

Responsible lending (CONTINUED)

Nuclear energy sector policy

We understand the resurgent relevance of nuclear energy, the subtleties involved in its proper handling, and our responsibility to future generations and society with respect to the environment, public health, safety and pollution. This is why UniCredit Group has entered into an ongoing dialogue with the main environmental NGOs in Europe.

Already this dialogue has prompted us to avoid any involvement in financing the renovations of the Belene Nuclear Power Plant in Bulgaria. We have also recently adopted a group-wide nuclear energy policy, which was developed with input from NGOs and a wide range of stakeholders. Our policy is designed to address the special challenges posed by the nuclear sector and to minimize our environmental, social and credit risks.

In making any financing decision, it is our responsibility to require the most thorough, reliable and highest quality assessments of all outstanding issues. This responsibility takes on an even greater importance for us in the context of our role as one of the most active financial institutions in Central and Eastern Europe. To help us to fulfill our responsibility, we have developed a nuclear energy sector policy. This policy has been formally approved by the UniCredit Group Risk Committee and will be implemented once our legal entities complete the process of formally approving the policy in 2008. The details of our nuclear energy sector policy are as follows:

KEY NUCLEAR ENERGY SECTOR POLICY CRITERIA

1. Financing the development or construction of nuclear power plants is permitted, subject to the application of the strictest safety standards and the best available technology.
2. Financing of nuclear energy production companies is subject to WANO¹ membership and location in countries belonging to WENRA². Companies that do not comply with both criteria are evaluated on a case-by-case basis.
3. Financing of tailor-made products or services for the nuclear energy industry is limited depending on compliance with relevant international regulations and best market practices.
4. Financing of the production, trading and reprocessing of nuclear fuel is highly restricted owing to the increased reputational risks regarding proliferation and safety issues.
5. Financing of the transport, processing, storage or disposal of nuclear waste will be evaluated on a case-by-case basis according to the regulations in force in the country of origin as well as in the transit and destination countries.

Supporting SMEs

During the last few years changes to the Italian and international financial regulatory systems and the advent of Basel II principles led UniCredit Group to develop a set of sophisticated products and services

in support of small and medium Italian enterprises.

For Italian enterprises Basel II represents an important chance for SMEs to reduce their risk level and an opportunity to grow.

UniCredit Banca d'Impresa developed consulting services and products to help the entrepreneurial system acclimate to the changes. One example, the "Capitalizzazione Flessibile e Progressiva" (flexible and progressive capitalization) product, is a modular, long-term funding program offering installment options and a flexible equity scheme in the context of a syndicated or public-potential warranty.

Environmentally responsible Corporate lending practices

Environmental issues are a key concern for many businesses and institutions. At UniCredit Group we are keenly aware that unresolved environmental risks and/or issues can have a distinct impact on the credit ratings of our Corporate customers, not to mention the value of the collateral they rely on. At the very worst, environmental issues can sometimes result in our customers' defaulting on their loans. UniCredit Group is committed to marshalling its resources to help our customers better understand the environmental risks they face and to help them come up with the most responsible lending solutions both for their business and for the environment.

Our actions in this area include innovative Corporate environmental technology

1. The World Association of Nuclear Operators is an organization dedicated to improving safety at every nuclear power plant in the world.

2. The Western European Nuclear Regulators' Association is a non-governmental organization comprising the senior staff members of nuclear regulatory authorities in European countries with nuclear power plants.