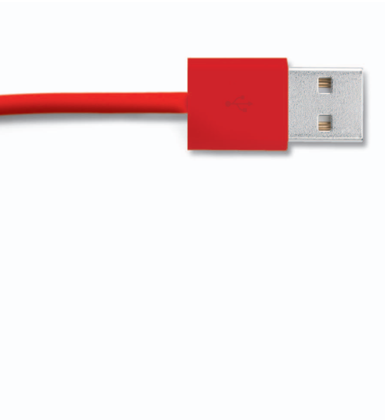
UniCredit
Factoring

Clear answers for real benefits.

2012 Annual Report

UniCredit Factoring



Customer testimonials are the common thread of this year's annual report to illustrate the concrete solutions we provide every day. These true stories were told first-hand and collected by the colleagues who worked with them to offer real benefits.

Each story lends an authentic voice to how we are having a positive impact on our stakeholders. We are making a difference by recognizing everyday challenges and opportunities, and by contributing to the economic, social and cultural well-being of the communities we serve.

This report's creative concept reflects our commitment by displaying two pieces that fit together. This represents the union between the real-life needs of our clients and the practical solutions that we offer.

Above all, we believe that being a commercial bank means engaging in meaningful dialogue with those with whom we come into contact. This enables us to provide simple, quick and effective responses that perfectly meet customer needs.

Inside you will find some of these stories. We hope the next one will be yours.

2012 Annual Report

Corporate Officers and General Management

At 31.12.2012

Board of Directors

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

Board of Auditors

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

General Management

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

Corporate Officers and General Management

At 30.04.2013

	Board of Directors
Roberto Bertola	Chairman
Maurizio Guerzoni	Vice Chairman
Renato Martini	Chief Executive Officer
Antonella Giacobone Elena Patrizia Goitini Alessandro Cataldo Mauro Macchiaverna	Directors
Andrea Ernesto Romano	Secretary
	Board of Auditors
Vincenzo Nicastro	Chairman
Roberto Bianco Federica Bonato	Standing Statutory Auditors
Paolo Colombo Massimo Gatto	Substitute Auditors
	General Management
Renato Martini	Chief Executive Officer
Eugenio Calini	Vice General Manager Head of Commercial Department
Elvio Campagnola	Vice General Manager Head of Debtor Department
Antonio Fiore	Vice General Manager Head of Credit and Risks Department
Flavio Marco Ambrosetti	Head of Human Resources
Silvio Felice Asti	Head of Planning, Finance and Administration
Antonio Moretti	Head of Organization and Logistics
Andrea Ernesto Romano	Head of Legal Department
Mauro Zandonà	Head of Marketing & Int. Business

UniCredit Factoring S.p.A.
A sole partner company belonging to the Gruppo Bancario UniCredit
entered in the Roll of Bank Groups code.2008.1
Share capital: Euro 414,348,000 fully paid up
Legal reserve: Euro 10,830,433
Registered offices in Milan - 20122 Milan Via Albricci, 10
Tel. +39 02 366 71181 - Fax +39 02 366 71143
R.E.A. nr. 840973
Tax code and registration number in the Business Registry of Milan 01462680156
Registered in the general list in conformity with article 106 TUB with nr. 28148
and in the special list of financial intermediaries in conformity with article 107 TUB
with nr. 1000005239
e-mail: info.ucfactoring.it@unicreditgroup.eu
www.unicreditfactoring.it
Certified Electronic Mail: comunicazioni.ucf@pec.unicredit.eu

RECHARGING

Supporting enterprise with concrete actions
UniCredit International

"I own a small business that produces equipment for recycling precious metals. After winning a bid for a project with the Indian government last year, we were in need of a qualified partner to manage our complex operations abroad. UniCredit believed in us and our work, providing us with the initial warranty request, a letter of credit and the loans we needed. Thanks to their support, we successfully completed the project."

Paolo Balestri, Balestri impianti,
customer of UniCredit in Italy

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A bank account that's always within a reach

FREEDOM

"The Pekao24Mobile app is user-friendly, quick and efficient. It's particularly handy when it comes to managing my account, such as checking my balance, following specific transactions and managing transfers or deposits. And its wheel-type interface is modern, eye-catching and very functional. I would say the app meets all my needs."

Daniel Lipski, customer of Bank Pekao in Poland

Agenda of the Ordinary Shareholder's 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 414.348.000,00 Euros fully paid-in
Number of enrolment in the Milan Business Register,
Fiscal Code and VAT Number 01462680156, R.E.A. nr. 840973

Our shareholders are convened to the Ordinary General Shareholders' Meeting to be held on **18th April 2013, at 14.30**, at the Company's registered offices in Milan, via Albricci 10, at first call and, if necessary, at second call on 19th April 2013 at the same time, same place, in order to deliberate the following

AGENDA

1. Approval of the Financial Statements for the period ended at 12.31.2012, the Reports of the Board of Directors, the Board of Auditors and the Audit Company. Relevant resolutions.
2. Appointment of the Directors, subject to determination of their number and stipulation of the duration of the relevant mandate.
3. Authorization to perform competitive activities pursuant to art. 2390 of the Civil Code.
4. Determination, pursuant to art. 27 of the Articles of Association, of the remuneration to be paid to the Directors for their activities performed inherent to the Board of Directors.
5. Appointment of the Board of Auditors, its Chairman and Substitute Auditors for the periods 2013-2015, with expiry at the date of the Ordinary General Shareholders' Meeting summoned for the approval of the Financial Statements for the 2015 period.
6. Stipulation, pursuant to art. 30 of the Articles of Association, of the remuneration to be paid to the Auditors, for each year of their mandate.
7. Conferment of the mandate for the legal audit of the accounts of UniCredit Factoring S.p.A. for the periods 2013 - 2021.

Pursuant to Art.13 of the Articles of Association, al shareholders with voting rights, enrolled in the shareholders' book may participate in the Meeting.

Milan, 4th April 2013

The Chairman
Cesare CALETTI

PROTECTION

Supporting communities in critical times

"After one of our town's largest employers closed its doors, our local communities went through a very tough time. UniCredit worked closely with government officials on an innovative initiative that helped those who had lost their jobs, like me, gain prompt access to unemployment benefits. The bank quickly facilitated funding for entitlements, protecting families from collapse."

Franco F., customer of UniCredit in Italy

Directors' Report

N.B.:
The possible lack of balancing between the data reported in the Directors' Report depends exclusively on prospective roundings.

Directors' Report

Synthesis of results

The recently ended fiscal period was positive for UniCredit Factoring, despite the ongoing downturn in the economic scenario of the euro-zone and in Italy in particular. From the summer on, moreover, the negative evolution of economic activity registered a relative improvement in financial markets, thanks to the initiatives set in motion by the ECB (European Central Bank) which eliminated the risk of extreme scenarios threatening the European currency.

In this unfavourable context our Company achieved a marked expansion in our lending activities and, by applying Group-planned strategies, managed to adequately satisfy our customers' demands for credit. In fact, our turnover for the year touched 29 billion, registering an upsurge of 15.7% against 2012.
In the wake of this flow, the number of loans grew by 5,9% in terms of annual averages, although a 2.3% downswing was registered in the periodical balance at year-end. Compared to the previous year this change-sequence changes is indicative of the virtuous process now established in our company which, thanks to our high level of efficiency as regards collection, allowed us to contain final balances and, as a result, risk levels, at the same time achieving considerable growth in the operational volumes generating revenue.

This positive growth was accompanied by the fortification of our organizational structure both as regards our workforce which, as foreseen by the strategic plan, rose from the 217 units at end 2011 to 240 at end 2012 (+10.5%) and, with respect to our organizational structure which was further strengthened with the creation of 3 new, domestic areas, was dedicated respectively to Multinational corporations, to the public sector and to the development of new customers.

Accordingly, the economic results were satisfactory and anticipated the expectations foreseen by the plan. The brokering margin increased by 37%, net of the extraordinary components relevant to the collections of default interest. This permitted the Company to absorb not only cost hikes, less than proportional with respect to those pertaining to structure and turnover, but also the adjustments to receivables, resulting from the declining external context. Net profits thus reached 61 million compared with the 36 million of the previous fiscal year.

All the main indicators registered an improvement on the previous year's results confirming top-notch levels; cost/income stood at 19.3%, net of extraordinary interest, against the 23.3% of 2011, while turnover per employee marked a 1.3% increase and the brokering margin per employee a 20% upsurge. The asset risk indexes also showed improvement, with a ratio between impaired receivables and uses dropping from 2.78% to 2.72%, even though the amount of receivables decreased at closure and the frequently mentioned negative financial activity scenario still persisted.

Including profits for the fiscal year, 50% distributed as dividends, Net Equity reached 308 million.
The total equity coefficient stood at 6.29%, an increase compared to the previous year also because of the reduction in the total weighted assets at closure. We underline, moreover, that to provide the company with capital consistent with the more rapid achievement of the company's development plans, at the end of January 2013 the Holding entered into a 299.8 million increase in the share capital.

In conclusion, with respect to prospects for the current year, in a scenario which should mark the gradual recovery and progressive normalization of the loan brokering activity, we expect to see further growth, both in our Company's activities and as regards results, also thanks to intensified collaboration with the Holding corporation.

Principle data concerning the Company

Operating data

(€ milion)

	PERIOD		CHANGE	
	2012	2011	ABSOLUTE	%
Turnover	28,980	25,051	+3,929	+15.7%
Outstanding	11,575	11,848	-273	-2.3%

Financial data

(€ milion)

	PERIOD		CHANGE	
	2012	2011	ABSOLUTE	%
Brokering margin	210	148	+62	+42.0%
- net interest	*132*	*82*	*+51*	*+61.7%*
- net commission	*76*	*65*	*+11*	*+17.1%*
Operating costs	-39	-34	-5	+13.7%
Operating income	171	113	+57	+50.5%
Net operating income	101	64	+37	+58.6%
Net profit	**61**	**36**	**+25**	**+67.9%**

Equity data

(€ milion)

	CONSISTENCIES		CHANGE	
	12.31.2012	12.31.2011	ABSOLUTE	%
Total assets	8,910	9,078	-168	-1.8%
Receivables	8,844	9,051	-207	-2.3%
Net equity	**308**	**247**	**+61**	**+24.6%**

Structure data

	SITUATION AT		CHANGE	
	12.31.2012	12.31.2011	ABSOLUTE	%
Number of employees (Full time equivalent)	240	217	+23	+10.5%
Number of trading points	13	13	-	-

Profitability indexes

	PERIOD		CHANGE	
	2012	2011	ABSOLUTE	%
ROE[1]	24.6%	17.2%	+7.4	
Cost/income[2]	19.3%	23.3%	-4.0	

Risk indexes

	SITUATION AT		CHANGE	
	12.31.2012	12.31.2011	ABSOLUTE	%
Net non-performing receivables /receivables	1.17%	0.88%	+0.29	
Net impaired receivables /receivables	2.72%	2.78%	-0.06	

Productivity indexes

(€ milion)

	PERIOD		CHANGE	
	2012	2011	ABSOLUTE	%
Turnover per employee	125.6	124.0	1.6	+1.3%
Brokering margin per imployee[2]	0.88	0.73	0.15	+20.1%

Equity coefficients

(€ milion)

	SITUATION AT		CHANGE	
	12.31.2012	12.31.2011	ABSOLUTE	%
Supervised assets	355	335	+21	6.2%
Total risk-weighted assets	5,645	5,707	-62	-1.1%
Core Tier 1	4.91%	4.33%	0.58%	
Supervised assets/Total weighted assets	6.29%	5.86%	0.43%	

1. The assets used in the report correspond to the end-of-year figure (excluding end-of-year profits).
2. The indicators are calculated net of extraordinary interest (default interest registered over the period).

Directors' Report (Continued)

The external scenario

Macroeconomic situation

2012 began with a few promising indications of worldwide economic recovery, but the situation deteriorated at the start of the second quarter due to tension in the financial markets caused by the sovereign debt crisis in the euro-zone and the declining growth rates in various developing countries. Starting from the summer, however, the actions taken by the European authorities, in particular the European Central Bank (BCE), eliminated the risk of extreme scenarios for the euro-zone achieving a marked improvement in the attitude of the financial markets. Towards the end of the year this improvement was increased by the last-minute agreement to avoid the so-called 'fiscal cliff' in the United States, which eliminated a further risk for global economy, and also by the first signs of recovery in some of the principle, emerging economies such as China.

As regards the euro-zone, the 2012 tensions in the financial markets, linked to the sovereign debt crisis, began to diminish, partially thanks to the two liquidity injections operated over three years by the European Central Bank. As from the second quarter, however, debt-linked market tensions intensified and growth prospects deteriorated, also due to the deceleration in global expansion. In summer the ECB announcement of a new plan to purchase government securities (OMT) allowing the central bank to intervene in the state Securities markets of those countries advancing formal requests, undertaking to adopt a series of pre-established reforms. This measure substantially reduced the risk of extreme scenarios for the euro-zone, leading to a marked improvement regarding financial market stress.
The improvement continued throughout the rest of the year, following the first quarter's stagnation. The weakness of the economy during 2012 is linked to various factors: market tensions, the general slow-down in the global economy and the impact of the fiscal consolidation in countries bordering the euro-zone. Although 2012 closed with a conspicuous contraction of the gross domestic product, the latest indicators point towards cyclic improvement starting from the beginning of 2013. December saw an important step forward for financial-economic stability in the euro-zone when the heads of state and government of the EU nations reached an agreement regarding unified bank supervision: as from March 2014 the ECB will undertake the monitoring of all euro-zone banks, as well as banks in countries - now outside the euro-zone but scheduled to join the Union - with an asset value of at least 30 billion representing no less than 20% of the country's GDP.

In the United States the economy expanded by 2.2% in 2012 compared with the 1.8% of 2011. The quarterly growth rate was, however, very variable, particularly in the second half of the year, when the sustained growth registered in the third quarter (+3.1% annualized rate) was followed by a slight contraction in the fourth quarter (-0.1%). The latter figure was caused exclusively by stocks, net exports and government spending. The private domestic demand - spending for private consumption and investment - accelerated in the fourth quarter. In line with the acceleration in private domestic spending, the increase in employment in the fourth quarter was much stronger than in the previous quarter. The weaker growth in the fourth quarter is not, however, particularly worrying. An important factor helping to shore up economy was the real estate market. During 2012 activity in the building sector and property prices, after reaching a minimum low, began to recover. The Federal Reserve, however, in the light of a poorer than expected expansion in the labour market, decided to further stimulate the economy by purchasing Securities. In its September meeting, the Fed announced a new round of purchases of MBS (securitization of mortgages) for 40 billion dollars a month, while the December meeting announced the acquisition of long-term securities with an initial quantity of 45 billion dollars a month as from January 2013, thus bringing the total monthly securities purchase up to 85 billion dollars.

The banking context

Towards the end of 2012 the slow-down, observed over the year, was even more marked as regards bank loans to the euro-zone private sector which, in December, showed a 0.7% contraction, on an annual basis, compared with the 1.0% growth in December 2011. All things considered, this weakness in the euro-zone loan sector can be mainly attributed to a considerable contraction in loans to companies, countered by a marginally positive increase in loans to families. The dynamics of loans to the private sector (families and enterprises) remained weak in all the main European countries, although the downward trend during 2012 was particularly pronounced in Italy, where loans to the private sector continued to contract up to December. The decline was greater as regards loans to companies, but also loans to families were affected. In the second half of 2012 the dynamics of the collection system employed by banks saw the consolidation of the recovery of bank deposits in Italy, an improvement also affecting current account deposits whereas, in general, Germany and Austria remained stable. Regarding interest, the bank rates on loans showed a downswing during the year, resulting in a reduction/stabilization in bank spreads (difference between the average rates on loans and deposits). On the share market front, following the normalization of the financial markets resulting from the ECB's OMT announcement, the second half of 2012 saw the consolidation of the downturn in the volatility of the financial markets and an improvement in share market performance.
In fact, the Italian share market highlighted an 8.0% expansion at the end of the year.

The factoring market

The Factoring market, though still hampered by a critical macroeconomic scenario, proved to be far more resistant than the banking sector. According to the data issued by the category association, Assifact (31 member sample), the turnover indicated a fairly positive increase compared to 2011 (+3.8%), mainly if related to the drastic fall in the Italian GDP. The outstanding and funded grew, respectively, by +0.5% and +2.2%.
The positive annual changes can be explained by the product feature identifying it as an alternative financial instrument, also providing trade risk management (the latter factor having grown considerably over the last two years.

The market remains highly concentrated and competitive. Indeed, despite the entry of new operators, the first four competitors hold a 67.6% market quota of the turnover, an increase against the 66.4% of the previous year. Banking companies, however, showed lower turnover when compared to captive companies (+3.2% against +8.1%), their market shares declining to 86.1% from the 86.6% reported in 2011.

Company activities

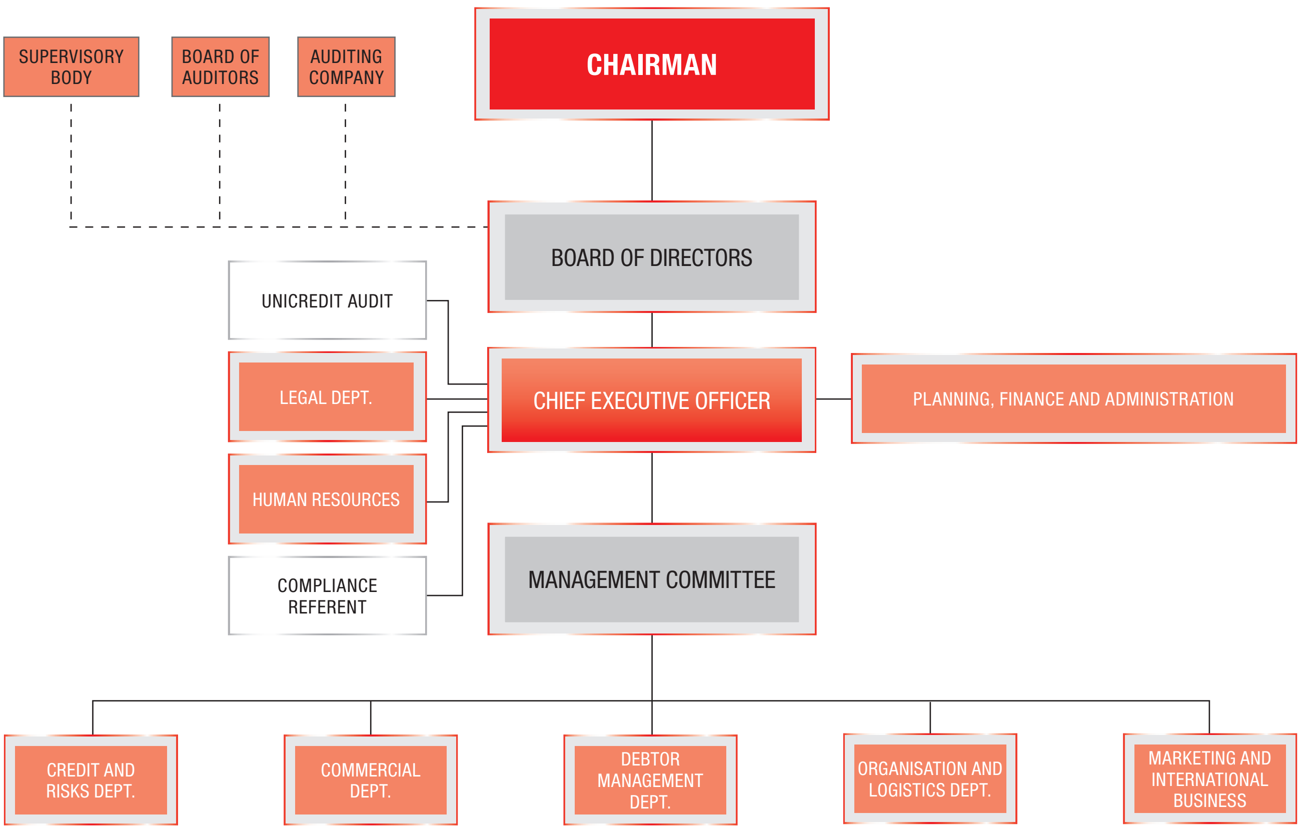
UniCredit Factoring, belonging to the UniCredit Group, is the Italian company specializing in the non-recourse and with-recourse purchase of trade receivables assigned by its customers which, besides optimizing their equity structure, can make use of a series of correlated services for those receivables such as, collection, management and insurance.

Our company is active on both the domestic and cross-border markets. For both types of operations the Company, having developed a strong partnership between its own commercial network and the Group's, is supported by Group-owned banks.

Organizational structure

UniCredit Factoring, within the framework of in-Group structure, forms part of the 'Family & SME' Division, as also in 2012.

The Company's organizational structure, illustrated here below, continues the expansion started in 2010, aimed at improving functional efficiency and increasing its alignment with the Group model.



Directors' Report (Continued)

The evolution taking place in the Commercial Department led to the introduction of 3 national areas, alongside the 8 territorial areas already existing (North-West, Milan, Lombardy, North-East, Emilia-Romagna, Centre-North, Centre and South), in order to facilitate cooperation and synergy, besides assimilating UniCredit Factoring's organizational structure with the Holding Corporation's. The new domestic areas introduced in 2012 are the following:

- Network Investment Banking Corporate and Multinational Area;
- Public Sector Area;
- New Customer Development Area.

Furthermore, the Organizational Unit 'International' was transferred from the Commercial Department to in order to pool the expertise and skills needed to launch our products on new markets and to support International development. As a result of the foregoing advancement, the Marketing Department was renamed 'Marketing and International Business'.

Updating and progression in the internal, organizational processes also continued, with the introduction of Web Factoring and the electronic credit file.

With respect to the Debtor Management Department, a fine-tuning process was implemented concerning the various phases of out-of-court recoveries in order to improve efficiency in the collection of Receivables by:

- reducing intervention times;
- intensifying the systematic, telephonic reminder activity performed by the in-Group Customer Recovery service;
- setting up, in outsourcing, an activity for the recognition of part of the receivables from the Townships portfolio.

All the actions taken led to an appreciable improvement in collection timelines and as a result to a significant reduction in total Past-due Receivables, despite the ongoing deterioration in the macro-economic context.

Resources

At 31st December UniCredit Factoring's workforce stood at 240 Full Time Equivalent (FTE), with a net increase of 10.5% compared to the previous year. As foreseen in the budget, this increase aimed at strengthening the roles of Network and Business, and at the proportionate growth of the Support structures. The increase was sustained by the ongoing care paid to the selection, management, training and development of human resources, in compliance with Group-based models.

The breakdown of the Company's workforce according to age, classification and gender is illustrated here below.
With reference to distribution by age group, a significant increase was registered in the 31-40 group. The average age of employees, around 43, highlighted a slight drop compared to the average reported in 2011 when it stood at around 44 years.

By age group

	12.31.2012		12.31.2011		CHANGE	
	FTE	BRKDN. %	FTE	BRKDN. %	ABSOLUTE	%
Up to 30	13	5.4%	17	7.8%	-4	-23.5%
From 31 to 4	80	33.4%	68	31.4%	+12	+17.6%
From 41 to 50	98	40.9%	89	40.9%	+9	+10.4%
Over 50	49	20.3%	43	19.9%	+6	+13.2%
Total	**240**	**100.0%**	**217**	**100.0%**	**+23**	**+10.5%**

The contractual status of the Company's human resources is as follows:

Breakdown by category

	12.31.2012		12.31.2011		CHANGE	
	FTE	BRKDN. %	FTE	BRKDN. %	ABSOLUTE	%
Managers	17	7.1%	15	6.9%	+2	+13.3%
4th and 3rd level executives	66	27.5%	57	26.2%	+9	+16.2%
2nd and 1st level executives	58	24.2%	54	24.7%	+4	+8.3%
Professional profiles	99	41.3%	92	42.3%	+7	+7.9%
Total	**240**	**100.0%**	**217**	**100.0%**	**+23**	**+10.5%**

The workforce increase took place without altering the ratio men/women which continues to represent a focal point for our Company with respect to the input of female resources and our support for Group projects concerning Gender Diversity. In this respect, our female resources' participation in initiatives such as Women Value (Valore Donna) and UNWIN - UniCredit Women's International Network, was noteworthy.

Breakdown men/women

	12.31.2012		12.31.2011		CHANGE	
	FTE	BRKDN. %	FTE	BRKDN. %	ABSOLUTE	%
Women	81	33.8%	73	33.8%	+8	+10.7%
Men	159	66.2%	144	66.2%	+15	+10.5%
Total	**240**	**100.0%**	**217**	**100.0%**	**+23**	**+10.5%**

Training and development of Human Resources

As regards training, in 2012 company projects developed along three, main guidelines: technical-specialist, on the job and obligatory.

Technical-specialist training

In 2012 multiple, formative projects were developed, implemented also with funds made available by the 'Fondo Banche and Assicurazione' (Banks and Insurance Fund) for executives and clerical staff and by the 'Fondo per la formazione del personale Dirigente' (Manager training fund) aimed at the fortification and ongoing updating of the specific skills pertaining to the Company's workforce. The particular themes addressed were the following:

- *Specialist online courses* in collaboration with AssiFact Educ@tion i.e. 'Factoring: Management of commercial receivables', 'Factoring: Convenience and cost', 'Regulation and contract', 'The Factoring market';
- *Specialist courses* covering themes pertaining to State Organizations, i.e. 'Receivables from State Organizations', 'Certification of receivables claimed by companies from State Organizations Agencies', 'Certification and recovery of SO receivables' or other streams directly connected with daily operating activities such as 'The risk centre', 'Electronic invoicing and dematerialization', 'New procedures in crisis management', 'Abuse of rights and tax dodging', 'International Factoring';
- *Soft Skills Training* in collaboration with UniManagement: 'Strategic Finance', 'Time Management'; 'Impacting Organizational effectiveness', 'Negotiation strategies', 'Managing own performance and development';
- *English Language Training:* with diversified modes such as e-learning, classroom, workshop, telephone conversation, intensive residential courses;
- *Work and Welfare Training:* Courses on correlated work stress management for Managers and Collaborators.

On the job training

On the job training has developed within the Cross Skills Project dedicated to new-entry human resources in UniCredit Factoring's workforce. The project aims, through full-immersion in the main company Departments, at achieving rapid role insertion in the various professional profiles and at promoting transversal collaboration between company functions.

Obligatory training

In 2012, besides the training already foreseen for the previous year, new, obligatory online courses were introduced to guarantee the updating of human resources also as regards themes such as Anti-money-laundering, Organization and management Model 231/2001, Banking transparency, Regulation of Market Abuse and Anti-usury and Behaviour Code.
Bearing in mind the particular significance of the themes addressing obligatory training, together with online e-learning courses in-depth,

Directors' Report (Continued)

in-classroom training courses were also held. Various key profiles participated in courses addressing 'Administrative responsibility pursuant to D.lgs (Legislative Decree) 231/01' 'Anti-money-laundering - Normative framework and practical cases' and 'Anti-trust'.

Marketing

Customer services and innovative projects

In a particularly complex economic context such as 2012, our company managed to ensure that its customers received an ongoing service both innovative and qualitatively high.

The ability to ensure regular payment flows, also and above all, to State Organizations suppliers, was perceived as our commitment to provide concrete solutions to our customers' needs.

Our desire to offer ever more useful and state-of-the-art products encouraged us to update also our 'web management' processes which, through automation and computerization of the procedures ensured a first-rate service and swifter answering timelines; last but not least, the service allowed our customers to contain cost impacts (cost to service), within acceptable limits.

The setting up and ongoing activities of a team dedicated to Customer Support inside the Marketing Department, (an initiative resulting from the outcome of the 2011 Customer Satisfaction survey) generated positive customer perception regarding their utilization of our computer services.

To improve support for the Bank in the various projects involving our company, at the start of 2012 our Commercial Network was remodelled to homogenize it with the Bank Network.

In the course of the year we also boosted the international aspects of our business, organizing the first 'UniCredit European Factoring Meeting' and involving in-Group colleagues who take care of Factoring in 8 different European Countries (Italy, Austria, Poland, Turkey, Rumenia, Hungary, Ukraine). Our aim was to compare common business strategies and develop better cross-border synergies in order to increment mutual volumes and flows. During this event we shared our respective company processes with a view to adopting prospective best practices, wherever present.

In conclusion, although the outside scenario remained complex, we endeavoured to maintain contact with the social aspect by creating, In collaboration with UniCredit Foundation, an operation called: 'Alzheimer Caffè: the wealth of an experience'. The plan foresees the creation of four structures, located in Turin, Verona, Naples and Palermo, dedicated to support sufferers and their families who are forced, day after day, to cope with this disease.

Customer care

In 2012, despite the highly negative influence of the market crisis, our commitment to offering in-depth and systematic care to our customers was further confirmed when implementing the customary Customer Satisfaction survey.

The survey was carried out through online interviews with a structured questionnaire and 1657 companies operating with our company were invited to compile it. 487 of these replied with a 27% redemption rate (in line with the 2011 survey).

The survey evaluated various themes such as:

- verification of the state of relations between the company and its customers in terms of satisfaction and perceived image;
- verification of customer experience through the quality perceived of all the components of the service model and product offer;
- identification, from the customer's viewpoint, of the company's strong and weak points in comparison with other market-based competitors;
- verification of the degree of appreciation of various innovations applied, i.e. web implementation and automation of the collection processes as regards the State Organizations:
- definition of operating priorities with respect to improving business relations.

The results of the survey supplied a, by and large, positive satisfaction index (65), though this was lower than the previous year figure.

The complex economic scenario, together with the strong negative impact caused by increasing rates (with obvious repercussions on the prices applied to customers), determined a downturn in the satisfaction index.

On the other hand, the positive perception linked to the web factoring service confirmed that handling investments online, together with the creation of a team dedicated to customer support regarding the increasing the use of this website, is achieving the hoped-for results.

Our ongoing commitment to technological development, aimed at ongoing improvement in the quality of the overall service, continues to be remain the most stable feature in our company mission, over and above the result emerging from the latest Customer Satisfaction Survey. Although this was not wholly in line with the indexes registered over the last few years.

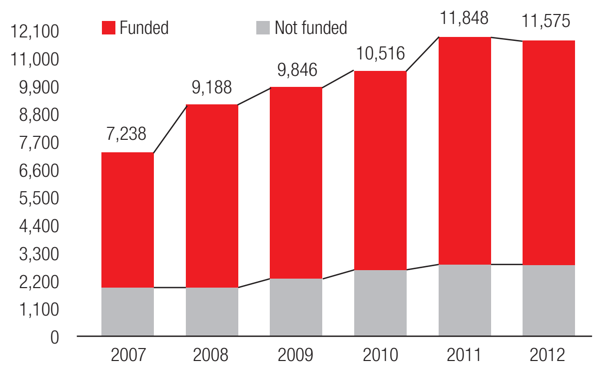
Turnover and total receivables

During the period, the Company acquired an overall turnover flow of 28,980 million with a 15.7% growth compared to 2011, thanks also to increasingly closer collaboration with Group networks.
This upsurge is reflected in the higher market quotas, which rose to 16,5% against the 14,8% of 2011, and achieving second place in the sector ranking.

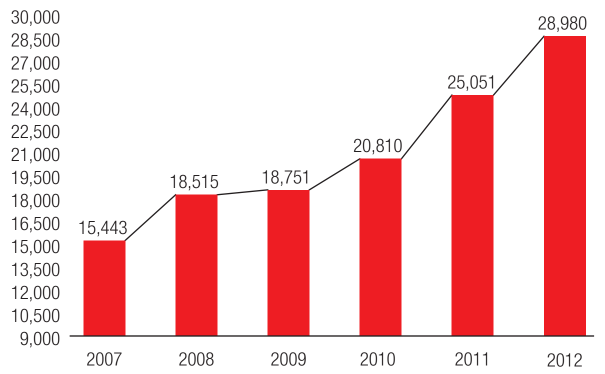
The turnover share generated by new customers acquired over the year amounted to 3.5 billion.

Also as regards the outstanding and funded elements the Company won second place on the market, although it registered a respective 2.3% and 3,4% drop. These changes are to be considered positive because, even if faced with a significant turnover increase, the Company managed to lower its average collection times.

Outstanding (million)



Turnover (million)



As highlighted by the following table, with-recourse transactions represented around two thirds with respect to both turnover and total credits. The evolution compared with the previous year emphasizes a slightly more dynamic progress as regards non-recourse operations relating to turnover, corresponding moreover to stability in the foregoing transactions against the total end-of-period outstanding, due not only to closer average maturities but also to collection of the initial total receivables.

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
Turnover	**28,980**	**100.0%**	**25,051**	**100.0%**	**+3,929**	**+15.7%**
- non-recourse	11,360	39.2%	9,261	37.0%	+2,099	+22.7%
- with-recourse	17,620	60.8%	15,790	63.0%	+1,830	+11.6%
Outstanding	**11,575**	**100.0%**	**11,848**	**100.0%**	**-273**	**-2.3%**
- non-recourse	4,024	34.8%	4,143	35.0%	-119	-2.9%
- with-recourse	7,551	65.2%	7,705	65.0%	-154	-2.0%

The per product turnover indicates, alongside traditional transactions, a consistent quota represented by definite purchase transactions, reserved chiefly to assignors claiming receivables from State Organizations, which registered a 20.5% increase compared to the previous year. Maturity factoring also showed a significant upsurge. (+33.6%).

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
Turnover	**28,980**	**100.0%**	**25,051**	**100.0%**	**+3,929**	**+15.7%**
traditional	15,160	52.3%	14,267	56.9%	+893	+6.3%
definite and discounted purchase	9,373	32.3%	7,343	29.3%	+2,030	+27.6%
guarantee only	731	2.5%	659	2.6%	+72	+10.9%
maturity	3,717	12.8%	2,783	11.1%	+934	+33.6%

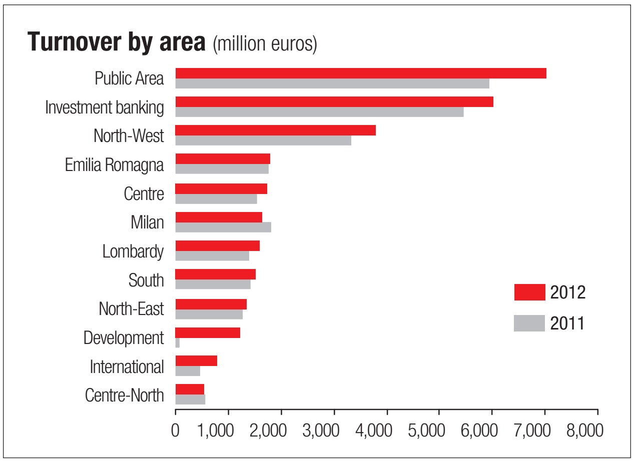
Directors' Report (Continued)

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

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
Turnover	**28,980**	**100.0%**	**25,051**	**100.0%**	**+3,929**	**+15.7%**
Domestic	26,915	92.9%	23,204	92.6%	+3,711	+16.0%
Import	223	0.8%	231	0.9%	-8	-3.6%
Export	1,842	6.4%	1,616	6.5%	+226	+14.0%

In conclusion, following the creation of new areas covering the entire territory, we emphasize that the Public area and the Investment Banking area generate, by themselves, almost half the overall turnover. In percent terms, higher than average growths were reported by the International and Public areas and of course by the Development area which, because newly created, started out with a practically nil 2011 data.



In conclusion the following table indicates the allocation of the total receivables by sector and branch of debtor's business activity.

As regards sectors, the non-financial companies (5.596 Million) represented the largest component with a 48.3% quota, a 1 point increase registered over the year - the same as the State Organisations' figure (4,849 million), including the Central State, Local Agencies, ASL (health bureaus) and other State Agencies.

Total receivables by sector of debtor's business activity

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
state organizations	4,849	41.9%	4,860	41.0%	-12	-0.2%
financial companies	371	3.2%	204	1.7%	+167	+82.1%
non-financial companies	5,596	48.3%	5,608	47.3%	-12	-0.2%
family producers	125	1.1%	56	0.5%	+69	+124.1%
family consumers	1	0.0%	1	0.0%	-0	-10.9%
non-profit institutes	51	0.4%	172	1.5%	-122	-70.6%
rest of the world	547	4.7%	891	7.5%	-344	-38.6%
other	36	0.3%	56	0.5%	-20	-35.5%
Total receivables	**11,575**	**100.0%**	**11,848**	**100.0%**	**-273**	**-2.3%**

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

Total receivables by branch of debtor's financial activity

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
agriculture, forestry, fishing	22	0.4%	14	0.2%	+8	+59.3%
energy	1,005	17.6%	1,234	21.8%	-230	-18.6%
minerals iron metals and others	344	6.0%	348	6.1%	-4	-1.2%
minerals and non-metal, mineral-based products	29	0.5%	19	0.3%	+10	+50.4%
chemicals	82	1.4%	47	0.8%	+35	+75.6%
metal products exc. machinery and transport means	117	2.0%	88	1.6%	+28	+32.2%
industrial and agricultural machinery	188	3.3%	206	3.6%	-18	-8.6%
office machines	160	2.8%	166	2.9%	-6	-3.7%
electrical machinery and supplies	103	1.8%	116	2.1%	-13	-11.2%
transport means	591	10.3%	633	11.2%	-42	-6.7%
foodstuffs, beverages, tobacco	247	4.3%	218	3.9%	+29	+13.1%
textiles, leather, shoes, clothing	44	0.8%	49	0.9%	-6	-11.3%
paper, printing products publishing sector	45	0.8%	53	0.9%	-8	-14.7%
rubber, plastic	22	0.4%	18	0.3%	+3	+18.7%
other industrial products	21	0.4%	33	0.6%	-12	-36.5%
building and public works	206	3.6%	160	2.8%	+45	+28.3%
business services, recoveries, remedies	1,315	23.0%	1,077	19.0%	+238	+22.1%
hotel and public agency services	46	0.8%	23	0.4%	+23	+99.0%
internal transport services	115	2.0%	149	2.6%	-33	-22.5%
maritime, air-related services	1	0.0%	12	0.2%	-11	-89.9%
transport-related services	39	0.7%	52	0.9%	-12	-23.9%
communications	430	7.5%	406	7.2%	+24	+5.9%
other sales-based services	550	9.6%	542	9.6%	+8	+1.5%
Total non-financial companies and family businesses	**5,720**	**100.0%**	**5,663**	**100.0%**	**+57**	**+1.0%**

Receivables

The consistency of the receivables, net of adjustment funds, stood at 8,844 million, showing a 2.3% drop compared to the end of the previous year, in line with the advancement of the outstanding and also registering a 5.9% increase in average annual terms. The most significant component, amounting to 93.7%, was represented by receivables versus customers with a 4.1% downturn. The financial agencies portion rose from 4.1% to 6.1% of the total, whereas the figure representing credit agencies remained marginal (0.3%).

Receivables

(€ million)

	12.31.2012		12.31.2011		CHANGE	
	AMOUNT	BRKDN. %	AMOUNT	BRKDN. %	ABSOLUTE	%
receivables from credit agencies	22	0.3%	44	0.5%	-21	-48.4%
receivables from financial agencies	536	6.1%	369	4.1%	+167	+45.3%
receivables from customers	8,286	93.7%	8,639	95.4%	-353	-4.1%
Total receivables	**8,844**	**100.0%**	**9,051**	**100.0%**	**-207**	**-2.3%**
of which:						
with-recourse advances	*2,328*	*26.3%*	*2,748*	*30.4%*	*-420*	*-15.3%*
with-recourse advances (ex-formal non-recourse)	*1,310*	*14.8%*	*1,123*	*12.4%*	*+187*	*+16.6%*
advances on contracts	*156*	*1.8%*	*65*	*0.7%*	*+91*	*+139.9%*
non-recourse advances	*3,844*	*43.5%*	*3,874*	*42.8%*	*-30*	*-0.8%*
deferred receivables	*910*	*10.3%*	*883*	*9.8%*	*+27*	*+3.1%*
impaired receivables	*241*	*2.7%*	*252*	*2.8%*	*-11*	*-4.3%*
other receivables	*57*	*0.6%*	*107*	*1.2%*	*-50*	*-46.8%*

Directors' Report (Continued)

The breakdown by technical form highlighted a stronger impact as regards non-recourse receivables (from 42.8% to 43.5%), substantially compensated by the reduction in the with-recourse advances portion (from 43.5%, including prepayments on contracts, to 42.9%). The impact of deferred receivables also increased (from 9.8% to 10.3%).
As regards with-recourse receivables, re-composition in favour of definite purchase receivables is ongoing, amounting to 3,270 million at end 2012, with an 8.2% upsurge over the twelve months, to the detriment of non-recourse with advances transactions, amounting to 574 million at end 2012 - a 48.6% reduction against end 2011.

With respect to the quality of the assets, impaired receivables at Financial Statement value dropped by about 11 million in the recently ended fiscal period (from 252 million at end 2011 to 241 million at end 2012), due to the increase in the adjustments funds and in the transfers to losses which more than compensated for the increase in gross receivables. In comparison to the Financial Statement receivables, the impaired dropped from the 2.78% 2011 figure, to 2.72 % at end 2012. The hedge ratio of the value adjustments, including transfers to losses rose, on the contrary from 33.13% to 42.46%.
The following table highlights the appreciable reduction shown by the doubtfuls at Financial Statement values, which more than compensated the increase in the non-performing and past-due receivables

Impaired receivables

(€ million)

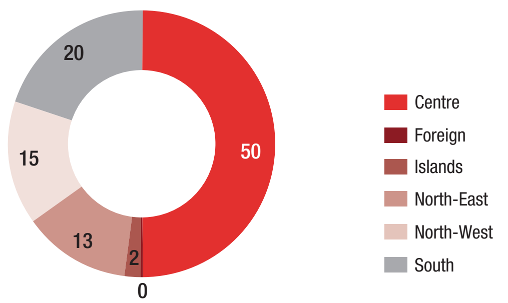
	NON-PERFORMING					TOTAL IMPAIRED	
	BALANCE-SHEET	INCL. TRANSF. TO LOSSES	DOUBTFUL	RE-STRUCT. RECEIVABLES	PAST-DUE RECEIVABLES	BALANCE-SHEET	INCL. TRANSF. TO LOSSES
Situation at 31.12.2012							
Face value	184.3	268.0	90.9	0.5	59.0	**334.6**	**418.3**
impact on total receivables	*2.05%*		*1.01%*	*0.01%*	*0.66%*	**3.73%**	
Value adjustment	80.5	164.2	12.5	-	0.9	**93.9**	**177.6**
in relation to face value	*43.70%*	*61.28%*	*13.76%*	-	*1.55%*	**28.07%**	**42.46%**
Balance-sheet value	103.8	103.8	78.4	0.5	58.1	**240.7**	**240.7**
impact on total receivables	*1.17%*		*0.89%*	*0.01%*	*0.66%*	**2.72%**	
Situation at 31.12.2011							
Face value	98.9	181.0	147.3	0.0	48.1	**294.3**	**376.3**
impact on total receivables	*1.08%*		*1.61%*	-	*0.53%*	**3.23%**	
Value adjustment	19.1	101.1	22.8	0.0	0.9	**42.7**	**124.7**
in relation to face value	*19.25%*	*55.85%*	*15.46%*	-	*1.77%*	**14.50%**	**33.13%**
Balance-sheet value	79.9	79.9	124.5	0.0	47.2	**251.6**	**251.6**
impact on total receivables	*0.88%*		*1.38%*	-	*0.52%*	**2.78%**	

The non-performing at Financial Statement values rose over the year from 79.9 million to 103.8 million, absolute value, and from 0.88% to 1.17% compared to the total receivables. The hedge ratio, account being taken of adjustments and transfers to losses, grew from 55,85% at end 2011 to al 61.28% in December 2012.

During 2012, 73 new non-performing positions entered, amounting to an overall face value of 93.9 million (net of depreciation for 1.7 million) offset by provisions for 42.8 million.

The distribution of the non-performing by geographic area indicated the predominance of positions relating to counterparts located in centre and South areas:

Non-performing by geographica area (%)



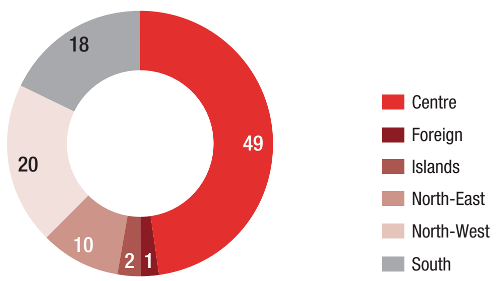
Doubtfuls, on the contrary, showed a significant reduction between end 2011 and end 2012, dropping from 124.5 million to 78.4 million in terms of Financial Statement value and from1.38% to 0.89% with respect to total receivables.

During 2012 65 new positions became doubtful, for overall face-values amounting to 33.1 million, with provisions for 4.6 million.

Objective doubtfuls totalled 62 for an overall 36.4 million, hedged by provisions for 1.1 million.

The distribution of doubtfuls by geographic area indicated a net predominance in the centre and South.

Doubtfuls by geographic area (%)

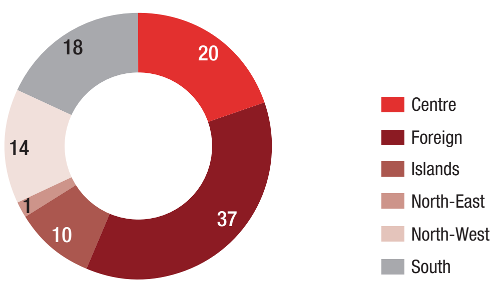


At the end of 2012 there was only one position among the re-structured receivables amounting to 0.5 million (at end 2011 there were none).

The past-due positions (from over 180 at end 2011 and over 90 days at end 2012, due to termination of the effect produced by Bank of Italy transitory meausres) within the framework of a deteriorated economic situation, amounted to a nominal 59 million (48.1 million at end 2011, hedged by reserves for 0.9 million

The distribution of past-due receivables by geographic area shows strong concentration in the foreign and centre areas.

Past-due by geographic area (%)



Finally, as regards performing receivables, the lump-sum reserve rose from the 29.9 million of 2011 (0.34% on total performing receivables) to 39.6 million in 2012 (0.46% on the reference aggregate), also due to the deteriorating economic situation and the consequent, increased vulnerability of most businesses.

Risk management and control methods

The Credits and Risks Department supervises the processes relating to the valuation/measuring/monitoring of risks, ensuring overall governance through cost containment and the optimization of portfolio composition.

For the proper management of credit risks, in line with the organization model adopted by the Holding, our Company has designed its organizational structure by separating the customer-assignor acquisition and management processes from those relating to debtor management, entrusting the decision-making faculties to the Credits and Risks Department, which also supervises the systematic monitoring and Risk Management.

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

As to market risks, bearing in mind that the Company does not use financial, trading instruments, the characteristics of the products and the operating modes implemented allows us to restrict the risk assumed within limited levels.

The Company's assets, chiefly characterized by short-term entries, makes for minimum exposure to interest-rate changes because our Company generally operates by:
- periodically updating the variable rates to match the same maturities as the supplies;
- applying fixed rates based on the cost of the supply (definite purchase receivables).

The rate risk relating to definite purchase transactions with maturities beyond the short term are usually hedged by interest-rate swaps implemented solely with the Group's Investment Bank.

In the same way, the liquidity profile is mitigated by associating the maturities of the funding flows with collection.

Receivables in foreign currency belonging to the Company's assets are financed with liabilities in the same currency. This operation allows us to minimize the exchange-rate risk.

For more detailed information on risk and relevant hedging policies kindly refer to the Notes to the Financial Statements (Part D - Section 3).

Directors' Report (Continued)

Income Statement and Equity

Income Statement

The Income Statement illustrated here below follows the reclassification outline adopted by the Group (link-up with Financial Statement outline in Attachment). We calculated, in order to perform homogenous comparisons with the previous year, a normalized variation sterilizing the impact of the default interest recorded in the both years (0,2 mlilion in 2011 and 7.3 million in 2012).

The positive evolution of our activities sustained the increase in revenue. The brokering margin rose to 209.6 million with a 37.2% upsurge, net of the extraordinary interest. This result stemmed from the contribution of 132.4 million - interest margin (+53.1%) and of 75.6 million - net commission (+17.1%).

To be more specific, the interest margin benefited from increased average uses (+5.9%) and also from an expansion of the overall spread, caused by prompt re-pricing, based on risk levels and supply market conditions, together with optimization of collection and treasury activities.

Reclassified income statement

(€ million)

	PERIOD		CHANGE		NORMALIZED
	2012	2011	ABSOLUTE	%	% CHANGE
Net interest	132.4	81.9	50.5	+61.7%	+53.1%
Net commission	75.6	64.6	11.1	+17.1%	+17.1%
Trading result and hedging	-0.2	0.3	-0.5	n.s.	n.s.
Balance other revenue/changes	1.9	1.0	0.9	+91.8%	+91.8%
BROKERING MARGIN	**209.6**	**147.7**	**62.0**	**+42.0%**	**+37.2%**
Human resources costs	-22.4	-19.0	-3.4	+17.8%	+17.8%
Other administration costs	-16.6	-15.2	-1.3	+8.6%	+8.6%
Value adjustments to tangible/intangible fixed assets	-0.1	-0.1	0.0	+0.0%	+0.0%
Operating costs	**-39.1**	**-34.4**	**-4.7**	**+13.7%**	**+13.7%**
OPERATING INCOME	**170.6**	**113.3**	**57.3**	**+50.5%**	**+44.3%**
Net adjustments to receivables	-69.5	-49.5	-19.9	+40.2%	+40.2%
NET OPERATING INCOME	**101.1**	**63.8**	**37.4**	**+58.6%**	**+47.5%**
Net reservies for risks and charges	-2.7	-1.6	-1.1	+69.8%	+69.8%
GROSS PROFITS	**98.4**	**62.2**	**36.2**	**+58.3%**	**+46.9%**
Taxes on income for the period	-37.6	-26.0	-11.6	+44.8%	+34.4%
NET PROFITS	**60.8**	**36.2**	**24.6**	**+67.9%**	**+55.9%**

Regarding costs, expenses for human resources recorded a 17.8% hike compared with an average, annual workforce increase of 14.2%. This gap is more or less explained by the increase in the variable quota. On the whole the average per-head cost grew by 3.2%.
Other administration costs registered an 8.6% increase, in line with increased operating activities supporting business growth. Back-office expenses and costs for other administrative services also rose, but property-based expenses declined.

Overall operating costs stood at 39.1 million with 13.7% less than proportional to the workforce increase and the operating volumes. The ratio between costs and revenue dropped, therefore, to 18.6% from the 2011 23.3% figure and the operating income, amounting to170.6 million, registered a 44.3% rise compared to the previous year, net of the extraordinary interest.
Net adjustments to receivables amounted to 69.5 million, a 40.2% increase caused by the declining macroeconomic scenario. The adjustments to average uses stood at 0.99% against the 0.75% of 2011.
Gross profits, bearing in mind 2.7 million net reserves for risks and charges amounted to 98.4 million against the 62.2 million of the previous year, with a 46.9% increase, excluding the contribution of extraordinary interest.
Net profits for the period, benefiting from a more favourable fiscal load compared to the previous year stood at 60.8 million against the 36.2 million of 2011 (+59% net of extraordinary interest).

Net Equity and equity coefficients

Net Equity, bearing in mind the profits for the period, stood at 308 million, against the 247 million at end 2011 (+24.6%). Supervised Equity, including hybrid capital instruments and subordinate liabilities for an overall 78 million (87 million at end 2011) and bearing in mind the distribution of a dividend amounting to half the net profit gained, stood at 355 million compared to the 335 million of the previous year.

Net equity and equity coefficients

(€ million)

	SITUATION AT		CHANGE	
	12.31.2012	12.31.2011	ABSOLUTE	%
Net equity	308	247	+61	24.6%
Profits distributed	-30	0	-30	n.d.
Negative/positive features	0	0	-0	n.d.
Hybrid instruments and subordinated liabilities	78	87	-9	-10.9%
Supervised equity	355	335	+21	6.2%
Total risk-weighted assets	5,645	5,707	-62	-1.1%
Core Tier 1	4.91%	4.33%	0.58%	
Supervised equity/Total weighted assets	6.29%	5.86%	0.43%	

With a 1.1% reduction in the total net Financial Statement assets, the core tier 1 ratio rose to 4.91% from the 4.33%, whereas the total equity coefficient stood at 6.29%, compared to the 5.86% of the previous year and a permitted minimum of 4.5%.

Further information

Auditing

Our company, in line with Group policies governing controls, avails itself of the Internal Auditing Service supplied by UniCredit Audit S.c.p.A., a specialized company belonging to the UniCredit Group.

Administrative responsibility, D.Lgs. (Legislative Decree) 231/2001

With respect to the stipulations of D.Lgs (Leglislative Decree) nr.231/01 governing the administrative liability of legal persons, corporations and associations, also without judicial status, in 2012 the activities of the supervisory Body, constituted in compliance with the foregoing legislation, were ongoing.

The operations carried out included supervision of the adequacy of and compliance with the Organizational and Management Model, the updating of that Model and the verifications foreseen by the supervision plan. In addition, appropriate training was performed as regards the foregoing issue.

Privacy and protection of personal details

The Company is no longer obliged to maintain an updated 'Programme document on security'. This obligation was eliminated by the cancellation of letter g, comma 1 of art. 34 of D.Lgs. (Legislative Decree nr. 196/2003 ('Code of Privacy') pursuant to *art. 45, comma 1, lett. c), D.L. nr. 5 of 9th February 2012, converted, with amendments by Law nr. 35 of 4th April 2012.*

Business Continuity

As foreseen by the Bank of Italy regulations and in harmony with the indications issued by the Holding, our Company approved and activated the Operational Continuity Plan which takes into account the main crisis/disaster scenarios and identifies, as regards each and every, potentially damaging event, the solutions to be adopted to ensure adequate operating continuity in acceptable conditions of decline. The principle guidelines indicated by the Plan foresee the distribution, in each prospective case, of the critical activities pinpointed throughout the Company's offices (Headquarters in Milan and secondary location in Rome), and by using the competent resources located therein, periodically updated and equipped with the necessary skills, able to intervene rapidly to replace those units unable to operate in the affected location.

The environment and work safety

In 2012 too, the updating of the activities governed by D.Lgs (Legislative Decree) 81/2008 was ongoing, in compliance with the in-Group organizational and management model and with the guidelines indicated by the Prevention and Protection Service. To this end the convention was renewed with the physician responsible for the health supervision activities stipulated by the law.

Also the training programmes for employees responsible for managing emergencies continued - fire-fighting, first-aid and appointees - together with the health control programme for employees responsible for the 'video-terminal'. A training course was also activated for newly-nominated appointees. The contract concerning the Prevention and Protection Service was also renewed with the Holding.

Operations with correlated parties

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

Own shares or portfolio shares belonging to the Holding

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

Directors' Report (Continued)

Research and development

During the period no investments were made pertaining to research and development.

Financial instruments

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

The Holding: management and coordination

We emphasize that, pursuant to articles 2497 and subsequent of the Civil Code, the Company is subject to the management and coordination of UniCredit S.p.A.; the Notes to the Financial Statement (Part D - Further information - Section 6) illustrate the business relations existing between whosoever manages and coordinates and with other companies thereto subjected. The Attachments to the Notes include a table summarizing the principle data pertaining to the Holding.

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

Indications as to secondary, registered offices

The Company has no secondary, registered offices.

Tax audit for the period from 2010

During the fourth quarter of 2012 a tax audit was implemented relating to the period from 2010. by the Inland Revenue, Regional Department of Lombardy - Control Sector, Litigation and Collection - Large Taxpayers' Office. The verification, concerning direct taxes, IRAP, VAT and the substitute tax function, ended on 18th December 2012 with the notification of the Report of Findings which contested:

- the decline in the recovery of income gained amounting to 75,000 euros;
- the deduction of losses on receivables, amounting to an overall 10,515,970, based on the lack of certain and precise elements pursuant to art. 101, fifth comma, of D.P.R. (Presidential Decree) nr. 917 of 22nd December 1986, and because in excess of the limits stipulated in art. 106, third comma of the foregoing D.P.R. (Presidential Decree).

With respect to the foregoing allegations, the Company acknowledged the error committed relating to the first objection but declared it does not share the arguments used by the Inland Revenue to support the second allegation. The Company considers it has operated correctly and is ready to defend its rights and reasons in the appropriate forums within the terms and according to the law.

The Company forwarded a memorandum illustrating its considerations to the Inland Revenue on 11th February 2013. As of today the Company has received no notification of notice of ascertainment or any other deed resulting from the issued PVC. (Processo Verbale di Contestazione = Notification of Objection).

Significant events subsequent to the reporting date and outlook

Significant events subsequent to closure of the fiscal period

After closure of the fiscal period no significant events occurred which might affect the Financial Statement illustrated herein.

To provide the Company with capital, consistent with the more rapid implementation of the Company's development plans, on 30th January 2013 a capital increase of 299.8 million was perfected, entirely paid up by the Holding. Bearing this increase in mind, the pro-forma core tier 1 ratio of the Company at 31st December 2012 would amount to 8.9% compared with the 4.9 effectively reported.

Expected evolution of operations

In the euro-zone 2012 ended with a marginal contraction of economic activities, whereas recession continued to be particularly severe in Italy, chiefly due to a slump in domestic consumption. The unfavourable macroeconomic scenario was reflected in a particularly weak demand for loans in the private sector. 2012 having been filed away, for 2013 a gradual recovery is expected, encouraged by mitigated tax severity, by an ongoing improvement in funding conditions for the private sector, mainly in Italy, and a generalized acceleration in worldwide trade.

Despite the continuing risk of renewed tension in financial markets, ECB support, in addition to the positive outcome of initiatives to strengthen bank equity in Europe, should permit the gradual normalization of loan brokering for the banking system as a whole.

With particular respect to the factoring sector, operators' expectations, reported in January, are still positive even though slightly re-dimensioned as regards the previous three months. The increase in turnover compared to 2012 is expected to reach around 5%, a value in any case far higher that the figure foreseen for short-term uses in the banking sector.

In this scenario our Company aims at further expansion, over and above the already brilliant 2012 results. From a commercial viewpoint, the planned increase in turnover will find leverage also in our intensified collaboration with the Holding and with the advancement of new projects addressed to the achievement of greater value at Group level.

The results of these first two months are positive and allow us to look forward with optimism to the prospects for the rest of the year, even though careful attention must be paid to the evolution of the financial activity and to possible effects on the demand for and the quality of the credit.

Milan, 13th March 2013

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

Proposals submitted to the Shareholder's Meeting

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

Furthermore we propose the following allocation of the fiscal year profits, amounting to 60,840,776:

To the Legal Reserve	3.042.039 euros
To other Reserves	27.393.638 euros
To shareholders to the extent of 1.37 euros per share	30.405.099 euros

Milan, 13th March 2013

Chief Executive Officer
Ferdinando Brandi

For the Board of Directors
The Chairman: Cesare Caletti

Financial Statements

Financial Statements

Statement of financial position

Euro values

ASSETS	12.31.2012	12.31.2011
10. Cash at bank and in hand	3,308	2,324
40. Financial assets available for sale	394	394
60. Receivables:	8,844,294,005	9,050,813,996
from banks	22,453,133	43,537,767
from financial institutes	535,941,920	368,770,771
from clients	8,285,898,952	8,638,505,458
80. Value adjustment to financial assets subject to standard hedging (+/-)	942,725	1,653,402
100. Tangible assets	177,106	251,305
110. Intangible assets	253,148	-
120. Fiscal assets	18,536,938	8,836,687
b) prepaid	18,536,938	8,836,687
140. Other assets	46,228,422	16,649,681
TOTAL ASSETS	**8,910,436,046**	**9,078,207,789**

Euro values

LIABILITIES AND NET EQUITY	12.31.2012	12.31.2011
10. Debts	8,300,882,289	8,546,560,686
to banks	8,076,991,021	8,419,642,547
to financial institutes	10,258,329	6,193,530
to customers	213,632,939	120,724,609
20. Outstanding securities	77,119,615	77,213,822
50. Hedging derivatives	900,488	1,781,919
70. Tax payables	25,598,406	25,270,027
a) current	25,598,406	23,867,630
b) deferred	-	1,402,397
90. Other liabilities	187,042,402	165,906,120
100. Human resources severance fund	2,392,629	2,344,348
110. Provisions for risks and charges	8,437,663	11,909,089
b) other provisions	8,437,663	11,909,089
120. Share capital	114,518,475	114,518,475
150. Share premiums	951,314	951,314
160. Reserves	131,751,989	95,520,447
180. Profit (Loss) for the period	60,840,776	36,231,542
TOTAL LIABILITIES AND NET EQUITY	**8,910,436,046**	**9,078,207,789**

Income statement

Euro values

ITEMS	12.31.2012	12.31.2011
10. Receivable interest and assimilated revenues	245,317,002	169,675,469
20. Payable interest and assimilated charges	(112,969,063)	(87,822,727)
INTEREST MARGIN	**132,347,939**	**81,852,742**
30. Commission income	87,905,075	73,518,563
40. Commission costs	(12,297,102)	(8,961,759)
NET COMMISSION	**75,607,973**	**64,556,804**
60. Net result from trading assets	(177,849)	293,332
BROKERING MARGIN	**207,778,063**	**146,702,878**
100. Net value adjustments for impairment of:	(69,447,941)	(49,527,299)
a) financial assets	(69,447,941)	(49,527,299)
110. Administration costs:	(38,956,992)	(34,259,633)
a) staff costs	(22,410,533)	(19,015,107)
b) other administration costs	(16,546,459)	(15,244,526)
120. Net value adjustments/write-backs to tangible assets	(74,199)	(91,540)
130. Net value adjustments/write-backs to intangible assets	(18,201)	-
150. Net allocations to provisions for risks and charges	(2,703,048)	(1,593,509)
160. Other revenues and operating charges	1,857,630	966,826
OPERATING RESULT	**98,435,312**	**62,197,723**
PROFIT (LOSS) FROM CURRENT ASSETS BEFORE TAXES	**98,435,312**	**62,197,723**
190. Income tax on financial year revenue from current operations	(37,594,536)	(25,966,181)
PROFIT (LOSS) FROM CURRENT ASSETS AFTER TAXES	**60,840,776**	**36,231,542**
PROFIT (LOSS) FOR THE YEAR	**60,840,776**	**36,231,542**

Statement of comprehensive income

Euro values

ITEMS	2012	2011
10. Profit (Loss) for the year	60,840,776	36,231,542
110. Total other income-producing components after taxes	-	-
120. Overall Profitability (ITEM 10+110)	60,840,776	36,231,542

Financial Statements (Continued)

Statement of changes in shareholders' equity at 31st december 2012

	BALANCE AT 12.31.2012	CHANGES IN OPENING BALANCES	BALANCE AT 01.01.2012	ALLOCATION PREVIOUS YEAR RESULTS	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share capital	114,518,475	-	114,518,475	-	-
Share premiums	951,314	-	951,314	-	-
Reserves					
a) profits	95,520,447	-	95,520,447	36,231,542	-
b) others	-	-	-	-	-
Valuation reserves	-	-	-	-	-
Capital instruments	-	-	-	-	-
Own shares	-	-	-	-	-
Profit (Loss) for the year	36,231,542	-	36,231,542	-36,231,542	-
Net equity	**247,221,778**	**-**	**247,221,778**	**-**	**-**

Statement of changes in shareholders' equity at 31st december 2011

	BALANCE AT 12.31.2012	CHANGES IN OPENING BALANCES	BALANCE AT 01.01.2012	ALLOCATION PREVIOUS YEAR RESULE	
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS
Share capital	114,518,475	-	114,518,475	-	-
Share premiums	951,314	-	951,314	-	-
Reserves					
a) profits	62,324,331	-	62,324,331	33,196,116	-
b) others	-	-	-	-	-
Valuation reserves	-	-	-	-	-
Capital instruments	-	-	-	-	-
Own shares	-	-	-	-	-
Profit (Loss) for the year	33,196,116	-	33,196,116	-33,196,116	-
Net equity	**210,990,236**	**-**	**210,990,236**	**-**	**-**

Euro values

CHANGES OVER YEAR							
	OPERATIONS ON NET EQUITY						
CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORD. DISTRIBUTION DIVIDENDS	CHANGES IN CAPITAL INSTRUMENTS	OTHER CHANGES	COMPREHENSIVE INCOME 12.31.2012	NET EQUITY AT 12.31.2012
-	-	-	-	-	-	-	114,518,475
-	-	-	-	-	-	-	951,314
-	-	-	-	-	-	-	131,751,989
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	60,840,776	60,840,776
-	**-**	**-**	**-**	**-**	**-**	**60,840,776**	**308,062,554**

Euro values

CHANGES OVER YEAR							
	OPERATIONS ON NET EQUITY						
CHANGES IN RESERVES	NEW SHARES ISSUE	OWN SHARES PURCHASE	EXTRAORD. DISTRIBUTION DIVIDENDS	CHANGES IN CAPITAL INSTRUMENTS	OTHER CHANGES	COMPREHENSIVE INCOME 12.31.2012	NET EQUITY AT 12.31.2011
-	-	-	-	-	-	-	114,518,475
-	-	-	-	-	-	-	951,314
-	-	-	-	-	-	-	95,520,447
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	36,231,542	36,231,542
-	**-**	**-**	**-**	**-**	**-**	**36,231,542**	**247,221,778**

Financial Statements (Continued)

Statement of Cash Flows - Direct Method

Euros

	12.31.2012	12.31.2011
A. OPERATING ASSETS		
1. MANAGEMENT	**121,981,517**	**85,389,095**
- interest income collected	245,317,002	169,675,469
- interest paid	(112,969,063)	(87,822,727)
- net commission	75,607,973	64,556,804
- staff costs	(22,410,533)	(19,015,107)
- other costs	(16,724,308)	(15,244,526)
- other revenues	1,857,630	1,260,158
- taxes	(48,697,184)	(28,020,976)
2. CASH-FLOW GENERATED/ABSORBED BY FINANCIAL ASSETS	**82,282,099**	**(1,105,002,363)**
- financial assets available for sale	-	11
- receivables from banks	(4,837,253)	7,336,577
- receivables from financial institutes	(167,171,149)	(243,215,259)
- receivables from customers	283,158,565	(875,307,379)
- other assets	(28,868,064)	6,183,687
3. CASH-FLOW GENERATED/ABSORBED BY FINANCIAL LIABILITIES	**(229,913,170)**	**1,043,867,713**
- payables to banks	(342,651,526)	1,081,384,093
- payables to financial institutes	4,064,799	3,639,931
- payables to customers	92,908,330	(12,683,163)
- outstanding securities	(94,207)	49,947
- other liabilities	15,859,434	(28,523,095)
NET CASH-FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES	**(25,649,554)**	**24,254,445**
B. INVESTMENT ASSETS		
1. LIQUIDITY ABSORBED BY:		
- tangible assets purchase	-	(965)
- intangible assets purchase	(271,349)	-
NET LIQUIDITY GENERATED/ABSORBED BY INVESTMENT ASSETS	**(271,349)**	**(965)**
C. INVESTMENT ASSETS		
- distribution of dividends and other purposes	-	-
NET CASH-FLOW GENERATED/ABSORBED BY FUNDING ACTIVITIES	**-**	**-**
NET CASH-FLOW GENERATED/ABSORBED OVER PERIOD	**(25,920,903)**	**24,253,480**

Reconciliation

Euros

	AMOUNT	
	2012	2011
Cash at bank and in hand at start of period	27,814,608	3,561,128
Total liquidity generated/absorbed over period	(25,920,903)	24,253,480
Cash at bank and in hand at end of period	1,893,705	27,814,608

Notes to the Financial Statements

Part A - Accounting Standards

Part A - Accounting Standards

A.1 - General

Section 1 - Declaration of compliance with International financial reporting

The Financial Statement at 31st December 2012 was drawn up according to international IAS/IFRS accounting guidelines, ratified by the European Commission, including the relevant interpretations indicated by the International Financial Reporting Interpretation Committee (IFRIC), as stipulated by Community regulation nr. 1606 of 19th July 2002, applied in Italy by Legislative Decree nr. 38 of 2005, governing the coming into force of the IAS/IFRS international financial reporting and subsequent amendments and supplements.

The Financial Statement was prepared on the basis of the outlines illustrated in the instructions attached to the Governor of the Bank of Italy's provision of 16th December 2009 'Instructions for the drafting of the Financial Statements of financial brokers registered in the Special list, of electronic money Institutes (IMEL), of Savings management companies (SGR) and of securities brokerage companies (SIM), which have totally replaced the instructions attached to the Regulations of 14th February 2006.

Section 2 - General drafting standards

The preparation of the financial statements at 31st December 2012 pertaining to Unicredit Factoring S.p.A. was carried out, as mentioned here above, in compliance with the international financial reporting (IAS/IFRS), ratified by the European Commission. The Financial Statement is made up of the Statement of Financial Position, Income Statement, Statement of Overall Profitability, Cash-flow Statement and Statement of Net Equity Changes. It includes the Directors' Report on the ongoing performance of management. The position was drawn up in euro-units and corresponds to the company accounting which faithfully reflects the transactions undertaken during the period.

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

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

The Financial Statement and Notes to the Financial Statements tables indicate the corresponding comparisons with the previous year.

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

No exceptions to the IAS/IFRS financial reporting were applied in the Financial Statement.

Section 3 - Events occurring subsequent to the reporting date

After closure of the period no significant events occurred leading to the need to adjust the result reported in the Financial Statement at 31st December 2012.

Section 4 - Other aspects

This Financial Statement was audited by KPMG S.p.A., pursuant to D. Lgs. (Legislative Decree) nr. 39 of 27th January 2010 and in execution of the Resolution of the Shareholders' Meeting of 30th March 2004, extended on 17th April 2007.

Risks and uncertainties connected with the use of estimates

In conformity with the IAS/IFRS standards, the company management must formulate valuations, estimates and hypotheses affecting the application of the financial reporting and the amounts pertaining to the assets, liabilities, costs and revenues reported in the Financial Statement. The estimates and relevant hypotheses are based on previous experience and on other factors considered reasonable as regards the case in point. They were adopted in order to estimate the book-value of those assets and liabilities not easily obtainable from other sources.

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

Such estimates and hypotheses are regularly reviewed. Possible changes resulting from such reviews are reported in the relevant period, should such review concern that period only. If the revision concerns both current and future periods, the variation is registered in the period under review and in the relevant future periods.

The risk of uncertainty in the estimate is substantially inherent to:
• receivables;
• severance funds and other benefits owed to employees;
• funds for risks and charges.

In compliance with the provisions indicated in IAS 10, the Company has authorized the publication of this Financial Statement in the terms foreseen by current legislation.

A.2 - Principle financial statement items

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

1) Receivables

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

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

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

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

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

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

In conformity with the general principle of the prevalence of economic substance over legal form, in fact, an enterprise can cancel a financial asset from its Financial Statement only if, as a result of an assignment, it has transferred the risks and benefits connected with the instrument assigned. IAS foresees, in effect, that an enterprise may cancel a financial from its Financial Statement if, and only if:
a) the financial asset is transferred together with substantially all its associated risks and if the contractual rights to the cash flows deriving from the asset expire;
b) the benefits associated with the ownership of the asset no longer apply.

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

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

The most frequently used forms of assignment of a financial instrument may entail considerably different accounting effects:
• whenever, in relation to a non-recourse assignment (with no guarantee whatever) the assets assigned may be cancelled from the assignor's Financial Statement;
• whenever, in relation to a with-recourse assignment it is probable that in the majority of cases the risk connected with the assigned asset remains with the seller and, as a result, the assignment does not possess the requisites for cancellation from the accounting records of the instrument sold.

The Company has registered among its Receivables those purchased on a non-recourse basis subject to the certainty of the non-existence of contractual clauses impeding the effective, substantial transfer of all the risks and benefits thereto connected. With respect to the portfolio assigned with-recourse, the Receivables are reported and maintained in the Financial Statement exclusively on the basis of the sums allocated by the assignor as prepayment of the consideration.

Part A - Accounting standards (Continued)

To be more specific:

a) Receivables assigned with-recourse and 'legal' non-recourse (with de-recognition by the assignor) are reported exclusively with respect to those sums allocated to the assignor as prepayments of the consideration, including accrued interest and commission, and the first registration is implemented according to the consideration advanced to the assignor against the assignment of the Receivables.

b) Receivables conclusively purchased on a non-recourse basis, with substantial transfer of the risks and benefits and the accrued Receivables paid at maturity are recorded at the nominal value of the invoices assigned (with de-recognition by the assignor) and the first entry is registered at the face value of the receivable (equivalent to fair-value).

c) Loans allocated against future Receivables not subject to assignments of Receivables, together with the instalment loans, are recorded at a value equal to the amount of the loan, including the relevant interest and commission accrued.

At each Financial Statement date, if there is objective evidence that loss has been sustained due to a reduction in value of the Receivables, the extent of the loss is measured as the difference between the book-value of the asset and the current value of future, estimated cash flows discounted at the effective, original interest-rate. In particular, the guidelines for determining the write-downs to be applied to the Receivables are based on the discounting of the cash flows expected from capital and interest, net of recovery charges and prospective prepayments received. The basic elements used to determine the current value of the cash flows are the identification of the estimated proceeds, the relevant maturities and the discount rate to be applied.

A receivable is considered impaired when it is considered unlikely that the entire amount will be recovered, according to the original terms and conditions, or for an equivalent value. The total cancellation of a receivable is implemented when it is consider irrecoverable or is totally written-off.

In compliance with the regulations stipulated by the Bank of Italy, impaired exposures are classified according to the following categories:

- non-performing, comprising exposures versus insolvent customers, even if legally unascertained, or in equivalent situations. Valuation is implemented on an analytic basis;
- doubtfuls, comprising business relations with legal persons experiencing temporary difficulties, in expectation of solution within a reasonable timeline. This category also includes exposures not classified as non-performing and granted to persons other than state organisations, which have satisfied both the following conditions:
  - they have matured and been outstanding for more than 270 days;
  - the overall amount of the foregoing exposures and of the other sums past-due for less than 270 days from the same debtor, amounts to at least 10% of the entire exposure versus that debtor;

Doubtfuls are valuated analytically whenever specific features make it advisable, i.e. by analytically applying lump-sum percents determined according to historical/statistical bases in the remaining cases.

- re-structured exposures, made up of exposures versus counterparts with which specific postponement agreements have been concluded, with contextual re-negotiation of below market value terms and conditions. These are valuated on an analytical basis;
- past-due exposures, representing exposures versus counterparts which, at the reference date, present receivables past-due by more that 90 days. These are evaluated on a lump-sum basis.

The valuation of the performing receivables involves asset portfolios not presenting objective losses. The valuation implemented tends, therefore, to measure losses already sustained at Financial Statement date but not yet manifest due to the normal delay between the deterioration of the customer's financial position and its classification among the impaired exposures. This delay can be valuated, for factoring reasons, as falling between an average 6 to 12 month period. The Adjustment to the performing receivables is, therefore, determined by taking account of the corresponding fraction of the expected annual loss, calculated as produced between loan exposure, the probable, annual counterpart's default and the percent loss in case of non-fulfilment.

2) Tangible assets

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

The item includes: installations and machinery, furniture and fittings.

Tangible assets are initially reported at cost, comprising the charges needed to put them to use for the asset for which they were purchased (including all costs directly linked to the putting into operation of the asset and to the non-recoverable purchase tax and duties). The foregoing value is subsequently increased by the expenses sustained from which future benefits are expected.

Costs for ordinary maintenance performed with respect to the asset are registered in the Income Statement as and when the occur. On the contrary, extraordinary maintenance costs from which future benefits are expected, are capitalized as an increase to the value of the assets to which they refer.

After initial acknowledgement, the instrumental, tangible assets are registered at cost, net of the accumulated depreciation and of any accumulated value loss. The depreciated value, amounting to the relevant cost, less the residual value (i.e. the total amount foreseen normally obtainable at divestment, less the expected divestment costs, if the assets were already in the state, age-wise, expected at the end of its useful life), and systematically spread on a straight-line basis as regards depreciation, over the useful life of the tangible asset.

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

Their useful life, regularly reviewed to determine whether any prospective estimates differ significantly from those previously performer, is defined as:
- the timeline over which an asset is expected to remain useful to the company;
- the quantity of products or similar units which the company expects to obtain from the product's use.

If there is objective evidence that a single asset may have been impaired, the book value of the asset is compared to its recoverable value, corresponding to the greater between the fair-value, less selling costs, and the relevant value in use, understood as the current value of the future cash flows expected to derive from the asset.

Possible value adjustments are reported in the item 'net adjustments/write-backs on tangible assets' in the Income Statement.

If the value of a previously written-down asset is reversed, the new book value may not exceed the net book value which would have resulted if no impairment had been acknowledged for that asset in previous years.

A tangible asset is cancelled from the Financial Statement at the moment of assignment or whenever no future financial benefits are expected from its use. Possible differences between the assignment value and the book value are reported in the Income Statement under the item 'profits (losses) from the assignment of investments'.

3) Intangible assets

Intangible assets is the definition given to non-monetary assets, identifiable even if lacking physical consistency, from which future, financial benefits are likely to derive.

The asset is identifiable whenever:
- it is separable, i.e. can be separated or detached and sold, transferred, licensed, leased or exchanged;
- it is derived from contractual rights or other legal rights, regardless of the fact that such rights are transferable or separable from other rights and obligations.

The asset is characterized by the fact that it can be controlled by the enterprise as a result of past events, on the assumption that financial benefits to the company will stem from its use. The company controls an asset if it has the power to make use of the future financial benefits deriving from the asset in question and can, moreover, limit third-party access to such benefits.

An intangible asset is reported as such if, and only if:
(a) future financial benefits attributable to the asset are likely to derive to the company;
(b) the asset's cost can be reliably measured.

The item chiefly includes goodwill and software.

Intangible assets other than goodwill are initially registered at cost and prospective costs, after initial registration, are capitalized only if able to generate financial future benefits, or only if such expenses can be reliably determined and attributed to the asset.

The cost of an intangible asset comprises:
- purchase price including prospective duties and taxes on non recoverable purchases after deducting trade discounts and allowances;
- any direct cost needed to set up the asset for use.

After initial registration, intangible assets with finite useful lives are reported at cost, net of the overall depreciation and value losses prospectively occurring.

Depreciation is calculated on a systematic basis over the estimated useful lives using the straight line allocation method.

If there is objective evidence that one, single asset may have suffered impairment a comparison is made between the book-value of the asset and the recoverable amount, equal to the greater between the fair-value, less sale costs, and the relevant usage value, understood as being the current value of the future cash flows expected to derive from the asset. Possible value adjustments are entered in the Income Statement under the Item 'costs for alienation of goods'.

If the value of a previously impaired intangible asset, other than goodwill, is restored, the new value may not exceed the net book value which would have been determined if no loss for impairment had been reported over previous years.

An intangible asset is cancelled from the equity statement at the moment of assignment, or when no future benefits are expected from its use.
Any, prospective difference between assignment and book values is registered in the Income Statement under the item 'income from sale of goods".

Unicredit Factoring S.p.A. makes use of the faculty granted by IFRS 1 which permits the non-application of the IFRS 3 provisions to combinations occurring before the date of transition, thus maintaining the goodwill existing at the most recent carrying value according to the standards previously adopted.

Part A - Accounting standards (Continued)

Goodwill is registered in the Financial Statement at cost, net of prospective, accumulated losses and is not subject to depreciation.

Even if no indications of impairment are observed, the goodwill is annually subjected to impairment test.

4) Payables and outstanding securities

Payables and outstanding, 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 measured at amortized cost, using the effective interest method.

Payables deriving from factoring transactions reflect the residual amount to be paid to the assignors, resulting from the difference between the value of the non-recourse receivables acquired and the prepayment implemented.

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

Financial liabilities with a lower than 12 month, original duration are registered at face-value, because the application of the 'amortized cost' does not entail significant changes.

5) Hedging activities

Hedging activities aim at neutralizing losses pertaining to a specific element (or group of elements) attributable to a specific risk by using profits deriving from a different element (or group of elements) should that particular risk effectively become manifest. The hedging instruments used by the Company are designed to cover the fair-value of a recognized asset.

Financial hedging derivatives, like all derivatives, are initially recorded and subsequently measured at fair-value and are classified in the Financial Statement on the asset side under item 70 'Hedging derivatives' and on the liability side under item 50 'Hedging derivatives'.

With respect to standard hedging the value of the financial assets is recorded in the Financial Statement under item 80 'Adjustment to the value of financial assets subject to standard hedging' and the financial liabilities under item 60 'Adjustment to the value of financial liabilities subject to standard hedging'. Positive adjustment may not be offset by negative adjustment.

An operation qualifies as hedging and is recorded in the accounting, only if all the following conditions are met:
- at the start of the hedging operation there is formal designation and documentation of the hedging and of the company objectives relating to risk management and to the strategy underlying the application of the hedge. The foregoing documentation shall include the identification of the hedging instrument, the element or operation covered, the nature of the risk covered and the method used by the company to valuate the effectiveness of the hedging instrument in offsetting exposure to fair-value changes pertaining to the element covered;
- hedging is expected to be highly effective;
- hedging effectiveness can be reliably measured;
- hedging is measured on a continuity basis and is considered highly effective for all the reference periods for which it was designed.

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

The effectiveness of the hedging is verified during start-up by using the prospective test and, when the annual Financial Statement is drafted, the retrospective test; the outcome of the latter test justifies the application of hedge accounting, inasmuch as it demonstrates its expected effectiveness.

6) Human resources severance fund

The Human Resources Severance Fun (TFR) is considered as a post-employment, defined benefit payment. Consequently, its acknowledgment in the Financial Statements requires estimation - using actuarial methods - of the amount of benefits accrued by employees together with their relevant actualisation. The foregoing services are implemented by an external actuary using the 'projected unit credit method'. This method spreads the cost of the benefit uniformly over the employee's working life. Obligations are defined as the discounted value of the average future allocations on the basis of the ratio between the years of service matured and the overall seniority reached at the moment of allocation of the benefit.

Following the supplementary insurance reform pursuant to Legislative Decree nr 252 of 5th December 2005, the Severance Fund quotas accrued up to 31.12.2006 (or up to the date chosen by the employee - between 1.1.2007 and 30.6.2007 - in case of allocation of the employee's severance payment to the Supplementary Insurance) remain with the company and continue to be considered as a 'post-employment, defined benefit service' and are, therefore, subject to actuarial valuation albeit with simplified actuarial assumption not contemplating forecasts relating to future remuneration increases.

ESF quotas, accrued as from 1.1.2007 (date of application of D.lgs. (Legislative Decree) nr. 252) (or from the date falling between 1.1.2007 and 30.06.2007) allocated, at the employee's choice, to supplementary forms of insurance, or left in the company, and transferred by the latter (by companies with more than 50 employees) to the INPS Treasury Fund are, on the contrary, considered as a 'defined contribution' plan.
The costs relating to the ESF matured during the year are registered in the Income Statement and include the interest matured over the year (interest cost) on the obligation, already existing at the date of the reform. The quotas matured over the year and transferred to the Supplementary Insurance plan or to the INPS Treasury Fund are reported under the item 'Severance Indemnities'. The actuarial profits and losses, indicated as the difference between the Financial Statement value of the liability and the current value of the obligation at end of period, are registered according to the 'corridor' method i.e. only when they exceed 10% of the current value of that obligation at period-end. Possible surpluses are registered in the Income Statement with depreciation of the remaining average working life foreseen for employees participating in the plan, starting from the following period.

7) Funds for risks and charges

Provisions for the Fund for risks and charges are registered in the accounts if and only if:

- an obligation is in progress (legal or implicit) as the result of a previous event;
- it is likely that, in order to fulfil an obligation, the use of resources expected to produce financial benefits may become necessary;
- a reliable estimate of the amount deriving from fulfilment of the obligation can be produced.

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

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

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

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

8) Current and deferred 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 regulations currently in force.

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

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

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

9) Share-based payments

These are payments to employees as remuneration 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 (properly known as Stock Options);
b) rights to receive shares on achieving 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 these instruments, measured at their assignment date.

The fair-value of the payments made through the share issue is acknowledged as a cost and recorded in the Income Statement under the item 'human resources costs' as offsetting the item 'Other liabilities', according to the guideline governing accrual in proportion to the period in which the service is supplied.

Part A - Accounting standards (Continued)

10) Revenue

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

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

The outcome of a transaction involving the rendering of services can be estimated reliably when all the following conditions have been met:
- the total revenue can be measured reliably;
- the company is likely to profit from the financial benefits associated with the transaction;
- the transaction's completion can be measured reliably at Financial Statement date;
- 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 possibility of collecting an amount already included in revenue, the non-collectable amount, or the value whose recovery is no longer probable, is recognised as a cost rather than an adjustment to the revenue originally recorded.

11) Foreign currency transactions

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

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

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

12) Further information

Long-term employee benefits

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

A.3 - Fair Value disclosure

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

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

A.3.1 Transfers between portfolios

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

A.3.2 Fair-value hierarchy

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

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

The following table indicates, therefore, the spread between the financial asset and liability portfolios at 31st December 2012 measured at fair-value on the basis of the mentioned levels.

A.3.2.1

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR-VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
1. Financial assets held for negotiation	-	-	-	-
2. Financial assets measured at fair value		-	-	-
3. Financial assets available for sale	-	-	-	-
4. Hedge derivatives	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
1. Financial liabilities held for negotiation	-	-	-	-
2. Financial liabilities measured at fair-value	-	-	-	-
4. Hedge derivatives		900,488		900,488
Total liabilities	**-**	**900,488**	**-**	**900,488**

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

The Company implements no operations entailing ‘day one profit/loss’ registration’.

Part B - Information on the Statement of Financial Position

Part B - Information on the Statement of Financial Position

Assets

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

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

ITEMS/VALUES	12.31.2012	12.31.2011
1.1 Cash and stamp values	3,308	2,324
Total	**3,308**	**2,324**

Section 4 - Financial assets available for sale - Item 40

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

	12.31.2012			12.31.2011		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3*	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-
2. Capital securities and OICR quotas *	-	-	394	-	-	394
3. Loans	-	-	-	-	-	-
Total	**-**	**-**	**394**	**-**	**-**	**394**

* The Company's portfolio includes 30 shares issued by the following Group companies:
10 azioni Unicredit Business Integrated Solutions ScpA for 11,34 euro;
10 azioni UniCredit Audit ScpA per 220,63 euro;
10 azioni UniCredit Business Partner ScpA per 162,22 euro;
The non-listed shares are quoted at cost.

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

ITEMS/VALUES	12.31.2012	12.31.2011
Financial assets	394	394
a) Governments and central banks	-	-
b) Other public agencies	-	-
c) Banks	-	-
d) Financial agencies	-	-
e) Other issuers	394	394
Total	**394**	**394**

4.3 Financial assets available for sale: annual changes

CHANGES/TYPOLOGIES	DEBT SECURITIES	CAPITAL SECURITIES AND OICR QUOTAS	LOANS	TOTAL
A Opening balance	**-**	**394**	**-**	**394**
B Increases	**-**	**-**	**-**	**-**
B1. Purchases	-	-	-	-
B2. Positive faìr-value changes	-	-	-	-
B3. Write-backs	-	-	-	-
- Allocated to Income Statement	-	-	-	-
- Allocated to net equity	-	-	-	-
B4 . Transfers from other portfolios	-	-	-	-
B5 . Other changes	-	-	-	-
C -Decreases	**-**	**-**	**-**	**-**
C1. Sales	-	-	-	-
C2. Refunds	-	-	-	-
C3. Negative fair-value changes	-	-	-	-
C4. Value adjustments	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-
C6. Other changes	-	-	-	-
D Final balance	**-**	**394**	**-**	**394**

Section 6 - Receivables - Item 60

6.1 'Receivables from banks'

BREAKDOWN	12.31.2012	12.31.2011
1. Deposits and current accounts	**1,890,397**	**27,812,284**
2. Loans	**9,074,562**	**11,026,249**
2.1 Re-purchase agreements	-	-
2.2 Financial leasing	-	-
2.3 Factoring	*9,074,562*	*11,026,249*
- with-recourse	5,641,429	8,057,821
- non-recourse	3,433,133	2,968,428
2.4 Other loans	-	-
3. Debt securities	**-**	**-**
- structured securities	-	-
- other debt securities	-	-
4. Other assets*	**11,488,174**	**4,699,234**
Total balance-sheet value	**22,453,133**	**43,537,767**
Total fair value	**22,453,133**	**43,537,767**

* The item includes Receivables from banks participating in pool operations.

6.2 'Receivables from financial agencies'

	12.31.2012			12.31.2011		
		IMPAIRED			IMPAIRED	
BREAKDOWN	PERFORMING	PURCHASED	OTHERS	PERFORMING	PURCHASED	OTHERS
1. Loans	**530,277,255**	**-**	**111,592**	**363,619,814**	**-**	**172,167**
1.1 Repurchase agreements	-	-	-	-	-	-
1.2 Financial leasing	-	-	-	-	-	-
1.3 Factoring	*530,277,255*	-	*111,592*	*363,619,814*	-	*172,167*
- with-recourse	528,622,395	-	111,592	360,273,517	-	172,167
- non-recourse	1,654,860	-	-	3,346,297	-	-
1.4 Other loans	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
- structured securities	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-
3. Other assets*	**5,553,073**	**-**	**-**	**4,978,790**	**-**	**-**
Total balance-sheet value	**535,830,328**	**-**	**111,592**	**368,598,604**	**-**	**172,167**
Total fair value	**535,830,328**	**-**	**111,592**	**368,598,604**	**-**	**172,167**

* The item includes Receivables from financial agencies participating in pool operations.

6.3 'Receivables from customers'

	12.31.2012			12.31.2011		
		IMPAIRED			IMPAIRED	
BREAKDOWN	PERFORMING	PURCHASED	OTHERS	PERFORMING	PURCHASED	OTHERS
1.Financial leasing	-	-	-	-	-	-
of which: without final purchase options	-	-	-	-	-	-
2. Factoring	8,031,151,261	-	240,340,839	8,350,308,028	-	249,929,239
- with-recourse	3,283,317,802	-	188,862,264	3,602,420,943	-	174,093,795
- non-recours	4,747,833,459	-	51,478,575	4,747,887,085	-	75,835,444
3. Consumer credit (including revolving cards)	-	-	-	-	-	-
4.Credit cards	-	-	-	-	-	-
5. Loans granted for payment services performed	-	-	-	-	-	-
6. Other loans *	14,174,726	-	232,126	36,756,444	-	1,511,747
- from execution of guarantees and commitments		-	-		-	-
7. Debt securities	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-
8. Other assets	-	-	-	-	-	-
Total balance-sheet value	**8,045,325,987**	**-**	**240,572,965**	**8,387,064,472**	**-**	**251,440,986**
Total fair value	**8,045,325,987**	**-**	**240,572,965**	**8,387,064,472**	**-**	**251,440,986**

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

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

6.4 'Receivables': secured assets

BREAKDOWN SECURED	12.31.2012					
	RECEIVABLES FROM BANKS		RECEIVABLES FROM FINANCIAL AGENCIES		RECEIVABLES FROM CUSTOMERS	
	VE	VG	VE	VG	VE	VG
1. Performing assets secured by:	**5,641,429**	**5,641,429**	**528,622,395**	**528,622,395**	**3,339,481,969**	**3,339,481,969**
- Financial leasing assets	-	-	-	-	-	-
- Factoring assets*	5,641,429	5,641,429	528,622,395	528,622,395	3,283,317,802	3,283,317,802
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal collateral	-	-	-	-	56,164,167	56,164,167
- Derivatives on receivables	-	-	-	-	-	-
2. Impaired assets secured by:	**-**	**-**	**111,592**	**111,592**	**188,862,264**	**188,862,264**
- Financial leasing assets	-	-	-	-	-	-
- Factoring assets*	-	-	111,592	111,592	188,862,264	188,862,264
- Mortgages	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-
- Personal collateral	-	-	-	-	-	-
- Derivatives on receivables	-	-	-	-	-	-
Total	**5,641,429**	**5,641,429**	**528,733,987**	**528,733,987**	**3,528,344,233**	**3,528,344,233**

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

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

* The secured factoring receivables include prepayments of with-recourse transactions and non-recourse Receivables secured by bank guarantees. The value of the guarantees for with-recourse transactions amounts to the total receivables up to the value of the prepaid amount.

Section 8 - Adjustment to the value of Financial assets covered by standard hedging - item 80

8.1 Breakdown of item 80 'Adjustment to the value of Financial assets covered by standard hedging':

ADJUSTMENTS TO VALUE OF HEDGED ASSETS	12.31.2012	12.31.2011
1. Positive adjustment	**942,725**	**1,653,402**
1.1 of specific portfolios:	942,725	1,653,402
a) receivables	942,725	1,653,402
b) financial assets available for sale	-	-
1.2 overall	-	-
2. Negative adjustment	**-**	**-**
2.1 of specific portfolios:	-	-
a) receivables	-	-
b) financial assets available for sale	-	-
2.2 overall	-	-
Total	942,725	1,653,402

Section 10 - Tangible assets - Item 100

10.1 Breakdown of item 100 'Tangible assets':

ITEMS/VALUATION	12.31.2012		12.31.2011	
	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED
1. Functional use assets	**177,106**	**-**	**251,305**	**-**
1.1 owned	**177,106**	**-**	**251,305**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	157,446	-	219,644	-
d) equipment	19,660	-	31,661	-
e) others	-	-	-	-
1.2 acquired in financial leasing	**-**	**-**	**-**	**-**
a) land	-	-	-	-
b) buildings	-	-	-	-
c) furniture	-	-	-	-
d) equipment	-	-	-	-
e) others	-	-	-	-
Total 1	**177,106**	**-**	**251,305**	**-**
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	**-**	**-**	**-**	**-**
- granted in operating leasing	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
Total (1+2+3)	**177,106**	**-**	**251,305**	**-**
Total (assets at cost and revalued)	**177,106**	**-**	**251,305**	**-**

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

10.2 'Tangible assets': annual changes

	LAND	BUILDINGS	FURNITURE	EQUIPMENT	OTHERS	TOTAL
A. Opening balance	**-**	**-**	**219,645**	**31,660**	**-**	**251,305**
B. Increases	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Purchases	-	-	-	-	-	-
B.2 Write-backs	-	-	-	-	-	-
B.3 Positive changes to fair-value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.4 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**(62,198)**	**(12,001)**	**-**	**(74,199)**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	-	(62,198)	(12,001)	-	(74,199)
C.3 Adjustments to impaired value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes to fair-value attributed to:	-	-	-	-	-	-
a) net equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Other changes	-	-	-	-	-	-
D. Final balance	**-**	**-**	**157,447**	**19,659**	**-**	**177,106**

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

Section 11 - Intangible assets - Item 110

11.1 Breakdown of item 110 'Intangible assets':

	12.31.2012		12.31.2011	
ITEMS/VALUATION	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED	ASSETS VALUED AT COST	ASSETS VALUED AT FAIR VALUE OR REVALUED
1. Goodwill	**-**	**-**	**-**	**-**
2. Other intangible assets	**-**	**-**	**-**	**-**
2.1 owned	253,148	-	-	-
- internally generated	-	-	-	-
- others	253,148	-	-	-
2.2 purchased in financial leasing	-	-	-	-
Total 2	**253,148**	**-**	**-**	**-**
3. Assets refereable to financial leasing	**-**	**-**	**-**	**-**
3.1 unredeemed goods	-	-	-	-
3.2 goods withdrawn after cancellation	-	-	-	-
3.3 other goods	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
4. Assets granted in operating leasing	**-**	**-**	**-**	**-**
Total (1+2+3+4)	**253,148**	**-**	**-**	**-**
Total	**253,148**	**-**	**-**	**-**

11.2 'Intangible assets': annual changes

	TOTAL
A. Opening balance	**-**
B. Increases	**271,349**
B.1 Purchases	271,349
B.2 Write-backs	-
B.3 Positive changes to fair-value attributed to:	-
a) net equity	-
b) income statement	-
B.4 Other changes	-
C. Decreases	**(18,201)**
C.1 Sales	-
C.2 Depreciation	(18,201)
C.3 Adjustments to impaired value attributed to:	-
a) net equity	-
b) income statement	-
C.4 Negative changes to fair-value attributed to:	-
a) net equity	-
b) income statement	-
C.5 Other changes	-
D. Final balance	**253,148**

Section 12 - Fiscal assets and liabilities (item 120 asset side and item 70 liabilities side)

12.1 Breakdown of item 120 'Fiscal assets: current and prepaid'

FISCAL ASSETS	12.31.2012	12.31.2011
a) current*	-	-
b) prepaid	18,536,938	8,836,687
Total	**18,536,938**	**8,836,687**

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

FISCAL LIABILITIES	12.31.2012	12.31.2011
a) current *	25,598,406	23,867,630
b) deferred	-	1,402,397
Total	**25,598,406**	**25,270,027**

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

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

12.3 Changes to prepaid taxes (offset in Income Statement)

ITEMS	MOVEMENTS IN 2012	2011
1. Opening balance	**4,163,391**	**4,787,175**
2. Increases	**11,841,144**	**1,592,398**
2.1 Prepaid taxes reported in period	11,841,144	-
a) relating to previous periods	114,825	-
b) due to changed accounting standards	-	-
c) write-backs	-	-
d) others	11,726,319	1,574,357
2.2. New taxes or tax rate increases	-	18,041
2.3 Other increases	-	
3. Decreases	**(2,140,893)**	**(2,216,182)**
3.1 Prepaid taxes annulled in period	(2,140,893)	(839,021)
a) re-endorsement	(2,140,893)	(839,021)
b) write-downs due to unrecoverability	-	-
c) due to changed accounting standards	-	-
d) others	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	(1,377,161)
4. Final balance	**13,863,642**	**4,163,391**

12.3.1 Changes to prepaid taxes ex. L 214/2011 (offset in Income Statement)

ITEMS	MOVEMENTS IN 2012	2011
1. Opening balance	**61,801**	**48,373**
2. Increases	**11,205,917**	**255,610**
3. Decreases	**(256,434)**	**(242,182)**
3.1 re-endorsements	(256,434)	(242,182)
3.2 changed into tax credits	**-**	**-**
a) deriving from operating losses	**-**	**-**
a) deriving from tax losses	**-**	**-**
3.3 Other decreases	-	-
4. Final balance	**11,011,284**	**61,801**

This table does not include prepaid taxes ex. L. 214/2011 offset in Net Equity (equal to 4,262.500 euros) whose re-endorsements transfer to Income Statement.

12.4 Changes to deferred taxes (offset in Income Statement)

ITEMS	MOVEMENTS IN 2012	2011
1. Opening balance	**1,272,954**	**(129,443)**
2. Increases	**-**	**1,402,397**
2.1 Deferred taxes reported in period	-	1,402,397
a) relating to previous periods	-	1,402,397
b) due to changed accounting standards	-	-
c) others	-	-
2.2. New taxes or increased tax rates	-	-
2.3. Other increases	-	-
3. Decreases	**(1,402,397)**	**-**
3.1 Deferred taxes annulled in period	(1,402,397)	-
a) re-endorsements	(1,402,397)	-
b) due to changed accounting standards	-	-
c) others	-	-
3.2 Tax rate reductions	-	-
3.3 Other Decreases	-	-
4. Final balance	**(129,443)**	**1,272,954**

12.5 Changes to prepaid taxes (offset in Net Equity)

ITEMS	MOVEMENTS IN 2012	2011
1. Opening balance	**4,673,296**	**592,320**
2. Increases	**-**	**4,262,500**
2.1 Prepaid taxes reported in period	-	4,262,500
a) relating to previous periods	-	-
b) due to changed accounting standards	-	-
c) Others	-	4,262,500
2.2. New taxes or increased tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**(181,524)**
3.1 Prepaid taxes cancelled in period	-	(181,524)
a) re-endorsements	-	(181,524)
b) write-downs for unrecoverability	-	-
c) due to changed accounting standards	-	-
d) others	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	
4. Final balance	**4,673,296**	**4,673,296**

12.6 Changes to deferred taxes (offset in Net Equity)

ITEMS	MOVEMENTS IN 2012	2011
1. Opening balance	**129,443**	**129,443**
2. Increases	**-**	**-**
2.1 Deferred taxes reported in period	-	-
a) relating to previous periods	-	-
b) due to changed accounting standards	-	-
c) others	-	-
2.2. New taxes or increased tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**-**
3.1 Deferred taxes annulled in period	-	-
a) re-endorsements	-	-
b) due to changed accounting standards	-	-
c) others	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Final balance	**129,443**	**129,443**

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

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

Section 14 - Other assets - Item 140

14.1 Breakdown of item 140 'Other assets':

ITEMS	12.31.2012	12.31.2011
Effects credited sbf to customers awaiting bank collection	44,154,698	15,190,254
Receivables vs tax authorities (inland revenue)	518,225	451,099
Cautionary deposits	3,160	3,160
Advances and subsidies to human resources	892	892
Receivables vs Insurance companies for expected indemnities	269,737	130,977
Transitory entries	492,050	407,560
Others*	118,764	122,536
Improvements to third party goods	-	343,203
IRES tax credit**	670,896	-
Total	**46,228,422**	**16,649,681**

* The item includes the amounts invoiced in advance by other Group companies.

** Benefit against requests for refunds presented pursuant to art. 2, 1st comma of the decree of 6th December 2011 nr. 201 relevant to recovery of IRES and IRAP taxes paid with respect to labour costs.

Liabilities

Section 1 - Payables - Item 10

1.1 Payables

ITEMS	12.31.2012 FROM BANKS	12.31.2012 FROM FINANCIAL AGENCIES	12.31.2012 FROM CUSTOMERS	12.31.2011 FROM BANKS	12.31.2011 FROM FINANCIAL AGENCIES	12.31.2011 FROM CUSTOMERS
1.Loans	8,076,991,021	-	-	8,419,642,547	-	-
1.1 Repurchase agreements	-	-	-	-	-	-
1.2 Other loans	8,076,991,021	-	-	8,419,642,547	-	-
2. Other payables	-	10,258,329	213,632,939	-	6,193,530	120,724,609
Total	**8,076,991,021**	**10,258,329**	**213,632,939**	**8,419,642,547**	**6,193,530**	**120,724,609**
Fair-value	**8,076,991,021**	**10,258,329**	**213,632,939**	**8,419,642,547**	**6,193,530**	**120,724,609**

Payables from banks are chiefly made up of the provision implemented with the Holding. This item includes two subordinated loans (the first for 2.7 million issued on 22.12.2003 with maturity at 23.12.2013 - in December 2012 the fourth instalment of the 2.7 million was refunded - the second for 5 million issued on 22.12.2003 with maturity at 23.12.2013), together with loans received for participation with UniCredit S.p.A in pool transactions..
Payables from customers ('Other Payables') chiefly represent the difference between total-receivables and the amount of considerations already prepaid to assignors in relation to non-recourse transactions, amounting to 135.103.665 euros, and the debt exposure regarding customers, amounting to 78.529.274 euros.

Section 2 - Outstanding securities - Item 20

2.1 Breakdown of item 20 'Outstanding securities'

LIABILITIES	12.31.2012 BALANCE-SHEET VALUE	12.31.2012 FAIR VALUE L1	12.31.2012 FAIR VALUE L2	12.31.2012 FAIR VALUE L3	12.31.2011 BALANCE-SHEET VALUE	12.31.2011 FAIR VALUE L1	12.31.2011 FAIR VALUE L2	12.31.2011 FAIR VALUE L3
1. Securities	**77,119,615**	**-**	**-**	**77,119,615**	**77,213,822**	**-**	**-**	**77,213,822**
- bonds	77,119,615	-	-	77,119,615	77,213,822	-	-	77,213,822
- structured	-	-	-	-	-	-	-	-
- others	77,119,615	-	-	77,119,615	77,213,822	-	-	77,213,822
- Other securities	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-
Total	**77,119,615**	**-**	**-**	**77,119,615**	**77,213,822**	**-**	**-**	**77,213,822**

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

2.2 Subordinated securities

The subordinated liabilities have the following characteristics:

		BALANCE AT 01.01.12	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 31.12.12	MATURITY	RATE
Capital	Euros	10,000,000	-	10,000,000	30,3,2017	For first 5 years: Euribor at 6 months + 30 bps as from 6th months, if not refunded in advance: Euribor 6 months + 90 bps
Interest	Euros	52,268	(17,857)	34,411		
Total	**Euros**	**10,052,268**	**(17,857)**	**10,034,411**		

- Typology: infra-group subordinated liability LOWER TIER II TV;
- Effect: 30.03.2007;
- Six-month, variable rate: for the first five years Euribor 6 months + 30 bps and as from sixth year, if not refunded in advance, Euribor 6 months + 90 bps;

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

- Refund: full capital refund at maturity, subject to prior, Bank of Italy consent;
- Advance refund: subject to Bank of Italy authorization, market conditions checked, the Company reserves the right to proceed, once 60 months have elapsed as from the date of al location of the loan and to coincide with the dates foreseen for the payment of interest, with the advance refund of all or part of the capital still to be repaid, with prior notice of at least one month;
- Subordination clause: in case of liquidation of the Company or subjection to insolvency proceedings, the debt will be refunded;
- only after all the other creditors, not equally subordinated, have been satisfied;
- the loan was underwritten by UniCredit Bank Ireland p.l.c..

		BALANCE AT 01.01.12	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.12	MATURITY	RATE
Capital	Euros	15,000,000	-	15,000,000	30,3,2017	Euribor at 6 months + 53 bps
Interest	Euros	87,274	(49,838)	37,436		
Total	**Euros**	**15,087,274**	**(49,838)**	**15,037,436**		

- Typology: infra-group, hybrid, capitalization instrument UPPER TIER II TV;
- Effect: 30.03.2007;
- Six-month, variable rate: Euribor 6 months + 53 bps;
- Refund: full capital refund at maturity, subject to prior, Bank of Italy consent;
- Subordination clause: in case of liquidation of the Company or subjection to insolvency proceedings, the debt will be refunded only after all the other creditors, not equally subordinated, have been satisfied.
- Loss hedging clause: in case of Financial Statement losses determining decrease of capital paid-in and of provisions under the minimum level of capital foreseen for registration in the general List, pursuant to art. 106 TUB, the sums deriving from the loan and the interest matured may be used to face the losses to allow the Company to continue its activities;
- In case of negative performance of the Company, the right to remuneration may be suspended to the extent needed to avoid, or limit as far as possible, the emergence of losses;
- the loan was underwritten by UniCredit Bank Ireland p.l.c..

		BALANCE AT 01.01.12	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.12	MATURITY	RATE
capital	Euros	24,000,000	-	24,000,000	14,12,2017	For first 5 years: Euribor at 6 months + 100 bps as from 6th years, if not refunded in advance: Euribor 6 months + 160 bps
interest	Euros	30,321	(8,576)	21,745		
Total	**Euros**	**24,030,321**	**(8,576)**	**24,021,745**		

- Typology: infra-group subordinated liability LOWER TIER II TV;
- Effect: 14.12.2007;
- Six-month, variable rate: for first five years Euribor 6 months + 100 bps and as from sixth year, if not refunded in advance, 6 months + 160 bps;
- Refund: full capital refund at maturity, subject to prior, Bank of Italy consent;
- Advance refund: subject to Bank of Italy authorization, market conditions checked, the Company reserves the right to proceed, once 60 months have elapsed as from the date of al location of the loan and to coincide with the dates foreseen for the payment of interest, with the advance refund of all or part of the capital still to be repaid, with prior notice of at least one month;
- Subordination clause: in case of liquidation of the Company or subjection to insolvency proceedings, the debt will be refunded only after all the other creditors, not equally subordinated, have been satisfied.
- The loan was underwritten by UniCredit Bank Ireland p.l.c.

		BALANCE AT 01.01.12	REFUNDS AND CHANGES	RESIDUAL AMOUNT AT 12.31.12	MATURITY	RATE
Capital	Euros	28,000,000	-	28,000,000	14,12,2017	Euribor at 6 months + 165 bps
Interest	Euros	43,959	(17,936)	26,023		
Total	**Euros**	**28,043,959**	**(17,936)**	**28,026,023**		

- Typology: infra-group, hybrid, capitalization instrument UPPER TIER II TV;
- Effect: 14.12.2007;
- Six-month, variable rate: Euribor 6 months + 165 bps;
- Refund: full capital refund at maturity, subject to prior, Bank of Italy consent;
- Subordination clause: in case of liquidation of the Company or subjection to insolvency proceedings, the debt will be refunded only after all the other creditors, not equally subordinated, have been satisfied;
- Loss hedging clause: in case of Financial Statement losses determining decrease of capital paid-in and of provisions under the minimum level of capital foreseen for registration in the general List, pursuant to art. 106 TUB, the sums deriving from the loan and the interest matured may be used to face the losses to allow the Company to continue its activities;

- In case of negative performance of the Company, the right to remuneration may be suspended to the extent needed to avoid or limit as far as possible the emergence of losses;
- The loan was underwritten by UniCredit Bank Ireland p.l.c.

Section 5 - Hedge derivatives - Item 50

5.1 Breakdown of item 50 'Hedge derivatives'

NOTIONAL VALUE/FAIR-VALUE LEVELS	12.31.2012				12.31.2011			
	FAIR VALUE				FAIR VALUE			
	L1	L2	L3	VN	L1	L2	L3	VN
A Financial derivatives	-	900,488	-	30,419,736	-	1,781,919	-	75,748,755
1 Fair value	-	900,488	-	30,419,736	-	1,781,919	-	75,748,755
2 Cash-flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	**-**	**900,488**	**-**	**30,419,736**	**-**	**1,781,919**	**-**	**75,748,755**
B Credit derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Cash-flows	-	-	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**900,488**	**-**	**30,419,736**	**-**	**1,781,919**	**-**	**75,748,755**

L1= Level 1
L2= Level 2
L3= Level 3
VN = face-value

5.2 Breakdown of item 50 'Hedge derivatives': hedged portfolios and types of hedging

TRANSACTIONS/TYPE OF HEDGING	FAIR VALUE						CASH-FLOWS		FOREIGN INVESTMENTS
	SPECIFIC					STANDARD	SPECIFIC	STANDARD	
	RATE RISK	EXCHANGE-RATE RISK	CREDIT RISK	PRICE RISK	OTHER RISKS				
1. Financial assets available for sale	-	-	-	-	-	-	-	-	-
2. Receivables	-	-	-	-		900,488	-	-	-
3. Financial assets held till maturity	-	-	-	-	-	-	-	-	-
4. Portfolio	-	-	-	-	-	-	-	-	-
5. Other operations	-	-	-	-	-	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**	**-**	**900,488**			
1. Financial liabilities	-	-	-	-	-	-	-	-	-
2.Portfolio	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**			
1. Expected transactions	-	-	-	-	-	-	-	-	-
2. Portfolio of financial assets and liabilities	-	-	-	-	-	-	-	-	-

The derivatives hedging rate risks are chiefly implemented as regards transaction with maturities exceeding 18 months which are a residual part of the Company's portfolio.

Section 7 - Fiscal liabilities - Item 70

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

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

Section 9 - Other liabilities - Item 90

9.1 Breakdown of item 90 'Other liabilities'

ITEMS	12.31.2012	12.31.2011
Credits awaiting attribution*	44,498,970	61,169,957
Account for reserved transfers**	72,080,961	37,165,956
Effects awaiting debit	-	-
INPS and INAIL contributions to be paid	595,424	632,654
Taxes and withholdings to be paid	681,278	689,514
Remuneration to be paid to humand resources***	8,499,736	7,271,314
Unenjoyed holidays	248,738	385,080
Suppliers invoices to be received and/or paid	13,909,857	9,923,092
Transitory entries to be allocated	10,187,242	15,850,026
Other current liabilities****	36,340,196	32,818,527
Total	**187,042,402**	**165,906,120**

* The item includes takings collected from debtors to be re-allocated to their respective credit positions.
** The amount is made up of bank-transfers to assignors, reserved but not yet implemented by the bank.
*** The amount is chiefly made up of provisions to the bonus system, retirement incentives and third party staff.
**** These items are made up of interest and commission collected from customers in advance.

Section 10 - Human resources severance fund - Item 100

10.1 'Human resources severance fund': annual changes

	MOVEMENTS IN	
ITEMS	2012	2011
A. Opening balance	**2,344,348**	**2,137,559**
B. Increases	271,026	524,128
B1. Provisions for the period	104,803	110,665
B2. Other increase changes	166,223	413,463
C. Decreases	(222,745)	(317,339)
C1. Liquidations implemented	(198,731)	(292,577)
C2. Other decrease changes	(24,014)	(24,762)
D. Final balance	**2,392,629**	**2,344,348**

10.2 Further information

The ESF (Human resources severance fund) is included in the plans and defined benefits and is determined using the actuarial method described in the Accounting Standards. Here below we indicate the actuarial hypotheses and the reconciliation between the current value of the fund and the relevant liability reported in the Financial Statement.

DESCRIPTION OF CHIEF ACTUARIAL HYPOTHESES	2012	2011
Actualization rate	3.30%	4.50%
Expected inflation rate	2.00%	2.00%

RECONCILIATION, BETWEEN CURRENT VALUE OF FUNDS, CURRENT VALUE OF SERVICE PLAN ASSETS + ASSETS AND LIABILITIES REPORTED IN FINANCIAL STATEMENT	2012	2011
Current value of defined benefits plan - ESF (=TFR)	2,705	2,419
Unreported actuarial profits (losses)	-312	-75
Net liabilities	**2,393**	**2,344**

The human resources severance fund (TFR) can be considered as a 'post-employment, defined benefit payment'. Consequently, its acknowledgment in the Financial Statement required the estimate - using actuarial methods - of the amount of benefits accrued by employees together with the relevant discounting. The determination of such benefits was implemented by an non-Group actuary using the 'Unitary Credit Projection Method'.

Following the supplementary insurance reform pursuant to Legislative Decree nr. 252 of 5th December 2005, the ESF portions accrued up to 31.12.2006 remained with the company, whereas the ESF portions accrued as from 1st January 2007 were, on an employee's-choice basis (exercised within 06.30.2007), allocated to forms of supplementary insurance or to the INPS Treasury Fund.

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

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

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

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

As from 1st January 2013, pursuant to the coming into force of the amendments to the IAS 19 standard (‘IAS 19R’), the cancellation of the ‘corridor’ method will impact the net equity as regards the reporting of the actuarial profits or losses not previously registered in application of the foregoing ‘method’.

Section 11 - Funds for risks and charges - Item 110

11.1 Breakdown of item 110 ‘Funds for risks and charges’

ITEMS	12.31.2012	12.31.2011
Fund for revocation actions	2,264,819	7,249,292
Fund for staff claims	-	141,000
Fund for legal charges	52,000	52,000
Ex Banca dell'Umbria guarantee provision	-	-
Intesa Mediofactoring guarantee provision	59,057	59,057
Fund for legal disputes	553,367	553,367
Fund for Poligrafico risks and charges	2,782,399	2,546,601
Fund for assessment registration tax	-	-
Other risk funds	2,726,021	1,307,772
Total	**8,437,663**	**11,909,089**

The Company is currently involved in legal disputes and revocation claims for an overall, maximum risk amounting to 31.1 million euros (21.1 million euros at end 2011), hedged by provisions for 3.3 million (8 millions at end 2011) This represents the best estimate of the costs our Company expects to sustain to cover the foregoing risks

The guarantee fund Intesa Mediofactoring represents our risk quota in a pool transaction, (the latter deriving from the ex MCC Factoring branch). As pool participants, with no receivables reported in the Financial Statement, provision was made for allocation to the funds for risks and charges in order to hedge prospective defaults.

The fund for Poligrafico risks and charges was created following payment implemented by the Istituto Poligrafico and Zecca dello Stato S.p.A., (Poligraphic Institute and State Mint), pursuant to the granting of the temporary execution of the enforcement order obtained by us. This is a pool transaction led by our Company and the amount allocated concerns our portion of the interest paid by the Poligrafico expressly subject to refunding at the outcome of the pending lawsuit.

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

11.2 Change over period in item 110 'Funds for risks and charges'

ITEMS	12.31.2012	12.31.2011
1. Opening balance	**11,909,089**	**11,495,622**
2. Increases	**2,703,047**	**1,715,807**
Fund for revocation actions	1,190,000	750,000
Fund for staff claims	-	-
Fund for legal charges	-	-
Fund for legal disputes	-	468,409
Fund for Poligrafico risks and charges	235,798	141,093
Fund for assessment registration tax	-	-
Other risk funds	1,277,249	356,305
3. Decreases	**(6,174,473)**	**(1,302,340)**
Fund for revocation actions	(6,174,473)	(36,340)
Fund for legal disputes	-	(85,958)
Ex Banca dell'Umbria guarantee provision	-	-
Intesa Mediofactoring guarantee provision	-	-
Fund for legal disputes	-	(680,042)
Fund for Poligrafico risks and charges	-	-
Fund for assessment registration tax	-	-
Other risk funds	-	(500,000)
4. Final balance	**8,437,663**	**11,909,089**

The decrease in the fund for risks and charges is mainly due to the closing of a position for a considerable amount.

Section 12 - Equity - Items 120, 150 and 160

12.1 Breakdown of item 120 'Capital'

TYPOLOGIES	12.31.2012	12.31.2011
1. Capital	**114,518,475**	**114,518,475**
1.1 Ordinary shares	114,518,475	114,518,475
1.2 Other shares	-	-

The number of ordinary shares is 22,193,503.

12.4 Breakdown of item 150 'Share premium'

TYPOLOGIES	12.31.2012	12.31.2011
1. Share premiums	**951,314**	**951,314**
1.1 Premium deriving from 1997 capital increase	951,314	951,314

12.5 Further information

ITEMS	LEGAL RESERVE	PROFITS CARRIED FORWARD	STATUTORY RESERVE	OTHER RESERVES	TOTAL
A. Opening balance	**9,018,856**	**118,160**	**184,631**	**86,198,800**	**95,520,447**
B. Increases	**1,811,577**	**-**	**-**	**34,419,965**	**36,231,542**
B1. Allocations of Profits	1,811,577		-	34,419,965	36,231,542
B2. Other increase changes	-	-	-		-
C. Decreases	**-**	**-**	**-**	**-**	**-**
C1. Uses	-	-	-	-	-
- losses hedged	-	-	-	-	-
- distribution	-	-	-	-	-
- transfer to capital	-	-	-	-	-
C2. Other decrease changes	-	-	-	-	-
D. Final balance	**10,830,433**	**118,160**	**184,631**	**120,618,765**	**131,751,989**

The 'Other Reserves' are chiefly made up of undistributed profits.

Analysis of the break down of Net Equity with reference to availability and possible distribution (art. 2427, nr. 7 bis)

NATURE/DESCRIPTION	AMOUNT	POSSIBLE USE	PORTION AVAILABLE	SUMMARY OF USES IMPLEMENTED OVER 3 PREVIOUS PERIODS	
				FOR HEDGING LOSSES	FOR OTHER REASONS
Capital	**114,518,475**		**-**		
Capital reserve:	**951,314**		**-**		
- Share premiums	951,314	B	-		
Profits reserve	**131,751,989**		**121,369,034**		
- Statutory reserve	184,631	A, B, C	184,631		
- Legal reserve	10,830,433	B	-		
- FTA reserve	(447,478)		-		
- Other reserves*	121,066,243	A, B, C	121,066,243		
- Previous period profit	118,160	A, B, C	118,160		
Profit for the period	**60,840,776**		**-**		
Total	**308,062,554**		**121,369,034**		

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

* Pursuant to OIC 28 and to art. 2426 comma 5 of the civil code, the unavailable quota concerns the amount of installation and enlargement costs reported in the item 'Other Assets', for 2012 it wass zero.

Part C - Information on the Income Statement

Part C - Information on the Income Statement

Section 1 - Interest - items 10 and 20

1.1 Breakdown of item 10 'Receivable interest and assimilated revenue'

ITEMS/TECHNICAL TYPES	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	2012	2011
1. Financial assets held for trading	-	-	-	-	-
2. Financial assets at fair-value	-	-	-	-	-
3. Financial assets available for sale	-	-	-	-	-
4. Financial assets held till maturity	-	-	-	-	-
5. Receivables	-	245,317,002	-	245,317,002	169,675,469
5.1 Receivables from banks	-	1,523,339	-	1,523,339	2,550,107
5.2 Receivables from financial agencies	-	11,076,278	-	11,076,278	6,968,477
5.3 Receivables from customers	-	232,717,385	-	232,717,385	160,156,885
6. Other assets	-	-	-	-	-
7. Hedge derivatives	-	-	-	-	-
Total	**-**	**245,317,002**	**-**	**245,317,002**	**169,675,469**

Receivable interest, different from interest reported in the item Write-backs, matured in the 2012 period against exposures classified in Impaired Receivables at 31st December, amounted to 8.5 million.

1.3 Breakdown of Item 20 'payable interest and assimilated charges'

ITEMS/TECHNICAL TYPES	LOANS	SECURITIES	OTHER	2012	2011
1. Payables to banks	(109,919,286)	-	-	(109,919,286)	(84,829,046)
2. Payables to financial agencies	(537,619)	-	-	(537,619)	-
3. Payables to customers	-	-	-	-	-
4. Outstanding securities	-	(1,811,943)	-	(1,811,943)	(2,358,222)
5. Financial trading payables	-	-	-	-	-
6. Financial payables valued at fair-value	-	-	-	-	-
7. Other liabilities	-	-	(234)	(234)	(166)
8. Hedge derivatives	(699,981)	-	-	(699,981)	(635,293)
Total	**(111,156,886)**	**(1,811,943)**	**(234)**	**(112,969,063)**	**(87,822,727)**

The absolute value increase of both receivable and payable interest is linked to the increase in interest-rates registered in the last part of 2011 and, to a lesser extent, to the growth in intermediate, average volumes.

Section 2 - Commission - items 30 and 40

2.1 Breakdown of Item 30 'Receivable commission'

DETAIL	2012	2011
1. financial leasing transactions	-	-
2. factoring transactions	86,264,689	71,952,757
3. consumer credit	-	-
4. merchant banking assets	-	-
5. guarantees released	-	-
6. services for:	-	-
- third party fund management	-	-
- foreign exchange brokering	-	-
- product distribution	-	-
- others	-	-
7. collection and payment services	136,965	121,593
8. servicing in securitization operations	-	-
9. other commission: cost recovery from customers for preparation credit-line files, account keeping costs etc.	1,503,421	1,444,213
Total	**87,905,075**	**73,518,563**

2.2 Breakdown of Item 40 ‘Payable commission’

DETAIL	2012	2011
1. guarantees received	(2,412,160)	(1,989,314)
2. distribution of third party services	-	-
3. collection and payment services	(374,428)	(277,663)
4. other commission	(9,510,514)	(6,694,782)
4.1 provisions	(6,580,098)	(4,123,897)
4.2 costs for re-insurance receivables	(2,930,416)	(2,570,885)
Total	**(12,297,102)**	**(8,961,759)**

The increase in commission is linked to turnover performance. In this item payable commission grew, provision-related commission in particular.

Section 4 - Net result of trading operations - Item 60

4.1 Breakdown of Item 60 ‘Net results of trading operations’

	2012				
ITEMS/INCOME PROD. COMPONENTS	CAPITAL GAINS	TRADING PROFITS	CAPITAL LOSSES	TRADING LOSSES	NET RESULT
1. Financial assets	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	
1.2 Capital securities and OICR quotas	-	-	-	-	
1.3 Loans	-	-	-	-	
1.4 Other assets	-	-	-	-	
2. Financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	
2.2 Payables	-	-	-	-	
2.3 Other liabilities	-	-	-	-	
3. Financial assets and liabilities: exchange rate differences	**-**	**-**	**-**	**284,251**	**284,251**
4. Financial derivatives	**-**	**-**	**-**	**(462,100)**	**(462,100)**
5. Derivatives on receivables	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**(177,849)**	**(177,849)**

The trading result relating to financial derivatives was due to the early closure of two interest-rate swap hedging contracts.

Part C - Information on the Income Statement (CONTINUED)

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

8.1 - 'Net adjustments/write-backs for impairment'

	VALUE ADJUSTMENTS		WRITE-BACKS			
ITEMS/ADJUSTMENTS	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO	2012	2011
1. Receivables from banks	**-**	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
2. Receivables from fin. agencies	**-**	**-**	**-**	**-**	**-**	**-**
Impaired receivables purchased	-	-	-	-	-	-
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
3. Receivables from customers	**(65,803,936)**	**(9,709,664)**	**6,065,659**	**-**	**(69,447,941)**	**(49,527,299)**
Impaired receivables purchased	-	-	-	-	-	-
- for leasing	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
Other receivables	(65,803,936)	(9,709,664)	6,065,659	-	(69,447,941)	(49,527,299)
- for leasing	-	-	-	-	-	-
- for factoring*	(65,803,936)	(9,709,664)	6,065,659	-	(69,447,941)	(49,527,299)
- for consumer credit	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
Total	**(65,803,936)**	**(9,709,664)**	**6,065,659**	**-**	**(69,447,941)**	**(49,527,299)**

* The specific value adjustments also include transfers to losses

8.4 Breakdown of Item 100.b 'Net adjustments/write-backs for impairment of other financial operations'

There are no adjustments/write-backs for impairment of other financial operations.

Section 9 - Administration costs - Item 110

9.1 Breakdown of Item 110.a 'Human resources costs'

ITEMS/SECTORS	2012	2011
1. Subordinate human resources	**(19,615,355)**	**(16,544,362)**
a) salaries and wages	(13,279,898)	(11,408,173)
b) social security charges	(4,033,853)	(3,510,893)
c) severance indemnities	(737,945)	(642,177)
d) insurance costs	-	-
e) reserve for human resources severance bonuses	(104,803)	(110,665)
f) reserve for retirement and similar obligations	-	-
- defined contribution	-	-
- defined benefits	-	-
g) transfer to external complementary insurance funds	-	-
- defined contribution	-	-
- defined benefits	-	-
h) other costs	(1,458,856)	(872,454)
2. Other human resources	**(11,950)**	**(22,008)**
3. Directors and auditors	**(227,920)**	**(214,484)**
4. Retirees	**-**	**-**
5. Cost recovery for employees seconded to other companies	**35,257**	**3,884**
6. Cost refunds for employees seconded to the Company*	**(2,590,565)**	**(2,238,137)**
Total	**(22,410,533)**	**(19,015,107)**

* The item 'Cost refunds for employees seconded to the Company' chiefly refers to costs pertaining to seconded staff.

The 2012 remuneration for directors and auditors amounted, respectively, to 143,035 (140,179 in 2011) and 84,885 (74,305 in 2011).

9.2 Average number of human resources by categoary

BY CATEGORY	2012	2011
Managers	11.2	10.8
Managerial executives	108.5	100.2
Remaining staff	90.5	77.8
Total subordinate staff	**210.2**	**188.8**
Third party staff	16.9	10.5
Temporary	0.0	0.0
Co.Co.Pro. (Professional, ongoing collaboration)	0.0	0.0
Other	1.3	2.1
Total	**228.3**	**201.4**

9.3 Breakdown of Item 110.b 'Other administration costs'

COSTS BY CATEGORY	2012	2011
1) Indirect duties and taxes	**391,714**	**488,803**
1a. Paid:	391,714	488,803
1b. Unpaid:	-	-
2) Miscellaneous costs and expenses	**16,154,745**	**14,755,723**
a) Advertizing, marketing and communication costs	**387,271**	**408,320**
b) Credit risk expenses	**2,068,024**	**2,162,531**
c) Indirect staff-based expenses	**1,062,484**	**849,126**
d) Information Communication Technology expenses	**4,651,751**	**4,193,448**
Equipment expenses: rentals and maintenance	-	-
Software expenses: rentals and maintenance	-	-
ICT communication systems	312,625	271,360
ICT service: external staff/outsourced services	4,339,125	3,922,088
Financial interproviders	-	-
e) Consulting and professional services expenses	**861,065**	**699,461**
Consulting	568,874	469,264
Legal costs	292,191	230,198
f) Real estate costs	**2,953,609**	**2,906,007**
Rentals payable for property leasing	2,293,624	2,073,259
Utilities	406,248	291,709
Other real estate expenses	253,737	541,038
g) Operating costs	**4,170,540**	**3,536,830**
Security and surveillance services	-	-
Transport and counting of values	-	-
Insurance	90,612	75,375
Mailing expenses and document transport	360,469	269,156
Printouts and stationary	48,510	65,333
Administration and logistics services	3,281,038	2,849,226
Rights, quotas and contributions to category associations and protection funds	89,376	74,102
Other administration costs - Others	300,537	203,639
Total (1+2)	**16,546,459**	**15,244,526**

The increase in administration costs compared with the previous year was caused chiefly by higher operating costs and by expenses relating to the information communication technology, linked to our increased activity.

Part C - Information on the Income Statement (Continued)

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

10.1 Breakdown of item 120 'Net adjustments/write-backs to tangible assets'

ITEMS/ADJUSTMENTS/ WRITE-BACKS	2012 DEPRECIATION (A)	2012 VALUE ADJUSTMENTS FOR IMPAIRMENT (B)	2012 WRITE-BACKS (C)	2012 NET RESULT (A+B-C)	2011 DEPRECIATION (A)	2011 VALUE ADJUSTMENTS FOR IMPAIRMENT (B)	2011 WRITE-BACKS (C)	2011 NET RESULT (A+B-C)
1. Functional use assets	**(74,199)**	**-**	**-**	**(74,199)**	**(91,540)**	**-**	**-**	**(91,540)**
1.1 owned	(74,199)	-	-	(74,199)	(91,540)	-	-	(91,540)
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	(62,198)	-	-	(62,198)	(76,880)	-	-	(76,880)
d) equipment	(12,001)	-	-	(12,001)	(14,660)	-	-	(14,660)
e) other	-	-	-	-	-	-	-	-
1.2 purchased in financial leasing	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
c) furniture	-	-	-	-	-	-	-	-
d) equipment	-	-	-	-	-	-	-	-
e) other	-	-	-	-	-	-	-	-
2. Assets referable to financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Assets held for investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- granted in operating leasing	-	-	-	-	-	-	-	-
Total	**(74,199)**	**-**	**-**	**(74,199)**	**(91,540)**	**-**	**-**	**(91,540)**

Section 11 - Net value adjustment to intangible assets - Item 130

11.1 Net value adjustments/write-backs to intangible assets'

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2012 DEPRECIATION (A)	2012 VALUE ADJUSTMENTS FOR IMPAIRMENT (B)	2012 WRITE-BACKS (C)	2012 NET RESULT (A+B-C)	2011 DEPRECIATION (A)	2011 VALUE ADJUSTMENTS FOR IMPAIRMENT (B)	2011 WRITE-BACKS (C)	2011 NET RESULT (A+B-C)
1. Goodwill	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Other intangible assets	**(18,201)**	**-**	**-**	**(18,201)**	**-**	**-**	**-**	**-**
2.1 owned	(18,201)	-	-	(18,201)	-	-	-	-
2.2 purchased in financial leasing	-	-	-	-	-	-	-	-
3. Assets referable to financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4. Assets granted in operating leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**(18,201)**	**-**	**-**	**(18,201)**	**-**	**-**	**-**	**-**

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

13 Breakdown of Item 150 'Net provisions to funds for risks and charges'

ALLOCATIONS TO FUNDS FOR RISKS AND CHARGES	2012	2011
- Provision for revocation lawsuits	(1,190,000)	(750,000)
- Provision for legal disputes	-	(468,409)
- Provision for legal charges fund	-	-
- Provision for Poligrafico risk fund	(235,798)	(141,092)
- Other provisions for risks fund	(1,277,250)	(356,305)
- Write-backs on fund for risks and charges	-	122,297
Total	**(2,703,048)**	**(1,593,509)**

Kindly refer to Table 11.1 'liabilities' in the Statement of Financial Position (Breakdown of item 110 'Fund for risks and charges').

Section 14 - Other revenue and operating costs - Item 160

14.1 Breakdown of Item 160 'Other revenue and operating charges'

ITEMS/OTHER REVENUE AND OPERATING CHARGES	2012	2011
- customers' legal expenses	141,151	77,827
- dual-purpose use of company cars	49,568	30,778
- receivable rentals	1,260	323
- recovery of costs for legal deeds	147,393	108,161
- insurance indemnity	1,629,331	123,071
- miscellaneous revenue	459,215	1,197,114
Total other operating revenue	**2,427,918**	**1,537,274**
- Other operating costs*	(570,288)	(570,448)
Total other operating costs	**(570,288)**	**(570,448)**
Total other revenue and operating costs	**1,857,630**	**966,826**

* This table includes the quota for the period for re-structuring the premises in Via Albricci 10, our Company Headquarters.

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

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

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2012	2011
1. Current taxes	(49,666,368)	(25,340,000)
2. Changes in current taxes compared to previous periods	969,185	1,400,000
3. Reduction in taxes current for the period	-	-
4. Changes to prepaid taxes	9,700,250	(623,784)
5. Changes to deferred taxes	1,402,397	(1,402,397)
Taxes for the period	**(37,594,536)**	**(25,966,181)**

Part C - Information on the Income Statement (Continued)

17.2 Reconciliation between theoretic and effective balance-sheet tax load

ITEMS/ADJUSTMENTS AND WRITE-BACKS	2012	2011
Profit (Loss) in current transactions before tax	**98,435,312**	**62,197,723**
Theoretic imposable tax rate	27.5%	27.5%
Theoretic taxes	(27,069,711)	(17,104,374)
Fiscal effects deriving from:		
+ non-taxable revenue - permanent differences	-	952,053
- non-deductible tax costs -permanent differences	(1,701,298)	(1,955,192)
- IRAP	(10,760,118)	(7,230,000)
+ registration of assets for prepaid and deferred taxes	-	-
+/- other differences	1,936,591	(628,668)
Income tax registered in Income Statement	**(37,594,536)**	**(25,966,181)**
Income tax for the period on current transactions	**(37,594,536)**	**(25,966,181)**
Difference	**-**	**-**

The effective 2012 tax rate was 38.19%.

Section 19 - Income Statement: Further information

19.1 Breakdown of receivable income and commission

	RECEIVABLE INCOME			RECEIVABLE COMMISSION				
ITEMS/COUNTERPARTS	BANKS	FINANCIAL AGENCIES	CUSTOMERS	BANKS	FINANCIAL AGENCIES	CUSTOMERS	2012	2011
1. Financial leasing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- real estate	-	-	-	-	-	-	-	-
- movables	-	-	-	-	-	-	-	-
- equipment	-	-	-	-	-	-	-	-
- intangibles	-	-	-	-	-	-	-	-
2. Factoring	**1,523,339**	**11,076,278**	**232,717,385**	**82,258**	**1,443,000**	**86,379,817**	**333,222,077**	**243,194,032**
- on current receivables	-	-	-	-	-	-	-	-
- on future receivables	-	-	10,047,130	-	-	2,499,913	12,547,043	13,249,647
- on definite purchase receivables	169,685	2,807	67,238,417	-	1,358	23,651,430	91,063,697	50,699,532
- on receivables purchased at less than original value	-	-	-	-	-	-	-	-
- for other loans	1,353,654	11,073,471	155,431,838	82,258	1,441,642	60,228,474	229,611,337	179,244,853
3. Consumer credit	**-**	**-**	**-**	**-**		**-**	**-**	**-**
- personal loans	-	-	-	-	-	-	-	-
- purpose loans	-	-	-	-	-	-	-	-
- assignment of one fifth remuneration	-	-	-	-	-	-	-	-
4. Guarantees-commitments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- commercial	-	-	-		-	-	-	-
- financial	-	-	-	-	-	-	-	-
Total	**1,523,339**	**11,076,278**	**232,717,385**	**82,258**	**1,443,000**	**86,379,817**	**333,222,077**	**243,194,032**

Part D - Further information

Part D - Further information

Section 1 - Specific references to transactions performed

B. Factoring and assignment of receivables

B.1 Gross value and balance-sheet value

B.1.1 - Factoring transactions

ITEMS/VALUES	12.31.2012 GROSS VALUE	12.31.2012 VALUE ADJUSTMENTS	12.31.2012 NET VALUE	12.31.2011 GROSS VALUE	12.31.2011 VALUE ADJUSTMENT	12.31.2011 NET VALUE
1. Performing assets	**8,610,103,078**	**39,600,000**	**8,570,503,078**	**8,754,569,837**	**29,615,746**	**8,724,954,091**
- exposures vs assignors (with-recourse)	3,848,782,653	31,201,027	3,817,581,626	3,978,329,705	7,577,424	3,970,752,281
- assignments of future receivables	*156,995,873*	*1,272,723*	*155,723,150*	*65,029,299*	*121,693*	*64,907,606*
- others	*3,691,786,780*	*29,928,304*	*3,661,858,476*	*3,913,300,406*	*7,455,731*	*3,905,844,675*
- exposures vs assigned debtors (non-recourse)	4,761,320,425	8,398,973	4,752,921,452	4,776,240,132	22,038,322	4,754,201,810
2. Impaired assets	**334,390,414**	**93,937,983**	**240,452,431**	**292,772,554**	**42,671,148**	**250,101,406**
2.1 non-performing	**184,255,632**	**80,524,656**	**103,730,976**	**98,935,937**	**19,050,178**	**79,885,759**
- exposures vs assignors (with-recourse)	171,530,942	74,648,375	96,882,567	92,586,221	16,429,876	76,156,345
- assignments of future receivables	-	-	-	-	-	-
- others	*171,530,942*	*74,648,375*	*96,882,567*	*92,586,221*	*16,429,876*	*76,156,345*
- exposures vs assigned debtors (non-recourse)	12,724,690	5,876,281	6,848,409	6,349,716	2,620,302	3,729,414
- purchases below face-value	-	-	-	-	-	-
- others	*12,724,690*	*5,876,281*	*6,848,409*	*6,349,716*	*2,620,302*	*3,729,414*
2.2 Doubtfuls	**90,761,820**	**12,499,360**	**78,262,460**	**146,480,955**	**22,770,022**	**123,710,933**
- exposures vs assignors (with-recourse)	79,201,439	11,376,574	67,824,865	110,002,462	20,067,833	89,934,629
- assignments of future receivables	-	-	-	-	-	-
- others	*79,201,439*	*11,376,574*	*67,824,865*	*110,002,462*	*20,067,833*	*89,934,629*
- exposures vs assigned debtors (non-recourse)	11,560,381	1,122,786	10,437,595	36,478,493	2,702,189	33,776,304
- purchases below face-value	-	-	-	-	-	-
- others	*11,560,381*	*1,122,786*	*10,437,595*	*36,478,493*	*2,702,189*	*33,776,304*
2.3 Re-structured exposures	**489,526**	**-**	**489,526**	**-**	**-**	**-**
- exposures vs assignors (with-recourse)	489,526	-	489,526	-	-	-
- assignments of future receivables	-	-	-	-	-	-
- others	*489,526*	-	*489,526*	-	-	-
- exposures vs assigned debtors (non-recourse)	-	-	-	-	-	
- purchases below face-value	-	-	-	-	-	-
- others	-	-	-	-	-	-
2.4 Past-due exposures	**58,883,436**	**913,967**	**57,969,469**	**47,355,662**	**850,948**	**46,504,714**
- exposures vs assignors (with-recourse)	24,150,714	373,816	23,776,898	8,433,638	258,650	8,174,988
- assignments of future receivables	-	-	-	-	-	-
- others	*24,150,714*	*373,816*	*23,776,898*	*8,433,638*	*258,650*	*8,174,988*
- exposures vs assigned debtors (non-recourse)	34,732,722	540,151	34,192,571	38,922,024	592,298	38,329,726
- purchases below face-value	-	-	-	-	-	-
- others	*34,732,722*	*540,151*	*34,192,571*	*38,922,024*	*592,298*	*38,329,726*
Total	**8,944,493,492**	**133,537,983**	**8,810,955,509**	**9,047,342,391**	**72,286,894**	**8,975,055,497**

B.1.2 Purchase operations for impaired receivables different from factoring

Our Company does not perform this type of transaction.

B.2 Allocation by residual life

Past-due receivables, if not impaired, are classified in the ‘on demand’ bracket, if impaired, they are classified according to the estimated maturity for Financial Statement valuations.

B.2.1 With-recourse factoring transactions: prepayments and ‘total-receivables’

	PREPAYMENTS		TOTAL-RECEIVABLES	
TIME-BANDS	12.31.2012	12.31.2011	12.31.2012	12.31.2011
- on demand	1,305,425,268	1,281,345,431	2,268,266,489	2,721,779,173
- up to 3 months	1,407,282,117	1,674,210,457	2,536,815,767	2,535,360,064
- over 3 months up to 6 months	454,424,813	538,524,381	954,078,887	907,578,331
- from 6 months to 1 year	375,852,025	307,508,574	512,119,266	353,237,264
- over 1 year	463,571,259	343,429,400	483,815,733	474,780,878
- unspecified duration	-	-	-	-
Total	**4,006,555,482**	**4,145,018,243**	**6,755,096,142**	**6,992,735,710**

The allocation of the with-recourse prepayments by time band was conventionally implemented in proportion to the maturities of the the relevant total-receivables.

B.2.2 Non-recourse factoring operations: exposures

	EXPOSURES	
TIME-BANDS	12.31.2012	12.31.2011
- on demand	1,303,179,700	1,499,368,117
- up to 3 months	2,470,440,708	2,292,994,078
- over 3 months up to 6 months	539,043,607	391,188,582
- from 6 months to 1 year	345,933,977	295,277,853
- over 1 year	145,802,035	351,208,624
- unspecified duration	-	-
Total	**4,804,400,027**	**4,830,037,254**

B.2.3 Purchase operations for non-factoring, impaired receivables

Our Company does not perform this type of transaction

B.3 Ongoing progress of value adjustments

B.3.1 Factoring transactions

		INCREASES				DECREASES					
ITEM	INITIAL VALUE ADJUSTMENTS	VALUE ADJUSTMENTS	ASSIGNMENT LOSSES	TRANSF. FROM OTHER STATUS	OTHER POSITIVE CHANGES	WRITE-BACKS	ASSIGNMENT PROFIT	TRANSF. FROM OTHER STATUS	CANC.	OTHER NEGATIVE CHANGES	FINAL VALUE AJDUSTMENTS
Specification on impaired assets	**42,671,148**	**65,803,936**	**-**	**13,907,601**	**1,610,707**	**6,065,659**	**-**	**13,907,601**	**8,914,120**	**1,168,029**	**93,937,983**
Exposures vs assignors	36,756,359	61,090,814	-	13,145,820	1,610,707	5,394,181	-	13,145,820	7,205,303	459,631	86,398,765
- non-performing	16,429,876	54,640,519	-	13,145,820	1,610,707	5,074,273	-	-	6,104,274	-	74,648,375
- doubtfuls	20,067,833	6,335,129	-	-	-	319,908	-	13,145,820	1,101,029	459,631	11,376,574
- re-structured exposures	-	-	-	-	-	-	-	-	-	-	-
- past-due exposures	258,650	115,166	-	-	-	-	-	-	-	-	373,816
Exposures vs assigned debtors	5,914,789	4,713,122	-	761,781	-	671,478	-	761,781	1,708,817	708,398	7,539,218
- non-performing	2,620,302	4,331,539	-	761,781	-	195,524	-	-	1,641,817	-	5,876,281
- doubtfuls	2,702,189	381,583	-	-	-	423,807	-	761,781	67,000	708,398	1,122,786
- re-structured exposures	-	-	-	-	-	-	-	-	-	-	-
- past-due exposures	592,298	-	-	-	-	52,147	-	-	-	-	540,151
Portfolio other assets	**29,890,336**	**23,623,603**	**-**	**-**	**-**	**13,913,939**	**-**	**-**	**-**	**-**	**39,600,000**
- exposures vs assignors	7,577,424	23,623,603	-	-	-	-	-	-	-	-	31,201,027
- Exposures vs assigned debtors	22,312,912	-	-	-	-	13,913,939	-	-	-	-	8,398,973
Total	**72,561,484**	**89,427,539**	**-**	**13,907,601**	**1,610,707**	**19,979,598**	**-**	**13,907,601**	**8,914,120**	**1,168,029**	**133,537,983**

The handling of value adjustments to non-impaired assets is affected by the refinement of the metrics calculation of the expected loss both from with-recourse transactions (for which no longer is the debtor/assignor’s PD considered but that of the counterpart to which the risk is allocated for the purposes of prudential surveillance), and on non-recourse operations with public debtors (for which specific cluster risk parameters are now employed).

Part D - Further information (Continued)

B.3.2 Purchases of non-factoring impaired receivables
Our Company does not perform this type of transaction

B.4 Further information
B.4.1 Turnover of receivables subject to factoring transactions

ITEM	12.31.2012	12.31.2011
1. Non-recourse transactions	**11,360,269,076**	**9,261,441,189**
- purchases below face-value	-	-
2. With-recourse transactions*	**17,620,120,075**	**15,789,614,639**
Total	**28,980,389,151**	**25,051,055,828**

* The entry includes 5,315,868,395 euros for 2011 and 6,794,881,003 euros for 2012 regarding non-recourse agreements which did not pass the IAS 39 recognition test.

B.4.2 Collection services
There are no receivables for which collection services only are implemented.

B.4.3 Face-value of purchase services for future receivables

ITEM	12.31.2012	12.31.2011
Future receivables purchase agreements: flow over period	**3,717,811,094**	**1,953,081,577**
Total agreements extant at period closure	**4,702,595,526**	**3,255,251,690**

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

ITEM	12.31.2012	12.31.2011
Margin	**1,279,436,005**	**411,758,336**

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

D. Issued guarantees and commitments

D.1 Value of guarantees issued and commitments

OPERATIONS	12.31.2012	12.31.2011
1) Financial guarantees issued	-	-
a) Banks	-	-
b) Financial agencies	-	-
c) Customers	-	-
2) Commercial guarantees issued	-	-
a) Banks*	-	-
b) Financial agencies	-	-
c) Customers	-	-
3) Irrevocable committments to allocate funds	440,116,412	456,379,069
a) Banks	-	-
i) certain use	-	-
ii) uncertain use	-	-
b) Financial agencies	-	-
i) certain use	-	-
ii) uncertain use	-	-
c) Customers	440,116,412	456,379,069
i) certain use	135,103,665	81,926,836
ii) uncertain use	305,012,747	374,452,233
4) Commitments underlying derivatives on receivables: protection sales	-	-
5) Assets as guarantees for third party obligations	-	-
6) Other irrevocable commitments	-	-
Total	**440,116,412**	**456,379,069**

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

D.2 Loans registered in balance-sheet for perfected enforcement
Item not present.

Section 3 - Information on risks and relevant hedging policies

3.1 Credit risks

QUALITATIVE INFORMATION

1. General

Factoring offers a number of different services to satisfy various company requirements concerning the management, insurance and funding of trade receivables in terms of collection management, guarantees and possible funding as regards the trade receivables assigned.

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

Whereas in banking operations, the advance on invoices, as a comparable technique, is implemented only when cash credit is granted chiefly according to customers' creditworthiness, factoring transactions are based on the characteristics inherent to the receivables to be purchased, on the quality of the single debtors and on the relevant operating modes.

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

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

In non-recourse agreements, the anti-insolvency guarantee, secures the assignor against the assigned debtor's default, with the exception of cases expressly regulated by the agreement. When no advance is paid, the factor undertakes to pay the amount pertaining to the assigned receivables once a pre-established period of days has elapsed since the receivables became payable.

With respect to the operating modes adopted, the factoring company is more protected if the purchase transaction relating to the receivables is accompanied by:
- notification to the debtor of the perfected credit assignment;
- debtors' recognition of the perfected credit assignment;
- certification of the assigned receivable by State Authorities;
- purchase of trade receivables as against other types of receivables;
- purchase of payable or maturing receivables as against funding of future receivables;
- existence of current deposit accounts in non-notified transactions.

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

The combination of basic services and credit risks in factoring

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

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

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

Part D - Further information (Continued)

To be more specific, because the factor grants its services within the framework of pre-existing business relations (between assignor and debtor), the credit risk is characterised mainly by the following factors relevant to the debtor:

- the risk of watering when the debtor refuses to pay, due to events relating to the ongoing progress of the underlying supply relations (by way of example we underline offsetting, allowances, disputes regarding product quality and promotional discounts);
- the risk of delayed payment as regards real or conventional maturity (maturity negotiated at purchase of the trade receivables) of the purchased receivable linked to critical economic situations or to various Italian State Organisations; the delayed payment risk framework also includes risk of administrative quashing of funds. This occurs when the sums allocated in the State Financial Statement are not spent by the State Organisations within a definite timeline;
- the offsetting risk is particularly high in operations with State Organisations which reserve the right to compensate between their own receivables and payables.

2. Credit risk management policies

2.1. Organisational aspects

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

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

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

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

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

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

During 2012, in a scenario characterized by the sovereign debt crisis in various European countries including Italy, our Company continued to strengthen its organizational structure and improve its credit risk management and control, by introducing and completing the operations started up in 2011.

Furthermore, we implemented commercial strategies aimed at reducing the operation areas presenting higher risks, including:
- reduction of non-notified purchases;
- reduction of purchases from customers assigning one debtor only;
- reduction of loan percents;
- acquisition of customers already positively tested by the UniCredit Group;
- reduction of exposures relating to the top 10 financial groups.

2.2. Management, measuring and control systems

Measuring and reporting operations foresee the issue of periodic and systematic documents as well as the production of ad hoc estimates supporting different types of decisions.

Within the framework of the foregoing reporting, the most significant documents are the following:

1) the 'Credit Tableau de Bord' containing the analysis of:
   - total-receivables and uses;
   - asset quality;
   - risk of concentration and weighted risk transactions.
2) The "Cost of Risk report" for monitoring credit strategy guidelines.
3) The monitoring control panel relating to assignors and debtors including anomaly tracing.

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

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

UniCredit Factoring's credit exposures concern chiefly company counterparts and can be secured by "personal collateral" type guarantees (usually: performance guarantees from private persons or companies) and, less frequently, by 'real' type guarantees (usually: pledges on sums or receivables) issued by natural and legal persons (owners, family members, holding).

Personal collateral guarantees are released, in general, by owners of companies making use of credit-lines, or by their family members.

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

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

The incidence is valued in relation to the capital, the total assets or the overall risk level and must be kept within limits not threatening to the company solidity or its capacity to carry out, on a continuity basis, the regular performance of its characteristics management.

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

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

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

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

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

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

Part D - Further information (Continued)

2.4 Impaired financial assets

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

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

QUANTITIVE INFORMATION

1 - Distribution of credit receivables by owned portfolios and credit receivables

PORTAFOLIOS/QUALITY	NON-PERFORMING	DOUBTFULS	RE-STRUCTURED POSITIONS	PAST-DUE EXPOSURES	OTHER ASSETS	TOTAL
1. Financial assets held for negotiation	-	-	-	-	-	-
2. Financial assets valued at fair-value	-	-	-	-	-	-
3.Financial assets available for sale	-	-	-	-	394	394
4. Financial assets held till maturity	-	-	-	-	-	-
5. Receivables from banks	-	-	-	-	22,453,133	22,453,133
6. Receivables from financial agencies	-	111,592	-	-	535,830,328	535,941,920
7. Receivables from customers	103,758,026	78,256,901	489,526	58,068,512	8,045,325,987	8,285,898,952
8. Hedge derivatives	-	-	-	-	-	-
Total at 12.31.2012	**103,758,026**	**78,368,493**	**489,526**	**58,068,512**	**8,603,609,842**	**8,844,294,399**
Total at 12.31.2011	**79,893,474**	**124,481,823**	**-**	**47,237,856**	**8,799,201,237**	**9,050,814,390**

2 - Credit exposures

2.1. Credit exposures vs customers: gross and net values

TYPOLOGIES: EXPOSURES/VALUES	GROSS EXPOSURE	SPECIFIC VALUE ADJUSTMENTS	ADJUSTMENTS TO PORTFOLIO VALUE	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES:	325,743,595	93,322,171	-	232,421,424
- non-performing	178,322,042	80,524,656	-	97,797,386
- doubtfuls	87,949,548	11,883,548	-	76,066,000
- re-structured exposures	489,526	-	-	489,526
- impaired past-due exposures	58,982,479	913,967	-	58,068,512
OFF BALANCE-SHEET EXPOSURES:	14,029,874	-	-	14,029,874
- non-performing	7,120,596	-	-	7,120,596
- doubtfuls	6,313,652	-	-	6,313,652
- re-structured exposures	-	-	-	-
- impaired past-due exposures	595,626	-	-	595,626
Total A	**339,773,469**	**93,322,171**	**-**	**246,451,298**
B. PERFORMING EXPOSURES*				
- unimpaired past-due exposures	1,795,380,976	-	7,483,670	1,787,897,306
- Other exposures	6,582,755,054	-	26,191,959	6,556,563,095
Total B	**8,378,136,030**	**-**	**33,675,629**	**8,344,460,401**
Total (A+B)	**8,717,909,499**	**93,322,171**	**33,675,629**	**8,590,911,699**

* There are no exposures subject to re-negotiation within the framework of collective agreements.

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

TYPOLOGIES EXPOSURES/VALUES	GROSS EXPOSURE	SPECIFIC VALUE ADJUSTMENTS	PORTFOLIO VALUE ADJUSTMENTS	NET EXPOSURE
A. IMPAIRED ASSETS				
CASH EXPOSURES:	727,404	615,812	-	111,592
- non-performing	-	-	-	-
- doubtfuls	727,404	615,812		111,592
- re-structured exposures	-	-	-	-
- impaired past-due exposures	-	-	-	-
OFF BALANCE-SHEET EXPOSURES:	-	-	-	-
- non-performing	-	-	-	-
- doubtfuls	-	-	-	-
- re-structured exposures	-	-	-	-
- impaired past-due exposures	-	-	-	-
Total A	**727,404**	**615,812**	**-**	**111,592**
B. PERFORMING EXPOSURES				
- unimpaired past-due exposures	84,504,359	-	887,324	83,617,035
- Other exposures	479,703,473	-	5,037,047	474,666,426
Total B	**564,207,832**	**-**	**5,924,371**	**558,283,461**
Total (A+B)	**564,935,236**	**615,812**	**5,924,371**	**558,395,053**

2.3 Classification of exposures according to internal and external rating

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

	RATING CATEGORIES							
EXPOSURES	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	NO RATING	TOTAL
A. Cash exposure	-	431,932,891	288,429,751	1,064,828	-	-	7,987,762,870	8,709,190,340
B. Derivatives	-	-	-	-	-	-	-	-
C. Issued guarantees	-	-	-	-	-	-	-	-
D. Commitments to allocate funds	-	-	-	-	-	-	440,116,412	440,116,412,00
E. Others	-	-	-	-	-	-	-	-
Total	**-**	**431,932,891**	**288,429,751**	**1,064,828**	**-**	**-**	**8,427,879,282**	**9,149,306,752**

The rating companies used were: Standard & Poor's, Moody's and Fitch.
If, for the same position, there are creditworthiness valuations of more that two ECAI and/or ECA, the two valuations corresponding to the two lowest weighting factors are chosen. If the two lowest weighting factors are different, the highest factor is applied. If both the lowest weighting factors are identical, this factor is applied.

The classification of the rating categories for the 3 agencies used is the following:

Merit class	Standard & Poor's	Moody's	Fitch
1	from AAA to AA-	from Aaa to Aa3	from AAA to AA-
2	from A+toa A-	from A1 to A3	from A+ to A-
3	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-
4	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-
5	from B+ to B-	from B1 to B3	from B+ to B-
6	CCC+ and lower	Caa1 and lower	CCC+ and lower

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

Table not reported because the Company uses the standard credit risk assessment method.

Part D - Further information (Continued)

3 - Loan concentration

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

	TOTAL
GOVERNMENTS	284,309,133
OTHER STATE AGENCIES	1,596,299,428
NON-FINANCIAL AGENCIES	5,630,451,961
FINANCIAL AGENCIES	805,546,940
INSURANCE	10,551
OTHERS	505,222,859
TOTAL	**8,821,840,872**

* including financial agencies.

3.2 Loan distribution to customers by counterpart's geographic area

	TOTAL
NORTH-WEST	2,657,353,473
NORTH-EAST	1,443,901,737
CENTRE	3,760,047,105
SOUTH	534,254,501
ISLANDS	109,323,370
FOREIGN	316,960,686
TOTAL	**8,821,840,872**

* including financial agencies.

3.3 Greater risks

a) Nominal amount:	4,734,559,560
b) Number:	20

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

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

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

3.2 Market risks

3.2.1 Interest-rate risk

QUALITATIVE INFORMATION

1. General

In compliance with Group guidelines, in December 2012 our Company adopted a specific policy as regards the banking book interest-rate, defining the standards, responsibilities and methodologies for the management of the foregoing risk.

The two main yardsticks employed for monitoring the interest-rate risk and setting the relevant limits are as follows:
- 'Net Receivable interest Sensitivity', which measures interest margin change over the following 12 months, when no new operations are undertaken, according to the variation of 100 basic points in interest-rates;
- 'Basis Point Value Sensitivity', which measures the current value of the interest-rate positions deriving from an instant shock of 1bp in interest-rates. This takes account of the current value of all future cash flows generated by the assets, liabilities and existing derivatives.

In order to manage the liquidity and interest-rate risks, the various technical forms of usage can be re-conducted to the two, main types of operation illustrated here below:
- definite purchase and/or under-discount of receivables operations: these are fixed-rate transactions with definite durations, even though uncertain because the due date pertaining to the transaction includes an estimated delay period for invoice collection compared with their natural maturity;
- standard transactions (non-recourse and with-recourse): these are revolving exposures, in principle revocable at stipulated conditions, usually regulated at a variable rate according to the average monthly reports and liquidated on a monthly/quarterly basis.

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

This permits the minimization of the liquidity risk as well as the interest-rate risk, in itself already limited considering that operations performed are almost entirely short-term.

Furthermore, various swap agreements have been concluded with Group Treasury to transform from fixed to variable the interest-rate on definite purchase transactions with original duration beyond the short-term.

QUANTITATIVE INFORMATION

1 Distribution by residual duration (re-pricing date) of financial assets and liabilities

Euros

ITEMS/RESIDUAL DURATION	UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 5 YEARS	FROM OVER 5 YEARS UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED DURATION
1. Assets	**7,773,359,649**	**313,037,224**	**230,058,540**	**258,056,071**	**103,985,911**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-
1.3 Receivables	7,773,359,649	313,037,224	230,058,540	258,056,071	103,985,911	-	-
1.4 Other assets	-	-	-	-	-	-	-
2. Liabilities	**7,468,577,003**	**360,983,333**	**220,179,009**	**188,651,712**	**-**	**-**	**-**
2.1 Payables	7,443,505,156	308,935,565	220,179,009	188,651,712	-	-	-
2.2 Debt securities	25,071,847	52,047,768	-	-	-	-	-
2x.3 Other liabilities	-	-	-	-	-	-	-
3. Financial derivatives options	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Long positions	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-
Other derivatives							
3.3 Long positions	15,448,694	-	-	-	-	-	-
3.4 Short positions	2,629,303	944,192	4,954,999	6,920,200	-	-	-

Dollars

ITEMS/RESIDUAL DURATION	UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 5 YEARS	FROM OVER 5 YEARS UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED DURATION
1. Assets	**101,292,885**	**244,321**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-
1.3 Receivables	101,292,885	244,321	-	-	-	-	-
1.4 Other assets	-	-	-	-	-	-	
2. Liabilities	**95,541,138**	**3,915,115**	**-**	**-**	**-**	**-**	**-**
2.1 Payables	95,541,138	3,915,115	-	-	-	-	-
2.2 Debt securities	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-
3. Financial derivatives options	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Long positions	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-
Other derivatives							
3.3 Long positions	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-

Part D - Further information (Continued)

Other currencies

ITEMS/RESIDUAL DURATION	UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 5 YEARS	FROM OVER 5 YEARS UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED DURATION
1. Assets	**28,571,087**	**2,235,416**	**6,340,972**	**4,658,796**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-
1.3 Receivables	28,571,087	2,235,416	6,340,972	4,658,796	-	-	-
1.4 Other assets	-	-	-	-	-	-	-
2. Liabilities	**40,154,594**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables	-	-	-	-	-	-	-
2.2 Debt securities	40,154,594		-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-
3. Financial derivatives options	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Long positions	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-
Other derivatives							
3.3 Long positions	14,971,042	-	-	-	-	-	-
3.4 Short positions	1,735,858	2,235,416	6,340,972	4,658,796	-	-	-

Non-performing receivables are classified according to the collection date foreseen and are chiefly included in the time-band ‘from over 5 up to 10 years’.

2 Models and other methods for measuring and managing the interest-rate risk

Sensitivity analysis
At 31st December the sensitivity of the interest margin to an instant and parallel change in the + 100 bps rates amounted to 2.4 million.
Sensitivity to an instant and parallel change in the +200 bps rates of the financial value of the shareholders’ equity at 31st December amounted to a -13.5 million, substantially attributable to the change in the current value of the non-performing.

3.2.2 Price risk

QUALITATIVE INFORMATION

1. General
The Company neither holds nor has issued any financial instruments exposed to price risks.

3.2.3 Exchange-rate risk

QUALITATIVE INFORMATION

1. General aspects
The exchange-rate risk expresses the risk of incurring losses due to currency fluctuations and the gold price.

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

The Equity hedging needed to cover the exchange-rate risk is determined by applying to the net open position in exchange-rates an 8% co-efficient, reduced by 25% for companies belonging to a banking group. At 31st December 2012 the open positions with respect to exchange-rates did not determine capital consumption.

QUANTITATIVE INFORMATION

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

ITEMS	CURRENCIES US DOLLARS	POUNDS STERLING	YEN	CANADIAN DOLLARS	SWISS FRANCS	OTHER CURRENCIES
1. Financial assets	101,575,579	17,479,517	(10,445)	134,595	7,436,739	16,901,468
1.1 Debt securities	-	-	-	-	-	-
1.2 Capital securities	-	-	-	-	-	-
1.3 Receivables	25,939,086	1,322,397	-	-	-	3,541,140
1.4 Other financial assets	75,636,493	16,157,120	(10,445)	134,595	7,436,739	13,360,328
2. Other assets	-	-	-	-	-	-
3. Financial liabilities	99,789,108	17,426,733	-	-	7,595,580	16,704,820
3.1 Payables	547,422	1,443,351	-	-	-	-
3.2 Debt securities	-	-	-	-	-	-
3.3 Other financial liabilities	99,241,686	15,983,382	-		7,595,580	16,704,820
4. Other liabilities	-	-	-	-	-	-
5. Derivatives	-	-	-	-	-	-
5.1 Long positions	-	-	-	-	-	-
5.2 Short positions	-	-	-	-	-	-
Total Assets	**101,575,579**	**17,479,517**	**(10,445)**	**134,595**	**7,436,739**	**16,901,468**
Total Liabilities	**99,789,108**	**17,426,733**	**-**	**-**	**7,595,580**	**16,704,820**
Imbalance (+/-)	**1,786,471**	**52,784**	**(10,445)**	**134,595**	**(158,841)**	**196,648**

3.3. Operating risks

QUALITATIVE INFORMATION

1. General aspects, management processes and measuring methods pertaining to the operating risk

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

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

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

QUANTITATIVE INFORMATION

The equity consumption quantified according to the basic method, corresponding to 15% of the average brokerage margin of the last three periods, amounted to 24.7 million at end 2012, against the 20.6 million at the end of the previous year.

3.4 Liquidity risk

QUALITATIVE INFORMATION

1. General aspects, management processes and measuring methods pertaining to the liquidity risk

The Company's 'liquidity policy', already adopted from January 2010, was integrated in December 2012 with respect to Governance and the responsibilities of the single functions.

Part D - Further information (CONTINUED)

We remind you that UniCredit Factoring implements its measures exclusively through the Holding, which also monitors our Company as regards the liquidity risk. Our Company is, in fact, part of the perimeter of the Regional Liquidity Centre Italy which manages liquidity risks at centralised level and accesses capital markets also on behalf of bank/product companies belonging to their own perimeter.

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

For all the foregoing the Company's liquidity position possesses no, significant, autonomous value, but should be viewed within the framework of the Group's Regione Italia funded debt.

QUANTITATIVE INFORMATION

1. Temporal distribution by residual, contractual duration of financial assets and liabilities

EUROS

ITEMS/RESIDUAL DURATION	ON DEMAND	FROM OVER 1 DAY UP TO 7 DAYS	FROM OVER 7 DAYS UP TO 15 DAYS	FROM OVER 15 DAYS UP TO 1 MONTH	FROM OVER 1 MONTH UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 3 YEARS	FROM OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED DURATION
Cash assets	**2,641,423,005**	**130,206,160**	**321,940,685**	**1,492,684,381**	**1,901,340,535**	**986,256,676**	**605,641,266**	**389,506,331**	**168,466,254**	**61,831,528**	**-**
A.1 State securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	2,641,423,005	130,206,160	321,940,685	1,492,684,381	1,901,340,535	986,256,676	605,641,266	389,506,331	168,466,254	61,831,528	
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	**2,641,423,005**	**130,206,160**	**321,940,685**	**1,492,684,381**	**1,901,340,535**	**986,256,676**	**456,659,963**	**224,789,258**	**77,119,615**	**-**	**-**
B.1 Payables to	2,641,423,005	130,206,160	321,940,685	1,492,684,381	1,901,340,535	986,256,676	456,659,963	224,789,258	-	-	-
- banks	2,606,103,171	129,765,402	320,534,955	1,486,339,898	1,860,208,325	980,106,426	448,462,696	188,651,391	-	-	-
- financial agencies	-	-	-	-	-	-	-	-	-	-	-
- customers	35,319,834	440,758	1,405,730	6,344,483	41,132,210	6,150,250	8,197,267	36,137,867	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	77,119,615	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off balance-sheet transactions											
C.2 Financial derivatives without capital exchange											
- Long positions	(663,589)	-	-	-	-	-	-	-	-	-	-
- Short positions	-	40,699	-	-	185,509	132,665	413,889	-	-	-	-
C.4 Irrevocable commitments to grant loans											
- Long positions	-	-	-	-	(440,116,412)	-	-	-	-	-	-
- Short positions	-	-	-	-	440,116,412	-	-	-	-	-	-

The accessory current account opened with the Holding, amounting to 5.2 billion at 31st December, was broken down into the single time-bands according to the guidelines used to regulate allocation, privileging substance over form, provision purposes, on demand.

DOLLARS

ITEMS/RESIDUAL DURATION	ON DEMAND	FROM OVER 1 DAY UP TO 7 DAYS	FROM OVER 7 DAYS UP TO 15 DAYS	FROM OVER 15 DAYS UP TO 1 MONTH	FROM OVER 1 MONTH UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 3 YEARS	FROM OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED DURATION
Cash assets	**8,511,652**	**-**	**-**	**49,354,420**	**31,243,501**	**7,372,048**	**2,901,800**	**2,126,832**	**-**	**-**	**-**
A.1 State securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	8,511,652	-	-	49,354,420	31,243,501	7,372,048	2,901,800	2,126,832	-	-	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	**41,050,393**	**-**	**10,159,483**	**32,956,753**	**16,607,083**	**3,915,115**	**-**	**-**	**-**	**-**	**-**
B.1 Payables to	41,050,393	-	10,159,483	32,956,753	16,607,083	3,915,115	-	-	-	-	-
- banks	41,050,393		10,159,483	32,956,753	16,607,083	3,915,115	-	-	-	-	-
- financial agencies	-	-	-	-	-	-	-	-	-	-	-
- customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off balance-sheet transactions											
C.2 Financial derivatives without capital exchange											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to grant loans											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-

OTHER CURRENCIES

ITEMS/RESIDUAL DURATION	ON DEMAND	FROM OVER 1 DAY UP TO 7 DAYS	FROM OVER 7 DAYS UP TO 15 DAYS	FROM OVER 15 DAYS UP TO 1 MONTH	FROM OVER 1 MONTH UP TO 3 MONTHS	FROM OVER 3 MONTHS UP TO 6 MONTHS	FROM OVER 6 MONTHS UP TO 1 YEAR	FROM OVER 1 YEAR UP TO 3 YEARS	FROM OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED DURATION
Cash assets	**10,084,527**	**-**	**-**	**5,354,099**	**13,522,971**	**8,464,586**	**3,446,054**	**2,525,735**	**58,963**	**-**	**-**
A.1 State securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	10,084,527	-	-	5,354,099	13,522,971	8,464,586	3,446,054	2,525,735	58,963	-	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	**17,120,990**	**-**	**1,280,533**	**8,999,334**	**13,290,515**	**201,424**	**-**	**-**	**-**	**-**	**-**
B.1 Payables to											
- banks	17,120,990	-	1,280,533	8,999,334	13,290,515	201,424	-	-	-	-	-
- financial agencies	-	-	-	-	-	-	-	-	-	-	-
- customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off balance-sheet transactions											
C.2 Financial derivatives without capital exchange											
- Long positions	(88,837)	-	-	-	-	-	-	-	-	-	-
- Short positions	-	8,951	-	-	18,310	42,252	58,212	-	-	-	-
C.4 Irrevocable commitments to grant loans											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-

Part D - Further information (Continued)

Section 4 - Information on Equity

4.1 Company Equity

4.1.1 QUALITATIVE INFORMATION

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

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

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

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

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

4.1.2 QUANTITATIVE INFORMATION

4.1.2.1 Company Equity: breakdown

VALUES/ITEMS	12.31.2012	12.31.2011
1. Capital	114,518,475	114,518,475
2. Share premiums	951,314	951,314
3. Reserves	131,751,989	95,520,447
- profits	131,751,989	95,520,447
a) legal	10,830,433	9,018,856
b) statutory	184,631	184,631
c) own shares	-	-
d) others *	120,736,925	86,316,960
- others	-	-
4. (Own shares)	-	-
5. Valuation reserves	-	-
6. Capital instruments	-	-
7. Profit (loss) for the period	60,840,776	36,231,542
Total	**308,062,554**	**247,221,778**

* The item 'Other provisions' includes undistributed profits.

4.2 Company Equity and Supervision coefficients

4.2.1 Supervisory coefficients

4.2.1.1 QUALITATIVE INFORMATION

At 31st December 2012 the supervisory equity was determined in conformity with the regulations stipulated by the Bank of Italy in circular nr. 216, relevant to the 'Instructions for the compilation of the reports on Supervisory Equity and equity coefficients'.

The basic equity is made up of own means belonging to the Company because there are no deductions nor prudential filters applicable. Basic Equity includes the entire profit for the period, in line with the allocation of profits proposed by the Board of Directors at the General Shareholders' Meeting.

The supplementary Equity is represented by hybrid Equity-settled instruments and by subordinated liabilities, as illustrated in part B of the Notes to the Financial Statements (section 1 'Payables' and section 2 'Outstanding Securities')

4.2.1.2 QUANTITATIVE INFORMATION

VALUES/ITEMS	12.31.2012	12.31.2011
A Basic equity before cautionary filters	**277,657,455**	**247,221,778**
B. Basic equity cautionary filters:	**-**	**-**
B.1 Positive IAS/IFRS cautionary filters (+)	-	-
B.2 Negative IAS/IFRS cautionary filters (-)	-	-
C. Basic equity gross of items to be deducted (A + B)	**277,657,455**	**247,221,778**
D. Items to be deducted from basic equity	**253,148**	**-**
E. Total basic equity (TIER 1) (C - D)	**277,404,307**	**247,221,778**
F. Supplementary equity before cautionary filters	**77,880,000**	**87,360,000**
G. Supplementary equity cautionary filters:	**-**	**-**
G.1 Positive IAS/IFRS cautionary filters (+)	-	-
G.2 Negative IAS/IFRS cautionary filters (-)	-	-
H. Supplementary equity gross of items to be deducted (F + G)	**77,880,000**	**87,360,000**
I. Items to be deducted from supplementary equity	**-**	**-**
L. Total supplementary equity (TIER 2) (H - I)	**77,880,000**	**87,360,000**
M. Items to be deducted from total basic and supplementary equity	**-**	**-**
N. Supervisory equity (E + L - M)	**355,284,307**	**334,581,778**
O. Third level equity (TIER 3)	**-**	**-**
P. Supervisory equity Including TIER 3 (N+O)	**355,284,307**	**334,581,778**

4.2.2 Adequacy of equity

4.2.2.1 QUALITATIVE INFORMATION

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

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

4.2.2.2 QUANTITATIVE INFORMATION

	UNWEIGHTED AMOUNTS		WEIGHTED AMOUNTS/REQUISITES	
CATEGORY/VALUES	12.31.2012	12.31.2011	12.31.2012	12.31.2011
A. RISK BEARING ASSETS				
A.1 Credit and counterpart risk				
1. Standardized method	9,649,770,576	10,088,272,447	5,336,984,004	5,443,330,063
2. Internal rating method	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitizations	-	-	-	-
B. SUPERVISORY EQUITY REQUISITES				
B.1 Credit and counterpart risk	**-**	**-**	**320,219,040**	**326,599,804**
B.2 Market risks	**-**	**-**	**-**	**-**
1. Standardized method	-	-	-	-
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.3 Operating risk	**-**	**-**	**24,673,700**	**20,607,100**
1. Basic method	-	-	24,673,700	20,607,100
2. Standardized method	-	-	-	-
3. Advanced method	-	-	-	-
B.4 Other cautionary requisites	**-**	**-**	**-**	**745,964**
B.5 Other calculation features	**-**	**-**	**(86,223,185)**	**(86,988,217)**
B.6 Total cautionary requisites	**-**	**-**	**258,669,555**	**260,964,651**
C. RISK-BEARING ASSETS AND SUPERVISORY COEFF.				
C.1 Weighted risk assets	-	-	4,312,021,485	4,350,280,729
C.2 Basic equity/weighted risk assets (Tier 1 capital ratio)	-	-	6,44%	5,68%
C.3 Supervisory equity includingTIER 3/weighted risk assets (Total capital ratio)	-	-	8,24%	7,69%

Item B.5 includes the 25% reduction of requisites, foreseen for brokers belonging to Italian banking groups. The weighted risk assets, reported in Item C.1, used also to calculate the coefficients reported in items C.2 and C.3, are calculated as the product between the total, prudential requisite (Item B.6) and 16.67 (inverse proportion of the minimum, obligatory coefficient, equal to 6%).

Part D - Further information (Continued)

Section 5 - Statement of breakdown of Overall Profitability

ITEMS		GROSS AMOUNT	INCOME TAX	NET AMOUNT
10	**Profit (Loss) for the period**	**98,435,312**	**(37,594,536)**	**60,840,776**
	Other income producing components			
20	**Financial assets available for sale:**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	- adjustments from impairments	-	-	-
	- profits/losses from takings	-	-	-
	c) other changes	-	-	-
30	**Tangible assets**	**-**	**-**	**-**
40	**Intangible assets**	**-**	**-**	**-**
50	**Foreign investments hedging:**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	c) other changes	-	-	-
60	**cash-flow hedging:**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	c) other changes	-	-	-
70	**Exchange-rate differences:**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	c) other changes	-	-	-
80	**Non-current assets under divestment:**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	c) other changes	-	-	-
90	**Actuarial profits (losses) on defined benefit plans**	**-**	**-**	**-**
100	**Quota of reserves from valuation of net equity valued stock**	**-**	**-**	**-**
	a) fair-value changes	-	-	-
	b) write-back to Income Statement	-	-	-
	- adjustments from impairments	-	-	-
	- profits/losses from takings	-	-	-
	c) other changes	-	-	-
110	**Total other income-producing components**	**-**	**-**	**-**
120	**Overall profitability (Item 10+110)**	**98,435,312**	**(37,594,536)**	**60,840,776**

Section 6 - Operations with correlated parties

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

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

6.1 Information on remuneration for managers with strategic responsibilities
Information relating to remuneration for managers with strategic responsibilities is illustrated in the following table, as required by IAS 24 and in line with Bank of Italy indications contemplating the inclusion of remuneration for members of the Board of Auditors.

REMUNERATION FOR MANAGERS WITH STRATEGIC RESPONSIBILITIES	2012	2011
a) short-term benefits for employees	2,938,657	2,257,520
b) benefits after work relations	-	-
relevant to defined services plans	-	-
relevant to defined contributions plans	-	-
c) other long-term benefits	-	-
d) retirement indemnitiies	-	-
e) stock options	-	-
Total	**2,938,657**	**2,257,520**

6.2 Receivables and Guarantees issued in favour of Directors and Auditors
Directors The Company has issued no receivables and guarantees in favour of Auditors.

6.3 Information on transactions with correlated parties
To ensure ongoing compliance with the legislation and regulations currently in force regarding company information on transactions with correlated parties, UniCredit Factoring identifies the transactions in question.

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

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

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

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

The following synergies were activated and are producing positive effects:
- the premises situated in Milan, via Albricci n. 10, headquarters of the Company, were leased from UniCredit Business Integrated Solutions S.C.p.A., service line Real Estate, which also performs ordinary and extraordinary maintenance;
- UniCredit S.p.A. branch offices perform development activities on behalf of the Company according to the convention signed during 2011 between UniCredit factoring S.p.A. and the CIB and F&SME divisions;
- the Holding manages human resources administration, purchasing activities, mailing and soft collection, for the recovery of past-due and unpaid receivables, the in-Group company UniCredit Business Integrated Solutions S.c.p.A, supplies technological outsourcing and acts as Internet Provider, as well as all staff-based operations. The unification of the foregoing activities encouraged the use of specific, professional profile levels;
- according to Group policy, auditing is entrusted to UniCredit Audit S.c.p.A. in compliance with a detailed service agreement. A UniCredit Audit S.c.p.A. referent, assisted by two other resources, operates within the Company on an exclusive basis.

Part D - Further information (Continued)

The following statement indicates the assets, liabilities, guarantees and commitments extant at 31st December 2012, identified separately by the different types of correlated parties. The principle item is represented by loans and current accounts in euros and other currencies according to provisioning operations.

Transactions with correlated parties

	CONSISTENCIES AT 12.31.2012			
	HOLDING	HOLDING CONTROLLED COMPANIES	MANAGERS WITH STRATEGIC RESPONSIBILITIES	OTHER CORRELATED PARTIES
EQUITY ITEMS				
Financial assets available for sale (shareholdings)	-	394	-	-
Financial assets held till maturity	-	-	-	-
Receivables from credit agencies	1,865,832	-	-	-
Receivables from from financial agencies	-	-	-	-
Receivables from customers	-	-	-	2,211,564
Stock	-	-	-	-
Other asset items	687,724	40,691	-	-
Total assets	**2,553,556**	**41,085**	**-**	**2,211,564**
Payables vs credit agencies	8,044,683,826	-	-	-
Securities and financial liabilities	52,047,769	25,071,846	-	-
Other liability items	3,776,451	5,437,360	-	-
Total liabilities	**8,100,508,046**	**30,509,206**	**-**	**-**
Guarantees issued and commitments	**-**	**-**	**-**	**-**
FINANCIAL ITEMS				
Interest earned and assimilated revenue	1,034,905	-	-	-
Interest paid and assimilated charges	(111,232,468)	(1,134,241)	-	-
Commission earned	-	5,010	-	-
Commission paid	(4,420,648)	(297,393)	-	-
Administration costs: other costs for human resources	(986,428)	(7,241)	(1,264,789)	-
Administration costs: other administration costs	(1,375,540)	(7,164,562)	-	-
Total Income Statement	**(116,980,179)**	**(8,598,427)**	**(1,264,789)**	**-**

In conclusion we underline, in compliance with the provision currently in force, that during the 2012 period no atypical and/or unusual operations were performed, either with correlated parties or with legal persons different from the latter which, as regards significance/importance might cause doubts regarding the protection of Company Equity.

Section 7 - Further information

Payment agreements based on own equity instruments

1. Outstanding instruments

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

This category comprises assignments of:

- **Stock Options** assigned to selected beneficiaries belonging to Top and Senior Management and Key Group resources, represented by subscription rights for UniCredit shares;
- **Performance Stock Options and Performance Shares** attributed to selected beneficiaries belonging to Top and Senior Management and Key Resources, represented respectively by subscription rights and by ordinary, free, UniCredit shares which the Holding undertakes to assign, subject to the achievement of the performance targets stipulated by the Holding's Board of Directors;
- **Employee Share Ownership Plan (ESOP)** which offers to Group employees, possessing the requisites, the opportunity to purchase ordinary UniCredit shares with the following advantages: assignment of a number of free shares ("Discount Shares" and "Matching Shares" or, regarding the latter, rights to receive them) measured on the number of shares purchased by each participant ("Investment Shares) during the "Subscription period". The assignment of the free shares is subject to compliance with the "vesting" conditions (different from market conditions) established by the Regulations governing the Plan;
- **In-Group Executive Incentive System** which offers to selected Group Executives a variable remuneration profile with payment implemented over more than one year, foreseeing payments in cash and in ordinary UniCredit shares, in relation to compliance with individual and in-Group performances according to the regulations governing the Plan;
- **Shares For Talent** offering to selected, talented resources free UniCredit shares which the Holding undertakes to assign, subject to the achievement of the performance targets stipulated by the Holdings' Board of Directors.

2. Valuation model

2.1 Stock options

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

This model is based on a trinomial tree price distribution, determined according to Boyle's algorithm and estimates the probability of early exercise on the basis of a deterministic model connected to:

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

Performance Stock Options 2012-2015

The following table indicates the value-increases and parameters relating to the Performance Stock Options, in the subsequent table the value-increase and relative parameters assigned in 2012

	PERFORMANCE STOCK OPTIONS 2012
Period price [€]	4.01
Market price per UniCredit share UniCredit [€]	4.01
Date of resolution for assignment (Grant Date)	27-mar-2012
Start of Vesting period	1-Jan-2012
Maturity of Vesting period	31-Dec -2015
Maturity of Plan	31-Dec-2022
Period multiple **(M)**	1,5
Exit Rate - Post Vesting **(E)**	3.73%
Dividend Yield	2%
Implicit volatility	56.5%
Risk Free Rate	2.5%
Unitary value of option at assignment [€]	1.867

The parameters were quantified as follows:

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

2.2 Other share-based instruments (Performance Shares) - Shares for Talent

The Shares for Talent plan offers, to selected beneficiaries, three payments in ordinary UniCredit shares, with annual vesting.

The financial value of a performance share amounts to the market price of the share reduced by the current value of unassigned dividends in the period between the date of promise and the future delivery of the share. The parameters were estimated on the same bases as those used for regulating stock options.

The following table illustrates the parameters relevant to the Performance shares promised in 2012, together with their unitary values.

Valuation of Shares for Talent (Performance Shares) 2012

	SHARE FOR TALENT		
	1ST PAYMENT (2013)	2ND PAYMENT (2014)	3RD PAYMENT (2015)
Date of resolution for assignment (Grant Date)	27-Mar-2012	27-Mar-2012	27-Mar-2012
Start of Vesting period	1-Jan-2012	1-Jan-2013	1-Jan-2014
Maturity of Vesting period	31-Dec-2012	31-Dec-2013	31-Dec-2014
Market value per UniCredit sharet [€]	4.01	4.01	4.01
Financial value of vesting conditions	-	-0,08	-0.15
Unitary value per Performance Share at promise [€]	**4.01**	**3.93**	**3.86**

Part D - Further information (CONTINUED)

2.3 Group Executive Incentive System

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

Group Executive Incentive System 2011 - Shares

The financial value of the shares assigned amounted to the market price per share reduced by the current value of the share unassigned during the period between the date of promise and the future allocation of the share. The parameters were estimated on the same bases as those used for regulating stock options.

	SHARES RELATING TO GROUP EXECUTIVE INCENTIVE SYSTEM 2011	
	1ST INSTALMENT (2014)	2ND INSTALMENT (2015)
Date of assignment. Financial value of Bonus Opportunity - *(Grant Date)*	22-Mar-2011	22-Mar-2011
Date of definition of number of shares - Date of Board resolution	27-Mar-2012	27-Mar-2012
Start of Vesting period	1-Jan-2011	1-Jan-2011
Maturity Vesting period	31-Dec-2013	31-Dec-2014
Market price per share UniCredit [€]	4.01	4.01
Financial value of vesting conditions [€]	-0.34	-0.50
Unitary value per Performance Share at promise [€]	**3.67**	**3.51**

The financial and asset-based effects will be recognized during the maturity period of the instruments.

2.3.1 Group Executive Incentive System 2012

For 2012 the variable component relating to the incentives will be defined according to the:
- individual performance of the beneficiaries, to line of business levels and, should it be significant, to country or group levels:
- definition of an upfront, balanced payment structure (subsequent to performance valuations) and deferred payments, in shares and cash;
- bank of Italy regulations foreseeing, for share payments, a retention period of two years for upfront payments and one year for payments in deferred shares;
- application of a risk/sustainability factor, linked to Group results and to the Group equity and liquidity conditions ('Group Gate'), as well as a ''Zero Factor' forecast should general conditions and Group results fail to achieve to objectives targeted by the plan.

2.4 Employee Share Ownership Plan (Let's Share 2011)

For Free Shares (or the rights to receive them) the unitary value will be measured at the end of the Subscription Period according to the average weighted price paid by Participants to purchase the Investment Shares on the market.

The following tables illustrate the parameters relevant to the Free Shares (or the rights to receive them) linked to the 'Employee Share Ownership Plan' approved in 2011.

Valuation of ESOP 2011 Free Shares

	FREE SHARE
Date of assignment of Discount Shares to Group employees	15-Jan-2013
Star of Vesting period	1-Jan-2012
Maturity Vesting period	31-Dec-2014
Unitary fair-value of Discount Share [€]	3.364

All the asset-based and financial effects of the plan, relating to the Free Shares assigned, will be recognized during the 2012-2014 period (except for adjustments, in line with the provisions stipulated by the plan, which will be registered during 2015).

Further information

2012 Share Participation Plan for UniCredit Group employees (Let's Share Plan 2011)

In May 2012 the Ordinary General Meeting of UniCredit Shareholders approved the "2012 Plan for the Share Participation of UniCredit Group Employees (Let's Share 2011") offering Group Employees the opportunity to purchase ordinary UniCredit shares at favourable conditions, as from January 2013, in order to strengthen their sense of belonging to the Group, as well as added motivation for achieving company targets.

The 2012 plan foresees that:

1. during the "Subscription Period" (from January 2013 to December 2013) the Participants can purchase ordinary UniCredit shares ("Investment Shares") by debiting the current account, on a monthly basis, or in one or more solutions, pursuant to the orders issued in January or July 2013 ('one-off' modes). With respect to exits from the Plan during the Subscription Period, the Participant will lose the right to receive free shares at closure of the Subscription Period;
2. at closure of the Subscription Period (January 2013 July 2013), each Participant will receive a 25% discount on the total shares purchased, in the form of shares, **("Free Shares")**; Participants will be forbidden to alienate the Free Shares for one year ('Holding Period) and will lose ownership if he/she ceases to be a UniCredit Group employee during the tri-annual Lock-in period, unless his/her service ceases, due to reasons permitted by Plan Regulations. For fiscal motives, in various countries it is not possible to assign Free Shares at closure of the Subscription Period: therefore an alternative structure has been foreseen acknowledging to Participants of those countries the right to receive Free Shares at closure of the Lock-in period ('Alternative Structure');
3. during the "Lock-in period" (from January 2013 to January 2014 or from July 2013 to July 2014) the Participants may alienate, at any moment, their 'purchased' Investments Shares, but will lose the corresponding Free Shares (or the right to receive them).

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

Each and every financial and asset-based effect relating to the Let's Share 2012Plan will be book-registered during the four-year period 2013-2014.

Attachments to the Notes to the Financial Statements

Attachment 1

UniCredit S.p.A.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION at 12.31.2011

Values in € million

Assets	
Cash in bank and at hand	5,753
Financial assets for trading	11,480
Receivables from banks	29,634
Receivables from customers	256,251
Financial investments	89,950
Hedging	7,158
Tangible assets	246
Goodwill	2,812
Other intangible assets	29
Fiscal assets	8,048
Non-current assets and groups of assets under divestment	7
Other assets	5,654
Total assets	**417,022**

Liabilities and net equity	
Payables to banks	63,335
Takings from customers and securities	273,166
Financial liabilities from negotiation	10,292
Hedging	7,759
Funds for risks and charges	1,882
Fiscal liabilities	626
Other liabilities	10,313
Net equity:	49,649
- capital and reserves	56,869
- reserves for valuation assets availale for sale and cash-flow hedging	-871
- net loss	-6,349
Total liabilities and net equity	**417,022**

Reclassified Income Statement at 12.31.2012

Values in € million

Net interest	4,704
Dividends and other revenue on stock	2,274
Net commission	**3,406**
Net negotiation, hedging and fair value income	164
Balance other income/charges	-104
BROKERING MARGIN	**10,444**
Human resources costs	-3,552
Other administration costs	-3,017
Cost recoveries	416
Value adjustments to tangibles and intangibles	-77
operating costs	**-6,230**
OPERATING INCOME	**4,214**
Net adjustments to receivables and reserves for guarantees and commitments	-3,966
NET OPERATING INCOME	**248**
Net provisions for risks and charges	-304
Integration charges	-113
Net profits from investments	-1,366
GROSS PROFITS ON CURRENT OPERATIONS	**-1,535**
Taxes on fiscal period income	80
Adjustments to goodwill value	-4,894
NET PROFIT	**-6,349**

Attachment 2

Link-up between Income Statement items and re-classified Income Statement items

	BALANCE-SHEET STATEMENT ITEMS
Net interest	Interest margin
Dividends and other revenue on stock	item 50
Net commission	Net commission
Negotiation and hedging income	item 60
Balance other revenue/charges	item 160
BROKERING MARGIN	**Amount**
Human resources costs	item 110 a)
Other administration costs	item 110 b)
Value adjustments to tangibles and intangibles	item 120
Operating costs	**Amount**
OPERATING INCOME	**Amount**
Net adjustments to Receivables	item 100 a)
NET OPERATING INCOME	**Amount**
Net provisions for risks and charges	item 150
GROSS PROFIT	**Amount**
Taxes on fiscal period income	item 190
NET PROFIT	**Amount**

Attachment 3

Disclosure of the Independent Auditors' remuneration

Pursuant to the provisions of art. 149 twelfth of the Consob Issuers Regulations, as follows the table illustrating information relating to the considerations allocated to the benefit of the Indipendent Auditor KPMG S.p.A., and of the companies belonging to the same network, for the following services:

1. Auditing services comprising:
   - Auditing of the companies' annual accounts, for the expression of a professional opinion;
   - Auditing of the infra-annual accounts.

2. Certification services with assignments instructing the auditor to valuate, using suitable guidelines, a specific element, whose determination is implemented by another person, with pertinent responsibility, in order to express a conclusion supplying the addressee with a degree of reliability regarding the foregoing, specific feature. This category also includes services linked to book-keeping verification.

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

The considerations reported in the table, pertaining to the 2012 period, are those stipulated in the contract, comprising prospective indexing (excluding out-of-pocket expenses, possible supervisory contributions and VAT).

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

TYPE OF SERVICE	LEGAL PERSON PERFORMING SERVICE	SERVICE RECEIVER	REMUNERATION (EUROS)
Auditing:			
- Financial statements	K.P.M.G. S.p.A.	Unicredit Factoring S.p.A.	71,750
- Limitated verification procedures re six-monthly accounting situation	K.P.M.G. S.p.A.	Unicredit Factoring S.p.A.	14,900
Certification	K.P.M.G. S.p.A.	Unicredit Factoring S.p.A.	4,740
Fiscal advice			-
Others			**-**
Total			**91,390**

Board of Auditors' Report

Board of Auditors’ Report

“Board of Auditors’ Report submitted to the Shareholders’ Meeting, pursuant to art. 2429 of the Civil Code

Dear Shareholders,

by virtue and effect of art. 2429 of the Civil Code, we hereby render account of the supervisory activity performed during the period closed at 31 December 2012, specifying that the Board of Auditors verified management whereas the accounting control, ex art. 2409 bis of the Civil Code, was assigned to KPMG S.p.A..
During the period closed at 31st December 2011 we performed the supervisory activity pursuant to the law, according to the standards of behaviour proper to the Board of Auditors, recommended by the Consigli Nazionali dei Dottori Commercialisti e degli Esperti Contabili. (National Councils of Accountants and Book-keeping Experts).
We specify, in particular:

- that we verified the observance of the law and of the articles of association, i.e. compliance with the statutory provisions governing the functioning of the company bodies and the company’s relations with institutional organizations;
- Our ongoing participation in the Board of Directors’ meetings, together with the information assumed on such occasions, allows us to bear witness to the proper performance of the company’s activities and to its compliance with the statutory provisions and with the law.
  We can, therefore, assure you that the more important financial, economic and equity-based operations, resolved and carried out during the period, were in conformity with the law and with the articles of association and that the foregoing operations were not manifestly imprudent, hazardous, in potential conflict of interests or in contrast with the resolutions deliberated by the shareholders’ meeting, or such that they might compromise the integrity of the share capital;
- On the basis of the information obtained from the executives responsible for the various company functions, both in writing and during the verifications regularly performed in the course of the year, when examining the company documents and analyzing the operations implemented by the auditing company, we acquired knowledge of and supervised, also as regards the stipulations of art. 19 of Legislative Decree Nr. 39/2010, the organizational structure of the company and the internal control and administration-accounting systems adopted. We considered both to be adequate and reliable, for the purposes of the efficient regulation of operating events and of their proper representation.
- We found no evidence of atypical or unusual operations with Group controlled companies, third parties or correlated parties. The Board of Directors, in its management report, supplied exhaustive illustration concerning not only the more important, economic, financial and equity-based operations carried out with correlated parties, but also the determination modes and amounts pertaining to the valuable considerations inherent to the foregoing.
- We supervised the legal auditing of the accounts through periodic meetings with representatives from KPMG S.p.a., the appointed auditing company, who illustrated the quarterly controls performed and their relevant outcomes, together with their auditing strategy and the fundamental issues emerging during the performance of this activity. The auditing operations revealed no censurable facts nor aspects needing specific, in-depth analyses.
- During 2012 the auditing company KPMG Advisory S.p.a., on an exclusive basis, performed the legal audit of the accounts and issued a statement, pursuant to art. 17 of Legislative Decree 39/2010 indicating the non-existence of situations which might compromise the independence of your company or lead to causes for incompatibility. Bearing in mind the statement issued by the Legal Auditing Company, the Board of Auditors considers that no critical aspects exist in relation to the independence of KPMG Advisory S.p.A..
- With reference to the provisions stipulated by Legislative Decree nr. 231/01, the company has adopted an Organizational Model consistent with the principles indicated in the foregoing Decree and in harmony with the guidelines established by the Holding.
  The Company’s Supervisory Body reported on the activities performed during 2012, without highlighting any significant events.

With respect to the Financial Statements for the fiscal period closed at 12.31.2012, which indicated profits amounting to 60.840.776, we refer to you the following comments:

- As we had no mandate for the book-keeping control, we supervised the general layout given to the Financial Statement and to its compliance with the law regarding its formation and structure.
- We also analyzed and verified the application of the accounting standards and we specify that this Financial Statement was drafted in conformity with the International IAS/IFRS accounting standards issued by IASB, ratified by the European Commission, and with the relevant interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

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

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

We have no knowledge of any other facts or complaints needing to be submitted to the attention of the shareholders’ meeting.
In view of all the foregoing and having acknowledged that the mentioned Auditing Company will release the obligatory auditing report pursuant to art. 14 of Legislative Decree 39/2010 without comments, we express our favourable opinion as to the approval of the Financial Statement at 31st December and to the allocation of the profits earned, according to the Board of Directors’ proposal.

Milan, 29th March 2013

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

Independent Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

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

To the shareholders 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 2012, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement 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 30 March 2012 for our opinion on the prior year financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the financial statements of UniCredit Factoring S.p.A. as at and for the year ended 31 December 2012 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 2012, the results of its operations and its cash flows for the year then ended.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

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VAT number IT00709600159
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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 2012.

Milan, 29 March 2013

KPMG S.p.A.

(signed on the original)

Alberto Andreini
Director of Audit

Ordinary Shareholder’s Meeting: Resolutions

Ordinary Shareholder’s Meeting: Resolutions

The Ordinary General Meeting of the Shareholders’ of UniCredit Factoring S.p.A., held on 18th April 2013, resolved to:
- approve the Financial Statements for the period closed at 12.31.2012 according to the terms envisaged;
- approve the allocation of the profits earned during the 2012 period, amounting to 60,840,776 euros, as follows:

3,042,039 euros	to the legal reserve;
27,393,638 euros	to the reconstruction of the other reserves;
30,405,099 euros	to the shareholders in the amount of 1.37 euros per share;

- provide for the payment of the dividend as from 18th April 2013;
- confirm that the number of members constituting the Board of Directors is seven;
- nominate as Members for the periods 2013 - 2014 and 2015 messrs:

  - Roberto Bertola, appointed to the office of Chairman;
  - Alessandro Cataldo;
  - Antonella Giacobone;
  - Elena Patrizia Goitini;
  - Maurizio Guerzoni;
  - Mauro Macchiaverna;
  - Renato Martini;

- authorize the Directors, pursuant to art. 2390 of the civil code, to perform assignments for possible competitors;
- stipulate as 100,000.00 euros, gross, the overall, annual remuneration of the Board of Directors;
- stipulate as 200.00 euros, gross, the token for attendance to be paid to each Member for each sitting of the Board;
- nominate as Members of the Board of Auditors for the periods 2013 - 2014 and 2015 Messrs.:

  - Vincenzo Nicastro appointed to the office of Chairman;
  - Roberto Bianco (Standing auditor);
  - Federica Bonato (Standing auditor);
  - Paolo Colombo (Substitute auditor);
  - Massimo Gatto (Substitute auditor);

- determine the annual remuneration of the Chairman of the Board of Auditors and of each one of the two Standing Auditors as an overall sum amounting to 70,000.00 euros;
- stipulate as 200.00 euros, gross, the token to be paid to each member of the Board of Auditors for their participation in each sitting of the Board or of the Shareholders’ Meeting;
- approve the conferment of the mandate for the legal audit of the accounts of UniCredit Factoring S.p.A. for the period 2013 - 2021 on the company Deloitte and Touche S.p.A.”

Our products

Our products

Non-recourse Notified Domestic Factoring (Guarantee only)

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

Notified With-Recourse Domestic Factoring

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

Export/Import Factoring

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

Conventions with Groups of debtors Indirect (Reverse Factoring)

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

Maturity Factoring (with payment extensions for debtors)

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

Management and Disinvestment of Receivables versus State Organisations

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

Structured Operations (IAS 39)

UniCredit Factoring takes care of the definition and granting of Credit as regards each debtor proposed by the “Assignor” company, with 100% hedging of the receivables assigned.
The operation is concretely implemented on the basis of specific contractual structures which also require the approval and certification of Auditing Companies.
Furthermore, the assignments of credit are mainly notified and refer to receivables with a maximum duration of 150/180 days, with respect to private debtors, and a maximum twelve months when the debtors belong to Public Organizations.

Assignment of annual VAT Credit

This type of product is addressed to companies intending to unfreeze annual VAT credit refunds requested through ordinary VR procedures (VR Schedule).
The assignment of credit can be either with-recourse or non-recourse, in which case UniCredit Factoring provides for the granting of a revolving Credit-limit with coverage up to 100% of the assigned receivables.
The credit assignment must be formalized by notary’s deed, and/or private deed authenticated by a Notary, and notified to the Agenzie delle Entrate (Tax Bureau) by Process Server, through the express acceptance, via the Assignor, of the assignment of the credit by the debtor Organization, together with specific reference to the non-existence of default situations pertaining to the Assignor.

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