



INFORMATION MEMORANDUM

UniCredito Italiano Bank (Ireland) p.l.c.

(incorporated with limited liability in Ireland
under registered number 240551)

UNLIMITED CERTIFICATE OF DEPOSIT PROGRAMME

Guaranteed by

UniCredito Italiano S.p.A.

(incorporated with limited liability in the Republic of Italy)

Dealer

UniCredito Italiano Bank (Ireland) p.l.c.

Issuing and Paying Agent

JPMorgan Chase Bank, N.A., London Branch

The date of this Information Memorandum is 22nd August, 2005.

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Important Notice

UniCredito Italiano Bank (Ireland) p.l.c. (the “Issuer”) has established a Certificate of Deposit Programme (the “Programme”) under which short term debt obligations of the Issuer, guaranteed by UniCredito Italiano S.p.A. (the “Guarantor”), denominated in US dollars or alternative currencies may be offered and sold from time to time.

This Information Memorandum contains a summary of the terms and conditions upon, and subject to which, Certificates of Deposit (“CDs”) may be issued. This Information Memorandum is not intended to and does not constitute an invitation by the Issuer, the Guarantor or the Dealer(s) for applications or offers to subscribe for or buy any securities described herein, nor an offer of such securities for subscription or purchase.

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum. Additionally, the Guarantor accepts responsibility for all information contained in this Information Memorandum relating to the Guarantor. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case in respect of the information for which it accepts responsibility), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No independent verification of such information has been made by the Dealer(s) and no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealer(s) as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer or the Guarantor in connection with the Programme. The only role of the Dealers (as defined in the “Summary of the Programme”) in the preparation of this Information Memorandum has been to confirm to the Issuer that the information as to their identity under the heading “Summary of the Programme” and their respective descriptions under the heading “Directory” are accurate as at the date of this Information Memorandum.

The dissemination of this Information Memorandum will not under any circumstances create any implication that there has not been any change in the business, affairs or financial position of the Issuer or the Guarantor since the date hereof. This Information Memorandum contains only summary information concerning CDs and it is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any Dealer or the Issuer that any recipient of this Information Memorandum should purchase CDs. Each recipient of this Information Memorandum acknowledges that it will independently undertake (and will be deemed to have undertaken) whatever investigations it may individually deem to be necessary or advisable to reach its own credit decisions in deciding whether or not to purchase the Issuer’s CDs.

The dissemination of this Information Memorandum and the accompanying documents and the offering, sale or delivery of the Issuer’s CDs in certain jurisdictions may be restricted by law. Persons and organisations into whose possession this Information Memorandum or any accompanying document comes must inform themselves about and observe any such restrictions.

No person who is invited to purchase CDs or to whom this Information Memorandum or any other prospectus, circular, advertisement or offering material relating to the CDs is sent will, directly or indirectly, offer, sell or deliver CDs or will distribute or publish this Information Memorandum or any other such prospectus, circular, advertisement or offering material in any jurisdiction except under circumstances that will, to the best of the knowledge and belief of such person, result in compliance with all applicable laws and regulations. Details of restrictions under the laws of certain jurisdictions are set out under “Selling Restrictions” below. No action has been taken by the Issuer, the Guarantor or the Dealer(s) that would permit a public offering of the CDs in any country or jurisdiction where action for that purpose is required.

No comment is made or advice given in respect to taxation matters relating to the CDs and each investor is advised to consult its own professional advisors.

The CDs and the Deed of Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and CDs may only be offered or sold within the United States or to any U.S. person under the terms described in the Selling Restrictions below. Neither the Issuer nor the Dealer(s) have authorised nor taken any action that would knowingly result in the issuance, publication or

distribution to any Irish resident or person of this Information Memorandum or any other document inviting applications or offers to subscribe for or buy the CDs or offering the CDs for subscription or purchase.

CDs in respect of which the proceeds are accepted by the Issuer in the United Kingdom will be CDs issued in accordance with regulations made under section 4 of the Banking Act 1987, so long as such regulations remain in force.

The information contained in this Information Memorandum is not to be assumed to be correct, accurate or up to date subsequent to the date hereof and the distribution of this Information Memorandum does not constitute a representation by the Issuer, the Guarantor or any of the Dealers that this information will be updated at any time after the date of this Information Memorandum. No person has been authorised to give any information or make any representations not contained in this Information Memorandum or any supplement hereto and if given or made such information or representation must not be relied upon as having been authorised.

1. **Summary of the Programme**

This summary is provided for reference only and is subject in all respects to the terms and conditions of the formal documentation entered or to be entered into in connection with the issue of the CDs.

Issuer:

UniCredito Italiano Bank (Ireland) p.l.c.

Guarantor:

UniCredito Italiano S.p.A.

Size of Programme :

Unlimited.

Form of Certificate of Deposit:

The CDs will be in bearer form. Each issue of CDs will be represented by one or more bearer notes held by a common depository for Euroclear Bank SA/NV as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg").

Status of Certificate of Deposit:

The CDs will rank at least *pari passu* without any preference among themselves and equally with all other present and future unsubordinated and unsecured obligations of the Issuer, except obligations mandatorily preferred by law.

Guarantee:

The payment of all amounts payable by the Issuer on or in respect of each CD (including any premium or additional amounts which may become payable under the terms and conditions of a CD) has been irrevocably guaranteed by the Guarantor under a guarantee (the "Guarantee") dated 25th September, 2003 and executed by the Guarantor.

Tenor:

Between 7 days and 5 years, at the Issuer's option, subject to compliance with any legal and regulatory requirements.

Optional Currencies:

Any freely transferable and convertible currency as agreed by the Issuer, Dealer and Issuing and Paying Agent provided that the issue of CDs denominated in such currency is not prohibited by or contrary to any law, and subject to any relevant permission of the regulatory authorities concerned having been obtained.

Denomination:

Other than as stated herein, the minimum denomination in which a CD can be issued will be Stg£300,000 or its currency equivalent, or such other denominations as may be agreed between the Issuer, Dealer and Issuing and Paying Agent from time to time in accordance with any applicable legal or regulatory requirements, given that such amount is greater than Stg£300,000 or its currency equivalent. For the time being the minimum denominations for each specified currency shall be Stg£500,000, Euro500,000 and US\$500,000 and in multiples of 500,000 in each respective currency.

Delivery:

The Notes will be delivered through Euroclear or Clearstream, Luxembourg or any other clearing system recognised by the Irish Revenue for the purposes of deposit interest retention tax (DIRT).

Dealers:

The Issuer will be the Dealer in the Programme. Additional Dealers may be appointed from time to time at the discretion of the Issuer.

Dealers may be removed from the Programme upon 10 business days' notice from the Issuer.

Taxation:**Withholding Tax (General)**

With respect to any interest paid on the CDs, provided that the interest is paid by the Issuer in the ordinary course of carrying on a bona fide banking business in Ireland and the beneficial owner of such interest is not resident in Ireland, all such payments made by the Issuer may be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by Ireland or any political sub-division or taxing authority thereof or therein. The Issuer confirms that all interest paid in respect of the CDs shall be paid in the ordinary course of carrying on a bona fide banking business in Ireland.

All payments by the Guarantor under the Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature ("Taxes") imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) unless such withholding or deduction is required by law. In that event, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the CDs after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the CDs in the absence of the withholding or deduction subject to certain exceptions set out in the Guarantee.

Irish Taxation***Deposit Interest Retention Tax ('DIRT')***

DIRT (otherwise applicable at the standard rate of income tax, currently 20%) will not apply to interest paid in respect of CDs subject to certain specified conditions including;

1. the CDs are cleared through a recognised clearing system, for example Euroclear, Depository Trust Company of New York and Clearstream, Luxembourg (or any other clearing system) recognised for this purposes by the Irish Revenue Commissioners; and
2. in the case of an instrument denominated in euro, the minimum denomination in which a CD issue is made will be €500,000; in the case of an instrument denominated in United States Dollars, the minimum denomination will be US\$500,000 or in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000.

Residual Liability to Irish Tax

An individual holder of the CDs who is not ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency will not be subject to Irish income tax on interest payments received in respect of the CDs where such interest is paid by the Issuer in the course of carrying on relevant trading operations within the meaning of Section 446 Taxes Consolidation Act 1997. A company holder of the CDs which is not resident in Ireland and is resident in another Member State of the EU or in a territory with which Ireland has a Double Taxation Agreement, and which does not carry on a trade in Ireland through a branch or agency, will not be subject to Irish income or corporation tax on interest payments received in respect of the CDs where such interest is paid by the Issuer in the ordinary course of the Issuer's trade or business. Where a holder's return on such CDs is by way of repayment at par of such CDs issued at a discount or by way of repayment at a premium, the Irish Revenue Commissioners have confirmed that where the discount/premium is received by a non-resident who does not carry on a business in Ireland through a branch or agency, such a holder of the CDs will likewise not be subject to Irish income or corporation tax on the amount of the discount/premium.

Capital Gains Tax

A holder of the CDs who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency in respect of which such CDs were used or held, will not be liable to Irish capital gains tax on the disposal of the CDs.

Italian Taxation

Deposit Interest Withholding Tax

Article 26(3) of Presidential Decree No. 600 of 29th September, 1973 ("**Decree 600**"), as subsequently amended, provides, *inter alia*, for the tax regime applicable to payments of interest on foreign bank deposits or CDs issued by non-Italian banks to Italian investors. Interest on the CDs paid to (i) a commercial partnership; (ii) a corporation or similar commercial entity; (iii) a commercial private or public institution; or (iv) a permanent establishment of a foreign entity to which the CDs are connected, is not subject to any Italian withholding tax. Where the payment of interest is made through an Italian paying agent (*sostituto d'imposta*) to an individual engaged in an entrepreneurial activity to which the CDs are connected, a 27% provisional withholding tax applies. Individuals holding CDs not in the exercise of an entrepreneurial activity and other non-commercial investors are subject to a 27% final withholding tax applied by any Italian resident paying agent intervening in the payment of the interest.

Where the above interest is not paid through an Italian paying agent, the interest would concur to the business taxable basis where it is paid to a commercial entity, or it would be subject to a 27% substitute tax (art. 18 of Presidential Decree No. 917 of 22nd December 1986) if paid to an Italian resident individual. In this latter case, the investor is entitled to opt for the standard income taxation in the tax return benefiting from the foreign tax credit, if any. No Italian taxation is applied on interest on CDs paid to non-Italian investors.

Capital gains tax

Capital gains realised by non-Italian resident investors from the disposal of the CDs are not subject to Italian taxation, provided that the notes are held outside of Italy.

Capital gains realised by (i) a commercial partnership; (ii) a corporation or similar commercial entity; (iii) a commercial private or public institution; (iv) a permanent establishment of a foreign entity to which the CDs are connected; or (v) individuals acting in the exercise of their entrepreneurial activity, are not subject to any Italian withholding tax being treated as part of the taxable income of the investor.

Where the Italian resident investor is an individual not holding the CDs in connection with an entrepreneurial activity and certain other persons, any capital gains realised from the disposal of the CDs would be subject to a 12.5% substitute tax. Investors may setoff losses with gains.

Payments made by an Italian resident guarantor

With respect to payments on the CDs made by an Italian resident guarantor, there are no specific provisions or guidelines clarifying the relevant tax treatment and, therefore, three different interpretations might be taken. In accordance with one interpretation of Italian tax law, any payment made by the Italian resident guarantor may be subject to a 12.5% provisional tax pursuant to art. 26 of Presidential Decree No. 600. In case of payments made to non-Italian resident investors, a final withholding tax may be applied at a (i) 12.5% rate if the payments are made to non-Italian resident investors, other than those mentioned under (ii); or (ii) 27% rate if the payments are made to investors resident in "tax haven" countries (as defined and listed in Ministerial Decree 23rd January 2002, as amended from time to time). In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated, in certain circumstances, as a payment by the Issuer and will thus be subject to the tax regime described in the paragraph "*Deposit Interest Withholding Tax*" above. Under another interpretation, no withholding tax may apply to these payments.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Implementation in Ireland of the EU Savings Directive

Under the provisions of EC Council Directive 2003/48/EC on the taxation of savings income, all EU Member States were required to implement the EU Savings Directive into their domestic laws by 1st January, 2005, although the laws, regulations and administrative provisions necessary to comply with

the EU Savings Directive were to be adopted by 1st January, 2004. The EU Savings Directive has been enacted into Irish legislation. Accordingly, a “paying agent” as defined, making interest payments to beneficial owners who are individuals resident in another Member State or an “associated territory”, may be required to establish the identity and residence of that individual. For the purposes of the legislation, a “paying agent” is a person who in the course of a business or profession carried on in Ireland makes the interest payment to or secures the interest payment for the immediate benefit of a beneficial owner or “residual entity”. Where such a person makes a payment to a residual entity, that residual entity must follow the information gathering rules as for other paying agents. A residual entity is a person or undertaking who receives or secures an interest payment on behalf of a beneficial owner that is an individual, but does not include a company or other legal person, an entity subject to tax equivalent to Irish corporation tax in another territory, a UCITS or an entity that has elected to be treated as a UCITS for the purposes of the legislation.

The actual mechanics with regard to the exchanging of information will only apply with effect from 1st July, 2005. From 1st July, 2005, a paying agent may be required to disclose details of payments of savings interest income paid to the beneficial owners who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the Member State where the individual resides. The residual entity must also report details to the Revenue in respect of the interest that it receives or secures on behalf of the beneficial owner. For the purposes of these paragraphs, “associated territory” means Aruba, The Netherlands, Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands, Andorra, Liechtenstein, Monaco, San Marino and the Swiss Confederation.

Implementation in Italy of the EU Savings Directive

The Italian Government implemented the EU Savings Directive (as described in the homonymous paragraph below) through Legislative Decree 84 of 18th April, 2005 (“**Decree 84**”), published in the Official Gazette No. 118 of 23rd May, 2005. Decree 84 closely follows the provisions of the EU Savings Directive. Pursuant to Article 10 of Decree 84, any Italian resident individuals receiving interest payments from a EU Member State or from certain other EU associated States or dependent territories which are permitted to levy a withholding tax under the EU Savings Directive, will be entitled to benefit from a tax credit calculated on the basis of the relevant withholding tax levied. Decree 84 entered into force on the date of its publication in the Official Gazette and applies to interest payments made as from 1st July, 2005.

Selling Restrictions:

Offers and sales of the CDs and the distribution of this memorandum and other information in relation to the Issuer will be subject to certain restrictions, which are set out below. See “Selling Restrictions” on page 28.

Governing Law:

The CDs, and all related documentation will be governed by, and construed in accordance with English Law.

Use of Proceeds:

The net proceeds of any issue of CD will be used for general funding purposes.

Issue and Paying Agent:

JPMorgan Chase Bank, N.A., London Branch.

Listing:

It is not intended for the CDs to be listed on any Stock Exchange at this time.

2. Details of the Issuer

UniCredito Italiano Bank (Ireland) p.l.c.

The issuer was incorporated in Ireland on 7th November 1995 under the Irish Companies Act, 1963 (as amended, the ‘‘Irish Companies Act’’). The Issuer changed its name from Credito Italiano (Ireland) Limited to Credito Italiano Bank (Ireland) Limited on 19th December 1997 and received a banking licence from the Central Bank of Ireland (now the Central Bank and Financial Services Authority of Ireland) on 24th December 1997 pursuant to section 9 of the Irish Central Bank Act, 1971 (as amended). Re-registration as a public limited company was completed on 2nd April 1998. The Issuer changed its name to UniCredito Bank (Ireland) p.l.c. on 1st November 1999.

The Issuer is registered with the Registrar of Companies in Dublin under registration number 240551 and has its registered office at La Touche House, International Financial Services Centre, Dublin 1.

The Issuer is a wholly-owned subsidiary of UniCredito Italiano S.p.A.

The Issuer currently has one subsidiary, UniCredit Ireland Financial Services p.l.c., whose registered office is at 2 Harbourmaster Place, Custom House Dock, Dublin 1, and is engaged in financial services.

Business Description

The Issuer is engaged in the business of banking and provision of financial services. Its main business areas include credit and structured finance (loans, bonds, securitisation and other forms of asset financing), treasury activities (money market, repurchase agreements or ‘‘repos’’, Euro OverNight Index Average (EONIA) and other interest rate swaps, foreign exchange and futures) and the issue of certificates of deposit and structured notes.

Financial Information

The following presentation of summary financial information should be read in conjunction with, and is qualified in its entirety by the more detailed financial information and accompanying notes which form of an integral part thereof as set forth in the Issuer’s annual report. Copies of the Issuer’s annual report are available from the Issuer by contacting the Head of Treasury at La Touche House, International Financial Services Centre, Dublin 1. Telephone: + 353-1-670 2000.

The 2004 annual report as at 31 December 2004 was audited by KPMG and prepared in accordance with the Irish Companies Acts 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. Generally accepted accounting principles in Ireland (‘‘Irish GAAP’’) differ in certain significant ways from generally accepted amounting principles in the United States (‘‘US GAAP’’).

Directors

The following table sets forth the name, age, position and date of appointment of the current members of the Board of Directors of the issuer:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Year First Appointed</u>
Brian J. Hillery	69	Chairman	1997
Luigi Parrilla	56	Deputy Chairman	2001
Stefano Vaiani	52	Managing Director	2004
Sebastiano Bazzoni	66	Director	2000
Patrizio Braccioni	46	Director	2002
Elaine Hanly	41	Director	1997
Giorgio Lombardi	70	Director	1999
David McCabe	66	Director	1997
Michael J. Meagher	63	Director	1997
Secondino Natale	52	Director	1999

The business address for each of the foregoing directors is UniCredito Italiano Bank (Ireland) p.l.c., La Touche House, International Financial Services Centre, Dublin 1, Ireland.

Capital

As at 31st December 2004, the authorised share capital of the Issuer amounted to €106,989,259, comprising €19,115,021 divided into 19,115,021 ordinary shares of €1 each and €87,874,238 divided into 119,693,499 ordinary shares of US\$1 each. All of the authorised share capital has been issued and fully paid. As at 31st December 2004, the Issuer had received capital contributions amounting to €753,418,666.

 **UniCredito Italiano**
UniCredito Italiano Bank (Ireland) p.l.c.

Group Balance Sheet
31 December 2004

	2004 Euro	2003 Euro
Assets		
Cash at Central banks	125,166,625	25,093,833
Loans and advances to banks	4,561,612,630	4,525,135,995
Loans and advances to customers	393,931,244	274,149,792
Debt securities	10,889,697,272	6,251,394,082
Tangible fixed assets	1,767,092	1,979,557
Pre-payments and accrued income	123,130,614	122,151,348
Total assets	16,095,305,477	11,199,904,607
Liabilities		
Deposits by banks	6,176,416,728	8,455,334,095
Customer accounts	131,892,948	116,787,393
Debt securities in issue	8,678,138,266	1,818,143,348
Other liabilities	130,892,753	82,735,336
Deferred taxation	770,000	540,000
Accruals and deferred income	46,974,409	39,984,664
Proposed dividend	57,000,000	51,000,000
	15,222,085,104	10,564,524,836
Called up share capital	106,989,259	113,884,221
Other reserves	753,418,666	510,418,666
Profit and loss account	12,812,448	11,076,884
Equity shareholders' funds	873,220,373	635,379,771
Total liabilities	16,095,305,477	11,199,904,607
MEMORANDUM ITEMS		
Contingent liabilities	11,797,200	-
Commitments	2,640,500,987	464,509,440

 **UniCredito Italiano**
UniCredito Italiano Bank (Ireland) p.l.c.

Group Profit and Loss Account
Year ended 31 December 2004

	2004	2003
	Euro	Euro
Interest receivable		
Interest receivable and similar income arising from debt securities	199,141,432	113,528,253
Other interest receivable and similar income	174,055,834	81,934,255
Interest payable and similar charges	(306,527,659)	(142,801,388)
Net interest income	<u>66,669,607</u>	<u>52,661,120</u>
Other income		
Fees and commissions receivable	778,873	1,815,430
Fees and commissions payable	(1,707,354)	(1,179,832)
Dealing profits/(losses)	99,392	1,833,348
Other operating income	5,274,149	8,128,550
Operating Income	<u>71,114,667</u>	<u>63,258,616</u>
Operating expenses		
Administrative expenses	(4,646,770)	(3,772,746)
Depreciation	(528,151)	(407,178)
Provision for bad and doubtful debts	(500,000)	-
Profit on ordinary activities before taxation	<u>65,439,746</u>	<u>59,078,692</u>
Taxation	(6,704,182)	(6,340,000)
Profit on ordinary activities after taxation	<u>58,735,564</u>	<u>52,738,692</u>
Proposed dividend	(57,000,000)	(51,000,000)
Retained profit	<u><u>1,735,564</u></u>	<u><u>1,738,692</u></u>
Group Statement of total recognised gains and losses		
Profit on ordinary activities after taxation	58,735,564	52,738,692
Exchange adjustment	(6,894,962)	(19,365,919)
Total recognised gains and losses for the financial year	<u><u>51,840,602</u></u>	<u><u>33,372,773</u></u>

3. **Details of the Guarantor**

UniCredito Italiano S.p.A.

The Guarantor is a bank incorporated as a company limited by shares (*Società per Azioni* or S.p.A.) under the laws of Italy and its principal centre of business is at Piazza Cordusio, 20121 Milan. It is the parent holding company of the UniCredito Group (the "**Group**"), a full-service financial services group engaged in a wide range of banking, financial and related activities throughout Italy and certain Central and Eastern European countries.

As of 31st March, 2005, the Group was the largest banking group based in Italy in terms of market capitalization (approximately €28.7 billion) and had 68,300 employees (of which 38,748 were based in Italy). In terms of total assets, as of 31st March 2005, the Group was the second largest banking group in Italy and controlled the largest commercial banks in Croatia, Bosnia-Herzegovina and Bulgaria, the second largest commercial bank in Poland and had significant operations in Slovakia, the Czech Republic, Romania and Turkey. The Group's total revenues increased from €6,299 million in 1998 to €10,375 million in 2004, and its earnings per share increased from €0.19 in 1998 to €0.34 in 2004. The Guarantor is listed in the Register of Italian Banking Institutions and the Group is listed in the Register of Italian Banking Groups.

The registered office of the Guarantor is at Via Dante, 1, 16121 Genoa, Italy.

History

The Group is the product of the merger of the national banking group Credito Italiano and the regional banking group Unicredito in October 1998. As a result of this merger, these two prominent Italian banking groups were able to combine their product strengths and their complementary geographic markets to compete more effectively in the Italian and European banking and financial services markets.

Credito Italiano, founded in 1870 under the name Banca di Genova, grew to become one of Italy's largest banking institutions with a strong geographical presence in Italy as well as branches abroad. In 1993, the Italian Republic sold its indirect controlling stake in Credito Italiano, making it the first Italian bank to be privatised. In February 1995, Credito Italiano acquired a majority interest in Credito Romagnolo, which later merged with Carimonte Banca, a leading savings bank, to form Rolo Banca 1473 on 1st January, 1996.

The regional banking group Unicredito was formed in 1997 by a three-way merger among Banca Cassa di Risparmio di Torino S.p.A., Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A. (respectively the second and the third largest Italian savings banks at the time) and Cassamarca – Cassa di Risparmio della Marca Trivigiana S.p.A..

Group Organisation

As the parent company of the Group, the Guarantor, pursuant to the provisions of Clause 61 of Legislative Decree no. 385 dated 1st September, 1993, issues, in undertaking its direction and coordination activities, instructions to other members of the Group regarding the fulfilment of requirements set forth by the Bank of Italy in the interest of the Group's stability. As such, the Guarantor engages in the following primary strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each division and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resource management, risk management, accounting and auditing;
- managing relations with financial intermediaries, the general public and investors; and

- managing selected operating activities directly or through specialized subsidiaries in order to achieve economies of scale. These activities include asset and liability management, funding and treasury activities and the Group's foreign branches. The Group operates certain centralized functions such as back office administration and information technology through UniCredit Servizi Informativi S.p.A. and UniCredit Produzioni Accentrate S.p.A..

In January 2003, the Italian Government approved a reform of corporate law (the "**Reform**"), governing limited liability companies, joint-stock companies and co-operatives. According to certain provisions of the Reform, a company which exercises activities of "direction and coordination" of another company be held liable *vis-à-vis* the minority shareholders and/or the creditors of the managed company if such "direction and coordination" is conducted improperly. In particular, according to article 2497-*bis* of the Italian Civil Code, the relevant company must indicate that it is subject to the management and coordination of a third party in its acts/documents and in its correspondence. According to article 2497-*sexies* of the Italian Civil Code it is assumed that, unless contrary evidence is given, "direction and coordination" is exercised by the company or the entity that (i) is required to consolidate the company, or (ii) controls the company pursuant to article 2359 of the Italian Civil Code.

Business Description

The activities of the Group include deposit-taking, lending, asset management, securities brokerage services and trading, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*). The Group has approximately 4,455 branches (3,132 in Italy), various licensed banks held either directly as subsidiaries or through joint ventures in a number of countries and a network of 2,324 licensed financial consultants (*promotori finanziari*) operating in Italy, as well as internet and telephone banking capabilities.

In the years following its formation, the Group continued to expand in Italy and launched its operations in certain Central and Eastern European countries through both acquisitions and organic growth.

The Group's investment bank, UniCredit Banca Mobiliare S.p.A. ("**UBM**"), was conceived in 1997 and established as a division of Credito Italiano in 1998. In 2000, UBM was spun off as an independent bank and since then has started to operate separately from the Guarantor. UBM's most important business remain sales and trading of fixed income, equity and derivative financial products, with the sale of derivative products to corporate customers and government agencies and municipalities being the single most important driver of the financial performance of the Group investment bank.

In this regard, in 2003, the Group decided to integrate its investment banking operations by merging TradingLab Banca S.p.A. ("**TradingLab**"), formerly part of the Group's Retail Banking Division, into UBM. The purpose of the transaction, which was completed on 1st July, 2004, was to achieve better internal coordination and standardization and improved competitiveness and efficiency at Group level of the provision of risk management services to clients and other Group entities.

TradingLab specializes in the creation and supply to the distribution network of the Group of financial instruments and investment services for personal finance and supplies and is one of the leading players in the European exchange-traded covered warrant market. Starting in 2003, in response to growing demand from distributors and investors, through TradingLab the Group increased its focus on low-risk products such as unit-linked and inflation-indexed products assisted by capital protection mechanisms, such as the Constant Proportion Portfolio Insurance product.

Directors

The Board of Directors of the Guarantor is responsible for the ordinary and extraordinary management of the Guarantor and the Group.

Following the resolution of the extraordinary shareholders' meeting of 29th July, 2005 to amend the Articles of Association and to increase the maximum number of directors from 20 to 24, the Board of Directors may consist of no fewer than 9 and no more than 24 directors.

The current Board of Directors is composed of the following individuals:

Carlo Salvatori	Chairman/Member of Executive Committee
Alessandro Profumo	Managing Director/Member of Executive Committee/Chief General Manager/Chief Executive Officer
Gianfranco Gutty	Deputy Chairman/Member of Executive

	Committee
Franco Bellei	Deputy Chairman/Member of Executive Committee
Fabrizio Palenzona	Deputy Chairman/Member of Executive Committee
Roberto Bertazzoni	Director/Member of Executive Committee
Vincenzo Calandra Buonauro	Director
Mario Cattaneo	Director
Philippe Citerne	Director
Ambrogio Dalla Rovere	Director
Giovanni Desiderio	Director
Giancarlo Garino	Director
Francesco Giacomini	Director/Member of Executive Committee
Piero Gnudi	Director
Luigi Maramotti	Director
Gianfranco Negri-Clementi	Director
Carlo Pesenti	Director/Member of Executive Committee
Giovanni Vaccarino	Director
Paolo Vagnone	Director/Member of Executive Committee
Anthony Wyand	Director

Capital

As at 1st July, 2005, the Guarantor's issued and paid-up capital totalled €3,177,540,014.00 and was made up of 6,355,080,028 shares of €0.50 each, being 6,333,373,476 ordinary shares and 21,706,552 savings shares.

On July 29 2005 the shareholders' meeting of the Guarantor authorized an increase of the share capital of the Guarantor of up to €2,343,642,931.00 by means of issuance of 4,687,285,862 new ordinary shares against contributions in kind in the form of shares of HypoVereinsbank (“HVB”), Bank Austria Creditanstalt and Bank BPH.

As at 31st December, 2004, the Shareholders' Register showed the following:

- There were approximately 243,000 shareholders;
- Resident shareholders held approximately 62% of capital and foreign shareholders the remaining 38%;
- 87% of ordinary capital stock was held by legal entities and the remaining 13% by individuals.

Recent Events

On 12 June, 2005, the Guarantor and HypoVereinsbank A.G. (“HVB”) resolved to enter into a business combination agreement (“BCA”) setting out the terms of the aggregation of HVB and the Group (the “Transaction”). The Transaction will consist of three voluntary share-for-share offers by the Guarantor for the shares of HVB, Bank Austria and Bank BPH (respectively, the HVB Offer, the Bank Austria Offer, and the BPH Offer, and together, the “Tender Offers”), which will have to be approved by the competent local authorities. The Bank Austria Offer and the BPH Offer will also comprise a cash alternative. The HVB Offer started on 26th August, 2005 and the Bank Austria Offer started on 29th August, 2005. Completion of the tender offers will be subject to regulatory approvals (banking supervisory and merger control clearances).

HVB group is the second largest quoted bank in Germany and, with Bank Austria Creditanstalt, is the market leader in Austria. HVB group is the largest banking group in the heart of Europe with over 60,000 employees, 2,062 branch offices and more than 9.8 million customers. HVB group is engaged in European retail and mid-cap customer business and customer-oriented capital market activities.

The HVB Offer will be based on an exchange ratio of 5 new UniCredito ordinary shares for each HVB share. The aggregate consideration of the HVB Offer, based on the Guarantor closing price on 10 June, 2005, will be €15.4 billion for 100 percent of HVB's share capital.

The Bank Austria Offer will be based on an exchange ratio of 19.92 new ordinary shares of the Guarantor for each Bank Austria share.

The BPH Offer will be based on an exchange ratio of 33.13 new ordinary shares of the Guarantor for each Bank BPH share.

HVB has agreed not to tender its 77.5 percent stake in Bank Austria in the Bank Austria offer and will use its best efforts to ensure that Bank Austria does not tender its 71.2% stake in Bank BPH in the BPH offer.

The exchange ratios would result in the issuance of up to a maximum of 4,685,272,585 new ordinary shares of the Guarantor for an aggregate value, based on the Guarantor closing price of 10 June 2005,

of €19.2 billion, €2.3 billion of nominal value and €6.9 billion of share premium, subject to the relevant corporate approvals, assuming 100 percent acceptance of the outstanding shares not currently owned by HVB in Bank Austria and by Bank Austria in Bank BPH respectively of the Tender Offers in shares. The newly issued ordinary shares of the Guarantor will be entitled to a full 2005 dividend, payable in 2006.

Shareholders of Bank Austria and shareholders of BPH will also be offered a cash alternative, in compliance with local regulations. Shareholders of Bank Austria will be offered €9.60 per Bank Austria share (subject to review and approval of the Austrian Takeover Commission) as an alternative to the share-for-share Bank Austria offer and shareholders of Bank BPH will be offered PLN 497.67 (€23.58) per Bank BPH share as an alternative to the share-for-share BPH offer.

Completion of the Tender Offers will be subject to regulatory approvals (banking supervisory and merger control clearances). The HVB Offer will be subject to a minimum acceptance level of 65 percent. and the Bank Austria and BPH Offers will not be consummated prior to the successful completion of the HVB Offer.

The BCA has a term of five years and amendments to the main points of the BCA require the consent of 19 out of 24 members of the Board of Directors.

The Transaction will create a new European banking entity with customer base in excess of 28 million, over 7,000 banking branches in 19 countries and total assets of €733 billion, a leading position in multiple neighbouring home markets (Italy, Germany and Austria) with a strong presence in Bavaria, Austria and Northern Italy, which are among the wealthiest regions in Europe, and an undisputed leadership in the European Economic Community by total assets and number of branches.

Following the announcement of the Transaction, Fitch Ratings placed the Guarantor's Long-, Short-term and Individual ratings of 'AA-', 'F1+' and 'B' respectively on Rating Watch Negative and removed the Positive Outlook assigned to the Long-term rating, and Moody's Investors Service placed on review for possible downgrade the Aa2 long-term senior debt and deposit ratings of the Guarantor and the B+ financial strength rating, commenting that a downgrade of the Guarantor's ratings by more than one notch could be possible.

On 31 May, 2005, following the Guarantor's and HVB's press release confirming that the two banking groups were in discussions regarding a potential business aggregation, Standard & Poor's Ratings Services placed its "AA-" long-term and "A-1+" short-term counterparty credit ratings on the Guarantor on creditwatch with negative implications.

Legal Proceedings

The Group is subject to certain claims and is a party to a large number of legal proceedings relating to the normal course of its business. Although it is difficult to determine the outcome of such claims and proceedings with certainty, the Bank believes that liabilities related to such claims and proceedings are unlikely to have, individually or in the aggregate, a material adverse effect on the Group's financial condition, results of operations or cash flow.

Corporate defaults of the Cirio and Parmalat groups; Argentine bonds

Cirio and Parmalat, two large Italian groups engaged in the food industry, defaulted on their corporate bonds in November 2002 and December 2003, respectively. At the time of their default, these two companies had an aggregate of €1,125 million and €7,200 million in bonds outstanding, respectively. As a result of these defaults, both companies are currently subject to temporary receivership (*amministrazione straordinaria*), a special procedure provided by Italian law applicable to large insolvent corporations.

Cirio.

The Group participated, including through UniCredit Banca Mobiliare S.p.A. ("UBM"), in the distribution of certain of Cirio's bonds to institutional investors. At the time of these placements, the Group had virtually no loans outstanding to Cirio or its affiliates, including members of the Cirio group. Certain Group banks sold Cirio bonds to their customers. The Guarantor believes that such bonds were sold in substantial compliance with applicable laws and regulations and at the express request of its clients. However, in light of the fact that the Cirio bonds did not have any credit rating, it is possible that some Group customers were not fully aware of the risky nature of the investment, even in the context of their overall securities portfolio. Accordingly, as widely reported, in December 2003 the Group set up an independent commission, formed of professionals not related to the Group, to perform a case-by-case review of the positions of non-corporate customers who purchased (and held at each of the date of the Cirio default and at the date the commission was established) Cirio bonds from the Group banks and who requested that their investment transactions be reviewed by the commission. All unsophisticated Cirio retail investors who purchased Cirio bonds through Group banks received a letter in which they were informed of the possibility of submitting their case to the commission. The

commission's job was to assess the degree of awareness of Group customers who purchased Cirio bonds and, if appropriate, to make a proposal for compensation. Customers were free to refuse the proposal (and were free not to participate in the process at all) and seek compensation otherwise. On October 20, 2004, the Group announced that the commission had completed its review, which resulted in proposals for compensation to 1,506 Group customers, or approximately 50 percent of the customers who had applied for review. Of these customers, 40 will receive full compensation of the amount of principal they had originally invested. Approximately 88 percent of the customers to whom a proposal for compensation was made have accepted the offered indemnity, and the Guarantor is in the process of signing the relevant agreements with them. All customers will retain ownership of their bonds and therefore be entitled to any distribution that may be made by the receiver in bankruptcy of Cirio. Total proposed compensation amounts to approximately €16.9 million, or 41 percent of the aggregate principal amount of Cirio bonds owned by Group customers. The Guarantor believes that its €9 million provision, which was based on an estimate of possible compensation claims by all Group customers, including those who "opted out" of the commission process, is sufficient to cover the proposed compensation and other losses arising from the Cirio default.

Following an investigation by CONSOB, the Ministry of Economy and Finance (*Ministero dell' Economia e delle Finanze*) in February 2005 issued certain fines to the directors, statutory auditors and certain executives and other employees of certain of the Group's banks in connection with alleged regulatory violations by such directors and employees with respect to transactions in Cirio bonds. The charges include providing insufficient disclosure to customers and conflicts of interest, as well as non-fully adequate client profiling procedures. The Ministry of Economy and Finance maintained that both the Guarantor and UBM should be jointly liable for the payment of such fines. Management believes that the amount of these fines is not material to the business of the Group. The Ministry of Economy and Finance also maintained that the customer profiling procedures the relevant Group banks had in place at the time of the alleged irregularities, which were substantially similar to those of the Group's main Italian competitors, were partially deficient and allowed the sale to unsophisticated retail investors of securities with an inappropriate risk profile. The Guarantor has appealed against these fines in court, responding to all charges underlying the fines. Since the investigation, the Group has improved the procedures relating to its investment services activities to reflect CONSOB's observations in its investigation report, and have communicated to CONSOB its new policies in that regard.

Parmalat.

Over time, the Group extended lines of credit to Parmalat and, including through UBM, participated in the distribution to institutional investors of certain bonds issued by the Parmalat group's companies. Following the initial sale to institutional investors, these bonds were sold by certain Group banks to their customers. Over the course of the past few months, certain holders of Parmalat bonds have made claims for reimbursement of the bonds alleging that they had not been properly informed of the risky nature of their investment. However, also in light of the fact that Parmalat's bonds had received a credit rating and that, in connection with the default, criminal proceedings have been initiated against former Parmalat executives, the Group decided not to review the position of Parmalat bondholders as it did in connection with Cirio. The Group has assisted customers holding Parmalat bonds to be included in the resulting court proceedings.

As of the initiation of Parmalat's insolvency proceedings in December 2003, the Group's exposure to Parmalat amounted to approximately €189 million, of which €159 million was non-performing, written off for €128 million (approximately 85 percent.) and of which €30 million was classified as doubtful loans with a provision for €19 million (approximately 62 percent). Hence, the average of write-down results amount to approximately 81 percent. In connection with the insolvency of Parmalat, the Group has made claims for payment of credits under its existing facilities. The Guarantor cannot make any prediction as to the amount that it will be able to recover under these claims, or that no further claims will be brought against the Group. In addition, Parmalat's temporary receiver notified the Group that he had commenced proceedings against the Group, together with over 40 other Italian and foreign banks, in relation to alleged voidable preferences with respect to repayments received by the Group from Parmalat prior to its default.

Parmalat is subject to Law no. 39 of February 18, 2004 which provides for, *inter alia*, that a company which is subject to extraordinary administration (*Amministrazione straordinaria*) may satisfy its creditors through a settlement (*concordato*). Therefore, Parmalat, benefiting under such law, has proposed to its unsecured creditors to convert its credit in Parmalat shares. As a result, on May 27, 2005, Parmalat published an offering circular for common stock and warrants of Parmalat S.p.A. The settlement proposed by Parmalat may be approved by the favourable vote of the majority of creditors admitted to vote. The voting procedure opened on June 28, 2005 and will close on August 26, 2005.

At the beginning of August, during the running term for joining the settlement, certain companies of the Parmalat Group which are in special administration have filed a payment claim in the aggregate amount of approximately €4.4 billion against the Guarantor, UniCredit Banca d'Impresa S.p.A., UBM

and two other banking intermediaries as joint debtors for the recovery of damages caused by the participation, together with other banking intermediaries, as co-lead manager (*partecipazione in qualità di co-lead manager*) in the issuance of bonds from 1996 to 2001 and having entertained numerous banking relationships through accounts with companies of the insolvent group (*una fitta rete di rapporti bancari in conto corrente con le società del gruppo insolvente*).

The plaintiffs allege that in acting as lead manager or co-lead manager (and, to a lesser degree, by extending credit through pool and overdraft lending) the companies, against which the claim was filed, provided funds to the Parmalat Group, which at that point in time (in 1996) was "already in a state of obvious financial distress (at least evident for professionals), and the same companies thus artificially kept the insolvent group and the companies which, as of today, are in insolvency procedures, in trading for more than five years, thereby delaying the declaration of insolvency and aggravating the situation of financial distress".

In particular, the aggregate amount of the joint payment requested in connection with the issuance of bonds on the basis of offering circulars amounts to €4,285 million broken down as follows: €2,636 million for bonds jointly arranged by the defendants, €128 million arranged only by UniCredit and €1,521 million arranged by other intermediaries not belonging to the Group. Thus, the maximum amount to be borne by UniCredit would amount to €1,446 million.

The plaintiffs allege that the companies against which the claim was filed are responsible under Articles 2043 and 2055 of the Italian Civil Code for not having operated with the maximum degree of accuracy, diligence and expertise when verifying the pre-conditions for each bond issue (first and foremost the solvency of the issuer and the guarantor). In addition, the plaintiffs allege, the companies against which the filing was made have colluded with the plaintiffs' former directors, auditors and officers in the aggravation of the financial distress of the Parmalat Group.

The plaintiffs seek, among other relief, the payment of €15 million "owed to Parmalat by UniCredito under the overdraft line granted by UniCredit". This amount represents the balance of the current account of the companies of the Parmalat group in December 2003. The Guarantor underlines that this amount was not repaid by Parmalat. As evidence the plaintiffs cite in particular numerous sections of the interrogations of some executives in the criminal proceedings, however none of which relate to companies of the Group (which are also not mentioned in the files transcribed in the claim filed).

The Guarantor highlights that the aggregate amount of the alleged claim is higher than the nominal value of the bond issues in which the Group participated and that the alleged claim is, in any case, without merit. Due to these circumstances, the Group will be forced to take all possible steps, before any and all competent authorities, including (without limitation) to defend its image and to recover damages, if any.

Other than provisions required for the related expenses, the Group does not intend to create any provisions with respect to the alleged claims. The first hearing is expected to be held on 22nd May, 2006.

Argentine Bonds.

In August 2004, CONSOB notified the Group that the former directors, statutory auditors and certain executives and other employees of Credito Italiano (the predecessor entity of the Guarantor) had been charged with regulatory violations with respect to transactions in Argentine government and corporate bonds. The alleged violations and possible sanctions are substantially similar to those underlying the sanctions issued in connection with the sale of Cirio bonds. The Guarantor has knowledge that certain of such directors have been notified of sanctions, for which UBM would be jointly liable, and in respect of which the Guarantor expects to be notified shortly. As of the date hereof, the Guarantor is unable to quantify the amount of any potential fines; however, management believes that the amount of these fines would not be material to the Group's business. As part of its investigation, CONSOB made observations relating to customer profiling procedures that are substantially similar to those raised by the Ministry of Economy and Finance in connection with Cirio. The Guarantor submitted defense statements and is continuing to improve its procedures relating to its investment services activities.

Incompatibility of the Ciampi Law with the principles of the European Community

With its Decision 2002/581/CE dated December 11, 2001, the European Commission declared the tax benefit provided by Legislative Decree No. 153 of 17th May, 1999 (the "**Ciampi Law**") in mergers of banks or banking groups to be an illicit state aid and therefore incompatible with European Community law, and ordered the Italian government to suspend the benefit and to recover from all banks that had taken advantage of the tax benefit the full amount of such benefit. In compliance with the decision of the European Commission, the Italian government, with Law Decree No. 282 of December 24, 2002 (the "**Law Decree**"), ordered the repayment of all such tax benefits before December 31, 2002. In compliance with the Law Decree, the Group paid an aggregate of approximately €245 million, representing the total amount of tax benefits realized by it under the Ciampi Law.

On 4th February, 2003, the Guarantor applied to the Ministry of Economy and Finance for reimbursement of the amounts it paid pursuant to the Law Decree. The Group subsequently filed suit against the Ministry of Economy and Finance for the same purpose in the competent fiscal tribunal. On 11th February, 2004, the fiscal tribunal referred the dispute to the European Court of Justice. The Court of Justice has not yet issued any rulings in the case and the Guarantor cannot provide any assurance that its suit to recover the funds will be successful in whole or in part.

Current account overdrafts

The Italian banking system is characterized by a relatively large proportion of overdraft financing provided through current accounts. A borrowing is made whenever a customer's drawings exceed the credit balance in the account. An overdraft customer is granted a maximum overdraft limit on the basis of the Group's lending policy, and the customer can draw on the overdraft facility. Debit interest on overdraft facilities is typically charged quarterly and at a floating rate.

With a series of judgments rendered in 1999, the Supreme Court of Italy (*Corte di Cassazione*) declared invalid the Italian banks' practice of capitalizing interest on overdraft facilities on a quarterly basis (as a result of capitalizing interest, the outstanding interest becomes a part of principal and thereafter interest is charged on the basis of the new principal amount).

After those judgments and the enactment of Legislative Decree No. 342 of 1999, Italian banks adopted a new practice, whereby interest on current account debit balances can be capitalized, either on a quarterly basis or with a different periodicity, provided that interest on current account credit balances is also capitalized on the same basis. Notwithstanding these changes, the legal position with respect to capitalization of interest on current accounts opened prior to 22nd April, 2000 (the date on which the new practice was first permissible under Legislative Decree 342/1999) remains uncertain (also in light of the fact that many local courts still do not follow the approach of the Supreme Court of Italy on this matter). With respect to proceedings pending on this matter, in which specific quantified claims for damages have been made, the Guarantor believes that its risks are sufficiently covered by specific provisions made by the Group of €10.5 million as of 31st March, 2005. With respect to those proceedings in which damages have not been quantified, the Group does not make specific provisions.

Financial Information

The following presentation of summary consolidated financial information should be read in conjunction with, and is qualified in its entirety by the more detailed financial information and accompanying notes as set forth in the Group's most recent annual report.

The consolidated financial statements as at 31st December, 2004, as set out in the 2004 Annual Report, were audited by KPMG S.p.A. and prepared in accordance with the auditing standards and criteria recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange.



UniCredito Italiano
UniCredito Italiano S.p.A.

Balance Sheet
31 December 2004

	2004 Euro (million)	2003 Euro (million)
Assets		
Cash and deposits with central banks and post offices	2,083	1,952
Due from:		
Customers	140,438	126,709
Banks	36,521	32,783
Trading securities	19,917	18,256
Fixed assets:		
Investment securities	9,999	11,271
Equity investments	3,536	3,505
Intangible and tangible fixed assets	4,082	4,406
Positive consolidation differences and net equity differences	1,062	1,232
Other asset items	47,859	38,142
Total assets	265,855	238,256
Liabilities and shareholders' equity		
Deposits:		
Due to customers	103,817	97,976
Securities in issue	53,106	37,298
Due to banks	37,702	44,252
Specific reserves	4,476	4,830
Other liabilities	44,994	33,591
Reserve fund for possible loan losses	-	69
Subordinated debt	6,541	6,190
Negative consolidation differences and net equity differences	54	64
Minority portion of shareholders' equity	1,129	973
Shareholders' equity:		
Capital, reserves and fund for general banking risks	11,905	11,052
Net profit for the period	2,131	1,961
Total liabilities and shareholders' equity	265,855	238,256

Profit and Loss Account

Year ended 31 December 2004

	2004	2003
	Euro (million)	Euro (million)
Net interest	4,920	4,744
Dividends and other income from equity investments	280	241
Net interest income	5,200	4,985
Net commissions	3,289	3,307
Trading profit	993	1,287
Other net operating income	893	869
Net non-interest income	5,175	5,463
TOTAL REVENUES	10,375	10,448
Payroll costs	-3,388	-3,280
Other administrative expenses	-2,081	-1,972
Writedowns of intangible and tangible fixed assets	-472	-490
Operating expenses	-5,941	-5,742
OPERATING PROFIT	4,434	4,706
Amortisation of goodwill	-276	-264
Provisions for risks and charges	-273	-230
Net writedowns of loans and provisions for guarantees and commitments	-891	-957
Provisions for possible loan losses	-	-44
Net writedowns of financial investments	-6	-10
Total writedowns and provisions	-1,446	-1,505
PROFIT BEFORE EXTRAORDINARY ITEMS AND INCOME TAXES	2,988	3,201
Extraordinary income (charge) – net	218	215
Charge in fund for general banking risks	130	4
Income tax for the period	-1,036	-1,335
NET PROFIT FOR THE YEAR	2,300	2,085
Minorities	-169	-124
GROUP PORTION OF NET PROFIT FOR THE YEAR¹	2,131	1,961

Note:

The consolidated annual financial statements as at 31st December, 2003 are restated. The restated income statement takes into account the most significant changes in the scope of consolidation.

4. **Form of the Notes**

FRONT OF INTEREST-BEARING CD



NEGOTIABLE [AMOUNT] [CCY] CERTIFICATE OF DEPOSIT

UniCredito Italiano Bank (Ireland) p.l.c.

La Touche House • IFSC • Dublin 1

Guaranteed by

UniCredito Italiano S.p.A.

Series Serial Number [CCY] [AMOUNT]
AA 0000000
Interest Commencement Date:..... Maturity Date.....Fixed
Interest at Maturity: [CCY]..... LONDON

UNICREDITO ITALIANO BANK (IRELAND) p.l.c. certifies that the sum of [AMOUNT] [CURRENCY] has been deposited upon terms that it is payable to bearer on surrender of this certificate on the fixed, with interest at the rate of per cent. per annum, calculated on a [360/365] day year basis, from the Interest Commencement Date to the Maturity Date only, payable on the Maturity Date if one year or less from the Interest Commencement Date and otherwise on the Interest Payment Dates shown on the reverse of this certificate by transfer to a [CURRENCY] account specified by the bearer.

This certificate must be presented for payment, through an Authorised Institution, at the offices of the Paying Agent, JPMorgan Chase Bank, N.A., Lower Ground Floor, 27 Leadenhall Street, London EC3A 1AA on the [London Business Day preceding the] due date for payment.

This certificate has the benefit of a Guarantee issued by UniCredito Italiano S.p.A. on 25th September, 2003, a copy of which is available for inspection during normal business hours at the offices of the Paying Agent referred to above.

All rights and obligations herein shall be determined by the laws of England.

This certificate is not valid unless authenticated by two signatories of JPMorgan Chase Bank, N.A..

For and on behalf of
UNICREDITO ITALIANO BANK
(IRELAND) p.l.c.

Authenticated (without recourse) by
JPMORGAN CHASE BANK, N.A.

Authorised Signatures

Authorised Signatures

REVERSE OF INTEREST-BEARING CD

INTEREST PAYMENTS

Date	Amount	Payments made on	Initials
1st Year			
2nd Year			
3rd Year			
4th Year			
5th Year			

FRONT OF FLOATING RATE CD



NEGOTIABLE [AMOUNT] [CCY]
FLOATING RATE CERTIFICATE OF DEPOSIT

UniCredito Italiano Bank (Ireland) p.l.c.

La Touche House • IFSC • Dublin 1

Guaranteed by

UniCredito Italiano S.p.A.

Series Serial Number [CCY] [AMOUNT]
AA 0000000

Margin: per cent above/below* [*specify index*] Maturity DateFixed

Interest Period:months LONDON

UNICREDITO ITALIANO BANK (IRELAND) p.l.c. certifies that the sum of [AMOUNT] [CURRENCY] has been deposited upon terms that interest is payable to bearer on the relevant Interest Payment Date on presentation of this certificate, and that principal and interest is payable to bearer on the Maturity Date specified above on surrender of this certificate, by transfer to a [CURRENCY] account specified by the bearer.

This certificate must be presented for payment, through an Authorised Institution, at the offices of the Paying Agent, JPMorgan Chase Bank, N.A., Lower Ground Floor, 27 Leadenhall Street, London EC3A 1AA on the [London Business Day preceding the] due date for payment.

Interest will be calculated as provided on the reverse of this certificate and will be paid by instalments in arrears on the Interest Payment Dates and by reference to the Interest Periods referred to on the reverse of this certificate.

This certificate has the benefit of a Guarantee issued by UniCredito Italiano S.p.A. on 25th September, 2003, a copy of which is available for inspection during normal business hours at the offices of the Paying Agent referred to above.

All rights and obligations herein shall be determined by the laws of England.

This certificate is not valid unless authenticated by two signatories of JPMorgan Chase Bank, N.A..

For and on behalf of
UNICREDITO ITALIANO BANK
(IRELAND) p.l.c.

Authenticated (without recourse) by
JPMORGAN CHASE BANK, N.A.

Authorised Signatures

Authorised Signatures

* *Delete as appropriate*

REVERSE OF FLOATING RATE CD

The Deposit represented by this certificate (the "Deposit") bears interest from the date of issue of this certificate, payable on each date (each an "Interest Payment Date") which falls the number of calendar months specified as the Interest Period on the face of this certificate after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the date of issue of this certificate and which, in the case of the last Interest Payment Date, shall be the Maturity Date specified on the face of this certificate. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it will be postponed to the next Business Day, unless it would thereby fall into the next calendar month, in which case (i) it will be brought forward to the preceding Business Day and (ii) each successive Interest Payment Date thereafter will be the last Business Day of the month which falls the specified number of months after the immediately preceding Interest Payment Date. If there is no numerically corresponding day in the calendar month in which an Interest Payment Date would otherwise fall, then the relevant Interest Payment Date will be the last day which is a Business Day in that month, and the provisions of (ii) in the immediately preceding sentence will apply. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "Interest Period". The rate of interest applicable to the Deposit for each Interest Period will be the aggregate of [*specify index*] and the Margin (if any) above or below [*specify index*], and the amount of interest payable on each Interest Payment Date will be calculated by reference to the actual number of days in the relevant Interest Period on a [360/365] day year basis. For the purposes, [*specify index*] shall mean [*to be inserted*]; "Business Day" shall mean a day other than a Saturday or Sunday on which commercial banks are open in [*Relevant Financial Centre*].

INTEREST PAYMENTS					
Period From	To	Date of Payment	Interest Rate per annum	Amount of Interest	Initials

FRONT OF DISCOUNTED CD



DISCOUNTED NEGOTIABLE [AMOUNT]
[CCY] CERTIFICATE OF DEPOSIT

UniCredito Italiano Bank (Ireland) p.l.c.

La Touche House • IFSC • Dublin 1

Guaranteed by

UniCredito Italiano S.p.A.

Series Serial Number

AA 0000000

[CCY] [AMOUNT]

Maturity Date.....Fixed

LONDON

UNICREDITO ITALIANO BANK (IRELAND) p.l.c. certifies that a sum has been deposited which will on the Maturity Date equal the sum of [AMOUNT] [CURRENCY] upon terms that it is payable to bearer on surrender of this certificate to a [CURRENCY] account specified by the bearer.

This certificate must be presented for payment, through an Authorised Institution, at the offices of the Paying Agent, JPMorgan Chase Bank, N.A., Lower Ground Floor, 27 Leadenhall Street, London EC3A 1AA on the [London Business Day preceding the] Maturity Date.

This certificate has the benefit of a Guarantee issued by UniCredito Italiano S.p.A. on 25th September, 2003, a copy of which is available for inspection during normal business hours at the offices of the Paying Agent referred to above.

All rights and obligations herein shall be determined by the laws of England.

This certificate is not valid unless authenticated by two signatories of JPMorgan Chase Bank, N.A..

For and on behalf of
UNICREDITO ITALIANO BANK
(IRELAND) p.l.c.

Authenticated (without recourse) by
JPMORGAN CHASE BANK, N.A.

Authorised Signatures

Authorised Signatures

REVERSE OF DISCOUNTED CD

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FRONT OF EONIA-LINKED CD



**NEGOTIABLE [AMOUNT][EURO] FLOATING RATE
CERTIFICATE OF DEPOSIT**

UniCredito Italiano Bank (Ireland) p.l.c.

La Touche House • IFSC • Dublin 1

Guaranteed by

UniCredito Italiano S.p.A.

Series Serial Number

[CCY] [AMOUNT]

AA 0000000

Margin:per cent above/below* EONIA

Maturity Date.....Fixed

LONDON

UNICREDITO ITALIANO BANK (IRELAND) p.l.c. certifies that the sum of [AMOUNT] Euro has been deposited upon terms that principal and interest are payable to bearer on the Maturity Date specified above on surrender of this certificate by transfer to a Euro account specified by the bearer.

This certificate must be presented for payment, through an Authorised Institution, at the offices of the Paying Agent, JPMorgan Chase Bank, N.A., Lower Ground Floor, 27 Leadenhall Street, London EC3A 1AA, on the due date for payment.

The deposit represented by this certificate bears interest from and including the date of issue of this certificate until but not including the Maturity Date (the "Interest Period"), payable on the Maturity Date. There are no interim interest periods. Interest will be compounded daily and will be calculated using the daily EONIA fixing rate (plus of less any Margin (if any)) as published on Reuters page EONIA at between 18:45 and 19:00 (CET) on each day of the Interest Period.

This certificate has the benefit of a Guarantee issued by UniCredito Italiano S.p.A. on 25th September, 2003, a copy of which is available for inspection during normal business hours at the offices of the Paying Agent referred to above.

All rights and obligations herein shall be determined by the laws of England.

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For and on behalf of
UNICREDITO ITALIANO BANK
(IRELAND) p.l.c.

Authenticated (without recourse) by
JPMORGAN CHASE BANK, N.A.

Authorised Signatures

Authorised Signatures

REVERSE OF EONIA-LINKED CD

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5. Selling Restrictions

5.1 General

Each Dealer has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver CDs; and it will not directly or indirectly offer, sell, resell, re-offer or deliver CDs or distribute the Information Memorandum or any circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

5.2 United States of America

The CDs have not been and will not be registered under the United States of America (US) Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities law of the US, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The CDs are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. The offers and sales hereof may be made only in compliance with an applicable exemption from the registration requirements of the Securities Act and any applicable US State securities laws. By its acceptance of a CD, a purchaser will be deemed to represent that it has been afforded an opportunity to investigate matters relating to the Issuer and the CD, that it is not acquiring such CD with a view to any distribution thereof and that it is a qualified institutional buyer ("QIB") within the meaning of Rule 144A under the Act which is acquiring CDs for its own account or for one or more accounts, each of which is a QIB and with respect to each of which the purchaser has sole investment discretion; and the purchaser acknowledges that it is aware that the seller may rely upon the exemption from the registration provisions of Section 5 of the Act provided by Rule 144A. By its acceptance of a CD, a purchaser thereof also shall be deemed to agree that any resale or other transfer thereof will be made only (a) in a transaction exempt from registration under the Securities Act, either (1) to the issuer or another person designated by the issuer as a placement agent for the CD (collectively, the "Placement Agents"), none of which shall have any obligation to acquire such CD, (2) through a Placement Agent to a QIB or (3) to a QIB in a transaction that meets the requirements of Rule 144A and (b) in minimum amounts of USD equivalent of Stg£300,000.

5.3 The United Kingdom

Each Dealer has represented and agreed that, (i)(a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any CD other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the CDs would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any CD in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and would not apply to the Guarantor if the Guarantor was not an authorised person and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any CD in, from or otherwise involving the United Kingdom.

5.4 Ireland

Each Dealer has represented, warranted and agreed that:

- (a) otherwise than in circumstances which do not constitute an offer to the public, within the meaning of the Irish Companies Acts, 1963 to 2001, it has not offered or re-offered, sold or resold and will not offer, re-offer, sell or resell, by means of any document, or other visible means of reproduction, any CDs, and it has not issued and will not issue any application form in respect of CDs, other than to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent);
- (b) it has not made and will not at any time make any offer of CDs in Ireland to which the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 would apply, except in accordance with the provisions of those regulations;
- (c) it has complied and will comply with all applicable provisions (including any applicable code of conduct) of the Investment Intermediaries Act, 1995 of Ireland (as amended) with respect to anything done by it in relation to the CDs if operating in, or otherwise involving, Ireland; and
- (d) it will not offer, sell or deliver any CDs to any person in an aggregate principal amount of less than €500,000 or US\$500,000 (or its equivalent in other currencies). In addition, such CDs must be cleared through a recognised clearing system such as Euroclear, Depository Trust Company of New York and Clearstream, Luxembourg (or any other clearing system) recognised for this purpose by the Irish Revenue Commissioners.

5.5 Italy

The offering of any CD has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no CDs may be offered, sold or delivered, nor may copies of the Information Memorandum or of any other document relating to the CDs be distributed in Italy, except:

- (i) to professional investors ("*operatori qualificati*"), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24th February, 1998 (the "**Financial Services Act**") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as amended.

Any offer, sale or delivery of CDs or distribution of copies of the Information Memorandum or any other document relating to any CDs in Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1st September, 1993 (the "**Banking Act**"), as amended; and
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in Italy and their characteristics; and
- (c) in accordance with any other applicable laws and regulations.

5.6 **Canada**

The CDs will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or distributed and will not offer, sell or distribute any CDs, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws thereof. Each Dealer has also represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not distribute or deliver the Information Memorandum, or any other offering material in connection with any offering of CDs in Canada, other than in compliance with the applicable securities laws thereof.

6. **General Information**

Copies of this Information Memorandum are available, subject to the terms outlined above at the offices of the Issuing and Paying Agent.

7. **Directory**

ISSUER

UniCredito Italiano Bank (Ireland) p.l.c.

GUARANTOR

UniCredito Italiano S.p.A.

DEALER(S)

UniCredito Italiano Bank (Ireland) p.l.c.

ISSUING AND PAYING AGENT

JPMorgan Chase Bank, N.A.
27 Leadenhall Street
London EC3A 1AA
UK