly unfounded. The VAT percentage applied by the appellant also appears to be correct on the basis of Agenzia delle Entrate circulars".

b) Brescia Provincial Tax Commission (pronounced on 03/12/2009 and filed on 14/01/2010), Ruling no. 11.7.10. "The Commission is not convinced by the contractual reclassification performed by the Agenzia insofar as the agreed clauses cannot be deemed unlawful to the extent that they can "distort the leasing into a sale" and modify without further explanation or qualification the legal and contractual will of the signatory parties.
This Commission therefore believes that the facts and circumstances evidenced by the Agenzia are not at all untypical in the high-end boat sector. It does not uphold the accusation of contractual simulation insofar as the financial authorities are unable to meet the burden of proof. Because of the way abuse of law is defined by the Court of Justice, a decisive factor in this case, irrespective of whether simulated contracts existed, the Agenzia failed to prove in a court of law the existence of all the requirements (fraud, abuse, evasion) for determining a Community fraud."

c) Florence Provincial Tax Commission, no. 17/19/10 (pronounced on 3/11/2009 and filed on 19/01/2010).
The Commission ruled on the applicability "of the ordinary VAT rate on the initial down payment and on fees collected before delivery of the boat, and of the forfaiting rates provided for by the circulars exclusively on leasing fees collected after delivery of the asset". However, the Commission did not take into account Agenzia delle Entrate Circular no. 38/E/2009 of 22 July 2009, under which forfaiting rates pursuant to Circular no. 49 of 2002 and Resolution no. 284 of 2007 are also applied to pre-leasing fees, taking into account the purpose of the leasing contract to make the asset available to the customer for their use and pleasure.
Moreover, in relation to the charge of abuse of law, the Commission ruled that "the advanced payment of approximately half the cost of the boat distorted the purpose of the leasing contract" and, therefore, "for the purposes of applying VAT, the transaction most be classified as a sale". See the comments made above on the other rulings.

Balance-sheet provisions relating to the above amounted to € 6.2 million (€ 2.8 million put aside in previous years and € 3.4 million in 2009).

Austrian fiscal group

UniCredit Leasing, together with other leasing group companies with registered office in Austria, is part of a "fiscal group". Belonging to said group means the losses of some companies can be offset against the profits of others for purposes of direct income taxes, thereby optimising the tax burden.
The Austrian tax authority has challenged the continuation of the tax group on the grounds that, in its opinion, the composition of the group changed (it believes UniCredit Leasing replaced UniCredit Global Leasing) before the end of the legal window (three years) for making this change. If the challenge is upheld, the income tax benefits would no longer apply.
In fact, this is the effect of the merger of UniCredit Global Leasing S.p.A. into UniCredit Leasing S.p.A. and, therefore, in essence, the composition of the group has in no way changed.
An appeal against this challenge was filed with the competent judicial authority, which, at first instance, upheld the findings of the tax authority. The appeal against this ruling is pending. Our internal and external tax experts insist that the claim of the Austrian tax authority is unfounded insofar as the law on business combinations is an EU law and is thus valid across Europe (including Austria). The application of said law would bring an end to this dispute.
In light of the expert opinion received, the Company has not made any provisions.

Background (Continued)

Profit allocation

The draft financial statements as at and for the year ended 31 December 2009, which are subject to approval, show a profit of € 84,475,721.00, which we propose to allocate as follows:

(Amounts in €)

Profit	84,475,721.00
5.0% to legal reserve	4,223,786.05
Remaining net profit	80,251,934.95
Donation to Unidea foundation and other humanitarian projects	800,000.00
Extraordinary reserve	79,451,934.95

The board proposes to the shareholders that some of the profits (€ 800,000) be distributed partly to UniCredit Group's Unidea foundation for promoting growth in voluntary work and civil responsibility in support of association projects, and partly to other humanitarian projects (Haiti). Residual profit will go to the extraordinary reserve.

To the shareholders,

To end this report, we would like to thank:

- UniCredit Group banks for their constant support and cooperation with the Company;
- Management, staff and external contractors, whose thorough professionalism made the positive results of 2009 possible;
- The Rome headquarters and the Milan office of the Bank of Italy's Area della Vigilanza sugli Intermediari Finanziari (division for the oversight of financial intermediaries), whose staff the Company has always found to be courteous and helpful;
- The board of statutory auditors and the independent auditors for their work and for their prompt assistance, as well as the ABI and industry body ASSILEA.

Milan, March 11, 2010

The Board of Directors

Radoslav Bardún,
Medirex
Corporate Banking Client - Slovakia

«In our business, we count on the synergies that come from our financial partnership and friendship with UniCredit Bank. We are always forward looking and have plenty of ideas for further development and growth. With UniCredit Bank, we can find new solutions and then put our ideas into practice.»

It's easy with UniCredit.

Financial statements

Financial statements

Balance Sheet

(Amounts in €)

ASSETS	12.31.2009	12.31.2008
10 Cash and cash equivalents	10,940	8,647
20 Financial assets held for trading	54,707,228	39,635,059
50 Held-to-maturity investments	162,776	186,137
60 Loans and receivables	19,238,621,604	19,818,336,380
70 Hedging derivatives	488,327	817,277
80 Changes in value to macro-hedged financial assets	79,327,192	54,790,247
90 Equity investments	1,033,758,825	3,494,168
100 Property, plant and equipment	82,691,900	86,494,961
110 Intangible assets	12,269,114	11,002,384
120 Tax assets		
a) current	24,232,369	12,464,139
b) deferred	54,945,368	39,359,324
140 Other assets	665,486,312	654,439,339
Total assets	**21,246,701,955**	**20,721,028,062**

(Amounts in €)

LIABILITIES AND EQUITY	12.31.2009	12.31.2008
10 Payables	19,196,794,363	19,021,863,726
30 Financial liabilities held for trading	55,696,996	39,865,535
50 Hedging derivatives	81,083,422	55,607,524
70 Tax liabilities		
a) current	6,980,293	-
b) deferred	14,156,327	12,838,859
90 Other liabilities	270,910,343	447,584,929
100 Post-employment benefits	7,875,328	8,419,925
110 Provisions for risks and charges		
b) other provisions	20,572,446	18,215,138
120 Share capital	410,131,062	410,131,062
150 Share premiums	149,962,660	149,962,660
160 Reserves	949,175,881	443,836,332
170 Revaluation reserves	(1,112,887)	-
180 Profit for the year	84,475,721	112,702,372
Total liabilities and equity	**21,246,701,955**	**20,721,028,062**

Comparisons cannot be made because, on 1 January 2009, UniCredit Global Leasing S.p.A. was merged by incorporation into the former Locat S.p.A. and renamed UniCredit Leasing S.p.A..

CEO
Massimiliano Moi

CFO
Matteo Cavazzoli

Income statement

(Amounts in €)

ITEMS	2009	2008
10 Interest income and similar revenue	730,943,465	1,167,917,072
20 Interest expense and similar costs	(501,232,149)	(873,711,485)
Net interest income	**229,711,316**	**294,205,587**
30 Fee and commission income	39,805,107	19,910,675
40 Fee and commission expense	(13,619,176)	(15,005,037)
Net commissions	**26,185,931**	**4,905,638**
50 Dividend income and similar revenue	53,569,957	53,974
60 Gains (losses) on financial assets and liabilities held for trading	(2,616,577)	5,124
70 Gains (losses) from hedging	(155,016)	-
Operating income	**306,695,611**	**299,170,323**
100 Impairment losses / reversals of impairement losses on:		
a) financial assets	(117,494,290)	(63,516,329)
d) other financial transactions	1,782,137	(3,852,456)
110 Administrative expenses:		
a) payroll costs	(55,201,471)	(42,170,897)
b) other administrative expenses	(34,170,916)	(24,136,891)
120 Net impairment losses / reversals of impairement losses on property, plant and equipment	(3,209,443)	(1,905,545)
130 Net impairment losses / reversals of impairement losses on intangible assets	(326,997)	(79,734)
150 Net provisions for risks and charges	(2,605,360)	(3,732,326)
160 Other net operating income	18,986,078	21,256,304
Operating profit	**114,455,349**	**181,032,449**
170 Gains (losses) from equity investments	(203,693)	-
180 Gains (losses) from disposal of investments	391,001	11,592
Gains (losses) from continuing operations before tax	**114,642,657**	**181,044,041**
190 Income tax for the year on continuing operations	(30,166,936)	(68,341,669)
Gains (losses) from continuing operations after tax	**84,475,721**	**112,702,372**
Profit for the year	**84,475,721**	**112,702,372**

Comparisons cannot be made because, on 1 January 2009, UniCredit Global Leasing S.p.A. was merged by incorporation into the former Locat S.p.A. and renamed UniCredit Leasing S.p.A..

CEO
Massimiliano Moi

CFO
Matteo Cavazzoli

Financial statements (Continued)

Statement of changes in equity

(Amounts in €)

	EQUITY AT 12.31.2006	CHANGES TO OPENING BALANCE	OPENING BALANCE AT 01.01.2007	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN 2007							COMPREHENSIVE INCOME 2007	EQUITY AT 12.31.2007
							EQUITY TRANSACTIONS						
				RESERVES	DIVIDENDS AND OTHER	CHANGE IN RESERVES	ISSUANCE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES TO EQUITY INSTRUMENTS	OTHER CHANGES		
Share capital	372,560,610		372,560,610										372,560,610
Share Premiums	7,759,152		7,759,152										7,759,152
Reserves:													
a) profit	112,942,903		112,942,903	105,047,748									217,990,651
b) other	16,047,992		16,047,992										16,047,992
Revaluation reserves													
Equity instruments													
Treasury shares													
Profit for the year	105,047,748		105,047,748	(105,047,748)								126,556,802	126,556,802
Equity	**614,358,405**	-	**614,358,405**	-	-	-	-	-	-	-	-	**126,556,802**	**740,915,207**

(Amounts in €)

	EQUITY AT 12.31.2007	CHANGES TO OPENING BALANCE	OPENING BALANCE AT 01.01.2008	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN 2008							COMPREHENSIVE INCOME 2008	EQUITY AT 12.31.2008
							EQUITY TRANSACTIONS						
				RESERVES	DIVIDENDS AND OTHER	CHANGE IN RESERVES	ISSUANCE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES TO EQUITY INSTRUMENTS	OTHER CHANGES MERGER BY INCORP. OF MCC		
Share capital	372,560,610		372,560,610								37,570,452		410,131,062
Share Premiums	7,759,152		7,759,152								142,203,508		149,962,660
Reserves:													
a) profit	217,990,651		217,990,651	126,556,802									344,547,453
b) other	16,047,992		16,047,992								83,240,887		99,288,879
Revaluation reserves													
Equity instruments													
Treasury shares													
Profit for the year	126,556,802		126,556,802	(126,556,802)								112,702,372	112,702,372
Equity	**740,915,207**	-	**740,915,207**	-	-	-	-	-	-	-	**263,014,847**	**112,702,372**	**1,116,632,426**

(Amounts in €)

	EQUITY AT 12/31/2008	CHANGES TO OPENING BALANCE FOLLOWING THE REVERSE MERGER BY INCORPORATION OF UNICREDIT GLOBAL LEASING S.P.A.	OPENING BALANCE AT 01/01/2009	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN 2008						COMPREHENSIVE INCOME 2009	EQUITY AT 12.31.2009
							EQUITY TRANSACTIONS						
				RESERVES	DIVIDENDS AND OTHER	CHANGE IN RESERVES	ISSUANCE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	DISTRIBUTION OF EXTRAORDINARY DIVIDENDS	CHANGES TO EQUITY INSTRUMENTS	OTHER CHANGES		
Share capital	410,131,062		410,131,062										410,131,062
Share Premiums	149,962,660		149,962,660										149,962,660
Reserves:													
a) profit	344,547,453		344,547,453	111,702,372									456,249,825
b) other	99,288,879	413,953,291	513,242,170			(20,316,114)							492,926,056
Revaluation reserves												(1,112,887)	(1,112,887)
Equity instruments													
Treasury shares													
Profit for the year	112,702,372		112,702,372	(111,702,372)	(1,000,000)							84,475,721	84,475,721
Equity	**1,116,632,426**	**413,953,291**	**1,530,585,717**	**-**	**(1,000,000)**	**(20,316,114)**	**-**	**-**	**-**	**-**	**-**	**83,362,834**	**1,592,632,437**

Financial statements (Continued)

Statement of comprehensive income

(Amounts in €)

ITEMS	2009	2008
10 **Gains (losses) for the year**	**84,475,721**	**102,702,372**
Other income components after tax		
60 Cash flow hedging	(1,112,887)	-
110 **Total other income components after tax**	**(1,112,887)**	**-**
120 **Comprehensive income (item 10+110)**	**83,362,834**	**102,702,372**

Statement of cash flows - Direct method

(Amounts in €)

STATEMENT OF CASH FLOWS	2009	2008
A. Operating activities		
1. Operations		
- interest income collected (+)	730,943,465	1,167,917,072
- interest expense paid (-)	(501,232,149)	(873,711,485)
- dividend income and similar revenues (+)	53,569,957	53,974
- net commissions (+ / -)	26,185,931	24,203,192
- payroll costs (-)	(55,201,471)	(41,743,607)
- other costs (-)	(103,465,521)	(47,009,517)
- other revenues (+)	86,149,606	2,626,234
- taxes and duties (-)	(30,166,936)	(72,873,016)
costs/revenues relating to groups held for sale net of tax (+/-)	-	-
2. Cash generated/absorbed by financial assets		
- financial assets held for trading	(15,072,169)	(35,972,157)
- financial assets measured at Fair Value	-	-
- available-for-sale financial assets	-	-
- loans and receivables with banks	(241,788,061)	(799,783,651)
- loans and receivables with financial entities	62,793,147	-
- loans and receivables with customers	581,100,061	-
- other assets	(34,185,912)	123,002,864
3. Cash generated/absorbed by financial liabilities		
- deposits from banks	(1,459,534,443)	478,886,180
- deposits from financial entities	-	-
- deposits from customers	-	-
- debt securities in issue	-	-
- financial liabilities held for trading	15,831,461	36,364,777
- financial liabilities measured at Fair Value	-	-
- other liabilities	(153,793,583)	(37,497,516)
Net cash generated/absorbed by operating activities	**(1,037,866,617)**	**(75,536,656)**
B. Investment activities		
1. Cash generated by		
- sale of equity investments	748,007	5,198,559
- dividends collected from equity investments	-	-
- sale/repayment of held-to-maturity investments	23,361	22,019
- sale of property, plant and equipment	950,845	1,740,866
- sale of intangible assets	-	-
- sale of business units	-	-
2. Cash absorbed by		
- purchase of equity investments	(111,319,631)	(1,606,736)
- purchase of held-to-maturity investments	-	-
- purchase of property, plant and equipment	(678,864)	-
- purchase of intangible assets	(1,266,730)	-
- purchase of business units	-	-
Net cash generated/absorbed by investment activities	**(111,543,012)**	**5,354,708**
C. Financing activities		
- issuance/purchase of treasury shares	-	-
- issuance/purchase of equity instruments	-	83,014,846
- dividends and other distributions	(2,112,887)	-
Net cash generated/absorbed by financing activities	**(2,112,887)**	**83,014,846**
Net cash generated/absorbed in the year	**(1,151,522,516)**	**12,832,898**

RECONCILIATION	12.31.2009	12.31.2008
Cash and cash balances at start of year	23,187,409	10,354,511
Cash and cash balances of former UGL at start of year	1,031,426,553	-
Total net cash generated/absorbed in the year	120,095,963	12,832,898
Cash and cash balances at end of year	143,283,372	23,187,409

Galyna Gerega,
Epicenter K - Ltd
Corporate Banking Client - Ukraine

«Thanks to their efficient management, professional staff, high standards for banking services and, most of all, the prompt granting of a loan to our company, UniCredit Group, represented here by Ukrsotsbank, made a considerable contribution to the development of our national chain of building and home supply hypermarkets, Epicenter K.»

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Notes to the financial statements

Part A) - Accounting policies

Part A) - Accounting policies

A.1 - Generalities

Section 1 - Declaration of compliance with international financial reporting standards

These financial statements to 31 December 2009 were prepared in accordance with accounting standards issued by the International Accounting Standards Board (IASB), including SIC and IFRIC interpretations, approved by the European Commission, pursuant to European Union Regulation no. 1606/2002 replicated in Italy by Legislative Decree no. 38 of 28 February 2005, up to 31 December 2009 (more information can be found in Section 4 - Other factors).

The Bank of Italy, whose powers as per Legislative Decree no. 87/92 in relation to the financial statements of regulated financial companies were confirmed in the above-mentioned decree, laid down the formats for the financial statements and the notes to the financial statements in its Regulation of 14 February 2006. The first amendment to said Regulation was issued on 16 December 2009, implementing changes made in the interim to IFRS and more closely aligning the formats of financial entities' financial statements to IFRS harmonised regulatory reporting (FINREP). More information can be found in "Section 2 - General principles for preparation" and in the subsequent "Main financial statement items".

Section 2 - General principles for preparation

As mentioned above, these financial statements have been prepared in accordance with the international financial reporting standards endorsed by the European Commission. The following documents, although not endorsed by the European Commission, were used to interpret and support the application of these standards:
- *Framework for the Preparation and Presentation of Financial Statements* issued by the IASB in 2001;
- *Implementation Guidance, Basis for Conclusions*, IFRIC and any other documents prepared by the IASB or IFRIC (International Financial Reporting Interpretations Committee) to complement issued accounting standards;
- interpretations on the application of IFRS in Italy prepared by the Organismo Italiano di Contabilità (OIC) and the Associazione Bancaria Italiana (ABI).

The financial statements comprise the balance sheet, the income statement, the statement of comprehensive income (introduced from June 2009 following implementation of the new IAS 1 "Presentation of Financial Statements" through EC Regulation 1274/2008), the statement of changes in shareholders' equity, the cash flow statement (drawn up using the direct method) and the notes to the financial statements. They are accompanied by the report on operations.
The amounts reported in the financial statements are expressed in euros, while those in the notes to the financial statements are expressed in thousands of euros.

These financial statements were prepared on the basis of going concern. There are currently no doubts about the Company's ability to continue as a going concern pursuant to IAS 1. The measurement criteria adopted are therefore consistent with this presumption and with the principles of competence, relevance and materiality of accounting information and of economic substance over legal form. Said criteria are unchanged from the previous year.
In accordance with Bank of Italy regulations, some items on the balance sheet and income statement for the previous year have been reclassified to make them comparable with the data for 2009.

1st amendment to the Regulation of 14 February 2006
In accordance with the above-mentioned 1st amendment to the Regulation of 14 February 2006, the following changes were made to the financial statements and the tables in the notes to said statements:

Introduction to statement of comprehensive income
The statement of comprehensive income, provided for by the new IAS 1 as indicated above and beginning with the profit (loss) for the year, shows the income and cost items not recorded in the profit (loss) for the year in accordance with international financial reporting standards. As such, it includes changes in value recorded in the year to the revaluation reserves (net of taxes), relating to: available-for-sale financial assets, property, plant and equipment, intangible assets, hedging of foreign investments, cash flow hedging, exchange rate differences and actuarial profits (losses) on employee defined-benefit plans.
Reclassifications are also included, i.e. amounts reclassified in profit (loss) for the current year that have already been recorded in the same year's or previous years' statements of comprehensive income.

Where they relate to non-current assets held for sale and to equity investments valued using the equity method, the above-mentioned value changes are shown separately;

Introduction of the new Part A3)
The newly introduced “Part A3) Disclosure on Fair Value” includes disclosure on reclassified financial instruments in accordance with IAS 39 and information on Fair Value hierarchy pursuant to IFRS 7;

Impaired assets and assets sold but not derecognised
The specific sub-items “impaired assets” and “assets held but not derecognised” have been removed from the financial assets item of the asset side.
The balances for these sub-items at 31 December 2008 were therefore reclassified to the relevant product sub-items in accordance with their underlying assets.
Similarly, the items “deposits from banks” and “deposits from customers” no longer include the sub-items relating to “liabilities for assets sold but not derecognised”. The balances for these liabilities at 31 December 2008 were reclassified to the “other payables” sub-item;

Revision of disclosure on derivatives
In “Part E - Information on risks and relative hedging policies”, disclosure on derivatives was reorganised to bring it more into line with IFRS harmonised regulatory reporting (FINREP);

Risks and uncertainty arising from the use of estimates
IFRS require that management provide valuations, estimates and projections with a bearing on the application of accounting standards and the carrying amount of assets, liabilities, expenses and revenue. Estimates and related projections based on experience and other factors judged to be reasonably included were used to estimate the carrying amount of assets and liabilities not readily obtainable from other sources.

More specifically, estimates were used for the carrying amount of the largest value-based items in the financial statements to 31 December 2009, as per the above-mentioned regulations and accounting standards. These estimates were based largely on calculating the future recoverability of carrying amounts under current law and were made on a going concern basis, i.e. without considering the possibility of the forced sale of the items valued.

The processes adopted support the carrying amounts at 31 December 2009. Measurement was particularly complex given the ongoing macroeconomic and market situation, which was marked by unusual levels of volatility for all the key financial indicators used for measurement, and given the subsequent difficulty in formulating even short-term performance forecasts for the aforementioned financial indicators, which significantly affect the values being estimated.

These estimates and projections are regularly reviewed. Any changes arising out of such revision are recognised in the period in which it is carried out, provided that it concerns only that period. If the reappraisal concerns both current and future periods, it is recognised in both current and future periods as appropriate.

Section 3 - Subsequent events

No events have occurred after the reporting period that would make it necessary to change the information given in the financial statements to 31 December 2009. A description of the most significant events to take place after the reporting period can be found in the report on operations.

Section 4 - Other factors

The following accounting standards and interpretations came into force in 2009:
- improvements to International Financial Reporting Standards (EC Reg. 70/2009) (excluding changes to IFRS 1 and IFRS 5);
- IAS 1: Presentation of Financial Statements (transposed into European law by EC Reg. 1274/2008);
- IAS 23: Borrowing Costs (EC Reg. 1260/2008);
- changes to IAS 32: Financial Instruments: Presentation and IAS1: Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (EC Reg. 53/2009);
- changes to IFRS 1: First-time Adoption of International Financial Reporting Standards and to IAS 27: Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (EC Reg. 69/2009);
- changes to IFRS 2: Share-based Payment (EC Reg. 1261/2008);

Part A) - Accounting policies (Continued)

- changes to IFRS 4: Insurance Contracts and IFRS 7 Financial Instruments: Disclosures (EC Reg. 1165/2009);
- IFRS 8: Operating Segments (EC Reg. 1358/2007);
- changes to IAS 39 and IFRS 7: Reclassification of Financial Assets - Effective Date and Transition (EC Reg. 824/2009);
- changes to IFRIC 9: Reassessment of Embedded Derivatives and to IAS 39: Financial Instruments: Recognition and Measurement (EC Reg. 1171/2009);
- IFRIC 13: Customer Loyalty Programmes (EC Reg. 1262/2008);
- IFRIC 14: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (EC Reg. 1263/2008).

As regards the new version of IAS 1 "Presentation of Financial Statements" and the adoption of the statement of comprehensive income, see Section 2 - General principles for preparation.

In addition, it should be noted that the revisions to IFRS 7 include the requirement that measurements at Fair Value be classified on the basis of a hierarchy of levels that reflects the significance of the inputs used in the measurements.

Both these revisions are included in those incorporated in the aforementioned Bank of Italy Regulation of 14 February 2006 (see Section 1).

The European Commission has also incorporated the following accounting standards effective from 31 December 2009, which the Company, upon instruction from UniCredit Group, did not apply in advance:
- improvements to International Financial Reporting Standards (EC Reg. 70/2009) (only for changes to IFRS 1 and IFRS 5);
- IAS 27: Consolidated and Separate Financial Statements (EC Reg. 494/2009);
- IFRS 1: First-time Adoption of International Financial Reporting Standards (EC Reg. 1136/2009);
- IFRS 3: Business Combinations (EC Reg. 495/2009);
- IFRIC 12: Service Concession Arrangements (EC Reg. 254/2009);
- IFRIC 15: Agreements for the Construction of Real Estate (EC Reg. 636/2009);
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation (EC Reg. 460/2009);
- IFRIC 17: Distributions of Non-cash Assets to Owners (EC Reg. 1142/2009);
- IFRIC 18: Transfers of Assets from Customers (EC Reg. 1164/2009);
- changes to IAS 32: Financial Instruments: Presentation - Classification of Rights Issues (EC Reg. 1293/2009);
- change to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (EC Reg. 839/2009).

At 31 December 2009, the IASB had issued the following accounting standards or revisions to same:
- improvements to IFRS;
- changes to IFRS 2: Group Cash-settled Share-based Transactions;
- changes to IFRS 1: Additional Exemptions for First-time Adopters;
- revision of IAS 24 - Related Party Disclosures;
- changes to IFRIC 14 - Prepayments of a Minimum Funding Requirement;
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments;
- IFRS 9: Financial Instruments.

The application of these standards by the Company is, however, subordinate to their incorporation by the European Union.
With reference to subsidiaries and affiliates, and in line with regulations on the matter, the Company has not prepared consolidated financial statements because these are prepared by the parent UniCredit S.p.A..

These separate financial statements are audited by KPMG S.p.A. pursuant to Legislative Decree no. 58 of 24 February 1998 and the resolution passed by the shareholders' meeting on 10 April 2008 and supplemented on 21 April 2009.

They were approved by the Board of Directors on 11 March 2010.

Pursuant to IAS 10, the financial statements were authorised for publication by the Board of Directors, with prior approval from the parent, on 11 March 2010.

The entire document was filed with the competent authorities and headquarters in accordance with law.

There is no further information to be disclosed in this section.

A.2 - Main financial statement items

1 - Financial assets held for trading

A financial asset is classified as held for trading (HfT) if it is:
- acquired principally for the purpose of selling it in the short term;
- part of a portfolio of financial instruments that are managed together and for which there is evidence of a short-term profit-taking strategy;
- a derivative (except for a derivative that constitutes a financial security - see Section 13 - or is a designated hedging instrument - see Section 4).

Like other financial instruments, financial assets held for trading are recognised initially at Fair Value, excluding transaction costs and revenue that are immediately recorded on the income statement even when directly attributable to these financial assets.

Even after initial recognition, these financial assets are measured at their Fair Value through profit or loss.

Realised gains or losses from sale or redemption and unrealised gains or losses from a change in the Fair Value of the trading portfolio are recognised in the income statement in item 60. "Gains (losses) on financial assets and liabilities held for trading", with the exception of financial derivatives relating to a Fair Value option, for which gains and losses, whether realised or measured, are booked in item 80. "Gains (losses) on financial assets and liabilities at Fair Value". If the Fair Value of a financial asset falls below zero, which could happen for derivatives or uncovered short positions on securities, it is recognised in item 30. "Financial liabilities held for trading".

A derivative is a financial instrument or other contract with all three of the following characteristics:
- its value changes in relation to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (usually called the 'underlying');
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

2 - Held-to-maturity investments

Held-to-maturity (HtM) investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which there is the positive intention and ability to hold to maturity.

If, during the financial year, more than an insignificant amount of held-to-maturity investments are sold or reclassified before maturity, the remaining HtM financial assets are reclassified as available-for-sale and no financial assets are classified as HtM investments for the two following financial years, unless the sales or reclassifications:
- are so close to maturity or the financial asset's call date that changes in the market interest rate would not have a significant effect on said asset's Fair Value;
- occur after substantially all of the financial asset's original principal has been collected through scheduled payments or prepayments;

or
- are attributable to an isolated event that is beyond the reporting entity's control, is non-recurring and could not have been reasonably anticipated.

After initial recognition at Fair Value, normally including transaction costs and revenue that are directly attributable to the acquisition or disbursement of the financial asset (even if outstanding), said asset is measured at amortised cost using the effective interest method. A gain or loss is recognised in the income statement in item 90. "Gains (losses) on disposal or repurchase" when the financial asset is derecognised.

If there is objective evidence that a held-to-maturity investment is impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate of the financial asset. The carrying amount of the asset is reduced accordingly and the loss is recognised in the income statement under item 100(a) "Net impairment losses / reversals of impairment losses on financial assets".

Part A) - Accounting policies (Continued)

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The reversal cannot result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in the same income statement item.

3 - Loans and receivables

Loans and receivables due from customers and banks are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are recognised on the date of contract signing, which normally coincides with the date of disbursement to the borrower.

After initial recognition at Fair Value, normally including transaction costs and revenue that are directly attributable to the acquisition or disbursement of the financial asset (even if outstanding), a receivable is measured at amortised cost using the effective interest method, taking into account any impairment loss / reversals of impairment losses arising from the measurement process.

Gains or losses on receivables that are not part of a hedging relationship are recognised in the income statement:
- when the financial asset in question is derecognised, in item 90. a) "Gains (losses) from sale or repurchase of financial assets";

or
- when the financial asset is impaired, in item 100. a) "Impairment losses on financial assets".

Interest on receivables is recognised in the income statement on an accruals basis under item 10. "Interest income and similar revenue".

Overdue interest is booked in the income statement if and when it is collected.

A receivable is deemed impaired when it is considered that it will probably not be possible to recover all the amounts due according to the original contractual terms, or an equivalent value.

Criteria for determining impairment losses on receivables are based on the present value of expected net cash flows of principal and interest less recovery costs and any prepayments received; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the rate used.

Receivables are reviewed to identify those that, following events occurring after initial recognition, display objective evidence of possible impairment. These problem receivables are reviewed and analysed monthly, or at least once a year. Any subsequent reduction from initial expectations of the amount or timing of expected cash flows causes an impairment loss to be recognised in the income statement in item 100. a) "Impairment losses on financial assets".

If the quality of the impaired receivable has improved and there is reasonable certainty that principal and interest will be recovered in a timely manner in accordance with the original contractual terms, an impairment loss is recorded in the same income statement item, within the amount of the amortised cost that there would have been if there had been no previous impairment losses.

A receivable is fully derecognised when it is deemed to be irrecoverable or is fully impaired. Full impairments are recognised directly in the income statement under item 100. a) "Impairment losses on financial assets" and reduce the principal portion of the receivable. Reversals of all or part of previous impairment losses are recognised in the same item.

Impaired loans and receivables are divided into the following categories:
- **non-performing loans** - formally impaired loans, being exposure to insolvent borrowers, even if the insolvency has not been recognised in a court of law, or borrowers in a similar situation. Measurement is generally carried out on a loan-by-loan basis;
- **doubtful loans** - exposure to borrowers experiencing temporary difficulties which the Company believes may be overcome within a reasonable period of time. Doubtful loans are measured on a loan-by-loan basis;
- **restructured loans** - exposure to borrowers with whom a rescheduling agreement has been entered into that includes renegotiation below market rates, the conversion of part of a loan into shares and/or reduction of principal: measurement is on a loan-by-loan basis, including in impairment losses the present cost arising from renegotiated rates being lower than funding cost;
- **past-due loans** - total exposure to any borrower, not included in the other categories, who at the end of the reporting period has receivables that are more than 90 days past due. Past-due loans are measured on a loan-by-loan basis.

Collective assessment (performing loans) is used for asset portfolios for which individually there are no indicators of impairment, but to which latent impairment can be attributed, inter alia on the basis of the risk factors in use under Basel II.

More specifically, each asset with similar characteristics in terms of credit risk, economic sector, geographical location, type of security or other relevant factors is assessed in terms of its PD (probability of default) and LGD (loss given default); these are uniform for each class of loan.

The methods used combine Basel II recommendations and international financial reporting standards. The latter exclude predicted loan losses but include losses already incurred even if they were not manifest at the measurement data, on the basis of past experience of losses on assets with a similar credit risk.

For all loan classes, the loss confirmation period is the average time that elapses between the impairment losses on a debtor's financial conditions and its classification among impaired loans.

Collective measurement is the result of multiplying the risk factors used under Basel II (with a horizon of one year) and the loss confirmation periods, expressed as a fraction of a year and diversified by asset class according to lending development levels and characteristics.

Impairment losses on loans are recorded as a reduction in carrying amount, while off-balance-sheet risks such as loan disbursement commitments are posted to the income statement in item 100. "Impairment losses on other financial transactions" and offset in item 90. "Other liabilities".

Loans and receivables also include loans securitised after 1 January 2004 which cannot be derecognised under IAS 39
(see - Other information - Derecognition).
Corresponding amounts received for the sale of securitised loans, net of the amount of any retained risk (issued securities retained in the portfolio), are recognised in item 10. "Payables".

Both assets and liabilities are measured at amortised cost and interest is recognised in the income statement.

Impairment losses on retained risk securities (arising out of securitisation transactions carried out by the Company) are recognised in item 100. a) "Impairment losses on financial assets".
Receivables also include assets that are under construction and are destined for finance leases.

Returning assets (those for which the relationship with the customer is definitively over) are classified in property, plant and equipment.

Part A) - Accounting policies (Continued)

4 - Hedging

Derivative hedging instruments are of three types:

- Fair Value hedge of a recognised asset or liability, or an identifiable portion of such an asset or liability;
- cash flow hedge of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction which could affect profit or loss;
- currency hedge of a net investment in a foreign company with non-euro assets.

A derivative is hedged if there is formal designation and documentation of the hedging relationship including the risk management objective, the strategy for undertaking the hedge, and how the hedging instrument's effectiveness will be assessed. It is thus necessary to assess the hedge's effectiveness, at inception and in subsequent periods, in offsetting the exposure to changes in the hedged item's Fair Value or cash flows attributable to the hedged risk.

A hedge is regarded as highly effective if, at its inception and in subsequent periods, it is determined prospectively to remain highly effective, i.e. the hedge ratio is within a range of 80.0-125.0%. The hedge is assessed on an ongoing basis and thus must prospectively remain highly effective throughout the financial reporting periods for which the hedge was designated.
The assessment of effectiveness is made at each reporting date.
If the assessment does not confirm the effectiveness of the hedge, from that time on hedge accounting is discontinued and the hedging derivative is reclassified as a held-for-trading instrument.

The hedging relationship ends when: the derivative expires or is sold, terminated or exercised; the hedged instrument expires or is sold or reimbursed; or it is no longer highly probable that the hedged future transaction will take place.

Hedging derivatives are measured at Fair Value. In particular:

- for **Fair Value hedging**, the change in Fair Value of the hedging instrument is recorded on the income statement in item 70. "Gains (losses) from hedging". Changes in Fair Value of the hedged instrument, which are attributable to the risk hedged with the derivative, are recorded to the same item of the income statement, offsetting the change in the carrying amount of said instrument. If the hedging relationship is terminated for reasons other than the sale of the hedged item, the difference between the carrying amount of the hedged item on termination of the hedging and the carrying amount it would have had if the hedge had never existed, is recognised on the income statement in interest income or expense over the residual life of the original hedge, in the case of interest-bearing instruments; if the financial instrument does not bear interest, the difference is recognised immediately in the income statement under item 70. "Gains (losses) from hedging". If the hedged item is sold or repaid, the unamortised portion of Fair Value is immediately recognised in the income statement in item 90. "Gains (losses) on sale or repurchase";

- for **cash flow hedging**, the effective portion of the gain or loss on the hedging instrument is recognised initially in equity item 170. "Revaluation reserves". The ineffective portion of the gain or loss is recognised in the income statement in item 70. "Gains (losses) from hedging". If a cash flow hedge is determined to be no longer effective or the hedging relationship is terminated, the cumulative gain or loss on the hedging instrument, which was previously recognised in "Revaluation reserves", remains there until the transaction occurs or is determined to be no longer possible; in the latter case, gains or losses are transferred from equity to income statement item 60. "Gains (losses) on financial assets and liabilities held for trading".
  The Fair Value changes recorded in item 170. "Revaluation reserves" are also reported in the statement of comprehensive income;

- for **macro-hedging operations**, IAS 39 allows a fair-value item hedged against interest-rate risk to be not only a single financial asset or liability, but also a monetary position made up of a number of financial assets or liabilities (or parts of them); accordingly, a group of derivatives can be used to offset fair-value fluctuations in hedged items due to changes in market rates. Macro-hedging may not be used for net positions resulting from the offsetting of assets and liabilities.
  As for Fair Value hedges, macro-hedging is considered highly effective if, at its inception and in subsequent periods, changes in the fair value of the hedged monetary position are offset by changes in Fair Value of the hedging derivatives and if the hedge ratio is within the range of 80.0-125.0%.
  Net changes - gains or losses - in the Fair Value of macro-hedged assets and liabilities are recognised in asset item 80 or liability item 60 respectively, and are offset in income statement item 70. "Gains (losses) from hedging".

The ineffectiveness of hedging arises from the fact that the change in the Fair Value of the hedging instruments differs from the change in the Fair Value of the hedged monetary position. The extent of hedge ineffectiveness is in any case recognised in income statement item 70. “Gains (losses) from hedging”.

If the hedging relationship is terminated, for reasons other than the sale of the hedged items, the remeasurement of these items is recognised on the income statement, in interest income or expense, for the residual life of the hedged financial assets or liabilities.
If the hedged item is sold or repaid, the unamortised portion of Fair Value is immediately recognised in the income statement in item 90. “Gains (losses) on sale or repurchase”.

5 - Equity investments

Equity investments are defined as equity instruments, and consequently as financial instruments, under IAS 32.
Investments in equity instruments, made with the intention of establishing or maintaining a long-term operational relationship with the investee, are strategic investments.

The following are the types of equity investment:

SUBSIDIARIES
Subsidiaries are entities of which:

- the parent owns, directly or indirectly through other subsidiaries, more than half of the voting rights unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control;
- the parent owns half or less of the voting power and has:
  - control of more than half of the voting rights by virtue of an agreement with other investors;
  - power to govern the financial and operating policies of the entity under a statute or an agreement;
  - power to appoint or remove the majority of the members of the board of directors or equivalent governing body, and management of the entity is by that board or body;
  - power to cast the majority of votes at meetings of the board of directors or equivalent governing body, and management of the entity is by that board or body.

The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity.

Subsidiaries include special purpose entities, as required by SIC 12.

ASSOCIATES
These are entities over which an investor has significant influence, and which are neither subsidiaries nor joint ventures. It is presumed that an investor has significant influence if it holds, directly or indirectly, at least 20.0 % of the equity, unless it can be clearly demonstrated otherwise . In the event of direct or indirect ownership of less than 20.0% of votes in a shareholders’ meeting at the investee, there is not deemed to be significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

JOINT VENTURES
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Equity investments in subsidiaries, associates and joint ventures are measured at cost.

Part A) - Accounting policies (Continued)

The purchase price of an equity investment is the sum of:
- the Fair Value, at the date of acquisition, of the assets sold, liabilities assumed and equity instruments issued by the purchaser in exchange for control of the investee

and
- any cost directly attributable to the acquisition.

If there is evidence that the value of an equity investment has dropped, a comparison is made between the carrying amount and recoverable amount of said investment. This recoverable value is determined with reference to the value in use of equity investments. The value in use is determined using valuation models generally used in finance and based on discounting expected future cash flow from the equity investment (so-called discounted cash flow method).

If it is not possible to obtain sufficient information, the value in use is considered to be the equity of the company.

If the recoverable amount is less than the carrying amount, the difference is recognised in income statement item 170. “Gains (losses) from equity investments”. If the reasons for impairment are removed following an event subsequent to the recognition of impairment, reversals of impairment losses are made to the same income statement item.

Remaining equity investments - i.e. not subsidiaries, associates and joint ventures, and not recognised in items 130. “Non-current assets and disposal groups held for sale” and 80. “Liabilities included in disposal groups held for sale” - are classified as available-for-sale financial assets or financial assets measured at Fair Value and treated accordingly.

6 - Property, plant and equipment

This item includes:
- buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment
- leasehold improvements.

and is divided between:
- assets used in the business
- assets held as investments.

Assets used in the business are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period. This category also conventionally includes assets to be leased and assets under construction that will be subject to finance leases, only for finance leases that provide for retention of risk by the lessor until acceptance of the asset by the lessee and the start of finance lease payments.

The item includes assets used as lessee under a finance lease or let/hired out as lessor under an operating lease.

Leasehold improvements included in these items are incremental improvements and expenses relating to property, plant and equipment that are identifiable and separable. Such investments are usually made to render leased premises fit for the expected use.
Incremental improvements and expenses relating to property, plant and equipment that are identifiable and not separable are recognised in item 140. “Other assets”.

Assets held for investment purposes are properties covered by IAS 40, i.e. properties held (owned or under a finance lease) in order to derive rentals and/or a capital gain.

Property, plant and equipment are initially recognised at cost, including all costs directly attributable to bringing the asset into use (transaction costs, professional fees, direct transport costs incurred in bringing the asset to the desired location, installation costs and dismantling costs).

Subsequent costs are added to the carrying amount or recognised as a separate asset only when it is probable that there will be future economic benefits in excess of those initially foreseen and the cost can be reliably measured.
All other subsequent expenses (e.g. normal maintenance costs) are recognised in the year in which they are incurred, in income statement items:

110.b) “Other administrative expenses”, if they refer to assets used in the business;

or

160. “Other net operating income”, if they refer to property held for investment.

After being recognised as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

An item with a finite useful life is subject to straight-line depreciation.

Useful life is normally estimated as follows:

- buildings - No more than 50 years;
- furniture - No more than 25 years;
- electronic equipment - No more than 15 years;
- other - No more than 10 years;
- leasehold improvements - No more than 25 years.

An item with an indefinite useful life is not depreciated, nor is an asset the residual value of which is equal to or greater than its carrying amount.

Land and buildings are recognised separately, even if acquired together. Land is not depreciated since it usually has an indefinite useful life. Buildings, conversely, have a finite useful life and are therefore subject to depreciation.

The useful life of an asset is reviewed at the end of each reporting period and, if expectations differ from previous estimates, the depreciation amount for the current and subsequent financial years is adjusted accordingly.

If there is objective evidence that an asset has been impaired, the carrying amount of said asset is compared with its recoverable amount, equal to the greater of its Fair Value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any value adjustment is recognised in income statement item 120. “Net impairment losses / reversals of impairment losses on property, plant and equipment”.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no previous impairment.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or sale and any difference between sale proceeds and carrying value is recognised in income statement item 180. “Gains (losses) on disposal of investments”.

7 - Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by a company, from which future economic benefits are probable.

Intangible assets are principally goodwill, software, brands and patents.

This item also includes intangible assets used by the Company as lessee under finance leases or as lessor under operating leases (rental/hire).

Intangible assets other than goodwill are recognised at purchase cost, including any cost incurred to bring the asset into use, less accumulated amortisation and impairment losses.

An intangible asset with a finite life is subject to straight-line amortisation over its estimated useful life.

Part A) - Accounting policies (Continued)

Useful life is normally estimated as follows:
- software - no more than 10 years;
- other intangible assets - no more than 20 years.

Intangible assets with an unlimited useful life are not amortised.

If there is objective evidence that an asset has been impaired, the carrying amount of said asset is compared with its recoverable amount, equal to the greater of its Fair Value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any impairment losses are recognised in income statement item 130. "Net impairment losses / reversals of impairment losses on intangible assets".

Even if there are no indications of impairment, the carrying amount of an intangible asset with an indefinite life is compared annually with its recoverable amount. If the carrying amount is greater than the recoverable amount, the difference is recognised in income statement item 130. "Net impairment losses / reversals of impairment losses on intangible assets".
If the value of a previously impaired intangible asset, other than goodwill, is restored, its new carrying amount cannot exceed the net carrying amount it would have had if there were no previous impairment losses.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or sale, and any difference between sale proceeds and carrying value is recognised in income statement item 180. "Gains (losses) on disposal of investments".

Goodwill is the excess of the cost of a business combination over the net Fair Value of the identifiable assets and other items acquired at the acquisition date.

Goodwill is recognised at cost less any accumulated impairment losses and is not amortised. Even if there are no indications of impairment, goodwill undergoes an annual impairment test, as for intangible assets with an indefinite useful life.

Impairment losses on goodwill are recorded in income statement item 130. "Net impairment losses / reversals of impairment losses on intangible assets" and are not restored in subsequent years if there is a reversal of impairment loss.

8 - Current and deferred tax

Income tax, calculated in accordance with local tax regulations, is recognised as a cost in relation to the taxable profit for the same period.

A deferred tax asset (item 120 b)) is recognised for all deductible temporary differences where it is probable that future taxable income will be generated against which said asset can be used. The deferred tax asset is not recognised where it arises from the initial recognition of an asset or liability in a transaction which:
- is not a business combination;

and
- at the time of the transaction, affects neither accounting profit nor taxable income (tax loss).

A deferred tax liability (item 70 b)) is recognised for all taxable temporary differences, unless the difference arises from:
- the initial recognition of goodwill;

or
- the initial recognition of an asset or liability in a transaction which:

1) is not a business combination;
and
2) at the time of the transaction, affects neither accounting profit nor taxable income (tax loss).

Deferred tax assets and liabilities are recognised at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on current tax laws or laws in force at the time of recognition.

Deferred tax assets and liabilities are offset when owed to (or by) the same tax authority and the right to offset is recognised in law.

Current and deferred tax is recognised in income statement item 190. “Income tax on continuing operations”, except tax relating to amounts that are directly credited to or debited from equity, in any reporting period, such as on AfS financial assets or changes in the Fair Value of cash flow hedging instruments, the changes in value of which are recognised directly in the revaluation reserves net of tax.

9 - Provisions for risks and charges:

Pension and similar obligations

Pension provisions - i.e. provisions for employee benefits paid after leaving employment - are classified as defined-contribution plans or defined-benefit plans, according to the nature of the plan.

In particular:

- defined-benefit plans provide a series of benefits depending on factors such as age, years of service and compensation needs. Under this type of plan, actuarial and investment risks are borne by the company.
- defined-contribution plans are plans under which the company makes fixed contributions. Benefits are the result of the amount of contributions paid and return on contributions invested. The employer has no risk under this type of plan since it has no legal or implicit obligation to make further contributions should the plan assets not be sufficient to provide benefit to all employees. Therefore, under this type of plan, actuarial and investment risks are borne by the employee.

Defined-benefit plans are present-valued by an external actuary using the projected unit credit method.

This method distributes the cost of benefits uniformly over the employee’s working life. Obligations are the present value of average future benefits pro rata to the ratio of years of service to seniority at the time of benefit payment.

The amount recognised as a liability in item 110 a) is the present value of the obligation at the end of the reporting period, plus or minus any actuarial gains or losses not recognised under the ‘corridor’ method, which permits non-recognition of these when they do not exceed 10.0% of the present value of the obligation and 10.0% of the Fair Value of any plan assets, less any pension charges relating to benefits already provided but not recognised, less the Fair Value at the end of the reporting period of plan assets due to settle the obligations directly. The discount rate used to present-value obligations (whether financed or not) relating to benefits to be provided after retirement varies according to the country where the liabilities are allocated and is determined on the basis of market yield at the end of the reporting period of prime issuers’ bonds with an average life in keeping with that of the relevant liability.

Other provisions

Provisions for risks and charges are recognised when:

- the entity has a present obligation (legal or implicit) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no liability is recognised.

The amounts recognised as provisions are the best estimate of the expenditure required to settle the present obligation. The risks and uncertainties that inevitably surround the relevant events and circumstances are taken into account in reaching the best estimate of a provision.

Where the effect of the temporary value of money is material, the amount of a provision should be the present value of the expenditure expected to be required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the temporary value of money and the risks specific to the liability.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If it becomes clear that it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.
A provision is used only for expenditures for which the provision was originally recognised.
Allocations made in the year are recognised in income statement item 150. “Provisions for risks and charges” and include increases due to the passage of time; they are also net of any re-allocations.

Part A) - Accounting policies (Continued)

“Other provisions” also include obligations relating to benefits due to agents, specifically supplementary customer portfolio payments, merit payments, contractual payments and payments under non-competition agreements, which are measured as per defined-benefit plans; accordingly, these obligations are calculated using the projected unit credit method (see above under Retirement payments and similar obligations).

10 - Payables

Payables are initially recognised at Fair Value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently, these instruments are measured at amortised cost using the effective interest method.

11 - Financial liabilities held for trading

Financial liabilities held for trading include:
- derivatives that are not recognised as hedging instruments;
- obligations to deliver financial assets sold short;
- financial liabilities issued with intent to repurchase them in the short term;
- financial liabilities that are part of a portfolio of financial instruments considered as a unit and for which there is evidence of a recent pattern of trading.

An HfT liability, including a derivative, is measured at Fair Value initially and for the life of the transaction, except for a derivative liability settled by delivery of an unlisted equity instrument whose Fair Value cannot reliably be measured, which is measured at cost.

12 - Foreign currency transactions

A foreign currency transaction is recognised at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange rate differences arising from settlement of transactions at rates different from those of the transaction date and unrealised exchange rate differences on foreign currency assets and liabilities not yet settled, other than those measured at Fair Value and hedging instruments, are recognised in income statement item 60. “Gains (losses) on financial assets and liabilities held for trading”.

Non-monetary assets and liabilities recognised at historical cost in a foreign currency are translated using the historical exchange rate, while those measured at Fair Value are translated using the closing rate of the period. The exchange rate differences are recognised:
- in the income statement if the item is held for trading;
- in revaluation reserves if the item is available for sale.

13 - Other information

Derecognition

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity’s balance sheet.
Before evaluating whether, and to what extent, derecognition is appropriate, under IAS 39 an entity should determine whether the relevant conditions apply to a financial asset in its entirety. The standard is applied to a part of financial assets being transferred if, and only if, the part being considered for derecognition meets one of the following conditions:
- it comprises only specifically identified cash flows from a financial asset (or a group of assets), e.g. interest cash flows from an asset;
- it comprises a clearly identified percentage of all the cash flows from a financial asset, e.g. a 90.0% share;
- it comprises only a fully proportionate (pro rata) share of specifically identified cash flow, e.g. a 90.0% share of interest cash flows from an asset.

In all other cases, the standard is applied to the financial asset (or to a group of similar financial assets) in its entirety.

An entity shall fully derecognise a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers said rights.

Rights to receive cash flows from the financial asset are considered to be transferred even if contractual rights to receive said flows are retained but there is an obligation to pay them to one or more entities and all the following conditions are met (pass-through agreement):
- the entity has no obligation to pay amounts not received from the original asset;
- the entity is prohibited from selling or pledging the original asset other than as security for the obligation to pay the cash flows;
- the entity has an obligation to transfer forthwith all cash flows it receives and is not entitled to reinvest them, except for investments in cash or cash equivalents during the short period from the receipt date to the payment date, provided that accrued interest is also paid.

Derecognition is also subject to verification of effective transfer of all the risks and rewards of ownership of the rights (true sale).
If the entity transfers substantially all the risks and rewards, it shall derecognise the asset (or group of assets) sold and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Conversely, if the entity substantially retains the risks and rewards, it shall continue to recognise the asset (or group of assets) sold. In this case, it is necessary to recognise a liability corresponding to the amount received under the transfer and subsequently recognise all income accruing on the asset or expense accruing on the liability.

The main transactions which, under these rules, do not permit full derecognition of a financial asset are loan securitisations, repo agreements and securities lending transactions.
For securitisations, the Company may not derecognise the financial asset on acquisition of an equity tranche or provision of other forms of support to the structure that determine retention by the Company of the securitised portfolio's credit risk.

For repo agreements and securities lending transactions, assets are not derecognised since the terms of these operations entail retention of all related risks and rewards.

Finance leases
Finance leases effectively transfer all the risks and benefits of ownership of an asset to the lessee. The ownership of the asset is not necessarily transferred to the lessee when the contract expires.

The lessee acquires the economic benefit of the use of the leased asset for most of its useful life, in exchange for a commitment to pay an amount approximately equivalent to the Fair Value of the asset and related financial costs. Recognition in the lessor's financial statements is as follows:
- in assets, the value of the loan, less the principal of lease instalments due and paid by the lessee;
- in the income statement, interest income.

Factoring
Loans acquired in factoring transactions are recognised and retained on the financial statements to the extent of advanced payments made to the originator for the portfolio transferred with recourse. Loans acquired without recourse are recognised as such once it has been established that there are no contractual clauses that would invalidate the effective transfer of all risks and benefits.

Post-employment benefits (Trattamento di fine rapporto, TFR)
TFR is to be construed as a "post-employment benefit". It is therefore recognised on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. This benefit was calculated by an external actuary using the projected unit credit method (see Section 9 under Provisions for risks and charges - Pension payment and similar obligations).

Following complementary pension reform as per Legislative Decree no. 252 of 5 December 2005, the TFR reserve accrued until 31 December 2006 stays with the employer and continues to be classified as a "post-employment benefit" and thus subject to actuarial valuation, but with a simplification based on actuarial assumptions that no longer take into account projections on future increases in compensation.

TFR instalments accrued since 1 January 2007 (when Legislative Decree no. 252 came into effect) are, at employees' discretion, paid into a complementary pension fund or left in the company, which (if it has more than 50 employees) pays them into the INPS Treasury fund. They are considered a defined-contribution plan.

Post-employment benefit costs accrued during the year are posted to the income statement under item 110. a) "Payroll costs" and include interest accrued during the year on the obligation in existence on the date of the reform, as well as instalments accrued during the year and deposited in the complementary pension fund or INPS Treasury fund.

Part A) - Accounting policies (CONTINUED)

Actuarial gains and losses - i.e. the difference between the carrying amount of the liabilities and the present value of the obligation at the end of the reporting period - are recognised using the 'corridor' method, i.e. only if they exceed 10.0% of the present value of the obligation at the end of the reporting period. Any surplus is recognised on the income statement by amortising over the average residual working life of the employees who are members of the plan, starting from the following financial year.

Share-based payments
These are payments made to employees in consideration of services rendered, based on equity instruments and comprising:
- stock options;
- performance shares (awarded on attainment of certain objectives);
- restricted shares (subject to a lock-up period).

Considering the difficulty of reliably measuring the Fair Value of the services received against parent equity instruments, reference is made to the Fair Value of the instruments themselves, measured at the date of their allocation.

The Fair Value of payments made through issuing shares is recognised as a cost in income statement item 110. "Administrative expenses", offsetting item 90. "Other liabilities" on an accruals basis over the period in which the services are rendered.

The services rendered and the liabilities incurred for cash-settled share-based payments are measured at the Fair Value of said liabilities, recognised in item 90. "Other liabilities". The Fair Value of the liability, as long as it remains unsettled, is remeasured at the end of each reporting period and all changes in Fair Value are recognised in income statement item 110. "Administrative expenses".

Other long-term employee benefits
Long-term employee benefits - e.g. seniority bonuses paid on reaching a predefined number of years' service - are recognised in item 90. "Other liabilities" on the basis of measuring the liability at the end of the reporting period, determined where necessary by an external actuary using the projected unit credit method (see Section 12 - Provisions for risks and charges - pension and similar obligations). Actuarial gains (losses) on this type of benefit are recognised immediately on the income statement, without using the 'corridor' method.

Guarantees and credit derivatives in the same class
Guarantees are initially measured at Fair Value, which is normally the amount received on issuance.
Guarantees and credit derivatives in the same class under IAS 39 (i.e. contracts under which the issuer makes pre-determined payments in order to compensate the guaranteed party or buyer of protection for losses sustained due to default by a given debtor on the maturity of a debt instrument) are recognised in item 90. "Other liabilities".
After initial recognition, guarantees are measured at the greater of the amount initially recognised, less any amortisation, and the estimated amount required to meet the obligation.
The measurement effects, related to any underlying impairment, are recognised in the same balance sheet item offsetting income statement item 110 b) "Impairment losses / reversals of impairment losses on other financial transactions".

Income statement

1 - Interest income and expense

Interest and similar income and expense accrue on: cash; HfT, Fair Value or AfS monetary financial instruments; HtM investments; loans and receivables; payables; and securities in issue.

Interest income and expense are recognised on the income statement with respect to all instruments measured at amortised cost, using the effective interest method.

Interest also includes the net balance of differentials and margins on financial derivatives:
- hedging interest-bearing assets and liabilities;
- HfT but linked for business purposes to assets and liabilities measured at Fair Value (Fair Value option);
- linked for business purposes to HfT assets and liabilities paying differentials or margins on several maturities.

2 - Fees and commissions

Fees and commissions are recognised on an accruals basis.

Fees included in amortised cost to calculate effective interest rates are not included under fees and commissions; they are recognised in interest.

3 - Dividends

Dividends are recognised in the income statement for the year in which their distribution has been approved.

Relevant IFRS definitions

The main definitions introduced by IFRS, apart from those dealt with in previous sections, are described below.

Amortised cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the accumulated amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of allocating the interest income or interest expense over the life of a financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Commissions forming an integral part of the effective interest rate include loan drawdown fees or underwriting fees relating to a financial asset not designated at Fair Value, e.g. fees received as compensation for the assessment of the borrower's financial situation, for valuation and registration of security, and generally for the completion of the transaction.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include financing costs or internal administrative or holding costs.

Part A) - Accounting policies (Continued)

Impairment losses on financial assets
At the end of each reporting period, an entity shall assess whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It may not be possible to identify a single, discrete event that caused the impairment; rather it may have been caused by the combined effect of several events.

Losses expected as a result of future events, no matter how likely, are not recognised.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to our attention about the following loss events:
- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower which the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; however, the disappearance of an active market due to the fact that a company's financial instruments are no longer traded publicly is no evidence of impairment;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  – adverse changes in the payment status of borrowers in the group; or
  – national or local economic conditions that correlate with defaults on the assets in the group.

Objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment may not be recovered. A significant or prolonged decline in the Fair Value of an investment in an equity instrument below its cost is also objective evidence of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in income statement item 100. "Impairment losses / reversals of impairment losses" and the asset's carrying amount is reduced.

If the terms of a loan, receivable or held-to-maturity investment are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral.
A reduction in the Fair Value of a financial asset below its cost or amortised cost is not necessarily an indication of impairment (e.g. reduction in the Fair Value of an investment in a debt instrument resulting from an increase in the risk-free interest rate).

Objective evidence of impairment is initially assessed individually; however, if it is determined that there is no objective evidence of individual impairment, the asset is included in a group of financial assets with similar credit risk characteristics and assessed collectively.

Formula-based approaches and statistical methods may be used to assess impairment losses on a group of financial assets. Models used incorporate the temporary value of money, and consider cash flows over the entire residual life of the asset (not just the following year) and do not give rise to an impairment loss on initial recognition of a financial asset. They take into account losses already sustained but not manifest in the group of financial assets at the time of measurement, on the basis of past experience of losses on assets having a similar credit risk to

the group of assets being measured.
The process of estimating impairment losses considers all credit exposures, not only those of low credit quality, which reflect a serious impairment.

Reversals of impairment losses
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed.
The amount of said reversal is recognised in income statement item 100. "Impairment losses / reversals of impairment losses".
The reversal shall not result - at the date the impairment is reversed - in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised.

A.3 - Disclosure on Fair Value

Fair Value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Fair Value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

For financial instruments quoted in active markets, Fair Value is determined on the basis of official quotations in the most advantageous market to which the Group has access (mark to market).
A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from a pricing service, dealer, broker, agency that determines prices or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If a published price quotation in an active market does not exist for a financial instrument in its entirety, but active markets exist for its component parts, Fair Value is determined on the basis of the relevant market prices for the component parts.

If market quotations are not available, the Company uses measurement models (mark to model) in keeping with generally accepted methods used by the market. Measurement models include techniques based on the discounting of future cash flows and on volatility estimates, and they are subject to revision both during their development and periodically in order to ensure they remain valid over time.

These methodologies use inputs based on prices set in recent transactions for the instrument being valued and/or prices/quotations for instruments having similar characteristics in terms of risk profile.
In fact, these prices/quotations are relevant for determining significant parameters in terms of the credit risk, liquidity risk and price risk of the instrument being measured.
Reference to these "market" parameters makes it possible to limit the discretionary nature of the measurement, thereby ensuring that the resulting Fair Value can be verified.

If, for one or more risk factors it is not possible to refer to market data, the measurement models employed use estimates based on historical data as inputs.

As a further guarantee of the objectivity of measurement derived from measurement models, the Company employs:
- independent price verifications (IPV);
- Fair Value adjustments (FVA).

Independent price verifications dictate that the prices for trading positions are to be verified monthly by risk management units that are independent from the units that assume the risk exposure.
This verification calls for comparing and adjusting the daily price to measuremnts coming from independent market participants.
For instruments not quoted in active markets, the above verification process uses prices contributed by info providers as a reference, and assigns a greater weighting to those prices that are considered representative of the instrument being measured.
This measurement includes: the ability to "execute" the transaction at the price observed, the number of contributors, the degree of similarity of the financial instruments, the consistency of prices from different sources, and the process followed by the info provider to obtain the information.

The independent price verification is supplemented by the calculation of further Fair Value adjustments, which are also recognised for accounting purposes, to take into account risks associated with both the limited liquidity of the positions and the measurement models used.

Part A) - Accounting policies (Continued)

A.3.1 Portfolio transfers

There is no balance for this item.

A.3.2 Fair Value hierarchy

IFRS 7 calls for classifying instruments measured at Fair Value according to the observability of the inputs used for pricing.

Three levels are specified:
- Level 1: the Fair Value of instruments classified in this level is determined based on quoted prices observed in active markets;
- Level 2: the Fair Value of instruments classified in this level is determined based on measurement models that use inputs that can be observed in the market;
- Level 3: the Fair Value of instruments classified in this level is determined based on measurement models that primarily use inputs that cannot be observed in the market;

A.3.2.1 Accounting portfolios: breakdown by Fair Value level

(Amounts in thousands of €)

ITEMS / AMOUNTS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
1. Financial assets held for trading	-	54,707	-	54,707
2. Financial assets measured at Fair Value	-	-	-	-
3. Available-for-sale financial assets	-	-	-	-
4. Hedging derivatives	-	488	-	488
Total	**-**	**55,195**	**-**	**55,195**
1. Financial liabilities held for trading	-	55,697	-	55,697
2. Financial liabilities measured at Fair Value	-	-	-	-
3. Hedging derivatives	-	81,083	-	81,083
Total	**-**	**136,780**	**-**	**136,780**

A.3.2.2 Annual changes in financial assets measured at Level 3 Fair Value

There is no balance for this item.

A.3.2.3 Annual changes in financial liabilities measured at Level 3 Fair Value

There is no balance for this item.

A.3.3 Disclosure on so-called “day one profit/loss”

The value at which financial instruments are recorded is equal to their Fair Value on the same date. For financial instruments held for trading (see Sections 1 and 11 of Part A.2 above), any difference from the amount collected or paid is posted under the appropriate items of the income statement.

The processes described above for revising the measurement models used and related parameters, the value adjustments for the risk model and use of conservative measurement models ensure that the amount recorded in the income statement is not derived from the use of measurement parameters that cannot be observed.

For financial instruments other than those noted above, the Fair Value on the recording date is assumed to be equal to the amount collected or paid.

Receivables - Fair Value for disclosure

Rules on financial statements dictate that - for purposes of additional disclosure - the Fair Value of receivables at the end of the reporting period is shown.
The calculation model and the relative parameters are described in the “Fair Value for disclosure: UCI model for loans and receivables” policy. Once the contract data, including the credit qualities, have been obtained, the cash flows at the end of the reporting period are recalculated using the updated rate curve and taking into account the counterparty risk from credit qualities.
The procedure does not provide for Fair Value calculation for customers with a PD (probability of default) equal to 1 because they are considered de facto impaired. At present, an estimate of the PD predicted for the periods subsequent to the first year is required in order

to correctly apply the model. This is based on the idea that the likelihood of a loan becoming impaired reduces as the credit relationship advances.

Since UCL does not have a model for calculating multi-year PDs, the highly cautious assumption has been made that PDs do not vary over the course of a credit relationship. This means the calculation tends to generate a lower value than might have been the case for multi-year PDs. The calculation is performed by the parent for all legal entities that belong to the banking group.

Part B) - Balance Sheet Information

Part B) - Balance Sheet Information

Assets

Section 1 - Cash and cash equivalents - Item 10

1.1 Breakdown of item 10 “Cash and cash equivalents”

These were around € 10,000 and were largely unchanged from 31 December 2008.

Section 2 - Financial assets held for trading - Item 20

2.1. Financial assets held for trading: product breakdown

(Amounts in thousands of €)

ITEMS / AMOUNTS	TOTAL 12.31.2009 LEVEL 1	TOTAL 12.31.2009 LEVEL 2	TOTAL 12.31.2009 LEVEL 3	TOTAL 12.31.2008 LEVEL 1	TOTAL 12.31.2008 LEVEL 2	TOTAL 12.31.2008 LEVEL 3
A.Cash assets						
1.Debt securities	-	-	-	-	-	-
- structured securities						
- other debt securities						
2.Equity instruments and shares in collective investment funds	-	-	-	-	-	-
3.Loans	-	-	-	-	-	-
Total A	**-**	**-**	**-**	**-**	**-**	**-**
B.Derivative financial instruments						
1.Financial derivatives	-	54,707	-	-	39,635	-
2.Credit derivatives	-	-	-	-	-	-
Total B	**-**	**54,707**	**-**	**-**	**39,635**	**-**
Total A + B	**-**	**54,707**	**-**	**-**	**39,635**	**-**

Level 1: price quotes (without adjustments) taken from an active market - as per IAS 39 - for the assets or liabilities subject to valuation;
Level 2: inputs, other than the price quotes referred to in the previous point, that are directly observable (prices) or indirectly observable (deriving from prices) on the market;
Level 3: inputs that are not based on observable market data.

2.2 Derivative financial instruments

(Amounts in thousands of €)

	INTEREST RATES	CURRENCIES	EQUITY INSTRUMENTS	OTHER	TOTAL 12.31.2009	TOTAL 12.31.2008
1. Over the counter						
Financial derivatives						
- Fair Value	54,707	-	-	-	54,707	39,635
- Notional value	1,333,670	-	-	-	1,333,670	1,789,079
Credit derivatives						
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Total	**1,388,377**	**-**	**-**	**-**	**1,388,377**	**1,828,714**
2. Others						
Financial derivatives						
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Credit derivatives						
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,388,377**	**-**	**-**	**-**	**1,388,377**	**1,828,714**

2.3. Financial assets held for trading: breakdown by debtor/issuer

(Amounts in thousands of €)

	TOTAL 12.31.2009	TOTAL 12.31.2008
Cash assets		
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Financial entities	-	-
e) Other issuers	-	-
Derivative financial instruments		
a) Banks	54,707	39,635
b) Other counterparties	-	-
Total	**54,707**	**39,635**

2.4. Financial assets held for trading: annual changes

There is no balance for this sub-item.

2.5 Assets held for trading used to guarantee own liabilities and commitments

There is no balance for this sub-item.

Section 3 - Financial assets measured at Fair Value - Item 30

There is no balance for this item.

Section 4 - Available-for-sale financial assets - Item 40

There is no balance for this item.

Section 5 - Held-to-maturity investments - Item 50

5.1 "Held-to-maturity investments" breakdown by debtor/issuer

(Amounts in thousands of €)

	12.31.2009				12.31.2008			
	CARRYING	FAIR VALUE			CARRYING	FAIR VALUE		
ITEMS / AMOUNTS	AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**163**	**-**	**163**	**-**	**186**	**-**	**186**	**-**
1.1 Structured securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Governments and central banks	-	-	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	-	-	-	-	-	-	-	-
d) Financial entities	-	-	-	-	-	-	-	-
e) Other issuers	-	-	-	-	-	-	-	-
1.2 Other securities	**163**	**-**	**163**	**-**	**186**	**-**	**186**	**-**
a) Governments and central banks	-	-	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-	-	-
c) Banks	163	-	163	-	186	-	186	-
d) Financial entities	-	-	-	-	-	-	-	-
e) Other issuers	-	-	-	-	-	-	-	-
2. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Banks	-	-	-	-	-	-	-	-
b) Financial entities	-	-	-	-	-	-	-	-
c) Customers	-	-	-	-	-	-	-	-
Total	**163**	**-**	**163**	**-**	**186**	**-**	**186**	**-**

Level 1: price quotes (without adjustments) taken from an active market - as per IAS 39 - for the assets or liabilities subject to valuation;
Level 2: inputs, other than the price quotes referred to in the previous point, that are directly observable (prices) or indirectly observable (deriving from prices) on the market;
Level 3: inputs that are not based on observable market data.

Part B) - Balance Sheet Information (Continued)

5.2. Held-to-maturity investments: annual changes

(Amounts in thousands of €)

CHANGES/TYPES	DEBT SECURITIES	LOANS	TOTAL 12.31.2009
A. Opening balance	**186**	**-**	**186**
B. Increases	**-**	**-**	**-**
B1. Purchases	-	-	-
B2. Reversals of impairment losses	-	-	-
B3. Transfers from other portfolios	-	-	-
B4. Other changes	-	-	-
C. Decreases	**(23)**	**-**	**(23)**
C1. Sales	(23)	-	(23)
C2. Repayments	-	-	-
C3. Impairment losses	-	-	-
C4. Transfers to other portfolios	-	-	-
C5. Other changes	-	-	-
D. Closing balance	**163**	**-**	**163**

5.3. Held-to-maturity investments used to guarantee own liabilities and commitments

The Company has no held-to-maturity investments used to guarantee its own liabilities and commitments.

Section 6 - Loans and receivables - Item 60

6.1. Loans and receivables with banks

(Amounts in thousands of €)

	TOTAL 12.31.2009	TOTAL 12.31.2008
1. Deposits and current accounts	143,272	23,178
2. Loans	9,702	7,725
2.1 Repo agreements	-	-
2.2 Finance leases	6,137	7,725
2.3 Factoring	-	-
- with recourse	-	-
- without recourse	-	-
2.4 Other loans	3,565	-
3. Debt securities	-	-
- structured securities	-	-
- other debt securities	-	-
4. Other assets	-	1,813
Total carrying amount	**152,974**	**32,716**
Total Fair Value	**152,974**	**32,715**

6.2. Loans and receivables with banks used to guarantee own liabilities and commitments

The Company has no loans and receivables with banks used to guarantee its own liabilities and commitments.

6.3 Loans and receivables with financial entities

(Amounts in thousands of €)

BREAKDOWN	TOTAL 12.31.2009 PERFORMING	TOTAL 12.31.2009 IMPAIRED	TOTAL 12.31.2008 PERFORMING	TOTAL 12.31.2008 IMPAIRED
1. Loans	2,373	215	21,765	-
1.1 Repo agreements	-	-	-	-
1.2 Finance leases	2,282	215	3,950	-
1.3 Factoring	-	-	-	-
- with recourse	-	-	-	-
- without recourse	-	-	-	-
1.4 Other loans	91	-	17,815	-
2. Debt securities	-	-	-	-
- structured securities	-	-	-	-
- other debt securities	-	-	-	-
3. Other assets	67,946	-	52,016	-
Total carrying amount	**70,319**	**215**	**73,781**	**-**
Total Fair Value	**70,319**	**215**	**73,781**	**-**

6.4. Loans and receivables with financial entities used to guarantee own liabilities and commitments

The Company has no loans and receivables with financial entities used to guarantee its own liabilities and commitments.

6.5. Loans and receivables with customers

(Amounts in thousands of €)

	TOTAL 12.31.2009 PERFORMING	TOTAL 12.31.2009 IMPAIRED	TOTAL 12.31.2008 PERFORMING	TOTAL 12.31.2008 IMPAIRED
1. Finance leases	15,991,118	1,828,796	17,289,517	893,754
of which: without final purchase option	-	-	-	-
2. Factoring	-	656	-	656
- with recourse	-	-	-	-
- without recourse	-	656	-	656
3. Consumer credit (including revolving cards)	-	-	-	-
4. Credit cards	-	-	-	-
5. Other loans	1,118,434	64,245	1,468,856	59,056
of which: from excussion of guarantees and commitments	-	-	-	-
6. Securities	-	-	-	-
- structured securities	-	-	-	-
- other debt securities	-	-	-	-
7. Other assets	11,865	-	-	-
Total carrying amount	**17,121,417**	**1,893,697**	**18,758,373**	**953,466**
Total Fair Value	**17,164,449**	**1,893,697**	**18,688,587**	**953,466**

6.6. Loans and receivables with customers used to guarantee own liabilities and commitments

The Company has no loans and receivables with customers used to guarantee its own liabilities and commitments.

Part B) - Balance Sheet Information (Continued)

6.7 "Loans and receivables": secured assets

(Amounts in thousands of €)

	TOTAL 12.31.2009					
	LOANS AND RECEIVABLES WITH BANKS		LOANS AND RECEIVABLES WITH FINANCIAL ENTITIES		LOANS AND RECEIVABLES WITH CUSTOMERS	
	EA	GV	EA	GV	EA	GV
1. Performing assets secured by:	**6,137**	**525**	**2,282**	**511**	**15,991,118**	**22,654,825**
- Assets under finance lease	6,001	-	2,097		6,730,948	-
- Loans for factoring	-	-	-	-	-	-
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	166,153	165,959
- Personal guarantees	136	525	185	511	9,094,017	22,488,866
- Credit derivatives	-	-	-	-	-	-
2. Impaired assets secured by:	**-**	**-**	**215**	**215**	**1,829,452**	**3,615,425**
- Assets under finance lease	-	-	-	-	398,063	-
- Loans for factoring	-	-	-	-	656	-
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	17,346	19,019
- Personal guarantees	-	-	215	215	1,413,387	3,596,406
- Credit derivatives	-	-	-	-	-	-
Total	**6,137**	**525**	**2,497**	**726**	**17,820,570**	**26,270,250**

EA = Exposure carrying amount
GV = Guarantee Fair Value

(Amounts in thousands of €)

	TOTAL 12.31.2008					
	LOANS AND RECEIVABLES WITH BANKS		LOANS AND RECEIVABLES WITH FINANCIAL ENTITIES		LOANS AND RECEIVABLES WITH CUSTOMERS	
	EA	GV	EA	GV	EA	GV
1. Performing assets secured by:	**7,725**	**-**	**3,950**	**-**	**17,289,517**	**8,187,120**
- Assets under finance lease	7,725	-	3,950	-	9,102,398	-
- Loans for factoring	-	-	-	-	-	-
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	580,778	580,778
- Personal guarantees	-	-	-	-	7,606,341	7,606,342
- Credit derivatives	-	-	-	-	-	-
2. Impaired assets secured by:	**-**	**-**	**-**	**-**	**894,410**	**517,112**
- Assets under finance lease	-	-	-	-	131,468	-
- Loans for factoring	-	-	-	-	656	-
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	26,202	26,202
- Personal guarantees	-	-	-	-	736,084	490,910
- Credit derivatives	-	-	-	-	-	-
Total	**7,725**	**-**	**3,950**	**-**	**18,183,927**	**8,704,232**

EA = Exposure carrying amount
GV = Guarantee Fair Value

Section 7 - Hedging derivatives - Item 70

7.1 Breakdown of item 70 "Hedging derivatives"

(Amounts in thousands of €)

NOTIONAL VALUES/ FAIR VALUE LEVELS	12.31.2009 FAIR VALUE LEVEL 1	12.31.2009 FAIR VALUE LEVEL 2	12.31.2009 FAIR VALUE LEVEL 3	12.31.2009 NV	12.31.2008 FAIR VALUE LEVEL 1	12.31.2008 FAIR VALUE LEVEL 2	12.31.2008 FAIR VALUE LEVEL 3	12.31.2008 NV
A. Financial derivatives								
1. Fair value	-	420	-	58,882	-	817	-	84,922
2. Cash flows	-	68	-	20,050	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
Total (A)	**-**	**488**	**-**	**78,932**	**-**	**817**	**-**	**84,922**
B. Credit derivatives								
1. Fair value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**488**	**-**	**78,932**	**-**	**817**	**-**	**84,922**

Level 1: price quotes (without adjustments) taken from an active market - as per IAS 39 - for the assets or liabilities subject to valuation;
Level 2: inputs, other than the price quotes referred to in the previous point, that are directly observable (prices) or indirectly observable (deriving from prices) on the market;
Level 3: inputs that are not based on observable market data;
NV = Nominal value.

7.2 Hedging derivatives: hedged portfolios and types of hedge

(Amounts in thousands of €)

	FAIR VALUE						CASH FLOWS		
	SPECIFIC								
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	MORE RISKS	GENERIC	SPECIFIC	GENERIC	FOREIGN INVESTMENTS
1. Available-for-sale financial assets	-	-	-	-	-	X	-	X	X
2. Loans and receivables	420	-	-	X	-	X	68	X	X
3. Held-to-maturity investments	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total assets	**420**	**-**	**-**	**-**	**-**	**-**	**68**	**-**	**-**
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	-	X	-	-

Part B) - Balance Sheet Information (Continued)

Section 8 - Changes in value to macro-hedged financial assets - Item 80

8.1 Breakdown of item 80 "Changes in value to macro-hedged financial assets"

(Amounts in thousands of €)

VALUE ADJUSTMENT OF HEDGED ASSETS	TOTAL 12.31.2009	TOTAL 12.31.2008
1. Positive adjustment	**79,327**	**54,790**
1.1 of specific portfolios:		
a) receivables	-	-
b) available-for-sale assets	-	-
1.2 Overall	79,327	54,790
2. Negative adjustment	**-**	**-**
2.1 of specific portfolios:		
a) receivables	-	-
b) available-for-sale assets	-	-
2.2 Overall	-	-
Total	**79,327**	**54,790**

The assets hedged have monthly or quarterly flows depending on the underlying contract.
The effect of the hedging is shown in the statement of comprehensive income (see financial statements).
Since this is the first time the Company has used this type of hedging, no movement of reserves were recorded on the income statement.
Measurement at Fair Value is Level 2 (inputs, other than the price quotes referred to in Level 1, that are directly observable (prices) or indirectly observable (deriving from prices) on the market).

Section 9 - Equity investments - Item 90

9.1 Equity investments: information on shareholdings

(Amounts in €)

NAME OF SUBSIDIARY	CARRYING AMOUNT	SHAREHOLDING %	VOTING RIGHTS %	REGISTERED OFFICE	Total ASSETS	Total REVENUE	EQUITY	PROFIT (LOSS) IN LAST FINANCIAL YEAR	LISTED (YES/NO)
1. UniCredit Leasing CZ a.s.	321,805,550	100.00	100.00	Czech Republic	660,704,527	67,520,115	185,945,605	9,069,221	no
2. UniCredit Leasing (Austria) GmbH	248,322,482	99.98	99.98	Austria	684,706,900	124,398,604	661,770,335	61,119,785	no
3. UniCredit Leasing Croatia d.o.o. za leasing	79,284,521	100.00	100.00	Croatia	619,539,350	158,397,086	11,131,181	7,151,388	no
4. UniCredit Leasing AD	74,023,109	25.36	25.36	Bulgaria	513,769,490	50,102,017	21,357,591	2,012	no
5. UniCredit Leasing Corporation IFN S.A.	66,791,168	80.00	80.00	Romania	918,814,531	66,722,796	3,571,155	(1,560,383)	no
6. UniCredit Leasing Slovakia a.s.	55,282,942	71.30	71.30	Slovakia	534,545,210	44,265,455	30,398,534	(12,985,690)	no
7. UniCredit Leasing Kereskedelmi Kft.	44,733,715	100.00	100.00	Hungary	39,294,935	10,383,297	(666,025)	(1,246,545)	no
8. OOO UniCredit Leasing Russia	34,335,790	60.00	60.00	Russia	256,425,000	32,124,000	57,292,000	(4,828,000)	no
9. Pekao Leasing Holding S.A.	27,438,586	19.90	19.90	Poland	51,250,481	221,804	51,238,323	172,100	no
10. UniCredit Leasing Romania S.A.	15,289,506	100.00	100.00	Romania	65,537,736	5,595,840	29,453,387	(1,403,502)	no
11. UniCredit Leasing TOB	11,000,000	100.00	100.00	Ukraine	172,605,955	17,810,619	(2,496,147)	(1,232,906)	no
12. UniCredit Leasing Srbija d.o.o. Beograd	10,822,879	100.00	100.00	Serbia	41,444,670	10,215,297	661,381	399,270	no
13. UniCredit Leasing d.o.o	8,208,783	100.00	100.00	Bosnia Herzegovina	81,453,033	8,092,510	1,911,106	1,428,021	no
14. SIA UniCredit Leasing	7,072,820	51.00	51.00	Lithuania	211,673,719	17,199,791	(3,171,654)	(4,829,772)	no
15. UniCredit Leasing, leasing d.o.o	5,560,000	96.36	96.36	Slovenia	216,876,236	12,820,235	1,761,442	204,561	no
16. Locat Croatia d.o.o.	5,198,559	100.00	100.00	Croatia	112,885,643	22,504,578	20,412,388	4,238,114	no
17. BACA Leasing (Deutschland) GmbH	2,527,556	94.90	94.90	Germany	28,019,363	1,638,928	1,336,082	(1,585,711)	no
18. HVB Leasing Czech Republik s.r.o.	2,407,433	100.00	100.00	Czech Republic	71,605,706	5,265,057	3,930,586	(168,374)	no
19. UniCredit Global Leasing Participation Management	1,795,793	100.00	100.00	Austria	5,964,095	3,063	5,964,094	2,765	no
20. UniCredit Leasing Real Estate Bratislava s.r.o.	1,664,996	100.00	100.00	Slovakia	202,050,381	10,244,600	540,437	(1,911,857)	no
21. Real Estate Management Poland sp.z.o.o.	767,788	100.00	100.00	Poland	49,301,409	3,334,522	864,838	175,769	no
22. CA Leasing Beta 2 Kft.	696,773	100.00	100.00	Hungary	6,909,557	1,056,574	928,065	203,567	no
23. MIK Ingatlanhasznosito Kft.	625,348	100.00	100.00	Hungary	27,271,814	1,673,690	938,520	100,318	no
24. CAC Immo S.R.O.	609,945	100.00	100.00	Czech Republic	99,524,616	6,235,423	320,858	(74,776)	no
25. Bank Austria Hungaria Beta Leasing Kft.	424,275	100.00	100.00	Hungary	1,845,925	147,852	474,952	(7,896)	no
26. BACA Leasing Aplha s.r.o.	395,852	100.00	100.00	Czech Republic	7,192,463	452,009	532,671	29,824	no
27. CA Leasing Delta Kft.	369,372	100.00	100.00	Hungary	9,387,451	700,362	511,368	20,608	no
28. CA-Leasing Lambda Kft.	294,583	100.00	100.00	Hungary	4,230,343	299,737	(8,270)	(221,603)	no
29. HVB Leasing Slovakia s.r.o.	294,389	100.00	100.00	Slovakia	408,891	3,838	366,636	(91,980)	no
30. HVB Leasing- Atlantis Ingatlanhasznosito Kft.	290,998	100.00	100.00	Hungary	7,153,078	523,664	407,920	40,848	no
31. CA Leasing Omega Kft.	280,310	100.00	100.00	Hungary	3,572,862	259,359	272,985	2,152	no
32. BA- Creditanstalt Angla sp.z.o.o.	262,909	100.00	100.00	Poland	69,620	7,822	34,880	(6,985)	no
33. HVB Leasing Max. Kft.	260,440	100.00	100.00	Hungary	5,130,358	329,964	140,971	(11,487)	no
34. CA-Leasing OVUS s.r.o.	257,747	100.00	100.00	Czech Republic	9,644,548	833,837	404,221	34,811	no
35. DEBO LEASING IFN S.A.	250,604	89.99	89.99	Romania	7,818,929	631,104	384,705	80,669	no
36. HVB Leasing Maestoso Kft.	247,399	100.00	100.00	Hungary	50,985,199	3,704,139	(569,735)	(433,120)	no
37. BACA ROMUS IFN S.A.	229,639	89.98	89.98	Romania	1,479,035	64,216	203,062	14,813	no
38. CA Leasing Ypsilon Kft.	229,449	100.00	100.00	Hungary	8,867,516	618,074	264,790	(23,688)	no
Total	**1,030,354,008**								

Part B) - Balance Sheet Information (Continued)

(Amounts in €)

NAME OF SUBSIDIARY	CARRYING AMOUNT	SHAREHOLDING %	VOTING RIGHTS %	REGISTERED OFFICE	Total ASSETS	Total REVENUE	EQUITY	PROFIT (LOSS) IN LAST FINANCIAL YEAR	LISTED (YES/NO)
39. HVB Leasing Hamlet Ingatlanhasznosito Kft.	193,940	100.00	100.00	Hungary	10,003,995	686,642	394,947	195,909	no
40. AUTOGYOR Kft.	189,314	100.00	100.00	Hungary	5,298,409	267,254	(325,467)	(35,730)	no
41. Pestszentimrei Szakorvosi Rendelo Kft.	183,076	100.00	100.00	Hungary	2,113,580	250,884	22,066	30,011	no
42. ANI LEASING IFN S.A.	182,465	89.99	89.99	Romania	4,725,612	638,370	370,277	185,436	no
43. UniCredit Leasing Orion (INPROX)	180,093	100.00	100.00	Hungary	9,746,604	388,695	529,920	214,902	no
44. BA Creditanstalt Bulus EOOD	177,066	100.00	100.00	Bulgaria	33,096,455	1,353,297	(85,524)	(228,759)	no
45. UniCredit Homonna Kft.	175,671	100.00	100.00	Hungary	1,978,374	88,505	7,775	(12,056)	no
46. BA CA Leasing Gemini Kft.	168,088	100.00	100.00	Hungary	4,106,090	355,974	205,930	22,808	no
47. HVB Leasing Forte Ingatlanhasznosito Kft.	165,774	100.00	100.00	Hungary	3,488,234	263,246	153,534	(311)	no
48. UNICREDIT LEASING FLEET MANAGEMENT S.r.l.	105,006	90.0	90.0	Romania	20,529,991	4,005,211	(617,197)	(814,230)	no
49. HVB Leasing NANO Kft.	94,638	100.00	100.00	Hungary	40,046,402	2,146,470	179,155	41,304	no
50. HVB Leasing Aida Kft.	91,294	100.00	100.00	Hungary	20,408,311	895,977	(69,443)	(68,258)	no
51. HVB Leasing Dante Ingatlan Kft.	80,643	100.00	100.00	Hungary	6,677,560	162,054	31,132	(60,986)	no
52. BA CA Leasing Aquila Kft.	79,678	100.00	100.00	Hungary	2,651,520	207,884	87,907	1,499	no
53. BACA-Leasing Nero Ingatlanhasznosito Kft.	74,823	100.00	100.00	Hungary	1,752,972	126,329	(1,792)	(84,313)	no
54. BACA Leasing Herkules Ingatlanhasznosito Kft.	69,232	100.00	100.00	Hungary	2,246,117	289,196	180,511	109,841	no
55. Inprox Poprad, SPOL. S.R.O.	67,502	100.00	100.00	Slovakia	6,266,117	269,539	62,431	(8,592)	no
56. INPROX SR I., spol.s.r.o.	66,051	100.00	100.00	Slovakia	7,308,243	379,304	159,429	9,846	no
57. Pazonyi 98 Kft.	54,915	100.00	100.00	Hungary	3,205,910	238,030	14,758	(14,395)	no
58. ALLIB Leasing s.r.o.	49,839	100.00	100.00	Czech Republic	7,751,606	366,814	(69,409)	(31,724)	no
59. ALLIB Leasing d.o.o.	47,546	100.00	100.00	Croatia	5,040,347	420,396	387	28,502	no
60. CA Leasing Alpha Kft.	46,225	100.00	100.00	Hungary	4,125,984	264,339	55,247	(2,725)	no
61. BACAL Alpha d.o.o.	46,050	100.00	100.00	Croatia	12,128,443	472,742	102,639	(5,241)	no
62. Ca-Leasing Kappa Ingatlanforgalmazo Kft.	36,208	100.00	100.00	Hungary	725,510	58,428	(9,645)	(13,082)	no
63. BACAL Beta Nekretine d.o.o.	20,376	100.00	100.00	Croatia	8,218,798	742,867	(237,138)	(55,436)	no
64. HVB Leasing GARO Kft.	16,701	100.00	100.00	Hungary	83,633	76,831	60,379	34,559	no
65. UniCredit Leasing Saturnus Kft.	12,228	100.00	100.00	Hungary	7,211,567	281,352	(18,238)	(31,616)	no
66. UniCredit Leasing Neptunus Kft.	11,725	96.34	96.34	Hungary	6,196,709	282,609	70,605	107,029	no
67. HVB Leasing Zafir Kft.	10,458	100.00	100.00	Hungary	2,229,910	161,911	(108,564)	(35,532)	no
68. UniCredit Leasing Luna Kft (before OBI 2)	9,539	80.00	80.00	Hungary	5,058,201	338,905	22,719	6,436	no
69. UniCredit Leasing Mars Kft (before OBI 4)	9,539	80.00	80.00	Hungary	4,321,095	316,529	8,154	(669)	no
70. UniCredit Leasing Uranus Kft (before OBI 3)	9,539	80.00	80.00	Hungary	5,904,011	380,433	51,943	7,252	no
71. BACA Barbus Leasing d.o.o.	8,833	100.00	100.00	Slovenia	4,452	25	4,452	(283)	no
72. HVB Leasing Rubin Kft.	7,301	100.00	100.00	Hungary	4,708,597	322,642	4,725	(17,455)	no
Total for this table	**2,741,376**								
Total for previous table	1,030,354,008								
Cumulative Total	1,033,095,384								

(Amounts in €)

NAME OF SUBSIDIARY	CARRYING AMOUNT	SHAREHOLDING %	VOTING RIGHTS %	REGISTERED OFFICE	Total ASSETS	Total REVENUE	EQUITY	PROFIT (LOSS) IN LAST FINANCIAL YEAR	LISTED (YES/NO)
73. HVB Leasing Smaragd Kft.	7,301	100.00	100.00	Hungary	1,200,923	88,923	(25,871)	(19,862)	no
74. HVB-Leasing Pluto Ingatlanforgalmazo Kft.	7,250	100.00	100.00	Hungary	131,436	2,479	89,946	(31,534)	no
75. BA-CA Leasing Moderato d.o.o.	6,632	100.00	100.00	Slovenia	7,174,299	243,017	27,716	4,843	no
76. BA CA Leasing Ursus Kft.	6,612	100.00	100.00	Hungary	1,962,965	264,682	(65,416)	(72,601)	no
77. Interkonzum d.o.o.	5,217	100.00	100.00	Bosnia Herzegovina	21,497,308	1,199,635	(148,564)	58,520	no
78. INPROX Chomutov s.r.o.	4,303	100.00	100.00	Czech Republic	9,672,874	145,260	(22,880)	7,529	no
79. UniCredit-Leasing Hospes Kft	4,263	100.00	100.00	Hungary	5,330,065	104,880	(17,582)	(32,753)	no
80. BACA Leasing Polo d.o.o.	3,698	100.00	100.00	Slovenia	2,152	1	1,289	(393)	no
81. HVB Fiero Leasing OOD	2,556	100.00	100.00	Bulgaria	2,677	1	1,477	(1,080)	no
82. BACA Nekretine d.o.o.	2,412	100.00	100.00	Bosnia Herzegovina	21,702,246	1,963,044	104,105	98,347	no
83. BACA Leasing Gama s.r.o.	1,799	100.00	100.00	Czech Republic	9,769,775	476,402	38,024	12,518	no
84. HVB Super Leasing EOOD	974	100.00	100.00	Bulgaria	10,479	25	(1,227)	(2,274)	no
85. ALLIB ROM S.r.l.	2	100.00	100.00	Romania	6,889,340	261,641	26,423	50,698	no
86. FMC Leasing Kft.	2	100.00	100.00	Hungary	2,375,605	336,573	202,115	151,195	no
87. HVB-Leasing Jupiter Kft.	2	100.00	100.00	Hungary	7,272,347	391,571	343,726	(21,649)	no
88. HVB-Leasing LAMOND Kft.	2	100.00	100.00	Hungary	11,133,783	2,370,271	(1,982,678)	(1,796,547)	no
89. HVB-Leasing Othello Kft.	2	100.00	100.00	Hungary	1,407,800	85,502	(51,154)	(19,225)	no
90. ALINT 458 GRUNDSTUCKVERWALTUNG GESELLSCHAFT M.B.H	1	100.00	100.00	Germany	2,396,252	167,731	(36,137)	(4,452)	no
91. BACA-Leasing Omikron Kft.	1	100.00	100.00	Hungary	3,274,134	194,300	(33,002)	(7,334)	no
92. CAC Real Estate s.r.o.	1	100.00	100.00	Czech Republic	647,462	55,370	(33,363)	(3,111)	no
93. CA-Leasing Epsilon Kft.	1	100.00	100.00	Hungary	877,046	3,701	824	293	no
94. CA-Leasing EURO s.r.o.	1	100.00	100.00	Czech Republic	950,342	3,089	2,067	3,215	no
95. CA-Leasing Praha s.r.o.	1	100.00	100.00	Czech Republic	75,564,802	2,297,650	231,079	150,874	no
96. CA-Leasing Terra d.o.o.	1	100.00	100.00	Slovenia	2,194,094	140,098	(40,951)	(33,911)	no
97. CA-Leasing Zeta Kft.	1	100.00	100.00	Hungary	332,781	448,521	(45,399)	(202,586)	no
98. CAL-Papier Kft.	1	100.00	100.00	Hungary	5,803,696	291,689	(55,354)	(13,142)	no
99. HVB Leasing Rocca Kft.	1	100.00	100.00	Hungary	591,112	3,711	(313,192)	(14,888)	no
100. HVB-Leasing Fidelio Kft.	1	100.00	100.00	Hungary	15,855,750	756,046	(340,324)	(321,627)	no
101. INPROX Kladno s.r.o.	1	100.00	100.00	Czech Republic	7,459,344	250,090	(18,939)	(2,314)	no
102. MIK Beta Kft.	1	100.00	100.00	Hungary	4,678,336	339,209	(96,768)	(46,808)	no
103. UniCredit Global Leasing Versicherungsservice GmbH	1	100.00	100.00	Austria	1,790,193	114,475	(39,751)	(27,449)	no
Total for this table	**53,041**								
Total for previous tables	1,033,095,384								
Cumulative Total	1,033,148,425								

Part B) - Balance Sheet Information (Continued)

(Amounts in €)

NAME OF JOINT VENTURE	CARRYING AMOUNT	SHAREHOLDING %	VOTING RIGHTS %	REGISTERED OFFICE	Total ASSETS	Total REVENUE	EQUITY	PROFIT (LOSS) IN LAST FINANCIAL YEAR	LISTED (YES/NO)
Companies subject to significant influence									
1. HYPO BA Leasing Süd GmbH	204,000	50	50	Austria	2,991,810	256	2,594,259	(6,786)	no
2. IPG Industriepark Györ Projektierungsgesellschaft	406,400	40	40	Austria	3,296,398	133,396	2,529,852	120,776	no
Total for this table	**610,400**								
Total for the previous table	1,033,148,425								
Total equity investments	1,033,758,825								

The main points of the impairment test method agreed with the parent are summarised below.

Cash-generating units

The first phase of the procedure involves UCL identifying the cash-generating units (CGUs).
Under IAS 36, countries are identified as a minimum unit.
Each country where UCL operates identifies a group of assets that can independently and continually generate cash flows. In addition, management uses country outlook to plan business activities, take decisions and monitor operating performances. This same outlook is used in the evaluation systems of key people in the division.
Despite the country outlook being the one most used by management, data on each legal entity in the country are available at local level.
UCL Export is dealt with in a particular way. This company, given its business of coordinating and managing financing for central and eastern European countries, is considered as a kind of joint asset that contributes to the business of each CGU. In this event, each country is allocated its appropriate share by UCL Export.

Methodology of estimating Fair Value of CGUs

In line with the group's methodology, UCL estimates the Fair Value of CGUs using the 'free cash flow to equity' model.

The estimation is done in local currency, using the following inputs:

- cost of equity (Ke), core tier 1 ratio and growth rate proposed by the parent;
- most recent profit figure, risk-weighted assets and value of equity proposed by UCL directors;
- data from the latest three-year plan proposed by UCL's capital allocation and planning service.

Fair Value is calculated in three phases:

- data from the latest three-year plan for the first three years, adjusted to take into account any extraordinary components;
- for the next seven years (intermediate period) cash flow estimates are extrapolated from the three-year plan data and by applying decreasing growth rates up to the period relating to the terminal value;
- the terminal value is determined using the 2.0% growth rate indicated by the parent.

The cash flows so determined are then discounted using a rate that is deemed to be the best estimate of equity cost (Ke) and that incorporates different factors relating to the CGU sectors.

Timeframe

The main activity follows the annual revision of the three-year plan and/or budget, which usually happens in the third quarter of the year.
On the basis of these new estimates, all country cash flow data is updated as described above.
Every quarter, the Company checks that the assumptions and conditions on which the cash flow valuations are based still represent the true performance and growth of the business.
If there are significant events that warrant a review of the conditions relating to one or all of the CGUs, these are taken into account when updating the valuations.

Part B) - Balance Sheet Information (Continued)

9.2. Annual changes in equity investments

(Amounts in thousands of €)

	GROUP EQUITY INVESTMENTS	NON-GROUP EQUITY INVESTMENTS	TOTAL 12.31.2009
A. Opening balance	**3,494**	**-**	**3,494**
B. Increases	1,051,328	-	1,051,328
B.1 Purchases	87,494	-	87,494
B.2 Reversals of impairment losses	-	-	-
B.3 Revaluations	-	-	-
B.4 Other changes	-	-	-
B.4.1Other changes (*)	963,834	-	963,834
C. Decreases	(21,064)	-	(21,064)
C.1 Sales	(748)	-	(748)
C.2 Impairment losses	-	-	-
C.3 Other changes	(20,316)	-	(20,316)
D. Closing balance	**1,033,758**	**-**	**1,033,758**

(*) Value of the equity investments of the former UniCredit Global Leasing S.p.A. which merged into the former Locat S.p.A., now known as UniCredit Leasing S.p.A. with effect for accounting and tax purposes from 1 January 2010.

9.3. Equity investments used to guarantee own liabilities and commitments

The Company has no equity investments used to guarantee its own liabilities and commitments.

9.4 Commitments related to equity investments

There is no balance for this sub-item.

Section 10 - Property, plant and equipment - Item 100

10.1 Breakdown of item 100 “Property, plant and equipment”

(Amounts in thousands of €)

	TOTAL 12.31.2009		TOTAL 12.31.2008	
	ASSETS MEASURED AT COST	ASSETS MEASURED AT FAIR VALUE OR REVALUED	ASSETS MEASURED AT COST	ASSETS MEASURED AT FAIR VALUE OR REVALUED
1. Assets held for operations	**18,563**	**-**	**20,426**	**-**
1.1 of which owned	**18,563**	**-**	**19,359**	**-**
a) land	5,785	-	5,785	-
b) buildings	11,779	-	12,210	-
c) furniture and fittings	685	-	856	-
d) capital goods	314	-	508	-
e) other	-	-	-	-
1.2 acquired under finance lease	**-**	**-**	**1,067**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture and fittings	-	-	-	-
d) capital goods	-	-	-	-
e) other	-	-	1,067	-
Total 1	**18,563**	**-**	**20,426**	**-**
2. Assets relating to finance leases	**1,524**	**-**	**1,524**	**-**
2.1 unused assets	-	-	-	-
2.2 assets withdrawn after contract termination	1,524	-	1,524	-
2.3 other assets	-	-	-	-
Total 2	**1,524**	**-**	**1,524**	**-**
3. Assets held for investment	**62,605**	**-**	**64,545**	**-**
of which: transferred under operating lease	-	-	-	-
Total 3	**62,605**	**-**	**64,545**	**-**
Total (1 + 2 + 3)	**82,692**	**-**	**86,495**	**-**
Total (assets at cost and revalued)	**82,692**		**86,495**	

The assets related to finance leases are returned from terminated contracts. The Company considers these assets as held for sale or re-lease. They are buildings leased in a standard fashion to customers.

10.2 Property, plant and equipment: annual changes

(Amounts in thousands of €)

	LAND	BUILDINGS	FURNITURE AND FITTINGS	CAPITAL GOODS	OTHER	Total 12.31.2009
A. Opening balance	**5,785**	**12,210**	**856**	**508**	**67,136**	**86,495**
B. Increases	**-**	**555**	**89**	**40**	**47**	**731**
B.1 Purchases	-	555	89	40	47	731
B.2 Reversals of impairment losses	-	-	-	-	-	-
B.3 Positive changes in Fair Value owing to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**(986)**	**(260)**	**(234)**	**(3,054)**	**(4,534)**
C.1 Sales	-	(175)	(77)	(6)	(1,067)	(1,325)
C.2 Depreciation	-	(811)	(183)	(228)	(1,987)	(3,209)
C.3 Impairment losses on:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in Fair Value owing to:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Other changes	-	-	-	-	-	-
D. Closing balance	**5,785**	**11,779**	**685**	**314**	**64,129**	**82,692**

10.3. Property, plant and equipment used to guarantee own assets and commitments

The Company has no property, plant and equipment used to guarantee its own assets and commitments.

Section 11 - Intangible assets - Item 110

11.1 Breakdown of item 110 “Intangible assets”

(Amounts in thousands of €)

ITEM/MEASUREMENT	TOTAL 12.31.2009		TOTAL 12.31.2008	
	ASSETS MEASURED AT COST	ASSETS MEASURED AT FAIR VALUE	ASSETS MEASURED AT COST	ASSETS MEASURED AT FAIR VALUE
1. Goodwill	**10,985**	**-**	**10,985**	**-**
2. Other intangible assets:				
2.1 Owned assets	1,284	-	17	-
- generated internally	1,272	-	-	-
- other	12	-	17	-
2.2 Assets acquired under finance leases	-	-	-	-
Total 2	**1,284**	**-**	**17**	**-**
3. Assets related to finance leases:				
3.1 Assets for which purchase option was not exercised	-	-	-	-
3.2 Assets taken back following lease termination	-	-	-	-
3.3 Other assets	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
4. Assets provided under operating leases	**-**	**-**	**-**	**-**
Total 1+2+3+4	**12,269**	**-**	**11,002**	**-**
Total (Assets at cost + Assets at Fair Value)	**12,269**		**11,002**	

The other intangible assets have a finite residual life.

Part B) - Balance Sheet Information (Continued)

11.2 Intangible assets: annual changes

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
A. Opening balance	**11,002**	**11,082**
B. Increases	**1,594**	**-**
B.1 Purchases	1,594	-
B.2 Reversals of impairment losses	-	-
B.3 Positive changes in Fair Value	-	-
a) equity	-	-
b) income statement	-	-
B.4 Other changes	-	-
C. Decreases	**(327)**	**(80)**
C.1 Sales	-	-
C.2 Amortisation	(327)	(80)
C.3 Impairment losses	-	-
a) equity	-	-
b) income statement	-	-
C.4 Negative changes in Fair Value	-	-
a) equity	-	-
b) income statement	-	-
C.5 Other changes	-	-
D. Closing balance	**12,269**	**11,002**

11.3 Intangible assets: other information

There is no other information to report.

Section 12 - Tax assets and tax liabilities

12.1 Breakdown of item 120 “Tax assets: current and deferred”

12.1.1 Current tax assets

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
Current tax assets: prepayments	73,617	89,066
Taxes paid	(49,385)	(76,602)
Total	**24,232**	**12,464**

Prepayments for current taxes were paid in accordance with the regulations in force in 2009. The tax burden determined at the end of the year was less than the prepayments as a result of lower profit.
As the Company is part of the national group tax consolidation programme, the IRES tax balance will be settled with parent UniCredit S.p.A..

12.1.2 Deferred tax assets

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
Property, plant and machinery / intangible assets	1,316	1,448
Provisions	13,201	7,799
Loans and receivables with banks and customers	40,194	29,401
Other	235	711
Total	**54,946**	**39,359**

With reference to the post-employment benefits (TFR), the Company exercised the ‘exemption’ option of the different statutory and fiscal value (as per Article 1.48 of Law no. 244 of 24 December 2007) by paying the substitute tax.

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

12.2.1 Current tax liabilities

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
Current tax liabilities: prepayments	-	-
Current tax liabilities	6,980	-
Total	**6,980**	**-**

12.2.2 Deferred tax liabilities

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
Hedging derivatives/Changes in value to macro-hedged financial assets	360	-
Property, plant and machinery/intangible assets	9,531	3,808
Provisions	-	992
Other	4,265	8,039
Total	**14,156**	**12,839**

12.3 Changes in prepaid taxes (recognised in the income statement)

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
1. Opening balance	**39,359**	**23,274**
2. Increases	**32,970**	**16,434**
2.1 Prepaid taxes recognised in the year	20,870	16,417
a) relating to previous years	-	-
b) owing to changes in accounting criteria	-	-
c) reversals of impairment losses	-	-
d) other	20,870	16,417
2.2 New taxes or increases to tax rates	-	17
2.3 Other increases *	12,100	-
3. Decreases	**(17,384)**	**(349)**
3.1 Prepaid taxes derecognised in the year	(5,274)	(349)
a) reversals	(3,809)	-
b) impairment losses on non-recoverable items	-	-
c) owing to changes in accounting criteria	-	-
d) other	(1,465)	(349)
3.2 Reduction of tax rates	-	-
3.3 Other decreases **	(12,110)	-
4. Closing balance	**54,945**	**39,359**

* Includes the value of prepaid tax assets of the former UGL at 1 January 2009.
** Reclassified in current tax assets and relating to tax losses of the former UGL at 1 January 2009.

Part B) - Balance Sheet Information (Continued)

12.4 Changes in deferred taxes (recognised in the income statement)

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
1. Opening balance	**12,839**	**15,631**
2. Increases	**4,806**	**820**
2.1 Deferred taxes recognised in the year	4,806	776
a) relating to previous years	-	-
b) owing to changes in accounting criteria	-	-
c) other	4,806	776
2.2 New taxes or increases in tax rates	-	44
2.3 Other increases	-	-
3. Decreases	**(3,849)**	**(3,612)**
3.1 Deferred taxes derecognised in the year	(3,308)	(3,612)
a) reversals	(3,308)	-
b) owing to changes in accounting criteria	-	-
c) other	-	(3,612)
3.2 Reduction of tax rates	-	-
3.3 Other decreases	(540)	-
4. Closing balance	**13,797**	**12,839**

12.5 Changes in prepaid taxes (recognised in equity)

There is no balance for this sub-item.

12.6 Changes in deferred taxes (recognised in equity)

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
1. Opening balance	**-**	**-**
2. Increases	**359**	**-**
2.1 Deferred taxes recognised in the year	-	-
a) relating to previous years	-	-
b) owing to changes in accounting criteria	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	359	-
3. Decreases	**-**	**-**
3.1 Deferred taxes derecognised in the year	-	-
a) reversals	-	-
b) owing to changes in accounting criteria	-	-
c) other	-	-
3.2 Reduction of tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**359**	**-**

Section 13 - Non-current assets and disposal groups held for sale and associated liabilities

There is no balance for this item.

Section 14 - Other assets - Item 140

14.1 Breakdown of item 140 “Other assets”

(Amounts in thousands of €)

ITEMS/AMOUNTS	Total 12.31.2009	Total 12.31.2008
1. Receivables due from the parent	577,503	553,312
2. Tax receivables	36,702	29,145
3. Advances to suppliers	41,620	66,657
4. Other	9,661	5,326
Total carrying amount	**665,486**	**654,440**

Liabilities

Section 1 - Payables - Item 10

1.1 Payables

(Amounts in thousands of €)

ITEMS/AMOUNTS	Total 12.31.2009			Total 12.31.2008		
	TO BANKS	TO FINANCIAL ENTITIES	TO CUSTOMERS	TO BANKS	TO FINANCIAL ENTITIES	TO CUSTOMERS
1. Loans	12,257,792	43,181	-	10,618,433	44,380	1,942
1.1 Repo agreements	-	-	-	-	-	-
1.2 Other loans	12,257,792	43,181	-	10,618,433	44,380	1,942
2. Other payables	113,360	6,642,929	139,533	22,760	8,191,114	143,234
Total	**12,371,152**	**6,686,110**	**139,533**	**10,641,193**	**8,235,494**	**145,176**
Fair Value	**12,371,152**	**6,686,110**	**139,533**	**10,641,192**	**8,235,493**	**134,432**

1.2 Subordinated payables

There is no balance for this sub-item.

Section 2 - Debt securities in issue - Item 20

There is no balance for this item.

Section 3 - Financial liabilities held for trading - Item 30

3.1 Breakdown of item 30 "Financial liabilities held for trading"

(Amounts in thousands of €)

ITEMS/AMOUNTS	Total 12.31.2009					Total 12.31.2008				
	FAIR VALUE					FAIR VALUE				
	LEVEL 1	LEVEL 2	LEVEL 3	FV*	NV	LEVEL 1	LEVEL 2	LEVEL 3	FV*	NV
A. Cash liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Payables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Bonds	-	-	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-	-	-
- other bonds	-	-	-	-	-	-	-	-	-	-
- Other securities	-	-	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-	-	-
B. Derivatives	**-**	**55,697**	**-**	**-**	**1,485,664**	**-**	**39,866**	**-**	**-**	**1,922,701**
1. Financial derivatives	-	55,697	-	-	1,485,664	-	39,866	-	-	1,922,701
2. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**55,697**	**-**	**-**	**1,485,664**	**-**	**39,866**	**-**	**-**	**1,922,701**

Level 1: price quotes (without adjustments) taken from an active market - as per IAS 39 - for the assets or liabilities subject to valuation;
Level 2: inputs, other than the price quotes referred to in the previous point, that are directly observable (prices) or indirectly observable (deriving from prices) on the market;
Level 3: inputs that are not based on observable market data;
NV = Nominal value;
FV* = Fair Value excluding changes due to a different issuer credit rating from the issuance date.

Part B) - Balance Sheet Information (CONTINUED)

3.2 "Financial liabilities held for trading": subordinate liabilities

There is no balance for this sub-item.

3.3 "Financial liabilities held for trading": derivative instruments

(Amounts in thousands of €)

TYPE/UNDERLYING	INTEREST RATES	CURRENCIES	EQUITY INSTRUMENTS	OTHER	TOTAL 12.31.2009	TOTAL 12.31.2008
1. Over the counter						
Financial derivatives	1,541,361	-	-	-	1,541,361	1,962,567
- Fair Value	55,697	-	-	-	55,697	39,866
- Notional value	1,485,664	-	-	-	1,485,664	1,922,701
Credit derivatives	-	-	-	-	-	-
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Total (A)	**1,541,361**	**-**	**-**	**-**	**1,541,361**	**1,962,567**
2. Other						
Financial derivatives	-	-	-	-	-	-
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-
- Fair Value	-	-	-	-	-	-
- Notional value	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**
Total (A + B)	**1,541,361**	**-**	**-**	**-**	**1,541,361**	**1,962,567**

Section 4 - Financial liabilities measured at Fair Value - Item 40

There is no balance for this item.

Section 5 - Hedging derivatives - Item 50

5.1 Breakdown of item 50 "Hedging derivatives"

(Amounts in thousands of €)

	Total 12.31.2009				Total 12.31.2008			
	FAIR VALUE				FAIR VALUE			
NOTIONAL VALUE/FAIR VALUE LEVEL	LEVEL 1	LEVEL 2	LEVEL 3	NV	LEVEL 1	LEVEL 2	LEVEL 3	NV
A. Financial derivatives								
1. Fair Value	-	79,754	-	2,026,188	-	55,608	-	2,227,769
2. Cash flows	-	1,329	-	444,085	-	-	-	
3. Foreign investments	-	-	-	-	-	-	-	-
Total A	**-**	**81,083**	**-**	**2,470,273**	**-**	**55,608**	**-**	**2,227,769**
B. Credit derivatives								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A + B)	**-**	**81,083**	**-**	**2,470,273**	**-**	**55,608**	**-**	**2,227,769**

Level 1: price quotes (without adjustments) taken from an active market - as per IAS 39 - for the assets or liabilities subject to valuation;
Level 2: inputs, other than the price quotes referred to in the previous point, that are directly observable (prices) or indirectly observable (deriving from prices) on the market;
Level 3: inputs that are not based on observable market data.
NV = Nominal value

The assets hedged have monthly or quarterly flows depending on the underlying contract.
The effect of the hedging is shown in the statement of comprehensive income (see financial statements).
Since this is the first time the Company has used this type of hedging, no movement of reserves were recorded on the income statement.
Measurement at Fair Value is Level 2 (inputs, other than the quoted prices referred to in Level 1, that are directly observable (prices) or indirectly observable (deriving from prices) on the market.

5.2 Breakdown of item 50 "Hedging derivatives": hedged portfolios and types of hedge

(Amounts in thousands of €)

	FAIR VALUE						CASH FLOWS		
	SPECIFIC								
	INTEREST RATE RISK	EXCHANGE RATE RISK	SPECIFIC CREDIT RISK	PRICE RISK	MORE RISKS	GENERIC	SPECIFIC	GENERIC	FOREIGN INVESTMENTS
1. Available-for-sale financial assets	-	-	-	-	-	X	-	X	X
2. Receivables	79,754	-	-	X	-	X	1,329	X	X
3. Held-to-maturity financial investments	X	-	-	X	-	X	-	X	X
4. Portfolio	-	-	-	-	-	-	-	-	X
5. Other transactions	X	X	X	X	X	X	X	X	-
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	-	-	X	-	X	-	X	X
2. Portfolio	-	-	-	-	-	-	-	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	X	-	-

Section 6 - Changes in value of macro-hedged financial liabilities - Item 60

There is no balance for this item.

Section 7 - Tax liabilities - Item 70

See "Section 12 - Tax assets and tax liabilities" in Assets.

Section 8 - Liabilities included in disposal groups classified as held for sale - Item 80

There is no balance for this item.

Section 9 - Other liabilities - Item 90

9.1 Breakdown of item 90 "Other liabilities"

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
1. Trade payables	138,908	281,675
2. Invoices to be received	83,662	115,914
3. Payables to employees	15,884	15,633
4. Insurance payables	9,176	8,503
5. Tax payables	11,005	13,569
6. Social security payables	1,669	2,410
7. Other	10,606	9,881
Total carrying amount	**270,910**	**447,585**
Total Fair Value	**270,910**	**447,585**

Part B) - Balance Sheet Information (Continued)

Section 10 - Post-employment benefits - Item 100

10.1 "Post-employment benefits pay": annual changes

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
A. Opening balance	**8,420**	**6,934**
B. Increases	640	2,012
B1. Provision for the year	453	390
B2. Other increases	187	1,622
C. Decreases	(1,185)	(526)
C1. Payments made	(404)	(418)
C2. Other decreases	(781)	(108)
D. Closing balance	**7,875**	**8,420**

Following regulatory changes and in line with IAS 19, post-employment benefits pay (TFR) are considered as a defined-benefit plan only for the instalments accrued up to 31 December 2006 and are therefore determined using the actuarial method described in Accounting policies.
Actuarial assumptions and the reconciliation of the present value of provisions to the liability entered in the balance sheet are provided below:

	Total 12.31.2009	Total 12.31.2008
Discount rate	4.75%	5.50%
Expected rate of salary increase (*)	3.00%	3.00%
Expected rate of inflation	2.00%	2.00%

* Salary increases apply only to individual pension plans

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
Current value of defined-benefit plan - TFR	8,156	8,144
Current value of assets servicing the plan	(7,875)	(8,420)
Actuarial profit not recognised	281	(276)

10.2 Other information

There is no other information to report.

Section 11 - Provisions for risks and charges - Item 110

11.1 Breakdown of item 110 "Provisions for risks and charges"

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
1. Company pension funds	**-**	**-**
2. Other provisions for risks and charges	**20,572**	**18,215**
2.1 Legal disputes	8,570	9,365
2.2 Tax disputes	6,200	2,800
2.3 Other	5,802	6,050

More information on the "Tax disputes" item can be found in the "Other information" section of the report on operations.
The "Legal disputes" item concerns provisions made in relation to cases linked to the business of the Company and not to the credit dispute. The forecast used is based on a reasonable estimate of when the disputes may be resolved.
The "Others" item consists primarily of provisions for agents' fees, which are linked to contractual developments.

11.2 Annual changes to item 110 “Provisions for risks and charges”

(Amounts in thousands of €)

	Total 12.31.2009	Total 12.31.2008
A. Opening balance	**18,215**	**16,177**
B. Increases	**3,441**	**8,075**
Provision for the year	3,400	6,281
Changes owing to the passing of time	41	(472)
Changes owing to changes in the discount rate	-	-
Other increases	-	2,266
C. Decreases	**(1,084)**	**(6,037)**
Use in the year	(1,074)	(2,076)
Changes owing to changes in the discount rate	-	-
Other decreases	(10)	(3,961)
D. Closing balance	**20,572**	**18,215**

Section 12 - Equity - Items 120, 130, 140, 150, 160 and 170

12.1 Breakdown of item 120 “Share capital”

(Amounts in thousands of €)

TYPE	Total 12.31.2009	Total 12.31.2008
1. Share capital	**410,131**	**410,131**
1.1 Ordinary shares	410,131	410,131
1.2 Other shares	-	-
- savings shares	-	-
- preferred shares	-	-
- other	-	-

Share capital, which was fully subscribed and paid in, consisted of 205,065,531 ordinary shares of € 2 each and was unchanged from the previous year.

12.2 Breakdown of item 130 “Treasury shares”

There is no balance for this sub-item.

12.3 Breakdown of item 140 “Equity instruments”

There is no balance for this sub-item.

12.4 Breakdown of item 150 “Share premiums”

(Amounts in thousands of €)

DATE OF SHARE CAPITAL INCREASE	Total 12,31,2009	Total 12,31,2008
06-30-2003	458	458
08-28-2003	45	45
08-28-2003	1,565	1,565
02-16-2004	622	622
03-01-2004	321	321
06-21-2004	48	48
06-21-2004	2,387	2,387
06-23-2005	2,313	2,313
07-01-2008	142,204	142,204
Total	**149,963**	**149,963**

Part B) - Balance Sheet Information (Continued)

12.5 Other information

12.5.1 Breakdown and changes to item 160 “Reserves”

(Amounts in thousands of €)

	LEGAL	RETAINED EARNINGS / DISTRIBUTIONS	FIRST-TIME ADOPTION RESERVE	NEGATIVE GOODWILL	OTHER	TOTAL 12.31.2009	TOTAL 12.31.2008
A. Opening balance	**33,644**	**-**	**(1,722)**	**16,048**	**395,866**	**443,836**	**234,039**
B. Increases	**5,635**	**-**	**-**	**-**	**520,021**	**525,656**	**209,797**
B1. Profit allocation	5,635	-	-	-	106,067	111,702	126,557
B2. Other changes (*)	-	-	-	-	413,954	413,954	83,240
C. Decreases	**-**	**-**	**-**	**-**	**(20,316)**	**(20,316)**	**-**
C1. Uses	-	-	-	-	-	-	-
- loss coverage	-	-	-	-	-	-	-
- distribution	-	-	-	-	-	-	-
- capitalisation	-	-	-	-	-	-	-
C2. Other changes	-	-	-	-	(20,316)	(20,316)	-
D. Closing balance	**39,279**	**-**	**(1,722)**	**16,048**	**895,571**	**949,176**	**443,836**

(*) The increase of € 413,954,000 resulted from the reverse merger between Locat S.p.A. and UniCredit Global Leasing S.p.A., which took place on 1 January 2009 and changed the company name to UniCredit Leasing S.p.A..

12.5.2 Breakdown and changes to item 170 “Revaluation reserves”

(Amounts in thousands of €)

TYPE	Total 12.31.2009	Total 12.31.2008
Revaluation reserve	**(1,113)**	**-**
1.1 Derivative valuation	(1,113)	-
1.2 Other valuations	-	-

(Amounts in thousands of €)

	TOTAL 12.31.2009								
	AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	REVALUATION RESERVES - AFS FINANCIAL ASSETS - GROSS EFFECT - EQUITY INVESTMENTS	REVALUATION RESERVES - AFS FINANCIAL ASSETS - DEFERRED TAXES - EQUITY INVESTMENTS	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	CASH FLOW HEDGING	SPECIAL REVALUATION LAWS	OTHER	TOTAL
A. Opening balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Increases	-	-	-	-	-	(1,113)	-	-	(1,113)
B1. Positive changes in Fair Value	-	-	-	-	-	(1,113)	-	-	(1,113)
B2. Other increases	-	-	-	-	-	-	-	-	-
C. Decreases	-	-	-	-	-	-	-	-	-
C1. Negative changes in Fair Value	-	-	-	-	-	-	-	-	-
C2. Other decreases	-	-	-	-	-	-	-	-	-
D. Closing balance	**-**	**-**	**-**	**-**	**-**	**(1,113)**	**-**	**-**	**(1,113)**

12.5.3 Summary breakdown of equity

Pursuant to Article 2427.7 of the Italian Civil Code, a breakdown of equity, including the level of availability of the reserves, is shown below.

(Amounts in thousands of €)

				SUMMARY OF USES IN THE THREE PREVIOUS YEARS	
	BALANCE AT 12/31/2009	POSSIBLE USES (1)	PORTION AVAILABLE	FOR COVERING LOSSES	FOR OTHER PURPOSES
Share capital	410,131		-	-	-
Share premiums	149,963	A - B - C	149,963	-	-
Legal reserve	39,279	B	39,279	-	-
Other reserves:					
- Negative goodwill (2)	16,048	A - B - C	16,048	-	-
- Extraordinary	915,886	A - B - C	915,887	-	193,732 (*)
- Other	(23,151)		(22,038)	-	
- Employee bonuses	-	A - B - C	-	-	-
Total	**1,508,156**		**1,099,139**	**-**	**893,849**
Profit for 2009	84,476				
Total equity	**1,592,632**				

(1) A: capital increase; B: covering losses; C: distribution to shareholders
(2) Where the reserve is used to cover losses, profits cannot be distributed until the reserve is supplemented or reduced accordingly. The reduction must be approved at an extraordinary shareholders' meeting without adherence to the second and third paragraphs of Article 2445 of the Italian Civil Code. If the reserve is not capitalised, it can be reduced only by adherence to said regulations.
(*) Issuance of new shares for 2006.

Part C) - Income Statement Information

Part C) - Income Statement Information

Section 1 - Interest - Items 10 and 20

1.1 Breakdown of item 10 "Interest income and similar revenue"

(Amounts in thousands of €)

ITEMS / TECHNICAL FORMS			OTHER TRANSACTIONS	TOTAL 2009	TOTAL 2008
1. Financial assets held for trading			-	-	-
2. Financial assets measured at Fair Value	-	-	-	-	-
3. Available-for-sale financial assets	-	-	-	-	-
4. Held-to-maturity financial investments	10	-	-	10	11
5. Loans and receivables	-	714,222	-	714,222	1,138,837
5.1 Loans and receivables with banks	-	189	-	189	1,411
5.2 Loans and receivables with financial entities	-	612	-	612	1,910
5.3 Loans and receivables with customers	-	713,421	-	713,421	1,135,516
6. Other assets	X	X	16,711	16,711	20,450
7. Hedging derivatives	X	X	-	-	8,619
Total	**10**	**714,222**	**16,711**	**730,943**	**1,167,917**

1.2 Interest income and similar revenue: other information

There is no other information to report.

1.3 Breakdown of item 20 "Interest expense and similar costs"

(Amounts in thousands of €)

ITEMS/TECHNICAL FORMS	LOANS	SECURITIES	OTHER	TOTAL 2009	TOTAL 2008
1. Deposits from banks	253,085	X	-	253,085	568,664
2. Deposits from financial entities	2,471	X	-	2,471	2,566
3. Deposits from customers	765	X	-	765	1,580
4. Debt securities in issue	X	-	-	-	-
5. Financial liabilities held for trading	-	-	-	-	-
6. Financial liabilities measured at Fair Value	-	-	-	-	-
7. Other liabilities	X	X	205,318	205,318	300,901
8. Hedging derivatives	X	X	39,593	39,593	-
Total	**256,321**	**-**	**244,911**	**501,232**	**873,711**

Section 2 - Fees and commissions - Items 30 and 40

2.1 Breakdown of item 30 "Fee and commission income"

(Amounts in thousands of €)

DETAIL	TOTAL 2009	TOTAL 2008
1. Finance lease transactions	9,206	6,675
2. Factoring transactions	-	-
3. Consumer credit	-	-
4. Merchant banking activities	-	-
5. Guarantees issued	29,520	9,639
6. Services:	-	-
- third-party fund management	-	-
- exchange-rate broking	-	-
- product distribution	-	-
- other	-	-
7. Collection and payment services	-	-
8. Securitisation servicing	-	-
9. Other fees and commissions	1,079	3,596
Total	**39,805**	**19,911**

2.2 Breakdown of item 40 "Fee and commission expense"

(Amounts in thousands of €)

DETAIL / SECTORS	TOTAL 2009	TOTAL 2008
1. Guarantees received	31	78
2. Third-party service distribution	-	-
3. Collection and payment services	-	-
4. Other fees and commissions:	13,588	14,927
- notification and acquisition of finance and operating lease transactions	8,975	11,693
- various charges for finance leases	469	-
- other	4,144	3,234
Total	**13,619**	**15,005**

Section 3 - Dividend income and similar revenue - Item 50

3.1 Breakdown of item 50 "Dividend income and similar revenue"

(Amounts in thousands of €)

	TOTAL 2009		TOTAL 2008	
ITEMS/INCOME	DIVIDENDS	INCOME FROM SHARES IN COLLECTIVE INVESTMENT FUNDS	DIVIDENDS	INCOME FROM SHARES IN COLLECTIVE INVESTMENT FUNDS
1. Financial assets held for trading	-	-	-	-
2. Available-for-sale financial assets	-	-	-	-
3. Financial assets measured at Fair Value	-	-	-	-
4. Equity investments	53.570	-	54	-
4.1 for merchant banking activities	-	-	-	
4.2 for other activities	53.570	-	54	
Total	**53.570**	**-**	**54**	

Section 4 - Gains (losses) on financial assets and liabilities held for trading - Item 60

4.1 Breakdown of item 60 "Gains (losses) on financial assets and liabilities held for trading"

(Amounts in thousands of €)

ITEMS/INCOME COMPONENTS	CAPITAL GAINS	TRADING PROFITS	CAPITAL LOSSES	TRADING LOSSES	NET PROFIT (LOSS)
1. Financial assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments and shares in collective investment funds	-	-	-	-	-
1.3 Loans	-	-	-	-	-
1.4 Other assets	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-
3. Financial assets and liabilities: exchange rate differences	**-**	**-**	**-**	**-**	**-**
4. Financial derivatives	**108,882**	**-**	**(111,498)**	**-**	**(2,616)**
5. Credit derivatives	**-**	**-**	**-**	**-**	**-**
Total	**108,882**	**-**	**(111,498)**	**-**	**(2,616)**

Part C) - Income Statement Information (Continued)

Section 5 - Gains (losses) from hedging - Item 70

5.1 Breakdown of item 70 "Gains (losses) from hedging"

(Amounts in thousands of €)

ITEMS	TOTAL 2009	TOTAL 2008
1. Income from:		
1.1 Fair Value hedge derivatives	-	-
1.2 Hedged assets (Fair Value hedge)	-	-
1.3 Hedged liabilities (Fair Value hedge)	-	-
1.4 Cash flow hedge derivatives	-	-
1.5 Other	-	-
Total income from hedging activities (A)	**-**	**-**
2. Costs for:		
2.1 Fair Value hedge derivatives	-	-
2.2 Hedged assets (Fair Value hedge)	(155)	-
2.3 Hedged liabilities (Fair Value hedge)	-	-
2.4 Cash flow hedge derivatives	-	-
2.5 Other	-	-
Total costs for hedging activities (B)	**(155)**	**-**
Gains (losses) from hedging (A + B)	**(155)**	**-**

Section 6 - Gains (losses) on financial assets and liabilities measured at Fair Value - Item 80

There is no balance for this item.

Section 7 - Gains (losses) on disposal or repurchase - Item 90

There is no balance for this item.

Section 8 - Impairment losses / reversals of impairment losses - Item 100

8.1 "Impairment losses / reversals of impairment losses on loans and receivables"

(Amounts in thousands of €)

	IMPAIRMENT LOSSES		REVERSALS OF IMPAIRMENT LOSSES			
ITEMS/ADJUSTMENTS	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO	TOTAL 2009	TOTAL 2008
1. Loans and receivables with banks	**3**	**-**	**-**	**(1)**	**2**	**-**
- leasing	3	-	-	(1)	2	-
- factoring	-	-	-	-	-	-
- other	-	-	-	-	-	-
2. Loans and receivables with financial entities	**-**	**-**	**(430)**	**(9)**	**(439)**	**-**
- leasing	-	-	(430)	(9)	(439)	-
- factoring	-	-	-	-	-	-
- other	-	-	-	-	-	-
3. Loans and receivables with customers	**193,472**	**1,517**	**(60,665)**	**(16,393)**	**117,931**	**63,516**
- leasing	192,632	1,517	(60,554)	(16,393)	117,202	63,828
- factoring	-	-	-	-	-	(114)
- consumer credit	-	-	-	-	-	
- other	840	-	(111)	-	729	(198)
Total	**193,475**	**1,517**	**(61,095)**	**(16,403)**	**117,494**	**63,516**

8.2 "Impairment losses / reversals of impairment losses on available-for-sale financial assets"

There is no balance for this sub-item.

8.3 "Impairment losses / reversals of impairment losses on held-to-maturity investments"

There is no balance for this sub-item.

8.4 Breakdown of sub-item 100 b) "Impairment losses / reversals of impairment losses on other financial transactions"

(Amounts in thousands of €)

	IMPAIRMENT LOSSES		REVERSALS OF IMPAIRMENT LOSSES			
TRANSACTIONS/INCOME COMPONENTS	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO	TOTAL 2009	TOTAL 2008
1. Guarantees issued	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
3. Commitments to disburse funds	-	-	-	1,782	1,782	(3,852)
4. Other transactions	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1,782**	**1,782**	**(3,852)**

Section 9 - Administrative expenses - Item 110

9.1 Breakdown of item 110 a) "Payroll costs"

(Amounts in thousands of €)

ITEMS/SECTOR	TOTAL 2009	TOTAL 2008
1. Employees	**47,316**	**40,679**
a) salaries and wages	32,356	27,953
b) social costs	9,374	7,724
c) post-employment benefits	-	-
d) social security costs	1,833	1,336
e) provision post-employment benefits	471	427
f) provision for pension fund and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external complementary pension funds:	-	-
- defined contribution	1,893	1,908
- defined benefit	-	-
h) other expense	1,389	1,331
2. Other staff in active employment	**6,654**	**1,957**
3. Directors and statutory auditors	**2,383**	**1,287**
4. Inactive staff	**249**	**250**
5. Recovery of expenses for seconded employees	**(1,401)**	**(2,002)**
6. Payments of expenses for employees seconded to the Company	**-**	**-**
Total	**55,201**	**42,171**

Part C) - Income Statement Information (Continued)

9.2 Average number of employees per category

(Amounts in thousands of €)

AVERAGE NUMBER OF EMPLOYEES	TOTAL 2009	TOTAL 2008
Employees		
a) Executives	29	25
b) Managers	259	208
c) Remaining staff	313	312
d) Other staff	-	-
Total	**601**	**545**

9.3 Breakdown of item 110 b) "Other administrative expenses"

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008
1) Indirect taxes and duties	**1,234**	**1,262**
2) Miscellaneous costs and expenses:	**32,937**	**22,875**
a) Fees to external professionals	2,696	661
b) Insurance	273	274
c) Advertising	3,248	1,966
d) Premises surveillance and cash transportation	306	281
e) Various services provided by third parties	13,892	9,811
f) Property expenses	4,799	3,360
g) Maintenance and fees for plant, property and equipment	1,450	1,788
h) Postal, telephone, printing and other office costs	2,673	2,435
i) Rental and other costs	1,983	1,114
l) Other expenses	1,617	1,185
Total	**34,171**	**24,137**

Section 10 - Net impairment losses / reversals of impairment losses on property, plant and equipment - Item 120

10.1 - Breakdown of item 120 "Net impairment losses / reversals of impairment losses on property, plant and equipment"

(Amounts in thousands of €)

ITEMS/IMPAIRMENT LOSSES / REVERSALS OF IMPAIRMENT LOSSES	DEPRECIATION (A)	IMPAIRMENT LOSSES (B)	REVERSALS OF IMPAIRMENT LOSSES (C)	PROFIT 2009 (A + B) = C	PROFIT 2008
1. Assets held for operations	**2,202**	**-**	**(980)**	**1,222**	**913**
1.1 owned					
a) land	-	-	-	-	-
b) buildings	811	-	-	811	816
c) furniture and fittings	183	-	-	183	166
d) capital goods	228	-	-	228	308
e) other	980	-	(980)	-	(377)
1.2 acquired under finance lease					
a) land	-	-	-	-	-
b) buildings	-	-	-	-	-
c) furniture and fittings	-	-	-	-	-
d) capital goods	-	-	-	-	-
e) other	-	-	-	-	-
2. Assets relating to finance leases					
3. Assets held for investment	**1,987**	**-**	**-**	**1,987**	**993**
of which transferred under operating lease	-	-	-	-	-
Total	**4,189**	**-**	**(980)**	**3,209**	**1,906**

Section 11 - Net impairment losses / reversals of impairment losses on intangible assets - Item 130

12.1 Breakdown of item 140 “Net impairment losses/reversals of impairment losses on intangible assets”

(Amounts in thousands of €)

ITEMS/IMPAIRMENT LOSSES/REVERSALS OF IMPAIRMENT LOSSES	AMORTISATION (A)	IMPAIRMENT LOSSES (B)	REVERSALS OF IMPAIRMENT LOSSES (C)	PROFIT 2009 (A + B) = C	PROFIT 2008
1. Goodwill	**-**	**-**	**-**	**-**	**-**
2. Other intangible assets					
2.1 owned	327	-	-	327	80
2.2 acquired under finance lease	-	-	-	-	-
3. Assets relating to finance leases	**-**	**-**	**-**	**-**	**-**
4. Assets transferred under operating lease	**-**	**-**	**-**	**-**	**-**
Total	**327**	**-**	**-**	**327**	**80**

Section 12 - Gains (losses) on property, plant and equipment and intangible assets measured at Fair Value - Item 140

There is no balance for this sub-item.

Section 13 - Provisions for risks and charges - Item 150

13.1 Breakdown of item 150 “Provisions for risks and charges”

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008
1. Other provisions		
1.1 Legal disputes: clawbacks	(795)	(1,174)
1.2 Other	3,400	4,906
Total	**2,605**	**3,732**

Section 14 - Other net operating income - Item 160

14.1 Breakdown of item 160 “Other operating income”

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008 (*)
1. Rental income	3,634	2,610
2. Income related to finance lease transactions	82,125	75,952
Total	**85,759**	**78,562**

(*) Amounts reclassified for comparison purposes with financial statements as at 31 December 2009 and related transfers:
- from Item 30 “Fee and commission income” to Item 180 “Other operating income” pursuant to new laws (€ 75,953);

14.2 Breakdown of item 160 “Other operating costs”

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008 (*)
1. Fees for operating leases	901	651
2. Charges related to finance lease transactions	65,872	56,655
Total	**66,773**	**57,306**

(*) Amounts reclassified for comparison purposes with financial statements as at 31 December 2009 and related transfers:
- from Item 40 “Fee and commission income” to Item 170 “Other operating expenses” pursuant to new laws (€ 56,656).

Part C) - Income Statement Information (Continued)

Section 15 - Gains (losses) from equity investments - Item 170

15.1 Breakdown of item 170 "Gains (losses) from equity investments"

(Amounts in thousands of €)

ITEMS	TOTAL 2009	TOTAL 2008
1. Revenue	**-**	**-**
1.1 Revaluation	-	-
1.2 Profits from disposals	-	-
1.3 Reversals of impairment losses	-	-
1.4 Other revenue	-	-
2. Costs	**(204)**	**-**
2.1 Write-downs	-	-
2.2 Losses from disposals	(204)	-
2.3 Impairment losses	-	-
2.4 Other costs	-	-
Net balance	**(204)**	**-**

Section 16 - Gains (losses) from disposal of investments - Item 180

16.1 Breakdown of item 180 "Gains (losses) from disposal of investments"

(Amounts in thousands of €)

ITEMS	TOTAL 2009	TOTAL 2008
1. Property, plant and equipment	**214**	**-**
1.1 Profits from disposals	214	-
1.2 Losses from disposals	-	-
2. Other assets	**177**	**12**
2.1 Profits from disposals	196	12
2.2 Losses from disposals	(19)	-
Net balance	**391**	**12**

Section 17 - Income tax for the year on continuing operations - Item 190

17.1 Breakdown of item 190 "Income tax for the year on continuing operations"

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008
1. Current taxes	49,385	75,595
2. Changes in current taxes of previous years	(3,516)	306
3. Reduction in current taxes for the year	(1,384)	-
4. Changes in prepaid taxes	(15,586)	(4,269)
5. Changes in deferred taxes	1,268	(3,290)
Taxes due for the year	**30,167**	**68,342**

17.2 Reconciliation of theoretical tax charge to actual tax charge

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008
Gains (losses) from continuing operations before tax	114,643	499,512
Theoretical tax rate applicable	32.32%	32.32%
Actual theoretical taxes	37,053	65,137
Tax effects arising from:		
Permanent differences	2,883	4,739
Participation exemption (Pex) regime - Locat Rent S.p.A.	-	1,161
Change in taxes of previous years	(1,383)	(2,695)
Other	(8,386)	-
Income taxes posted to income statement	30,167	68,342

Section 18 - Gains (losses) on groups of assets held for sale, net of tax - Item 200

There is no balance for this sub-item.

Section 19 - Income statement: other information

19.1 Detailed breakdown of interest, fee and commission income

(Amounts in thousands of €)

	INTEREST INCOME			FEE AND COMMISSION INCOME				
ITEMS/COUNTERPARTIES	BANKS	FINANCIAL ENTITIES	CUSTOMERS	BANKS	FINANCIAL ENTITIES	CUSTOMERS	TOTAL 2009	TOTAL 2008
1. Finance leases	**189**	**612**	**713,421**	**-**	**1**	**9,205**	**723,428**	**1,217,119**
- fixed assets	162	67	414,593	-	1	2,304	417,127	731,761
- non-fixed assets	-	3	148,606	-	-	3,104	151,713	239,612
- capital goods	27	16	147,610	-	-	2,717	150,370	242,299
- intangible assets	-	526	2,612	-	-	1,080	4,218	3,447
2. Factoring	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- on current loans	-	-	-	-	-	-	-	-
- on future loans	-	-	-	-	-	-	-	-
- on loans acquired definitively	-	-	-	-	-	-	-	-
- on loans acquired below original value	-	-	-	-	-	-	-	-
- for other loans	-	-	-	-	-	-	-	-
3. Consumer credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- personal loans	-	-	-	-	-	-	-	-
- special-purpose loans	-	-	-	-	-	-	-	-
- loans against wages	-	-	-	-	-	-	-	-
4. Guarantees and commitments	**-**	**-**	**-**	**29,520**	**-**	**-**	**29,520**	**9,639**
- commercial	-	-	-	-	-	-	-	-
- financial	-	-	-	29,520	-	-	29,520	9,639
Total	**189**	**612**	**713,421**	**29,520**	**1**	**9,205**	**752,948**	**1,226,758**

19.2 Other information

(Amounts in thousands of €)

	TOTAL 2009	TOTAL 2008
Profit	84,475,721	112,702,372
Number of shares in issue	205,065,531	205,065,531
Nominal value	2.00	2.00
Earnings per share	**0.4119**	**0.5760**

Part D) - Other information

Part D) - Other information

Section 1 - Specific information on operations

A. Finance leases

A.1 Reconciliation between gross investment and the current value of minimum payments owed

See table in section A.2 below.

A.2 Classification by time band of impaired exposures, minimum payments owed and gross investments

(Amounts in thousands of €)

	12.31.2009						
			MINIMUM PAYMENTS			GROSS INVESTMENT	
			PRINCIPAL				
TIME BRACKETS	IMPAIRED EXPOSURE	EXPLICIT LOANS		OF WHICH UNSECURED RESIDUAL VALUE	INTEREST		OF WHICH UNSECURED RESIDUAL VALUE
At sight	1,208,238	-	-	-	-	-	-
Up to 3 months	179,304	71,182	660,283	629,242	187,068	847,351	31,202
From 3 months to 1 year	647,046	10,202	1,948,101	1,833,523	512,098	2,460,199	115,294
From 1 year to 5 years	153,525	11,955	7,082,406	6,208,389	1,742,038	8,824,444	879,148
More than 5 years	16,941	10,777	6,249,281	4,045,904	1,579,849	7,808,692	2,195,664
Undetermined duration	19,720	56,392	-	1,441,976	353,271	2,099,310	306,068
Gross Total	**2,224,774**	**160,508**	**15,940,071**	**14,159,034**	**4,374,324**	**22,039,996**	**3,527,376**
Impairment losses	**(395,379)**	**(3,789)**	**(97,637)**	**-**	**-**	**-**	**-**
Net Total	**1,829,395**	**156,719**	**15,842,434**	**14,159,034**	**4,374,324**	**22,039,996**	**3,527,376**

(Amounts in thousands of €)

	12.31.2008						
			MINIMUM PAYMENTS			GROSS INVESTMENT	
			PRINCIPAL				
TIME BRACKETS	IMPAIRED EXPOSURE	EXPLICIT LOANS		OF WHICH UNSECURED RESIDUAL VALUE	INTEREST		OF WHICH UNSECURED RESIDUAL VALUE
At sight	569,103	-	-	-	-	-	-
Up to 3 months	93,771	238,324	732,669	706,614	203,948	936,617	26,201
From 3 months to 1 year	55,250	11,476	2,111,395	1,999,509	558,329	2,669,723	112,479
From 1 year to 5 years	112,983	7,909	7,749,075	6,887,690	1,888,844	9,637,919	866,640
More than 5 years	-	15,803	6,449,682	4,172,889	1,655,284	8,142,581	2,328,288
Undetermined duration	413,002	96,747	-	681,784	135,179	1,026,436	210,546
Gross Total	**1,244,109**	**370,259**	**17,042,821**	**14,448,486**	**4,441,584**	**22,413,276**	**3,544,154**
Impairment losses	**(288,691)**	**(2,473)**	**(113,839)**	**-**	**-**	**(244,583)**	**-**
Net Total	**955,418**	**367,786**	**16,928,982**	**14,448,486**	**4,441,584**	**22,168,693**	**3,544,154**

Minimum payments are taken to mean contractual residual instalments, the sum of which constitutes gross investment.

The current value of minimum payments, calculated at the interest rates of the individual contracts, represents net investment and is equal to the sum of the principal components.

The data do not include balances relating to assets being prepared for leasing.

A.3 Classification of finance lease loans by quality and type of asset leased

(Amounts in thousands of €)

	PERFORMING LOANS		IMPAIRED LOANS			
			12.31.2009		12.31.2008	
	12.31.2009	12.31.2008		OF WHICH: NON-PERFORMING		OF WHICH: NON-PERFORMING
A. Fixed assets	**9,756,699**	**10,422,762**	**1,341,953**	**242,740**	**642,679**	**170,300**
- land	-	-	-	-	-	-
- buildings	9,756,699	10,422,762	1,341,953	242,740	642,679	170,300
B. Capital goods	**3,141,383**	**3,545,818**	**273,572**	**63,978**	**138,058**	**42,856**
C. Non-fixed assets	**3,032,871**	**3,240,147**	**208,913**	**47,683**	**171,401**	**98,413**
- road vehicles	1,381,058	1,572,363	119,514	27,136	64,923	28,850
- air, sea and rail vehicles	1,651,813	1,667,784	89,399	20,547	106,478	69,563
- other	-	-	-	-	-	-
D. Intangible assets	**68,200**	**90,903**	**4,957**	**241**	**417**	**417**
- brands	68,200	90,903	4,957	241	417	417
- software	-	-	-	-	-	-
- other	-	-	-	-	-	-
Total	**15,999,153**	**17,299,630**	**1,829,395**	**354,641**	**952,556**	**311,986**

Figures do not include amounts for assets being set up.

A.4 Classification of finance leased assets

(Amounts in thousands of €)

	UNUSED ASSETS		ASSETS WITHDRAWN AFTER CONTRACT TERMINATION		OTHER ASSETS	
	12.31.2009	12.31.2008	12.31.2009	12.31.2008	12.31.2009	12.31.2008
A. Fixed assets	**-**	**-**	**1,524**	**1,524**	**-**	**-**
- land	-	-	-	-	-	-
- buildings	-	-	1,524	1,524	-	-
B. Capital goods	**-**	**-**	**-**	**-**	**-**	**-**
C. Non-fixed assets	**-**	**-**	**-**	**-**	**-**	**-**
- road vehicles	-	-	-	-	-	-
- air, sea and rail vehicles	-	-	-	-	-	-
- other	-	-	-	-	-	-
D. Intangible assets	**-**	**-**	**-**	**-**	**-**	**-**
- brands	-	-	-	-	-	-
- software	-	-	-	-	-	-
- other	-	-	-	-	-	-
Total	**-**	**-**	**1,524**	**1,524**	**-**	**-**

Part D) - Other information (Continued)

A.5 Dynamics of impairment losses

(Amounts in thousands of €)

ITEM	INITIAL REVERSALS OF IMPAIRMENT LOSSES	INCREASES: REVERSALS OF IMPAIRMENT LOSSES	INCREASES: TRANSFERS FROM ANOTHER STATUS	INCREASES: OTHER INCREASES	DECREASES: REVERSALS OF IMPAIRMENT LOSSES	DECREASES: TRANSFERS FROM ANOTHER STATUS	DECREASES: DERECOGNITIONS	DECREASES: OTHER DECREASES	FINAL REVERSALS OF IMPAIRMENT LOSSES
1. Specific	**286,655**	**192,635**	**31,210**	**19,072**	**(60,985)**	**(31,210)**	**(36,065)**	**(8,744)**	**392,568**
1.1 on impaired assets	**286,655**	**192,635**	**31,210**	**19,072**	**(60,985)**	**(31,210)**	**(36,065)**	**(8,744)**	**392,568**
Fixed-asset lease	*50,723*	*42,980*	*6,206*	*3,980*	*(26,156)*	*(6,207)*	*(4,528)*	*(226)*	*66,772*
- non-performing	30,211	13,229	2,080	1,215	(12,913)	-	(4,494)	-	29,328
- doubtful	11,737	17,557	3,764	410	(10,131)	(3,715)	(34)	-	19,588
- restructured	207	989	226	-	(444)	-	-	(226)	752
- past due	8,568	11,205	136	2,355	(2,668)	(2,492)	-	-	17,104
Capital-goods lease	*168,343*	*86,234*	*15,787*	*9,203*	*(23,953)*	*(15,787)*	*(23,157)*	*(7,210)*	*209,460*
- non-performing	132,580	40,192	10,759	-	(15,387)	(549)	(22,818)	(7,210)	137,567
- doubtful	17,592	41,070	4,395	7,220	(6,420)	(12,643)	(331)	-	50,883
- restructured	2,484	126	-	-	(1,035)	-	-	-	1,575
- past due	15,687	4,846	633	1,983	(1,111)	(2,595)	(8)	-	19,435
Non-fixed-asset lease	*66,118*	*62,043*	*9,217*	*5,610*	*(10,876)*	*(9,216)*	*(8,380)*	*(1,032)*	*113,484*
- non-performing	44,586	23,728	3,448	-	(2,440)	(170)	(7,238)	(1,032)	60,882
- doubtful	7,808	32,581	5,129	4,031	(5,336)	(6,833)	(1,142)	-	36,238
- restructured	-	45	-	-	-	-	-	-	45
- past due	13,724	5,689	640	1,579	(3,100)	(2,213)	-	-	16,319
Intangible-asset lease	*1,471*	*1,378*	-	*279*	-	-	-	*(276)*	*2,852*
- non-performing	1,471	-	-	-	-	-	-	(276)	1,195
- doubtful	-	453	-	-	-	-	-	-	453
- restructured	-	-	-	-	-	-	-	-	-
- past due	-	925	-	279	-	-	-	-	1,204
2. Portfolio	**116,312**	**1,517**	**-**	**-**	**(16,403)**	**-**	**-**	**-**	**101,426**
2.1 on other assets	**116,312**	**1,517**	**-**	**-**	**(16,403)**	**-**	**-**	**-**	**101,426**
- fixed-asset lease	38,274	532	-	-	(5,360)	-	-	-	33,446
- capital-goods lease	37,968	549	-	-	-	-	-	-	38,517
- non-fixed-asset lease	39,530	436	-	-	(11,033)	-	-	-	28,933
- intangible-asset lease	540	-	-	-	(10)	-	-	-	530
Total	**402,967**	**194,152**	**31,210**	**19,072**	**(77,388)**	**(31,210)**	**(36,065)**	**(8,744)**	**493,994**

A.6 Other information

A.6.1 General description of important contracts

The Company operates almost exclusively through finance lease, in line with market practice in the sector.

A.6.2 Other information on finance leases

Potential fees (adjusted for indexation) are recognised in the interest income item of the income statement. They showed a negative balance of € 202,326,000 at 31 December 2009, compared with a positive balance of € 233,531,000 a year earlier.

A.6.3 Leaseback transactions

(Amounts in thousands of €)

	12.31.2009		12.31.2008	
	NO. OF CONTRACTS	EXPOSURE	NO. OF CONTRACTS	EXPOSURE
A. Fixed assets	1,585	2,434,338	2,388	3,146,723
B. Capital goods	1,093	295,486	1,167	324,154
C. Non-fixed assets	168	6,081	344	152,151
D. Intangible assets	3	24,711	-	-
Total	**2,849**	**2,760,616**	**3,899**	**3,623,028**

A.6.4 Other information

With reference to receivables arising from outstanding factoring transactions at 31 December 2009, the Company manages only contracts arising from previous business combinations. These contracts are classified as impaired loans under accounting standards.

Part D) - Other information (Continued)

D. Guarantees issued and commitments

D.1 Value of guarantees issued and commitments

TRANSACTIONS	12.31.2009	12.31.2008
Financial guarantees given to	4,388,678	4,441,686
a) Banks	4,388,678	4,441,686
b) Financial entities		
c) Customers		
2) Commercial guarantees given to	-	-
a) Banks		
b) Financial entities		
c) Customers		
3) Firm commitments to disburse funds to	-	-
a) Banks		
i) for certain usage		
ii) for uncertain usage		
b) Financial entities		
i) for certain usage (*)		
ii) for uncertain usage		
c) Customers	**746,283**	**1,039,524**
i) for certain usage	**746,283**	**1,039,524**
ii) for uncertain usage		
4) Underlying obligations for credit derivatives: protection selling	-	-
5) Assets used to guarantee third-party obligations	-	-
6) Other firm commitments	-	-
Total	**5,134,961**	**5,481,210**

(*) VALUE IS MADE OF:

(amounts in thousands of €)

FIRM COMMITMENTS TO DISBURSE FUNDS	PORTFOLIO IMPAIRMENT LOSSES	TOTAL 12.31.2009
748,353	(2,070)	746,283

(amounts in thousands of €)

FIRM COMMITMENTS TO DISBURSE FUNDS	PORTFOLIO IMPAIRMENT LOSSES	TOTAL 12.31.2008
1,043,376	(3,852)	1,039,524

D.2 Loans recognised through enforcement

There is no balance for this item.

D.3 Other information

There is no additional information to report.

Section 2 - Securitisation

C.1 Securitisation transactions

Qualitative information

1. General aspects

In previous years, the Company began a significant securitisation programme as per Law 130/99 of performing loans arising from lease contracts in order to improve the correlation between collection and lending maturities, to diversify financing sources and to improve regulatory prudential ratios.

Pursuant to Law 130/99, the Company acted as servicer for the transferred portfolios for all the transactions, continuing to collect and administer loans in return for payment expressed as a percentage of the amounts collected during the reporting period.

2. Characteristics of individual transactions

Details are given in the following tables, which also describe outstanding transactions carried out in previous years.

Strategies, processes and objectives	The transactions aimed to provide more correlation between collection and lending maturities, diversification of financing sources and better regulatory prudential ratios.
Internal risk control and measurement systems	Each portfolio is monitored on an ongoing basis and is described in monthly and quarterly reports (required by the agreements) with a breakdown of loans by status and the trend of repayments.
Organisational structure and reporting to senior management	The Company has set up a dedicated coordination team at the administration and operating processes division. Senior management is provided with regular reports on the transaction, repayment trends and loan status.
Hedging policies	The special purpose vehicle signed an IRS agreement to hedge the fixed-rate portfolio and a basis swap to hedge the indexed-rate portfolio (and related back-to-back swaps between originator and counterparty).
Information on results of securitisation	Repayments are in line with the business plan and the equity tranche yield (including the extra spread) is in line with expected returns for investments with similar risk.

Part D) - Other information (Continued)

(Amounts in €)

SECURITISATION NAME:	LOCAT SECURITISATION VEHICLE 2 S.R.L.		LOCAT SV - SERIE 2005 (formerly LOCAT SECURITISATION VEHICLE 3)		LOCAT SV - SERIE 2006	
Type of transaction:	Traditional		Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)		UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)		UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)	
Issuer:	Locat Securitisation Vehicle 2 S.r.l.		Locat SV S.r.l. (fomerly Locat Securitisation Vehicle 3 S.r.l.)		Locat SV S.r.l.	
Servicer:	UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)		UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)		UniCredit Leasing S.p.A. (fomerly Locat S.p.A.)	
Arranger:	Bayerisch Hypo und Vereinsbank A.G. London (fomerly UniCredit Banca Mobiliare S.p.A.)		Bayerisch Hypo und Vereinsbank A.G. London (fomerly UniCredit Banca Mobiliare S.p.A.)		Bayerisch Hypo und Vereinsbank A.G. London (fomerly UniCredit Banca Mobiliare S.p.A.)	
Objectives:	Freeing-up regulatory capital. Funding		Freeing-up regulatory capital. Funding		Freeing-up regulatory capital. Funding	
Type of assets securitised:	Financial receivables arising from lease contracts pertaining to the use of vehicles, capital goods and fixed assets		Financial receivables arising from lease contracts pertaining to the use of vehicles, capital goods and fixed assets		Financial receivables arising from lease contracts pertaining to the use of vehicles, capital goods and fixed assets	
Quality of assets securitised:	Performing		Performing		Performing	
Closing date:	09.29.2004		10.14.2005		11.14.2006	
Nominal value of portfolio:	2,525,254,058		2,000,000,136		1,972,909,866	
Sale price of portfolio:	2,500,000,000		2,000,000,136		1,972,909,866	
Other important information:	Portfolio restoration clause		Portfolio restoration clause		Portfolio restoration clause	
Rating agencies:	Standard & Poor's . Moody's		Standard & Poor's . Moody's		Standard & Poor's . Moody's	
Tranching amount and conditions:						
. ISIN	IT0003733083	IT0003733091	IT0003951107	IT0003951115	IT0004153661	IT0004153679
. Type	Senior	Mezzanine	Senior	Senior	Senior	Senior
. Class	A	B	A1	A2	A1	A2
. Rating	AAA.Aaa	A.A2	AAA.Aaa	AAA.Aaa	AAA.Aaa	AAA.Aaa
. Stock exchange	Dublin	Dublin	Dublin	Dublin	Dublin	Dublin
. Issue date	10.18.2004	10.18.2004	11.18.2005	11.18.2005	12.14.2006	12.14.2006
. Legal maturity	12.01.2024	12.01.2024	12.12.2026	12.12.2026	12.01.2028	12.01.2028
. Call option	Clean-up call	Clean-up call	Clean-up call	Clean-up call	Clean-up call	Clean-up call
. Rate	Euribor 3 m + 18 b.p.	Euribor 3 m + 55 b.p.	Euribor 3 m + 7 b.p.	Euribor 3 m + 15 b.p.	Euribor 3 m + 8 b.p.	Euribor 3 m + 16 b.p.
. Subordination grade	-	Sub. B	-	-	-	-
. Nominal value issued	2,374,000,000	126,000,000	451,000,000	1,349,000,000	400,000,000	1,348,000,000
. Nominal value at year end	1,363,509,274	126,000,000	-	541,021,428	-	974,135,705
. Underwriters of securities	Institutional investors		Institutional investors		Institutional investors	
. ISIN	-		IT0003951123	IT0003951131	IT0004153687	IT0004153695
. Type	D.P.P.		Mezzanine	Mezzanine	Mezzanine	Mezzanine
. Class	-		B	C	B	C
. Rating	-		A.A2	BBB.Baa2	A.A2	BBB.Baa2
. Stock exchange	-		Dublin	Dublin	Dublin	Dublin
. Issue date	10.18.2004		11.18.2005	11.18.2005	12.14.2006	12.14.2006
. Legal maturity	12.01.2024		12.12.2026	12.12.2026	12.01.2028	12.01.2028
. Call option	Clean-up call		Clean-up call	Clean-up call	Clean-up call	Clean-up call
. Rate	Euribor 3 m + 50 b.p.		Euribor 3 m + 39 b.p.	Euribor 3 m + 61 b.p.	Euribor 3 m + 35 b.p.	Euribor 3 m + 60 b.p.
. Subordination grade	Equity		Sub. A1 , A2	Sub. A1, A2, B	Sub. A1, A2	Sub. A1, A2; B
. Nominal value issued	25,254,058		160,000,000	33,000,000	152,000,000	64,000,000
. Nominal value at year end	26,091,248		160,000,000	33,000,000	152,000,000	64,000,000
. Underwriters of securities	Retained risk		Institutional investors		Institutional investors	
· ISIN			IT0003951149		IT0004153885	
· Type			Junior		Junior	
· Class			D		D	
· Rating			-			
· Stock exchange			-			
· Issue date			11.18.2005		12.14.2006	
· Legal maturity			12.12.2026		12.01.2028	
· Call option			Clean-up call		Clean-up call	
· Rate			Euribor 3 m + 200 b.p.		Euribor 3 m + 200 b.p.	
· Subordination grade			Equity		Equity	
· Nominal value issued			7,000,136		8,909,866	
· Nominal value at year end			7,000,136		8,909,866	
· Underwriters of securities			UniCredit Leasing S.p.A.		UniCredit Leasing S.p.A.	

(Amounts in €)

SECURITISATION NAME:	Locat SV - Serie 2008 (first)		Locat SV - Serie 2008 (second)	
Type of transaction:	Traditional		Traditional	
Originator:	UniCredit Leasing S.p.A. (formerly Locat S.p.A.)		UniCredit Leasing S.p.A. (formerly Locat S.p.A.)	
Issuer:	Locat SV S.r.l.		Locat SV S.r.l.	
Servicer:	UniCredit Leasing S.p.A. (formerly Locat S.p.A.)		UniCredit Leasing S.p.A. (formerly Locat S.p.A.)	
Arranger:	Bayerisch Hypo und Vereinsbank A.G. London (fomerly UniCredit Banca Mobiliare S.p.A.)		Bayerisch Hypo und Vereinsbank A.G. London (fomerly UniCredit Banca Mobiliare S.p.A.)	
Objectives:	Funding		Funding	
Type of assets securitised:	Financial receivables arising from lease contracts pertaining to the use of vehicles, capital goods and fixed assets		Financial receivables arising from lease contracts pertaining to the use of vehicles, capital goods and fixed assets	
Quality of assets securitised:	Performing		Performing	
Closing date:	04.22.2008		11.06.2008	
Nominal value of portfolio:	2.488.922.538		2.596.454.676	
Sale price of portfolio:	2.488.922.538		2.596.454.676	
Other important information:	Portfolio restoration clause		Portfolio restoration clause	
Rating agencies:	Standard & Poor's . Moody's		Standard & Poor's	
Tranching amount and conditions:				
. ISIN	IT0004372253	IT00044372261	IT0004432941	IT0004432933
. Type	Senior	Senior	Senior	Junior
. Class	A1	A2	A	B
. Rating	AAA.Aaa	AAA.Aaa	A + AA	n.r.
. Stock exchange	Dublin	Dublin	Dublin	-
. Issue date	05.22.2008	05.22.2008	11.20.08	11.20.08
. Legal maturity	05.22.2035	05.22.2035	11.20.35	11.20.35
. Call option	Clean-up call		Clean-up call	
. Average expected life	From 1.56 to 1.94 years, depending on conditions	From 1.56 to 1.94 years, depending on conditions	From 1.56 to 4.37 years, depending on conditions	
. Rate	Euribor 3 M + 65 b.p.	Euribor 3 M + 65 b.p.	Euribor 3 M + 80 b.p.	Euribor 3 m + 200 b.p.
. Subordination grade	-	-	-	-
. Nominal value issued	550,000,000	1,591,000,000	2,300,500,000	295,954,676
. Nominal value at year end	497,015,090	1,591,000,000	2,300,500,000	295,954,676
. Underwriters of securities	UniCredit S.p.A.		UniCredit S.p.A.	UniCredit Leasing S.p.A.
. ISIN	IT0004372279	IT0004372287		
. Type	Mezzanine	Mezzanine		
. Class	B	C		
. Rating	A.Aa3	BBB.A3		
. Stock exchange	Dublin	Dublin		
. Issue date	05.22.2008	05.22.2008		
. Legal maturity	05.22.2035	05.22.2035		
. Call option	Clean-up call			
. Rate	Euribor 3 M + 300 b.p.	Euribor 3 M + 450 b.p.		
. Subordination grade	Sub A1, A2	Sub A1, A2, B		
. Nominal value issued	141,000,000	61,000,000		
. Nominal value at year end	141,000,000	61,000,000		
. Underwriters of securities	UniCredit Leasing S.p.A.			
. ISIN	IT0004372295			
. Type	Junior			
. Class	D			
. Rating	n.r.			
. Stock exchange	-			
. Issue date	05.22.2008			
. Legal maturity	05.22.2035			
. Call option	Clean-up call			
. Rate	Euribor 3 m + 200 b.p.			
. Subordination grade	Equity			
. Nominal value issued	145,922,536			
. Nominal value at year-end	145,922,536			
. Underwriters of securities	UniCredit Leasing S.p.A.			
· Nominal value issued	145,922,536			
· Nominal value at year-end	145,922,536			
· Underwriters of securities	UniCredit Leasing S.p.A.			

Part D) - Other information (CONTINUED)

Quantitative information

1. Exposure resulting from securitisation transactions broken down by quality of underlying assets

(Amounts in thousands of €)

QUALITY OF UNDERLYING ASSETS / EXPOSURES	CASH EXPOSURE						GUARANTEES ISSUED						CREDIT LINES					
	SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR	
	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE	GROSS EXPOSURE	NET EXPOSURE
A. With own underlying assets:																		
a) Impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
b) Other	-	-	202,000	202,000	737,673	989,613	-	-	-	-	-	-	-	-	-	-	-	-
B. With third-party underlying assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a) Impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			**202,000**	**202,000**	**737,673**	**989,613**												

2. Exposure resulting from the main "own" securitisation operations, broken down by type of asset securitised and by type of exposure

(Amounts in thousands of €)

	CASH EXPOSURE						GUARANTEES ISSUED						CREDIT LINES					
	SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR	
TYPE OF ASSETS SECURITISED / EXPOSURES	CARRYING AMOUNT	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	CARRYING AMOUNT	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	CARRYING AMOUNT	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES	NET EXPOSURE	IMPAIRMENT LOSSES/ REVERSAL OF IMPAIRMENT LOSSES
A. Full derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferee/type																		
- Underlying receivable																		
B. Partial derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised	-	-	-	-	**989,613**	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferee/type																		
- Underlying receivable																		
C.1 Locat Securitisation Vehicle 2																		
Lease charges for vehicles/capital goods/fixed assets	-	-	-	-	133,786	-	-	-	-	-	-	-	-	-	-	-	-	-
C.2 Locat SV - Serie 2005																		
Lease charges for vehicles/capital goods/fixed assets	-	-	-	-	58,882	-	-	-	-	-	-	-	-	-	-	-	-	-
C.3 Locat SV - Serie 2006																		
Lease charges for vehicles/capital goods/fixed assets	-	-	-	-	68,642	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4 Locat SV - Serie 2008 (first)																		
Lease charges for vehicles/capital goods/fixed assets	-	-	202,000	-	165,383	-	-	-	-	-	-	-	-	-	-	-	-	-
C.3 Locat SV - Serie 2008 (second)																		
Lease charges for vehicles/capital goods/fixed assets	-	-	-	-	562,920	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	**989,613**	-	-	-	-	-	-	-	-	-	-	-	-	-

Part D) - Other information (Continued)

3. Total securitised assets underlying junior securities or other forms of credit support

(Amounts in thousands of €)

ASSETS/AMOUNTS	TRADITIONAL SECURITISATION	SYNTHETIC SECURITISATION
A. Own underlying assets:	**7,816,715**	**-**
A.1 Full derecognition	**-**	**-**
1. Non-performing	-	X
2. Doubtful	-	X
3. Restructured	-	X
4. Past due	-	X
5. Other	-	X
A.2 Partial derecognition	**-**	**-**
1. Non-performing	-	X
2. Doubtful	-	X
3. Restructured	-	X
4. Past due	-	X
5. Other	-	X
A.3 Not derecognised	**7,816,715**	**-**
1. Non-performing	93,936	-
2. Doubtful	197,942	-
3. Restructured	4,092	-
4. Past due	140,664	-
5. Other	7,380,081	-
B. Third-party underlying assets:	**-**	**-**
1. Non-performing	-	-
2. Doubtful	-	-
3. Restructured	-	-
4. Past due	-	-
5. Other	-	-
Total	**7,816,715**	**-**

4. Servicer activities - Collections of securitised loans and redemptions of securities issued by the special purpose vehicle

(Amounts in thousands of €)

		ASSETS SECURITISED AT 12.31.2009		RECEIVABLES COLLECTED IN 2009		% OF SECURITIES REPAID AT 12.31.2009					
						SENIOR		MEZZANINE		JUNIOR	
SERVICER	VEHICLE COMPANY	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED	PERFORMING
UniCredit Leasing S.p.A.	Locat Securitisation Vehicle 2 S.r.l.	68,298	730,156	5,096	443,208	-	76.9%	-	-	-	-
UniCredit Leasing S.p.A.	Locat S.V. S.r.l.- Serie 2005	71,922	709,016	10,190	452,106	-	70.0%	-	-	-	-
UniCredit Leasing S.p.A.	Locat S.V. S.r.l.- Serie 2006	103,207	1,143,633	13,951	663,797	-	44.2%	-	-	-	-
UniCredit Leasing S.p.A.	Locat S.V. S.r.l.- Serie 2008 (first)	108,738	2,311,401	4,653	760,900	-	2.4%	-	-	-	-
UniCredit Leasing S.p.A.	Locat S.V. S.r.l.- Serie 2008 (second)	84,469	2,485,875	3,082	700,056	-	-	-	-	-	-
	Total	**436,634**	**7,380,081**	**36,972**	**3,020,067**						

Part D) - Other information (Continued)

5. Financial liabilities relating to financial assets sold but not derecognised

(Amounts in thousands of €)

LIABILITIES/ASSET PORTFOLIO	FINANCIAL ASSETS HELD AT FAIR VALUE	AVAILABLE-FOR-SALE FINANCIAL ASSETS	HELD-TO-MATURITY FINANCIAL INVESTMENTS	RECEIVABLES WITH BANKS	RECEIVABLES WITH CUSTOMERS	TOTAL
1. Deposits from customers	**-**	**-**	**-**	**-**	6,625,066	6,625,066
a) against fully recognised assets	-	-	-	-	-	-
Locat Securitisation Vehicle 2	-	-	-	-	664,665	664,665
Locat SV - Serie 2005	-	-	-	-	722,051	722,051
Locat SV - Serie 2006	-	-	-	-	1,178,192	1,178,192
Locat SV - Serie 2008 (first)	-	-	-	-	2,052,748	2,052,748
Locat SV - Serie 2008 (second)	-	-	-	-	2,007,410	2,007,410
b) against partially recognised assets	-	-	-	-	-	-
2. Deposits from banks	**-**	**-**	**-**	**-**	**-**	**-**
a) against fully recognised assets	-	-	-	-	-	-
b) against partially recognised assets	-	-	-	-	-	-
Total 2009	**-**	**-**	**-**	**-**	**6,625,066**	**6,625,066**
Total 2008	**-**	**-**	**-**	**-**	**8,161,299**	**8,161,299**

The Company has not issued guarantees or credit lines relating to existing securitisation transactions.

Distribution of securitised assets by area

Vehicle: Locat Securitisation Vehicle 2 S.r.l.

(Amounts in thousands of €)

REGION	AMOUNT
Valle d'Aosta	4,127
Piedmont	93,319
Liguria	12,632
Lombardy	175,941
Trentino Alto Adige	14,993
Veneto	134,895
Friuli Venezia Giulia	18,381
Emilia Romagna	121,234
Total northern Italy	**575,522**
Tuscany	60,796
Umbria	7,270
Marche	12,313
Lazio	68,059
Abruzzo	11,959
Total central Italy	**160,397**
Molise	582
Campania	30,108
Puglia	18,320
Basilicata	704
Calabria	4,878
Total southern Italy	**54,592**
Sicily	16,148
Sardinia	5,814
Total Italian islands	**21,962**
Italy	**812,473**

The amounts shown are before impairment losses

Vehicle: Locat SV S.r.l. Serie 2005

(Amounts in thousands of €)

REGION	AMOUNT
Valle d'Aosta	3,424
Piedmont	89,048
Liguria	13,631
Lombardy	169,056
Trentino Alto Adige	22,475
Veneto	171,747
Friuli Venezia Giulia	23,226
Emilia Romagna	106,328
Total northern Italy	**598,935**
Tuscany	48,261
Umbria	11,280
Marche	15,244
Lazio	55,087
Abruzzo	13,200
Total central Italy	**143,072**
Molise	998
Campania	25,541
Puglia	15,608
Basilicata	1,702
Calabria	4,087
Total southern Italy	**47,936**
Sicily	13,843
Sardinia	3,976
Total Italian islands	**17,819**
Italy	**807,762**

The amounts shown are before impairment losses

Vehicle: Locat SV S.r.l. Serie 2006

(Amounts in thousands of €)

REGION	AMOUNT
Valle d'Aosta	576
Piedmont	132,995
Liguria	27,269
Lombardy	291,866
Trentino Alto Adige	31,201
Veneto	237,180
Friuli Venezia Giulia	29,527
Emilia Romagna	156,677
Total northern Italy	**907,291**
Tuscany	88,554
Umbria	12,976
Marche	20,090
Lazio	116,741
Abruzzo	22,840
Total central Italy	**261,201**
Molise	1,793
Campania	42,766
Puglia	28,751
Basilicata	2,008
Calabria	7,455
Total southern Italy	**82,773**
Sicily	25,111
Sardinia	10,265
Total Italian islands	**35,376**
Italy	**1,286,641**

The amounts shown are before impairment losses

Part D) - Other information (Continued)

Vehicle: Locat SV S.r.l. Serie 2008

(Amounts in thousands of €)

REGION	AMOUNT
Valle d'Aosta	4,593
Piedmont	230,384
Liguria	44,229
Lombardy	588,543
Trentino Alto Adige	55,847
Veneto	414,890
Friuli Venezia Giulia	68,823
Emilia Romagna	289,618
Total northern Italy	**1,696,927**
Tuscany	163,269
Umbria	22,549
Marche	50,883
Lazio	226,756
Abruzzo	49,989
Total central Italy	**513,446**
Molise	3,019
Campania	93,551
Puglia	51,479
Basilicata	6,089
Calabria	27,212
Total southern Italy	**181,350**
Sicily	50,819
Sardinia	24,345
Total Italian islands	**75,164**
Italy	**2,466,887**

The amounts shown are before impairment losses

Vehicle: Locat SV S.r.l. Serie 2-2008

(Amounts in thousands of €)

REGION	AMOUNT
Valle d'Aosta	1,705
Piedmont	217,243
Liguria	30,502
Lombardy	552,208
Trentino Alto Adige	23,145
Veneto	351,055
Friuli Venezia Giulia	70,407
Emilia Romagna	245,856
Total northern Italy	**1,492,121**
Tuscany	175,258
Umbria	28,941
Marche	53,842
Lazio	369,024
Abruzzo	68,385
Total central Italy	**695,450**
Molise	3,458
Campania	229,746
Puglia	40,969
Basilicata	9,846
Calabria	22,093
Total southern Italy	**306,112**
Sicily	79,549
Sardinia	33,891
Total Italian islands	**113,440**
Italy	**2,607,123**

The amounts shown are before impairment losses

Distribution of securitised assets by economic activity

Vehicle: Locat Securitisation Vehicle 2 S.r.l.

(Amounts in thousands of €)

ECONOMIC ACTIVITY	AMOUNT
Family producers	32,244
Private companies	638,264
Other non-financial quasi-corporations	84,201
Non-financial craft quasi-corporations	52,208
Other monetary and financial institutions: banks	260
Other financial intermediaries	816
Financial auxiliaries	4,480
Total	**812,473**

The amounts shown are before impairment losses

Vehicle: Locat SV S,r,l, Serie 2005

(Amounts in thousands of €)

ECONOMIC ACTIVITY	AMOUNT
Family producers	36,813
Private companies	638,944
Other non-financial quasi-corporations	69,215
Non-financial craft quasi-corporations	58,740
Other monetary and financial institutions: banks	1,233
Other financial intermediaries	1,011
Financial auxiliaries	1,722
Local authorities	77
Associations of non-financial companies	7
Total	**807,762**

The amounts shown are before impairment losses

Vehicle: Locat SV S.r.l. Serie 2006

(Amounts in thousands of €)

ECONOMIC ACTIVITY	AMOUNT
Family producers	69,404
Private companies	1,038,673
Public companies	205
Other non-financial quasi-corporations	86,705
Non-financial craft quasi-corporations	87,855
Other monetary and financial institutions: banks	19
Other financial intermediaries	47
Financial auxiliaries	3,728
Associations of non-financial companies	5
Total	**1,286,641**

The amounts shown are before impairment losses

Vehicle: Locat SV S.r.l. Serie 2008

(Amounts in thousands of €)

ECONOMIC ACTIVITY	AMOUNT
Family producers	152,582
Private companies	1,959,258
Other non-financial quasi-corporations	171,924
Non-financial craft quasi-corporations	175,043
Other monetary and financial institutions: banks	8
Other financial intermediaries	1,616
Financial auxiliaries	6,383
Public companies	49
Associations of non-financial companies	14
Total	**2,466,877**

The amounts shown are before impairment losses

Part D) - Other information (Continued)

Vehicle: Locat SV S.r.l. Serie 2-2008

(Amounts in thousands of €)

ECONOMIC ACTIVITY	AMOUNT
Family producers	126,817
Family consumers	436,840
Private companies	1,833,138
Public companies	509
Other non-financial quasi-corporations	89,295
Non-financial craft quasi-corporations	106,330
Other monetary and financial institutions: banks	74
Other financial intermediaries	11,981
Financial auxiliaries	2,139
Total	**2,607,123**

The amounts shown are before impairment losses

C.2 - Disposal transactions

The Company carried out no disposal transactions during the reporting period.

Section 3 - Information on risks and the respective hedging policies

Section 3.1 - Credit risk

Qualitative information

1. General aspects

Credit risk management is based on teams, processes and management that have been strengthened over time, and is entrusted to employees with many years of proven experience.
Having said that, there were far-reaching changes in 2009 and the first few months of 2010.
The Company had to deal with several exceptional events that brought about the need to rearrange and strengthen teams, update processes and refine instruments that had supported risk management for years.

These events included:
- the severe market crisis and its significant impact on, inter alia, sales activity and portfolio quality;
- consolidation with UniCredit Credit Management Bank (UCMB), which had considerable effects on credit recovery teams and processes;
- the Company becoming the leasing holding company for UniCredit Group (entailing a broader corporate purpose and all the structural and procedural changes from sub-holdings and international firms);
- introduction of the AIRB system;
- changes to rules on financial reporting for regulated financial intermediaries (amendments made on 16 December 2009).

2. Credit risk management policies

2.1 Organisation

The Chief Risk Office (CRO) division was overhauled and strengthened to meet new and greater demands on the company from outside Italy (all the relevant functions were brought in from UniCredit Global Leasing).

The CRO departments and business units were first streamlined (to avoid overlapping of staff and functions), then enhanced (to bring about more staff specialisation and focus on all aspects of risk management) and finally given more powers (to allow them to carry out their many duties nationally and internationally).

To this effect, the Credit Operations department and the Risk Policies & Strategies, Risk Integration & Control and Risk Models & Rating Desk business units were created. They were placed in other departments, units and teams in order to define competence and specialise staff.

The Workout team is also being finalised. In 2009 and early 2010, it worked as a task force in cooperation with staff from UCMB.

UniCredit supported the overhaul of the CRO division, which conformed to group policy on risk management.
Internal rules were updated to include individual mission statements and roles for each team. Many communications, service orders and support manual updates were issued to regulate a broader operational structure.

Collegiate bodies (Credit Committee, Risk Committee, Management Committee, Executive Committee and Board of Directors) are also involved throughout the risk management and control process. They meet at scheduled times and deal with various strategic and operational aspects of risk management, in keeping with company and group policy.

2.2 Management, measurement and control systems

In light of the crisis on the credit market and the age of the systems in use, the loan disbursement system was overhauled in 2009 (since 2002, it had been fully automated and controlled by a tool known as “Pratica Elettronica”).
The new system, which has been revised in terms of technology and risk calculation, will be fully implemented in 2010.

In 2009, several processes with close ties to AIRB quantities (pricing system, risk-weighted lending, new loan classification and impairment losses) were fully implemented. More generally, AIRB instruments and processes were refined, such as rating systems and loss given default. As part of the validation of local rating systems, the parent approved both the corporate and small-business rating systems used by the Company, which, pursuant to rule 263, asked the Bank of Italy for authorisation to apply AIRB also to calculation of capital.

UniCredit Leasing’s analysis, disbursement, monitoring and control systems are therefore significantly supported by the IT system and largely conditioned by the AIRB system. Both these systems, in line with the parent’s policies (especially on AIRB), have involved specific training courses at head office and around the regions, many communications, service orders and rule books distributed in hard copy and electronically to all employees of the Company.

Particular attention was paid to managing impaired or doubtful loans. In this regard, a task force was created consisting of credit recovery staff (from CRO and UCMB) and sales staff (from regional branches and the external branch network).
This task force, which is split into specialised teams, coordinated from centralised structures and supported by carefully allocated rules and powers, deals with the entire recovery process, from the first unpaid fee to non-performing loans, often fully amortised.

The role of holding company for the group’s leasing firms primarily involves issuing lending policies and directives by systematically comparing the CRO structures of all the leasing companies and through audits in the individual countries, using either internal resources at UCL’s CRO division or group company UniCredit Audit.

The credit risk measurement system was made as uniform as possible and a monthly monitoring report was prepared to provide a summary of risks and their impact on results.
These reports and, more generally, all the key aspects of risk management are first and foremost the responsibility of the Risk Committee.

2.3 Credit risk mitigation techniques

Credit risk is mitigated by extending new credit lines or, in the event of sales, re-leases and increases in value, by real and personal guarantees.

The first mitigation of risk is represented by the asset bought which, as the property of the Company, can be taken as a real guarantee.
The management of the assets therefore plays a key role, and the Company paid close attention to it in 2009, both directly - in Italy - and as the leasing holding company, through clear directives on classification and, particularly, sale techniques following a dispute. In this regard, further changes are being considered for the whole European market and, from 2010, the management of the assets will be carried out by a specialist independent body.

The correct treatment of the asset evidently begins at the deliberation phase of operations.
The assets are classified as appropriate, and each asset class is given a depreciation value by an internal technical office that also updates

Part D) - Other information (Continued)

said value. This allows for definitive valuation for decision-making purposes. For more-valuable assets, the technical office also produces a specific data sheet that is saved to the computer system and linked to the proposal. A survey by an external expert is also required for second-hand assets, buildings and certain other assets.
For more standard assets (e.g. light and heavy-duty vehicles), measurement is done through loss given default (now linked to different categories of assets).

The process of acquiring and managing other real guarantees and personal guarantees is also particularly rigorous, involving careful first- and second-level control.
All operations are supported by the IT system, which automatically fills in documents (guarantees, purchase agreements, handover commitments, promotional commitments, pledges etc.) with the same information as defined during the proposal.
Changes to standard documents can be implemented through system requests only by the legal and credit analysis business units.
Guarantee documents are checked by the manager before and when they are signed (counter-signature and powers), then by the local office (to verify consistency with what is in the IT system) and finally by headquarters (to check the formal integrity of the document before putting it in a fireproof location, with confirmation sent for the most important documents.

The entire management process (relating to assets and other guarantees) has been duly regulated in literature and is regularly updated.

2.4 Impaired financial assets

In 2009, impaired financial assets were the subject of close attention. This was because of the need to more accurately define structures, instruments and processes following the agreement with UCMB at the end of 2008, and of the progressive deterioration of portfolio quality as a result of the financial and market crisis that continues to affect Italy.

As discussed in points 2.1 and 2.2 above, the Company set up a task force consisting of several members of staff from all departments.
Six different operating teams were set up:

1 - UCMB credit recovery (focusing on non-performing loans)
2 - UCL credit recovery (focusing on the first missed payment)
3 - repayment plan rescheduling
4 - major transactions prior to disputes with authorities
5 - major transactions relating to disputes with authorities
6 - asset management

These teams, which were also active in the opening months of 2010, were coordinated by a central structure which defined their activity, regulated their operating processes and measured their results by preparing a report that was presented to a monthly steering committee.

The experience and processes implemented through this task force allowed the Company to outline the best possible structure for its workout team.

On 11 August 2009, the Company signed the common agreement on suspending debt payments from small and medium-sized enterprises. In doing so, it signed up to the agreement of 3 August 2009 between the finance ministry, the ABI and representatives from SMEs.

Signing the agreement:

1. was an important part of the group's wider policy - in place for several months - of supporting Italian SMEs;

2. was part of an operational and structural framework that was already allowing customers to reschedule their repayment plans (extension requests were part of the duties assigned to Team 3);

3. allowed the Company to stress that help should be given to any customer that declares and provides documentary evidence to prove it can continue as a going concern, despite temporary difficulties brought on by the market crisis.

The entire process of managing irregular loans (including those with an extension) continues to be:

1. regulated by internal rules and by the agreement with UCMB, which prescribe limited and precise decision-making powers;

2. supported by the IT system, which: allows for automated procedures; provides detailed operational support to the teams involved; makes usable the information from across the company; and ensures appropriate control reporting.

Quantitative information

1. Distribution of credit exposures by respective portfolio and by credit quality

(Amounts in thousands of €)

PORTFOLIO/QUALITY	NON-PERFORMING	DOUBTFUL	RESTRUCTURED	PAST DUE	OTHER ASSETS	TOTAL
1. Financial assets held for trading	-	-	-	-	54,707	54,707
2. Financial assets measured at Fair Value	-	-	-	-	-	-
3. Available-for-sale financial assets	-	-	-	-	-	-
4. Held-to-maturity financial investments	-	-	-	-	163	163
5. Loans and receivables with banks	-	-	-	384	152,590	152,974
6. Loans and receivables with financial entities	-	215	-	-	70,319	70,534
7. Loans and receivables with customers	364,223	760,696	88,496	680,282	17,121,417	19,015,114
8. Hedging derivatives	-	-	-	-	488	488
Total 12.31.2009	**364,223**	**760,911**	**88,496**	**680,666**	**17,399,684**	**19,293,980**
Total 12.31.2008	**312,858**	**109,193**	**45,873**	**485,873**	**18,863,032**	**19,816,829**

Part D) - Other information (Continued)

2. Credit exposures

2.1 Credit exposures with customers: gross and net values

(Amounts in thousands of €)

TYPE OF EXPOSURE/AMOUNTS	GROSS EXPOSURE	SPECIFIC IMPAIRMENT LOSSES	PORTFOLIO IMPAIRMENT LOSSES	NET EXPOSURE
A. Impaired assets				
Cash exposure				
- Non-performing	594,920	(230,697)	-	364,223
- Doubtful	872,410	(111,714)	-	760,696
- Restructured	90,868	(2,372)	-	88,496
- Impaired past due	730,150	(49,868)	-	680,282
Off-balance-sheet exposure				
- Non-performing	-	-	-	-
- Doubtful	-	-	-	-
- Restructured	-	-	-	-
- Impaired past due	-	-	-	-
Total A	**2,288,348**	**(394,651)**	**-**	**1,893,697**
B. Performing exposure				
- Not impaired past due	97,034	-	(5,988)	91,046
- Other exposure	17,125,806	-	(95,435)	17,030,371
Total B	**17,222,840**	**-**	**(101,423)**	**17,121,417**
Total (A+B)	**19,511,188**	**(394,651)**	**(101,423)**	**19,015,114**

2.2 Credit exposures with banks and financial entities: gross and net values

(Amounts in thousands of €)

TYPE OF EXPOSURE/AMOUNTS	GROSS EXPOSURE	SPECIFIC IMPAIRMENT LOSSES	PORTFOLIO IMPAIRMENT LOSSES	NET EXPOSURE
A. Impaired assets				
Cash exposure				
- Non-performing	-	-	-	-
- Doubtful	940	(725)	-	215
- Restructured	-	-	-	-
- Impaired past due	387	(3)	-	384
Off-balance-sheet exposure				
- Non-performing	-	-	-	-
- Doubtful	-	-	-	-
- Restructured	-	-	-	-
- Impaired past due	-	-	-	-
Total A	**1,327**	**(728)**	**-**	**599**
B. Performing exposure				
- Not impaired past due	-	-	-	-
- Other exposure	222,912	-	(3)	222,909
Total B	**222,912**	**-**	**(3)**	**222,909**
Total (A+B)	**224,239**	**(728)**	**(3)**	**223,508**

3. Concentration of credit

3.1 Breakdown of loans with customers by counterparty sector of economic activity

(Amounts in thousands of €)

	TOTAL 12.31.2009		TOTAL 12.31.2008	
	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED
A) Governments	-	-	11	-
B) Other public bodies	65,986	1,459	72,640	1,969
C) Financial companies	151,409	1,898	141,973	1,702
D) Insurers	457	-	324	-
E) Non-financial companies	15,121,509	1,747,263	16,007,356	913,054
F) Other operators	1,770,191	143,077	1,137,354	38,693
Total	**17,109,552**	**1,893,697**	**17,359,658**	**955,418**

3.2 Breakdown of loans with customers by counterparty location

(Amounts in thousands of €)

	TOTAL 12.31.2009	TOTAL 12.31.2008
A) Italy	18,614,252	17,926,079
B) Other European countries	357,199	357,199
C) America	19,471	19,471
D) Asia	12,327	12,327
E) Rest of the world	-	-
Total	**19,003,249**	**18,315,076**

3.3 Major risks

In accordance with Bank of Italy regulations at 31 December 2009 there were no positions associated with major risks.

	12.31.2009		12.31.2008	
	NO. OF POSITIONS	AMOUNT (IN THOUSANDS OF €)	NO. OF POSITIONS	AMOUNT (IN THOUSANDS OF €)
Total	**-**	**-**	**1**	**169,711**

4. Models and other methods of measuring and managing credit risk

As a registered financial intermediary, the Company has always followed regulatory instructions to the extent of standard methodology (Circular nos. 216 and 217 of 5 August 1996 and subsequent amendments, most recently 16 December 2009).

In this context, the Company, with the occasional support of UniCredit Group, has divided its portfolio into the categories stipulated by the regulations: exposure with banks, regulated intermediaries, public bodies, regional authorities, not-for-profit organisations, retail, corporate and secured by real estate. The latter were recently subject to a significant change owing to the scrapping of the 5.0% threshold for calculating past-due exposure (see Circular 217, 8th amendment).

In this latter case, the Company meets all the conditions provided for by law, notably:

- for the last two years, it has kept real estate market values constantly updated through semi-automated procedures that take into account public price lists;
- it has mandated external experts to update real estate values according to regulations;
- for all transactions, it manually fills in a field on the IT system to establish if the debtor's repayment ability significantly depends on financial flows generated by the underlying property.

Part D) - Other information (Continued)

From an operational perspective, the measurement and more general management of credit risk is carried out using the Advanced Internal Rating Based method.

This method includes models for calculating all AIRB constituents (principally: exposure to default, probability of default and loss given default) but also involves the following models:

1. **pricing** calculated, in a fully automated fashion, using expected loss, transformed into annual risk cost, and other quantities linked to the individual transaction, including the cost of equity (AIRB compliance), internal costs, the cost of funding, sales commissions and economic value added (EVA);

2. **definition of lending powers** determined in relation to risk-weighted exposure, itself defined by PD and LGD, opportunely weighted and conditioned by maturity;

3. **calculation of provisions** defined using a comprehensive system that takes into account:
   a. for performing loans - PD, performing LGD and the loss confirmation period;
   b. for impaired loans with a PD of 100.0%, limited to automatic provisions - an LGD on doubtful and non-performing loans, a past-due LGD and an LGD on outstanding exposures after the sale of assets.
   The AIRB quantities (EAD, PD and LGD) also affect electronic decision-making and, more generally, the automatic credit disbursement and management system:
   a. the capacity of the computer is affected, like any other decision-making body, by risk-weighted exposure;
   b. The AIRB method can also define the decision-making process and condition the level of risk of many parts of the disbursement system (proposer, sector, etc.) after the sale of assets.

During 2009, in accordance with regulatory requirements and with the group's internal rules, planning work on the corporate and small-business rating systems was completed, including internal validation by the relevant functions of UCL, revalidation by the parent and internal control by the audit team.

On 15 December 2009, the Board of Directors approved the conformity of the corporate and small-business leasing rating systems, and authorised the parent to ask the Bank of Italy for permission to use said systems for regulatory purposes.

All the Company's operations are aligned with what has been validated (process and models for PD, EAD, LGD, IT compliance, data quality, etc.), even if the parent has indicated that there is room for improvement.

The latest version of the LGD tables (released in December 2009) is not yet used in UCL processes and is currently being reviewed in terms of impact on decision-making and, above all, pricing systems. The Company currently uses operational tables that were reviewed in September 2009 and have been agreed with the parent.
In any event, the 8th amendment of 16 December 2009 to Bank of Italy Circular no. 217 changed the definition of past-due exposures for intermediaries that use an IRB approach; this significantly impacts the LGD model when calculating the danger rate and initial entry quotas, and also the PD and EAD models that will now have to be revised.

In 2009, the Company fully implemented the AIRB method for a second year, entitling it to make the aforementioned request to the Bank of Italy. The lending dynamics of these two years - through AIRB quantities and classifications - are shown below:

1. Breakdown of loans by macrosector

(Amounts in thousands of €)

	YEAR 2009			YEAR 2008			CHANGE
PERFORMING CONTRACTS	LOANS	AVERAGE PD	AVERAGE LGD	LOANS	AVERAGE PD	AVERAGE LGD	LOANS
Road vehicles	1,378,913	4.01%	31.15%	1,568,963	3.33%	32.81%	(12.1%)
Capital goods	3,207,938	3.63%	40.24%	3,634,419	2.66%	49.14%	(11.7%)
Air and sea vehicles	1,668,993	5.73%	29.50%	1,682,054	5.21%	36.87%	(0.8%)
Real estate	10,865,398	2.61%	16.05%	11,902,428	2.64%	15.98%	(8.7%)
Total	**17,121,243**	**3.22%**	**23.16%**	**18,787,864**	**2.93%**	**25.71%**	**(8.9%)**
	YEAR 2009			YEAR 2008			CHANGE
DEFAULTING CONTRACTS	LOANS	AVERAGE PD	AVERAGE LGD	LOANS	AVERAGE PD	AVERAGE LGD	LOANS
Road vehicles	121,095	100.00%	29.76%	65,638	100.00%	26.30%	84.5%
Capital goods	285,489	100.00%	39.48%	137,744	100.00%	34.93%	107.3%
Air and sea vehicles	91,464	100.00%	29.67%	110,437	100.00%	41.27%	(17.2%)
Real estate	1,395,591	100.00%	10.98%	638,991	100.00%	10.40%	118.4%
Total	**1,893,640**	**100.00%**	**19.88%**	**952,810**	**100.00%**	**18.55%**	**98.7%**
Total default + performing	**19,014,882**			**19,740,674**			**(3.7%)**

The data shown relate only to loans (understood as financial loans and finance lease transactions)

Overall, the portfolio was extremely negative, with a sharp decline in performing loans (-9.0%) and an even steeper climb in defaulting contracts (+98.7%).

The deterioration was due to the ongoing market crisis, which:

1. from a sales perspective, it gradually eroded the confidence of businesses (who are investing much less) and worsened the credit market by reducing the conditions for customer trust;

2. for existing business, it reduced the ability of Italian businesses to meet their commitments, leading to an increased climate of litigation that gradually raised the number of defaulting loans.

This phenomenon occurred in all finance lease sectors, although in different ways:

1. performing loans for capital goods and vehicles decreased in a similar fashion, and they experienced an equally similar rise in defaults (they are the sectors most closely related to production);

2. performing loans for nautical leasing were broadly stable, both in terms of their medium-to-long-term durations, new business and the lack of growth in defaults (this is the sector furthest removed from production and closest to wealthy private customers);

3. performing loans for property leases fell by less (partly due to the delayed amortisation programme), with the contraction due partially to a change in the definition of default which, by implementation of the 8th amendment of Circular no. 217 at the end of December 2009, transferred around € 300 million of loans to the past-due category. The growth in defaults, partly due to this phenomenon, was less than in the capital goods and vehicles sectors.

The implementation of the 8th amendment transferred property leases with the highest PDs for over 90 days from performing to default positions, reducing considerably the average PD among performing loans.
Despite this, the PD (3.2%) was 8.9% higher than the average in 2008 (2.9%).
The rating system (which was recalibrated in 2009 to comply with annual revisions and validated by the parent) therefore reflects the difficult economic climate and justifies the expected loss for 2010.

Part D) - Other information (CONTINUED)

2. Breakdown of loans by rating class

(Amounts in thousands of €)

	YEAR 2009			YEAR 2008		
CLASS OF PD	LOANS	% OF TOTAL	AVERAGE PD	LOANS	% OF TOTAL	AVERAGE PD
<= 0.040%	1,522,290	8.0%	0.03%	2,125,121	10.8%	0.04%
> 0.04% and <= 0.10%	1,143,316	6.0%	0.08%	256,796	1.2%	0.07%
> 0.10% and <= 0.22%	3,435,368	18.1%	0.16%	5,690,495	28.9%	0.15%
> 0.22% and <= 0.49%	2,312,757	12.2%	0.30%	2,719,606	13.8%	0.31%
> 0.49% and <= 0.89%	2,659,745	14.0%	0.66%	1,745,292	8.8%	0.57%
> 0.89% and <= 1.33%	1,267,126	6.7%	1.08%	1,703,765	8.6%	1.05%
> 1.33% and <= 1.98%	1,344,685	7.1%	1.73%	1,014,327	5.1%	1.65%
> 1.98% and <= 3.60%	676,018	3.6%	2.83%	583,895	3.0%	2.80%
> 3.60% and <= 11.92%	1,208,514	6.4%	6.26%	999,872	5.1%	5.81%
> 11.92% and <= 99.99%	1,551,423	8.2%	23.55%	1,948,694	9.9%	21.12%
> 99.99%	1,893,640	10.0%	100.00%	952,810	4.9%	100.00%
Totals	**19,014,882**	**100.0%**		**19,740,674**	**100.0%**	

The data shown relate only to loans (understood as financial loans and finance lease transactions)

PD dynamics are also shown by the loan distribution indicated above.
There has been a shift from the lowest-rating classes to the worse categories.
The reduction in the penultimate rating class (PD from 11.92% to 99.99%) is due solely to the change in methodology compared with 2008, which transferred transactions to the default category (PD> 99.99%).

3. Breakdown of loans by classification

(Amounts in thousands of €)

	YEAR 2009		YEAR 2008		2009/2008
	LOANS	AVERAGE PD	LOANS	AVERAGE PD	LOANS
Performing/not at risk	16,146,968	2.26%	17,465,454	1.87%	(7.5%)
Performing - Risk I band	273,067	18.10%	492,981	12.72%	(44.6%)
Performing - Risk II band	603,661	17.31%	741,276	19.06%	(18.6%)
Performing - Risk III band	97,546	29.94%	88,154	21.50%	10.7%
Past due 180 + past due 90 default	680,666	99.99%	235,382	100.00%	189.2%
Restructured	88,496	100.00%	45,873	100.00%	92.9%
Doubtful	760,911	100.00%	359,353	100.00%	111.7%
Non-performing	363,567	100.00%	312,202	100.00%	16.5%
Total	**19,014,882**		**19,740,674**		**(3.7%)**

The data shown relate only to loans (understood as financial loans and finance lease transactions)

Obviously, the reduction in performing loans and growth in defaults can also be seen in the distribution of loans according to the new AIRB compliance classification.

Other factors emerge from analysis of performing loans:

A) the "not at risk" counterparties were reduced, but not by as much as irregular counterparties (first and second band) which fell significantly for two reasons:
- the work of the credit task force and the results of the previously mentioned extension period;
- the above-mentioned change in classification of "exposures secured by real estate";

B) PD grew across all performing loan classes except Band II, in which there was a greater effect from transferring to default the exposures backed by real estate with the greatest insolvency (more than 90 days past due);

C) default positions grew considerably, although:
- half these positions refer to existing contracts, many of which are largely under control (e.g. with regular repayment plans);
- almost three quarters of the default portfolio is made up by the real estate portfolio, and a large part of that is existing contracts;
- a large part of the doubtful portfolio is also represented by real estate leasing, a lot of which is well secured with big contracts being settled;
- the other positions are adequately covered by funds (see next point).

4. Impairment losses

From 2008, the expected loss, defined by the AIRB method, also conditioned impairment losses on performing and defaulting positions.

For performing positions, the Company continues to follow group policy on losses sustained but not recognised, under which provisions are equal to the product of expected loss on each position and the loss confirmation period (LCP).

LCP is estimated by measuring the time between the customer's last regular payment and the date of default recognition, initially taking only agreements with missed payments.
Using this method, which is approved by the parent, LCP at 31 December 2009 was 7.799 months (compared with 9.147 months a year earlier).

Expected loss and IBNR provisions on performing positions

(Amounts in thousands of €)

	YEAR 2009		YEAR 2008	
PERFORMING CONTRACTS	LOANS	PA	LOANS	PA
Road vehicles	1,378,913	17,207	1,568,963	18,035
Capital goods	3,207,938	46,181	3,634,419	50,640
Air and sea vehicles	1,668,993	27,141	1,682,054	33,740
Real estate	10,865,398	44,706	11,902,428	50,225
Total	**17,121,242**	**135,235**	**18,787,864**	**152,641**
Loss Confirmation Period		75.0%		76.2%
Total IBNR provisions		**101,426**		**116,312**

The data shown relate only to loans (understood as financial loans and finance lease transactions)

In short, IBNR provisions fell by € 15 million. There were many reasons for this:
- Vehicles. Loans fell by 12.0%. PA declined by much less because of the sharp growth in PD, likewise for LGD;
- Capital goods. Loans also fell by 12.0% (due to the aforementioned market crisis). PA declined, but by much less, because of the sharp growth in PD. There was also a reduction in LGD owing to the revision of tables;
- Air-sea. Loans were stable (longer durations and fewer disputes). However, PA declined sharply because of fairly stable PD (richer customers) and a revision of LGD tables (now implemented on data for the sector);
- Real estate. PA fell by more than the loans. There was no increase in PD to offset the decline in loans, like there was in capital goods and vehicles, but only because the worst positions were transferred directly to default (see 8th amendment of Circular 217);
- LCP as a percentage of the year fell from 76.2% to 75.0%.

Given that the increase in PD offsets a partial reduction in LGD (the product of average PD and average LGD is the same for 2009 and 2008), the reduction in PA and subsequent provisions is due almost exclusively to the fall in performing loans and to the transfer to default of exposures secured by real estate and more than 90 days past due (LCP represents 1.4 percentage points).

It is necessary to add € 2.070 million to these performing provisions for commitments made under contracts that have been agreed but not completed (in the financial statements, these adjustments are added to other liabilities rather than deducted from credit).

Part D) - Other information (Continued)

(Amounts in thousands of €)

	YEAR 2009				YEAR 2008			
	LOANS	AVERAGE PD	AVERAGE LGD	PA	LOANS	AVERAGE PD	AVERAGE LGD	PA
Road vehicles	10,965	0.86%	30.07%	29	13,030	2.11%	31.10%	84
Capital goods	175,140	1.78%	39.71%	1,145	259,450	1.98%	47.69%	2,590
Air and sea vehicles	95,267	2.81%	31.01%	728	131,177	4.34%	41.31%	2,027
Real estate	466,981	1.04%	16.96%	858	664,712	0.33%	15.98%	354
Total commitments	**748,353**	**1.44%**	**24.21%**	**2,760**	**1,068,369**	**1.25%**	**26.97%**	**5,055**
Loss confirmation period				75.0%				76.2%
Total IBNR provisions				**2,070**				**3,852**

In 2009, the commitment portfolio fell by 30.0% but changed drastically, so a comparison with 2008 is not significant.
For provisions for defaulting positions, with 100.0% PD, only LGD was considered (plus the value of residual exposure after asset sales and mitigated on past-due contracts to take into account the performing repayment percentage).

The time effect and the manual adjustments for individual transactions ("best approximation of expected loss") were considered when defining the provisions.

Here is the overall picture:

(Amounts in €)

	YEAR 2009			YEAR 2008		
	CREDIT	FUND	COVERAGE	CREDIT	FUND	COVERAGE
Automatic						
Past due	730,537,403	49,870,625	6.83%	249,126,001	13,744,636	5.52%
Restructured	-	-		-	-	
Doubtful	444,264,102	81,947,306	18.45%	302,945,390	35,108,905	11.59%
Non-performing	176,548,893	100,123,256	56.71%	154,509,730	87,527,183	56.65%
	1,351,350,398	**231,941,187**	**17.16%**	**706,581,121**	**136,380,724**	**19.30%**
Manual						
Past due	-	-	0.00%	-	-	0.00%
Restructured	90,868,223	2,371,987	2.61%	50,597,997	4,725,379	9.34%
Doubtful	428,936,432	30,342,407	7.07%	117,790,015	26,272,275	22.30%
Non-performing	416,565,590	129,425,226	31.07%	367,185,332	121,965,507	33.22%
	936,370,245	**162,139,619**	**17.32%**	**535,573,345**	**152,963,161**	**28.56%**
Total						
Past due	730,537,403	49,870,625	6.83%	249,126,001	13,744,636	5.52%
Restructured	90,868,223	2,371,987	2.61%	50,597,997	4,725,379	9.34%
Doubtful	873,200,534	112,289,713	12.86%	420,735,405	61,381,180	14.59%
Non-performing	593,114,483	229,548,482	38.70%	521,695,063	209,492,690	40.16%
	2,287,720,643	**394,080,807**	**17.23%**	**1,242,154,466**	**289,343,885**	**23.29%**

The data shown relate only to loans (understood as financial loans and finance lease transactions)

Breakdown:

The coverage ratio of automatic systems was higher in 2009 than in the previous year (the past-due ratio rose from 5.52% to 6.83%, the doubtful ratio from 11.59% to 18.45% and there was virtually no change in the non-performing ratio, which moved from 56.65% to 56.71%). The total coverage ratio fell from 23.29% to 17.23%, owing exclusively to the different composition of defaults, which were more weighted towards past due in 2009 (less serious situations and less probability of loss).

Net loans after automatic provisions

(Amounts in €)

	YEAR 2009		YEAR 2008	
	LOANS	WEIGHTING %	LOANS	WEIGHTING %
Past due 180 + past due 90 default	680,666,778	60.8	235,381,365	41.3
Doubtful	362,316,796	32.4	267,836,485	47.0
Non-performing	76,425,637	6.8	66,982,547	11.7
Total	**1,119,409,211**		**570,200,397**	

The data shown relate only to loans (understood as financial loans and finance lease transactions)

In 2008 and 2009, funds relating to past-due capital goods and vehicles positions were increased, compared with AIRB proposals, to 20.0% in order to comply with prudent conduct suggested by the Bank of Italy for standard methodology (to which, for regulatory purposes, the Company conformed in 2009).

Overall, there was therefore a sharp decline in the coverage ratio (from 23.29% in 2008 to 17.23% in 2009) owing not to the adoption of a less prudent model or conduct, but simply to:

- a different composition of the default portfolio (in 2009, there was a shift from non-performing loans - which increased but saw their portfolio weighting fall significantly - to loans in temporary difficulty, which increased considerably);

(Amounts in €)

	YEAR 2009		YEAR 2008	
DEFAULT	LOANS	WEIGHTING %	LOANS	WEIGHTING %
Default	680,666	35.9	235,382	24.7
Past Due 180 + past due 90 default	88,496	4.7	45,873	4.8
Restructured	760,911	40.2	359,353	37.7
Doubtful	363,567	19.2	312,202	32.8
Non-performing	1,893,640	100.0	952,810	100.0
Total	**1,893,640**	**100.0**	**952,810**	**100.0**

The data shown relate only to loans (understood as financial loans and finance lease transactions)

and:

- to a different composition of doubtful loans, which, for the most part, were real estate and verified individually.

Part D) - Other information (Continued)

Section 3.2 - Market risks

3.2.1 - Interest rate risk

Qualitative information

1. General aspects

The procedures for managing, controlling and governing market risks are consolidated, well supported by the IT system and appropriately regulated by corporate rules.

Despite not being a trader, the Company is exposed to interest rate and exchange rate risk, although the modest level of such risks means there is no need to put capital against them.

The process of managing market risks involves initial control from a dedicated team in the finance division and then a broader control performed by a team in the risk division. Appropriate reporting is discussed at meetings of the Company's Risk Committee, at least once a quarter.

Quantitative information

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

ITEMS/RESIDUAL LIFE	UP TO 3 MONTHS	FROM 3 MONTHS TO 6 MONTHS	FROM 6 MONTHS TO 1 YEAR	FROM 1 YEAR TO 5 YEARS	FROM 5 YEARS TO 10 YEARS	INDETERMINATE LIFE
1. Assets	**15,054,171**	**228,750**	**143,980**	**961,304**	**324,350**	**2,526,230**
1.1 Debt securities	163	-	-	-	-	-
1.2 Receivables	15,054,008	228,750	143,980	961,304	324,350	2,526,230
1.3 Other assets	-	-	-	-	-	-
2. Liabilities	**19,093,639**	**103,155**	**-**	**-**	**-**	**-**
2.1 Payables	19,093,639	103,155	-	-	-	-
2.2 Debt securities in issue	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-
3. Financial derivatives						
Options	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Long positions	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-
Other derivatives	**-**	**-**	**-**	**-**	**-**	**-**
3.3 Long positions	-	(5,368,538)	-	-	-	-
3.4 Short positions	-	5,368,538	-	-	-	-

2. Models and other methods for measuring and managing interest rate risk

In accordance with guidelines laid down by the parent, the Company uses sensitivity analysis and gap analysis methods to measure interest rate risk. These enable punctual monitoring of positions and timely definition of any corrective action required.

3. Other quantitative information on interest rate risk

There is no additional information to report.

3.2.2 - Price risk

Qualitative and quantitative information

Owing to the nature of its business, the Company is not exposed to price risk.

3.2.3 - Exchange rate risk

Qualitative information

1. General aspects

The Company's involvement with exchange rates takes place through finance lease transactions denominated in foreign currencies or indexed to the exchange rates of foreign currencies.
The transactions are synthetically monitored to ensure minimum net total exposure to an individual currency.

Quantitative information

1. Distribution by denomination currency for assets, liabilities, and derivatives

	CURRENCY					
ITEMS	US DOLLAR	STERLING	YEN	CANADIAN DOLLAR	SWISS FRANC	OTHER
1. Financial assets	**(106,877)**	**-**	**(59,846)**	**-**	**(135,159)**	**-**
1.1 Debt securities	-	-	-	-	-	-
1.2 Equity instruments	-	-	-	-	-	-
1.3 Receivables	(106,877)	-	(59,846)	-	(135,159)	-
1.3 Other financial assets	-	-	-	-	-	-
2. Other assets	**-**	**-**	**-**	**-**	**-**	**-**
3. Financial liabilities	**106,204**	**-**	**59,191**	**-**	**128,466**	**-**
2.1 Payables	106,204	-	59,191	-	128,466	-
2.2 Debt securities in issue	-	-	-	-	-	-
2.3 Other financial liabilities	-	-	-	-	-	-
4. Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**
5. Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
5.1 Long positions	-	-	-	-	-	-
5.2 Short positions	-	-	-	-	-	-
Total assets	**(106,877)**	**-**	**(59,846)**	**-**	**(135,159)**	**-**
Total liabilities	**106,204**	**-**	**59,191**	**-**	**128,466**	**-**
Balance (+/-)	**(673)**	**-**	**(655)**	**-**	**(6,693)**	**-**

2. Models and other methods of measuring and managing exchange rate risk
There is no additional information to report.

Section 3.3 - Operational risks

Qualitative information

1. General aspects, management processes and methods for measuring operational risk

In March 2008, the Bank of Italy authorised UniCredit Leasing S.p.A. to apply the advanced method of calculating regulatory capital for operational risks: AMA model (Advanced Measurement Approach).

For several years, the Company has had a consolidated process that is integrated across the business, well supported by the IT system and appropriately governed by a specialised team and by a risk committee that regularly examines reports and the critical issues that arise from them.

Part D) - Other information (CONTINUED)

UniCredit Leasing S.p.A. can identify, measure, monitor and mitigate operational risks through recognition processes, classification systems, appropriate reports and opportune proposals for operational change by introducing additional controls to mitigate errors and frauds or by reducing potential risks found by analysis of indicators.

Quantitative information

Classification of losses by Basel II event type

(Amounts in €)

EVENT TYPE	YEAR 2007				YEAR 2008				YEAR 2009			
	NUMBER OF LOSS EVENTS	AMOUNT OF LOSSES	AMOUNT OF RECOVERIES	AMOUNT OF NET LOSSES	NUMBER OF LOSS EVENTS	AMOUNT OF LOSSES	AMOUNT OF RECOVERIES	AMOUNT OF NET LOSSES	NUMBER OF LOSS EVENTS	AMOUNT OF LOSSES	AMOUNT OF RECOVERIES	AMOUNT OF NET LOSSES
01 - Internal fraud	-	-	35,984	(35,984)	-	-	-	-	-	-	-	-
02 - External fraud	6	22,613	121,600	(98,987)	-	-	198,412	(198,412)	-	-	102,761	(102,761)
03 - Employment practices and workplace safety	-	-	-	-	1	100,100	-	100,100	-	-	-	-
04 - Customers, products and business practices	-	-	-	-	-	-	-	-	-	-	-	-
05 - Damage to physical assets	70	80,172	40,716	39,456	13	26,004	8,001	18,003	7	16,101	-	16,101
06 - Business disruption and system failures	-	-	-	-	-	-	-	-	1	226,980	-	226,980
07 - Execution delivery and process management	65	786,238	66,811	719,427	30	194,200	1,012	193,188	49	474,762	-	474,762
Total losses	**141**	**889,023**	**265,111**	**623,912**	**44**	**320,304**	**207,425**	**112,879**	**57**	**717,843**	**102,761**	**615,082**

Gross operating losses in 2009 were € 717,843 (+124.0% on 2008 and -19.0% on 2007);
The Company recorded no operating losses relating to Basel II event types: "Internal fraud" (type 01), "External fraud" (type 02), "Employment practices and workplace safety" (type 03) and "Customers, products and business practice" (type 04);

For the other Basel II event types:

- "External fraud" (type 02): the recovery of a significant amount relating to an event in 2006 is ongoing (€ 102,761);
- "Damage to physical assets" (type 05): operating losses were € 16,101 (-38.0% on 2008 and -80.0% on 2007) and related primarily to insurance deductibles for damage to leased company cars and to branch offices;
- "Business disruption and systems failures" (type 06): only one significant case (€ 226,980, not comparable with the two previous years), owing to a claim from a customer relating to a mistake in calculating indexation;
- losses on "Execution, delivery and process management" (type 07) were highest at € 474,762 (+144.0% on 2008 and -40.0% on 2007), although around 40.0% of that related to a single case inherited from MedioCredito Centrale.

Section 3.4 - Business combinations

Transactions completed during 2009

1.1 Business combination transactions

There were no business combinations with third parties in 2009.

As part of reorganising subsidiaries and associates, the Company implemented business restructuring transactions relating to directly or indirectly controlled companies (business combination under common control).

In line with group policy, these transactions, of no real economic substance, were posted to the financial statements of the transferror and transferree under the pooling-of-interests method.
Under this method, the transferree recognises the net assets acquired at their carrying amount in the transferror's financial statements.
Any differences between this value and the acquisition price are recorded to equity reserves by both the transferror and the transferree.

The main transactions carried out in 2009 were:

- the acquisition by OOO UniCredit Leasing, previously wholly owned by ZAO UniCredit Bank, of ZAO Locat Leasing Russia, previously wholly owned by UniCredit Leasing, and the acquisition by the latter of a controlling stake in OOO UniCredit Leasing;
- the merger of BACA Giocondo Nekretnine D.O.O. into Interkonzum DOO;
- the merger of BACA Minerva Leasing GMBH into UniCredit Global Leasing Export GmbH;
- the restructuring of Bulgarian companies, as follows:
  - UCL Leasing Bulgaria AD, previously owned by UCL Italia S.p.A. (51.0%) and Bulbank AD (49.0%), changed its shareholder structure to UCL Italia S.p.A. (25.0%), Bulbank AD (24.0%), HVB Leasing ood (41.0%) and UCL Versicherung Services (10.0%); in turn, UCL Leasing Bulgaria AD became the outright owner of UniCredit Insurance Broker and Bulbank Leasing AD;
- the merger of CALG Hotelgrundstuckverwaltung Grundung 1986 GmbH into UniCredit Global Leasing Export GmbH.

The acquisition of OOO UniCredit Leasing and the transfer of Zao Locat Leasing Russia entailed an equity reserve of € 4,188 thousands, while the restructuring of the Bulgarian companies entailed a reserve of € 16,128 thousands.

Part D) - Other information (CONTINUED)

Section 4 - Equity information

4.1 Company equity

4.1.1 Qualitative information

The Company's equity comprises original capital contributions and associated premiums, reserves made up from retained profit and reserves from previous mergers.

4.1.2 Quantitative information

4.1.2.1 Company equity: breakdown

(Amounts in thousands of €)

ITEMS/AMOUNTS	AMOUNT 12.31.2009	AMOUNT 12.31.2008
1. Share capital	**410,131**	**410,131**
2. Share premiums	**149,963**	**149,963**
3. Reserves		
- of profit		
a) legal	39,279	33,644
b) statutory	-	-
c) treasury shares	-	-
d) other	909,897	410,192
- other	-	-
4. Treasury shares	**-**	**-**
5. Revaluation reserves		
- Available-for-sale financial assets	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Foreign investment hedging	-	-
- Cash flow hedging	(1,113)	-
- Exchange rate differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Special revaluation laws	-	-
- Actuarial gains (losses) relating to defined-benefit pension plans	-	-
- Share of revaluation reserves relating to equity investments valued using the equity method	-	-
Equity instruments	**-**	**-**
Gains (losses) for the year	**84,476**	**112,702**
Total	**1,592,633**	**1,116,632**

4.1.2.2 Revaluation reserves of available-for-sale financial assets: breakdown

There is no balance for this item.

4.1.2.3 Revaluation reserves of available-for-sale financial assets: annual changes

There is no balance for this item.

4.2 Regulatory ratios and capital

4.2.1 Regulatory capital

4.2.1.1 Qualitative information

The part of equity included in regulatory capital consists primarily of equity.

4.2.1.2 Quantitative information

(Amounts in thousands of €)

ITEMS/AMOUNTS		AMOUNT 12.31.2009	AMOUNT 12.31.2008
A.	**Core capital before applying prudential filters**	**1,592,633**	**1,115,630**
B.	Prudential filters for core capital	(12,269)	(11,002)
B.1	Positive IFRS prudential filters (+)		
B.2	Negative IFRS prudential filters (-)	(12,269)	(11,002)
C.	**Core capital before deductions (A + B)**	**1,580,364**	**1,104,628**
D.	Deductions from core capital	(58,405)	(66,718)
E.	**Total core capital (Tier 1) (C - D)**	**1,521,959**	**1,037,910**
F.	**Supplementary capital before applying prudential filters**		
G.	Prudential filters for supplementary capital	-	-
G.1	Positive IFRS prudential filters (+)		
G.2	Negative IFRS prudential filters (-)		
H.	**Supplementary capital before deductions (Tier 2) (F + G)**	**-**	**-**
I.	Deductions from supplementary capital	(58,405)	(66,718)
L.	**Total supplementary capital (Tier 2) (H - I)**	**(58,405)**	**(66,718)**
M.	Deductions from Total of supplementary and core capital	-	-
N.	**Regulatory capital (E + L - M)**	**1,463,554**	**971,192**
O.	Tier 3 capital	-	-
P.	**Tier 3 regulatory capital (N + O)**	**1,463,554**	**971,192**

4.2.2 Capital adequacy

4.2.2.1 Qualitative information

The Company is adequately capitalised for its business.

Part D) - Other information (Continued)

4.2.2.2 Quantitative information

(Amounts in thousands of €)

CATEGORIES/AMOUNTS	UNWEIGHTED AMOUNTS 12.31.2009	UNWEIGHTED AMOUNTS 12.31.2008	WEIGHTED/REQUIRED AMOUNTS 12.31.2009	WEIGHTED/REQUIRED AMOUNTS 12.31.2008
A. Risk assets				
A. 1. Credit and counterparty risk				
1. Standardised approach	23,225,365	18,119,262	13,558,816	13,106,422
2. Internal ratings-based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisation				
B .Regulatory capital requirements				
B. 1. Credit and counterparty risk			**813,529**	**786,385**
B. 2. Market risk				
1. Standard method			-	-
2. Internal models			-	-
3. Concentration risk			-	-
B. 3. Operating risk				
1. Basic method			-	-
2. Standardised method			-	-
3. Advanced method			25,975	25,789
B. 4. Other prudential requirements			**-**	**-**
B. 5. Other calculation elements				
Reduction of requirements for financial intermediaries				
belonging to banking groups or brokerages (25.0%)			209,876	203,044
B. 6. Total prudential requirements			**629,628**	**609,130**
C . Risk assets and regulatory ratios				
C. 1 Risk-weighted assets			**13,991,733**	**13,536,229**
C. 2 Core capital/risk-weighted assets (Tier 1 capital ratio)			**10.88**	**7.67**
C. 3 Regulatory capital including Tier 3/risk-weighted assets (Total capital ratio)			**10.46**	**7.17**

Section 5 - Detailed statement of comprehensive income

(Amounts in thousands of €)

	GROSS AMOUNT	INCOME TAX	NET AMOUNT
10. Profit (loss) for the year	**114,643**	**(30,167)**	**84,476**
Other income components			
20. Available-for-sale financial assets	**-**	**-**	**-**
a) changes in Fair Value	-	-	-
b) transfers to income statement	-	-	-
- impairment losses	-	-	-
- unrealised gains (losses)	-	-	-
c) other changes	-	-	-
30. Property, plant and equipment	**-**	**-**	**-**
40. Intangible assets	**-**	**-**	**-**
50. Foreign investment hedging:	**-**	**-**	**-**
a) changes in Fair Value	-	-	-
b) transfers to income statement	-	-	-
c) other changes	-	-	-
60. Cash flow hedging	**(1,472)**	**359**	**(1,113)**
a) changes in Fair Value	(1,472)	359	(1,113)
b) transfers to income statement	-	-	-
c) other changes	-	-	-
70. Exchange rate differences	**-**	**-**	**-**
a) changes in Fair Value	-	-	-
b) transfers to income statement	-	-	-
c) other changes	-	-	-
80. Non-current assets held for sale	**-**	**-**	**-**
a) changes in Fair Value	-	-	-
b) transfers to income statement	-	-	-
c) other changes	-	-	-
90. Actuarial gains (losses) from defined-benefit plans	**-**	**-**	**-**
100. Share of reserves from valuation of equity investments measured using the equity method	**-**	**-**	**-**
a) changes in Fair Value	-	-	-
b) transfers to income statement	-	-	-
- impairment losses	-	-	-
- unrealised gains (losses)	-	-	-
c) other changes	-	-	-
110. Total other income components	**(1,472)**	**359**	**(1,113)**
120. Comprehensive income (item 10 +110)	**113,171**	**(29,808)**	**83,363**

Section 6 - Related party transactions

Under IAS 24, related parties which are relevant for UniCredit Leasing S.p.A. include:

- subsidiaries and associates;
- the parent and UniCredit Group companies;
- directors and senior managers of UniCredit Leasing S.p.A. and UniCredit Group ("key management personnel");
- close relatives of key management personnel and companies controlled by (or associated with) key management personnel or their close relatives;
- UniCredit Group employee pension funds.

In order to ensure full compliance with legislative and regulatory provisions currently in effect concerning the disclosure of transactions with related parties, UniCredit Group has for some time followed a procedure for identifying such transactions. Under this procedure, the decision-making bodies provide appropriate information to enable compliance with the obligations of current law.

Part D) - Other information (Continued)

In particular, the parent has issued the necessary instructions for systematically complying with said disclosure obligations to all UniCredit Group companies.

All related party transactions were appropriately identified under current regulations and were carried out under the same conditions as those applied to transactions with independent third parties.

6,1 Information on the remuneration of executives with strategic responsibilities

(Amounts in thousands of €)

	YEAR 2009	YEAR 2008
a) Short-term benefits	1,196	1,094
b) Post-employment benefits	57	49

6.2 Loans and guarantees issued to directors and statutory auditors

At 31 December 2009, the Company had not issued any loans or guarantees to directors and statutory auditors.

(Amounts in thousands of €)

	YEAR 2009	YEAR 2008
a) Directors	2,165	1,214
b) Statutory auditors	436	73

6.3. Information on related-party transactions

These transactions were completed, as a rule, under conditions similar to those applied in transactions with unrelated third parties.
Intra-group transactions were carried out on the basis of assessments of mutual economic benefit, and the applicable terms and conditions were established in compliance with criteria of substantial correctness, in light of the common goal of creating value for the entire group.
The same principle was also applied to intra-group services, together with the principle of charging on a minimal basis for these services, solely with a view to recovering the respective production costs.
The statement attached to the report on operations shows the impact on the balance sheet and income statement of intra-group transactions, separately for individual counterparties.

There were no transactions with related parties other than those listed above.

Pursuant to the provisions of applicable regulations, no atypical and/or unusual transactions were carried out in 2009 whose significance/size could give rise to doubts as to the protection of company assets, either with related or other parties.

Section 7 - Other information

7.1 Average number of employees per category

CATEGORY	YEAR 2009	YEAR 2008
Executives	30	25
3rd/4th-level managers	144	103
1st/2nd-level managers	124	98
Other employees	316	307
Total	**614**	**533**

7.2 Share-based payments

7.2.1 Instruments in issue

Medium and long-term incentive plans for employees of the Company include equity-settled share-based payments that involve payment in shares of the parent UniCredit S.p.A..
This category includes the following:

- **Stock Option** allocated to selected top and senior managers and to key personnel;
- **Performance Share** allocated to selected top and senior managers and to key personnel, represented by free UniCredit ordinary shares that the parent undertakes to grant, conditional to achieving performance targets set at group and division level in the business plan and any amendments thereto approved by the parent's board of directors;
- **Employee Share Ownership Plan (ESOP)** which offers qualifying group employees the chance to buy ordinary UniCredit shares with the following benefits: allocation of a number of free shares ("discount shares" and "matching shares" or, for the latter, options on them) measured against the number of shares bought by each participant ("investment shares") during the subscription period. The allocation of free shares is subject to compliance with vesting conditions (different to market conditions) established by plan regulations.

7.2.2 Valuation model

Stock Option
The Hull and White Evaluation Model has been adopted to measure the economic value of stock options.
This model is based on a trinomial tree price distribution using Boyle's algorithm and estimates the early exercise probability on the basis of a deterministic model connected to:
reaching a market value equal to an exercise price multiple (M);
the probability of beneficiaries' early exit (E) after the end of the vesting period.
There were no new stock option plans in 2009.

Other equity instruments (performance shares)
The economic value of performance shares is the market price per share less the present value of future dividends during the performance period. Parameters are estimated by applying the same model used for stock options.
There were no new performance share plans in 2009.

Employee Share Ownership Plan
The unit value of discount shares and matching shares (or options on them) is measured at the end of the subscription period on the basis of the average weighted price paid on the market by participants for investment shares.
The valuations and relative parameters for discount shares and matching shares (or options on them) relating to the ESOP approved in 2008 are shown in the tables below.

Valuation of ESOP 2008 discount shares

	DISCOUNT SHARE
Date of allocation of discount shares to group employees	Jan 18, 2010
Start of vesting period	Jan 1, 2009
End of vesting period	Dec 31, 2009
Unit Fair Value of discount share [€]	1.702

Valuation of ESOP 2008 matching shares

	MATCHING SHARES
Date of allocation of matching shares (or options on them) to group employees	Jan 18, 2010
Start of vesting period	Jan 1, 2010
End of vesting period	Dec 31, 2012
Unit fair value of matching share (or option on it) [€]	1.702

Part D) - Other information (Continued)

As part of the ESOP approved in 2008:
- every effect on the balance sheet and income statement relating to discount shares was booked in 2009 (except adjustments, as per the plan regulations, which will be recognised in 2010);
- the effects on the balance sheet and income statement relating to matching shares (or options on them) will be booked in the 2010-2012 period.

7.2.3 Quantitative information

Effects on profit or loss
All share-based payments granted after 7 November 2002 whose vesting period ends after 1 January 2005 are included within the scope of regulations.

Balance sheet and income statement effects of share-based payments

(Amounts in thousands of €)

BALANCE SHEET AND INCOME STATEMENT EFFECTS OF SHARE-BASED PAYMENTS	12.31.2009 OVERALL	12.31.2009 VESTED PLANS	12.31.2008 OVERALL	12.31.2008 VESTED PLANS
Costs	230		**259**	
-relating to equity-settled plans	230		**259**	
-relating to cash-settled plans	-		**-**	
Debts settled with UniCredit Italiano S.p.A. against "vested" plans (*)		3		**64**
Debts accrued with UniCredit S.p.A. (*)	561		**437**	

(*) amount equal to the accrued economic value of services provided by employee beneficiaries of plans that provide for payment in shares of UniCredit S.p.A.

7.3 Information on payments to the external auditors and other network companies

Pursuant to Article 149 duodecies of Consob Regulation 11971/99 and subsequent amendments and additions, information on payments to KPMG S.p.A., the firm charged with auditing the Company in accordance with Legislative Decree no. 58/98, and to other network companies is shown below:

(Amounts in thousands of €)

	COMPANY THAT PROVIDED THE SERVICE KPMG S.P.A.	FEE
Audit of financial statements *	KPMG S.p.A.	385

* Includes fees for auditing the annual financial statements, verifying corporate accounting practices and the correct recognition of operating facts in accounting documents as well as review of the interim report."

7.4 Ratings

Ratings of the Company from the main international ratings agencies are shown below:

	SHORT-TERM DEBT	MEDIUM- AND LONG-TERM DEBT	OUTLOOK	DATE OF LAST RATING
Moody's Investor Service	P-1	A1	Stable	**7-Oct-08**
Standard & Poor's	A-2	A-	Stable	**18-Mar-09**

7.5 Statement on assets subjected to revaluation under specific laws

(Amounts in thousands of €)

	LAW No 413/93	TOTAL
Properties used by the Company	209	209
Total	**209**	**209**

7.6 Parent and management and coordination activities

The parent is UniCredit S.p.A., whose registered office is at via Minghetti, 17 in Rome.

Pursuant to Article 3 of Legislative Decree no. 38/05, UniCredit S.p.A. prepares the consolidated financial statements. A copy of said statements, the report on operations and the notes to the financial statements will be filed with the Rome companies' registered office, where the parent is registered.

The Company is subject to management and coordination by UniCredit S.p.A.. As such, and pursuant to Article 2497 bis of the Italian Civil Code, key data from the parent's most recent approved financial statements are shown below.

Parent identification data:

Tax Code and VAT No. 00348170101
Banking Group Register No. 3135.1

Part D) - Other information (Continued)

Reclassified balance sheet at 31.12.2008

(Amounts in millions of €)

Assets	
Cash and cash equivalents	33
Financial assets held for trading	9,005
Loans and receivables with banks	208,439
Loans and receivables with customers	36,519
Financial investments	80,078
Hedging	2,110
Property, plant and equipment	38
Goodwill	8,739
Other intangible assets	33
Tax assets	6,077
Current assets	5,019
Total assets	**356,090**
Liabilities and equity	
Deposits from banks	157,703
Deposits from customers and securities	131,527
Financial liabilities held for trading	3,893
Hedging	3,929
Provisions for risks and charges	1,490
Tax liabilities	2,665
Other liabilities	3,893
Equity:	50,990
- share capital and reserves	*47,818*
- revaluation reserves available-for-sale financial assets and reserve hedging	*(109)*
- profit	*3,281*
Total liabilities and equity	**356,090**

Reclassified income statement - 2008

(Amounts in millions of €)

Interest income	3,426
Dividends and other income from equity investments	2,973
Net interest income	**6,399**
Net commissions	2,465
Net income from trading, hedging and Fair Value	(288)
Net other income	(131)
Revenue from intermediation and other	**2,046**
Operating income	**8,445**
Payroll costs	(2,948)
Other administrative expenses	(2,492)
Recovery of expenses	348
Impairment losses on property, plant and equipment and intangible assets	(91)
Operating costs	**(5,183)**
Operating profit	**3,262**
Net provisions for risks and charges	(402)
Integration costs	(66)
Net value adjustments on receivables and on provisions for guarantees and commitments	(285)
Net profit from investments	(286)
Profit before tax from continuing operations	**2,223**
Income taxes for the year	1,058
Profit	**50,990**

Marco Colacicco,
Private Banking Client – Italy

«I presented my relationship manager at UniCredit Private Banking with a business proposal on December 30th. Frankly, due to the Christmas holiday, I knew it was a long shot to expect a quick response to a request for a large long-term loan on just three weeks' notice. Nonetheless, in the first week of January I turned in all the documentation, except for the building report, and after only two weeks, on January 25th, I was told that UniCredit Private Banking had put the requested credit line at our disposal. I was extremely satisfied by this prompt action and have since decided to move significant additional assets to the bank in the form of deposits and funds.»

It's easy with UniCredit.

Appendices

Statement of transactions with companies belonging to the UniCredit banking group

(Amounts in thousands of €)

	UNICREDIT S.P.A	UNICREDIT CORPORATE BANKING S.P.A.	UNICREDIT BANCA S.P.A.	UNICREDIT BANCA DI ROMA S.P.A.	UNICREDIT AUDIT S.P.A.	UNICREDIT CREDIT MANGEMENT BANK S.P.A.	BAYERISCHE HYPO- UND VEREINSBANK AG	QUERCIA SOFTWARE S.P.A.	UNICREDIT REAL ESTATE S.P.A.	BANK AUSTRIA CREDITANSTALT AG	UNICREDIT LEASING AUSTRIA GMBH	OTHER (*)	BALANCE AT 12.31.09	BALANCE AT 12.31.08
Assets														
20. Financial assets held for trading							54,707						54,707	39,635
60. Loans and receivables	3,839	11,247	1,254	23,748				3,653	1,604	99,308	-	1,241	145,894	32,357
70. Hedging derivatives							440					-	440	523
140. Other assets	582,451											-	582,451	575,225
Total assets	**586,290**	**11,247**	**1,254**	**23,748**	**-**	**-**	**55,147**	**3,653**	**1,604**	**99,308**	**-**	**1,241**	**783,492**	**647,740**
Liabilities														
10. Payables	10,993,649	981,923	1,635	184								293	11,977,684	10,367,961
30. Financial liabilities held for trading							55,697					-	55,697	39,866
50. Hedging derivatives		125					80,499					-	80,624	55,388
70. Tax liabilities														
a) current	(57,032)											-	(57,032)	(74,330)
90. Other liabilities	3,464	6	416	289	273	2,975			(85)	54	324	1,068	8,784	14,078
Total liabilities	**10,940,081**	**982,054**	**2,051**	**473**	**273**	**2,975**	**136,196**	**-**	**(85)**	**54**	**324**	**1,361**	**12,065,757**	**10,402,963**

(Amounts in thousands of €)

	UNICREDIT S.P.A	UNICREDIT CORPORATE BANKING S.P.A.	UNICREDIT BANCA S.P.A.	UNICREDIT BANCA DI ROMA S.P.A.	UNICREDIT AUDIT S.P.A. (TERZI)	UNICREDIT CREDIT MANGEMENT BANK S.P.A.	BAYERISCHE HYPO- UND VEREINSBANK AG	QUERCIA SOFTWARE S.P.A.	UNICREDIT REAL ESTATE S.P.A.	BANK AUSTRIA CREDITANSTALT AG	UNICREDIT LEASING AUSTRIA GMBH	OTHER (*)	BALANCE AT 12.31.09	BALANCE AT 12.31.08
Items														
10. Interest income and similar revenue	13,695	1,726		173				102	48	246		442	16,432	27,146
20. Interest expense and similar costs	(217,707)	(18,574)	(7)				(36,705)			(639)		-	(273,632)	(569,149)
30. Fee and commission income	29,520											379	29,899	9,709
40. Fee and commission expense	(1,333)	(3,153)	(171)	(86)								(268)	(5,011)	(6,765)
50. Dividend income and similar revenue										50,000		1,678	51,678	54
60. Gains (losses) from trading							(2,617)					-	(2,617)	(8)
70. Gains (losses) from hedging		(26)					(24,179)					-	(24,205)	(61,571)
110. Administrative expenses														
a) payroll costs	(1,190)	(219)	(211)	40	(4)	71			8	(385)	(3,733)	(202)	(5,825)	(283)
b) other administrative expenses	(725)	(5)			(1,792)	(798)		(1)	(1,419)		(1,247)	(2,861)	(8,848)	(5,746)
160. Other net operating income						(7,521)			2,352		242	3,239	(1,688)	1,179,00
Total costs	**(177,740)**	**(20,251)**	**(389)**	**127**	**(1,796)**	**(8,248)**	**(63,501)**	**101**	**989**	**49,222**	**(4,738)**	**2,407**	**(223,817)**	**(605,434)**

(*) Fineco Leasing S.p.A., UniCredit Private Banking S.p.A., BanK Pekao SA, UniCredit Mediocredito Centrale S.p.A., Fineco Bank S.p.A., UniCredit Family S.p.A., Banco di Sicilia S.p.A., UniCredit Business Partner S.p.A., UniCredit Global Information Services S.p.A., UniCredit Banca Assurance Management & Administration S.r.l., Polimar 6 sp. z.o.o., Polimar 13 sp. z.o.o., Unicredit Leasing (Austria) GmbH, Pekao Leasing Holding S.A., IPG Industriepark Gyor Projektierungsgesellschaft, BA - Creditnstalt Angla sp. z.o.o., Real Estate Management Poland sp. z.o.o., UniCredit Bulbank AG, UniCredit Leasing Coorp. IFN S.a. (Romania), UniCredit Leasing Hungary, SIA UniCredit Leasing Lettonia, UniCredit Leasing AD (Bulgaria), UniCredit Leasing (Croazia).

Board of statutory auditors' report

UNICREDIT LEASING S.P.A.
BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 2429 OF THE ITALIAN CIVIL CODE

To the shareholders,

We report to you on the supervisory activity carried out in the year ended 31 December 2009, reminding you that the audit is exclusively the remit of the independent auditors.
During the year, we performed checks and verifications, carrying out our supervisory activity in accordance with current regulations.
In particular:

- we did not find the existence of transactions that could be considered atypical and/or unusual, including intra-group transactions or those with related parties, which were part of ordinary business and, as confirmed by the structure, were settled under market conditions;

- we participated in shareholders' meetings and meetings of the Board of Directors, ensuring that decisions taken and actions implemented conformed with the law, the Company's Articles of Association and supervisory regulations;

- we obtained information on and supervised, to the extent of our authority, the adequacy of the organisational structure of the Company and compliance with principles of proper administration and business procedures through direct surveys and information gathered from the managers of the departments concerned;

- we supervised on anti-money-laundering regulations;

- there were no charges pursuant to Article 2408 of the Italian Civil Code;

- we supervised on the adequacy of the internal control system, with particular focus on risk and accounting administration control, and on the reliability of the latter in properly representing operating information, through surveying managers of the departments involved, studying corporate documents and analysing the findings of the independent auditors. For this purpose, we also used information from the internal audit and compliance departments.

While conducting our supervisory activity, we noted that the internal audit department, in its 2009 annual report, described the internal control system at sub-holding (UniCredit Leasing) and group level as "unsatisfactory". The Board of Directors has acknowledged this and has identified corrective action to be implemented from this year (2010).

At present, we feel such measures are adequate. We will monitor the progress of their implementation.
In accordance with Legislative Decree 231/2001 on administrative responsibility, the activities of the relevant control body set up pursuant to said decree continued in 2009, as did supervision of the organisation and updating of the management model.

As part of our duties, we examined the financial statements at 31 December 2009, which were supplied to us by the Board of Directors pursuant to Article 2429.1 of the Italian Civil Code. We hereby serve notice that the financial statements as at and for the year were prepared in accordance with international financial reporting standards, with Legislative Decree 38/2005 and with the Bank of Italy Provision of 16 December 2009.

We also serve notice that the report on operations and/or the notes to the financial statements:

- contain declaration of conformity to applicable international financial reporting standards and indicate the main measurement criteria adopted;

- confirm that the Company can continue as a going concern and comment on existing financial risks pursuant to document no.2 prepared by the Bank of Italy, Consob and Isvap of 6 February 2009 and to the subsequent document no.4 of 3 March 2010;

- provide information on payments for duties assigned to the independent auditors;

- provide information on related-party transactions carried out by the Company.

We can also confirm that the Company has complied with its obligations pertaining to the Documento Programmatico sulla Sicurezza (policy document on privacy), which provide for the annual updating thereof.

Not being mandated to perform detailed controls on the content of the financial statements, we supervised the general framework and legal compliance thereof relating to formation and structure. We have no specific observations to make on the matter.

Taking into account the report of the independent auditors pursuant to Article 156 of Legislative Decree no. 58 of 24 February 1998, the board of statutory auditors has no objection to the signing-off of the financial statements and to the proposals for profit allocation.

Milan, March 30, 2010

Board of Statutory Auditors

Michele Paolillo

Daniele Andretta

Romano Conti

Ferruccio Magi

Vincenzo Nicastro

Independent auditors' report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it

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

Report of the auditors in accordance with articles 156 and 165 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
UniCredit Leasing S.p.A.

1 We have audited the financial statements of UniCredit Leasing S.p.A. as at and for the year ended 31 December 2009, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in 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.

The financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the company's directors restated some of the corresponding figures included in the prior year financial statements. We audited such financial statements and issued our report thereon on 2 April 2009. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the financial statements at 31 December 2009.

3 In our opinion, the financial statements of UniCredit Leasing S.p.A. as at and for the year ended 31 December 2009 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 Leasing S.p.A. as at 31 December 2009, 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 Leasing S.p.A. does not extend to such data.

5 The directors of UniCredit Leasing 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 Leasing S.p.A. as at and for the year ended 31 December 2009.

Milan, 30 March 2010

KPMG S.p.A.

(signed on the original)

Paolo Valsecchi
Director of Audit

Resolutions of the shareholders' meeting

Resolutions of the plenary ordinary and extraordinary shareholders' meeting of April 16, 2010.

Having seen the reports of the board of directors and the board of statutory auditors for 2009, the shareholders resolved to:

- approve the financial statements at December 31, 2009, comprising the balance sheet, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements;

- allocate profit for the year, in the amount of € 84,475,721.00, as follows:
  - 5.0% to the legal reserve: € 4,223,786.05;
  - donation to UniCredit Group's Unidea foundation and other humanitarian projects (Haiti): €800,000
  - € 79,451,934.95 to the extraordinary reserve.

The shareholders' meeting also resolved to:

- accept the resignations of directors Gianni Coriani and Federico Ghizzoni;

- appoint (until the term of office of the current board of directors expires, i.e. until the date of the shareholders' meeting called to approve the financial statements at December 31, 2011) Andrzej Kopyrski as a new director;

- confirm the appointment of (until the term of office of the current board of directors expires, i.e. until the date of the shareholders' meeting called to approve the financial statements at December 31, 2011) director Luca Manzoni (who was co-opted by the board of directors on January 29, 2010);

- approve the mandate of the independent auditors KPMG S.p.A. to audit the financial statements at December 2008, 2009, 2010, 2011 and 2012, as well as to provide a review of the interim financial statements and the activities pursuant to Article 155 of Legislative Decree 58/98;

- update the Company's bylaws to reflect the change in the Company's registered office address in Bologna from Piazza di Porta S. Stefano, 3 to Via Rivani, 5;

- transfer the secondary headquarters in Brescia from Via Lechi, 58 to Via Marsala, 42/A;

- change Article 3 of the bylaws, which regulates the Company's registered office and secondary headquarters, accordingly.

Milan, April 16, 2010

Radu Timis,
Cristim Group
Corporate Banking Client - Romania

«At a time of market contraction, when increased commercial pressures were combined with the effects of the financial crisis, UniCredit Tiriac Bank was open to supporting my company to launch a new business line. By supporting the new concept, the bank showed trust and confidence in our expertise, which set the stage for our expansion.»

It's easy with UniCredit.

Regional organisation

Registered office, management offices and branches

Registered Office
Via Rivani, 5
40138 Bologna
Headquarter
Viale Bianca Maria, 4
20129 Milan
Ph: 02.5568.1 - Fax 02.5568.300
e-mail: info@unicreditleasing.eu - www.unicreditleasing.it

Branches

BARI
Via Roberto da Bari, 87
Ph: 080.5242.643 - Fax: 080.5242.748

BOLOGNA
Via Rivani, 5
Ph: 051.4205111 - Fax: 051.4205401-403

BUSTO ARSIZIO (VA)
P.zza San Giovanni, 2
Ph: 0331.39301 - Fax: 0331.321308

CATANIA
Via Giacomo Puccini, 25
Ph: 095.2508411 - Fax: 095.326180

LUCCA
Via Catalani, 46
Ph: 0583.310511 - Fax: 0583.53578

MILAN
Via Vittor Pisani, 10
Ph: 02.366606.11 - Fax: 02.36660340

NAPLES
Via Paolo Emilio Imbriani, 30
Ph: 081.19708011 - Fax: 081.19708050

PARMA
Via Mazzacavallo, 8
Ph: 0521.275911 - Fax: 0521.275950

PESARO
Via Gagarin, 191
Ph: 0721.425111 - Fax: 0721.26740

PESCARA
P.zza della Rinascita, 5
Ph: 085.2949511 - Fax: 085.4225101

PRATO
Viale della Repubblica, 36
Ph: 0574.55941 - Fax: 0574.595707

ROME
P.zza della Libertà, 20
Ph: 06.36081201 - Fax: 06.3214500

TURIN
Via Nizza, 150
Ph: 011.55681 - Fax: 011.5568411

TREVISO Villorba
Via della Repubblica, 22
Ph: 0422.303008 - Fax: 0422.300648

UDINE
Viale del Ledra, 108
Ph: 0432.536111 - Fax: 0432.536130

VERONA
Via Roveggia, 43/b
Ph: 045.8238711 - Fax: 045.82387254

VICENZA
Viale Mazzini, 77/a
Ph: 0444.997511 - Fax: 0444.322874

UniCredit Leasing Point

MODENA
Via Corassori, 70
c/o UniCredit Corporate Banking S.p.A
Ph: 059.2929239- Fax: 059.2918217

MONZA
Corso Milano, 7
c/o UniCredit Corporate Banking S.p.A
Ph: 039.3946291 - Fax: 039.3946212

PADUA
Via delle Granze, 8/a
c/o UniCredit Corporate Banking S.p.A
Ph: 0444.997509 - Fax: 049.7625301

PALERMO
Via Roma, 314
c/o Banco di Sicilia S.p.A
Ph: 091.6010423 - Fax: 091.6010311

SERVICES OF THE FOLLOWING BANKS ARE AVAILABLE AT ALL BRANCHES OF BANKS OF THE UNICREDIT GROUP

UNICREDIT CORPORATE BANKING S.p.A.

UNICREDIT BANCA S.p.A.

UNICREDIT BANCA DI ROMA S.p.A.

BANCO DI SICILIA S.p.A.

UNICREDIT PRIVATE BANKING S.p.A.

FINECO BANK S.p.A.

UNICREDIT FAMILY FINANCING BANK S.p.A.

UNICREDIT CREDIT MANAGEMENT BANK S.p.A.

SERVICES OF THE FOLLOWING BANKS ARE AVAILABLE AT ALL COOPERATING BANKS

BANCO EMILIANO ROMAGNOLO S.p.A.

BANCASAI S.p.A.

BANCA SARA BANCA DELLA RETE S.p.A.

CASSA RURALE ED ARTIGIANALE DI BRENDOLA CREDITO COOPERATIVO S.C. a.r.l.

CASSA DI RISPARMIO DI FOSSANO S.p.A.

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