UniCredit
Factoring

Make it simple. It's *easy* with UniCredit.

2009 Reports and Accounts

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 Factoring

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 Reports and Accounts

Statutory Boards and Corporate Officers

As at 31st December 2009

Board of Directors

Cesare Caletti	Chairman
Francesco Mezzadri Majani	Deputy Chairman
Fausto Galmarini	Chief Executive Officer
Armando Artoni Ferdinando Brandi Umberto Giacomelli Antonio Muto	Directors
Ilaria Bianchi	Secretary

Board of Statutory Auditors

Giorgio Cumin	Chairman
Roberto Bianco Federica Bonato	Standing Auditors
Antonio Colombo Enzo Contini	Alternate Auditors

Corporate Officers

Fausto Galmarini	Chief Executive Officer
Eugenio Calini	Deputy Managing Director Head of Business Development Department
Elvio Campagnola	Deputy Managing Director Head of Debtors Management Department
Antonio Fiore	Deputy Managing Director Head of Credit and Risks Department
Antonio Moretti	Head of Global Factoring Services Department
Mario Ricciardi	Head of Global Factoring Development Department
Claudio Barbazza	Head of Human Resources Department
Nicoletta Cortivo	Head of Planning, Finance and Administration Department
Fausto Galmarini a.i.	Head of Legal Department

UNICREDIT FACTORING S.p.A.
A sole partner company belonging to the Gruppo Bancario UniCredit
entered in the Roll of Bank Groups cod.3135.1
Share capital Euro: 114,518,475.48 fully paid up
Legal reserve: Euro 4,969,159.97
Registered office in Milan - 20122 Milan via Albricci, 10
Tel. +39 02 366 71181 - Fax +39 02 366 71143
R.E.A. n. 840973
Tax code and registration number in
the Business Registry of Milan 01462680156
Registered in the general list in conformity with the article 106 TUB with the nr. 28148 and in the special list of financial intermediaries in conformity with article 107 TUB with the nr. 1000005239
E-mail: info.ucfactoring.it@unicreditgroup.eu
www.unicreditfactoring.it

Statutory Boards and Corporate Officers

As at 31st March 2010

	Board of Directors
Cesare Caletti	**Chairman**
Francesco Mezzadri Majani	**Deputy Chairman**
Ferdinando Brandi	**Chief Executive Officer**
Armando Artoni Umberto Giacomelli Antonio Muto Roberto Venturini	**Directors**
Ilaria Bianchi	**Secretary**
	Board of Statutory Auditors
Giorgio Cumin	**Chairman**
Roberto Bianco Federica Bonato	**Standing Auditors**
Paolo Colombo Massimo Gatto	**Alternate Auditors**
	Corporate Officers
Ferdinando Brandi	**Chief Executive Officer**
Eugenio Calini	**Deputy Managing Director Head of Business Development Department**
Elvio Campagnola	**Deputy Managing Director Head of Debtors Management Department**
Antonio Fiore	**Deputy Managing Director Head of Credit and Risks Department**
Antonio Moretti	**Head of Global Factoring Services Department**
Mario Ricciardi	**Head of Global Factoring Development Department**
Flavio Marco Ambrosetti	**Head of Human Resources Department**
Maurizio Ambrosi	**Head of Legal Department**
Nicoletta Cortivo	**Head of Planning, Finance and Administration Department**

Sandro Boscaini,
Masi Agricola S.p.A.
Corporate Banking Client – Italy

«UniCredit Group has always supported our company Masi Agricola S.p.A. in complex operations. The bank helps us with the development of our business, which is distributed in over 80 countries and offers us the most suitable products for our specific financial needs.»

It's easy with UniCredit.

Contents

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

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

Agenda of the Ordinary Shareholders' Meeting

UNICREDIT FACTORING S.p.A.
A UniCredit Banking Group Company
Listed in the Register of Banking Groups
Registered offices in Milan, Via Albricci, 10
Share capital 114,518,475.48 fully paid in
Listed in the Milan Register of Companies, R.E.A. nr. 840973
Tax Code and VAT nr. 01462680156

Shareholders are hereby convened on first call to the Annual General Shareholders' meeting of **31st March 2010, at 13.30 hours**, to be held at the registered offices in Milan, via Albricci 10, and if necessary on second call on 1st April 2010, at the same time and place, to resolve the following:

AGENDA

1. Approval of the Financial Statements as at 31.12.2009, the Board of Directors' and Statutory Auditors' reports, contingent and related resolutions.
2. Nomination of the Directors and Chairman of the Board, definition of the number of members, duration of appointment and attribution of respective fees.
3. Nomination of the Board of Statutory Auditors, of the Chairman of the Board, and determination of their respective fees.

Pursuant to art. 13 of the Articles of Association all shareholders with voting rights, duly listed in the shareholder's register, may attend the Annual General Meeting.

Milan, 22nd March 2010

The Chairman
Cesare CALETTI

Directors' report

Directors' report

Dear Shareholders,

1. Overall macroeconomic scenario

After the numerous shocks which rocked the global market in the second semester of 2008 (the worsening crisis affecting the financial markets, the continuing expansion in the downturn of the real estate market, not only in the USA, and the exceptional upsurge in commodity prices, followed by an equally rapid correction), the start of 2009 registered a significant slowdown in worldwide financial activities, emphasized by a general reduction of the GDP, especially in the USA and in western European countries. There were, however, a few factors which led, in the second semester of 2009, to a slight recovery in the economy: i.e. net exports and the reconstruction of stocks.

The summer recess brought good news to the export front; in world economy terms the volume of transactions which, after the Lehman Brothers débacle/crash dropped to a historic minimum, started moving again. This came about thanks to the highly expansive fiscal and monetary policies adopted by governments and central banks. The first to show signs of recovery and to give greater impulse to the intensification of commercial trading were the Asian countries, in particular China, followed by the United States and the Euro zone. On an aggregate level exports in the Euro zone registered, on a quarterly basis, a 3.1% growth, while imports chalked up +3%. The annual variations relating to these components remain negative, but better than those reported in the previous quarters.

The second factor which apparently played a significant role in the last few months' recovery was the reconstruction of the stocks for which, following the crisis and the unprecedented downswing in demand, companies had decided drastic cut-backs. In the fourth quarter there was probably a rapid adjustment to the growth in production, aimed at satisfying any further increase in foreign demand.

The worldwide contraction of productive activities entailed a severe drop in the employment rate. In 2009 the total jobs lost by the American economy reached 4.1 million (against the 3.1 million of 2008) and unemployment touched 10%. In the Euro zone, the job market registered greater stability, also thanks to job-sustaining instruments.

With respect to price dynamics, inflation (HICP index) in the Euro zone, after five months of negative results (from June to October 2009) started to rise again, due to an unfavourable basic influence on energy prices - oil prices had been spiralling down since the end of 2008 - which boosted the upswing. Inflation related to foodstuffs, on the contrary, continued its ongoing, downward trend.

As regards monetary policy, the Central Bank of Europe (ECB), having brought the refi rate to 1.00%, kept it stable throughout 2009, whereas the Federal Reserve, on 18th February 2010 increased the discount rate from 0.50% to 0.75% (one of the lowest, however, in the entire worldwide economy).

During 2009 the slowdown in private-sector loans intensified: towards the end of the year the growth of bank loan operations reached an historic minimum in all the main countries of the Euro zone. The overall performance of funding operations was negatively affected by the strong deceleration in loans granted to non-financial companies, as a result of the weak demand for fixed investments and the high, financial vulnerability suffered by companies. In particular, loans to Euro zone firms indicated, at the end of 2009, an annual 2.3% downturn, caused chiefly by the short-term component (i.e. under one year) which decreased, on a yearly basis, by about 14%; long-term loans, on the contrary, (with due dates exceeding five years), even though they declined during 2009, continued to expand by 3.9%. Short-term loans were replaced by long-term loans, also as a result of a severe cut-back in funding costs.

In Italy total private-sector loans grew by 2.0%, as at November 2009, thanks to the recovery of household loans, but loans to companies slowed down considerably, decreasing to 0.5%, chiefly for the short term component which, in November 2009 signalled a 3.9% reduction after the 7.2% drop of the previous month. As a result, the portion of medium/long term loans stabilised at 62% at the end of 2009, increasing by two percent points compared to December 2008.

2. The factoring market and the position of UniCredit Factoring S.p.A.

Even in the presence of a decidedly critical macroeconomic scenario, with the production sector negatively influenced by turnover downswings fluctuating between 15% and 25% compared to 2008, the factoring market reacted more positively than the banking sector. On the basis of the data supplied by the trade association Assifact, (a sample of 33 associates on an overall 34) turnover volumes showed a slight downturn when compared to 2008 (-2,4%). On the contrary, the outstanding and the funded amounts registered a respective growth of 3.9% and 4.1%, proving that factoring is able to support its customers efficiently, notwithstanding the trend in the economic cycle.

For the entire factoring market the average revolving index relating to loans increased from 117 days in 2008 to 125 days in 2009. This was a symptom of the increasingly negative payment terms underlying trade loans for companies.

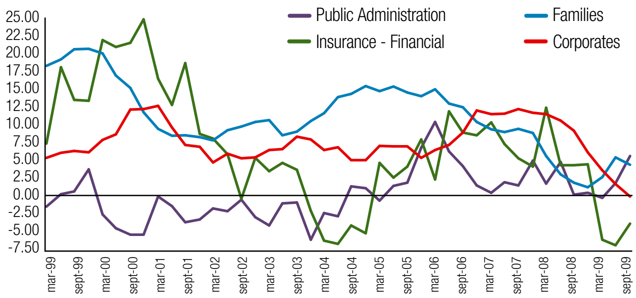
The market continued to be highly competitive and concentrated. Indeed, despite the entry of new operators, the first four competitors held a 67.2% market share of turnover volumes, an increase on the 66.4% of the previous year. Banking groups recorded a lower downturn when compared to captive companies (-1,9% against -5,8%), increasing their market share to 86,6% as against the 86,1% of 2008.

An analysis of the trends in loans for banking system users reveals that the Corporate segment showed a higher growth rate over the recent years, despite the downturn in the last semester of 2009, caused by the crisis which affected the production sector not only in Italy but worldwide. In comparison with the amount reported for financed Factoring, the "self-liquidating" loans showed considerably greater and more consistent growth.

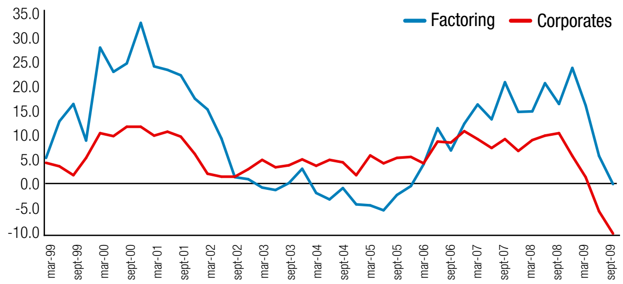
Factoring continues, moreover, to become increasingly more significant in terms of turnover/GDP impact, which grew from 7.3% in 2006 to 7.9% in 2009. This confirms the centrality of the product also during periods of recession like 2009 when the Italian GPD registered a 5% downturn.

As regards turnover the Company registered an overall 18,751 million euro cashflow, with a 1.3% growth compared to 2008, running counter to the market trend and as a consequence of the closer collaboration with networks belonging to the Group. The Company's market share increased to 15.9%, compared to 15.2% registered in 2008.

Italian financial system - Loans to residents
(Annual growth by sector loans to clients-Factoring/self-liquidating) (% annual growth)

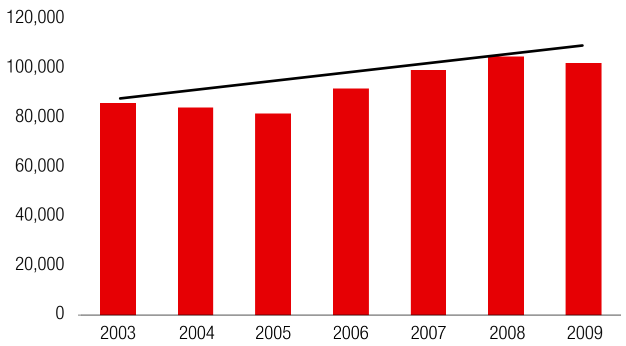


Public administration - Insurance/financial institutes-households (Annual growth) (%)

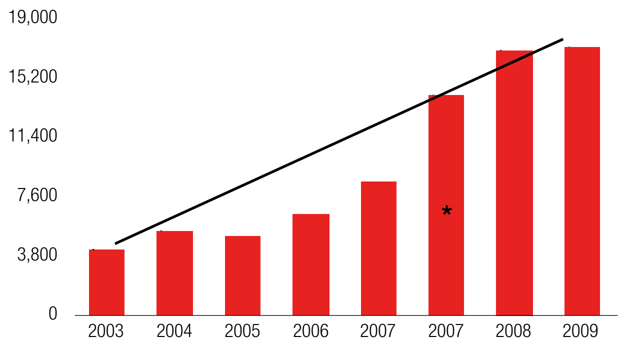


Source: Banca D'Italia Segnalazioni di Viglianza

Banking market turnover (million €)



UniCredit Factoring Turnover (million €)



*UCF + MCC branch company

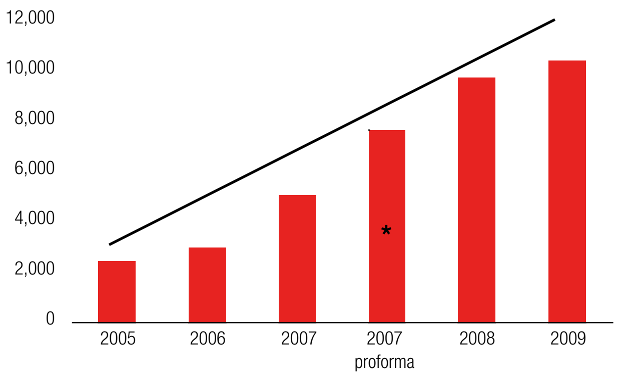
Directors' report (Continued)

During 2009 new clients were acquired, generating a 1.8 billion euro turnover.

The average, loan-related, revolving index increased to 176 days in 2009 as against the 150 for 2008. The lower revolving rate, compared to the system's average, must be correlated to the commercial focussing on transactions involving the purchase of receivables from Public Authorities (with a significantly lower risk profile) whose payment timescales are higher than those pertaining to private companies.

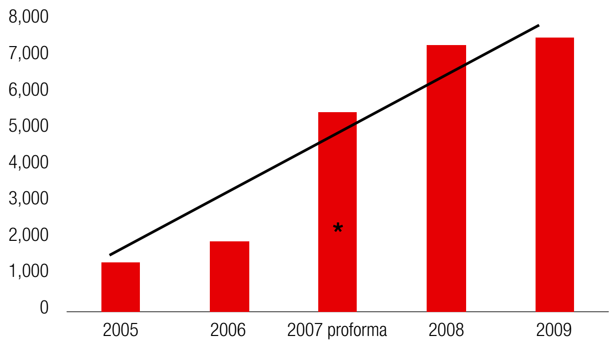
In terms of outstanding and funded, the Company maintains its top place in the market, marking up a significant growth (+7,2% and +3,0%, respectively) against the precise 2008 figure.

Outstanding UniCredit Factoring (million €)



*UCF + MCC Branch company

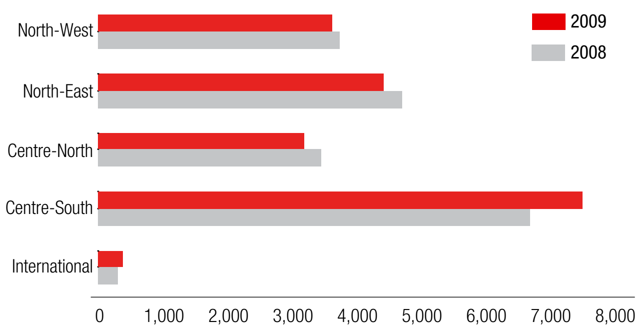
Funded UniCredit Factoring (million €)



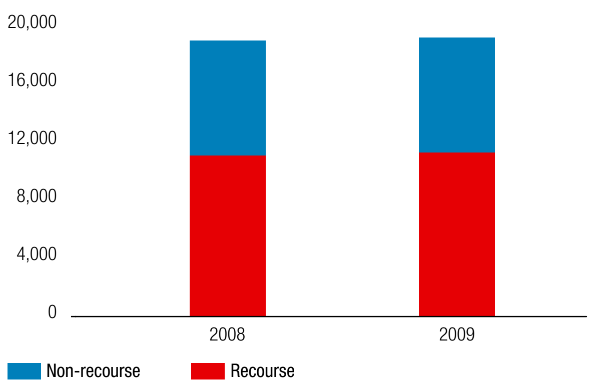
*UCF + MCC Branch company

The breakdown of turnover by product[1] and branch is illustrated in the following tables.

Turnover by Branch (million €)



UniCredit Factoring Turnover by product



1. To comply with the transitory provisions of the Bank of Italy, the Company represented turnover in the management report according to the original form of the contracts.

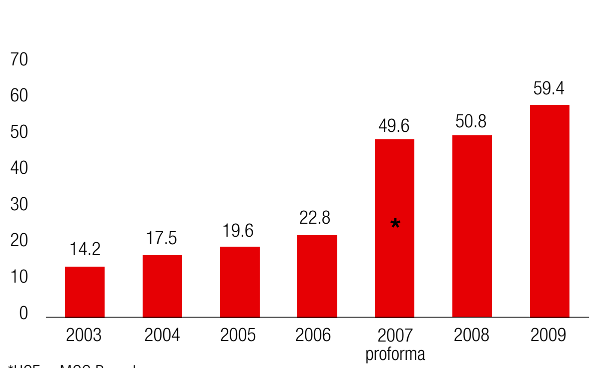
The breakdown of various operating data (in EuroMillions) highlighting the growth of the with-recourse compared to non-recourse operations and the average utilisations (see precise data above) is illustrated in the following tables:

	YEAR 2009	YEAR 2008	DIFFERENCE 2009/2008	% IMPACT 2009
Turnover	**18,751**	**18,515**	**1.3%**	**100%**
With-recourse	*11,443*	*10,972*	*4.3%*	*61%*
Non-recourse	*7,308*	*7,542*	*-3.1%*	*39%*
Net commission (%)	**0.32%**	**0.27%**	**4.2 bp**	
Receivables at 31/12	7,611	7,476	1.8%	
Advances/considerations paid	7,487	7,270	3.0%	
Average utilisations	5,911	4,877	21.2%	
Outstanding	**9,846**	**9,188**	**7.2%**	**100%**
With-recourse	*6,545*	*5,974*	*9.6%*	*66%*
Non-recourse	*3,301*	*3,214*	*2.7%*	*34%*

The net commission upswing is related to a different mix of products, more focussed, as indicated above, on with-recourse transactions.

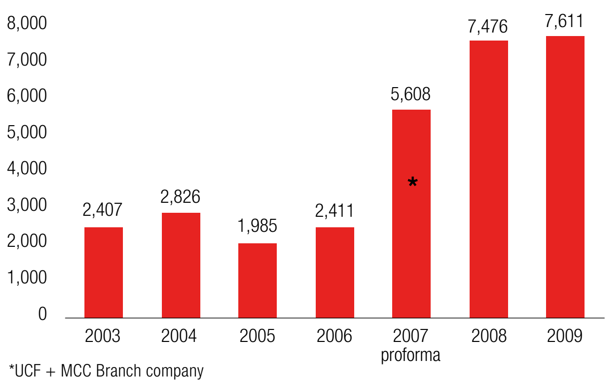
The following tables illustrate the ongoing, end-of-year performance relating to net commission and receivables.

Net commission (million €)



*UCF + MCC Branch company

Receivables at end-of-period (million €)

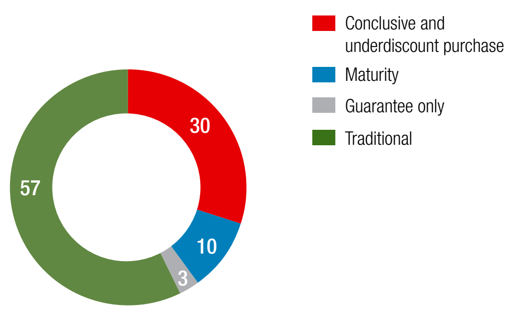


*UCF + MCC Branch company

The data indicating receivables at end-of-period (advances and considerations paid, plus unfunded, with-recourse transactions) indicate ongoing growth. An important factor to be borne in mind is that, as of 2005, the introduction of the IAS standards has led to the cancellation from the statement of financial position exposure of the unfunded, non-recourse portion.

The product turnover indicates how a significant portion was allocated to credit purchase without recourse and at a discount transactions, chiefly addressed to assignors claiming receivables from public administration agencies.

Turnover by product (%)



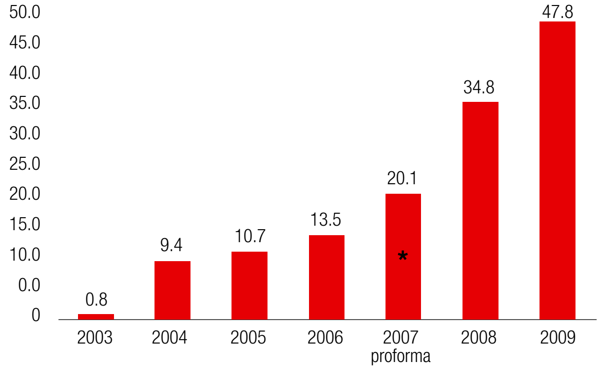
Directors' report (Continued)

3. Business results and profit

Despite the critical economic situation, the 2009 financial year showed a noteworthy improvement in the net business result which increased to 47.8 million euros, indicating a 37.4% growth compared to the previous year. This result, the highest ever registered in company history, is even more significant if account is also when of the 72% increase reported in 2008.

All the financial indicators were distinctly positive. The increase in revenue (+33,4%) and the contextual cost saving (-1,6%) were more than sufficient to offset the increase in value adjustments to receivables, linked to the greater risks arising from the system. The costs pertaining to such risks remain, however, far below the average levels relating to the specific sector and considerably lower than those relevant to the bank sector.

Net profit (million €)



*UCF + MCC business segment

Income statement

(in € thousands)

	2009	2008	DELTA 2009 - 2008 ABSOLUTE	%
Financial margin	66,864	43,961	22,903	52.1%
Services margin*	59,583	50,842	8,741	17.2%
Brokering margin	**126,447**	**94,803**	**31,644**	**33.4%**
Operating costs	-29,252	-29,721	469	-1.6%
Gross operating margin	**97,195**	**65,082**	**32,113**	**49.3%**
Provisions, adjustments/write-backs of loans/receivables	-25,121	-7,423	-17,698	238.4%
Operating revenue/operating	870	-192	1,062	552.8%
Taxes	25,146	-22,672	2,474	10.9%
Net profit	**47,798**	**34,795**	**13,003**	**37.4%**

* includes exchange-rate write-up.

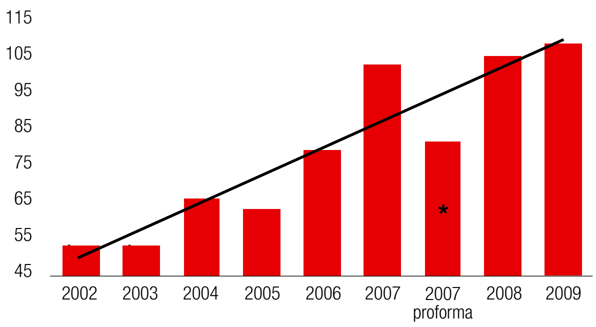
The brokering margin increased sharply in comparison to the previous year, thanks to the considerable commercial boost, especially for 'non-recourse' products and to the success achieved in recovering default interest. The demand for financial advances and/or 'true sale' assignments was also strong and led to a significant increase in the interest margin.

Also worthy of note was the considerable saving as regards operating costs, due both to lower administration expenses and human resources cut-backs (exiting staff were only partially replaced). The cost/income data stood at 23.1% against the 31.4% of the previous year, indicating a 35,5% downturn.

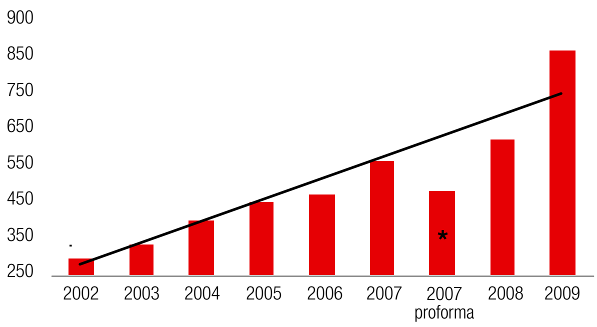
The 2009 tax load was linked to the IRES tax (Company earnings' tax) for € 20,011,189, to IRAP (Regional business tax) for € Euro 5.617.987, to prepaid taxes write-off for € 364,892 and to tax refund claims for € 212,578. Taxes relating to the Robin Hood Tax (introduced by the June 2008 budget which established the non-deductibility of the payable interest at 4% for 2009) amounted to €1.001.353 Euro (IRES) and € 177.691 (IRAP) and the positive adjustment to consolidation implemented by the Holding company for € 400.541 amounted to an overall total of € 778.503.

The following efficiency and productivity indicators also show considerable improvement.

Average turnover per employee (million €)



Total revenue per employee (million €)



* Values calculated in terms of average FTE; since 2007 this entry has been influenced by the purchase of the branch factoring company MCC SpA.

The trade *performances* in 2009, measured in terms of Turnover and Total revenue per employee, despite the weak market and reduced salesforce, confirmed an extremely positive trend.

The turnover per employee, calculated on the average, annual number of human resources, increased, in fact, from €108.3 million in 2008 to € 111.8 million in 2009 (+3,2%), while the per employee brokering margin increased form € 554.4 thousand (2008) to € 753.8 thousand (2009) (+36%).

UNICREDIT FACTORING	2003	2004	2005	2006	2007 PROFORMA*	2008	2009
Turnover	4,627	5,904	5,539	7,105	15,443	18,515	18,751
Average turnover / FTE	53.5	67.0	64.4	81.6	83.9	108.3	111.8
Average revenue / FTE	0.34	0.38	0.41	0.45	0.44	0.55	0.75
EVA	n.a.	n.a.	6.6	8.4	1.9	21.7	30.4
RARORAC	n.a.	n.a.	11.6%	12.2%	0.9%	11.5%	14.8%

* since 2007 this entry has been influenced by the purchase of the branch factoring company MCC SpA.

The improvement of the EVA indicators (net profit - absorbed capital x COE) and RARORAC (EVA/absorbed capital) was linked not only to commercial and management performances but also to the high quality of the loan/receivables portfolio, with greater impact of the lower-risk counterparts (public administration and public agencies) which improved the RWA/employment ratio, decreasing it from 62.6% (2008) to 56,1%.

Directors' report (Continued)

4. Organisational structure and human resources

• Organisational structure

The Company structure comprises Governing and Support Departments and Operational/Business Management Departments, illustrated here below:

Governing and Support Departments:
- Human resources
- Planning, Finance & Administration
- Legal

Operational/Business Management Departments:
- Loans/receivables and risks
- Commercial
- Debtor management
- Global Factoring Services
- Global Factoring Development Department

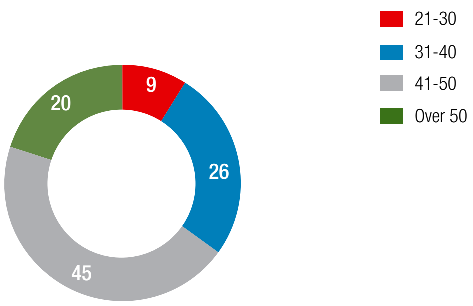
• Human resources

As at 31st December 2009 the workforce consisted of 164 employees.
A detailed breakdown is illustrated in the following table:

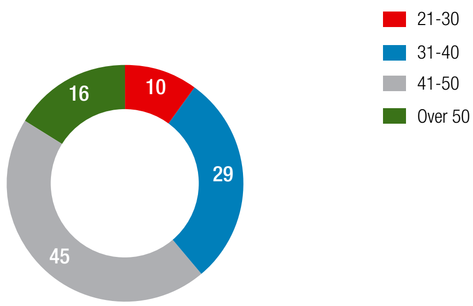
Distribution by age group

GROUP	12.31.2009	12.31.2008
1) 21-30	15	17
2) 31-40	43	51
3) 41-50	74	79
4) OVER 50	32	29
Total	**164**	**176**

Age group 12.31.2009 (%)



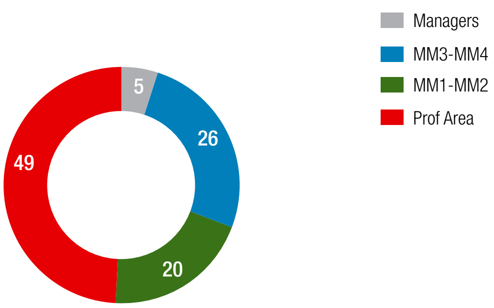
Age group 12.31.2008 (%)



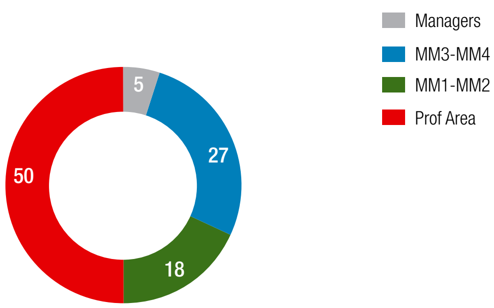
Level

CATEGORY	12.31.2009	12.31.2008
1) MANAGERS	8	9
2) MM3-MM4	42	47
3) MM1-MM2	32	31
4) PROF. AREA	82	89
Total	**164**	**176**

Professional category 12.31.2009 (%)



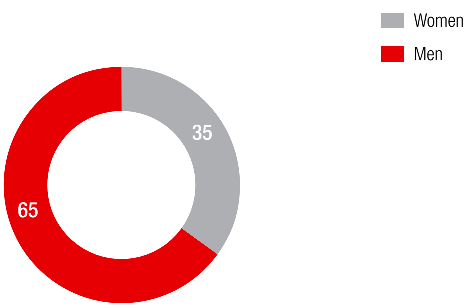
Professional category 12.31.2008 (%)



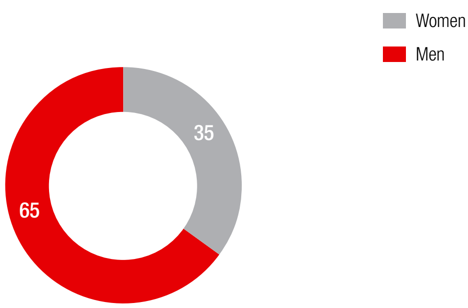
Men/Women

	12.31.2009	12.31.2008
Women	56	62
Men	108	114
Total	**164**	**176**

Men/Women 12.31.2009 (%)



Men/Women 12.31.2008 (%)



The number of women employees remains stable. During the year the company participated in various Group operations such as UWIN *(Women and leadership)* and TMR *(Talent Management Review)* aimed at developing its employees' management skills. Moreover, a specific training operation was implemented relating to credit risks and Basle 2, addressed to all the company's professional categories.

The training programme, started in 2008 to re-organise the commercial structure, was finally completed, culminating in the creation of an *account manager* position.
We wish to extend our heartfelt thanks to the entire staff for their efforts and commitment over the year. These enabled the Company to achieve the best results of its history.

Directors' report (Continued)

• Distribution of products/services

The Company acts as UniCredit Group's Product Line. It focusses on the management and sale of factoring in Italy. UCF integrates the services offered by the Banks belonging to the Group, in particular as regards the corporate customer segment:

The distribution network comprises 4 Branches and 8 Business offices, supported by specialised functions dealing with the International and Reverse Factoring sectors. In 2010 a further business office will be opened in Ancona.

REGISTERED OFFICES	BUSINESS OFFICES	PERTINENT GEOGRAPHIC AREA
NORTH EAST BRANCH	2	Milan, Vicenza, Trentino Alto Adige, Verona, Padua, Rovigo, Venice, Treviso, Belluno, Pordenone, Gorizia, Udine, Trieste
NORTH WEST BRANCH	1	Piedmont, Liguria, Lombardy, Valle d'Aosta, Turin
CENTRE NORTH BRANCH	1	Piacenza, Parma, Reggio Emilia, Modena, Emilia Romagna, Marche, Tuscany, Umbria
CENTRE SOUTH BRANCH	4	Lazio, Abruzzo, Sardinia, Campania, Molise, Caserta, Naples, Benevento, Puglia, Teramo, Pescara, Sicily, Calabria, Matera, Potenza, Salerno, Avellino

Territorial distribution in key markets

BARI
BOLOGNA
FLORENCE
MILAN
NAPLES
PADUA
PALERMO
POTENZA
ROME
TURIN
VERONA

Environment and workplace safety

When the new Sole Text on Safety (Testo Unico sulla sicurezza), issued in Legislative Decree nr. 81/2008, came into force on 15/5/2008 - various, correlated, updating operations became necessary and were undertaken in accordance with the Holding Company's guidelines. In particular, as a result of the valuation of all the risks inherent to the company, a new risk assessment document, drafted within the group, was prepared by the heads of UniCredit Holding's prevention and protection services. Furthermore, the convention was renewed with the medical doctor responsible for the health-care activities stipulated by law.

The planned operations, relating to safety and hygiene for health protection, were ongoing, supported by periodical inspections to verify the situation as regards already consolidated structures.

The training programme for employees responsible for the management of emergencies - fire-fighting - first aid and relevant appointees, also continued - together with the health-car programme for the "videoterminal" resources. A training programme was set up for newly appointed employees.

5. Strategic options

The Company will continue its strategy, aimed at focussing development on products with high service content and improving its relations with portfolio customers, in order to increase the number of assigned debtors. Collaboration with the parent company UniCredit Corporate Banking S.p.A. will remain the driving force sustaining development up to the conclusion of the "One4C Project". At a later date, after the transfer of the *Corporate* customers with up to 50 million euro turnovers to the Household and SMEs segment, two, different sectors will be pinpointed: one addressed to medium-large companies and the other to SMEs with the offer of "ad hoc/occasional" services.

6. Customer services and innovative projects

To satisfy our customers' increasingly complex and diversified requirements, the Company has developed an articulated range of specialised products and services, also in collaboration with various industrial partners, associations, international groups and other companies belonging to the UniCredit Group.
Reverse factoring (indirect factoring for suppliers'), maturity and credit purchase without recourse, chiefly relating to the Public Administration, have been added to the traditional with-recourse and non-recourse, domestic and international factoring products.
To sustain small and medium-sized Italian companies, during the current, worldwide economic crisis, the Company has adhered to UniCredit's initiative "Italian Enterprise" (Impresa Italia) and is developing agreements with the chief factoring Associations and the Federazione dei Confidi (Association providing credit to small companies).
In collaboration with the international certification body, TUV Italia - TÜV SÜD (TUV Group South), the *Sustainable Factoring Project* was designed. This is the first example in Italy of ethical/sustainable factoring, aimed at consolidating the supply chain by encouraging Large Companies and SMEs to look for new balances with respect to the territory, the environment, the economy and society. Facilitated, financial terms and conditions will be offered to suppliers who show their commitment to these, shared objectives.

7. Customer assistance

Customer satisfaction is an extremely important strategic *asset* for the Company and its ongoing verification is fundamental to the need to discover whether the services rendered and the products sold achieve their expected qualitative standards.
For the second year running, the Company entrusted the relevant research to the CFI Group and to GPF. The survey was implemented through *online* interviews using a structured questionnaire. All 2,418 customer companies were invited to fill in the questionnaires and a good 526 consented, with an extremely high and therefore significant *redemption* rate for the sector.
The results of the satisfaction survey were, on the whole, positive - a considerable improvement in comparison to 2008. This allowed us, at the same time, to identify the products and services that effectively influence present and future customer-behaviour profiles, making a clear distinction between perception, satisfaction, loyalty and real value of the service rendered. Highly sensitive, customer-related issues such as, by way of example, reliance/guarantees, allocation timescales, communication, costs and transparency were subjected to indepth analyses.
The entire company is committed to qualifying and improving customer/company relations by removing any crucial issue emerging from the the foregoing analyses.

8. Statement of Financial Position analysis

Receivables

The total amount of receivables, net of adjustment provisions, stood at 7.611 million euros, a 2% increase compared to the same period in the previous financial year; 94% (7,144 million euros) consists of receivables from customers; receivables from financial institutes decreased from 527 to 423 million euros. Compared to 31st December 2008 receivables from banks also diminished (from 115 to 44 million euros).
The with-recourse and contract-based receivables, amounting to 39% of the total receivables reported in the statement of financial position, diminished, in comparison with 31/12/2008 chiefly as regards ex formal, non-recourse transactions, which decreased to 12% from the 20% reported at 31/12/08. The with-recourse advances decreased by 2% (from 28% to 26%) and the advances on contracts fell from 3% to 1%. Conversely, non-recourse receivables increased from 38% to 49% and their composition also changed. Compared to 31/12/2008 recourse to the technical form of credit purchase without recourse more than trebled (from 640 to 2.062 million euros) mainly for transactions with Public Administration debtors.

* data expressed in Euro Millions

	12.31.2009		09.30.2009		06.30.2009		03.31.2009		12.31.2008	
RECEIVABLES	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT
Receivables from banks	44	1%	48	1%	42	1%	77	1%	115	2%
Receivables from financial inst.	423	6%	413	7%	487	7%	434	6%	527	7%
Receivables from customers	7,144	94%	5,393	92%	6,017	92%	6,475	93%	6,834	91%
TOTAL Receivables	**7,611**	**100%**	**5,854**	**100%**	**6,546**	**100%**	**6,986**	**100%**	**7,476**	**100%**
With-recourse advance	2,011	26%	1,840	31%	2,226	34%	2,289	33%	2,130	28%
With-recourse advance (ex formal non-recourse)	898	12%	812	14%	993	15%	1,111	16%	1,461	20%
Advances on contracts	90	1%	95	2%	105	2%	200	3%	253	3%
Non-recourse receivables	3,756	49%	2,368	40%	2,570	39%	2,706	39%	2,862	38%
Deferred receivables	709	9%	574	10%	499	8%	547	8%	582	8%
Other receivables (inc. impaired)	147	2%	165	3%	153	2%	133	2%	188	3%
TOTAL Receivables	**7,611**	**100%**	**5,854**	**100%**	**6,546**	**100%**	**6,986**	**100%**	**7,476**	**100%**

Directors' report (Continued)

Payables

The Company's payables stood at an overall 7,240 million euros against the 7,131 million euros of 2008 (+2%).

The aggregate mainly consisted of loans granted by the Holding company amounting to 6,456 million euros, with an 89% impact on the total payables. The remaining amount consisted of current account exposures towards the parent company and the other banks belonging to the Group, together with payables to customers and participants in pool operations.

The current account exposures, particularly at end-of-quarter, reflected the high level of activity during the mid-year and annual closing periods, relating to customers' statement of financial positions generating particularly strong cashflows in the final week of the month.

The average current account exposure, on the other hand, was stable at around 130 million euros.

* Data expressed in EuroMillions

	12.31.2009		09.30.2009		06.30.2009		03.31.2009		12.31.2008	
PAYABLES	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT
Loans from Parent company	6,456	89%	4,399	80%	5,353	87%	5,717	87%	6,014	85%
Current account exposure	461	6%	807	15%	547	9%	559	9%	681	10%
Accruals to banks	8	0%	11	0%	12	0%	13	0%	18	0%
Payables to customers	231	3%	134	2%	127	2%	143	2%	270	4%
Payables to pool participants	69	1%	114	2%	144	2%	140	2%	129	2%
TOTALPayables	**7,225**	**100%**	**5,465**	**100%**	**6,183**	**100%**	**6,572**	**100%**	**7,112**	**100%**

Liabilities include:

Outstanding securities amounting to 92.7 million euros, made up of 3 subordinated liabilities, the first for 10.7 million euros (classified in the statement of financial position under the item 'payables to banks') issued on 22/12/03 with due date 23/12/2013 (in December 2009 the first capital installment amounting to 2.7 million euros was repaid), the second for 10 million euros, issued on 30/03/07, with due date 31/03/2017 and the third for 24 million euros, issued on 14/12/07, with due date 14/12/2017, and of 3 composite, capitalisation instruments, the first for 5 million euros (classified in the statement of financial position under the item 'payables to banks') issued on 22/12/03 with due date 23/12/2013, the second for 15 million euros, issued on 30/03/07 with due date 31/03/2017 and the third for 28 million euros, issued on 14/12/07 with due date 14/12/2017.

The item "other liabilities" amounting to 90 million euros mainly consisted of a receipts account for overall 27 million euros, of the transfers to be charged account for 30 million euros, of deferred earnings for 15 million euros and of other payables for 18 million euros in line with previous positions.

* Data expressed in EuroMillions

	31.12.2009		30.09.2009		30.06.2009		31.03.2009		31.12.2008	
OTHER LIABILITIES	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT	AMOUNT	% ON TOT
Receipts account	27	30%	74	71%	57	57%	45	31%	57	54%
Transfers to be charged account	30	33%	0	0%	10	10%	62	43%	0	0%
Deferred income	15	17%	11	11%	15	15%	17	12%	26	25%
Other payables (suppliers, accruals etc)	18	20%	19	18%	18	18%	21	14%	22	21%
Payables for purchase of Branch Company	0	0%	0	0%	0	0%	0	0%	-	0%
TOTAL OTHER LIABILITIES	**90**	**100%**	**104**	**100%**	**100**	**100%**	**145**	**100%**	**105**	**100%**

Net equity

The net equity, including the profit for the period, stood at 200.4 million euros, consisting of 114.5 million euros share capital, 37.1 million reserves, 1 million share premiums and 47.8 million net profit for the year.

9. Analysis of receivables

At 31st December 2009 the total amount of receivables stood at 9.846 million euros.
With respect to "debtors", the sectors reporting the highest concentration were: non-financial companies (4.813 million euro.) and Public Administration Agencies (4,156 million euros) comprising the State, local agencies, health-care agencies (ASL) and other Public Agencies.

Receivables by debtor business segment

PUBLIC-SECTOR ADMINISTRATION	4,156,163
FINANCIAL COMPANIES	113,207
NON-FINANCIAL COMPANIES	4,813,267
FAMILY BUSINESSES	66,074
HOUSEHOLDS	1,626
NO-PROFIT INSTITUTES FOR HOUSEHOLDS	132,275
REST OF THE WORLD	531,474
OTHER	32,355
TOTAL	**9,846,441**

With respect to the business segment distribution among debtor counterparts, exclusively as regards "non-financial companies" and "family businesses", the highest concentration was represented by business services, recoveries and repairs, transport means and communication services.

Receivables from debtor business sectors by product category

AGRICULTURAL PRODUCTS, FORESTRY, FISHING	6,451
ENERGY	354,048
MINERALS, IRON METALS AND OTHER	124,960
MINERALS AND NON-METAL MINERAL PRODUCTS	9,278
CHEMICALS	57,189
METAL PRODUCTS EXCEPT MACHINES AND MEANS OF TRANSPORT	51,437
FARM AND INDUSTRIAL MACHINERY	251,740
OFFICE EQUIPMENT	165,763
ELECTRICAL SUPPLIES AND MATERIALS	144,292
MEANS OF TRANSPORT	727,436
FOOD, DRINKS, TOBACCO	209,671
TEXTILES LEATHER FOOTWEAR AND CLOTHING	29,779
PAPER, PRINTING PROD., PUBLISHING SECTOR	51,637
RUBBER AND PLASTIC PRODUCTS	17,088
OTHER INDUSTRIAL PRODUCTS	17,194
BUILDING AND PUBLIC WORKS	153,073
BUSINESS SERVICES DEBT COLLECTION REDRESS	1,057,878
HOTEL AND PUBLIC BUSINESS RELATED SERVICES	32,934
DOMESTIC TRANSPORT SERVICES	189,533
SHIPPING AND AIR TRANSPORT	8,585
TRANSPORT-RELATED SERVICES	81,431
COMMUNICATION SERVICES	620,915
OTHER SERVICES INTENDED FOR SALE	518,524
TOTAL	**4,880,836**

The significant downturn in the macro-economic scenario affected the quality of the assets which, however, remained satisfactory: the **impaired positions** increasing from 33.7 million euros at the end of 2008 (net of the assignment of the non-performing positions to ASPRA Finance SpA) to 98.6 million euros, with a 1.3% impact on the total receivables reported in the statement of financial position.
The overdue positions dropped considerably following a repayment by a debtor, amounting to over 50% of the total amount of the impaired receivables.
The overall hedging of impaired receivables stood at 16.3% (ex 12.9%) which increased to 25.0% when taking account of the charge-offs/write-offs (transfers to losses). The lower hedging figure in comparison to the end of 2008 was caused to the type of cashflow reported in 2009, made up chiefly of doubtfuls.

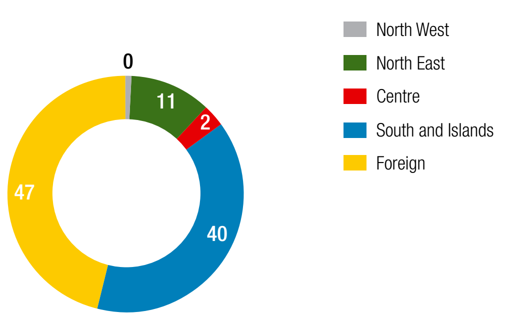
Directors' report (CONTINUED)

Impaired receivables

	NON-PERFORMING	DOUBTFUL	TOTAL	RE-STRUCTURED	OVERDUE	TOTAL IMPAIRED
POSITION AT 31/12/2009						
Face value	28,842	67,303	96,145	0	2,430	98,575
Impact on total receivables	*0.4%*	*0.9%*	*1.3%*	*0.0%*	*0.0%*	*1.3%*
Value adjustments	6,710	9,350	16,060	0	16	16,076
Hedging ratio	*23.3%*	*13.9%*	*16.7%*		*0.7%*	*16.3%*
Statement of financial position value	22,132	57,953	80,086	0	2,414	82,499
Impact on total receivables	*0.3%*	*0.8%*	*1.1%*	*0.0%*	*0.0%*	*1.1%*
POSITION AT 2008						
Face value	3,685	10,023	13,708	0	20,036	33,744
Impact on total receivables	*0.0%*	*0.1%*	*0.2%*	*0.0%*	*0.3%*	*0.5%*
Value adjustments	1,156	3,162	4,319	0	51	4,369
Hedging ratio	*31.4%*	*31.6%*	*31.5%*		*0.3%*	*12.9%*
Statement of financial position value	2,529	6,860	9,389	0	19,985	29,375
Impact on total receivables	*0.0%*	*0.1%*	*0.1%*	*0.0%*	*0.3%*	*0.4%*

The total principal pertaining to positions classified as non-performing positions amounted to 28.8 million euros (3.7 million euros in 2008) for a net value of 22.1 (2.5 million euros in 2008).
For a precise comparison of the data relevant to the last two periods, account must be taken of the assignment, at the end of 2008, of 40 assignor positions for 8.9 million euros and 7 debtor positions for 47 thousand euros to ASPRA Finance S.p.A.
During 2009 59 new positions entered, amounting to an overall 35.1 million euros offset by provisions for 5.9 million euros and by charge-offs/write-offs for 9.3 million euros. Around 73% of the cashflow derived from 4 positions.
The impact of the non-performing positions amounted to 0.4% of the payable receivables.
The distribution of the non-performing positions by geographical area shows a clear prevalence for centre-south NPRs.

Non-performing by geographical area (%)



The total **doubtful positions** increased from 10 million euros (2008) to 67.3 million euros at the end of 2009. To offset this sum provisions amounting to 9.3 million euros were allocated (3.2 million euros in 2008). The significant upswing is linked to the entry, in December 2009, of the so-called "objective doubtfuls" (specified in the Bank of Italy circular 217, updated December 2009) amounting to 42.7 million euros.

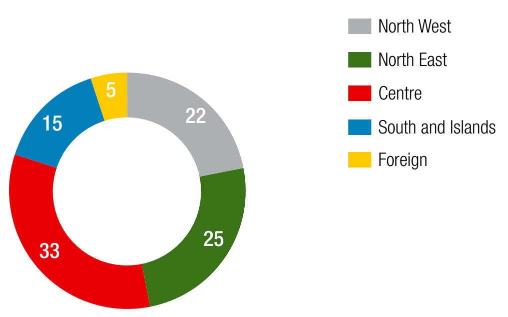
The foregoing regulations invited brokers and banks to consider all assignor and debtor positions, other than Public Administration related, overdue by more than 270 days, as "objective doubtfuls".

The degree of hedging for doubtfuls dropped from the 32% of the previous period to the 14% reported in the current year, due to the "objective doubtfuls" (not reported in the previous year) which, however, are not considered to produce financial loss.

In 2009, net of the objective doubtfuls, 62 new positions were registered, amounting to 22.9 million euros, with provisions for 8.2 million euros.

The distribution of the doubtfuls show a fairly well-balanced share over the various geographical areas.

Doubtfuls by geographical area (%)

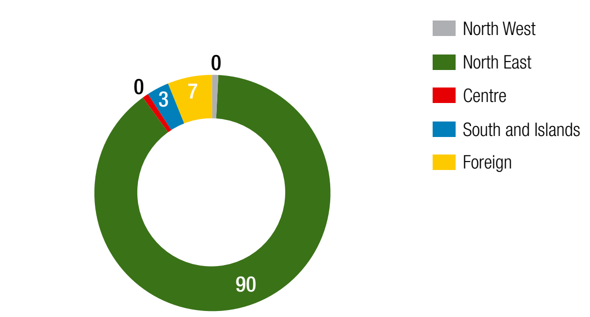


At the end of 2009 there were no re-structured receivables.

The **receivables overdue** by more than 180 days (specified in the Bank of Italy circular 216) amounted to 2.4 million euros (20 million euros at 31/12/08) with a 0.03% impact on the Total Receivables. The significant reduction compared to the end of 2008 stemmed not only from the foregoing considerable recoveries, but also from the "transfer" of various impaired entries from the overdue to the "objective doubtful" position (not reported in the previous year).

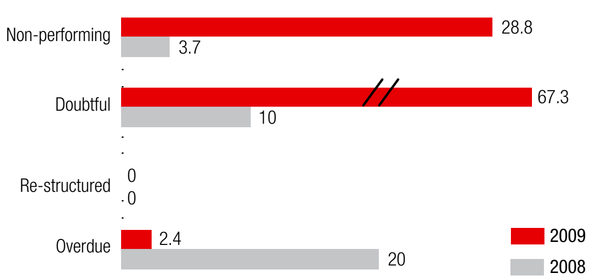
The distribution of the overdue receivables according to geographical area shows a significant concentration in the North West sector.

Overdue by geographical area (%)



The following table highlights the comparison of the impaired positions with the previous year.

Impaired positions (Gross exposure)



* data expressed in EuroMillions

The lump-sum provision increased from 21.6 million euros (2008) (0.29% of the total receivables) to 24 million euros in 2009 (0.32% of the total receivables). Although affected by the unfavourable macro-economic scenario, the quality of the receivables portfolio remained high, thanks to careful and ongoing valuation, monitoring and management of the risks deriving from counterparts and also to geo-sectorial diversification.
The Company is currently involved in outstanding and revocatory lawsuits for an overall risk amounting to 40.4 million euros (30.2 million euros at the end of 2008) covered by funds for 4.5 million euros (4.6 million euros at the end of 2008) and by a release from liability issued by MCC for 2.5 million euro. This sum was considered appropriate, given the expectations relevant to the outcome of the legal actions pending.

10. Management of risks and supervisory methods

The Loans and Risks Department is responsible for supervising and monitoring the procedures underlying the valuation/measuring of risks (loan, operational and market-related). This Department governs the overall risk profiles, ensures the optimal composition of the portfolio, and the saving of connected costs.

When calculating the absorbed equity, the Company applies the standard Basle 2 method.

• *Credit risk*

In accordance with the structural model adopted by the Holding, the Company has designed its organisational structure by separating the purchase and management procedures sustaining the assignor customers, from those supporting debtor management and by entrusting the relevant decision making exclusively to the "Credit and Risks Department", which also supervises systematic monitoring and *Risk Management* activities.

• *Financial risks*

The risk deriving from changes in market rates only marginally impacts the asset and liability values because the Company operates chiefly on a short-term basis with good asset rotation. A funding policy agreement was recently signed with the Holding company, to increase minimisation of the variation risk relating to liabilities.

• *Operating risks*

In 2009 the mapping of the processes was completed, on the basis of the new Company procedures and the chief operating risks relating to them were pinpointed. The consolidation of of the historical databases relevant to internal losses, updated to 30th September 2009, was also completed. The informative data was stored on the group's database (ARGO) and for each registration the balancing was carried out using standard book-keeping data.

• *The exchange-rate risk*

In accordance with company policy, receivables assigned in foreign currency are advanced in the same currency; if the advances are paid in Euros, prospective differences or costs pertaining to the conversion of the provision are governed by specific agreements which allocate the possible differencial to the customers.

11. Auditing, internal controls and privacy

• *Auditing*

To implement the supervisory activities, the Company employs the internal Auditing Service offered by UniCredit Audit S.c.p.A., a company entirely controlled by UniCredit S.p.A..

Directors' report (Continued)

On the basis of the Control Plan established for 2009, during the year the Auditing Service carried out all the operations foreseen, especially the following: verification of the adequacy of the monitoring of credit risks linked to the *core business*; compliance with external legislation. The final, overall opinion expressed by the Auditing Service was "satisfactory".

• Administrative responsibility according to the provisions of Legislative Decree 231/2001

The resolution of the Board of Directors of 16th December 2005 established the controlling body in order to protect the administrative liability of the Company in compliance with the stipulations of Legislative Decree D.Lgs n.231/01. Further to the foregoing body's request to adapt the organisational model to the new company structure, following the MCC Branch company merger, in July 2009 the Board of Directors updated the new model together with its related protocols. Furthermore, the Company examined the six-monthly reports forwarded by the executives responsible for the Structure, relevant to the controls implemented and to the conformity and adequacy of the Model.

• Privacy and protection of human resources

In conformity with Article 34 of the Code currently in force governing the protection of personal details (Legislative Decree 196/2003) and with Article 19 of Enclosure B (Technical regulations relating to minimum safety measures), the updating of the "Safety Programme" is in progress, according to the instructions issued by the Holding.

• Business Continuity

As foreseen by the Bank of Italy regulations and in harmony with the indications of the Holding, the Company approved and set in motion the Operational Continuity Plan, which contemplates the main, crisis/calamity scenarios and identifies, for each and every potentially damaging event, the solutions to be adopted in order to guarantee adequate operational continuity in acceptable deterioration conditions.

The chief guidelines of the Plan foresee the distribution, in every possibile case, of the key activities pinpointed as regards Company offices (Head Office in Milan and secondary offiices in Rome).
The Plan also contemplates using other group resources, periodically updated and possessing the necessary skills, able to intervene to replace employees unable to operate in the damaged area.

12. Operations with correlated parties

Relations with the Holding company and other enterprises belonging to the Group

With respect to relations with the Holding and with other UniCredit Group companies, please refer to the relevant table indicated in the notes integrating section 4 (relations with correlated parties).
We specify, however, that the chief item is represented by fundings in euros and other currencies at market rates for earmarking operations.

The following synergies were set up and are producing positive effects:
- The premises located in Milan, via Albricci n. 10, the Company's registered offices, were leased from UniCredit Real Estate S.c.p.A. which also carries out the ordinary and extraordinary maintenance of the foregoing premises;
- The branches of the Banks belonging to the Group carry out development operations on the Company's behalf. More specifically, an appropriate agreement with UniCredit Corporate Banking S.p.A., stipulated in 2007, is currently in force;
- The Holding manages human resources, purchase activities and postal services, whereas UniCredit Global Information Services S.c.p.A., a Group company, supplies technological outsourcing and implements the Internet Provider function. The activation of the foregoing activities required the use of highly professional expertise;
- UniCredit Audit S.c.p.A., on the basis of Group policy and governed by a detailed service contract, takes care of auditing, A UniCredit Audit S.c.p.A. appointee, assisted by another employee, operates exclusively within the Company.

Business relations with Group companies are governed by market conditions.

To enable your Company to continue to make use of the facilitated VAT regime, in compliance with the current, fiscal legislation, 10 shares of each of the following companies were purchased:
Information Services ScpA, UniCredit Audit ScpA and UniCredit Real Estate ScpA for a total outlay amounting to 243 euros. The foregoing activities were reported on the asset side of the statement of financial position under the item "Financial assets available for sale ".

The regulations governing obligations pertaining to banking/financial executives, with respect to operations with correlated parties and to conflicting interests, were strictly observed, in conformity with the recent interpretation of "correlated parties" supplied by the international accounting standard IAS 24.

13. Other information

In accordance with Article. 2428 of the Civil Code, the following, additional information is illustrated here below.

• Own or Parent Company shares held in portfolio

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

• Research and development

During the year no research or development related investments were implemented.

• Financial instruments

As at 31/12/09 the Company held derivative, financial instruments hedging the interest rate risk. More detailed information on the policy governing the management of financial risks and the composition of the derivates portfolio are included in the Notes to the Financial Statements in section 5 of the liabilities.

• Exposure to risks and risk management techniques
Please refer to the contents of Section 3 of the Notes to the Financial Statements - "Information on risks and relevant hedging policies". There are no significant risks or uncertainties other than those illustrated in detail in Section 3.

The following information is also provided:

• Holding company: management and coordination
The Company belongs to the UniCredit Group and is subject to the management and coordination of the Parent companyy UniCredit Corporate Banking S.p.A., sole shareholder, and of the Holding UniCredit S.p.A..

• Secondary registered office
The Company has no secondary registered office.

• International accounting standards issued by the International Accounting Standard Board (IASB) and assimilated by the European Union
The Financial Statements as at 31st December 2009 were drawn up in compliance with the international accounting standards (IAS/IFRS), as ratified by the European Commission, and with the Governor of the Bank of Italy's Provision, issued on 16th December 2009 which included the instructions regulating the drafting of the Financial Statements pertaining to financial brokers listed in the Special Register. The latter totally replaced the instructions attached to the regulations of 14th February 2006. The most significant innovation indicated by the new provision, besides the introduction of the so-called "objective doubtfuls" and of the "overdue" relating to "with-recourse" positions, is the elimination of the formal non-recourse concept which is entirely assimilated to the with-recourse formula ("whatever the type of contract, any transaction which entirely transfers to the factor the risks and benefits linked to the activities contemplated by the transaction, according to IAS 39 - so-called derecognition", is considered "non-recourse").

During the financial year the Trade Association Assifact, assisted by Assirevi, conducted ongoing analyses in order to submit to the Bank of Italy proposals aimed at improving, in compliance with the new international accounting standards, the representativity in the accounts of the factoring operations.

We also underline that consultations are in progress, activated by the International Accounting Standards Board (IASB), for the revision of IAS 39, pertaining to the derecognition of financial instruments. This will influence the reporting of factoring operations.

With respect to the contents of the Bank of Italy/Consob/ISVAP document nr. 2 of 6th February 2010, drafted during the Coordination Table between the Bank of Italy/Consob and ISVAP concerning the application of the IAS/IFRS governing "information on company continuity, financial risks, verifications for asset impairment and on uncertainties regarding the use of estimates, to be supplied in financial relations", the Company does not, at the moment, present any uncertainties and/or doubts whatever regarding its position as an ongoing concern. In this respect we underline that there are no negative indicators whatever, e.g. those contemplated in document 570 "company continuity", recommended by Consob in resolution 16231 of 21st November 2007.

As regards the contents of the the Bank of Italy/Consob/ISVAP document nr.4 of 3rd March 2010, drafted during the Coordination Table between Bank of Italy, Consob and ISVAP concerning the application of IAS/IFRS relating to "information on verifications for asset impairment *(Impairment test)*, on contractual clauses for financial payables, on loan re-structuring and on *fair value* hierarchy, in financial relations", please refer to the indications in the Notes to the Financial Statements - Part A "Accounting Policies", with particular reference to the methods used for determining the *Fair Value* of financial instruments.

14. Significant events following the closure of the financial year and the expected evolution of management

• Significant events following the closure of the financial year
Upon approval of the Financial Statements at 31st December 2009 the tenure of both the Board of Directors and the Board of Statutory Auditors expires. Following reception of the communication forwarded by the Parent company UniCredit Corporate Banking, the Company, with the Board of Statutory Auditors and the Auditing Company's consent, resolved to waive the timelines stipulated by Article 2429 of the civil code codice civile, to summon the Annual General Shareholders' Meeting for 31/03/2010, first call, and to include in the agenda, among other things, the approval of the 2009 Financial Statements and the nomination of the new Board of Directors and new Board of Statutory Auditors.

In February 2010 the Company was informed of the bankruptcy of Villa Pini d'Abruzzo Srl. Provision was made to include this name among the non-performing positions even though no earmarking was adopted because the exposure was amply compensated by assigned receivables duly notified by bailiff to the ASL. The Company has entrusted the file to its pertinent lawyers.

Following the event involving Fastweb, concerning penal investigations for laundering and VAT evasion, we underline that the VAT receivables assigned to the Company concern the fiscal years 2005 and 2006 and have not been subjected to seizure. We also specify that Fastweb had previously presented to the Tax Office (Agenzia delle Entrate) security relating to the refund of the foregoing receivables and that the Tax Office subsequently issued a payment notice in November 2006.

Directors' report (Continued)

• Expected, management-relating evolution

Despite the ongoing, worldwide uncertainty underlying the effective entity of the recovery, recent, macro-economic and industrial evolution would seem to indicate a gradual, though modest, stabilisation. 2010 appears, therefore, to be a transition year, characterised by a modest growth of the principle indicators, in a scenario presenting reduced competitivity between companies which are paying careful attention particularly to the quality of financing.

Forecasts pertaining the the factoring[2] market indicate, however, that operators are still optimistic and expect the scenario to improve in 2010.

In relation to the project "One4c", which the Holding company UniCredit is implementing in order to incorporate the activities of Italian banks/ companies operating in the sector, with a view to improving relations with customers in the geographical area, we underline that, at the moment, the Company is not a participant. Bearing in mind that the foregoing project plans to split the present "Corporate" into two, separate branches, due to the changeover to Retail of companies with lower than 50 million euro turnovers, a differenciated commercial approach is to be expected.

The financial statements for the year, including the management report, which we submit to your approval, was audited by KPMG S.p.A. in compliance with the resolution of the shareholders' meeting of 30th March 2004.

On approval of the financial statements, the Shareholders' meeting was requested to resolve the allocation of the profit for the year, amounting to 47.797.807 as follows:

22,770,544 Euros	to re-establish the other reserves
2,389,890 Euros	to the legal reserve
22,637,373 Euros	to shareholders for 1.02 euros per share

Milan, 09/03/09

Chief Executive Officer	For the Board of Directors
Fausto Galmarini	The Chairman: Cesare Caletti

2. The estimate was drafted on the basis of associates' forecasts: the most recent update available, dated 1st February 2010, indicates the participation of 21 Associates representing more than 90% as regards turnover and 87% for outstanding. For the first quarter, on the basis of the Associates' expectations, a growth rate of 2,5% for turnovers and 3.78% for outstanding was calculated. The expected growth rates are similar for the entire year: 2,57% for turnovers and 3,24% for outstanding.

Financial Statement

Financial Statement

Statement of Financial Position

(Euro Values)

ASSETS		12.31.2009	12.31.2008
10.	Cash at bank and in hand	1,967	3,395
40.	Financial assets available for sale	243	-
60.	Receivables	7,611,036,820	7,475,628,454
	from banks	*44,446,300*	*115,233,511*
	from financial institutes	*422,774,238*	*526,550,387*
	from customers	*7,143,816,282*	*6,833,844,556*
100.	Tangible assets	441,790	523,997
120.	Tax assets	5,126,305	4,761,413
	b) prepaid	5,126,305	4,761,413
140.	Others	8,100,076	11,416,870
	TOTAL ASSETS	**7,624,707,201**	**7,492,334,129**

Statement of Financial Position

(Euro Values)

LIABILITIES AND EQUITY		12.31.2009	12.31.2008
10.	Payables	7,240,548,066	7,131,400,340
	to banks	7,129,810,242	6,961,410,901
	to financial institutes	3,608,290	3,666,576
	to customers	107,129,534	166,322,863
20.	Outstanding securities	77,150,992	77,479,042
50.	Hedging derivatives	1,523,955	1,972,804
70.	Tax payables	5,265,110	14,811,435
	a) Current	5,265,110	14,811,435
90.	Other Payables	90,358,667	105,172,695
100.	Human resources severance fund	2,041,384	2,526,908
110.	Provisions for risks and charges	7,387,534	6,337,218
	b) Other provisions	7,387,534	6,337,218
120.	Share capital	114,518,475	114,518,475
150.	Share premiums	951,314	951,314
160.	Reserves	37,163,897	2,369,433
180.	Profit (loss) for the year	47,797,807	34,794,465
	TOTAL LIABILITIES AND EQUITY	**7,624,707,201**	**7,492,334,129**

Head of Planning, Finance
and Administration Department
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Income Statement

(Euro Values)

ITEMS		2009	2008
10.	Receivable interest and assimilated revenues	159,027,839	256,542,444
20.	Payable interest and assimilated charges	(92,163,582)	(212,581,251)
	INTEREST MARGIN	**66,864,257**	**43,961,193**
30.	Commission income	65,706,158	56,751,381
40.	Commission costs	(6,309,956)	(5,909,894)
	NET COMMISSION	**59,396,202**	**50,841,487**
60.	Net profit on trading activity	186,832	-
	BROKERING MARGIN	**126,447,291**	**94,802,680**
100.	Net value adjustments for impairment of:	(24,070,676)	(7,396,553)
	a) financial assets	(24,070,676)	(7,396,553)
110.	Administration costs	(29,141,824)	(29,633,157)
	a) staff costs	(16,331,981)	(16,821,591)
	b) other administration costs	(12,809,843)	(12,811,566)
120.	Net value adjustments/write-backs to tangible assets	(110,702)	(87,796)
150.	Net allocations to provisions for risks and charges	(1,144,889)	(26,856)
160.	Other revenues and operating charges	870,313	(192,122)
	OPERATING RESULT	**72,849,513**	**57,466,196**
	PROFIT (LOSS) FROM CURRENT ASSETS BEFORE TAXES	**72,849,513**	**57,466,196**
190.	Income tax on financial year revenue from current operations	(25,051,706)	(22,671,731)
	PROFIT (LOSS) FROM CURRENT ASSETS AFTER TAXES	**47,797,807**	**34,794,465**
	PROFIT (LOSS) FOR THE YEAR	**47,797,807**	**34,794,465**

Head of Planning, Finance
and Administration Department
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Statement of comprehensive income

(Euro Values)

ITEMS		2009	2008
10.	**Profit (Loss) for the year**		
	Other revenue before tax	**47,797,807**	**34,794,465**
20.	Financial assets available for sale		
30.	Tangible assets		
40.	Intangible assets		
50.	Foreign interest hedging		
60.	Cash flow hedging		
70.	Exchange-rate differences		
80.	Non-current assets under divestment		
90.	Actuarial profits (Losses) from defined benefit plans		
100.	Portion of reserves from valuation of stock valued at equity		
110.	**Total other revenue-producing components after tax**		
120.	**Overall profitability (Item 10+110)**	**47,797,807**	**34,794,465**

Head of Planning, Finance
and Administration Department
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Financial Statement (Continued)

Statement of changes in equity at 31st December 2009

	BALANCE AT 12.31.2008	CHANGES IN OPENING BALANCES	BALANCE AT 01.01.2009	ALLOCATION OF RESULT PREVIOUS YEAR	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share capital	**114,518,475**	**-**	**114,518,475**		
Share premiums	**951,314**	**-**	**951,314**		
Reserves:					
a) profits	3,532,227	-	3,532,227	33,631,670	
b) others	(1,162,795)	-	(1,162,795)	1,162,795	
Valuation reserves	**-**	**-**	**-**		
Capital instruments	**-**	**-**	**-**		
Own shares	**-**	**-**	**-**		
Profit (Loss) for the year	**34,794,465**	**-**	**34,794,465**	**(34,794,465)**	
Net equity	**152,633,686**	**-**	**152,633,686**	**-**	**0**

Statement of change in equity at 31st December 2008

	BALANCE AT 31.12.2007	CHANGES IN OPENING BALANCES	BALANCE AT 1.01.2008	ALLOCATION OF RESULT PREVIOUS YEAR	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share capital	**114,518,475**	**-**	**114,518,475**		
Share premiums	**951,314**	**-**	**951,314**		
Reserves:					
a) profits	2,991,277	-	2,991,277	540,951	
b) others	(10,988,213)	-	(10,988,213)	10,385,000	
Valuation reserves	**-**	**-**	**-**		
Capital instruments	**-**	**-**	**-**		
Own shares	**-**	**-**	**-**		
Profit (Loss) for the year	**20,025,287**	**-**	**20,025,287**	**(10,925,951)**	**(9,099,336)**
Equity	**127,498,140**	**-**	**127,498,140**	**-**	**(9,099,336)**

Head of Planning, Finance
and Administration Department
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

(Euro Values)

	CHANGES DURING YEAR							
		EQUITY TRANSACTIONS						
	CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORDINARY DISTRIBUTION OF SHARES	CHANGES IN EQUITY INSTRUMENTS	OTHER CHANGES	OVERALL PROFITABILITY, FOR THE YEAR 2009	SE AT 12.31.2009
								114,518,475
								951,314
								37,163,897
								0
								-
								-
								-
							47,797,807	**47,797,807**
		0			**0**	**0**	**47,797,807**	**200,431,493**

(Euro Values)

	CHANGES DURING YEAR							
		EQUITY TRANSACTIONS						
	CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORDINARY DISTRIBUTION OF SHARES	CHANGES TO CAPITAL INSTRUMENTS	OTHER CHANGES	OVERALL PROFITABILITY, FOR THE YEAR 2008	SE AT 12.31.2008
								114,518,475
								951,314
								3,532,228
						(559,582)		(1,162,795)
								-
								-
								-
							34,794,465	**34,794,465**
		0			**0**	**(559,582)**	**34,794,465**	**152,633,687**

Financial Statement (Continued)

Statement of Cash Flows (Direct Method)

(Euro Values)

A. OPERATING ASSETS	12.31.2009	12.31.2008 *
1. MANAGEMENT		
- interest income collected	159,027,839	256,542,444
- interest paid	(92,163,582)	(212,581,251)
- net commission	59,396,202	50,841,487
- staff costs	(16,331,981)	(16,821,591)
- other costs	(12,809,843)	(13,003,688)
- other revenues	1,057,145	
- taxes	(25,416,598)	(24,287,755)
2. CASH FLOW GENERATED/ABSORBED BY FINANCIAL ASSETS		
- financial assets held for negotiation		
- financial assets assessed at fair value		
- financial assets available for sale	(243)	-
- receivables from banks	66,655,785	(1,790,756,670)
- receivables from financial institutes	103,776,149	
- receivables from customers	(334,042,402)	
- other assets	3,316,794	-
3. CASH FLOW GENERATED/ABSORBED BY FINANCIAL LIABILITIES		
- payablles to banks	168,399,341	1,763,763,687
- payables to financial institutes	(58,286)	
- payables to customers	(59,193,329)	
- outstanding securities	(328,050)	-
- other liabilities	(25,389,300)	(376,930)
NET CASH FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES	**(4,104,359)**	**13,319,733**
B. INVESTMENT ASSETS		
1. CASH FLOW GENERATED BY		
- tangible assets		37,534
- intangible assets	-	-
2. CASH FLOW ABSORBED BY		
- tangible assets	(28,495)	(317,009)
- intangible assetsi	-	-
NET CASH FLOW GENERATED/ABSORBED BY INVESTMENT ACTIVITIES	**(28,495)**	**(279,475)**
C. FUNDING ASSETS		
- issue/purchase of own assets	-	-
- issue/purchase of capital instruments	-	-
- distribution of dividends and other purposes	0	(9,099,336)
- reserves		(559,582)
NET CASH FLOW GENERATED/ABSORBED BY FUNDING ASSETS	**0**	**(9,658,918)**
NET CASH FLOW GENERATED/ABSORBED OVER THE YEAR	**(4,132,854)**	**3,381,340**

* The 2008 financial statement was reclassified pursuant to the new Bank of Italy provisions of 16th December 2009 which Totally replace the instructions attached to the regulations of 14th February 2006 that modified the structure of the foregoing.

Planning, Finance
and Administration Executive
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Reconciliation

	2009 BALANCE	2008 BALANCE
Cash at bank and in hand at start of year	9,797,930	6,416,590
Total net cash-flow generated/absorbed during the year	(4,132,854)	3,381,340
Cash at bank and in hand at end of year	5,665,076	9,797,930

Head of Planning, Finance
and Administration Department
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Notes to the Financial Statements

Part A - Accounting policies

Part A - Accounting policies

A.1 - General Aspects

Section 1 - Declaration of conformity with international accounting standards

The Financial Statements were drawn up in compliance with the IAS/IFRS international accounting standards issued by the IASB and endorsed by the European Commission. They include the relevant interpretations of the International Financial Reporting Interpretation Committee (IFRIC), as stipulated by the European Union regulation nr.1606 of 19th July 2002 governing the coming into force of the IAS/IFRS international accounting standards and the subsequent modifications and integrations.
The Financial Statements were drafted on the basis of the guidelines illustrated in the instructions attached to the Governor of the Bank of Italy's provision of 16th December 2009 "Instructions for the drafting of the Financial Statements pertaining to the Financial Brokers listed in Special Register, to Electronic money institutes (IMEL), to Savings management companies (SGR) and to Real estate brokering companies (SIM), which have replaced in full the instructions attached to the Regulations of 14th February 2006.

Section 2 - General drafting principles

The drafting of the UniCredit Factoring S.p.A. Financial Statements as at 31st December 2009 was implemented, as illustrated above, on the basis of the international drafting standards (IAS/IFRS), endorsed by the European Commission. The Financial Statements comprise the Statement of Financial Position, the Income Statement, the Equity changes statement and the Notes to the Financial Statements. The Financial Statements, including the Directors' report on management performance, were drafted in EuroValues and are consistent with the Company's book-keeping records, which fully reflect the operations undertaken during the period.
The statements were drawn up on a going-concern basis and in conformity with the principles of expertise, relevance and significance of the accounting information and of the prevalence of economic substance over legal form. The informative data relating to the Statement of Cash Flow were drafted on a cash basis.
The costs and revenues, assets and liabilities were not offset, unless otherwise indicated by an accounting standard and/or by the relevant interpretation, in order to render the statements clearer and more representative.

The Eu Regulation 1274/2008 has absorbed the new version of the IAS 1 international accounting standard "Presentation of Financial Statements", to be applied as of the starting date of the first financial year following 31st December 2008. In particular, IAS 1 stipulates that the Information on the Financial Statements must include the new, overall profitability statement.
This statement must be placed within the Financial Statement schedules and, starting from the profit (loss) pertaining to the year, must indicate the revenue and cost items not shown in the profit (loss) for the period, in conformity with the stipulations of the international accounting standards. The foregoing items comprise the value changes registered as offsets of the valuation reserves, net of taxation.

The Financial Statement schedules in the Notes were drawn up in euros and also present the corresponding comparisons with the previous financial year.

The 2008 Statement of Cash Flow was reclassified pursuant to the new Bank of Italy provisions of 16th December 2009 which fully supersede the instructions attached to the regulations of 14th February 2009.
The Financial Statements at 31st December 2009 were drafted precisely and are a true and faithful representation of the Company's financial position, economic result for the period, equity changes and cash flows.

No exceptions to the IAS/FRS accounting standards were applied herein.

Section 3 - Events occurring after the reference date of the financial statements

In relation to the IAS 10 provisions, we confirm that during the period between the closing date of the financial period and the date of approval of the Financial Statements, according to all the informative features available at the present time, no events have occurred which might entail adjustments to the data presented.

Section 4 - Other aspects

Within the framework of the Financial Statements, in conformity with IFRS, the Company management must formulate valuations, estimates and assumptions which affect the application of the accounting standards and the amounts pertaining to the assets, liabilities and revenues recorded in the Financial Statements. The relevant estimates and assumptions are based on previous experience and on other factors considered pertinent. They were adopted in order to estimate the accounting value of assets and liabilities, which is not easily deducible from other sources.

The foregoing estimates and assumptions are regularly reviewed. Possible variations deriving from the revised accounting estimates are recorded over the period in which the revision is implemented, whenever that latter affects that period only. Should the revision influence both current and future periods, the variation is recorded both for the period in which the revision is implemented and for related future periods.

A.2 - Section relating to the principle items of the financial statements

The guidelines adopted for the valuation of the most significant entries are as follows:

1) Receivables

The receivables include non-derivative financial assets, due from clients and banks, with fixed or determinable payments, not listed on an active market.

According to the general principle of the prevalence of economic substance over legal form, a company may cancel a financial asset recorded in its Financial Statements only if, as a result of an assignment, it has transferred the risks and benefits associated with the instrument assigned.

IAS 39 stipulates, in fact, that a company may cancel an asset from its Financial Statements only if:

a) the financial asset is transferred together with all the associated risks, and if the contractual rights to the cash flows deriving from the asset expire;

b) the benefits associated with the ownership of the asset no longer apply.

To be able to implement a transfer of financial assets, the following conditions must be met:

a) the company has transferred the right to receive cash flows deriving from the financial asset;

b) the company has maintained the right to receive the cash flows but has undertaken to pay the foregoing to one or more of the beneficiaries, subject to an agreement in which all the following conditions have been met.
  - the company has no obligation to pay preset amounts to any beneficiary apart from what it may receive from the original financial asset;
  - the company may not sell or pledge the financial asset;
  - the company must undertake to transfer each and every cash flow it receives, on behalf of the beneficiaries and without delay. Any investment of the cash flows in the period between collection and payment may only be made in cash-equivalent financial assets and, in any case, with no rights to possible interest accrued on the amounts invested.

To implement a transfer of a financial asset which determines cancellation from the assignor's Financial Statements, at the moment of each assignment, the assignor must valuate the extent of possible risks and benefits associated with the financial asset maintained.

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

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

To sum up, there are three possible cases entailing various specific effects, i.e.:

1) when the company substantially transfers all the risks and benefits attached to the ownership of the financial asset, it has to "reverse" the financial asset and separately record as assets and liabilities all the rights and obligations deriving from the assignment;

2) when the company essentially maintains all the risks and benefits attached to the ownership of the financial asset, it must continue to record it as a financial asset;

3) when the company neither transfers nor maintains substantially all the risks and benefits attached to the ownership of the financial asset, it must valuate its control over the financial asset; and
   a) if the company no longer has that control, it must reverse the financial asset and separately recognise the single assets/liabilities deriving from the rights/obligations pertaining to the assignment;
   b) if it maintains control, it must continue to recognise the financial asset up to the extent of its commitment in the investment.

For the purposes of valuating control, the discriminating factor to be taken into account is the beneficiary's ability to assign the financial asset unilaterally, without restrictions from the assignor. When the beneficiary of a transfer of a financial asset has the operating capacity to sell the whole financial asset to a non-related third party and can do so unilaterally, without having to impose any other limitations to the transfer, the assignor no longer controls the financial asset. In all other cases, the assignor maintains its control over the financial asset.

The most frequently used forms of transfer for a financial instrument can have very different effects on accounting:

- when a non-recourse assignment occurs (with no guarantee obligations), the transferred assets can be cancelled from the assignor's Financial Statements;
- when a with recourse assignment occurs, in the majority of cases the risk connected to the transferred asset should be considered as pertaining to the seller, and consequently the transfer does not meet the conditions for the cancellation from the accounts of the instrument sold.

The Company has recorded among the receivables, those purchased with non-recourse, subject to the condition that there are no contractual clauses preventing the effective, material transfer of all the relevant risks and benefits. With respect to the portfolio assigned with recourse, the receivables are recorded and maintained in the Financial Statements solely for the amounts paid to the assignor as advance payments of the valuable consideration.

In more detail:

a) The receivables assigned with recourse and "legal" non-recourse" (without cancellation by the assignor) are recorded only on the basis of the amounts paid to the assignor as advance payments of the valuable consideration, including the interest and commission accrued, and the first entry is registered on the basis of the consideration prepaid to the assignor against assignment of the receivables.

b) The receivables conclusively purchased with recourse, with transfer of the overall risks and benefits, the accrued receivables paid at due date are recorded according to the nominal amount of the invoices assigned (with cancellation by the assignor) and the first entry is recorded at the face value of the receivable (equivalent to the fair value).

c) the loans allocated against future receivables, not subject to assignments of receivables and instalment loans are recorded by the value equal to the amount of the funding, including the interest and commission accrued.

Part A - Accounting policies (Continued)

After the initial recording at fair value, including the operating costs directly attributable to the purchase of the financial asset, the receivables are valued at depreciated cost - using the effective interest guideline.
At each Statement of Financial Position date, if there is objective evidence that loss has been sustained due to impaired receivables, the extent of the loss will be measured as the difference between the book value of the asset and the present value of the future expected cash flows, discounted back at the original effective interest rate. In particular, the guidelines for determining the write-downs of receivables are based on the discounting back of the expected cash flows from capital and interest, net of collection charges and any advances received. The basic elements used to determine the present value of the cash flows are the identification of the estimated proceeds, the related due dates and the discount-back rate. A loan/receivable is regarded as impaired when the impossibility of collecting the whole amount on the basis of the original contract terms, or of an equivalent value, is considered likely. The full cancellation of a receivable is acknowledged when it is considered irrecoverable or is totally written off.
Impaired positions are divided into the following categories:
- NPRs - these are formally impaired receivables, represented by exposures towards insolvent customers (even when insolvency is not legally recognised) or those in similar positions. They are valuated on an analytical basis.
- Doubtful receivables - this category comprises exposures from customers experiencing temporary difficulties, in expectation of resolution within an reasonable period of time. They are valuated on an analytical basis.
- Restructured exposures - these represent exposures towards counterparts with whom specific postponement agreements have been concluded, with contextual re-negotiation of terms and conditions below market values. They are valuated on an analytical basis.
- Overdue positions - these represent exposures towards counterparts which, at the reference date, present receivables overdue by more than 180 days. They are valuated on a lump-sum/forfeit basis.

The valuation of the performing receivables involves asset portfolios presenting no objective evidence of loss and which are consequently valued collectively. The expected cash flows of assets, grouped together into classes with similar characteristics in terms of credit risk, sector, and type of guarantee, are associated to a probability of default (PD) and a loss given default (LGD).

2) Tangibile assets

"Assets for instrumental uses" is the definition given to assets with physical consistency, held for use in the production or supply of goods and services or for administrative purposes and considered usable for more than one financial period.
This item comprises: plants and equipment, furniture and fittings.
Tangible assets are initially recorded at cost value, including all the charges required to put them to use as regards the asset for which they were purchased (including all the costs directly related to putting the asset to use and to the relevant, irrecoverable purchase tax and duties). This value is subsequently increased by the expenses incurred, from which future profits are expected. Ordinary maintenance costs for the asset are acknowledged in the income statement as soon as they occur. Conversely, extraordinary maintenance costs, which are expected to generate future economic benefits, are capitalised and increase the value of the assets involved.
After initial acknowledgment, operating tangible assets are recorded at cost value, net of accumulated depreciation and of possible accumulated impairment. The depreciable amount, corresponding to the cost, less the residual value (i.e. the expected amount normally resulting from the disposal, less the expected disposal costs, assuming that the asset is already in the state, also in terms of age, expected at the end of its useful life), is systematically spread, on a straight-line basis, over the useful life of the tangible asset.
According to standard practice the residual value of depreciable assets is nought/zero.
The useful life, regularly reviewed to determine whether there are any estimates that differ significantly from those previously made, is defined as:
- the period of time over which an asset is expected to be utilisable by the company; or
- the quantity of products or similar units that the company expects to obtain from the use of the asset.

If there is objective evidence that a single asset may have been impaired, the book value of the asset is compared with its recoverable value, which corresponds to the higher between the fair value, less the sale costs, and the related value in use, i.e. the present value of the future cash flows expected to stem from the asset. Possible value adjustments are recorded under the item "net value adjustments/write backs to tangible assets" of the income statement.
If the impairment loss is reversed for an asset previously written down, the new book value cannot exceed the net book value which would have resulted if no impairment had been acknowledged for that asset during previous years.
A tangible asset is cancelled from the Statement of Financial Position upon disposal, or when no future economic benefits are expected from its use. Possible differences between the disposal value and the book value are recorded in the income statement under the item "profits/losses from the assignment of investments".

3) Payables and outstanding securities

Payables and subordinated, issued liabilities are initially recorded at fair value, which generally corresponds to the consideration received, net of the transaction costs directly attributable to the financial liability. After initial recognition, these instruments are valued at amortised cost, using the effective interest method.
Payables arising from factoring transactions reflect the remaining amount to be paid to the assignors, resulting from the difference between the value of the receivables acquired without recourse and the advance payment made.
Financial liabilities are cancelled from the Financial Statements upon settlement or maturity.
Financial liabilities with an under 12 month original duration are recorded at face value, because the application of the "amortised cost" does not entail significant changes.

4) Hedging activities

The purpose of hedging operations is to neutralise losses, deriving from a specific element (or group of elements) attributable to a specific risk, by means of profits arising from a different element (or group of elements), should the foregoing risk effectively become obvious. The hedging instruments used by the Company are designed to cover the fair value of a recognised asset.
Financial hedging derivatives, like all derivatives, are initially recorded and subsequently measured at fair value and are classified in the Statement of Financial Position assets under item 70 “Hedging derivates” and in the liabilities under item 50 “Hedging derivatives”.
A operation qualifies as a hedge, and is recorded as such in the accounts, if, and only if, all the following conditions are satisfied.

- at the start of the hedging operation there is formal designation, with documentation, of the hedging relations, of the companies’ objectives relating to the management of the risk and of the strategy underlying the application of the hedging. This documentation includes the identification of the hedging instrument, the element or operation hedged, the nature of the risk covered and how the company valuates the effectiveness of the hedging instrument in offsetting exposure to fair value changes as regards the element covered;
- hedging is considered to be highly effective;
- hedging effectiveness can be reliably valuated;
- hedging is valuated on a continuous basis and is considered highly effective for all the reference periods for which it was designed.

Hedging will be considered highly effective if, both at the beginning and during its useful life, the fair value changes in the monetary amount hedged are almost totally offset by the fair value changes in the hedging derivative, i.e. the effective results are between 80% and 125%.
The effectiveness of the hedging is verified during the initial phase and when the annual Financial Statements are drafted by using, respectively, perspective and retrospective tests; the outcome of the latter test justifies the application of the hedge accounting because it demonstrates its expected efficiency.

5) Human resources severance fund

The human resources severance fund (TFR) can be considered as a post-employment, defined benefit payment. Consequently, its acknowledgment in the Financial Statements required the estimate - using actuarial methods - of the amount of benefits accrued by employees together with the relevant discounting-back. An external actuary was assigned to determine these benefits using the projected unit credit method.
With respect to the recording of the actuarial gains/losses, the Company decided to use the “corridor” approach, which would permit non-recognition in the accounts part of the actuarial gains/losses, if their net total, unrecorded at the end of the previous year, did not exceed the greater between:

- 10% of the present value of the defined benefit or obligation recorded at that date (i.e. at the end of the previous year);
- 10% of the fair value of any plan-based asset as at that date (i.e. at the end of the previous year).

The amount of actuarial gains/losses exceeding these limits is recorded in the income statement, on the basis of the expected average working life of the plan’s beneficiaries as from the following year.

6) Funds for risks and charges

The allocations to provisions for risks and charges are accounted only in the following cases:

- when there is a current obligation (legal or implicit) deriving from a past event;
- when it is likely that, in order to fulfil the obligation, it will be necessary to use resources capable of generating economic benefits; and
- a reliable estimate may be made of the amount resulting from the fulfilment of the obligation.

The amount recorded as a provision represents the best estimate of the expense required to fulfil the existing obligation at the Statement of Financial Position date and reflects the risks and uncertainties that inevitably characterise a series of facts and circumstances.
The allocated provisions are periodically reviewed and, if necessary, adjusted to reflect the best current estimate. Whenever the review reveals that the charge is unlikely to be incurred, the provision is reversed.
A provision is only used in relation to the charges for which it was originally recorded.
No provision is recorded against potential but improbable liabilities. A description of the type of liability involved is, however, provided.

7) Deferred and current taxation

Current taxes relating to the year and to previous years are acknowledged, for the uncollected amount, as liabilities. Any surplus relating to the amount due is recognised as an asset.
Current tax liabilities/assets for the current and previous years are set at the amount expected to be paid/recovered from tax authorities, after application of all the prevailing tax rates and tax regulations.
A deferred tax liability is recorded for all taxable, temporary differences.
A prepaid tax asset is recognised for all deductible, temporary differences if it is experted that taxable income will be earned from which the prepaid temporary difference may be used.
Prepaid tax assets and deferred tax liabilities are continuously monitored and are quantified on the basis of the tax rates likely to be applied in the year when the tax asset is earned, or the tax liability settled, taking into account the fiscal regulations stipulated by current legislation.
Prepaid tax assets and deferred tax liabilities are neither discounted-back nor offset.

Part A - Accounting policies (Continued)

8) Share-based payments

These are payments in favour of employees as consideration for work performed, based on shares representing the Holding company's share capital.
The foregoing payments comprise the assignment of:
a) rights to subscribe share capital increases against payment (known as Stock Options);
b) rights to receive shares on achieving their quantitative/qualitative objectives ("performance shares");
c) shares subject to unavailability clauses (so-called "restricted shares").
Given the difficulty in estimating reliably the fair value of the benefits received as counterpart for the Holding's equity instruments, reference is made to the fair value of the instruments, measured at their assignment date.
The fair value of the payments made through the share issue is acknowledged as a cost and recorded in the income statement under the item "human resources costs" as offsetting the item "other liabilities".

9) Revenue

Revenue, as defined by IAS 18, is the gross inflow of economic benefits deriving from a company's ordinary activities, when the foregoing inflows produce increases in equity unrelated to the increases generated by contributions from shareholders.
Revenue is measured at the fair value of the consideration received or receivable and is recognised in the accounts when it can be estimated reliably.
The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions have been met:
- the total revenue can be measured reliably;
- the company will probably benefit from the economic benefits associated with the transaction;
- the transaction's completion stage can be measured reliably at Statement of Financial Position date; and
- the costs incurred for the transaction and those to be sustained for its completion can be measured reliably.

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

10) Foreign currency transactions

Foreign currency is a currency other than the Company's reporting currency which, in its turn, is the currency of the main economic environment wherein the Company conducts its business.
A transaction in foreign currency is initially recorded using the reporting currency, by applying the spot exchange rate between the reporting currency and the foreign currency, in force at the date of the transaction, to the amount in foreign currency.
At each statement of financial position date:
(a) foreign currency monetary items are converted using the closing rate;
(b) foreign currency non-monetary items, valued at historical cost in foreign currency, are converted using the exchange rate in force as at the date of the transaction;
(c) foreign currency non-monetary items, measured at fair value, are converted using the exchange rates in force at the date of determination of the fair value.

The exchange differences, deriving from the redemption/discharge/settlement or conversion of monetary items at rates different from those underlying their initial conversion during the year or in previous Financial Statements, are recognised in the income statement for year in which they occur.

11) Other information

Long-term employee benefits

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

A.3 - Information on fair value

Fair value is defined as the amount for which an asset may be exchanged, or a liability settled, in a relationship between fully-aware, available and independent parties. The fair value of the financial assets and liabilities was determined using prices acquired from financial markets, as regards instruments quoted on active markets, or using valuation models for other financial instruments.
According to IAS 39, the best evidence of fair value is the existence of official quotations on an active market; these quotations are used on a priority basis for valuating financial assets and liabilities (first level fair value).
A financial instrument will be considered as quoted on an active market if the quotations are promptly and regularly available from sources such as, for example, stock exchanges, dealers, brokers, information providers, and the foregoing prices represent, promptly and regularly the market transactions implemented between independent counterparts. The aim is to determine the fair value of a financial instrument negotiated on an active market and to determine the price at which the transaction would occur on that market at the date of the statement of financial position.
On an active market, the fair value of the financial instruments is given by the current price at end of period (price, money, offer or average, with respect to the various reference financial instruments). Those instruments, not considered as quoted on an active market, are chiefly valuated by means of valuation techniques aimed at reflecting adequately whatever might be the instrument's market price at the valuation date.
The valuation techniques used include:

- reference to market values indirectly connected to the instrument under valuation and inferred from products with similar risk features (second level fair value);
- valuations carried out using, even partially, input non inferred from market parameters, for which estimates and assumptions formulated by the valuate are used (third level fair value).

For asset and liability credit relations recorded in the Financial Statements at cost or at depreciated cost, with short-term or undetermined due dates, the registrated book value, net of the collective/analytic write-down, is considered to represent a good approximation of the fair value.

Head of Planning, Finance and Administration
Finanza & Amministrazione
Nicoletta Cortivo

Chief Executive Officer
Fausto Galmarini

Part B - Information on Statement of Financial Position

Part B - Information on Statement of Financial Position

Assets

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

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

ITEMS/VALUES	12.31.2009	12.31.2008
1.1 Cash in hand / revenue stamps	1,967	3,395
Total	**1,967**	**3,395**

Section 4 - Financial assets available for sale - Item 40

4.1 Breakdown of item 40 "Financial assets available for sale"

	12.31.2009			12.31.2008		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3 *	LEVEL 1	LEVEL 2	LEVEL 3
2. Capital securities and UCR portions *			243			
Total	**-**	**-**	**243**	**-**		**-**

In June 2009 the company purchased 30 shares issued by the following ingroup companies:
10 shares UniCredit Global Information Services SpA for 11.34 euros
10 shares UniCredit Audit ScpA for 220.63 euros
10 shares UniCredit Real Estate ScpA for 11.06 euros
The foregoing are non-listed shares whose fair value is calculated on the basis of valuation techniques referring to unobservable market values

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

ITEMS/VALUES	12.31.2009	12.31.2008
Financial assets	**243**	**-**
a) Governments and central banks		
b) Other public agencies		
c) Banks		
d) Financial institutes		
e) Other issuers	243	-
Total	**243**	

4.3 Financial assets available for sale: yearly changes

CHANGES/TYPES	DEBT SECURITIES	CAPITAL SECURITIES + OICR PORTIONS	LOANS	TOTAL
A. Opening balance	**-**			**-**
B. Increases	**-**	**243**		**243**
B.1 Purchases		243		243
B.2 Increases in *fair value*				-
B.3 Write-backs				-
- reported in income statement				-
- reported in shareholders' equity				-
B.4 Transfer to other portfolios				-
B.5 Other changes				-
C. Decreases	**-**			**-**
C.1 Sales				-
C.2 Refunds				-
C.3 Decreases in fair value				-
C.4 Write-downs				-
C.5 Transfer to other portfolios				-
C.6 Other changes				-
A. Final balance	**-**	**243**	**-**	**243**

4.4 Available-for-sale financial assets as guarantees for own liabilities and commitments

At the moment the company has no financial, avaliable for sale assets as guarantees.

Section 6 - Receivables - Item 60

6.1 "Receivables from banks"

	12.31.2009	12.31.2008
1. Deposits and current accounts	5,663,109	9,794,535
2. Loans	19,136,262	42,058,882
2.1 Repurchase agreements		
2.2 Financial leasing	-	-
2.3 Factoring	*19,136,262*	*42,058,882*
- with-recourse	13,838,057	26,739,399
- non-recourse	5,298,205	15,319,483
2.4 Other Loans	-	
3. Debt securities	-	-
- *Structured securities*	-	-
- Other debt securities	-	-
4. Other assets *	19,646,929	63,380,094
Total book value	**44,446,300**	**115,233,511**
Total fair value	**44,446,300**	**115,233,511**

* Receivables from particpants in pool transactions.

6.2 Receivables from banks as guarantees for own liabilities and commitments

The Company has no such transactions in progress.

6.3 "Receivables from financial institutes"

	12.31.2009		12.31.2008	
BREAKDOWN	PERFORMING	IMPAIRED	PERFORMING	IMPAIRED
1. Loans	420,565,760	-	519,926,934	-
1.1 Repurchase agreements	-	-	-	-
1.2 Financial leasing	-	-	-	-
1.3 Factoring	*420,565,760*	-	*519,926,934*	-
- with-recourse	343,999,676	-	517,529,665	-
- non-recourse	76,566,084	-	2,397,269	-
1.4 Other Loans		-		-
3. Debt securities	-	-	-	-
- *structured securities*	-	-	-	-
- *other debt securities*	-	-	-	-
4. Other assets *	2,208,478	-	6,623,453	-
Total book value	**422,774,238**	**-**	**526,550,387**	**-**
Total fair value	**422,774,238**	**-**	**526,550,387**	**-**

* Receivables from participants in pool transactions.

6.4 Receivables from financial institutes as guarantees for own liabilities and commitments

The company has no such revceivables.

Part B - Information on Statement of Financial Position - Assets (Continued)

6.5 “Receivables from customers”

BREAKDOWN	12.31.2009 PERFORMING	12.31.2009 IMPAIRED *	12.31.2008 PERFORMING	12.31.2008 IMPAIRED
1. Financial leasing	-	-	-	-
of which: without final purchase option	-	-	-	-
2. Factoring	7,012,108,581	82,499,399	6,755,414,591	29,374,654
*- with-recourse *****	*2,627,829,243*	*69,518,354*	*3,347,575,238*	*8,136,862*
- non-recourse	*4,384,279,338*	*12,981,045*	*3,407,839,353*	*21,237,792*
3. Consumer credit (including revolving cards)	-	-	-	-
4. Credit cards	-	-	-	-
5. Other Loans ***	49,208,302	-	49,055,311	-
of which: from execution of guarantees/commitments		-		-
6. Debt securities	-	-	-	-
- structured securities	-	-	-	-
- other debt securities	-	-	-	-
7. Other assets	-	-	-	-
Total book value	**7,061,316,883**	**82,499,399**	**6,804,469,902**	**29,374,654**
Total fair value	**7,061,316,883**	**82,499,399**	**6,804,469,902**	**29,374,654**

“ As of 2009, according to the modifications issued by the Bank of Italy on 16th December 2009, the “objective doubtfuls” with debtor offset (6.9 million euros) and assignor (35.8 million euros) are considered part of the impaired receivables.

** As of 2009 also the extra-receivable Loans are included in the with-recourse receivables.

***The other loans are made up of invoices issued for receivables from debtors with payment extension grants.

6.6 Trade receivables as guarantees for own liabilities and commitments

The company has no such receivables.

6.7 “Receivables”: secured assets

	12.31.2009					
	RECEIVABLES FROM BANKS		RECEIVABLES FROM FINANCIAL INSTITUTES		RECEIVABLES FROM CUSTOMERS	
BREAKDOWN SECURED	VE	VG	VE	VG	VE	VG
1. Performing assets secured by:	**13,838,057**	**13,838,057**	**343,999,676**	**343,999,676**	**2,651,556,469**	**2,651,556,469**
- Financial leasehold assets	-	-	-	-	-	-
- Factoring receivables *	13,838,057	13,838,057	343,999,676	343,999,676	2,627,829,243	2,627,829,243
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	23,727,226	23,727,226
- Derivatives on receivables	-	-	-	-	-	-
2. Impaired assets secured by:	**-**	**-**	**-**	**-**	**69,518,354**	**69,518,354**
- Financial leasehold assets	-	-	-	-	-	-
- Factoring receivables *	-	-	-	-	69,518,354	69,518,354
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-
- Derivatives on receivables	-	-	-	-	-	-
TOTAL	**13,838,057**	**13,838,057**	**343,999,676**	**343,999,676**	**2,721,074,823**	**2,721,074,823**

VE = book value of receivables
VG = fair value of guarantees

* the book value of the receivables represents the advances paid to assignors solely for with-recourse transactions. The value of the guarantees represents the otal amount of the receivables up to collection of the advances for with recourse transactions, as indicated in the transitory provisions stipulated by the Bank of Italy on 12th February 2010.

12.31.2008					
RECEIVABLES FROM BANKS		RECEIVABLES FROM FINANCIAL INSTITUTES		RECEIVABLES FROM CUSTOMERS	
VE	VG	VE	VG	VE	VG
26,739,399	**26,739,399**	**517,529,665**	**517,529,665**	**3,347,575,238**	**3,347,575,238**
-	-	-	-	-	-
26,739,399	26,739,399	517,529,665	517,529,665	3,347,575,238	3,347,575,238
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	**-**	**-**	**-**	**8,136,862**	**8,136,862**
-	-	-	-	-	-
-	-	-	-	8,136,862	8,136,862
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,739,399	**26,739,399**	**517,529,665**	**517,529,665**	**3,355,712,100**	**3,355,712,100**

Part B - Information on Statement of Financial Position - Assets (Continued)

Section 10 - Tangible assets - Item 100

10.1 Breakdown of item 100 "Tangible assets"

ITEMS/VALUATION	12.31.2009 ASSETS AT COST	12.31.2009 ASSETS AT FAIR VALUE OR REVALUED	12.31.2008 ASSETS VALUED AT COST	12.31.2008 ASSETS AT FAIR VALUE OR REVALUED
1. Functional assets	**441,790**	**-**	**523,997**	**-**
1.1 owned	**441,790**	**-**	**523,997**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	377,106		442,410	
d) capital instruments	64,684	-	81,587	-
e) others	-	-	-	-
1.2 Acquired through financial leasing	**-**	**-**	**-**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	-	-	-	-
d) capital instruments	-	-	-	-
e) others	-	-	-	-
Total 1	**441,790**	**-**	**523,997**	**-**
2. Assets referable to financial leasing	**-**	**-**	**-**	**-**
2.1 Unredeemed goods	-	-	-	-
2.2 Goods withdrawn after termination	-	-	-	-
2.3 Other goods	-	-	-	-
Total 2	**-**	**-**	**-**	**-**
3. Assets held for investment	**-**	**-**	**-**	**-**
of which: granted under operating lease	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
Total (1+2+3)	**441,790**	**-**	**523,997**	**-**
Total (Assets at cost and revalued)	**441,790**	**-**	**523,997**	**-**

10.2 Tangible assets: annual changes

	LAND	BUILDINGS	FURNITURE	CAPITAL INSTRUMENTS	OTHERS	TOTAL
A.Opening balance	**-**	**-**	**442,410**	**81,587**	**-**	**523,997**
B. Increases	**-**	**-**	**22,136**	**6,359**	**-**	**28,495**
B.1 Purchases	-	-	22,136	6,359	-	28,495
B.2 Write-backs	-	-	-	-	-	-
B.3 Increases in fair value recorded in the:	-	-	-	-	-	-
a) equity statement	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**(87,440)**	**(23,262)**	**-**	**(110,702)**
C.1 Sales	-	-	-	-	-	0
C.2 Depreciation	-	-	(87,440)	(23,262)	-	(110,702)
C.3 Write-downs to impairment recorded in the:	-	-	-	-	-	-
a) equity statement	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Decreases in fair value recorded in the :	-	-	-	-	-	-
a) equity statement	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Other changes						
D. Final balance	**-**	**-**	**377,106**	**64,684**	**-**	**441,790**

The depreciation rates used are:
- electronic equipment 20%
- furniture and fittings 12%.

10.3 Tangible assets as guarantees for own liabilities and commitments
The company has no such tangible assets.

Section 12 - Tax assets and liablities

12.1 Breakdown of item 120 "Tax Assets : current and prepaid"

TAX ASSETS	12.31.2009	12.31.2008
a) current	-	-
b) prepaid	5,126,305	4,761,413
Total	**5,126,305**	**4,761,413**

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

TAX LIABILITIES	12.31.2009	12.31.2008
a) current *	5,265,110	14,811,435
b) deferred	-	-
Total	**5,265,110**	**14,811,435**

* Current liabilities represent the balance of taxes net of the advances paid to the Holding company for participation in the tax consolidation.
UniCredit Factoring S.p.A. participates in UniCredit Group's tax consolidation. Consequently the IRES advances for € 18,041,055 paid to the Holding are classified in the item "Tax liabilities".

12.3 Changes in prepaid taxes (as offset in Income Statement)

	12.31.2009	12.31.2008
1. Opening balance	**4,169,093**	**2,603,793**
2. Increases	**1,931,025**	**2,184,337**
2.1 Tax advances reported in the year	1,931,025	2,184,337
a) relating to previous years	-	-
b) due to modified accounting standards	-	-
c) write-backs	-	-
d) other	1,931,025	2,184,337
2.2. New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3. Decreases	**(1,566,133)**	**(619,037)**
3.1 Tax advances cancelled during the year	(1,566,133)	(109,583)
a) re-endorsements	(1,566,133)	(109,583)
b) write-downs for irrecoverability	-	-
c) due to modified accounting standards	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases		(509,454)
4. Final balance	**4,533,985**	**4,169,093**

12.4 Changes in deferred taxes (as offset Income Statement

	12.31.2009	12.31.2008
1. Opening balance	**(129,443)**	**(14,063)**
2. Increases	**-**	**-**
2.1 Deferred taxes reported during the year	-	-
a) relating to previous years	-	-
b) due to modified accounting standards	-	-
c) other	-	-
2.2. New taxes or tax rate ncreases	-	-
2.3 Other Increases	-	-
3. Decreases	**0**	**(115,380)**
3.1 Deferred taxes cancelled during in the year	0	(115,380)
a) re-endorsement		(115,380)
b) due to modified accounting standards	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Final balance	**(129,443)**	**(129,443)**

Part B - Information on Statement of Financial Position - Assets (Continued)

12.5 Changes in prepaid taxes (offset in Equity Statement)

	12.31.2009	12.31.2008
1. Opening balance	**592,320**	**444,721**
2. Increases	**0**	**212,254**
2.1 Prepaid taxes reported during the year		212,254
a) relating to previous years	-	-
b) due to modified accounting standards	-	-
c) other		212,254
2.2. New taxes or tax rate increases	-	-
2.3 Other Increases	-	-
3. Decreases	**0**	**(64,655)**
3.1 Tax advances cancelled during the year	-	-
a) re-endorsement	-	-
b) write-downs for irrecoverablility	-	-
c) due to modified accounting standards	-	-
3.2 Tax rate reductions	-	-
3.3 other decreases		(64,655)
4. Final balance	**592,320**	**592,320**

The opening balance represents the amount of assets for prepaid taxes created by FTA as a result of the transition to international accounting standards as an offset in the equity statement, in compliance with the IFRS 1 provisions.

12.6 Changes in deferred taxes (as offset in the equity statement)

	12.31.2009	12.31.2008
1. Opening balance	**129,443**	**129,443**
2. Increases	**-**	**-**
2.1 Deferred taxes reported in the year	-	-
2.2 New taxes or increased tax rates	-	-
2.3 Other Increases	-	-
3. Decreases	**-**	**-**
3.1 Deferred taxes cancelled during the year	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Final balance	**129,443**	**129,443**

The opening balance represents the amount of the liabilities for deferred taxes created by the FTA as a result of the transition to international accounting standards as an offset in the equity statement, in compliance with the IFRS 1 provisions.

Section 14 - Other assets - Item 140

14.1 Breakdown of item 140 “Other assets”

ITEMS	12.31.2009	12.31.2008
Notes credited sbf to customers pending collection by bank	5,809,842	6,577,195
Receivables from inland revenue	550,453	101,784
Caution money	3,160	3,160
Advances and subsidies to human resources		397
Receivables from insurance companies for indemnities pending	77,960	64,040
Transitory entries	468,338	222,005
Deferred asset	44,543	3,401,798
Improvements to third-party goods	1,145,780	1,046,491
Total	**8,100,076**	**11,416,870**

* Balance relating to the extraordinary maintenance of the new headquarters premises in Via Albricci 10, Milano.

Liabilities

Section 1 - Payables - Item 10

1.1 Liabilities

ITEMS	12.31.2009 TO BANKS	12.31.2009 TO FINANCIAL INSTITUTES	12.31.2009 TO CUSTOMERS	12.31.2008 TO BANKS	12.31.2008 TO FINANCIAL INSTITUTES	12.31.2008 TO CUSTOMERS
1. Loans	**7,129,810,242**	**0**	**0**	**6,732,999,216**	**-**	**0**
1.1 Repurchase agreements						
1.2 Other Loans	7,129,810,242			6,732,999,216		
2. Other payables		**3,608,290**	**107,129,534**	**228,411,685**	**3,666,576**	**166,322,863**
Total	**7,129,810,242**	**3,608,290**	**107,129,534**	**6,961,410,901**	**3,666,576**	**166,322,863**
Fair Value	**7,129,810,242**	**3,608,290**	**107,129,534**	**6,961,410,901**	**3,666,576**	**166,322,863**

In the payables owed to banks, the item "Other Loans" highlights the value of the loans received from financial institutes and the item "other liabilities" chiefly highlights the value of the pool shareholding in UniCredit Corporate Banking n the payables owed to customers the item "other liabilities" represents the difference between the total amount and the expected value of the consideration for effective non-recourse transactions for 72,793,171 euros and the debit balances with customers for 34,040,864 euros.

Section 2 - Outstanding securities - Item 20

2.1 Breakdown of item "Outstanding securities"

LIABILITIES	12.31.2009 BOOK VALUE	12.31.2009 FAIR VALUE L1	12.31.2009 FAIR VALUE L2	12.31.2009 FAIR VALUE L3	12.31.2008 BOOK VALUE	12.31.2008 FAIR VALUE L1	12.31.2008 FAIR VALUE L2	12.31.2008 FAIR VALUE L3
1. Securities	**77,150,992**	**-**	**-**	**77,750,992**	**77,479,042**	**-**	**-**	**77,479,042**
- bonds	77,150,992	-	-	77,750,992	77,479,042	-	-	77,479,042
- structured	-	-	-	-	-	-	-	-
- others	77,150,992			77,750,992	77,479,042			77,479,042
- Other securities	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
Total	**77,150,992**	**-**	**-**	**77,750,992**	**77,479,042**	**-**	**-**	**77,479,042**

L1= Level 1
L2= Level 2
L3= Level 3

2.2 Subordinated securities

Subordinated liabilities have the following characteristics::

		BALANCE AT 01/01/09	REFUNDS/ VARIATIONS	RESIDUAL BALANCE AT 31/12/09	DUE DATE	RATE
share capital	Euros	10,000,000	-	10,000,000	30-3-2017	For first 5 years: Euribor 6 mths + 30 bps as of 6° year: if not refunded in advance: Euribor 6 mths + 90 bps
interest	Euros	141,303	*(107,604)*	33,699		
Total	**Euros**	**10,141,303**	***(107,604)***	**10,033,699**		

- Type: within group, subordinated liability LOWER TIER II TV;
- Start-up date: 30/03/2007
- Six monthly, variable rate: for the first five years Euribor 6 months + 30 bps and as of 6th month, if not refunded in advance, Euribor 6 months + 90 bps;
- Refunding: full capital refund at due date subject to prior consent from Bank of Italy;
- Prepaid refunding: subject to Bank of Italy authorisation, after verification of market conditions, the company reserves the, right to implement, 60 months after the date of allocation of the loan, and contextually with the dates foreseen for the payment of the interest, the prepaid refunding of all or part of the capital still outstanding, with prior notice of at least one month;
- subordination clause: in case of liquidation of the Company or of subjection to legal proceedings the debt will be refunded only when all the other creditors, not equally subordinated, have been satisfied.

Part B - Information on Statement of Financial Position - Liabilities (Continued)

		BALANCE AT 01/01/09	REPAYMENTS/ VARIATIONS	RESIDUAL BALANCE AT 31/12/09	DUE DATE	RATE
share capital	Euros	15,000,000	-	15,000,000	30-3-2017	
Interest	Euros	220,675	*(161,358)*	59,317		
Total	**Euros**	**15,220,675**	***(161,358)***	**15,059,317**		Euribor 6 months + 53 bps

- Type: composite instrument for within group Upper tier 11 TV capitalisation;
- Start-up date: 30/03/2007;
- 6 monthly variable rate: Euribor 6 months + 53 bps;
- Refunding: full capital refund at due date subject to prior Bank of Italy consent;- Subordination clause: in case of Company wind-up or subjection to legal proceedings the debt will be refunded only after all other non-equally subordinated creditors have been satisfied;
- Loss hedging clause: in case of statement of financial position losses entailing decrease in the paid-in share capital and the reserves under the minumum level of capital foreseen for listing in the general Register ex-art. 106 TUB, the sums returning from the loan and the interest accrued may be used to compensate losses in order to permit the company to continue its activities.
  In case of ongoing negative progress in management, the right to remuneration may be suspended to the extent needed to avoid or limit losses as far as possible.

		BALANCE AT 01/01/09	REPAYMENTS/ VARIATIONS	RESIDUAL BALANCE AT 31/12/09	DUE DATE	RATE
share capital	Euros	24,000,000	-	24,000,000	14-12-2017	For the first 5 years: Euribor 6 months + 100 bps as of 6° year, if not refunded in advance: Euribor 6 months + 160 bps
Interest	Euros	50,058	(27,259)	22,799		
Total	**Euros**	**24,050,058**	**(27,259)**	**24,022,799**		

- Typology: infragroup LOWER TIER II TV subordinated liabilities;
- Start up date: 14/12/2007
- 6 monthly variable rate: for the first five years Euribor 6 months + 100 bps and as of sixth year, if not refunded in advance, Euribor 6 months + 160 bps;
- Refunding: full capital refund at due date subject to prior Bank of Italy consent;
- Prepaid refunding: subject to Bank of Italy authorisation, and upon verification of the market conditions, the company, reserves the right to implement, as of 14/12/2012, and contextually with the due dates foreseen for the payment of the interest, the prepaid refunding of all or part of the share capital outstanding, with at least one month's prior notice;
- Subordination clause: in case Company wind-up subjection to legal proceedings the debt will be refunded only after all other non-equally subordinated creditors have been satisfied;

		BALANCE AT 01/01/09	REPAYMENTS/ VARIATIONS	RESIDUAL BALANCE AT 31/12/09	DUE DATE	RATE
share capital	Euros	28,000,000	-	28,000,000	14-12-2017	
Interest	Euros	67,006	(31,829)	35,177		Euribor at 6 months + 165 bps
Total	**Euros**	**28,067,006**	**(31,829)**	**28,035,177**		

- Type: composite instrument for within group Upper TIER 1 TV capitalisation;
- Start-up date: 14/12/2007;
- 6 monthly variable rate: Euribor 6 months + 165 bps;
- Refunding: full capital refund at due date subject to prior Bank of Italy consent;
- Subordination clause: in case of Company wind-up or subjection to legal proceedings the debt will be refunded only after all other non-equally subordinated creditors have been satisfied;
- Loss Hedging clause: in case of statement of financial position losses which entail a decrease in the paid-in share capital and the reserves under the minumum level of capital foreseen for listing in the general Register ex-art. 106 TUB, the sums returning from the loan and the interest accrued may be used to compensate losses in order to permit the company to continue its activities.
  In case of ongoing negative progress in management, the right to remuneration may be suspended to the extent needed to avoid or limit losses as far as possible.

Section 5 - Hedging derivatives Item 50

5.1 Breakdown of Item 50 "Hedging derivatives":

DOMESTIC VALUE/FAIR VALUE LEVELS	12.31.2009				12.31.2008			
	FAIR VALUE				FAIR VALUE			
	L1	L2	L3	DV	L1	L2	L3	DV
A. Financial derivatives	**-**	**-**	**1,523,955**	**27,481,449**	**-**	**-**	**1,972,804**	**59,858,472**
1. Fair value			1,523,955	27,481,449			1,972,804	59,858,472
2. Financial flows								
3. Foreign investments								
Total A	**-**	**-**	**1,523,955**	**27,481,449**	**-**	**-**	**1,972,804**	**59,858,472**
B. Funding Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Fair value								
2. Financial flows								
Total B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**1,523,955**	**27,481,449**	**-**	**-**	**1,972,804**	**59,858,472**

L1= Level 1
L2= Level 2
L3= Level 3
NV = Nominal value

5.2 Breakdown of Item 50 "Hedging derivatives": Hedged portfolios and types of hedging

TRANSACTIONS / TYPE OF HEDGING	FAIR VALUE						FINANCIAL FLOWS		
	SPECIFICATION								
	RATE RISK	EXCHANGE RISK	CREDIT RISK	PRICE RISK	MORE RISKS	GENERIC	SPECIFIC	GENERIC	FOREIGN INVESTMENTS
6. Financial assets available for sale	-	-	-	-	-	-	-	-	-
7. Receivables	1,523,955	-	-	-	-	-	-	-	-
8. Financial assets held till due date	-	-	-	-	-	-	-	-	-
9. Portfoglio	-	-	-	-	-	-	-	-	-
10. Other Transactions	-	-	-	-	-	-	-	-	-
Total assets	**1,523,955**	**-**	**-**	**-**	**-**	**-**			
3. Financial liabilities	-	-	-	-	-	-	-	-	-
4. Portfoglio	-	-	-	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**			
3. Transactions pending	-	-	-	-	-	-	-	-	-
4. Portfolio of financial assets/liabilities	-	-	-	-	-	-	-	-	-

Hedging derivatives subject to rate risks are implemented solely as regards transactions with due dates exceeding 18 months, constituting a residual part of the Company's portfolio.

Section 7 - Tax liabilities - Item 70

For the foregoing item see Section 12 - tax assets and liabilities.

Part B - Information on Statement of Financial Position - Liabilities (Continued)

Section 9 - Other liabilities - Item 90

9.1 Breakdown of item "Other liabilities"

ITEMS	12.31.2009	12.31.2008
Credits pending attribution *	26,819,509	57,499,328
Transfers assigned but not charged **	30,362,055	-
Outstanding INPS and INAIL contributions	707,666	716,168
Taxes and withholdings due	589,570	882,005
Accruals due to human resources ***	6,020,717	6,096,618
Unenjoyed holidays	294,712	155,801
Suppliers for invoice to be received and/or paid	7,634,888	11,167,092
Transit entries to be registered	2,465,622	2,507,500
Other current liabilities ****	15,463,928	26,148,183
Amount due to MCC for purchase-price branch company	-	
Total	**90,358,667**	**105,172,695**

* Sums to be acknowledged to customers for payments from debtors.
** The amount is made up of bank transfers to assignors, assigned but not yet executed by the bank.
*** The amount chiefly comprises: allocations to the bonus system 2.474 thousand euros, redundancy incentives 737 thousand euros, third party human resources 1.179 thousand euros.
**** Deferred earnings relating to interest and commission collected by customers in advance.

Section 10 - Human resources severance fund - Item 100

10.1 - "Human resources severance fund": annual changes

ITEMS	12.31.2009	12.31.2008
A. Opening balance	**2,526,908**	**2,676,011**
B. Increases	**134,327**	**210,848**
B.1 Allocation during the year	133,896	142,936
B.2 Other increases	*431*	*67,912*
C. Decreases	**(619,851)**	**(359,951)**
C.1 Termination payments implemented	*(619,851)*	*(314,249)*
C.2 Other decreases		*(45,702)*
D. Final balance	**2,041,384**	**2,526,908**

10.2 - Other information

The Severance Fund is included in the defined benefit plans and therefore determined according to the actuarial method illustrated in the accounting standards.
Here below we indicate the actuarial assumptions and the reconciliation between the present value of the fund and the related liabilities registered in the statement of financial position.

DESCRIPTION OF THE CHIEF ACTUARIAL ASSUMPTIONS	
Discounting-back rate	4.75%
Expected inflation rate	2.00%

Values in thousands of Euros

RECONCILIATION, BETWEEN PRESENT VALUE OF THE FUNDS, PRESENT VALUE PLAN-RELATED ASSETS AND ASSETS AND LIABILITIES REGISTERED IN THE STATEMENT OF FINANCIAL POSITION.	
Present value of defined benefit plan - TFR	2,300
Not-recognized, actuarial gains (losses)	(259)
Net liabilities	2,041

The human resources severance indemnity fund (TFR) is considered as a "post-employment defined benefit", therefore its registration in the Financial Statements required the estimation, using actuarial techniques, of the amount of benefits accrued by the employees and the discounting-back of the foregoing. The definition of these benefits was implemented by an external actuary using the "Unitary Projection of Credit Method".

Following the supplementary welfare reform pursuant to Legislative Decree nr.252 of 5th December 2005, the TFR portions accrued up to 31.12.2006 remain with the company, whereas the portions accruing as of 1st January 2007 are, subject to the employee's choice (exercised within 30.06.2007), allocated as supplementary insurance forms, i.e. to the INPS Treasury Fund.

Consequently:
The severance fund accrued up to 12/31/2006 (or up to the employee's chosen date - included between 1/1/07 and 30/06/07- if the latter allocates his/her severance fund to a supplementary welfare fund) continues to appear as a "defined benefits" plan and is therefore subject to actuarial valuation albeit with a simplification in the actuarial assumptions which no longer take into account the forecasts concerning future salary increases.

The portions accrued as of 01/01/07 (or as of the employee's chosen date - included between 1/1/07 and 30/06/07- if the latter allocates his/her severance fund to a supplementary welfare fund) are considered as a 'defined contribution' plan (since the company's obligation ceases when the latter pays over the portions accrued to the fund chosen by the employee). Therefore the relevant cost pertaining to the period is equal to the amounts transferred to the supplementary welfare fund, i.e. to the INPS Treasury Fund.

The costs relating to the severance fund accrued during the year are registered in the Income Statement under item 110 a) "Costs for human resources" and include the interst accrued during the year (Interest cost) relevant to the commitment, already outstanding at the date of the reform, together with the portions accrued during the year and paid over to the supplementary welfare fund or to the INPS Treasury Fund.

The actuarial gains and losses, defined as the difference between the book value of the liabilities and the present value of the commitments at end of year, are registered according to the "corridor" method, i.e. only when they exceed 10% of the present value of the foregoing obligation at previous year end. Any excess is recorded in the income statement with amortisation over the remaining, average working life foreseen for the employees participating in the plan, as of the subsequent financial year.

Section 11 - Funds for risks and charges - Item 110

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

ITEM	12.31.2009	12.31.2008
Fund for revocatory actions	4,252,836	5,506,561
Fund for legal charges	85,958	94,053
Fund for former Bank of Umbria guarantee	297,341	309,767
Fund for Intesa Mediofactoring guarantee	204,953	426,837
Fund for defendant lawsuits	160,000	
Fund for risks and charges relating to Poligrafico	2,311,446	
Fund for ascertainment of registration tax	75,000	
Total	**7,387,534**	**6,337,218**

The fund for revocatory actions and legal charges represents the best estimate of the costs the company expects to sustain with respect to current actions and claims.
The most significant legal action entails an overall, maximum risk amounting to 17,1 mln Euros covered by a release from liability issued by MCC for 2.5 million Euros (which also supports a supervised position).

The fund guaranteeing the former Bank of Umbria: in 2004 the company had set up a specific fund, using funds from the former Bank of Umbria 1462 SpA (a company absorbed by UniCredito Italiano S.p.A.in 2005) and registered, upon acquisition, in the GrifoFactor S.p.A financial statements, to offset the potentially detrimental, financial effects of any possible claim and/or damage deriving from the performing and non-performing positions relevant to the assets assigned. The foreoing fund is subject to annual settlement between the parties, and will terminate once the reasons for its creation cease to exist.

The fund which guarantees Intesa Mediofactoring represents our Company's quota of the risks deriving from a pool operation, (this operation stems from the Factoring branch ex MCC). As participants in the pool, with no receivables registered in the financial statements, prudent steps were taken to allocate provisions to the fund for risks and charges hedging possible defaults.

The fund for risks and charges relating to Poligrafico was created following the payment by the Istituto Poligrafico e Zecca dello Stato S.p.A., (the Mint) pursuant to the concession of the temporary execution of the injunction order obtained by our company. It is a pool operation led by our company and the amount earmarked concerns our quota of the interest paid by Poligrafico with express reservation to repeat it when the outcome of the pending lawsuit is decided.

Part B - Information on Statement of Financial Position - Liabilities (Continued)

11.2 Changes during the year to item 110 "Funds for risks and charges"

ITEM	12.31.2009	12.31.2008
1. Opening balance+A3	**6,337,218**	**7,413,270**
2. Increases	**2,596,446**	**1,506,000**
Fund for revocatory actions	30,000	1,486,000
Fund for staff claims		
Fund for legal charges	20,000	
Fund for former Bank of Umbria guarantee		
Fund for Intesa Mediofactoring guarantee	0	0
Fund for outstaniding lawsuits	160,000	20,000
Fund for risks and charges relating to Poligrafico	2,311,446	
Fund for ascertainment of stamp taxes	75,000	
Other		
3. Decreases	**(1,546,130)**	**(2,582,052)**
Fund for revocatory actions	(1,283,725)	(1,891,435)
Fund for staff claims		(136,861)
Fund for legal charges	(28,095)	(160,000)
Fund for former Bank of Umbria guarantee	(12,426)	(32,721)
Fund for Intesa Mediofactoring guarantee	(221,884)	(341,035)
Fund for outstaniding lawsuits		(20,000)
Fund for risks and charges relating to Poligrafico		
Fund for ascertainment of stamp taxes		
Other		
4. Final balance	**7,387,534**	**6,337,218**

Section 12 - Equity - items 120,150 and 160

12.1 - Breakdown of item 120 - "Share Capital"

TYPES	AMOUNT
1. Share capital	**114,518,475**
1.1 Ordinary shares	*114,518,475*

The number of ordinary shares amounts to 22.193.503.

12.4 - Breakdown of item 150 - "Share premiums"

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

12.5 - Other information

ITEMS	LEGAL	PROFITS CARRIED FORWARD	STATUTORY RESERVE	OTHER RESERVES	TOTAL
A. Opening balance	**3,229,437**	**118,160**	**184,631**	**(1,162,795)**	**2,369,433**
B. Increases	**1,739,723**	**-**	**-**	**33,054,741**	**34,794,464**
B.1 Attributions of profits	1,739,723		-	33,054,741	34,794,464
B.2 Other increases	-	-	-		-
C. Decreases	**-**	**-**		**0**	**0**
C.1 Utiliasations	-	-	-	-	-
- loss hedging	-	-	-	-	-
- distribution	-	-	-	-	-
- transfer to capital	-	-	-	-	-
C.2 Other decreases	-	-	-		0
D. Final balance	**4,969,160**	**118,160**	**184,631**	**31,891,946**	**37,163,897**

The "Other Reserves are chiefly made up of undistributed, 2008 profits.

Analysis of the Equity breakdown as regards availability and distribution (art. 2427, n7 bis)

NATURE / DESCRIPTION	AMOUNT	POSSIBILITY OF UTILISATION	QUOTA AVAILABLE	RECAPITULATION OF UTILISATIONS OVER 3 PREVIOUS YEARS	
				FOR LOSS HEDGING	FOR OTHER REASONS
Share Capital	**114,518,475**		**-**		
Capital reserve:	**951,314**		**-**		
- Share premiums	951,314	B	-		
Profits reserve	**37,163,897**		**302,791**		
- Statutory reserve	184,631	A, B, C	184,631		
- Legal reserve	4,969,160	B	-		
- FTA reserve	(447,478)		-		
- Other reserves	32,339,424		-		
- Previous year profits	118,160	A, B, C	118,160		
Profits for the year	**47,797,807**		**-**		
Totale	**200,431,493**	**-**	**302,791**		

Key:
A: increase in capital
B: loss hedging
C: distribution to shareholders

Part C - Information on Income statement

Part C - Information on Income statement

Section 1 - Interest - Items 10 and 20

1.1 - Breakdown of item "Interest income and similar revenues"

ITEMS/TECHNICAL FYPES	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	2009	2008
1. Financial assets held for trading	-	-	-	-	-
2. Financial assets at fair value	-	-	-	-	-
3. Financial assets available for sale	-	-	-	-	-
4. Financial assets held till due date	-	-	-	-	-
5. Receivables	-	159,027,839	-	159,027,839	256,407,819
5.1 Receivables from banks	-	534,092	-	534,092	2,673,210
5.2 Receivables from financial institutes	-	12,719,306	-	12,719,306	7,843,365
5.3 Receivables from customers	-	145,774,441	-	145,774,441	245,891,244
6. Other assets	-	-	-	-	-
7. Hedging derivatives	-	-	-	-	134,625
Total	**-**	**159,027,839**	**-**	**159,027,839**	**256,542,444**

1.3 - Breakdown of item 20 "Interest costs and similar charges"

ITEMS/TECHNICAL TYPES	LOANS	SECURITIES	OTHER	2009	2008
1. Payables owed to banks	(87,007,163)	-	-	(87,007,163)	(206,189,060)
2. Payables owed to financial institutes	-	-	-	-	-
3. Payables owed to customers	-	-	-	-	-
4. Outstanding securities	-	(3,324,187)	-	(3,324,187)	(5,817,794)
5. Financial liabilities for trading	-	-	-	-	-
6. Financial liabilities at fair value	-	-	-	-	-
7. Other liabilities	-	-	-	-	-
8. Hedging derivatives	(1,832,232)	-		(1,832,232)	(574,397)
Total	**(88,839,395)**	**(3,324,187)**	**0**	**(92,163,582)**	**(212,581,251)**

The decrease, in absolute value, of both interest income and interest costs is related to the 2009 decrease in interest rates.

Section 2 - Commission - Items 30 and 40

2.1 - Breakdown of item 30 "Commission income"

DETAIL	2009	2008
1. Financial leasing transactions		
2. Factoring transactions	64,217,541	55,077,528
3. Consumer credit	-	-
4. Merchant banking activities	-	-
5. Guarantees issued	-	-
6. Services:	-	-
- fund management for third parties	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- other	-	-
7. Collection and payment services	48,570	48,117
8. Servicing for securitization transactions	-	-
9. Other commission: recovery of expenses for customers (preparation of credit line files, expenses on accounts etc.	1,440,047	1,625,736
Total	**65,706,158**	**56,751,381**

2.2 - Breakdown of item 40 “Commission expenses”

DETAIL	2009	2008
1. Guarantees received	(577,797)	(562,252)
2. Distribution of third party services	-	-
3. Collection and payment services	(263,524)	(213,612)
4. Other commission	(5,468,635)	(5,134,030)
4.1 Fees	*(4,360,801)*	*(4,482,315)*
4.2 Credit reinsurance costs	*(1,107,834)*	*(651,715)*
Total	**(6,309,956)**	**(5,909,894)**

Section 4 - Net result of trading assets - Item 60

4.1 - Breakdown of item 60 “Net result of trading assets”

	2009				
ITEMS/REVENUE	CAPITAL GAINS	TRADING PROFITS	CAPITAL LOSSES	TRADING LOSSES	NET RESULT
1. Financial assets	**-**	**-**			**-**
1.1 Debt securities	-	-			-
1.2 Capital securities and OICR portions	-	-			-
1.3 Loans	-	-			-
1.4 Other assets	-	-			-
2. Financial liabilities	**-**	**-**			**-**
2.1 Debt securities	-	-			0
2.2 Payables					
2.3 Other liabilities	-	-			-
3. Derivatives	**-**				**0**
4. Financial assets and liabilities: Exchange rate difference		**186,832**			**186,832**
5. Financial derivatives					
6. Derivatives on receivables					
Total	**-**	**186,832**	**-**	**-**	**186,832**

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

8.1 - “Net value adjustments/write-backs for loan impairment”

	VALUE ADJUSTMENTS		WRITE-BACKS			
ITEMES/REVENUE	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO	2009	2008
1. Receivables from banks	-	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
2. Receivables from financial institutes	**-**	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
3. Receivables from customers	**(21,958,359)**	**(3,493,720)**	**328,726**	**1,052,677**	**(24,070,676)**	**(7,396,553)**
- for leasing	-	-	-	-	-	-
- for factoring *	(21,958,359)	(3,493,720)	328,726	1,052,677	(24,070,676)	(7,396,553)
- for consumer credit		-	-	-	-	-
- other receivables	-	-	-	-	-	-
Total	**(21,958,359)**	**(3,493,720)**	**328,726**	**1,052,677**	**(24,070,676)**	**(7,396,553)**

* the specific value adjustments also include transfers to losses.

Part C - Information on Income statement (Continued)

Section 9 - Administration costs - Item 110

9.1 - Breakdown of item 110.a "Human resources expenses"

ITEMS/SECTORS	2009	2008
1. Employees	**(13,662,553)**	**(14,757,300)**
a) salaries, wages and similar charges	(9,153,656)	(9,641,296)
b) social security charges	(2,664,121)	(3,309,500)
c) severance indemnities	(576,067)	(691,380)
e) provisions for severance fund	(133,896)	(142,936)
g) payments to external, supplementary insurance funds	(310,905)	(285,790)
h) other expenses	(823,908)	(686,398)
2. Other human resources *	**(193,498)**	**(326,700)**
3. Directors and auditors	**(335,807)**	**(222,670)**
5. Cost recovery for employees seconded to other companies	**23,508**	**88,637**
6. Expenses refund for employees seconded to the company	**(2,163,631)**	**(1,603,558)**
Total	**(16,331,981)**	**(16,821,591)**

* The item "other human resources" chiefly refers to the cost of seconded human resources which, as highlighted in table 9.2, increases from from 6.3 to 12.4.

9.2 - Average number of employees divided by category

Average number of employees

DETAIL BY CATEGORY	2009	2008
Managers	**8.0**	**9.3**
Heads of departments/middle management	**77.2**	**76.3**
Remaining human resources	**81.7**	**87.5**
Total	**166.9**	**173.2**

Average number of other human resources

DETAIL BY CATEGORY	2009	2008
Third party human resources	**8.4**	**2.7**
Interim	**2.8**	**2.6**
Co.Co.Pro. (Professional Coordination Contracts)	**0.8**	**1.0**
Other	**0.4**	
Total	**12.4**	**6.3**

9.3 - Breakdown of item 110.b Other administration costs”

CATEGORY OF COSTS	2009	2008
1. TAXES AND DUES	**(794,790)**	**(385,660)**
A. Paid	(794,790)	(385,660)
- stamp duty	*(375,918)*	*(358,877)*
*- registration tax**	*(417,702)*	*(25,707)*
- a other taxes and dues	*(1,170)*	*(1,076)*
2. SUNDRY COSTS AND EXPENSES	**(12,015,053)**	**(12,425,906)**
A. Advertising, marketing and communication costs	**(172,928)**	**(238,126)**
- advertising costs: mass media communication	*(42,185)*	*(67,991)*
- advertising costs: rmarket research	*(21,600)*	*(32,346)*
- advertising costs: sponsoriships	*(58,545)*	*(45,547)*
- entertainment expenses	*(38,618)*	*(91,725)*
- conventions and internal communication	*(11,980)*	*(517)*
B. credit risk costs	**(1,526,759)**	**(1,308,750)**
- legal costs for credit recovery	*(1,166,665)*	*(1,108,105)*
- commercial information and preliminary enquires	*(360,094)*	*(200,645)*
C. Indirect staff-based costs	**(907,467)**	**(1,185,079)**
- human resources service area	*(40,596)*	*(54,237)*
- human resources training and selection	*(63,634)*	*(281,302)*
- travel expenses and vehicle hire	*(706,917)*	*(775,086)*
- rentals for personal use properties	*(96,320)*	*(74,454)*
D. Information, communication technology expenses	**(4,108,364)**	**(4,215,516)**
- equipment hire and ICT software	*(3,856,193)*	*(3,917,320)*
- telepone, swift and data transmission costs	*(98,302)*	*(191,494)*
- ICT service	*(153,568)*	*(105,712)*
- ifinancial interproviders	*(301)*	*(990)*
E. Consultancies and professional services	**(1,074,416)**	**(1,484,171)**
- technical advice	*(327,988)*	*(331,913)*
- other professional services	*(9,217)*	-
- management/strategy advice	*(299,266)*	*(1,037,387)*
*- legal and notarial costs***	*(437,945)*	*(114,871)*
F. Expenses relating to properties	**(2,178,838)**	**(2,094,079)**
- property servicing area	*(11,554)*	*(11,300)*
- cleaning of premises	*(73,761)*	*(55,841)*
- maintenance of furniture, fittings, equipment and systems	*(318)*	*(193,014)*
- maintenance of premises	*(52,317)*	*(85,150)*
- property rental costs	*(2,004,467)*	*(1,730,601)*
- utilities	*(36,421)*	*(18,173)*
G. Other operating costs	**(2,046,281)**	**(1,900,185)**
- auditors' remuneration	*0*	-
- ainsurance	*(65,444)*	*(43,644)*
- office equipment hire	*(3,199)*	*(1,315)*
- postal expenses	*(161,079)*	*(386,394)*
- printouts and stationary	*(56,047)*	*(34,401)*
- administrative services - others	*(1,463,145)*	*(1,249,706)*
- transportation of valuables and documents	*(21,337)*	*(14,441)*
- sundry office supplies	*(36,723)*	*(70,381)*
- bcharity	*0*	*(274)*
- fees, costs and contribution to trade assoc. and protection funds	*(137,113)*	*(58,718)*
- other administration costs	*(102,194)*	*(40,911)*
	(12,809,843)	**(12,811,566)**

Compared to the previous year discretionary expenditure has led to stable administration costs, compensating the consultancy and training costs with the in-group expenses, particularly for properties, connected with rental increases and with more external outsourcing to assist company personel.

* the Item “registration tax” includes 352,379 euros relating to the charges for judiciary deeds subsequently debited to customers and registered under the item “other management revenues”.

** the item “legal and notarial costs” include 292,574 euros relating to the charges sustained for certifiying the receivables contemplated in the ASFO convention, subsequently redebited to customers and registered under the item “other management revenues”.

Part C - Information on Income statement (Continued)

Section 10 - Adjustments to net value of tangible assets - Item 120

10.1 - Breakdown of item 120 "Net value Adjustments/write-backs to tangible assets"

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2009 DEPRECIATION	2009 VALUE ADJUSTMENTS FOR IMPAIRMENT	2009 WRITE-BACKS	2009 NET RESULT	2008 DEPRECIATION	2008 VALUE ADJUSTMENTS FOR IMPAIRMENT	2008 WRITE-BACKS	2008 NET RESULT
1. Functional assets	**(110,702)**	**-**	**-**	**(110,702)**	**(87,796)**	**-**	**-**	**(87,796)**
1.1 owned	(110,702)	-	-	(110,702)	(87,796)	-	-	(87,796)
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	*(110,702)*	-	-	*(110,702)*	*(87,796)*	-	-	*(87,796)*
d) capital instruments	-	-	-	-	-	-	-	-
e) others	-	-	-	-	-	-	-	-
1.2 acquired through financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-	-	-
d) capital instruments	-	-	-	-	-	-	-	-
e) others	-	-	-	-	-	-	-	-
2. Assets referable to financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Assets held for investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which granted under operating lease	-	-	-	-	-	-	-	-
Total	**(110,702)**	**-**	**-**	**(110,702)**	**(87,796)**	**-**	**-**	**(87,796)**

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

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

PROVISIONS FOR RISKS AND CHARGES	2009	2008
- Provision for revocatory actions	(30,000)	-
- Provision for outstanding lawsuits	(160,000)	(1,486,000)
- Provision for legal charges fund	(20,000)	(20,000)
- Provision for Poligrafico risks	(2,311,446)	
- Provision for registration tax	(75,000)	
- Write-back on risks and charges fund	1,451,557	1,479,144
Total	**(1,144,889)**	**(26,856)**

For comments see table 11.1 of the Equity statement: liabilities (Breakdown of item 110 "Fund for risks and charges".

Section 14 - Other operating revenues and charges - Item 160

14.1 - Breakdown of item 160 "Other operating revenues and charges"

OTHER OPERATING REVENUES AND CHARGES	2009	2008
- customers' legal expenses*	552,283	292,412
- dual-purpose use of company cars	39,745	25,548
- reivable income from rentals	1,678	1,678
- recovery of costs for legal deeds *	352,379	
- insurance indemnity	45,194	
- miscellaneous revenue	188,882	103,796
Total	**1,180,161**	**423,434**

Other operating charges	2009	2008
- Other operating charges **	(309,848)	(615,556)
Total	**(309,848)**	**(615,556)**
Total other operating revenue and charges	**870,313**	**(192,122)**

* See comment under table 9,3 of the income statement "Other Administration Costs".
**Includes the portion attributed for the period to the re-structuring of the property in Via Albricci 10, Company's registered offices.

Section 17 - Income taxes for the period on current operations - Item 190

17.1 - Breakdown of item 190 "Income taxes for the period on current operations"

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2009	2008
1. Current taxes	(27,190,772)	(24,287,755)
2. Changes in current taxes relating to previous years		
3. Current tax reductions during the year	1,774,174	
4. Changes in prepaid taxes	364,892	1,500,644
5. Changes in deferred taxes		115,380
Taxes relating to the year	**(25,051,706)**	**(22,671,731)**

17.2 - Reconciliation between theoretical and actual tax liability recorded in the financial statements

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2009	2008
Profit(loss) of current operations before taxes	**72,849,513**	**57,466,196**
Theoretical, applicable tax rate	27.5%	27.5%
Theoretical taxes	(20,033,616)	(15,803,204)
Tax effects deriving from:		
+ Non-taxable revenue - permanent differences	613,119	-
- Non-deductible costs-permanent differences *	(775,020)	(4,225,699)
- IRAP	(5,617,988)	(4,258,852)
+ Asset registration for prepaid and deferred taxes		2,299,717
+/- Other differences	761,799	(683,693)
Income taxes recorded in income statement	**(25,051,706)**	**(22,671,731)**
Income taxes for the period on current operations	**(25,051,706)**	**(22,671,731)**
Difference	**-**	**-**

The effective tax rate is 34,4%.

Part C - Information on Income statement (Continued)

Section 19 - Income statement: other information

19.1 - Analytic breakdown of interest and commission income

	INTERESSI ATTIVI			COMMISSIONI ATTIVE				
	BANCHE	ENTI FINANZIARI	CLIENTELA	BANCHE	ENTI FINANZIARI	CLIENTELA	2009	2008
1. Financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- real estate	-	-	-	-	-	-	-	-
- movables	-	-	-	-	-	-	-	-
- capital instruments	-	-	-	-	-	-	-	-
- intangibles	-	-	-	-	-	-	-	-
2. Factoring	**534.092**	**12.719.306**	**145.774.441**	**45.756**	**838.601**	**64.821.801**	**224.733.997**	**313.293.825**
- on current receivables	-	-	-	-	-	-	-	-
- on future receivables	-	-	8.869.640	-	-	1.058.670	9.928.310	21.082.913
- on conclusively purchased receivables	230.224	-	21.877.641	-	-	11.882.029	33.989.894	15.415.739
- on receivables purchased under original value	-	-	-	-	-	-	-	-
- for other fundings	303.868	12.719.306	115.027.160	45.756	838.601	51.881.102	180.815.793	276.795.173
3. Consumer credit	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- personal loans	-	-	-	-	-	-	-	-
- financial loans	-	-	-	-	-	-	-	-
- assignment of one fifth of salary	-	-	-	-	-	-	-	-
4. Guarantees and commitments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- commercial	-	-	-	-	-	-	-	-
-financial	-	-	-	-	-	-	-	-
Total	**534.092**	**12.719.306**	**145.774.441**	**45.756**	**838.601**	**64.821.801**	**224.733.997**	**313.293.825**

* the specific value adjustments also include the transfers to loss.

Part D - Other Information

Part D - Other Information

Section 1 - Specific references to business activities

B.1 - Gross amount and book value

ITEMS/VALUES	12.31.2009 GROSS AMOUNT	12.31.2009 VALUE ADJUSTMENTS	12.31.2009 NET VALUE	12.31.2008 GROSS AMOUNT	12.31.2008 VALUE ADJUSTMENTS	12.31.2008 NET VALUE
1. Performing assets	**7,475,794,071**	**23,983,468**	**7,451,810,603**	**7,338,942,832**	**21,542,425**	**7,317,400,407**
- receivables from assignors (with recourse)	2,997,311,526	11,644,550	2,985,666,976	3,900,637,713	8,793,411	3,891,844,302
- assignments of future receivables	*90,781,637*	*357,777*	*90,423,860*	*256,279,737*	*3,430,813*	*252,848,924*
- Other	*2,906,529,889*	*11,286,773*	*2,895,243,116*	*3,644,357,976*	*5,362,598*	*3,638,995,378*
- receivables from assigned debtors (non-recourse)	4,478,482,545	12,338,918	4,466,143,627	3,438,305,119	12,749,014	3,425,556,105
2. Impaired assets	**98,575,422**	**16,076,023**	**82,499,399**	**33,744,033**	**4,369,379**	**29,374,654**
2.1 Non-performing	**28,842,283**	**6,710,068**	**22,132,215**	**3,685,384**	**1,156,374**	**2,529,010**
- exposures towards assignors (with recourse)	24,608,464	5,414,100	19,194,364	1,882,864	226,100	1,656,764
- assignments of future receivables						
- other	*24,608,464*	*5,414,100*	*19,194,364*	*1,882,864*	*226,100*	*1,656,764*
- exposures towardsassigned debtors (non-recourse)	4,233,819	1,295,968	2,937,851	1,802,520	930,274	872,246
- purchases under face value			-			-
- other	*4,233,819*	*1,295,968*	*2,937,851*	*1,802,520*	*930,274*	*872,246*
2.2 Doubtful	**67,303,031**	**9,349,612**	**57,953,419**	**10,022,773**	**3,162,417**	**6,860,356**
- exposures towards assignors (with recourse)	59,015,068	8,691,078	50,323,990	9,245,764	2,765,666	6,480,098
- assignments of future receivables						
- other	*59,015,068*	*8,691,078*	*50,323,990*	*9,245,764*	*2,765,666*	*6,480,098*
- exposures towards assigned debtors (non-recourse)	8,287,963	658,534	7,629,429	777,009	396,751	380,258
- purchases under face value			-			-
- other	*8,287,963*	*658,534*	*7,629,429*	*777,009*	*396,751*	*380,258*
2.3 Restructured	**-**	**-**	**-**	**-**	**-**	**-**
- exposures towards assignors (with recourse)	-	-	-	-	-	-
- assignments di future ereceivables						
- other			-			-
- exposures towards assigned debtors (non-recourse)	-	-	-	-	-	-
- purchases aunder face value			-			-
- other			-			-
2.4 Past due date	**2,430,108**	**16,343**	**2,413,765**	**20,035,876**	**50,588**	**19,985,288**
- exposures towards assignors (with recourse)	-	-	-	-	-	-
- assignments di future receivables						
- other			-			-
- exposures towards assigned debtors (non-recourse)	2,430,108	16,343	2,413,765	20,035,876	50,588	19,985,288
- purchases under face value			-			-
- other	*2,430,108*	*16,343*	*2,413,765*	*20,035,876*	*50,588*	*19,985,288*
Total	**7,574,369,493**	**40,059,491**	**7,534,310,002**	**7,372,686,865**	**25,911,804**	**7,346,775,061**

* The 2008 value was reclassified pursuant to the new Bank of Italy provisions of 16th December 2009 which supersede in full the instructions attached to the regulations of 14th February 2006. The foregoing provisions have modified all the tables relating to the factoring product.

B.2 - Residual life (repricing date) of exposures and "Total loans"

B.2.1 - With recourse factoring operations: advances and "Total loans"

TIMELINES	ADVANCES 12.31.2009	ADVANCES 12.31.2008	TOTAL LOANS 12.31.2009	TOTAL LOANS 12.31.2008
- on demand			-	
- up to 3 months			1,806,174,537	1,877,465,769
- over 3 months up to 6 year			475,604,761	512,975,753
- from 6 months and 1 year			276,508,181	339,279,590
- over 1 year			198,419,581	373,848,270
- unspecified duration	3,080,935,058	3,911,766,341	2,596,300,379	2,623,318,698
Total	**3,080,935,058**	**3,911,766,341**	**5,353,007,439**	**5,726,888,081**

B.2.2 - non-recourse factoring operations: exposures

TIMELINES	EXPOSURES 12.31.2009	EXPOSURES 12.31.2008
- ondemand		
- up to 3 months	1,734,215,253	1,544,246,221
- over 3 months up to 6 months	447,254,112	441,113,597
- from 6 months and 1year	349,863,317	210,847,387
- over 1 year	218,524,143	310,687,940
- unspecified duration	1,743,577,610	954,025,379
Total	**4,493,434,435**	**3,460,920,524**

B.3 Value adjustment trends

ITEM	INITIAL AJUSTMENTS TO VALUE	INCREASES: VALUE ADJUSTMENTS	INCREASES: TRANSFERS FROM OTHER STATUS	INCREASES: OTHER INCREASES	DECREASES: WRITE-BACKS	DECREASES: TRANSFERS TO OTHER STATUS	DECREASES: CANCELLATIONS	DECREASES: OTHER DECREASES	FINAL ADJUSTMENTS TO VALUE
Specifications on impaired assets	**4,369,379**	**14,274,848**	**-**	**-**	**207,636**	**-**	**2,360,568**	**-**	**16,076,023**
exposures from assignors	*2,991,766*	*13,309,847*	*-*	*-*	*173,391*	*-*	*2,023,044*	*-*	*14,105,178*
- non-performing	226,100	5,338,000					150,000		5,414,100
- doubtful	2,765,666	7,971,847			173,391		1,873,044		8,691,078
- restructured exposures	-	-	-	-	-	-	-	-	-
- overdue exposures									-
exposures towards assigned debtors	*1,377,613*	*965,001*	*-*	*-*	*34,245*	*-*	*337,524*	*-*	*1,970,845*
- non-performing	930,274	515,204					149,510		1,295,968
- doubtful	396,751	449,797					188,014		658,534
- restructured exposures	-	-	-	-	-	-	-	-	-
- overdue exposures	50,588				34,245				16,343
Towards portfolio on other assets	**21,542,425**	**3,493,720**	**-**	**-**	**1,052,677**	**-**	**-**	**-**	**23,983,468**
- exposures tromassignors	8,793,411	3,493,720			642,581				11,644,550
- exposures from assigned debtors	12,749,014				410,096				12,338,918
Total	**25,911,804**	**17,768,568**	**-**	**-**	**1,260,313**	**-**	**2,360,568**	**-**	**40,059,491**

* These positions are doubful.

Part D - Other Information (Continued)

B.4 - Other information

B.4.1 - Turnover of receivables subject to factoring operations

ITEM	TOTAL 2009	TOTAL 2008
1. Non-recourse operations	**7,322,235,812**	**6,273,700,584**
- of which purchases under face value	-	-
2. With recourse operations*	**11,428,835,194**	**12,240,933,505**
TOTAL	**18,751,071,006**	**18,514,634,089**

* The entry includes 4,698,559,056 euros for 2008 and 4,120,530,107 euros for 2009 pertaining to non-recourse contracts which have not passed the cancellation test pursuant to IAS 39.

B.4.2 - Collection services

The Company has no such receivables.

B.4.3 - Face value of contracts relating to the acquisition of future receivables

ITEM	TOTAL 2009	TOTAL 2008
Flow of contracts for the acquisition of receivables during the year	**808,673,044**	**1,783,545,434**
Sum Total of contracts outstanding at end of year	**2,717,011,787**	**2,946,823,011**

Margin between assignor's credit and with recourse receivables

ITEM	TOTAL 2009
Margin	1,535,195,741

The table value represents the difference between the credit granted to the assignor and the total loans relating exclusively to with recourse operations.

D. Guarantees and commitments

D.1 - Value of commitments and guarantees released

OPERATIONS	12.31.2009	12.31.2008
1) Financial guarantees released	-	-
a) Banks		
a) Financial institutes		
a) Customers		
2) Commercial guarantees released	8,300,000	-
a) Banks *	8,300,000	
a) Financial institutes		
a) Customers		
3) Irrevocable commitments to grant funds	513,988,877	384,508,865
a) Banks	-	-
i) for certain use		
ii) for uncertain use		
a) Financial institutes	-	-
i) for certain use		
ii) for uncertain use		
a) Customers	513,988,877	384,508,865
i) for certain use	72,793,171	100,723,713
ii) for uncertain use	441,195,706	283,785,152
4) Commitments supporting derivatives on receivables: protection sales		
5) Assets as guarantees for third party obligations		
6) Other irrevocable commitments		
Total	**522,288,877**	**384,508,865**

Irrevocable commitments to grant funds comprise the non-prepaid portion relating to non-recourse and to former, formal non-recourse.
*the guaranteed supporting asset amounts, at 31/12/2009, to € 1,131,025

Section 3 - Information on risks and pertinent hedging policies

3.1 Credit risks

QUALITATIVE INFORMATION

1. General aspects

Factoring today is the only product on the financial market able to offer, within the framework of the unique nature of the relations, a variety of services that effectively meet the needs of companies in terms of management, insurance and funding of receivables.
Factoring is not, therefore, an alternative to bank lending, but offers a financial instrument which can be used to supplement other sources of financing available to a company.
As a result, the credit risk assumed by the Factor has only certain features in common with the traditional credit risk deriving from typical bank funding.
When the Factor advances receivables not yet due, the financial intermediary is exposed for an amount corresponding to the agreed advance, which as a rule does not exceed a specific percentage of the total receivables acquired.
The guarantee against insolvency, secures the assignor against default by the assigned debtor, except for those cases expressly governed in the factoring agreement. Apart from certain, specific products, the Factor, in the absence of prepayment, undertakes to pay the amount of receivables assigned after x days from the due date of the foregoing. If no purchase of receivables assigned conclusively or in advance takes place, this service determines an endorsement position for the Factor, corresponding to the revolving credit limit within which the Factor has undertaken to guarantee the payment of the receivables to the assignor. In order to mitigate the risk assumed, the Factor may negotiate specific technical forms obliging the performance of the guarantee.

Combination of basic services and credit risk in factoring

	FUNDING SERVICE		WITHOUT FUNDING SERVICE	
WITH RECOURSE	MANAGEMENT SERVICE	WITHOUT MANAGEMENT SERVICE	MANAGEMENT SERVICE	WITHOUT MANAGEMENT SERVICE
NON RECOURSE	MANAGEMENT SERVICE	WITHOUT MANAGEMENT SERVICE	MANAGEMENT SERVICE	WITHOUT MANAGEMENT SERVICE
	CREDIT RISK FROM CASH EXPOSURE			
	CREDIT RISK FROM ENDORSEMENT POSITION			
	WITHOUT CREDIT RISK			

2. Principle risk factors

The performance of financing and securing services entails the exposure of the factor to credit risks; when the factor grants an exclusive management service it is not subject to possible risk exposure.
In general, when the factor grants the financing and/or securing service, the possibility of registering a loss is determined, first of all, by the impairment of the creditworthiness of the counterparts, i.e. the risk of default by the assigned debtor (as regards both non-recourse and with recourse assignments) or the risk of non-refund of the valuable consideration advanced by the assignor for a with recourse transaction.

When a bank grants funds to a debtor, the latter's default is determined by temporary or definitive inability to pay. Unlike traditional bank exposures, the factor grants its services within the framework of pre-existing trade relations; there is a possible risk of dilution should the debtor refuse to pay (or to implement partial payments) due to events relating to the ongoing progress of the underlying supply relations. Such situations include, for example, compensations, allowances, disputes concerning the quality of the products and the promotional discounts.

Government of credit

During the current year UCF, in compliance with the provisions stipulated by the Autorità di Vigilanza (Supervisory Authority) and in harmony with the policies and guidelines of the Holding Company, completed the preparation of the internal regulations relevant to credit. This was approved by the Board of Directors in January 2010
The purpose of this document is to:
- formalise lending policies and strategies;
- communicate the foregoing policies and strategies to the organisational structures/units involved in the process of preliminary preparation, valuation and allocation of the credit;
- govern the credit process, defining the roles and responsabilities pertaining to the organisational structures/units involved;
- guarantee uniform behaviour and compliance with the pertinent regulations.

Management, measurement and control systems relating to the risks assumed and the organisational structures involved

In line with the organisational model adopted by the Holding Company, UCF has overhauled the company's organisational structure assigning the acquisition and handling of clients, the valuation of clients/assignors/ assigned debtors and the management of debtors, to separate divisions.

Part D - Other Information (Continued)

Upon assumption of the assignor and debtor risks, the credit risk is assessed by the Loan Division within the Credit Valuation area, which is split into the Assignor Valuation and Debtor Valuation services.
The Commercial Division is responsible for the development and management of the relations with assignors through the ongoing monitoring of the progress of the relationship. To this end, one of its tasks is to detect any signs of credit impairment in the assigning counterpart and consequently prevent any potential losses deriving from them.
The Debtors' Handling Division takes care of the day-to-day dealings with debtors, by conducting checks on the assigned receivables and surveys on the punctuality of the payments (controlling due dates and payment reminders).
Inside the Credit Division:
the Monitoring Office is responsible for ensuring the ongoing quality of the portfolio through continuous monitoring, which enables systematic intervention when deterioration is detected in the risk profile of either an assignor or an assigned debtor. This activity is carried out during the period preceding the manifestation of the default, when there is still a chance that the counterpart (assignor/debtor) may be able to honour its commitments and to provide for the passage from the associated state of risk to the position entailing greater management protection.
The Recovery Office is responsible for guaranteeing the management and monitoring of the restructured, doubtful and non-performing entries by pinpointing and implementing the most effective solutions in order to maximise recovery and proposing the necessary provisions to hedge predicted losses. The foregoing department supports the Account Managers (for the assignors) and the Debtor Managers (for the "assigned") in managing the "supervised" positions. It also manages outstanding lawsuits relating to disputes and credit claims.
The Risk Management Office identifies, analyses, valuates, measures and monitors the typical risks relating to the company business (pertaining to loans, transactions and the market) in order to determine the relevant financial and equity-based impacts, by supplying reporting methods for the Senior Management and the Board of Directors.

Reporting activities
As of September 2009 the Risk Management Office produces the "Credit Tableau de Bord" (Loans chart) an instrument which aims at concentrating in one sole document the Credit Division's company reporting system. To be more specific, this quarterly report analyses the total loans, exposures and RWA, concentration of risks, expiry rates and migration of the states of the risk. The information acquired is then used to analyse the chief risk factors and pinpoint the evolution of the Company's loan portfolio, together with possible anomalous progressions which may need the application of adequate countermeasures by the Senior management.

Credit risk mitigation techniques
On assuming the risk, the factoring company valuates two counterparts, the assignor supplier and the assigned debtor, both analysed to determine their creditworthiness. The assumption of the risks relating to these counterparts can take on different operating configurations in relation to the product type requested by the customer/assignor. Whenever, in fact, a factoring operation is finalised for the sole purpose of granting the assignor credit facilities to demobilise the assigned receivables (under the so-called with recourse formula, i.e. with the possibility of Factor's recourse on the assignor), a combined analysis of the creditworthiness of both the assignor and the assigned debtor/s will be implemented. If, on the contrary, the sole aim of the factoring relations is to grant a guarantee for the satisfactory outcome of the factored receivables, the creditworthiness valuation will concentrate, in particular, on the assigned debtor, as the chief counterpart in the financing relations.
Notification of the assignment to the factored, assigned debtor (via commercial correspondence or served by a bailiff) permits considerable mitigation of the risk inherent to the factoring transaction, by obliging the debtor to pay the Factor (with repetition of payment in the event of payment to the assignor) and rendering the assignment enforceable against third parties (effective as of the time of notification). The acceptance of the assignment by the assigned debtor prevents compensation and also comprises acknowledgement of the debt. The assignment may be enforced against third parties if the acceptance has a specific date, and in the event of assignor's bankruptcy the enforceability excludes any revocatory action.
Like the banks, the Factor usually requests unsecured guarantees against the transfer of credit facilities to assignors and, very rarely, the Factor's risks (regarding both assignor and debtor) are guaranteed by bank sureties.
For non-recourse transactions relating to assigned debtors (except for certain debtors with high standing and occasional counterparts) the Company employs an insurance cover with 350 a thousand euro franchise. This instrument, expressly acknowledged by the Supervisory Instructions for Financial Brokers listed in the special register (No. 7 of Circular No. 216 dated 5 August 1996, up-dated on 9 July 2007), although not included in those allowed by the Basel II legislation, helps to mitigate the credit risk deriving from the default of the debtor assigned without recourse. This policy has a maximum compensation limit, corresponding to 20/40 times the annual premiums.
Procedures and methods used in the management and control of impaired financial assets.
The Company has specific regulations governing this subject, defining the various states of risk (performing, supervised, doubtful, NPR, restructured), the options linked to the change in these statuses (transfer of positions to "Supervised", "Doubtful" and "NPR") and those relating to provisions and transfers to losses. These regulations also govern the options linked to the approval of the repayment plans proposed by assigned debtors and to the acquisition of new guarantees.
In accordance with International Accounting Principles and Bank of Italy instructiuons, the impaired assets include the so-called "persistent defaults" which identify the positions presenting receivables, (not included under non-performing, doubtful and restructured positions) overdue or continuously overdrawn for more than 180 days in conformity with the notion of "default" exposure established by Basel II. UCF employs internal systems to check the expiries, and examines the entire portfolio on a quarterly basis in order to monitor and control the progress of all the overdue exposures.
The physiological chronic delays in payment on the part of Public Authorities (both central and local) is particularly significant. However, on the basis of historical data, these delays are not considered to represent an actual impairment of the latters' creditworthiness.

QUANTITATIVE INFORMATION

1 - Distribution of financial exposures by portfolio and credit quality

PORTFOLIO/QUALITY	NON-PERFORMING	DOUBTFUL	RESTRUCTURED RECEIVABLES	OVERDUE RECEIVABLES	OTHER ASSETS	TOTAL
1. Financial assets held for trading	-	-	-	-	-	-
2. Financial assets at fair value	-	-	-	-	-	-
3. Financial assets available for sale	-	-	-	-	243	243
4. Financial assets held until due date	-	-	-	-	-	-
5. Receivables from Banks	-	-	-	-	44,446,300	44,446,300
6. Receivables from Financial institutes	-	-	-	-	422,774,238	422,774,238
7. Receivables from customers	22,132,215	57,953,419	-	2,413,765	7,061,316,883	7,143,816,282
8. Hedging derivatives	-	-	-		-	-
Total at 31/12/2009	**22,132,215**	**57,953,419**	**-**	**2,413,765**	**7,528,537,664**	**7,611,037,063**
Total at 31/12/2008	**2,529,010**	**6,860,356**	**-**	**19,985,288**	**7,446,253,800**	**7,475,628,454**

2 - Financial exposures

2.1. Client exposures: gross and net values

TYPE OF RECEIVABLES/VALUES	GROSS EXPOSURE	SPECIFIC VALUE ADJUSTMENTS	PORFOLIO VALUE ADJUSTMENTS	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES	98,575,422	16,076,023	-	82,499,399
- Non-performing	28,842,283	6,710,068		22,132,215
- Doubtful	67,303,031	9,349,612		57,953,419
- Re-structured exposures				-
- Overdue impaired exposures	2,430,108	16,343		2,413,765
OFF BALANCE-SHEET:	-	-	-	-
- Non-performing				-
- Doubtful				-
- Re-structured exposures				-
- Overdue impaired exposures				-
Total A	**98,575,422**	**16,076,023**	**-**	**82,499,399**
B. PERFORMING EXPOSURES				
- Overdue, not-impaired exposures	1,592,746,208		5,407,422	1,587,338,786
- Other exposures	5,492,584,843		18,606,746	5,473,978,097
Total B	**7,085,331,051**	**-**	**24,014,168**	**7,061,316,883**
Total (A+B)	**7,183,906,473**	**16,076,023**	**24,014,168**	**7,143,816,282**

2.2 Financial exposures towards Banks and Financial institutes: gross and net values

TYPE OF RECEIVABLES/VALUES	GROSS EXPOSURE	SPECIFIC VALUE ADJUSTMENTS	PORFOLIO VALUE ADJUSTMENTS	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES	-	-	-	-
- Non-performing				-
- Doubtful				-
- Re-structured exposures				-
- Overdue impaired exposures				-
OFF BALANCE-SHEET:	-	-	-	-
- Non-performing				-
- Doubtful				-
- Re-structured exposures				-
- Overdue impaired exposures				-
Total A	**-**	**-**	**-**	**-**
B. PERFORMING EXPOSURES				
- Overdue, not-impaired exposures	5,173,002			5,173,002
- Other exposures	462,047,536			462,047,536
Total B	**467,220,538**	**-**	**-**	**467,220,538**
Total (A+B)	**467,220,538**	**-**	**-**	**467,220,538**

Part D - Other Information (Continued)

3 - Concentration of loans

3 - Concentration of loans

	TOTAL
STATE	245,432,917
TERRITORIAL AGENCIES	259,036,291
PUBLIC AGENCIES	1,479,358,248
SUPERVISED BROKERS	439,911,017
PRIVATE COMPANIES	5,002,375,473
RETAIL	49,680,125
OVERDUE	98,575,422
TOTAL	**7,574,369,493**

3.2 Distribution of loans to customers according to counterpart's geographic area

	TOTAL
NORTHWEST	2,513,779,604
NORTHEAST	901,229,571
CENTRE	3,028,832,831
SOUTH	736,719,352
ISLAND	107,985,832
FOREIGN	285,822,303
TOTAL	**7,574,369,493**

3.2 Significant risks
Amount: 2,343,777,080
Number: 15

4 - Models and other risk gauging and management methods

Analytical write-downs are promptly implemented according to the performance of the positions; whereas collective write-downs are calculated on the basis of valuation models of Expected Loss used by the Holding and adjusted to the characteristics pertaining to factoring activities, until the internal model under preparation is ready.

The relevant calculations are carried out according to the Assignors' Branch Business Activities and Business Sector Activities, relating to the "with recourse" advances and "non-recourse" total loans.

3.2. Market Risks

3.2.1. Interest rate risk

1. General aspects
The interest rate risk is caused by the differences in the due dates and re-pricing times of the interest rates relevant to the assets and liabilities.
As a result of these differences, fluctuations in interest rates could determine both a change in the expected interest rate and a change in the assets and liabilities and consequently in the net equity value. Bearing in mind the types of short term utilisations and deposits which characterise UniCredit Factoring S.p.A's activity, we can confirm that the risk of changes relating to the market risks of both deposit collection and turnover utilisation is only marginal. An agreement has recently been signed with the Holding relevant to the funding policy, aimed at minimising even further the risk rate relating to liabilities.

2. Models and other methods for gauging and managing interest rates

3. Other quantitative information relating to the interest rate risk

3.2.2. Price risk

QUALITATIVE INFORMATION

1. General aspects
At present there are no price risks relating to the client portfolio because the price of brokering activities is not subject to fluctuations: the price coincides with the face value of the receivables assigned, which also approximates their fair value.

3.2.3. Exchange risk

QUALITATIVE INFORMATION

1. General aspects
The exchange risk indicates the risk of incurring losses due to fluctuations in the exchange rates of currencies and the price of gold. The equity hedging required to cover the exchange risk is determined by applying to the net position open in exchanges, an 8 percent coefficient, reduced by 25% for banking group companies. For UniCredit Factoring the equity requisite needed amounts to 3.4 million euros.

The Company's policy on exchange risks provides for the prepayment in the same currency of receivables assigned in foreign currency; in case of Euro advances, any conversion differences or financing costs are governed by specific agreements with customers, according to which any possible exchange risk is to be attributed to the latter.

QUANTITATIVE INFORMATION

1. Distribution according to currency of assets, liabilities and derivatives

	CURRENCIES					
ITEMS	US DOLLARS	BRITISH POUNDS	YEN	CANADIAN DOLLARS	SWISS FRANCS	TOTAL
1. Financial assets	79,524,340	15,889,151	450,927	-	89,568	6,378
1.1. Debt securities	-	-	-	-	-	-
1.2. Capital securities	-	-	-		-	-
1.3. Receivables	12,541,498	2,623,708	-	-	-	-
1.4. Other Financial assets	66,982,842	13,265,443	450,927	-	89,568	6,378
2. Other assets	-	-	-	-	-	-
3. Financial liabilities	75,262,285	15,691,677	453,746	45	-	47
3.1. Payables	264,564	642,594	-	-	-	-
3.2. Outstanding securities	-		-	-	-	-
3.3. Other financial liabilities	74,997,721	15,049,083	453,746	45	-	47
4. Other liabilities	-	-	-	-	-	-
5. Derivatives	-	-	-	-	-	-
5.1. Long-term positions						
5.1. Short-term positions						
Total assets	**79,524,340**	**15,889,151**	**450,927**	**-**	**89,568**	**6,378**
Total liabilities	**75,262,285**	**15,691,677**	**453,746**	**45**	**-**	**47**
Imbalance (+/-)	**4,262,055**	**197,474**	**(2,819)**	**(45)**	**89,568**	**6,331**

3.3. Operating risks

QUALITATIVE INFORMATION

1. General aspects, management processes and methods for measuring operating risks
In accordance with Group policies, UniCredit Factoring defines an operating risk as the risk of incurring losses due to errors, infractions, interruptions or damage arising from internal processes, people, systems or external events.

The operating events may derive from inadequate or disrespected internal processes , human resources, information or communications systems, from earthquakes or other external events: internal and external fraud, inadequate work practices or workplace safety, customer complaints, product distribution, fines or penalties for failure to comply with forecasts or normative obligations, damage to company assets, interruptions in informative or communications systems, execution of procedures. Strategic business or standing-based risks are not included in the operating risks, whereas legal or compliance-based risk are comprised.

QUANTITATIVE INFORMATION

The Company uses the Basic Indicator Approach to calculate the minumum equity requirement for hedging operating risks. In the meantime, however, it is implementing advanced systems for measuring the operating risks on the basis of a model defined by the Holding to set up homogenous approaches for all the legal entities belonging to the Group. Up to now the mapping of the company's risks has been completed by means of a detailed analysis of the operating units, the organisational functions and the company procedures for pinpointing loss-producing events and sources of risk. The collection of data relevant to internal losses at 30th September 2009 has also been updated on the Group's database (ARGO).

Part D - Other Information (Continued)

Section 4 - Information on equity

4. 1 Company assets

4.1.1 QUALITATIVE INFORMATION

4.1.2 QUANTITATIVE INFORMATION

4.1.2.1 Company assets: breakdown

VALUES /ITEMS	12.31.2009	12.31.2008
1. Share capital	114,518,475	114,518,475
2.Share premiums	951,314	951,314
3. Reserves	37,163,897	2,369,433
- of profits	37,163,897	3,532,228
a) legal	4,969,160	3,229,437
b) statutory	184,631	184,631
c) own shares		
d) other *	32,010,106	118,160
- other**	-	(1,162,795)
4. (Own shares)		
5. Reserves from valuation	-	-
- Financial assets available for sale		
- Tangible assets		
- Intangible assets		
- Foreign investment hedging		
- Financial flow hedging		
- Exchange-rate differences		
- Non current assets and activity groups under divestment		
- Special revaluation laws	-	-
- Actuarial profits/losses relating to defined benefit insurance plans		
- Portion of valuation reserves relating to shareholdings valued at net equity		
6. Capital instruments		
7. Profit (loss) for the year	47,797,807	34,794,465
Total	**200,431,493**	**152,633,687**

** The item "other reserves" includes the profits carried forward in 2007 for €118,160 and in 2008 for €31,891,947.

"** This item at 31st December 2008 comprised: the FTA Reserve for €447,478 and others for €715,317 relating to the acquisiton of MMC Factoring when the non-performing assets were assigned to Aspra Finance".

4.2.1.2 Quantitative information

VALUES /ITEMS	12.31.2009	12.31.2008
A. Basic equity before application of prudential filters	**177,794,121**	**152,633,687**
B. Prudential filters for basic equity:	-	-
B.1 IAS/IFRS positive (+) prudential filters		
B.2 IAS/IFRS negative (-) prudential filters		
C. Basis equity gross of deductions (A + B)	**177,794,121**	**152,633,687**
D. Deductions from basic equity		
E. Total equity (TIER 1) (C – D)	**177,794,121**	**152,633,687**
F. Supplementary equity before application of prudential filters	**92,720,000**	**95,400,000**
G. Prudential filters for supplementary equity:	-	-
G.1 IAS/IFRS positive (+) prudential filters		
G.2 IAS/IFRS negative (-) prudential filters		
H. Basis equity gross of deductions (F+G)	**92,720,000**	**95,400,000**
I. Deductions from basic equity		
L. Total supplementary equity (TIER 2) (H – I)	**92,720,000**	**95,400,000**
M. Deductions from Total basic and supplementary equity		
N. Supervision equity (E + L – M)	**270,514,121**	**248,033,687**
O. Third level equity (TIER 3)		
P. Supervisory equity including+A2 TIER 3 (N+O)	**270,514,121**	**248,033,687**

4.2.2.2 Quantitative information

CATEGORIES/VALUES	UNWEIGHTED AMOUNTS 12.31.2009	UNWEIGHTED AMOUNTS 12.31.2008	WEIGHTED AMOUNTS/REQUIREMENTS 12.31.2009	WEIGHTED AMOUNTS/REQUIREMENTS 12.31.2008
A. RISK-BEARING ASSETS				
A.1 Financing and counterpart risks				
1. Standardised method	9,269,754,895	9,031,164,591	4,232,822,010	4,510,170,759
2. Internal rating method				
2.1 Basic				
2.2 Advanced				
3. Securitisations				
B. SUPERVISORY EQUITY REQUIREMENTS				
B.1 Financing and counterpart risk			253,969,321	270,610,246
B.2 Market risks			-	-
1. Standard method				
2. Internal methods				
3. Concentration risk				
B.3 Operating risk			13,586,414	9,220,450
1. Basic method			13,586,414	9,220,450
2. Standardised method				
3. Advanced method				
B.4 Other prudential requirements				
B.5 Other calculation features			66,888,934	69,957,674
B.6 Total prudential requirements			200,666,801	209,873,022
C. ASSETS AT RISK AND SUPERVISORY COEFFICIENTS				
C.1 Assets at weighted risk			3,345,115,572	3,498,583,271
C.2 Basic+A7 equity/assets at weighted risk (Tier 1 capital ratio)			5.32%	4.36%
C.3 Supervisory equity including TIER 3/Assets at weighted risk (Total capital ratio)			8.09%	7.09%

Part D - Other Information (Continued)

Section 5 - Analytic schedule of overall profitability

	ITEMS	GROSS AMOUNT	INCOME TAX	NET AMOUNT
10	Profit (Loss) for the year	72,849,513	(25,051,706)	**47,797,807**
	Other revenues			
20	**Financial assets available for sale:**	-	-	-
	a) fair value changes	-	-	-
	b) re-endorsement to Income statement	-	-	-
	- impairment adjustments			
	- collectable profit/loss			
	c) other changes	-	-	-
30	**Tangible assets**	-	-	-
40	**Intangible**	-	-	-
50	**Foreign investment hedging:**	-	-	-
	a) fair value changes			
	b) re-endorsement to income statement			
	c) other changes			
60	**Financial flow hedging:**	-	-	-
	a) fair value changes			
	b) re-endorsement to income statement			
	c) other changes			
70	**Exchange rate differences:**	-	-	-
	a) value changes			
	b) re-endorsement to income statement			
	c) other changes			
80	**Non-current assets under divestment:**	-	-	-
	a) fair value changes			
	b) re-endorsement to income statement			
	c) other changes			
90	**Actuarial profits (Losses) from defined benefit plans**	-	-	-
100	**Portion of valuation reserves of shareholdings valuated at net equity**	-	-	-
	a) fair value changes	-	-	-
	b) re-endorsement to Income statement	-	-	-
	- impairment adjustments			
	- collectable profit/loss			
	c) other changes	-	-	-
110	**Total revenues**	-	-	-
120	Overall profitability (Item 10+110)	72,849,513	(25,051,706)	**47,797,807**

Section 6 - Transactions with correlated parties

6.1 Information on directors with strategic responsibilities

The aggregate Directors' and Auditors' fees for services rendered are as follows:

BREAKDOWN	2009	2008
Directors' fees	1,047,778	1,386,740
Auditors' fees	40,421	39,575
Total	**1,088,199**	**1,426,315**

6.2 Loans and guarantees issued in favour of directors and auditors

The company has no such loans and guarantees

6.3 Information on transactions with correlated parties

stock option

the item "Other liabilities" includes stock option plans and transactions with payments based on shares governed by instruments representing capital.

MANAGERIAL ACTIVITIES AND HOLDING COMPANY COORDINATION

The company belongs to the Gruppo Unicredito Italiano and is subject to the management and coordination of the Controlling company UniCredit Corporate Banking SpA, sole partner of the Holding company Unicredito Italiano SpA.

ASSETS DUE FROM GRUPPO UNICREDITO ITALIANO

	HOLDING	OTHER	TOTAL
a) Financial assets available for sale (shareholdings)		243	243
b) Receivables from Credit Agencies		5,638,507	5,638,507
c) Receivables from Financial institutes			-
d) Receivables from customers			-
e) Other assets	18,041,055	186,997	18,228,052
f) Hedging benefits			-
Totale	**18,041,055**	**5,825,747**	**23,866,802**

LIABILITIES TOWARDS THE GRUPPO UNICREDITO ITALIANO

	HOLDING	OTHER	TOTAL
Payables from financial institutes			7,002,176,858.00
- on demand		527,199,446	527,199,446
- at term or prior notice	6,430,490,582	44,486,830	6,474,977,412
Other liabilities	629,151	643,701	1,272,852
Hedging derivatives		1,523,954	1,523,954
Subordinated liabilities	52,057,976	25,093,016	77,150,992
Totale	**6,483,177,709**	**598,946,947**	**7,082,124,656**

The debts owed to the Holding and the ingroup companies comprise current account loans at market interest rates, whereas other liabilities represent sums receivable for services performed.
With respect to the item "Subordinated liabilities, see the indications of item 20 of the Statement of Financial Position.

Part D - Other Information (Continued)

UniCredit S.p.A.

RE-CLASSIFIED STATEMENT OF FINANCIAL POSITION at 12.31.2008

(€ million)

Assets	
Cash at banks and in hand	33
Financial assets held for trading	9,005
Receivables from banks	208,439
Receivables from customers	36,519
Financial investments	80,078
Hedges	2,110
Tangible assets	38
Goodwill	8,739
Other intangible assets	33
Tax assets	6,077
Other assets	5,019
Total assets	**356,090**

(€ million)

Total liabilities and equity	
Payables to Banks	157,703
Client deposits and securities	131,527
Financial liabilities for trading	3,893
Hedges	3,929
Funds for risks and charges	1,490
Tax liabilities	2,665
Other liabilities	3,893
Net equity:	50,990
- capital and reserves	47,818
- valuation reserves for valuation assets available for sale and cash-flow hedge	-109
- net profit	3,281
Total liabilities and equity	**356,090**

RE-CLASSIFIED INCOME STATEMENT - Financial year 2008

(€ million)

Net interest	3,426
Dividends and other shareholding revenues	2,973
Interest margin	**6,399**
Net commission	2,465
Net trading result, hedgings and fair value	-288
Balance of other revenues/charges	-131
Brokering revenues and sundry	**2,046**
Brokering margins	**8,445**
Human resources costs	-2,948
Other administration costs	-2,492
Cost refunds	348
Value adjustments on tangible /intangible fixed assets	**-91**
Operating costs	**-5,183**
MANAGEMENT RESULT	**3,262**
Net provisions for risks and charges	-402
Integration charges	-66
Net adjustments to loans/receivables and to	
provisions for guarantees and commitments	-285
Net investment profits	-286
GROSS PROFIT FROM CURRENT OPERATIONS	**2,223**
Income taxes for the year	1,058
NET PROFIT	**3,281**

Pursuant to the stipulations of art. 149 nr.12 of the Consob Issuers' Regulations, the table below illustrates the data relevant to the fees paid for the following services to the auditing company KPMG S.p.A.and to the companies belonging to the same network.

1°) Auditing services including:
- The auditing of the companies' annual accounts, for the purpose of expressing a professional opinion;
- The auditing of the interim accounsts.

2°) Certification services, including assignments whereby the auditor valuates a specific feature whose determination using appropriate guidelines, is implemented by another party responsible for the certification, in order to express a conclusion supplying the receiver with a degree of reliability in relation to the foregoing specific feature. This category also includes the services associated with the auditing of the regulatory book-keeping.

3°) Other services including residual appointments, to be illustrated more in detail. By way of non-limiting example they could include services such as: accounting - fiscal - legal - administrative due diligences, agreed procedures and advisory services addressed to the appointed executive.

The fees indicated in the table, pertaining to 2008, are those agreed by contract, including possible index-linking (excluding out-of-pocket expenses, possible supervisory contributions and VAT).

The fees indicated here below do not include those paid to possible secondary auditors or parties belonging to the respective networks:

TYPES OF SERVICES	SERVICE PROVIDER	SERVICE RECEIVER	FEES (EUROS)
Accounts auditing:			
- Financial statements	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	66,900
- Limited verification procedures on six-monthly accounts	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	13,860
Certification services	K.P.M.G. S.p.A.	UniCredit Factoring S.p.A.	4,420
Fiscal advisory services			
Other services			
Total			**85,180**

Board of Auditors' Report

Board of Auditors' Report

Board of Auditors' Report on the Financial Statements for the year ended at 12.31.2009
(art. 2429, second comma, c.c.)

To the shareholders:
The Board of Auditors has drawn up this report pursuant to art.2429 of the Civil Code. We wish to specify that whereas the Board of Auditors performed the administrative audit pursuant to art. 2403, comma. 1 C.C., the accounting audit, pursuant to art. 2409 bis C.C., was assigned by UniCredit Factoring S.p.a. to the auditing company KPMG S.p.a.
During the financial year ended at 31st December 2009 we performed the supervisory activities, stipulated by law, in compliance with the code of conduct for auditors recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili. (National Council for Accountants and Book-keeping Experts).
We would like to underline, in particular, that we:

- supervised compliance with the law and with the articles of association, i.e. with all the statutory regulations governing the activities of the corporate bodies and their relations with the institutional authorities;
- participated in all the Board of Directors' meetings and duly obtained from the Directors the necessary information relating to the activities carried out and to the most significant financial, economic and equity-based operations, resolved and implemented during the financial year. We can, therefore, guarantee that the foregoing operations comply with the law and with the articles of association and are not overtly imprudent, unsound, in potential conflict of interest or in contrast with the resolutions adopted by the Shareholders' meeting, or such that they compromise the integrity of the company equity;
- to the extent of our powers we supervised the adequacy of the company's organisational structure and its compliance with the principles of proper management, by gathering information from the relevant administrative managers and holding meetings with the auditors, in order to exchange significant data and information. In this respect, we have no comments to submit to your attention;
- assessed and supervised the adequacy of the administrative and book-keeping system, as well as its reliability in correctly representing management features, by obtaining information from the relevant department managers, examining the corporate documents and analysing the work carried out by the independent auditors. No significant data or information emerged from the meetings held with the auditors, requiring comment in this report;
- supervised the activities of the internal audit manager and of the executive responsible for compliance;
- confirmed that no atypical or unusual operations were implemented with in-group companies, third parties or correlated parties. In its management report the Board of Directors provided an exhaustive illustration of the most significant economic, financial and equity-based transactions implemented with related parties, the calculation methods adopted and the amount pertaining to related payments.

With respect to the Financial Statements for the year ended at 31/12/2009, which indicate profits amounting to 47,797,807 euros, we would like to specify the following:

- not being appointed to implement the accounting audit, we supervised the general formulation given to the Financial Statements, together with their compliance with the law as regards configuration and structure.
- we also analysed and controlled the application of the accounting standards and can confirm that these Financial Statements were drawn up in conformity with the IFRS – UE international accounting standards and with the relevant IFRIC and SIC interpretations.

We also:

- ascertained the completeness of the Board of Directors' Management Report and its consistency with the Financial Statements, as well as its conformity with the stipulations of art. 2428 C.C.;
- confirmed the correspondence of the Financial Statements to the facts and information we became aware of, both in the performance of our supervisory, inspection and control duties, and during our participation in the meetings with corporate bodies.

During our supervisory activities, described above, we observed no events worthy of comment herein.

We further inform you that:

- the foregoing supervision took place during 8 (eight) meetings with the Board of Auditors and 12 meetings with the Board of Directors;
- no accusations pursuant to art. 2408 C.C. nor statements from third parties were received and in 2009 the Auditors implemented its own motivated proposal, pursuant to art. 159 del D.Lgs 58/98, comma 1, to integrate KPMG S.p.A to the appointment to audit the Financial Statements for the year and the accounting position for the years 2008 -2012.

We are not aware of any other facts or statements which should be brought to the attention of the Shareholders' Meeting.
Given the above and having acknowledged that the foregoing Auditing Company will release the prescribed audit report without comment, we hereby express our opinion in favour of the approval of the Financial Statements as at 31st December 2009 and of the allocation of the profits gained according to the recommendations of the Board of Directors.

Milan, 23rd March 2010

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

Report by Independent Audit Firm

KPMG

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(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 sole shareholder of
UniCredit Factoring S.p.A.

1 We have audited the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2009, comprising the statement of financial position, 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.

Reference should be made to the report dated 7 April 2009 for our opinion on the prior year financial statements, which included the corresponding figures presented for comparative purposes that have been restated to reflect the changes in the presentation of financial statements introduced by IAS 1.

3 In our opinion, the financial statements of UniCredit Factoring 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 Factoring 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 Factoring S.p.A. does not extend to such data.

5 The directors of UniCredit Factoring S.p.A. are responsible for the preparation of a directors' report on the financial statements in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report is consistent with the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2009.

Milan, 30 March 2010

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

Resolution of the Ordinary Shareholders' Meeting

Resolution of the Ordinary Shareholders' Meeting

The Annual General Shareholders' Meeting of UNICREDIT FACTORING SPA of 31.03.2010 unanimously resolved to:
- approve the Financial Statements for the year ended at 12.31.2009 as submitted;
- approve the allocation of the 2009 profits, amounting to 47,797,807 euros as follows:

22,770,544 euros	to re-establish other reserves
2,389,890 euros	to the legal reserve
22,637,373 euros	to shareholders at 1,02 per share

- pay the dividend, as resolved above, as of 31st March 2010

- confirm as seven (7) the number of members of the Board of Directors, nominating as Board Members for the financial years 2010, 2011 and 2012, and, therefore, up to the shareholders' meeting for the approval of the Financial Statements for the year ending at 31st December 2012, Messrs. Cesare Caletti, who is appointed Chairman, Francesco Mezzadri Majani, Ferdinando Brandi, Armando Artoni, Roberto Venturini, Umberto Giacomelli and Antonio Muto,

- appoint as members of the Board of Statutory Auditors for the financial years 2010, 2011 and 2012, and therefore up to the shareholders' meeting for the approval of the Financial Statements for the year ending at 31st December 2012, Messrs. Giorgio Cumin, who is appointed Chairman, Roberto Bianco, standing auditor, Federica Bonato, standing auditor, together with Paolo Colombo and Massimo Gatto alternate auditors,

****

Furthermore, the Board of Directors' meeting - held immediately after the Annual General Shareholders' Meeting – elected as Vice Chairman Mr. Francesco Mezzadri Majani and nominated Mr. Ferdinando Brandi as Chief Executive Officer.

Our products

Our products

Notified/non-notified, non-recourse factoring (Guarantee only)

Protection against the costs deriving from credit risks is now strategic for the Company, at least as much as for the financial costs inherent to its business activities

This Product is addressed to Companies desiring to secure themselves against customer insolvency risks, that are currently approaching new markets or already use various forms of credit insurance, and also to all those operators who are sensitive to the improvement of company ratios.

Notified, with recourse Domestic Factoring

A classic form addressed to Companies who need credit lines alternative, or in any case, parallel to traditional bank lending.

The with-recourse product is indicated for customers who, when turnover is growing or financial relations are being redefined and strengthened, intend outsourcing the management, as regards valuation, administration and control, of their loan/receivable portfolios relating to debtors who do not oppose the assignment of the receivables.

Export/Import Factoring

This product offers to improve trade relations on international markets by hedging export risks and offering new types of guarantees to foreign suppliers.

The Product is reserved to Companies exporting/importing goods and services deriving from consolidated trade relations with foreign entities. At the same time it addresses operators which, by using UniCredit Factoring's activities within the framework of collaboration agreements with foreign partners (Factor Chain International) and with UniCredit Group's international network, wish to outsource to experts the management of their loan/receivable portfolios.

Agreements with Groups of Debtors (Indirect Factoring)

Our indirect Factoring formula aims at improving relations with suppliers, by offering opportunities to access finalised and competitive financing instruments.

Created for Large Groups, with ongoing and split portfolios, Indirect Factoring is a financial service able to guarantee not only all-inclusive assistance in the management of supply-based payables but also, the dynamic development of product marketing, within the framework of the purchase sector.

Maturity Factoring (with extension of payment terms to debtors)

Maturity Factoring promotes both the normalisation of financial flows and the optimisation of treasury, by offering alternative funding channels for its customers' purchases.

This product is particularly suitable for those Industrial and Commercial companies, with consolidated customer portfolios (usually indirect sales networks) and often season-linked economic cycles, who wish to stimulate sales and regularise their active cycle flows.

Management and divestment of loans to Public Agencies

In line, more and more closely, with the needs of Public Agencies and Administrations our product can represent , for companies working with Public authorities, and not only with them, a valid, funding alternative with respect to traditional channels.

UniCredit Factoring offers a valuation service for non-recourse/with recourse receivables claimed by companies from the Public Administration for supplies and services contracts. In addition, UniCredit Factoring pays particular attention to the application of the DM (Ministerial Decree) governing the certification of supply-based receivables.

Sales Financing (Financial sales promotion - sell out)

Through finalised marketing instruments UniCredit Factoring is able to offer a product which increases sales and improves the financial position of its indirect channels.

This Product is dedicated to those who intend to increase the effectiveness and profitability of the business action of their indirect channels , by fluidifying the relevant sales process through an overall offer integrated by a financial product.

Management of certificates/documents, sales networks for cars/motorvehicles

The principle features of this service are: management monitoring, protection against credit risks and online financial support for indirect network sales of cars and motorvehicles.

The Product is addressed to Companies who produce or market vehicles. UniCredit Factoring offers these companies partnerships for the management and financial services relating to sales networks, with online automation of revenues through collaboration with the UniCredit Group banking network.

Management and divestment of tax receivables

This type of product allows the discounting-back of an atypical receivable, thus optimising treasury and improving the efficiency of the balance-sheet structure.

On the basis of the specific nature of the receivable and the average duration of the operations, the management of tax receivables is indicated for Companies with undisputed, formal and substantial regularity as regards the risk of possible tax disputes brought by the Financial Administration; transactions are perfected within the framework of the juridical procedures established by State accounting laws.

Structured transactions addressed to “Large Corporate Customers”

The basic feature characterising this type of operation is its ability to efficiently manage cash flows within the framework of statement of financial position ratios.

The Product addresses those listed Companies and multinationals, with very high standings, which aim at improving and structurally optimising their balance-sheet indexes, in conformity with the civil code and tax regulations currently in force.

Sustainable Factoring Project

Sustainable Factoring

This project, created by UniCredit Factoring in collaboration with TÜV Italia, chiefly aims at supplying solid support to the supply chains of both Large and Small companies. Profit and also social responsibility are the new levers underlying an innovative way of conducting financial business which, factually speaking, means “certifiable commitment”.

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