



One Bank, One UniCredit.

2018

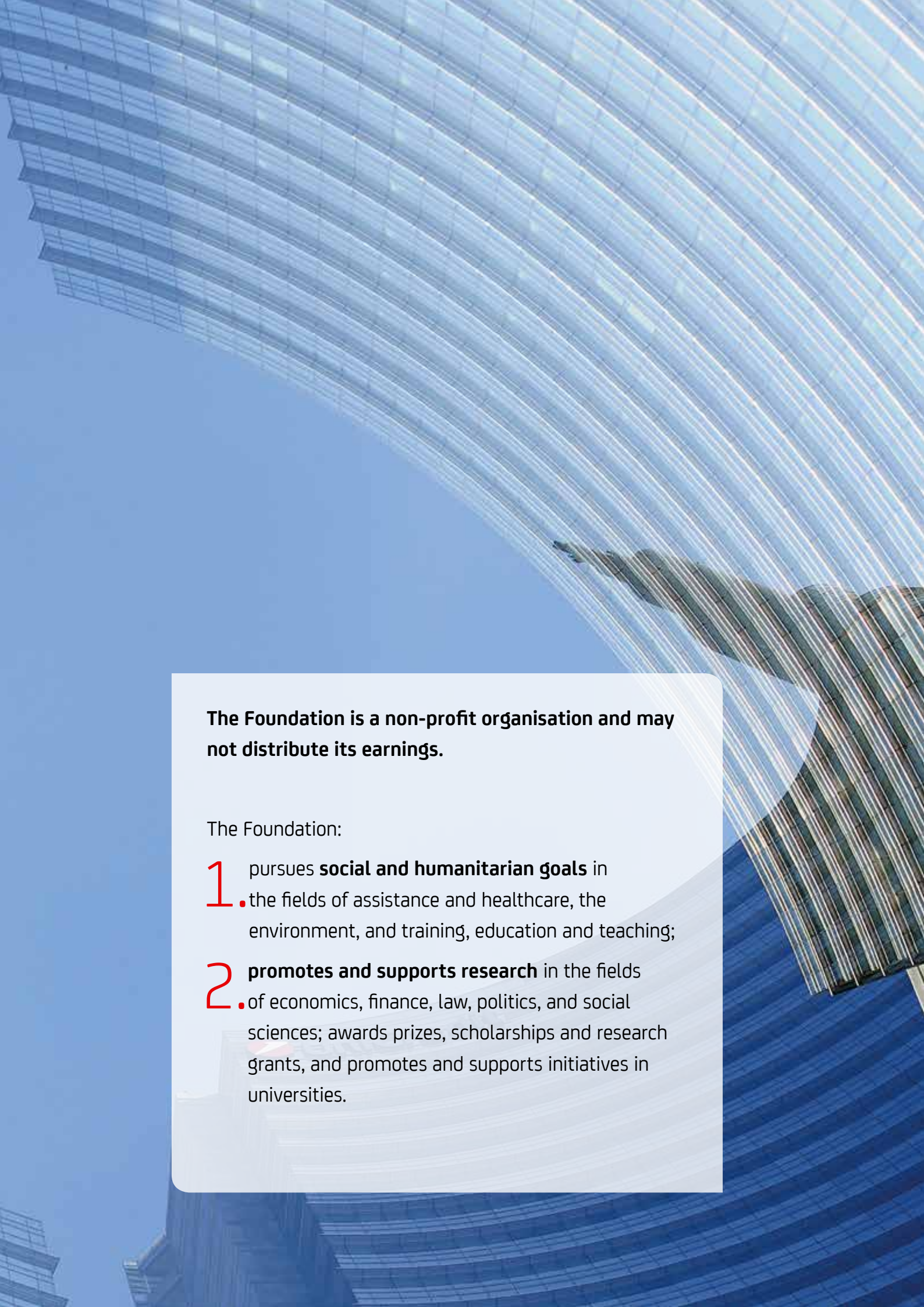
Reports and Accounts

The Foundation's Mission and Scope

UniCredit Foundation aims to be a modern and efficient **Corporate Foundation, able to generate a positive impact** across **all countries** in which it operates, thanks to a **targeted focus** on specific areas of intervention and the **careful selection of projects**.

UniCredit Foundation wants to make **synergies** its keystone: **internal** synergies, to encourage maximum development of knowledge and experiences, and **external** as factors that multiply the impact and the value of its initiatives.

In this way, the Foundation can make a significant and well-recognised contribution to the **overall engagement of UniCredit in the social sphere**.



The Foundation is a non-profit organisation and may not distribute its earnings.

The Foundation:

- 1.** pursues **social and humanitarian goals** in the fields of assistance and healthcare, the environment, and training, education and teaching;
- 2.** **promotes and supports research** in the fields of economics, finance, law, politics, and social sciences; awards prizes, scholarships and research grants, and promotes and supports initiatives in universities.

Ethics and respect: Do the right thing!

UniCredit's Board and Senior Management consider that the way in which results are achieved is as important as the actual results. Therefore, the following Group Principles¹ should guide all employees' decisions and behaviours irrespective of seniority, responsibility and geographical area:
"Ethics and respect: Do the right thing!"

Group Principles are designed to help all UniCredit employees, to guide their decision-making and their behaviours towards all stakeholders in their day to day activities.

In particular, such Principles require:

- compliance with the highest ethics standards - beyond banking regulation and beyond the law - in relationships with clients, colleagues, environment, shareholders and any other stakeholder;
- fostering a respectful, harmonious and productive workplace;

to best protect the Bank, its reputation and to be an employer and a counterparty of choice.

Group Principles underpin a set of core guidelines that further clarify expectations about the way to work as **One Team, One UniCredit** and support employees in the fulfilment of UniCredit Five Fundamentals. The spirit of each of these principles is extremely important and it will be the subject of more detailed policies that will be developed or updated in the coming months.

Group principles in day to day activities

- **Ethics as a guiding principle of fairness and respect towards all stakeholders in order to achieve sustainable results.**

UniCredit colleagues, irrespective of seniority, responsibility and geographical area, are expected to do the right thing in their daily activities and to be fair towards all stakeholders to gain and retain their trust.

- **"Ethics and respect" is a guiding principle which applies to all Group policies.**

The "Ethics and respect" principle is based on a long term view of the Group business activities and relationships with stakeholders as well as a comprehensive view of the internal and external working environment. Business policies require care to ensure that responsible sales approach work in harmony with balanced, fair and respectful customer interactions, enabling the achievement of sustainable business success and long-term targets. Targets and other business results are not considered achieved if they are not met in compliance with the Group Principles, related policies and the requirements that flow from them.

1. Which substitute the former Group values.

- **“Ethics and respect” is a guiding principle for interactions amongst all Group employees.**

UniCredit colleagues are expected to contribute in their daily activities toward creating and maintaining a work environment that is as respectful and harmonious as possible, eliminating intimidating, hostile, degrading, humiliating or offensive behaviors and words. UniCredit must contribute to assuring the respect for the rights, value and dignity of people and the environment. All forms of harassment, bullying and sexual misconduct are unacceptable.

- **“Ethics and respect” is a guiding principle for the promotion of diversity and work life balance which are considered valuable assets.**

UniCredit colleagues are expected to assure a workplace where all kinds of diversity (e.g. age, race, nationality, political opinions, religion, gender, sexual orientation) are not only respected, but also proactively promoted as well as to contribute to an environment in which respect for, and attention to, colleagues’ needs, health, work-life balance and well being are deemed essential to achieving sustainable results.

- **“Ethics and respect” is a guiding principle underpinning the reinforcement of a “Speak-up culture” and anti-retaliation protection.**

UniCredit is firmly committed to promoting an environment in which colleagues and third parties feel comfortable engaging in open and honest communication. UniCredit encourages colleagues and third parties to speak up and raise promptly good-faith concerns without fear of retaliation relating to any situation that may involve unethical or illegal conduct or inappropriate interactions with others.



Bodies of the Foundation

as of 31 December 2018

Board of Directors

Chairman

Maurizio Beretta

Vice Chairman

Franco Bruni

Members

Giorgio Barba Navaretti
Elena Patrizia Goitini
Erik Nielsen
Laura Kristina Orlic
Anna Maria Tarantola
Giovanni Toniolo
Carlo Vivaldi

Secretary General

Giannantonio De Roni

Board of Auditors

Chairman

Giorgio Loli

Standing Members

Elisabetta Magistretti
Michele Paolillo

Substitute Members

Claudia Cattani
Valerio Villoresi

Scientific Committee

Chairman

Marco Pagano

Klaus Adam
Silvia Giannini
Tullio Jappelli
Levent Kockesen
Eliana La Ferrara
Christian Laux
Catherine Lubochinsky
Massimo Motta
Giovanna Nicodano
Branko Urosevic

All Bodies of the Foundation are in office as of 5 March 2018 with the exception of the Secretary General and the Scientific Committee, in office as of 21 May 2018.

Staff

Secretary General

Giannantonio De Roni

Scientific Director

Annalisa Aleati

Pietro Bertè
Anna Cravero
Anna Pace
Annamaria Rizzi

Chairman's message



“Do good to do things well.”

Maurizio Beretta
Chairman

The merger process to incorporate UniCredit & Universities into UniCredit Foundation was concluded on 9 April 2018. The Report we present is therefore the first for this new entity.

Our commitment is clear: we want UniCredit Foundation to be a point of reference for all countries in which the Group operates and one that knows how to generate **positive social impact**, particularly in those countries.

The merger now complete, the Board of Directors **has initiated a period of careful deliberation** which will lead to the definition of strategic guidelines that will steer the Foundation's activities over the three year period from 2019 to 2021.

This activity takes numerous factors into account. We have paid particular attention to the need to define **goals that are aligned with the UniCredit commitment to increase focus on the social arena**.

A commitment that requires professionalism, motivation and shared responsibility. For this reason, the Board has put particular emphasis on **promoting knowledge and experience** gained throughout the years of activity of the two pre-existing foundations, protagonists of the merger.

We have also tried to **promote new synergies** deriving from the cross-fertilisation of this knowledge; we are sure that this can give rise to new opportunities of real value, in both a true social setting and in support of study and research.

Clearly, we want to go beyond a simple summation of the activities previously managed by two separate subjects, but we don't want to settle for the efficiency we are already obtaining either. The aim is to generate more impact, thanks to greater better focus and better selection of projects.

The debate that has been initiated by the new Board of Directors is already providing the kind of indications that UniCredit Foundation needs to consolidate a **recognisable and distinctive positioning, with a sustainable and long-lasting path.**

Foundation activity is an important element in the overall UniCredit commitment to social causes, the support of vulnerable contexts, and the ability to get involved in art and culture, important sectors of civil society.

The Social Impact Banking Project that, following its successful launch in Italy, will involve many of the European nations in which we operate, is an important example of this.

Just like the entire UniCredit Group, we at UniCredit Foundation are deeply convinced that **to do things well, we need to do good.**

This is the real synthesis of our present and future programme.

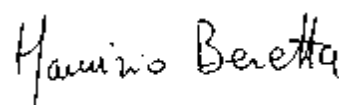
I thank the Board of Directors of the two previous Foundations, who have passed on their significant experience and extensive knowledge.

I thank the members of the new Board of Directors, who have enthusiastically agreed to make an important contribution to our Foundation with their ideas, professionalism, and expertise.

Sincere thanks also go to the members of the Board of Auditors and Scientific Committee, whose generous commitment absolutely deserves highlighting.

Lastly, a special thanks to all **our partners** who, together with us, give life to a path comprising research, activity, involvement and passion. We all share goals and values that are the founding principles of UniCredit Foundation and that inspire its decisions and activities.

Maurizio Beretta
Chairman



Highlights

Key figures

Expenses from ordinary operations

€ 3.26 mln

Total Assets

€ 4.51 mln

Total Contributions Received

€ 4.02 mln

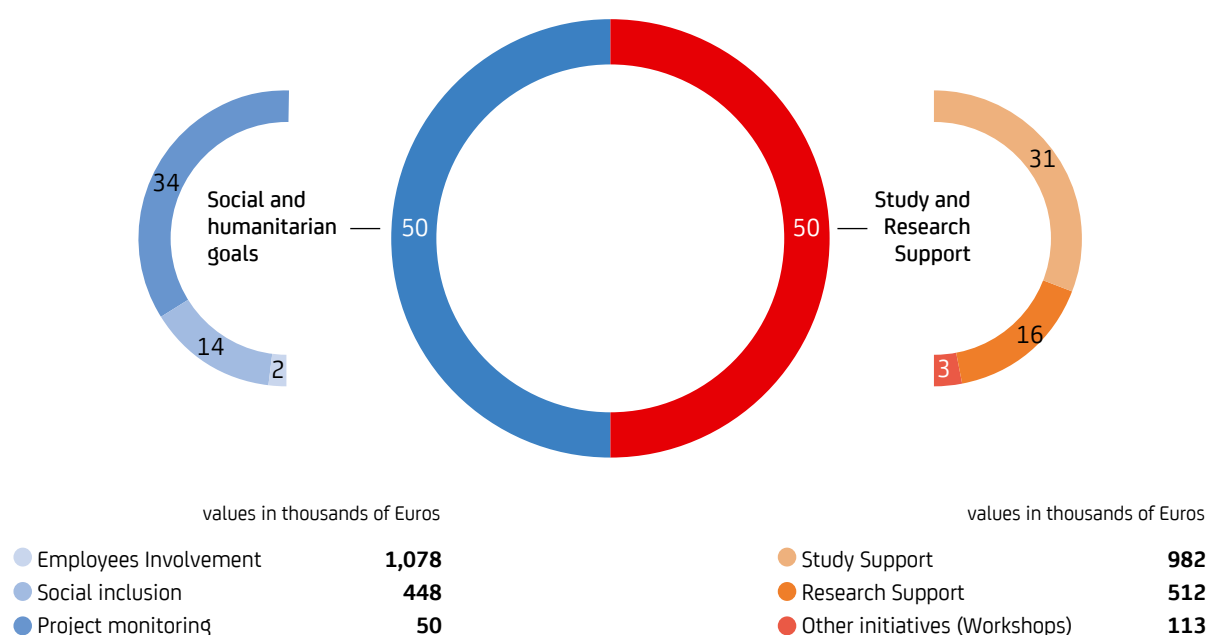
Cost Income Ratio

12 %

Payables (Commitments to projects that have been approved in the past years)

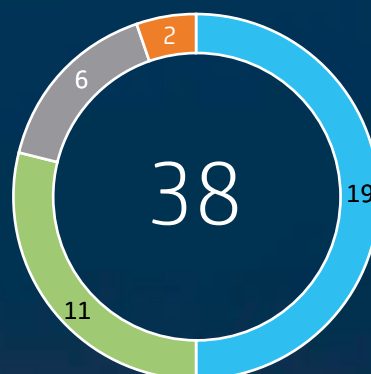
€ 4.80 mln

2018 plan (%)

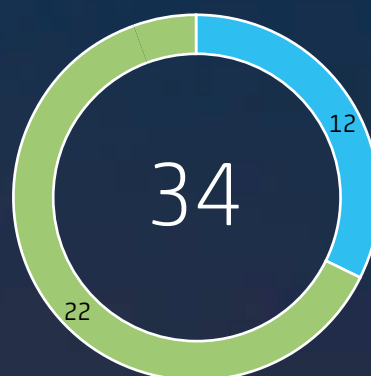


Active Projects in 2018

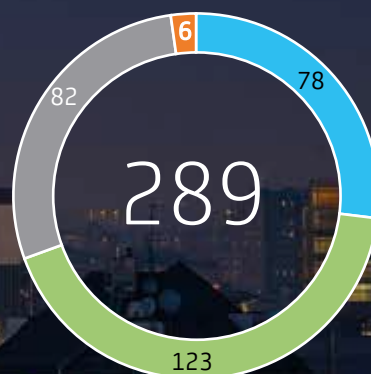
Initiatives



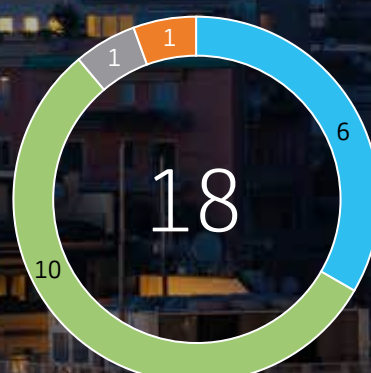
Project partners



Beneficiaries



Events

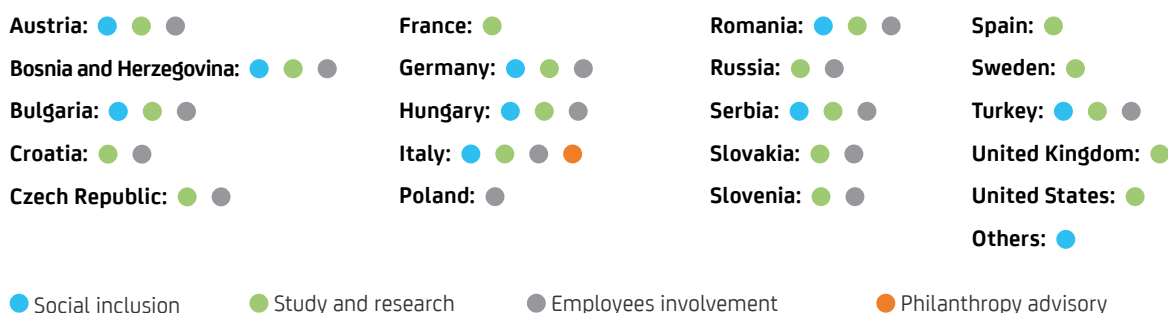


- Social inclusion
- Study and research
- Employees involvement
- Philanthropy advisory

Unit

Geographical map of activities

Projects and initiatives in more than 20 countries



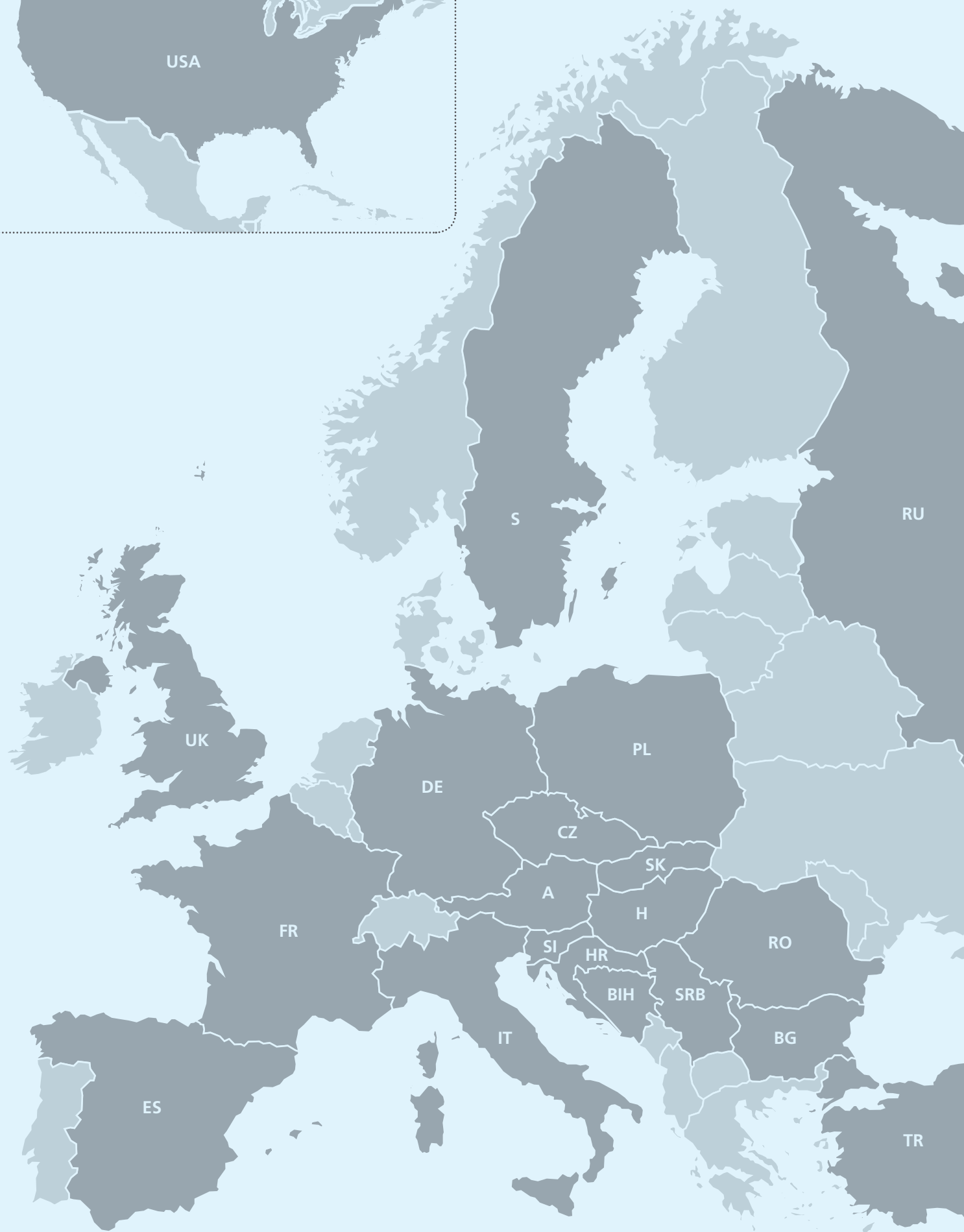
Our partners

Social and humanitarian goals

- ✓ **Austria**
 - Wien University of Economics and Business
- ✓ **Bosnia and Herzegovina**
 - Mozaik Foundation
- ✓ **Bulgaria**
 - BCNL (Bulgarian Center for Not-for-Profit Law)
- ✓ **Germany**
 - Joblinge Association
- ✓ **Hungary**
 - NESSt Ungheria
- ✓ **Italy**
 - Filarmónica della Scala
 - Fondazione Lang
 - Make a Cube
 - Mission Bambini Onlus
- ✓ **Romania**
 - NESSt Romania
- ✓ **Serbia**
 - Fondacija Ana and Vlade Divac
 - Smart Kolektiv
- ✓ **Turkey**
 - Koç University
 - Vehbi Koç Foundation
- ✓ **Europe**
 - European Foundation Center

Study and research

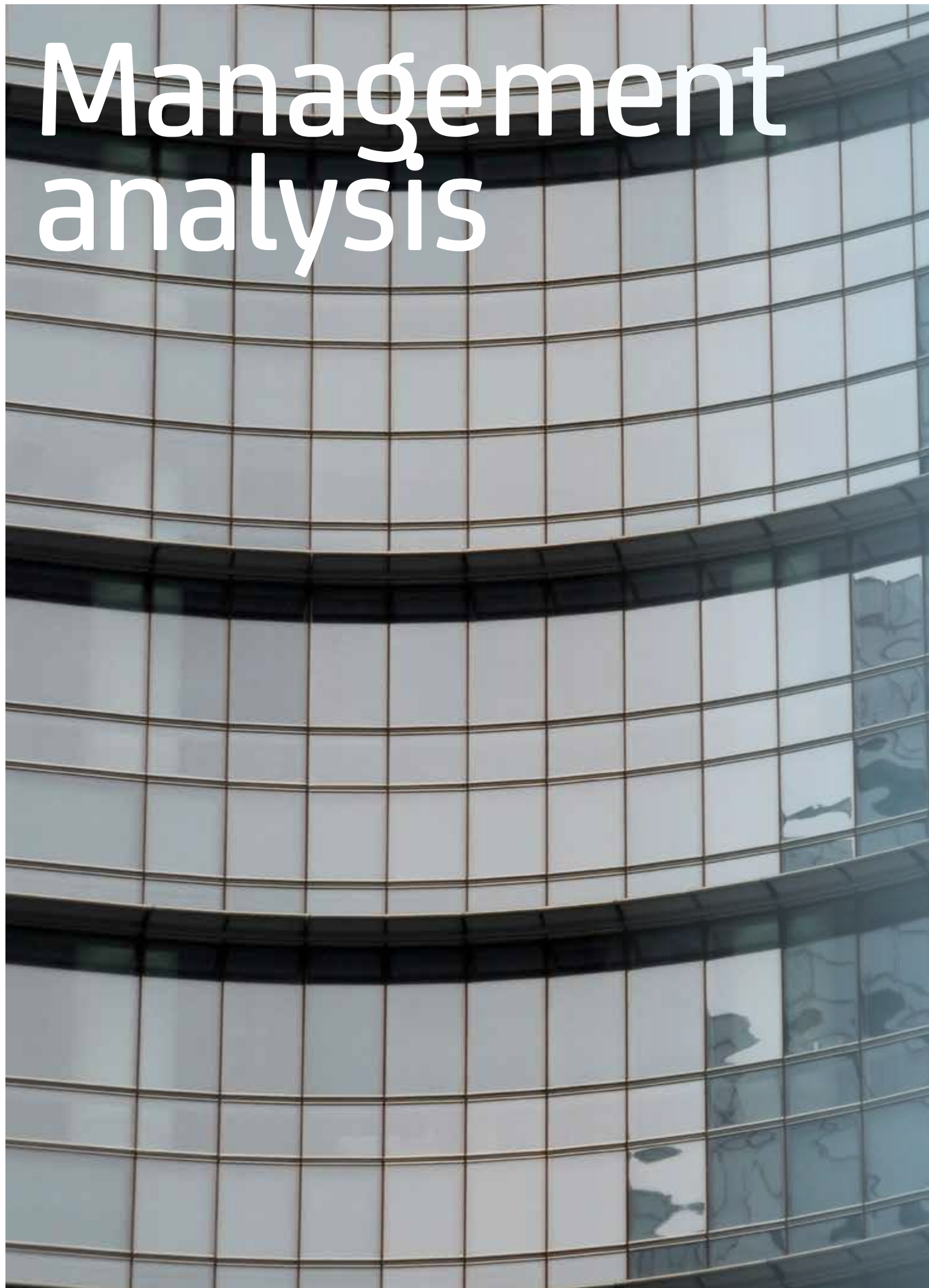
- ✓ **Austria**
 - WU Wien University
 - SUERF
- ✓ **Bosnia and Herzegovina**
 - School of Economics and Business University of Sarajevo
 - University of Mostar
- ✓ **Bulgaria**
 - American University
 - Bulgaria University of National and World Economy
 - Svishrov Academy
 - University of Sofia
 - University VUZF
- ✓ **Czech Republic**
 - CERGE-EI
- ✓ **Croatia**
 - Zagreb University
- ✓ **France**
 - SciencesPo
 - Toulouse School of Economics
 - Paris 2
- ✓ **Germany**
 - Goethe University Frankfurt
 - Mannheim University
 - Ludwig Maximilian University of Munich
- ✓ **Hungary**
 - Central European University
 - Corvinus University Budapest
- ✓ **Italy**
 - Bicocca University
 - Bocconi University
 - Catholic University Milan
 - Collegio Carlo Alberto of Turin
 - CSEF - Center for Studies in Economics and Finance
 - EIEF - Einaudi Institute for Economics and Finance
 - European University Institute
 - Federico II University Naples
 - LUISS Guido Carli Rome
 - Politecnico of Milan
 - Scuola Sant'Anna of Pisa
 - University of Bologna
 - University of Milan
 - University of Pavia
 - University of Turin
 - University of Trieste
- ✓ **Romania**
 - West University of Timișoara
- ✓ **Russia**
 - Higher School of Economics Moscow
 - Lomonosov Moscow State University
 - New Economic School Moscow
- ✓ **Serbia**
 - Belgrade University
- ✓ **Slovakia**
 - Cornelius University Bratislava
- ✓ **Spain**
 - Barcelona Graduate School of Economics University Pompeu Fabra
 - IE de Madrid
 - Spanish Economic Association
- ✓ **Sweden**
 - Stockholm School of Economics
- ✓ **Turkey**
 - Koç University
 - Sabanci University
 - Bogazici University
 - Istanbul University
- ✓ **United Kingdom**
 - European Economic Association
 - London Business School
 - London School of Economics and Political Sciences
 - Oxford University
 - Queen Mary University
 - University College of London
- ✓ **United States**
 - Chicago Booth
 - Harvard University
 - MIT
 - New York University
 - Northwestern University
 - Princeton University
 - Stanford University





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Management analysis



Management analysis

The merger

2018 marked the first year of life for the newly-merged UniCredit Foundation, a merger carried out to improve efficiency and put the Foundation in the best possible position as it works to achieve new and important strategic results.



The first of these will be the ability to generate even more significant social impact across various fields (for example, culture, training, social enterprise, social inclusion, attention to fragility and more) with respect to the past. The “new” Foundation focuses strongly on the **promotion of initiatives and interventions that can generate significant social impact**, creating real benefits for the community in question. Efforts will go beyond this though, **engaging the Foundation in analysing the effects generated by its initiatives over time**. This approach therefore allows a continuous increase in the Foundation’s ability to generate positive social value and constantly verify the return across all fields in which it operates.

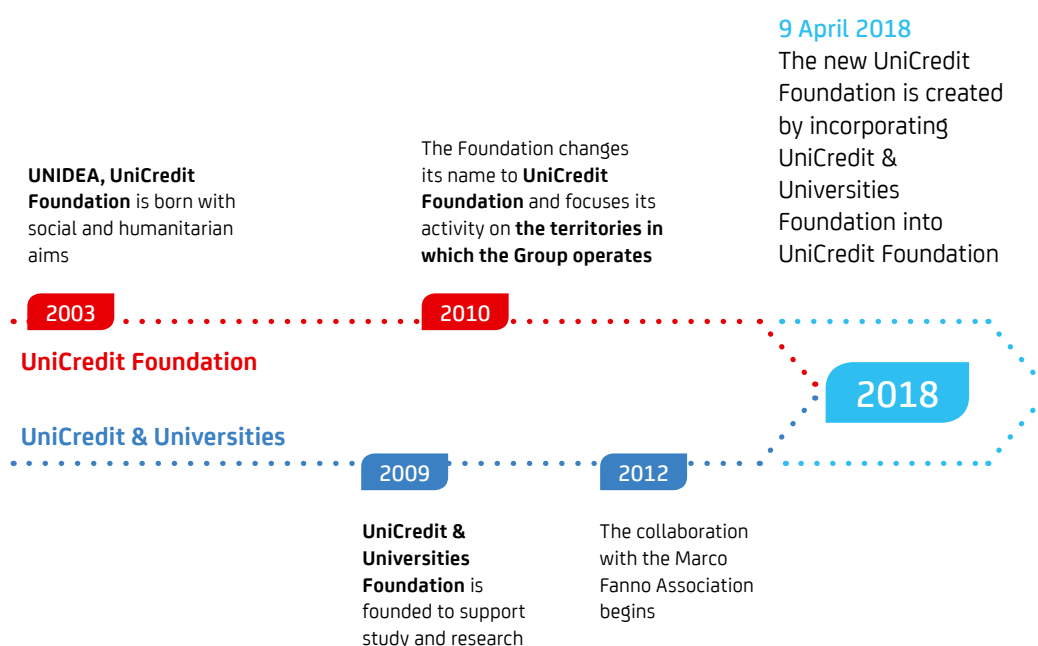


The second result will be the ability to achieve **recognisable and distinctive positioning**, made possible thanks to its increased size and achievable synergies. Identity and distinctiveness are fundamental characteristics for all those operating in philanthropic fields and in support of study and research. Only identity and distinctiveness will allow an organisation such as UniCredit Foundation to **attract interest and resources** and, with this, to improve the Foundation’s ability to operate in its chosen fields. A Foundation that is recognisable and distinctive with respect to others will undoubtedly be reached by a greater number of projects and collaboration requests and, as a result, will have a greater ability to **focus its attention on initiatives of the highest value**. At the same time, a recognisable and distinctive Foundation will also better fulfil its role as a catalyst of resources to be guided towards those initiatives selected as the most deserving.



The third result will be the ability to develop a **strategic and long-lasting path**, in support of UniCredit Group strategy. This is another very important objective, in that it tasks the Foundation with creating value through long-term continuity, thus guaranteeing a constant flow of positive spin-off, via the selected interventions, which can be easily communicated to all communities targeted by its actions. The ability to guarantee action continuity is extremely important in many of the Foundation's areas of intervention, allowing it to also fulfil a "coordinating" role for the "founder" bank, that as of Autumn 2017 - with the launch of the Social Impact Banking - is committed to providing support to the communities in which it operates. This has been made possible thanks to a thorough revision of its operations to actively and concretely contribute to the growth of communities' economic and production framework.

UniCredit Foundation Milestones



Completed the merger process ...

Coming now to a more accurate examination of what occurred during the course of 2018, it should be noted that on 9 April, the process to merge UniCredit & Universities Foundation into UniCredit Foundation concluded ahead of time.

As we have just seen, this is a merger that forms part of a more general repositioning of UniCredit in a social setting. This process, in addition to the merging of the two UniCredit Foundations, has given rise to Social Impact Banking, a new banking programme that aims to promote activities with a positive social impact, supporting privateers, micro-enterprise and social enterprise.

... the new Statutory Bodies are now in office ...

On 5 March, before the process was even concluded, the UniCredit Board of Directors nominated the new UniCredit Foundation Board of Directors. On 7 March, the same UniCredit Foundation **Board of Directors** nominated Maurizio Beretta and Franco Bruni as Chairman and Vice Chairman of the Foundation respectively, also confirming the following advisers: Giorgio Barba Navaretti, Elena Goitini, Erik Nielsen, Laura Orlic, Anna Maria Tarantola, Giovanni Toniolo and Carlo Vivaldi.

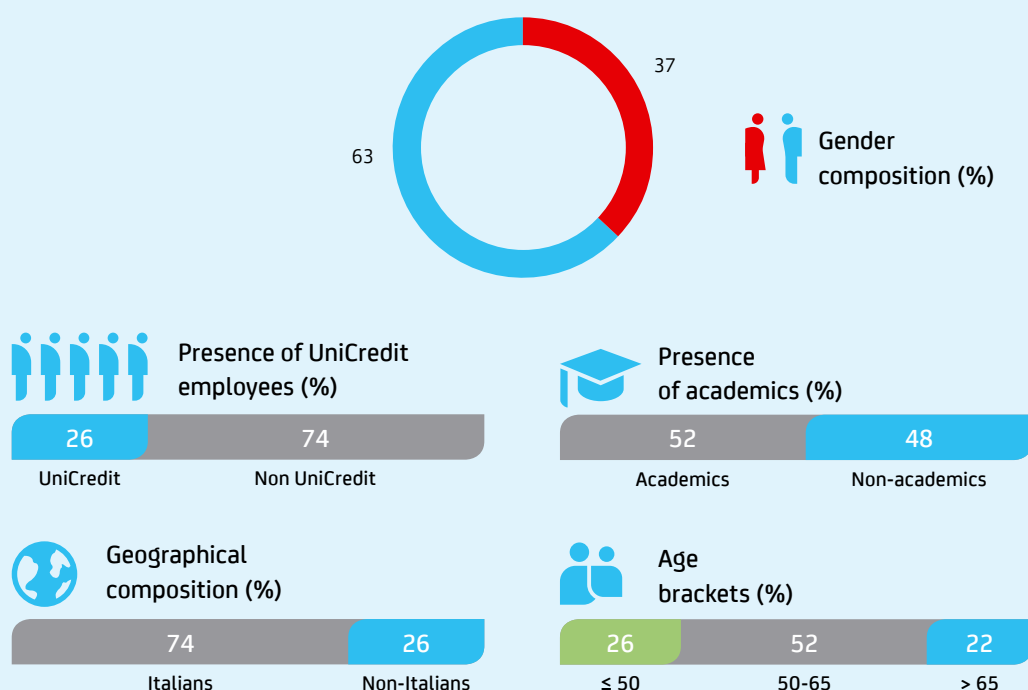
During the same meeting, the Board nominated the new Board of Auditors. Giorgio Loli was confirmed as Chairman and Elisabetta Magistretti and Michele Paolillo as standing members, while Claudia Cattani and Valerio Villoresi were named as substitute members.

On 21 May, Giannantonio De Roni was appointed Secretary General, while the members of the new Scientific Committee were also confirmed, new Chairman Marco Pagano thus flanked by Silvia Giannini, Tullio Jappelli, Levent Kockesen, Christian Laux, Catherine Lubochinsky, Massimo Motta, Giovanna Nicodano and Branko Urosevic. They are joined by Klaus Adam and Eliana La Ferrara who replace Franco Bruni and Reinhard Schmidt, following the application of new rules to rotate Scientific Committee members. To complete the governing body set out by the statute, the Board of Directors accepted the Secretary General's proposal to nominate Annalisa Aleati as Scientific Director of the Foundation.



Santa Chiara Guesthouse, Ragazzi Harraga project, Promoted by CIAI Onlus, Palermo

Statutory bodies: composition analysis



Note: the data refers to the 27 members of the statutory bodies and the Scientific Director.

The Foundation's governing body boasts a very interesting profile.

In terms of independence, **only 7 (26% of the total)** of those who have a role within the Foundation's Bodies **are UniCredit employees**. This means that 74% of members do not have a working relationship with UniCredit.

Of the total 27 members, **52%** have an important **academic profile**, with a minimum level of Professor or Head of Department.

In terms of gender, **37% of members are female**.

In terms of geographical origin, **8 nationalities are present** within the Foundation's bodies, confirming its strong vocation to operate at an international level. Overall, **26% of members are non-Italian**.

Lastly, **26%** of members are **under 50 years of age**, **52%** are between **50 and 65 years of age**, while **22%** are **over the age of 65**.

As in the past, the Scientific Committee, now a Statutory Body following the introduction of the new statute, is assisted by a series of scientific consultants who are, from time to time, tasked with evaluating specific initiatives that require scientific knowledge. **At the end of 2018, the Foundation had eight scientific consultants**, namely: Guido Ascari, Orazio Attanasio, Matthias Doecke, Elsa Fornero, Barbara Petrongolo, Michele Polo, Paola Profeta and Josef Zechner.

... and the launch of an activity to establish guidelines for the three-year period from 2019 to 2021.

With the completion of the merger, the new Board of Directors began to carry out a series of reflections relating to the Foundation's new mission and to the priorities on which to set the new 2019-2021 three-year plan.

This complex activity was conducted taking into account the Foundation's existing knowledge base, the initiatives carried out in the past, the expectations that said initiatives have generated, the needs that emerge from the regions and reference communities, and the indications that emerged from the first months of the Social Impact Banking activity.

In other words, this reflection was developed by leveraging the concept of **"synergies"**, exploring both what can be achieved within the Foundation to maximise potential generated by the merger, and the external, in the knowledge that the greater the Foundation's ability to

work as a team with other UniCredit bodies operating in a social setting, the greater the strength and impact of its initiatives.

These reflections will most probably conclude in the first half year of 2019. The work carried out thus far has allowed for certain points to be established.

The determination to confirm the commitment of the Foundation to support study and research has emerged ...

The first conclusion reached by the new Board is that, **in terms of study and research support**, the Foundation boasts such recognition and prestige, that is worth continuing in this direction, **engaging the Foundation to keep supporting these activities**.



Students of the Center for Research in Innovation, Organization and Strategy (CRIOS) Bocconi University

... to have the Foundation focus on issues relating to childhood has emerged ...

The second conclusion has been to **select childhood as the main focus of initiatives to be launched by the Foundation with reference to its social and humanitarian goals**. This decision is the result of study and discussion by the Board that has been ongoing for several months. Childhood has proven to be a theme that is consistent with a series of initiatives developed by UniCredit in recent years. Furthermore, the Board of Directors has also taken into consideration the preferences that UniCredit employees have expressed via initiatives launched in recent years, a large part of their donations going towards child-related sectors.

... to operate in an international dimension ...

Another conclusion that the Board of Directors has drawn relates to engagement to operate across UniCredit's entire geographical area, **guiding the interventions to be undertaken towards the communities of all fourteen countries in which the Group operates**. This final conclusion will see the Foundation study initiatives that can potentially be launched across the entire UniCredit geographical area simultaneously or, if initially launched in a single country, that can be easily replicated in other countries.

... to support initiatives that involve UniCredit employees ...

Lastly, the Board of Directors has decided to continue to invest in **initiatives that involve the UniCredit employees**. It is important to underline that the Board has given the Foundation a broad mandate by which to verify opportunities or the need to modify the characteristics of programmes already launched in this setting, exploring any new methods or characteristics that may increase employee involvement.

... and to continue to invest in the Marco Fanno Association.

The merger to incorporate UniCredit & Universities within UniCredit Foundation has led to the latter assuming all of the commitments previously taken on by the incorporated Foundation. Among these, the most significant commitment is undoubtedly the agreement made between UniCredit & Universities and the **Marco Fanno Association** in 2012, according to which the Foundation became the Association's operational machine. The new UniCredit Foundation Board of Directors not only pledged to honour this commitment, but has also demonstrated its understanding of the value of this collaboration and the importance of



Prof. Giorgio Barba Navaretti, Chairman of the Marco Fanno Association

investing more and more on the Marco Fanno Association and within its prestigious Alumni, which also embraces the winners of all the most important competitions launched by UniCredit Foundation.

The new Board of Directors, though awaiting more precise definition of the strategic guidelines that will steer the Foundation's activities between 2019 and 2021, has not put the brakes on the Foundation's commitment to pursue social goals, on the one hand, and to promote and support studies aimed at furthering knowledge across economic and financial disciplines, on the other.

The approved initiatives represent the perfect balance of the Foundation's two aims ...

Despite the Foundation having focused on completing the merger process during the first part of the year, during the course of 2018, the **Board of Directors nevertheless approved activities worth more than € 3.2 million**, maintaining a perfect balance between those activities serving to meet social needs, and activities in support of study and research. As for the former, the Foundation continues to trust in its most prominent initiatives, renewing its support for the Open Rehearsal of the Filarmonica della Scala, to which it donates € 195,000, and the Gift Matching Program, to which it donates € 1 million.

In certain cases, the content of initiatives has been modified, to start to align them with the initial indications provided by the Board of Directors. This is the case with the Gift Matching Program for example, one of the Foundation's key initiatives in its strategy to involve UniCredit employees in social commitment activities. In 2018, this initiative was focused only on three goals: to support children, to support people with disabilities and to protect the environment. The first, particularly, was proposed for two reasons, so as to bring this programme back towards a goal that the Board of Directors considers key, and also to align the Gift Matching Program with other initiatives involving UniCredit employees (Xmas for Kids and Solidarity Gift for example), to maximise the intervention impact.

Again, with reference to activities aimed at pursuing social goals, the Foundation decided to support new initiatives such as the “School Meals Programme” of the World Food Program, to which it donates € 100,000 and the “Progetto Accoglienza” of the Rome-based Fondazione Bambino Gesù, to which it donates € 25,000. It should be highlighted that these initiatives responded to new indications provided by the Board of Directors and that both have child support as their goal.

In terms of **study and research support**, the Foundation has continued to support initiatives that, until last year, were launched by UniCredit & Universities, for example the Crivelli, Fanno and US PhD Scholarships and the Top-Up Fellowship, as well as adding brand-new initiatives to its portfolio. These include the Marco Fanno Fellowship, the Crivelli Study Award, and support given to the organisation of the first European Job Market.

... that has
continued to focus
on understanding
emerging needs ...

In doing so, UniCredit Foundation has confirmed one of the vocations that previously characterised the activities of both Foundations: an ongoing commitment to understanding emerging needs and to providing suitable responses.

In concrete terms, the Foundation has donated resources equating to € 982,000 to initiatives supporting study, and a further € 512,000 of resources to initiatives supporting research.

In line with the merger project, UniCredit Foundation has also begun to explore those areas of activity that have opened up in light of the decision to promote all possible synergies between activities aimed at pursuing social

goals and those aimed at supporting study and research. It is in precisely this setting that the Foundation’s Board of Directors has decided to launch philanthropic-based research studies, entrusting them to researchers who are already UniCredit & Universities grant holders and highly knowledgeable in “behavioural economics”.

During the year, the number of initiatives that the Foundation is following on behalf of UniCredit increased, as did the opportunities for collaboration and the activation of synergies between UniCredit Foundation, UniCredit and its legal entities.

Examples of initiatives that the Foundation has followed on behalf of UniCredit include the UniCredit Study Days and a series of seminars organised for UniCredit managers. In both cases, the **Foundation offered UniCredit its knowledge, experience and network in the academic field, thus making a very useful contribution to the cause.**

In terms of activity resulting from collaboration between the Group’s various companies, the Cordusio research award deserves a mention (€ 10,000). This award is financed by Cordusio SIM, the strategic wealth management company of the Group, and was launched, managed and completed thanks to the Foundation’s knowledge base and academic relations, allowing the UniCredit legal entity to launch an initiative that it could not have developed without Foundation support.

As we have underlined, in order to be totally understood, **the decision to proceed with the merging of UniCredit Foundation and UniCredit & Universities should also be considered in light of the UniCredit decision to improve its commitment with choices that can have a positive social impact.**

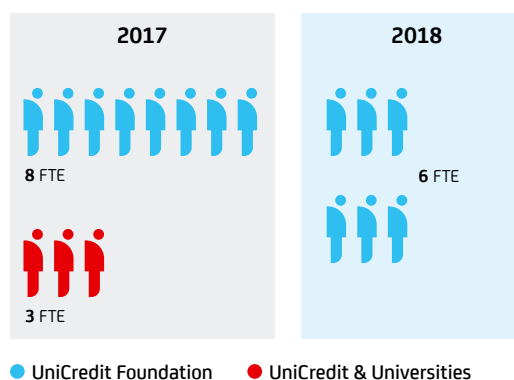
The coherence of this merger with a wider strategy that has led, for example, to the creation of Social Impact Banking, also allows us to understand other decisions taken by UniCredit, decisions that have had a significant impact on the “new” Foundation, particularly from an organisational standpoint.

... also demonstrating a clear commitment to achieving efficiency goals ...

Among these, we highlight the **UniCredit decision to bear all Foundation staffing costs**, and the subsequent choice to support UniCredit Foundation not only with financial contributions, but also with “in kind” interventions such as the one just mentioned regarding the staff, or providing the Foundation with the spaces and equipment needed to carry out its activities.

Following the merger, the **Foundation has reduced** its number of resources throughout the year, **from 11** (including two consultancies) **to 6 Full Time Equivalent (FTE)**.

Number of resources

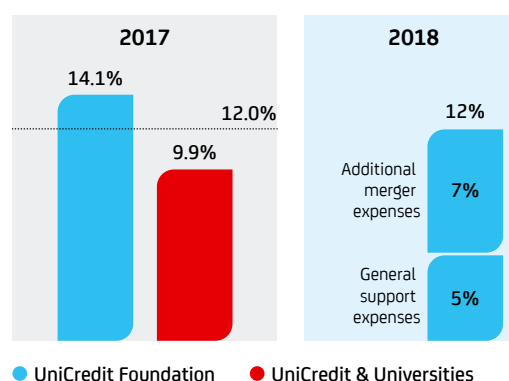


This change in FTEs has not reduced the number of activities being carried forward. The result is, above all, thanks to **synergies activated with UniCredit that have allowed the Foundation to present extremely high efficiency indices, right from year one.**

If we compare the General Support Expenses and Merger Expenses with the typical Activity Expenses, the resulting efficiency index equates to 12%, exactly the same level registered by both Foundations last year. It should be underlined that Merger Expenses, equating to 7%, also contribute to the achievement of a level of 12%. These are to be considered one-off expenses that will have no weighting as of next year.

Cost Ratio

(General support expenses compared to typical activity expenses)



During the year, great attention has been paid to the **merging of the two websites** that previously referred to UniCredit Foundation and UniCredit & Universities respectively. This activity has proved rather complex and the work will continue over coming months. By the end of 2019, a section of the new site, the part that presents the Foundation and its activities, will land on the UniCredit site, while the section that manages competition applications and evaluation processes by the Scientific Committee or ad hoc Commissions will move to a dedicated platform.



UniCredit Foundation' staff

... and demonstrating a desire to grow by maximising the positive social impact of its initiatives with targeted synergies.

We can proudly confirm that 2018 was not only the year of the merger, but was also the year in which the new Foundation began to demonstrate its future intentions.

The merger did not slow UniCredit Foundation's commitment to **launching initiatives aimed at pursuing social goals and activities in support of study and research.**

On the contrary, the Foundation has shown that it wants to exploit all opportunities that the merger offers, demonstrating its reactivity and **ability to adapt to the new standard.**

The aims that the Foundation sets out to achieve during 2019 are clear.

Firstly, during the first half of the year, the Board of Directors will finalise the **definition of the strategic guidelines to be followed over the three-year period from 2019 to 2021.**

Certain indications, as we have seen, have already emerged quite clearly, while others are still to be formally defined.

The most significant challenge for 2019 will be to launch initiatives that are aligned with the new strategic guidelines to be defined.

Secondly, the Foundation will further increase its **commitment to sharing decisions with other UniCredit structures that work to create positive social impact.** This will be done in the knowledge that choosing to work as a team will help to improve the social impact of everything that the Foundation does.

Thirdly, 2019 will see the Foundation working to **communicate its activities and decisions to the outside world,** making use of the expertise that UniCredit will offer both in terms of "pure" communication, particularly via the website, and social media.



Activity

Social inclusion 30

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Social inclusion



UniCredit Foundation supports initiatives for the integration of vulnerable individuals within a framework of sustainability and long-term development, pursuing virtuous redemption mechanisms: solidarity becomes a developmental factor.

SOCIAL AND HUMANITARIAN PROJECTS

“Open Rehearsals” - Filarmonica della Scala



Ten years of “Open Rehearsals”: this milestone was reached with the latest edition of “Open Rehearsals” by the Filarmonica della Scala, an established and recognised model that allows for communication between public and private institutions and non-profit associations.

OUR CONTRIBUTION

€195,000

4 organisations
benefiting from the initiative's proceeds



An initiative that, by using music as a sharing device, has seen **more than one million Euros donated over ten years in support of socially useful projects, involving 37 Milan-based non-profit organisations.** A result that proves how “Open Rehearsals” does not just involve citizens, but also the musicians of the Filarmonica della Scala, great conductors of the calibre of Chailly, Gardner, Harding and Myung-Whun Chung, guest soloists and the world of Milanese non-profits.

The success “Open Rehearsals” has achieved over these years is clear from the large crowds that attend and the continuous increase in customer loyalty, every evening proving to be a sell-out (in 2017-18 7,907 spectators attended and 1,319 books of tickets were sold; a formula by which customers buy tickets for all events in one package). As is now tradition, the 2018-2019 season comprises **five events**, the first of which is free of charge and dedicated to the city. The inaugural rehearsal is for the opening concert of the Filarmonica Season, open to people supported by the social services of the City of Milan, who were able to assist to the preparation of the concert conducted by Riccardo Chailly, free of charge.

The subsequent events provide the public with the opportunity to go to the Teatro alla Scala at a reduced price (tickets cost between € 5 and € 35) and be part of an important charitable project at the same time.

“Open Rehearsals” allows the public to enjoy a form of musical culture otherwise difficult to access, and is an opportunity for many people to preview the fine-tuning of a great concert and to go to the Teatro alla Scala at reduced-cost.

All proceeds from ticket sales go to **four non-profit organisations.** This is thanks to collaboration between the **Filarmonica della Scala**, the **City of Milan**, main partner UniCredit and the support of UniCredit Foundation, which identifies the target area and non-profit beneficiaries each year, as well as **covering the organisational costs.**



Maestro Riccardo Chailly at an Open Rehearsal

Activity

→ Social inclusion

In 2018, the decision was taken to **support initiatives relating to children in difficulty**. Below is a brief profile of the pre-selected organisations and projects.

Fondazione Arché Onlus

Corte di Quarto is Fondazione Arché's new project, a supportive village that supports the CasArché community with a building comprising 14 housing units, to provide mother-child families with a semi-autonomous living arrangement, and communal spaces for activities connected to the area, Quarto Oggiaro, on the outskirts of Milan.

Thanks to the support of "Open Rehearsals", a play area is to be built inside the garden for the children of Corte di Quarto and CasArché.

Fondazione L'aliante Onlus

Fondazione L'aliante was created in 2000 to offer support to youngsters in difficulty and their families. For two years now, L'aliante has also had a Therapeutic Community, or rather an accredited health structure to treat mental and/or behavioural disturbances of 8 adolescents aged between 12 and 18.

With the support of "Open Rehearsals", L'aliante intends to expand its laboratory experience and its potential in a developmental and therapeutic sense. The artistic/expressive, physical and cognitive laboratories, aimed at users of both the Day Centre and Therapeutic Community, are led by professional educators and specialised technicians from both within and outside the structure.

Fondazione Casa della carità Angelo Abriani Onlus

In September 2017, in the Cimiano district of Milan, on the top two floors of the Suore del Preziosissimo Sangue di Gesù school, the Casa della Carità opened La Tillanzia, a space designed to host 40 women and children, Italians and foreigners, who find themselves in a difficult situation.

La Tillanzia, also supported by "Open Rehearsals", aims to be a home, a warm and welcoming safe place where women and children can continue their everyday lives, made up of family time, school, study, play and much more.

Associazione L'abilità Onlus

For twenty years, the association has guaranteed disabled children's right to play and have fun. Playing is important, helping children to grow, spend quality time with their parents, understand the world and test their abilities. Children with disabilities need a lot of help to adapt to the concepts of playing, having fun and spending time with others. This is why it is important to create suitable spaces and time-frames, using toys and materials that suit the needs of each child. Spazio Gioco is a daily educational service for children from 2 to 11 who have a range of different disabilities. A new playground has recently been opened in the Isola district of Milan.

Thanks also to the support of Open Rehearsals, the Spazio Gioco, that now has 65 children in attendance, will be available to a further 15 children next year.



The beneficiaries of the 2017 Open Rehearsals

SOCIAL AND HUMANITARIAN PROJECTS

“School Meals” - World Food Programme

With the aim of undertaking increasingly innovative social responsibility activities, **UniCredit** and **Mastercard** have decided to work together to support the World Food Programme’s (WFP) “School Meals”.

OUR CONTRIBUTION

€ 100,000

500 thousand meals
guaranteed for children



The **World Food Programme** is the food-assistance branch of the United Nations and the world’s largest humanitarian organisation assisting an average of **80 million people** every year in around **80 countries across the world**.

The **objective of the WFP’s “School Meals” Programme** is to provide nutritious meals to children in schools in vulnerable communities around the world. WFP’s school meals provide significant assistance to families by supporting their children’s education and school attendance, by helping children to concentrate on their studying and learning, offering them the opportunity to lead a better life, while also reducing the cost on families and the community.

The aim of the initiative is also to make a significant contribution to achieving **five of the UN’s Sustainable Development Goals**: no poverty; zero hunger; good health and well-being; quality education; gender equality.

The initiative provides all UniCredit and buddybank customers who possess a Mastercard credit, debit or pre-paid card with the possibility to subscribe to an online platform through which they **donate 20 euro cents for a meal with every transaction they make**. The platform enables them to set a monthly maximum and to modify the amount, donation method and duration at any time.

This initiative was announced during the “CousCous Festival”, which took place in San Vito Lo Capo from 21 to 24 September, with an **initial donation from UniCredit of € 10,000** - via the Fondazione - amounting to **50,000 school meals** provided to schoolchildren in vulnerable countries, an amount that **was doubled by an equivalent donation from Mastercard**.

During the initiative’s actual launch, with the inception of the donations collection platform, UniCredit - via the Fondazione - and Mastercard decided to donate **1,000,000 meals (each contributing € 100,000) to pupils in Uganda**.



School Meals Programme, WFP - WFP/Rein Skullerud

Activity

→ Social inclusion

SOCIAL AND HUMANITARIAN PROJECTS

“Joining forces to address youth unemployment” - JOBLINGE

GERMANY



In 2018, UniCredit Foundation confirmed its support for JOBLINGE, a project actively supported by HypoVereinsbank (HVB) and many large German firms, whose **employees themselves are involved as mentors**.

OUR CONTRIBUTION

€40,000

200 operators trained



JOBLINGE is a German initiative born out of collaboration between the private, public and social sectors and dedicated to the **integration of disadvantaged youngsters into the job market**. It combines a wide range of training and support activities, promoting the natural talents and skills of programme participants, to allow them the opportunity to undertake professional apprenticeships with the aim of achieving stable employment.

Participants in the training courses promoted by JOBLINGE



The organisation operates according to a system of **social franchising**, the central HQ allowing local offices to use the brand and operational model. More than **26 offices** (some of which have opened in recent years with the support of UniCredit Foundation) are located all across Germany with a growing staff of **more than 130**.

The collaboration between UniCredit Foundation and JOBLINGE started in 2012 and has grown over the years.

In 2017-2018, UniCredit Foundation renewed its commitment to the initiative with a project to support the new organisational structure of JOBLINGE, deemed necessary to manage the organisation's rapid growth in recent years.

In particular, the project has supported dedicated training programmes for staff across the organisation's various bases, to ensure continuous quality in assisting the young participants.



During the course of 2018, with the support of UniCredit Foundation, more than **30 different training courses** took place, for almost **300 hours of training** involving **200 participants**. The training courses focused particularly on the organisation's new managers, in light of the arrival of new resources and employees following the recent opening of new regional branches.

SOCIAL AND HUMANITARIAN PROJECTS

“Progetto Accoglienza” - Fondazione Bambino Gesù Onlus

ITALY



UniCredit Foundation supported the Fondazione Bambino Gesù Onlus to promote **housing assistance** for the families of children who are **long-term inpatients**.

OUR CONTRIBUTION

€25,000

1 project
to support housing assistance



Every year, the Bambino Gesù Paediatric Hospital provides over **1,900,000 services** and more than **28,000 hospital stays** for children and young people from all over the world who are welcomed, treated and helped together with their families.

In 2017, approximately 3,500 families were welcomed, with more than 89,000 nights covered free of charge across the 20 residential structures belonging to Bambino Gesù.

In light of its ongoing desire to support children in difficulty, in 2018 UniCredit Foundation donated **€ 25,000 to the Fondazione Bambino Gesù Onlus in support of its “Progetto Accoglienza”**, with the specific aim of renovating one building near to the hospital, to be used to house families with children who are long-term inpatients.



Bambino Gesù Paediatric Hospital, Rome

SOCIAL ENTERPRISE PROJECTS

Call for tender UniCredit Carta E 2017



On 22 May 2018, the 2017 “Call for tender UniCredit Carta E - Social cohesion strategies for young people” competition prize-giving was held, launched by UniCredit Foundation to support non-profit organisations that promote **youth employment in Italy** through **social enterprise activities**.

OUR CONTRIBUTION

€500,000

10 social enterprises supported



What is the Call for tender UniCredit Carta E



The Call for tender UniCredit Carta E was created in 2011 thanks to a € 500,000 annual contribution made available by UniCredit Foundation and funds deriving from UniCredit Card Flexia Classic Etica, the credit card that, at no added cost to the cardholder, accrues two euros for every thousand spent in support of solidarity projects. With the latest 2017 Carta E Competition, UniCredit Foundation focused on supporting non-profit organisations that promote youth employment in Italy through social enterprise activities.

The selected organisations were able to benefit from an **economic contribution (equating to € 42,500)**, but also an **incubation** and **mentoring course** for the entire duration of the project, formulated in collaboration with the **Make a Cube** incubator, to help them to better position themselves in key markets.

10 winning projects, divided among the **7 regional areas** of UniCredit operations in Italy, which aim to create employment for youngsters **aged between 18 and 29** within the framework of a sustained business

project, and are able to develop actions, infra-structures and networks that can strengthen their scalability, for example with actions aimed at formalising/developing social enterprise or social franchising networks.

Given the “business challenges” that organisations face, the course offered by **Make a Cube** proves particularly important, as it is in three phases:

1 the “**pre-incubation**” phase saw the 20 pre-selected projects work on their business proposals, to sharpen them and correct any weaknesses and turn them into business cases to present to the selection committee, and to understand the geographical context in which to develop the activity, in a durable and sustainable manner;

2 from these 20 organisations, the 10 selected by the jury went on to participate in the “**incubation**” phase, six months of backing to get the companies up and running;

3 lastly, once the activity is launched on the market, a “**follow up**” phase is offered, to help with any repositioning of the business plan in effect.

Below is a brief profile of the **ten Competition winners**.

Accademia sociale dell'orecchietta - Kreattiva Associazione di promozione sociale

BARI - Accademia sociale dell'orecchietta is a social enterprise aimed at creating valid jobs for people at risk of social exclusion: through the preparation of an "Ape car" for the sale of tasty dishes based on orecchiette from Bari.

Thanks to the collaboration of partner "Agevolando", the youngsters will be trained in managing and administering a sales point and will work alongside professional chefs. The final result will be the foundation of a social franchising.

Centro Servizi Welfare - Consorzio Sol.Co.

VERONA - Sol.Co. Verona is a consortium of social cooperatives that promote actions of social transformation that can benefit the community, employment and the economy. In launching its Centro Servizi Welfare start-up, Sol.Co. Verona plans to create a welfare ecosystem by which, thanks to the provision of company welfare services, it will be possible to achieve company sustainability but also formulate a management and organisational model that gives back to the area and community, with services, jobs and widespread well-being. Job opportunities will be offered to NEET youngsters, giving them the possibility to gain professional experience and ensuring their ongoing support, monitoring and training.

CSI Academy - Centro Sportivo Italiano (CSI)

ROME - The Centro Sportivo Italiano is a non-profit association, run by volunteers, that promotes sport as an opportunity for education, growth, dedication and social aggregation. The project envisages the development of training courses for at least 50 under-30s in sport and social promotion to prepare the youngsters as Social/Sports Promoters: these figures will be able to contribute to the development of services in their area, and build relationships with both institutional players and individuals who are at risk of marginalisation and deviant behaviour. At the end of the first year of activity, five of the young participants on the training courses will be appointed by the National Presidency to work within the association's network.

Curcuma&Cannella - Soc. Coop. Soc. Libera...mente

PALERMO - Curcuma & Cannella aims to encourage social/cultural interaction between receiving cultures and immigrant cultures and the emancipation of young migrants through culinary experimentation.

To do so, it will train 5 young foreigners and then employ them in a multi-ethnic restaurant to be opened in Palermo's historic centre. The project will initially be implemented by a partnership for the launch and management of the start-up planning phase (36 months). Once this phase concludes, the youngsters will become part of the social cooperative, taking on jobs relating to the direct management of the restaurant.

Activity

→ Social inclusion

Lo studio che dà lavoro - Cooperativa Sociale Casa dello Studente

BERGAMO - Casa dello Studente is created as an educational training aid for children of school age. It involves direct intervention with youngsters and their surroundings, including their families, friendships and social network present in the area. The project foresees the opening of five school points across the city of Bergamo, where children of primary and secondary school age can receive scholastic support organised by subject, in accordance with the revision protocol set out by Casa dello Studente. The tutors providing youngsters with support will be young unemployed people from the area trained by Casa dello Studente.

MMC MediMovieCare - Associazione Medicinema Italia Onlus

MILAN - MediCinema Italia is an Italian non-profit created in 2013 and inspired by the experience of MediCinema UK, a charity active in Great Britain since 1996. The aim of the association is to implement social and healthcare activity to contribute to the support of patient pain "relief therapy" with the creation of Citizens' Treatment Centres. The Citizens' Treatment Centres, known as MediMovieCare (MMC), will be used as therapy spaces (with a dedicated schedule of cinema screenings depending on the different clinical pathologies) and will be able to accommodate up to 50 people. The MMC model will be that of a social franchising.

Needo - Needo Cooperativa Sociale

MODENA - Needo is the first on-demand nursery to embrace the theme of company welfare and work-life balance, by offering a complete package of services. The project focuses on the creation of a prototype nursery structure, made from reconverted shipping containers, to be presented during a launch event. The Needo/Playroom will then be ready for its first customers. The containers will be transformed into modules in which children can be accommodated and taught, the structure certified in accordance with current laws, will ensure children's safety and comfort.



Award Ceremony, Call for tender UniCredit Carta E 2017



Project NataVita, promoted by Bambù Coop. Soc., Naples



Albergo Etico project, promoted by Cooperativa Sociale Download, Rome

Albergo Etico project- Download Soc. Coop. Soc.

ROME -The Albergo Etico project was created thanks to the intuition of a group of young professionals who saw how hospitality could serve as an important development engine for people with disabilities.

The project encourages the work placement of people with intellectual disabilities. The Albergo Etico already manages a 3 stars hotel in the historic centre of Asti; the aim of this project is to create an Academy, a training and personal autonomy centre at the Albergo Etico in Rome, for approximately 50 people with intellectual disabilities.

Spes Convivio - Gruppo Spes (Società Cooperativa Sociale Impresa Sociale)

TURIN - Spes Convivio offers a catering, canteen and HORECA (Hotel-Restaurant-Café) distribution service and aims to create job opportunities. From the cultivation of food products, to the redistribution of what is unsold, Spes Convivio pays ethical and social attention to every phase of the process, to ensure that the end consumer benefits from a high-level product thanks to 0 km cultivation and processing supervised by an experienced chef, who helps to train the youngsters following the training course.

Vivere e Lavorare nel Parco - Cooperativa Agricola Frantoio del Parco

GROSSETO - The aim of "Vivere e lavorare nel Parco" is to recover centuries-old olive trees in the Parco Naturale della Maremma (GR) and get them back into production, guaranteeing new job opportunities that are fairly paid and contract-based for youngsters and people belonging to disadvantaged categories. The aim is to promote initiatives that can increase the opportunity to use a high-quality oil of high social value, produced using sustainable methods and with a certified, traceable and transparent production chain, from field to table.

Activity

→ Social inclusion

SOCIAL ENTERPRISE PROJECTS

“Next” - Wien University of Economics and Business

AUSTRIA



Although social enterprise remains marginal in Austria today, characterised as it is by businesses that are, in general, very young and small in scale, there is nevertheless **real dynamism** and the field is in rapid expansion.

OUR CONTRIBUTION

€190,000

3 social enterprises supported



The ecosystem of social enterprise leverages support tools - mainly of public origin - aimed particularly at responding to needs that arise during initial phases of the entrepreneurial path (conception, development of prototypes, start-up). There are still very few aids to facilitate a move from the prototype phase to consolidation of the business.

In this context, in 2017, UniCredit Foundation, in collaboration with the **Competence Center for Non-profit Organizations and Social Entrepreneurship at Wien University of Economics and Business** and **UniCredit Bank**

Austria launched the “NEXT - Supporting social entrepreneurship in Austria”

programme, which involves the selection of **three social enterprises** that have completed the start-up phase and that have developed innovative solutions, of strong social impact, with sustainable reinforcement plans. Of the 39 candidates, coming from all over the country, a shortlist of 10 firms was drawn up, an expert jury then selecting the three winners who were able to participate in an incubation and training phase and benefit from financial support of € 30,000 per company.

BENEFICIARIES

- The social enterprise “**Nut und Feder**”, based in Vienna, produces made-to-measure furniture in wood and metal, the labour provided by refugee workers who follow a training course before entering the world of work.
- The “**Open Pianos & DoReMi**” project uses the magic of music to promote public meetings, training and opportunities for integration. Active since 2016, the project has spread rapidly, also to Germany and Switzerland, and now has more than 60 active bases, with the involvement of approximately 140 students and 17 music teachers from more than 30 countries. The award and training received will further support the initiative’s growth.
- “**Ready for red**” is an innovative digital learning platform relating to development during puberty, for adolescents aged between 11 and 16. The existing prototype needs further development in terms of its technology and content.

The “**Nut und Feder**” project has also received an **additional award of € 5,000** as part of the UniCredit “**Your Choice, Your Project**” initiative, with which Group employees in Austria voted for their favourite project from among the three winners.



SOCIAL ENTERPRISE PROJECTS

“The power of Social Enterprises” - NESst Romania

ROMANIA



In 2018, UniCredit Foundation decided to further **consolidate its cooperation with NESst Romania, developed as of 2012**, by launching the third “The Power of Social Enterprise” programme in collaboration with UniCredit Bank Romania and UniCredit Services.

OUR CONTRIBUTION

€95,000

3 social enterprises supported



The initiative proposes to award **three €15,000 prizes to social enterprises** that are already active, and which have been present on the Romanian market for at least one year. They must have a medium-high development level, be already able to make a profit and be ready to commit to generating employment with innovative and sustainable business ideas, with significant social spin-off. Selected via a national competition in which 27 organisations took part, the three best social enterprises selected have received training and dedicated consultancy in addition to the monetary award. The **winners** of the third 2018-2019 programme received their awards in Bucharest in October 2018, in the presence of UniCredit Foundation, UniCredit Bank Romania and UniCredit Services representatives.

The cooperation between UniCredit Foundation and NESst Romania



Since 2012, UniCredit Foundation and NESst Romania - in collaboration with UniCredit Bank and UniCredit Services - have achieved significant results:

- **63 project teams** supported with incubation;
- **23 social enterprises** supported with grants and capacity building;
- **5 editions of “Your Choice, Your Project”**, in which more than 3,000 UniCredit Bank and UniCredit Service employees have taken part.

BENEFICIARIES

- **Curtea Culorilor** is an artisan laboratory that produces a variety of cheeses according to traditional Italian recipes, located within a shelter in the region of Timișoara. The aim of the association is to provide housing and education/professional support to young single women.
- **Cosânzeana** is a small social enterprise that produces sewing kits and decorative items that are hand-sewn. The organisation’s mission is to create respectable jobs in rural areas, while also keeping local artisan traditions alive. The main beneficiaries of the Cosânzeana activity are young mothers who have been unemployed for a long time.
- **MamaPan** is a bakery that produces naturally leavened bread, low-calorie bread and artisan pastries. The company employs women who belong to vulnerable groups (single mothers, Romany women, unemployed women who have no access to education). The project aims to extend its activities and move its production site, with the creation of new jobs.

MamaPan Bakery has also received an **additional award of € 5,000**, as part of the “Your Choice, Your Project” initiative, with which UniCredit Group employees in Romania voted for their favourite project from among the three winners.

Activity

→ Social inclusion

SOCIAL ENTERPRISE PROJECTS

“Step with Us!” - NESsT Hungary

HUNGARY



During the course of 2018, the latest edition of the “Step with Us!” programme, in support of **social enterprise** in Hungary, entered its operational phase. The initiative aims to promote the **economic inclusion** and **empowerment of the most disadvantaged social groups** by leveraging income and opportunities deriving from activities carried out by the prizewinning social enterprises.

OUR CONTRIBUTION

€95,000

3 social enterprises supported



The programme involves the launch of a competition to select the **three social enterprises** that will benefit from dedicated training and an **economic award of between € 15,000 and € 25,000**, depending on the specific characteristics of the initiative.

A total of 24 applications were received, 10 of which were then selected and evaluated by a qualified jury, which then decided on the three winning projects. The selection of beneficiaries is intended to favour social enterprise and sustainable, scalable enterprise projects, capable of breaking the short circuit of social marginalisation.

Following an incubation phase, the competition winners received targeted support from NESsT experts and UniCredit Bank Hungary employees involved in the project, who offered

strategic support and managerial and financial reinforcement to ensure the selected enterprise projects are scalable, innovative and sustainable.

The **winners** of the “Step with Us!” competition were awarded their prizes on 11 April 2018 at the UniCredit Bank Hungary HQ.



Award ceremony, Step with us Program

BENEFICIARIES

- **“UCCU” Romany Informal Education Foundation:** operates to help integrate Romany communities, by organising awareness programmes in primary and secondary schools and arranging guided tours in two Hungarian cities, offering an opportunity for direct contact with the Romany culture.
- **For the Countryside Social Cooperative:** aims to offer employment and development opportunities to the Királyhegyes village community in the southern region of Alföld, by supporting small-scale food producers.
- **Igazgyöngy Foundation:** active in the Hajdú-Bihar region, it intends to launch production of combustibles using materials left over from wood processing, to offer low-cost fuel with a low environmental impact to the local population.

Active projects

In 2018, UniCredit Foundation continued with the implementation and completion of various **social inclusion initiatives** launched in previous years. At the same time, it launched new projects that have been ongoing throughout the year.

PROJECTS LAUNCHED IN 2018

JOBLINGE Association - "Joining forces to address youth unemployment"	» Germany
Filarmonica della Scala - "Open Rehearsal 2018"	» Italy
Fondazione Bambino Gesù Onlus - "Progetto Accoglienza"	» Italy
Word Food Programme - "School Meals Programme"	» Italy

PROJECTS LAUNCHED IN PREVIOUS YEARS

Wien University of Economics and Business - "Next. Supporting social entrepreneurship in Austria 2017-2019"	» Austria
Mozaik Community Development Foundation - "Empowering the Breakthrough Generation"	» Bosnia and Herzegovina
BCNL (Bulgarian Center for Not-for-Profit Law) - "Social Entrepreneurship Program for NGOs"	» Bulgaria
NESsT Ungheria - "Step with us! Social Innovation Program 2017/2019"	» Hungary
Call for tender UniCredit Carta E 2013 - "Social cohesion strategies in support of the elderly"	» Italy
Call for tender UniCredit Carta E - 2014 - "Social cohesion strategies for young people"	» Italy
Call for tender UniCredit Carta E 2015 - "Social cohesion strategies in support of the elderly"	» Italy
Call for tender UniCredit Carta E 2016 - "Social cohesion for young people"	» Italy
Call for tender UniCredit Carta E 2017 - "Social cohesion strategies for young people"	» Italy
Filarmonica della Scala - "Open Rehearsal"	» Italy
Fondazione Mission Bambini Onlus - "Occupiamoci 2015" Call for tender	» Italy
La Fabbrica di Olinda - "Belfiore 1. I sapori e i saperi della legalità e dell'inclusione sociale"	» Italy
NESsT Romania - "The power of social enterprise in Romania 2017/2018"	» Romania
Fondacija Ana and Vlade Divac e Smart Kolektiv - "Idea for a better tomorrow 2017/2018"	» Serbia
Koç University and Vehbi Koç Foundation - "Change with a business: Social Entrepreneurship Development Program in Turkey 2017/2018"	» Turkey

Project monitoring

Every year, in collaboration with local non-profit bodies and organisations, UniCredit Foundation designs, monitor the implementation of social entrepreneurship projects, both in Italy and other countries. For this activity, UniCredit Foundation relies on the collaboration of Deloitte & Touche S.p.A, which provides support with the mapping, analysis and monitoring work for the projects, as well as the related checking procedures.

ITALY

✓ Call for tender Occupiamoci 2015

- Fondazione Mission Bambini (Call for tender Occupiamoci 2015) - Italy

✓ Call for tender UniCredit Carta E 2014

- Associazione Bambini+Diritti Onlus (Restart) - Subiaco (Rome)
- Coop. Soc. Al Plurale Margherita+ (B.I.O. - Building social Inclusion Opportunity in agribusiness) - Arezzo
- Il Margine Soc. Coop. Soc. (SOLIDEE - Start Up di Agricoltura Sociale) - Turin
- L'Arcolaio Società Coop. Soc. (SaporiCult - L'eccellenza del gusto che nasce dall'incontro tra culture) - Syracuse

✓ Call for tender UniCredit Carta E 2015

- Associazione Alzheimer (Attivare la mente per migliorare la qualità della vita) - Paternò (CT)
- Auser Volontariato Marche (Abitare Solidale nelle Marche) - Osimo (AN)
- Consorzio Sol.Co. (Itaca - Per una nuova dimensione dell'abitare) - Verona
- Coop. Soc. Azimut (Resto a casa) - Novi Ligure (Alessandria)
- Figli in famiglia Onlus (Nonno è bello!) - Naples

✓ Call for tender UniCredit Carta E 2016

- ANFFAS (#Il network dei mestieri) - Turin
- Archè Onlus (Percorsi di stoffa) - Milan
- ARPJ Tetto Onlus (Unchained Solidarity) - Rome
- Bambù Coop. Soc. (Nata Vita) - Naples
- CIAI (Ragazzi Harrağa) - Palermo
- Consorzio Co.Re (AgriCo.Re) - Naples
- Cooperativa Sociale Nuova Era Onlus (Nonni protagonisti) - Latina
- La Fabbrica dei Suoni Soc. Coop. Soc. (disseminAZIONE) - Venasca (CN)
- Piccola Casa Federico Ozanam (Condominio solidale) - Como
- Pictor Soc. Coop. Soc. (Semino) - Bologna
- Rinascere Soc. Coop. Soc. (Socialwash) - Carmignano di Brenta (PD)
- Terra Mia Soc. Coop. Soc. (Sapori della Langa) - Dogliani (CN)

OVERSEAS

- **Austria**, Wien University of Economics and Business (Competence Center for Non-profit Organizations and Social Entrepreneurship (Supporting social entrepreneurship in Austria 2017-2019)
- **Bosnia and Herzegovina**, Mozaik Community Development Foundation (Empowering the breakthrough generation in Bosnia and Herzegovina)
- **Bulgaria**, BCNL Bulgarian Center for Not-for-Profit Law (Social Entrepreneurship Program for NGOs)
- **Germany**, Joblinge Association (Joining forces to address youth unemployment)
- **Hungary**, NESSt Hungary (Step with Us! Social Innovation Program 2017-2019)
- **Romania**, NESSt Romania (The Power of Social Enterprise in Romania - 2017/2018)
- **Serbia**, Ana and Vlade Divac Foundation and Smart Kolektiv (Ideas for a Better Tomorrow 2017/2018)
- **Turkey**, Koç University and Vehbi Koç Foundation (Change with Business: Social Entrepreneurship Development Program in Turkey 2017/2018)

SOCIAL IMPACT EVALUATION

In 2018, UniCredit Foundation, with the scientific support of the **Fondazione Lang Italia**, launched a study to evaluate the **social impact** generated by some of the projects it supports in Italy and overseas. In particular, the study, which focuses on some selected projects, aims to:

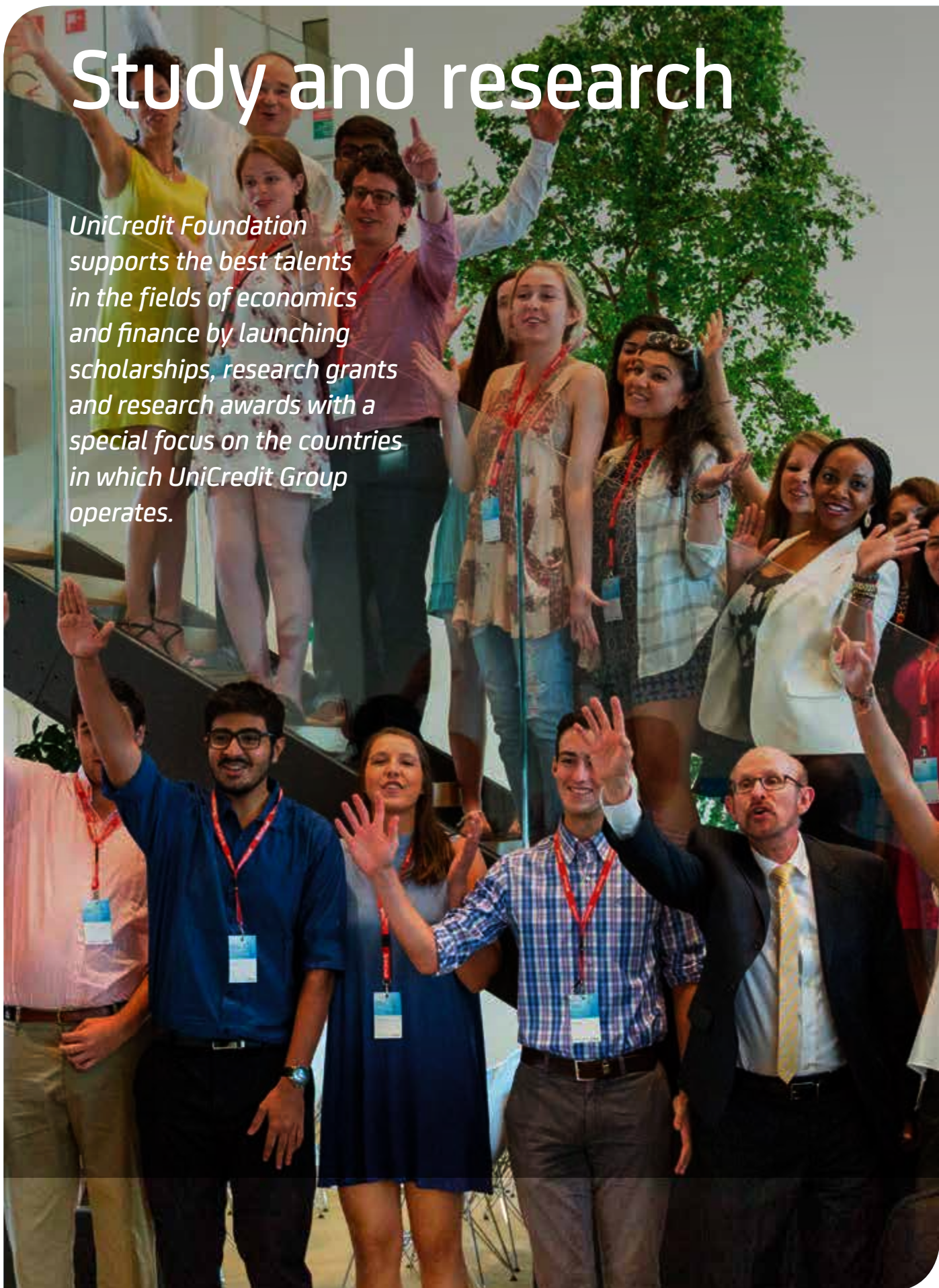
- define, ex ante, standard and specific indicators for the performance of the supported social enterprises;
- continuously monitor the progress of the projects launched;
- evaluate, ex post, the social impact generated for stakeholders and the community.



Playground space managed by Associazione l'abilità Onlus

Study and research

UniCredit Foundation supports the best talents in the fields of economics and finance by launching scholarships, research grants and research awards with a special focus on the countries in which UniCredit Group operates.





Support for studies

UniCredit Foundation continues its commitment to **promoting studies and initiatives** aimed at increasing knowledge of banking, economic and juridical disciplines by conferring **scholarships and awards** in these areas.

With the scholarships, the Foundation intends to support specialisation abroad of **the most deserving students**, funding PhD programmes, masters and short study stays abroad.

17th Crivelli Europe Scholarship

OUR CONTRIBUTION

€130,000

Funding for **2 scholarships**



The Crivelli Europe Scholarships are offered to students in all European countries within UniCredit's geographical perimeter who have graduated in economics, banking or finance and who wish to pursue a **doctorate abroad**.

In 2018, the seventeenth Crivelli Europe competition was launched for two **scholarships**.



Angela Crema, winner of the 16th Crivelli Europe Scholarship awarded by the Chairman, Maurizio Beretta

The Crivelli Europe Scholarship is awarded **annually and can be renewed for a second year**. Each scholarship is worth a total of **€65,000** (before tax) for the **duration of two years**. Starting from this year, the amount includes tuition, if applicable. Payments are made every three months. If tuition fees apply, these will be paid directly by the Foundation to the university and subtracted from the amount of the scholarship.

The seventeenth Crivelli Europe Scholarship received applications from 78 students, a very significant figure considering the average quality of the applications, which was also very high.

The **winners** of the 17th Crivelli Europe Scholarship were:

- **Ahmet Gulek** (Koç University)
- **Paola Moscariello** (Bocconi University)

1^o special Crivelli Europe Prize 2018



In addition to the 2 Crivelli Europe Scholarships, in 2018 a **special prize of €20,000**, called the **"Crivelli Europe Prize"**, was granted to **Filip Obranovic (Belgrade University)** to contribute to supporting his doctoral studies abroad.

Marco Fanno Scholarship - 2018

OUR CONTRIBUTION

€130,000

Funding for **2 scholarships**

In 2018, the Foundation launched **2 Marco Fanno Scholarships** by virtue of the collaboration agreement signed with the Marco Fanno Association in 2012. Much like the Crivelli Scholarships, the Marco Fanno Scholarship is aimed at students who have graduated in the fields of economics, banking or finance and who wish to pursue a **doctoral degree abroad**. However, unlike the Crivelli Scholarships, the Fanno Scholarships are for students who have **graduated from an Italian university**. The amount and method of payment are identical to those of the Crivelli Scholarships.

In 2018, the Foundation received **69 applications** for the 2 Marco Fanno Scholarships; a highly satisfactory number especially considering that the relevant catchment area is smaller than that of the Crivelli Scholarship.

The **winners** of the Marco Fanno Scholarship 2018 were:

- **Leonardo D'Amico** (Bocconi University)
- **Devis Decet** (Bologna University)

8th US PhD Scholarship

OUR CONTRIBUTION

€195,000

Funding for **3 scholarships**

Confirming the success of the initiative in previous years, which aimed not only at supporting specialisation abroad for the best students, but also at consolidating the network of relationships with the top 5 American universities, the Foundation's Board of Directors approved for 2018 the launch of a scholarship for all the best graduates in European countries within the UniCredit perimeter, to enrol for a **doctorate in Economics or Finance** at one of the 5 most prestigious American universities:

Chicago Booth
Harvard
MIT
Princeton
Stanford

Like the Crivelli and Fanno Scholarships, the US PhD Scholarship is also **annual and can be renewed for a second year**. Also, like the Crivelli and Fanno Scholarships, the total amount is € 65,000, including any tuition fees.

The winners will be announced at the end of April 2019.

Last year, two students from Turkey won jointly, **Yunus Aybas** and **Cem Tutuncu** (Bilkent University), to attend a doctoral course at Stanford.

*Yunus Aybas and Cem Tutuncu, winners of the -
7th US PhD Scholarship*

9th Masterscholarships

OUR CONTRIBUTION

€180,000

Funding for **8 Masterscholarships**



For some years, the Foundation has been increasing the range of scholarships it offers to give deserving students the chance to choose the most suitable courses. To this end, **since 2010** UniCredit Foundation has been offering not only scholarships for doctorates, but also **scholarships for Master's degrees abroad**.

The "Masterscholarship" initiative was also confirmed for 2018. In its 9th year, it aims to fund **Master's Degrees in Economics and Finance** at the most prestigious European universities for graduates from all the countries within the UniCredit perimeter for the 2019-20 academic year. Also confirmed for the ninth year is the number of universities involved, **eight**, which to all effects can be considered **amongst the most prestigious in Europe** in the fields of economics and finance.

1. Barcelona Graduate School of Economics
2. London School of Economics and Political Science
3. Mannheim University
4. Oxford University
5. SciencesPo, Paris
6. Stockholm School of Economics
7. Toulouse School of Economics
8. Bocconi University



With this initiative, the Foundation funds a total of **8 scholarships, one for each university**, for attending a Master's degree course for **the duration of one year**.

The Masterscholarships competition is **open to all European students within the geographic area where UniCredit operates** and covers **tuition** in addition to guaranteeing a **monthly grant** of between **€ 1,000 and € 2,000** (depending on the country in which the Master's degree will be taken) to cover room and board **for one year**.

Based on an agreement signed with the eight participating universities, **all students within the UniCredit perimeter who have been admitted to their chosen Master's course will be automatically considered for the Masterscholarship programme**. Each university provides a short list of candidates for the Foundation's Scientific Advisor (Prof. Michele Polo, Bocconi University), who then selects the best candidate from each institution.

The winners of the ninth Masterscholarships will be announced by the end of April 2019 and they will begin the Master's programme in September 2019 (a.y. 2019/20).

The **winners** of the eight Masterscholarships are:

- **Marcel Toussaint**, for a Master's Degree in Economics and Social Science at the Bocconi University di Milano
- **Alexandra Chuguevskaia**, who will take a Master's course in Economics at the Barcelona Graduate School of Economics
- **Eric Klemm**, for an MPhil in Economics at Oxford University
- **Federica lo Polito**, who will take a Master 2 Doctoral Path at the Toulouse School of Economics
- **Bernardo Mottironi** for an MRes in Economics programme at LSE
- **Alberto Nasi** for a Master's in Economics programme at SciencesPo
- **Franziska Winkler**, for a Master's in Economics programme at Mannheim University

Activity

→ Study and research

8th Study-Abroad Exchange Programme Scholarships

OUR CONTRIBUTION

€75,000

Funding for **15 grants**



Confirming an increasingly wide and complete range of initiatives and their characteristic European dimension, UniCredit Foundation has confirmed for 2018 the Study-Abroad Exchange Programme competition by offering **15 grants to undergraduates registered with universities within the UniCredit perimeter in Central and Eastern Europe**, to spend a maximum of **6 months studying abroad** at any of the universities within the UniCredit perimeter.

The main **objective** of this initiative is to **offer all students within the UniCredit perimeter the same exchange opportunities that the European Commission's Erasmus programme offers** only to students in countries participating in the project.

The scholarship offered by the Foundation is for **€ 700 a month**, which may be combined with the Erasmus grant or other contributions. In addition to this, there is **a fixed sum of € 1,000** for travel, visa or other expenses.

Another aim of this initiative is to offer all students from all the countries within the UniCredit perimeter, including those with income levels that are relatively low and sometimes insufficient when compared with the cost of living in the countries chosen for the exchange, the same opportunities for studying abroad, even for a relatively short period of time.

The **winners** were:

- Bernard Cudjoe
- Veronika Deryabina
- Ekaterina Durneva
- Artem Kamalov
- Mariia Makeeva
- Denis Maslov
- Kseniia Podluzhnaia
- Murad Sabiev
- Alexey Slyusar
- Sofia Zbykovskaia



The winners of the 7th Studio Study Abroad Exchange Program

6th International Internship Programme

OUR CONTRIBUTION

€192,000

Funding for **60 grants**



The International Internship Programme is aimed at **undergraduate students** who intend to do a **summer curricular internship at a UniCredit location abroad**. It is a very important project, the aim of which is to meet the growing demand of young people to enrich their university curriculum with an internship.

In 2018, **60 grants** were offered to students registered for courses in economics, finance, banking sciences, engineering management or jurisprudence, whose study programme involved a period of curricular internship.

The internship, which is not aimed at securing a job, takes place in **the summer term** between June and September 2019, at the **internship positions made available by UniCredit** in the various countries in which UniCredit Group operates.

Each winner receives a monthly grant of € 700 from the Foundation to cover the costs of board and lodging during the period of internship abroad, in addition to a fixed amount of € 1,000 to cover travel and visa expenses. The success of this year was also considerable and, in terms of applications received, exceeded the results achieved by other initiatives launched by the Foundation. For the **60 internship posts, over 4,000 applications** were received from all over Europe. The names of the 60 winners will be announced in May 2019.

Essential for the success of the initiative was the **collaboration of UniCredit**, which understood the importance of giving young students the opportunity of undergraduate work experience abroad by making **60 positions** available.

5th Summer School Programme Prizes

OUR CONTRIBUTION

€20,000

Funding for **5 grants**



The competition announcement for the Summer Schools completes the range of programmes proposed by the Foundation in support of studies. They are **short, advanced study courses** for students' additional specialisation abroad.

In 2018, the Foundation launched a competition for **5 prizes open to all students within the**

UniCredit perimeter to participate in **Summer School** courses at three of the most prestigious schools of economics in Europe:

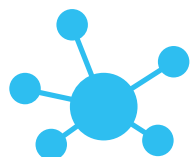
Barcelona Graduate School of Economics - 2 grants

London School of Economics - 2 grants

University College of London - 1 grants

For each award, the Foundation will **pay in full for the chosen summer course**, in addition to a lump sum of € 1,500 to cover expenses.

The names of the winners will be announced on 15 April 2019, after the closing of this Financial Report.



Support for research

With the research grants, the Foundation aims not only to support research in economy and finance, but above all to encourage the return of “talents” in Europe.

4th Top-Up Fellowship Foscolo Europe

OUR CONTRIBUTION

€300,000

Funding for **2 research projects**



The main objective of this initiative is to encourage the return of talented professionals. With this contribution, the Foundation proposes to **attract and keep the best young economists in Europe** who are working abroad.

The grant is aimed at universities. The competition is **open only to the economic or finance departments** of any university or research institute in the countries within the

UniCredit perimeter to offer **tenure track or post-doc positions to the best candidates** in the Job Market. UniCredit Foundation awards **an annual grant of € 50,000 for three years** (a total of € 150,000), such as **integration of the remuneration** and other contractual terms offered by the department to the selected candidate to the winning department/research institute. The competition awards **the 2 best departments from those that applied**.

The researchers will be selected from the Job Market directly by the winning departments. The duration of the research grant is **three years**, but the sum can be spread over a maximum of 6 years.

The **winning departments/institutions** of the fourth Top-up Fellowship:

- **CSEF** (Center for Studies in Economics and Finance) - **Federico II University of Naples**
- **Department of Economics** - **Ca' Foscari University of Venice**



Awarding of Prof. Carlo Favero and Christian Skov Jensen, winners of 3rd Top Up Fellowship Foscolo

NEW!

1st Marco Fanno Fellowship

OUR CONTRIBUTION

€45,000

Funding for **1 research project**



With this new initiative the Foundation proposes to **attract and keep the best young economists at our universities.**

The competition offers a total contribution of **€ 45,000 for three years** to the best economics and finance department of an **Italian state university** to supplement the salary of an RTDB researcher (fixed-term researcher of type B) employed through a public competition during the last academic year. This contribution offers the winning department an important competitive advantage when employing new researchers.

The **winner** of the 1st Fanno Fellowship was the **Department of Economics at the University of Bologna.**



Prof. Giorgio Barba Navaretti and Giannantonio De Roni

9th Modigliani Research Grant

OUR CONTRIBUTION

€80,000

Funding for **4 research projects**



The ninth Modigliani Research Grant competition was launched in July 2018. This initiative awards the **4 best economics and finance research projects** presented by young researchers from state universities within the UniCredit perimeter.

The four winners will receive an **annual grant of € 10,000** for completing their research work over a period of **two years.**

The **winners of the ninth year**, selected by the UniCredit Foundation Scientific Committee, were

- **Antoine Camous** Mannheim University
- **Gerhard de Britto Diogo** Catholic University of Milan
- **Filippo De Marco** Bocconi University
- **Luca Trapin** Catholic University of Milan

9th Best Paper Award on Gender Economics

OUR CONTRIBUTION

€5,000

Funding for **2 prizes**



In 2018, UniCredit Foundation launched the ninth Best Paper Award on Gender Economics for the **two best papers** on this topic.

The competition was open to young economists and researchers (preferably from the 14 countries in which UniCredit operates) and awarded the authors of the **two best papers** a prize of **€ 2,500 each**.

The notice of competition for this year will close at the end of April 2019 and the names of the winners will be announced by 15 May. The selection of the work received will be made by a **Commission of international experts** appointed by the Foundation's Scientific Committee, whose members, Scientific Advisers to the Foundation, are: **Prof. Matthias Doepke** (Northwestern University), **Prof. Manuel Bañeres** (Warwick University) and **Prof. Paola Profeta** (Bocconi University).

Last year's **winners** were:

- **Anke Becker** with the paper "On the Origins of Son Preference and Female Genital Cutting"
- **Gozde Corekcioglu** with the paper "Headscarves and Female Employment"

In accordance with tradition, the winners had the opportunity to present their work during the **workshop** organised **in collaboration with the Bocconi University** at the University itself on 29 October 2018.

The presentation of the papers was moderated by Prof. Paola Profeta and introduced in a speech by Prof. Paola Giuliano (University of California, Los Angeles).

6th SUERF/UniCredit Foundation Research Prize

OUR CONTRIBUTION

€5,000

Funding for **2 prizes**



For 2018, the Foundation confirmed the **"SUERF/UniCredit Foundation Research Prize"** for the **two best papers on banking and banking regulation** launched in **collaboration with SUERF** (The European Money and Finance Forum). The sixth year of the competition for young researchers born after 30 September 1983 awarded the **two best papers** on the subject of "Green Finance".

The two winners of this edition were:

- **Dejan Glavas** with the paper "How Do Equity Investors React to Green Bond Issuance Announcements?"
- **Olivier Zerbib** with the paper "Is There a Green Bond Premium? The yield differential between green and conventional bonds"

The winners received a grant of € 2,500 (before tax) and presented their work at the SUERF/UniCredit Foundation Workshop held at the WU University (Vienna University of Economics and Business) on 24 January 2019.

3rd EEA Young Economist Award

OUR CONTRIBUTION

€6,000

Funding for **3 prizes**



In 2018, UniCredit Foundation continued its collaboration with the prestigious **European Economic Association (EEA)**, by offering **three prizes** for the best papers presented by young economists during the Association's annual conference. This 3rd award ceremony was held on 23-31 August 2018 in Cologne.

Theoretical work as well as applied studies were taken into consideration without any restriction on the subjects handled. The candidates had to be at least 30 years old and had discussed their doctorate thesis no more than three years ago. The three winners each received **€ 2,000**.

The **winners** in 2018 were:

- **Michela Carlana** and **Marco Tabellini** with the paper "Happily Ever After: Immigration, Natives' Marriage, and Fertility"
- **Sebastian Doerr** with the paper "Collateral, misallocation, and aggregate productivity: evidence from the US housing boom"
- **Lukas Hensel, Johannes Hermle, Anselm Rink and Christopher Roth** with the paper "How Strategic are Political Activists? Evidence From a Natural Field Experiment"

5th Econ JM Best Paper Award

OUR CONTRIBUTION

€4,000

Funding for **2 prizes**



The competition for the Econ JM (Job Market) Best Paper Award, launched for the first time in 2014, was conceived to give young student or graduate economists participating in the *Economics Job Market* during the American Economic Association Annual Meeting, the opportunity to present a preview of their papers at a forum of a small but prestigious body of experts.

The competition is **open only to Job Market candidates** belonging to the **network of European universities** taking part in the Foundations **Mastership** contest (Barcelona Graduate School of Economics,

Bocconi University, London School of Economics, Mannheim University, Oxford University, SciencesPo, Stockholm School of Economics, Toulouse School of Economics).

Thanks to the collaboration with the Pompeu Fabra University, the **two winners**, who each received **€ 2,000**, were invited to present their papers during the **annual symposium of the Spanish Economic Association** as part of the *Job Market session*.

The **two winners** of the 5th year were:

- **Janssen Aljoscha** (Stockholm School of Economics) with the paper "Switching Costs, Quality Misconceptions and Behavioural Pricing in the Pharmaceutical Market"
- **Marc Witte** (Oxford University) with the paper "Job referrals and strategic network formation"

The winners presented their papers during the symposium of the Spanish Economic Association held in Madrid on 13-14 December 2018.

5th Belgrade Young Economists Prize

OUR CONTRIBUTION

€1,500

Funding for **1 prize**



The fifth Belgrade Young Economist Prize was launched in 2018 for the **Belgrade Young Economists Conference** organised in

collaboration with the Faculty of Economics at the University of Belgrade (Prof. Branko Urosevic).

The competition for **1 prize of € 1,500** is for the young economists **who attended the conference**.

The winner in 2018 was **Anja Grujovic** (CEMFI Madrid) with the paper “Tasks, cities and urban wage premia”, presented during the Belgrade Young Economists Conference held at the Faculty of Economics, Belgrade University, on 23 and 24 June 2018.



UniCredit's Chairman, Fabrizio Saccomani and UniCredit Foundation Vice Chairman, Franco Bruni



Other activities

The Foundation also funds **events**, including conventions, conferences and workshops, in collaboration with leading European universities, research centres and financial institutions.

The main role of these events is **to strengthen cooperation and encourage the development of joint projects between the Foundation and universities**, as well as the central banks of the main countries in which UniCredit operates. Moreover, the workshops are also an opportunity for UniCredit Foundation to share with the international academic community the content of research which, thanks to the Foundation, is carried out by the winners of the numerous competitions.

In 2018, the Foundation organised **eight events/workshops** on various themes, in collaboration with the leading universities of the countries in which UniCredit operates.

WU WIEN - 25 JANUARY 2018

1. SUERF/UniCredit Foundation Workshop “Current and future topics in sovereign debt markets”

On 25 January 2018, The WU (Vienna University of Economics and Business) hosted the fifth workshop organised by UniCredit Foundation in collaboration with SUERF (The European Money and Finance Forum) and WU University on the subject of “Current and future topics in sovereign debt markets”, thanks to the contribution of Professors Josef Zechner (scientific adviser to the Foundation) and Christian Laux (member of the Foundation’s Scientific Committee).

During the workshops the two winning papers of the 5th year of the SUERF/UniCredit Foundation Research Prize were presented:

- **Sergio de Ferra** with the paper “External Imbalances, Gross Capital Flows and Sovereign Debt Crises”
- **Malin Gardberg** with the paper “Linking net foreign portfolio debt and equity to exchange rate movements”

CAGLIARI UNIVERSITY - 11 and 12 MAY 2018

2. “Structural transformation and macroeconomic Dynamics” workshop

In 2018, the Foundation contributed to the organisation of the workshop on “Structural transformation and Macroeconomic Dynamics” held by **Prof. Alessio Moro** (University of Cagliari and alumnus of the Marco Fanno Association) in collaboration with **Prof. Rachel Ngai** (London School of Economics).

In 2018, the Foundation’s Board of Directors accepted the Foundation’s proposal to contribute to the funding of **new workshops proposed by young fellows of the Marco Fanno Association** with the main aim of creating synergies, strengthening collaboration and consolidating the network of Fanno Alumni.

The workshop, which was held at **Cagliari University** on 11 and 12 May 2018, hosted speakers from major international universities.

UNIVERSITY OF BELGRADE - 23 and 24 JUNE 2018

3. The Belgrade Young Economists Conference

Also, in 2018, the Foundation confirmed its **support of the faculty of economics at the University of Belgrade** for the organisation of the Annual Conference of Young Economists. Significant support for this important event was guaranteed, like every year, by UniCredit Bank Serbia. The organiser of the event was **Prof. Branko Urošević** of the University of Belgrade, member of the Foundation’s Scientific Committee.

The main aim of the conference was to help young researchers to present and perfect their papers before publishing them in important international journals, and also to encourage the construction of an important network of

relationships at an international level. The event also allowed the University of Belgrade to attract prominent economists from around the world and presented Serbian academia with an excellent opportunity to consolidate relationships with international economics and finance experts.

The event was held on 23 and 24 June 2018 at the **Faculty of Economics, University of Belgrade**.

Combined with this conference, UniCredit Foundation launched the Young Economist Best Paper Award for the best papers presented during the event.

The winner of the competition was **Anja Grujović** with the paper “Tasks, Cities and Urban Wage Premia”.

PETRALIA SOTTANA - from 19 to 24 JULY 2018

4. Petralia Workshop and Job Market Boot Camp

2018 saw the continuation of the collaboration with Kellogg University to offer opportunities to Fanno Alumni to take part in young economists' workshops on Applied Economics. These meetings are held every year at Petralia Sottana, Sicily. Also, in 2018, the contribution by the Foundation consisted of the reimbursement of travel and accommodation expenses for Fanno Alumni who took part in the event. The tenth workshop took place on 19-24 July 2018.

The main purpose of these workshops is to enable young researchers to interact with senior experts in an informal work environment. This type of interaction is of particular importance for young economists because it allows them to

receive invaluable feedback on their work and advice on how to prepare themselves for the Job Market. Also in 2018, the workshop hosted a "Job Market boot camp", thereby providing additional help for doctoral and post-doctoral researchers to prepare for the highly important appointment with the American Job Market. For the occasion, the Foundation awarded the best presentation (UniCredit Best Presentation Prize 2018).

The winner in 2018 was Andreas Ferrara (University of Warwick).

In a short time, support for the preparation of young Fanno grant holders approaching the Job Market has become an important objective for UniCredit Foundation and its intention is to respond to a need that is particularly felt by the doctoral students of European universities.



10th Petralia Sottana Workshop on Applied Economic - Group photo

SASSARI UNIVERSITY - 13 and 14 SEPTEMBER 2018

5. Workshop “Macro, Banking and Finance” (MBF)

The “Macro, Banking and Finance” workshop was organised **in collaboration with Professor Guido Ascari** (Pavia and Oxford Universities), a Scientific Adviser to the Foundation, and with cooperation from Italy’s most prominent universities, with the main purpose of creating synergies, strengthening collaboration and encouraging the development of joint projects between researchers and Italian institutions. The **sixth**

event was held on 13-14 September 2018 in collaboration with the University of Sassari’s Department of Economics at Alghero.

This workshop proposes **annual rotation** involving all the main Italian universities participating in the project, each of which is represented by a member on the Scientific Commission.

Keynote speakers in 2018 included **Fernando Alvarez** (University of Chicago), **Marco Luca Pinchetti** (ECARES) and **Marco Pagano** (Federico II University of Naples and CSEF).

BOCCONI UNIVERSITY - 29 OCTOBER 2018

6. Workshop su “Gender Equality”

On 29 October 2018, the Bocconi University hosted **the eighth workshop on “Gender Equality”** organised by Prof. Paola Profeta (Bocconi University and Scientific Adviser to the UniCredit Foundation) in collaboration with the Dondena Research Centre and the Department of Public Policy Analysis and Management. The work was introduced by Prof. Marco Ottaviani (Research vice chancellor at Bocconi University) and the keynote speaker was Prof. Paola Giuliano (University of California Los Angeles) with a talk on “Gender: A Historical Perspective”. The workshop was also the occasion to award the **winners** of the Best Paper Award on Gender Economics:

- **Anke Becker** with the paper “On the Origins of Son Preference and Female Genital Cutting”
- **Gozde Corekcioglu** with the paper “Headscarves and Female Employment”.

The event closed with a round table moderated by **Barbara Stefanelli** (deputy editor of Corriere della Sera). The participants were: **Elsa Fornero** (University of Turin), **Anna Maria Tarantola** (UniCredit Foundation) and **Franco Amelio** (Deloitte).



Awarding Anke Becker and Gozde Corekcioglu, winners of the 8th Best Paper Award on Gender Economics

FEDERICO II UNIVERSITY OF NAPLES - 6 and 7 DECEMBER 2018

NEW!

7. 1st European Job Market for Economists

The first European Job Market for young economists was held in Naples from 6 - 7 December.

The initiative, which has the fundamentally important goal of attracting the best brains in Europe (in economics and finance), was organised by the European Economic Association in collaboration with the CSEF of the Federico II University in Naples.

UniCredit Foundation was a co-sponsor of the initiative, together with the European Central Bank.

The initiative was a notable success: over 500 young economists and 100 institutions attended the first European Job Market, mainly European Universities, but also central banks and two private banking groups, Goldman Sachs and UniCredit.

UniCredit had the opportunity to participate in the event and organise interviews with young economists who are interested in holding positions at the bank.



Università Federico II venue of the 1st EU Job Market

CATHOLIC UNIVERSITY MILAN - 20 and 21 DECEMBER 2018

8. 2nd Winter Symposium in Economics and Finance

The second Winter Symposium in Economics and Finance was held in the Pizzi Cannella Room in UniCredit Tower A, in Piazza Gae Aulenti in Milan on the 20 and 21 December 2018. It was organised by the department of Economics and Finance of the Catholic University, Milan, with contributions from UniCredit Foundation.

Prof. **Rosario Crinò** (alumnus of the Marco Fanno Association) was one of the event's organisers.

The keynote speakers included: **Nicola Pavoni** (Bocconi University), **Klaus Adam** (Oxford University), **Alan Manning** (London School of Economics).



Marco Fanno Association Chairman's Message

“The completed merger of the 2018 course will provide new growth opportunities and new development prospects for the Marco Fanno Association.”

Giorgio Barba Navaretti
Chairman

2018 was another year of great satisfaction and further growth for the Marco Fanno Association. Since its first meetings, the new UniCredit Foundation Board of Directors has shown great appreciation for the Association, its Alumni and its history. It also expressed its intention not only to maintain the agreements that have been signed with UniCredit Foundation, but also to **invest further** in a prestigious asset that has great potential for further growth. The recognition that the new Board

of Directors have shown us has already seen tangible results in 2018.

The first sign of this is shown in the decision to appoint **Marco Pagano**, member of the Scientific Committee of the Marco Fanno Association, new Chairman of the this body.

In this regard, I would like to extend my best wishes to Marco for this new assignment.

Further confirmation of this recognition came from the decision that the Foundation's Board of Directors took, accepting my proposal, to launch an important new competition called the **"Marco Fanno Fellowship"**. This is an initiative for the economics and finance departments of Italian public universities, with the aim of supporting their commitment to bringing high profile post docs to Italy. The initiative also presents significant "social" value because, through this Top-Up, the Association aims to increase the level and "quality" of teaching in public universities and therefore activate a virtuous circuit, destined to make the Italian Academy even more competitive in the international sphere.

Looking towards the major transformation within the Foundation, which began with the completion of the merger between UniCredit Foundation and UniCredit & Universities, I must express my sincere appreciation for the manner in which this merger process was conducted and for the speed of its conclusion. It was a **demonstration of great efficiency**, which could count on a clear strategy, a well-defined project and was correctly communicated to all the involved stakeholders.

On the Marco Fanno Association side, **I am committed to supporting this new phase** of UniCredit Foundation, by making all the academic skills and experience in our association available to the new Board of Directors.

Collaborating on the growth of UniCredit Foundation and supporting it in achieving its objectives will be a source of satisfaction and will also be a way of giving back to UniCredit, in a small way at least, for the great support that the Marco Fanno Association has received over the years.

The merger that led to the creation of a "new" UniCredit Foundation not only allows the Marco Fanno Association to continue its commitment to support the best brains in the field of economics and finance, but also allows us **to look to the future with renewed optimism**.

I am absolutely certain that within the new three-year plan that the Foundation will define in the coming months, the Marco Fanno Association will be called upon to play an important role.

Together we can aspire to achieve **even better results** than those achieved to date.

Giorgio Barba Navaretti
Chairman of the Marco Fanno
Association





Awards Ceremony 2018

On 6 June 2018 the traditional **Awards Ceremony** took place in the UniCredit Tower Hall in Milan, where awards were presented to the many winners of the competitions launched by UniCredit Foundation in 2017.

Over **70**
young
students and
researchers
awarded

Fabrizio Saccomanni, Chairman of UniCredit, Maurizio Beretta, Chairman of UniCredit Foundation, Franco Bruni, Chairman of the Scientific Committee and Giorgio Barba Navaretti, Chairman of the Marco Fanno Fellowship Association took to the stage. Chairman Saccomanni opened the ceremony with a talk on **“Transforming the Business Model: a choice that banks can no longer postpone”**.

He proposed a series of **suggestions**, which were of great interest to the current and, more importantly, the **future of the banking system**, not only in Italy.

Giannantonio De Roni, Secretary General of the Foundation, called the winners to the stage, announcing their profiles and details of their individual initiatives.

Prof. Barba Navaretti awarded the winners of the Marco Fanno Scholarship and the Franco Modigliani Research Awards. Maurizio Beretta awarded the winners of the Crivelli Europe Scholarships. Prof. Franco Bruni awarded the winners of the US PhD Scholarship and the winners of the Summer Schools and UniCredit Chairman, Fabrizio Saccomanni awarded the winners of the Top-Up Foscolo fellowship, the Summer School for UniCredit employees and the winner of the ‘UniCredit Best Paper Award’.

2018 Awards Ceremony



The Awards Ceremony is becoming an increasingly important fixture for the Foundation. It is the occasion where the members of the Board of Directors and the Board of Auditors have an opportunity to meet the members of the Scientific Committee, the Scientific Consultants, the winners of the new competitions and the winners of previous years' competitions who want to show their support to the Foundation and the new entrants.

Representatives from numerous European universities were present again in 2018. UniCredit Foundation maintains close relationships with them and compares itself to them, with the aim of refining its initiatives to the best possible extent.

The speech by UniCredit Chairman Fabrizio Saccomanni emphasised UniCredit's support for the activities carried out by the Foundation, along with its desire to be close to young students and researchers, winners of the many competitions launched by the Foundation.

The Awards Ceremony is **an opportunity to sum up the activities that have taken place and to generate future ideas**. It is an occasion to hear the experiences of those who studied and designed the initiatives, those who brought them to life and to hear suggestions of how they can be improved to meet the needs of students and researchers.

At the end of the event, the Deputy Chairman of the Foundation, Prof. Franco Bruni thanked all the participants and **presented the 2018 activity plan** to the public, underlining the **important commitment of the Foundation in wanting to support young students and researchers**.



2018 Awards Ceremony





Third Marco Fanno Conference

31 May 2018

After the success of previous years, the Foundation, together with the **Marco Fanno Association**, decided to organise the Conference again in 2018.

6 papers were presented

Now in its third year, the Conference is the only event that is designed exclusively for Marco Fanno Alumni to attend and **present their research work**, with the aim of **strengthening the association network**, extending it to junior professors and, promoting and stimulating academic interaction between Alumni.

Many fellows contribute ideas and experience to the project, of which **Prof. Giorgio Barba Navaretti** (Chairman of the Marco Fanno Association) is the main supporter.

The 2018 Organising Committee included Alumni **Fadi Hassan** (Trinity College, Dublin), **Edoardo Grillo** (Carlo Alberto College) and **Paolo Pinotti** (Bocconi University).

The event was held on the 31 March in Trento, at the **UniCredit** office in Palazzo Firmian. The organising committee decided to hold the conference in Trento, in conjunction with the 13th Festival of Economics, to encourage wider participation by Alumni and to enable participants to take part in the festival.

Alumnus **Nicola Gennaioli** (Bocconi University), was the keynote speaker at the workshop, with a presentation on **“Instability from Beliefs”**.

More than twenty Alumni from major Italian and foreign universities attended the conference. The Organising Committee selected **6 papers** that were presented and discussed during the workshop.



Attendees at the 3rd Marco Fanno Conference

Third Fanno Conference Program

ASSOCIAZIONE BORSISTI
M A R C O F A N N O

 UniCredit Foundation

3rd Marco Fanno ALUMNI Workshop

May 31st, 2018

Palazzo Firmian
Trento

- 9:30 -9:45** Welcome Address: **Fadi Hassan** (Trinity College, Dublin)
- 9:45-11:05** **Gaia Greta Dossi** (Bocconi University) *"Born in the Family: Preferences for Boys and the Gender Gap in Math"* (with David Figlio, Paola Giuliano, Paola Sapienza)
Discussant: Pamela Giustinelli, Bocconi University
- Andreea Enache** (Bocconi University) *"Quantile Analysis of "Hazard-Rate" Game Models"* (with Jean-Pierre Florens)
- 11:20-12:20** **Keynote Speaker: Nicola Gennaioli** *"Instability from Beliefs"* (Bocconi University)
- 13:45-15:05** **Hanna Niczyporuk** (New York University) *"Business influence and political inequality: The impact of the Citizens United ruling on the US states"*
Discussant: Andrea Locatelli, Bank of Italy
- Federico Rossi** (John Hopkins University) *"The Relative Efficiency of Skilled Labor across Countries: Measurement and Interpretation"*
Discussant: Kirill Shaknov, EIEF
- 15:20-16:40** **Rossella Greco** (Bocconi University) *"Foreign Born U.S. Citizens and Immigration Policy"* (with Tracy L. Regany)
Discussant: Paolo Pinotti, Bocconi University
- Paolo Morganti** (ITAM - Business School in Mexico) *"Towards a General Theory of Vertical Differentiation"* (with Janko Hernandez)
Discussant: Carmine Guerriero, University of Bologna
- 16:40-16:50** Concluding remarks

Our students






On 31 December 2018, there were **thirty six scholars** of the Foundation; meaning the young graduates who won the PhD or **Master's scholarships abroad**, launched up to 2018 and still financed by the Foundation.

Some of these completed their studies in the last year or are continuing studies started in recent years. Others, winners of the 2018 Scholarships, have started new studies that will continue in the coming years.

CRIVELLI EUROPE SCHOLARSHIP

	2016-2018	Valeria Zurla	14 th	Brown University
	2017-2019	Oguzhan Celebi	15 th	MIT
	2018-2020	Angela Crema	16 th	New York University
	2019-2021	Paola Moscariello	17 th	To be defined
	2019-2021	Ahmet Gulek	17 th	To be defined
	2019-2021	Filip Obradovic	Crivelli Prize 2018	Northwestern University

MARCO FANNO SCHOLARSHIP

	2016-2018	Armando Miano	2015	Harvard University
	2017-2019	Awa Ambra Seck	2016	Harvard University
	2018-2020	Roberto Corrao	2017	MIT
	2019-2021	Leonardo D'Amico	2018	To be defined
	2019-2021	Devis Decet	2018	To be defined

UNICREDIT US PHD SCHOLARSHIP

	2016-2018	Nikita Melnikov	2015	Princeton University
	2017-2019	Lorenzo Rigon	2016	Stanford University
	2018-2019	Yunus Aybas	2017	Stanford University
	2018-2019	Cem Tutuncu	2017	Stanford University

UNICREDIT MASTER SCHOLARSHIP

	2016-2018	Sergiusz Nowak	6 th	Bocconi University
	2017-2019	Philipp Barteska	6 th	London School of Economics and Political Science
	2016-2018	Elvira Babaeva	6 th	Mannheim University
	2016-2018	Maximilian Ahrens	6 th	Oxford University
	2016-2018	Anita Hafner	6 th	Stockholm School of Economics
	2017-2018	Eva Schoenwald	7 th	Barcelona Graduate School of Economics
	2017-2019	Matthias Buchta	7 th	Bocconi University
	2017-2019	Edoardo Leonardi	7 th	London School of Economics and Political Science
	2017-2019	Alexander Butz	7 th	Mannheim University
	2017-2019	Michael Gopper	7 th	Oxford University
	2017-2019	Zalina Alborova	7 th	SciencesPo
	2017-2019	Jacopo Lunghi	7 th	Stockholm School of Economics
	2017-2018	Gokce Gokkoca	7 th	Toulouse School of Economics
	2018-2019	Alexandra Chuguevskaya	8 th	Barcelona Graduate School of Economics
	2018-2019	Marcel Toussaint	8 th	Bocconi University
	2018-2019	Bernardo Mottironi	8 th	London School of Economics and Political Science
	2018-2019	Franziska Winkler	8 th	Mannheim University
	2018-2019	Eric Klemm	8 th	Oxford University
	2017-2019	Alberto Nasi	8 th	SciencesPo
	2018-2019	Martina Kaplanová	8 th	Stockholm School of Economics
	2018-2019	Federica lo Polito	8 th	Toulouse School of Economics

Our researchers

Twenty-six researchers can be counted among the Fellows of the Foundation, as of 31 December 2018. All the researchers won initiatives launched before the end of 2018, financed by the Foundation.

These are **young economists and researchers** who are building a future in the academic world, undertaking **high-profile research** on issues, often cross-border, which have interesting implications for the economic system in general and for the banking system in particular.

Thanks to nine years of continuous activity, UniCredit Foundation boasts a large number of young economists whose research is supported by the funds offered by the Foundation.

EUROPEAN FOSCOLO RESEARCH FELLOWSHIP



2015-2019

Kirill Shaknov

6th

EIEF Einaudi Institute for Economics and Finance, Rome

TOP-UP FOSCOLO EUROPE FELLOWSHIP



2016-2018

Veronika Selezneva

1st

Cerge-Ei Praga



2017-2019

Basile Grassi

1st

Bocconi University



2017-2019

Enrico Cantoni

2nd

Bologna University



2017-2019

Matthias Meier

2nd

Mannheim University



2018-2020

Christian Skov Jensen

3rd

Bocconi University



2018-2020

Tomy Lee

3rd

Central European University



2019-2021

To be announced

4th

Ca' Foscari University, Venice




2019-2021

To be announced

4th

Federico II University, Naples



MARCO FANNO FELLOWSHIP

	2019-2021	To be announced	1 st	Bologna University
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MODIGLIANI RESEARCH GRANT

	2016-2018	Alessandro Barattieri	6 th	Carlo Alberto College, Turin
	2016-2018	Felix Koelle	6 th	University of Cologne
	2016-2018	Petr Sedlacek	6 th	University of Bonn
	2017-2019	Sebastian Findeisen	7 th	University of Mannheim
	2017-2019	Julien Sauvagnat	7 th	Bocconi University
	2017-2019	Peter Shwardmann	7 th	University of Munich
	2018-2020	Alice Albonico	8 th	Bicocca University, Milan
	2018-2020	Markus Dertwinkel-Kalt	8 th	University of Mannheim
	2018-2020	Lisandra Flach	8 th	University of Munich
	2018-2020	Nadia Montinari	8 th	Bologna University
	2019-2021	Antoine Camous	9 th	University of Mannheim
	2019-2021	Gerhard de Britto Diogo	9 th	Catholic University of Milan
	2019-2021	Filippo De Marco	9 th	Bocconi University
	2019-2021	Luca Trapin	9 th	Catholic University of Milan

CORDUSIO RESEARCH GRANT

	2018-2019	Chiara Nardi	2017	University of Verona
	2019-2020	Tommaso Sonno	2018	University of Bologna

Working Papers

The UniCredit Foundation Working Paper series was launched in 2010, to **collect scientific contributions from the winners** of the competitions promoted by the Foundation - external students and researchers or UniCredit Group employees - **encouraging their circulation** both within and outside UniCredit, to generate comments and suggestions.

The research can cover topics in **the following areas**:



economics



finance



social and political sciences

The articles are published on the Foundation's website www.unicreditfoundation.org. They are examined and selected by the Scientific Committee, made up of professors from the best Italian and European Universities. The selection is based on criteria evaluating the techniques used and their level of contribution to scientific debate.

The Working Papers that are already online include work chosen by the Scientific Committee, as part of the **various Best Paper competitions**, including:

- Best Paper Award su Gender Economics
- EEA Young Economist Best Paper
- SUERF Research Prize
- Belgrade Young Economist Best Paper
- Econ Job Market Best Paper
- Macro Banking Finance (MBF) Best Paper
- UniCredit Best Paper

WORKING PAPER SERIES - 2018

- No. 116 - "How Do Equity Investors React to Green Bond Issuance Announcements?" Dejan Glavas - 6th SUERF Best Paper Prize
- No. 115 - "Is There a Green Bond Premium? The yield differential between green and conventional bonds" Olivier Zerbib - 6th SUERF Best Paper Prize
- No. 114 - "Switching Costs, Quality Misconceptions and Behavioral Pricing in the Pharmaceutical Market" Janssen Aljoscha - 5th Econ Job Market Best Paper Award
- No. 113 - "Job referrals and strategic network formation" Marc Witte - 5th Econ Job Market Best Paper Award
- No. 112 - "Unconventional Monetary Policy and Credit Rating Inflation" Nordine Abidi e Matteo Falagiarda - 2018 MBF Best Paper Award
- No. 111 - "Creative Destruction Cycles: Schumpeterian Growth in an Estimated DSGE Model" Marco Pinchetti - 2018 MBF Best Paper Award
- No. 110 - "Happily Ever After: Immigration, Natives' Marriage, and Fertility" Michela Carlana e Marco Tabellini - 2018 EEA Young Economist Best Paper Award
- No. 109 - "Collateral, misallocation, and aggregate productivity: evidence from the US housing boom" Sebastian Doerr - 2018 EEA Young Economist Best Paper Award
- No. 108 - "How Strategic are Political Activists? Evidence From a Natural Field Experiment" Lukas Hensel, Johannes Hermle, Anselm Rink and Christopher Roth - 2018 EEA Young Economist Best Paper Award
- No. 107 - "Tasks, cities and urban wage premia" Anja Grujovic - 5th Belgrade Young Economists Prize
- No. 106 - "Headscarves and Female Employment" Gozde Corekcioğlu - 8th Best Paper Award on Gender Economics
- No. 105 - "On the Origins of Son Preference and Female Genital Cutting" Anke Becker - 8th Best Paper Award on Gender Economics
- No. 104 - "A risk-neutral approach for the evaluation of NPL" Danilo Tilloca - 9th UniCredit Best Paper Award

WORKING PAPER SERIES - 2017

- No. 103 - "Linking net foreign portfolio debt and equity to exchange rate movements" Malin Gardberg - SUERF Best Paper Prize
- No. 102 - "External Imbalances, Gross Capital Flows and Sovereign Debt Crises" Sergio De Ferra - SUERF Best Paper Prize
- No. 101 - "Job Mobility Networks and Endogenous Labor Markets" Jan Nimczik - Econ Job Market Best Paper Award
- No. 100 - "Optimal density forecast combinations" Gergely Gánics - Econ Job Market Best Paper Award
- No. 99 - "Does Teacher Sorting across and within Schools Explain Inequality in Education Outcomes?" Petra Thiemann - EEA Young Economist Best Paper Award
- No. 98 - "Fiscal Rules and the Selection of Politicians: Evidence from Italian Municipalities" Matteo Gamalerio - EEA Young Economist Best Paper Award
- No. 97 - "A Kinked-Demand Theory of Price Rigidity" Stéphane Dupraz - EEA Young Economist Best Paper Award
- No. 96 - "From Local to Global: Offshoring and Asset Prices" Lorenzo Bretscher - Belgrade Young Economists Prize
- No. 95 - "Now She Is Martha, then She Is Mary": the Influence of Beguinages on Attitudes Toward Women" Annalisa Frigo e Eric Roca - UWIN Best Paper Award on Gender Economics
- No. 94 - "Till Money Us Do Part: Property Division at Divorce and Married Couples' Time Behaviour" Daniela Piazzalunga - UWIN Best Paper Award on Gender Economics
- No. 93 - "Prepayment risk modeling: behavioural options, contagion and interest rates dynamics" Flavia Barsotti - UniCredit Best Paper Award
- No. 92 - "Taylor Rule and Financial Instability" Gianfranco Zampese - UniCredit Best Paper Award

WORKING PAPER SERIES - 2016

- No. 91 - "Financial Product Design and Catering: Evidence from the Global Mutual Fund Industry" Mancy Luo - SUERF Best Paper Prize
- No. 90 - "Beta and Biased Beliefs" Heiko Jacobs - SUERF Best Paper Prize
- No. 89 - "Job Mobility Networks and Endogenous Labor Markets" Jan Nimczik - Econ Job Market Best Paper Award
- No. 88 - "Optimal density forecast combinations" Gergely Gánics - Econ Job Market Best Paper Award
- No. 87 - "Dispersed Information and the Origins of Aggregate Fluctuations" Jakob Grazzini e Domenico Massaro MBF Best Paper Award
- No. 86 - "Proxy-SVAR as a Bridge between Mixed Frequencies" Andrea Gazzani e Alejandro Vicondoa - MBF Best Paper Award
- No. 85 - "Lobbying, Inside and Out: How Special Interest Groups Influence Policy Choices" Stephane Wolton - EEA Young Economist Best Paper Award
- No. 84 - "Financial Intermediation, Resource Allocation, and Macroeconomic Interdependence" Galip Kemal Ozhan - EEA Young Economist Best Paper Award
- No. 83 - "How Do Consumers Respond To Transitory Income Shocks? Reconciling Longitudinal Studies and Natural Experiments" Jeanne Commault - EEA Young Economist Best Paper Award
- No. 82 - "Option-implied intra-horizon risk and first-passage disentanglement" Nikola Vasiljevic and Markus Leippold - Belgrade Young Economists Prize
- No. 81 - "Knowing who you are: the effect of feedback on short and long term outcomes" Rigissa Megalokonomou and Sofoklis Goulas - Belgrade Young Economists Prize
- No. 80 - "Top of the Class: The Importance of Ordinal Rank" Felix Weinhardt and Richard Murphy - UWIN Best Paper Award on Gender Economics
- No. 79 - "Why Are Older Women Missing in India? The Age Profile of Bargaining Power and Poverty" Rossella Calvi - UWIN Best Paper Award on Gender Economics
- No. 78 - "Measuring the ECB's Monetary Policy Stance: A Media-Based Automated Approach" Francesco Pesci - UniCredit Best Paper Award
- No. 77 - "CDO Analytic Pricing with Subordinator Levy Marshall - Olkin Correlation" Stefano Giovannitti - UniCredit Best Paper Award

WORKING PAPER SERIES - 2015

- No. 76 - "Central Bank Interventions, Demand for Collateral, and Sovereign Borrowing Costs" Miguel Faria-e-Castro, Matteo Crosignani, Luis Fonseca - SUERF Best Paper Prize
- No. 75 - "The Criminal And Labor Market Impacts Of Incarceration" Michael George Mueller-Smith - Economics of Crime Prize
- No. 76 - "The Effect Of Social Connectedness On Crime: Evidence From The Great Migration" Bryan Andrew Stuar And Evan James Taylor - Economics of Crime Prize
- No. 73 - "The Impact of Early Grading on Academic Choices: Mechanisms and Social Implications" Luca Facchinello - Econ Job Market Best Paper Award
- No. 72 - "The informationale content of prices when policy makers react to financial markets" Christoph Siemroth - Econ Job Market Best Paper Award
- No. 71 - "Sovereign Risk and Bank Risk" -Taking Anil Ari MBF Best paper Award
- No. 70 - "The existence and persistence of liquidity effects: evidence from a large-scale historical natural experiment" Nuno Pedro Goncalves Palma - MBF Best paper Award
- No. 69 - "If fail, fail less: Banks' decision on systematic vs idiosyncratic risk" Una Savic - Belgrade Young Economists Prize
- No. 68 - "Do financial incentives affect fertility - Evidence from a reform in maternity leave benefits" Anna Raute - UWIN Best Paper Award
- No. 67 - "Women's Inheritance Rights and Bargaining Power: Evidence from Kenya" Maria Flavia Harari - UWIN Best Paper Award
- No. 66 - "Disguised Discrimination Silvia Saccardo and Anastasia Danilov" - Best Paper Awards on Economics of Discrimination
- No. 65 - "Attention Discrimination: Theory and Field Experiments with Monitoring Information Acquisition" Vojtěch Bartoš, Michal Bauer, Julie Chytilová and Filip Matějka - Best Paper Awards on Economics of Discrimination
- No. 64 - "Can Market Risk Perception Drive Inefficient Prices? Theory and Evidence" Matteo Formenti - UniCredit Best Paper Award
- No. 63 - "Robust estimators for operational risk: a computationally efficient approach" Ivan Danesi - UniCredit Best Paper Award



UniCredit Study Days

The Foundation's commitment to organising “UniCredit Study Days” aimed primarily at university students, continued in 2018.

These are meetings during which students are given the opportunity to get to know UniCredit from within, and to gain an understanding on how work is organised, what professional profiles are required by the market, and how the company and the entire banking and finance industry is evolving. This type of experience enables young people, especially students, to continue their studies with a greater awareness of what will be expected of them once they have finished their studies. The UniCredit study days, organised by the Foundation in 2018 involved both Italian and foreign universities.

The success of these study days is based on the **commitment of many UniCredit employees who dedicate some of their time to present the company activities**, giving accurate descriptions of the activities and a pragmatic view on some of the processes that are changing the banking industry.

LIST OF SOME OF THE MOST RECENT UNICREDIT STUDY DAYS

- **16 January 2018**
Bilkent University Business
Coordinator: Dr. Burak Balik
- **7 May 2018**
Bocconi CRIOS (Center for Research in Innovation, Organization and Strategy)
Coordinator: Prof. Fabio Quarato
- **17 July 2018**
Forum Nexus Study Abroad
Coordinator: Prof. Edoardo Teodoro Brioschi
- **18 January 2019**
Tor Vergata Executive MBA
Coordinator: Prof. Vittorio de Pedys



Forum Nexus Study Abroad students

Employees involvement



The involvement of UniCredit Group's employees in active solidarity initiatives increases the effect of the social value generated by UniCredit, creates beneficial effects on the way employees work and strengthens the links between employees and communities. Furthermore, UniCredit Foundation launches study and research initiatives designed to support UniCredit employees.

Gift Matching Program (GMP)

The “Gift Matching Program” (GMP) is the philanthropic initiative launched by UniCredit Foundation in 2003 to **support colleagues in their commitment to non-profit organisations.**

OUR CONTRIBUTION

1,904

number of
donations

67

organisations
supported

15

Countries
involved



In line with the commitment that UniCredit has taken on social issues, the 2018 Gift Matching Program, , has seen a broad renewal aimed at strengthening the effectiveness of the Foundation's intervention and promoting the impact on the selected projects.

The admission criteria for the 2018 Gift Matching Program was updated, to reinforce the effectiveness of the supported projects, in line with the commitment that UniCredit has undertaken in the social space.

The beneficiary organisations were selected by each country, through an employee voting mechanism and in relation to a specific Project, operating in one of the following **three sectors**:



childhood support



disability support



environmental protection

The most voted projects were included in a **final list (Positive List)**, made up of **67 organisations**: from this list, employees were able to choose the initiative or initiatives to be supported through one or more donations.



Playground space managed by Associazione L'abilità Onlus

UniCredit Foundation **doubles** the donations made by employees in a given year and complements the collected sums, to a **maximum amount of € 500** for individual donations and **€ 15,000** for each beneficiary organisation.

More than **€ 200,000** was donated, which will be doubled by the Foundation.

Rest-Cent Initiative

GERMANY



The “Rest-Cent Initiative” Program enables UniCredit employees to donate the cents part of their salary to non-profit organisations each month.

OUR CONTRIBUTION

€25,000

2 organisations
for projects that benefit children



This initiative, which has been active since 2012, was confirmed for 2018. At the moment, it only involves employees of **Hypo-Vereinsbank** (HVB) who work in Germany.

The Foundation **doubled** the funds raised by employees, making a total amount of **€ 12.328 each**.

The funds raised were allocated to two **non-profit organisations** identified in collaboration with Phineo, an expert philanthropy advisory company. They were chosen by employees through an **online voting system - Your Choice, Your Project**.

BENEFICIARIES

- **brotZeit e.V.:** This organisation aims to provide a balanced breakfast for primary school children every day. It was created following the observation that one in three children in Germany goes to school without eating breakfast. 175 schools have joined the initiative, offering a balanced buffet half an hour before classes start, prepared by elderly volunteers.
- **IMPULS Deutschland Stiftung e.V.:** Through the HIPPY Program, this organisation promotes closeness and interaction between parents and children, strengthening family ties and relationships. Using materials made available for the programme and by participating in specific role-playing games, parents and children are accompanied, at home, in the development of key skills for learning reading, writing and arithmetic.



brotZeit e.V., beneficiary of the Rest-Cent Initiative

Xmas for Kids

ITALY



For the second year running, UniCredit launched “Xmas for Kids” during the festive period, the initiative saw the company mascot, Elkette, invite all employees based in the UniCredit Towers at Gae Aulenti to make a donation for **children in difficulty**.

OUR CONTRIBUTION

€ 32,000

2 organisations
for projects that benefit children



Confirming its commitment to the sector, UniCredit Foundation decided to **double all donations** collected again this year. **€ 16,000** was raised from **242 donations, doubled in full**.

BENEFICIARIES

- **Associazione L'abilità Onlus**, which develops and manages innovative services and projects for children with disabilities and their families, in the areas of play, education, school, residency and people with disabilities in general, in the areas of accessibility and inclusion. In particular, the funds raised went to the Spazio Gioco, an educational service that addresses the needs for the rights to and pleasure of playing for children with disabilities, as identified - among other things - by the UN Convention on Human Rights for childhood and adolescence and that saw the inauguration of its new headquarters in November 2018.
- **Associazione Vidas**, which offers full and free assistance to those with incurable illness and defends the patient's rights to live with dignity, even in the last moments of their life. Among its aims are the research, study, implementation and promotion of all forms of assistance to those who are suffering, as well as training, awareness and information on Palliative Care. In particular, the funds raised went to the Casa Sollievo Bimbi Project, a structure that guarantees competent and loving care to many sick children and their families.



In January, the donors, took part in an event during which they could take a picture with the UniCredit CEO Jean Pierre Mustier and Elkette, receiving an Elkette “cousin” as a souvenir.



5th Summer School Program for employees

Summer Schools are **occasions for in-depth study**, not only for students but **also for professionals** who are already working.

OUR CONTRIBUTION

€40,000

Commitment for **10 prizes**



Since its first year, the Foundation decided to offer this opportunity to **UniCredit employees**, with no age, country or professional requirements. Two positions were awarded in the first year (one at LSE and one at GSE). From the beginning, the number of applications received has been much higher than expected, with a very high quality of candidates.

In 2018, the competition was confirmed for its fifth year, with **10 prizes** to be awarded for **UniCredit employees** to participate in **summer school** courses at three of the most prestigious schools of economics in Europe:

- Barcelona Graduate School of Economics, 4 positions
- London School of Economics, 4 positions
- University College of London, 2 positions

The Foundation pays the **full tuition fees** for the chosen summer course to the University, while UniCredit contributes to the reimbursement of travel and expenses for the winners.

The names of the winners from 2018 will be announced on 15 April 2019, after closing this Report.

The **winners of the 4th year:**

- **Henri Ibi** (BGSE)
- **Andrea Giussani** (BGSE)
- **Baykal Aysegul Gokce** (LSE)
- **Margherita Tosi** (LSE)
- **Marco Zara** (UCL)



Andrea Giussani, Margherita Tosi and Henri Ibi winners of the 4th Summer School Program

9th UniCredit Best Paper Award

The UniCredit Best Paper Award is another Study and Research initiative set up by the Foundation **exclusively for UniCredit employees**, from any of the UniCredit Group's legal entities.

OUR CONTRIBUTION

€5,000

Commitment for **2 best papers**



In its 9th year, the 2018 competition awards **€2,500** each to the two UniCredit employees who presented the **best paper** in the field of economics, finance, law and social science.

The announcement of the winners, selected by the UniCredit Foundation Scientific Committee, is scheduled for 15 May 2019 (after the closing of this Report).

The **winner of the 8th Award**, announced at the end of April 2018 is **Danilo Tilloca**, with the paper "A risk neutral approach for the evaluation of NPL".

The winner was awarded during the Awards Foundation ceremony held on 6 June 2018 at the Unicredit Tower Hall.



2018 Awards Ceremony

Philanthropy advisory

A photograph of a desk with various stationery items. In the background, a chair is constructed from numerous yellow sticky notes. On the desk, there is a silver pen, a ruler, a blue and red eraser, several paper clips, a black binder clip, a yellow pushpin, and a protractor. The background is a solid blue wall.

UniCredit Foundation carries out its activities with the aim of increasing awareness, internally and outside UniCredit, about the importance of strategic philanthropy as a tool for the development of the communities in which UniCredit operates.

“Fondo Giancesini” grant

Thanks to its activity as a centre of expertise for non-profit and philanthropy, UniCredit Foundation has been involved in the creation and in the activities of the **Fondo Giancesini** over the years.

THE FUND'S CONTRIBUTION

€100,000



Commitment for **4 scholarships**

The Philanthropy Advisory activity has developed over the years, to advise and assist stakeholders, in particular customers, in defining their **philanthropic portfolio** based on individual needs and sensibilities.

One of the successful initiatives in this area was the establishment of the **Fondo Giancesini, set up with the generous support of a philanthropist from Verona and managed by the Foundation itself** (the DAF activity - Donor Advised Fund), which is part of the long-standing collaboration between the University of Verona and UniCredit Foundation.

Thanks to the establishment of this Fund, UniCredit Foundation has launched the “Fondo Giancesini” grant each year since 2014, in collaboration with the University of Verona.

Four Scholarships worth € 25,000 each are awarded - two to the Department of Economics and two to the School of Medicine and Surgery - for graduates, PhD students, PhDs or medical specialists to further their study or research abroad.

All applicants present a research project to be carried out abroad, lasting between 9 and 12 months. They are examined by a Commission comprising of two members of the University and a member of the UniCredit Foundation.

The fifth “Fondo Giancesini” grant



5 scholarships were awarded in 2018 (following the renunciation of one of the winners from the previous year) and went to:

- **Francesco Pascucci, Mirco Monfardini** and **Jacopo Morabito**, for the Department of Economics
- **Anna Brunelli** and **Laura Iogna Prat**, for the School of Medicine and Surgery



Fondo Giancesini Awards Ceremony

Cordusio Award - 2018

In 2018, for the second consecutive year, UniCredit Foundation confirmed its **collaboration with Cordusio SIM**, the strategic wealth management company of the Group, for the launch of a competition to **support economic research**.

THE CONTRIBUTION OF CORDUSIO SIM

€10,000 
Commitment for **1 research project**

Cordusio SIM has made a contribution of **€10,000** (before tax) for 2018 for a research project to be developed over a year.

This year, Cordusio has decided to open the competition to researchers of any nationality, but with a contract in place at the University of Bologna.

The winner of the 2018 competition is **Tommaso Sonno**, with a research project on policies opportunities to cope with mortality and child malnutrition in the developing countries.



Chiara Nardi, winner of the 1st Cordusio Award





To Mr. Chairman and Members of the Board,

I kindly ask you to approve the 2018 Financial Statements presented here, showing an operating surplus of € 987,484, which I propose to bring about an increase in the Operating Reserve.

Secretary General
Giannantonio De Roni

Financial Statements





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Balance Sheet

Analysis of the Balance Sheet and Report on Operations

The Balance Sheet and the Report on Operations show the comparison of the figures as at 31.12.2018 with those at 31.12.2017 pro-forma deriving from the unification of the Balance Sheet values of the UniCredit Foundation and UniCredit & Universities.

This operation was necessary in order to allow the analysis with the 2017 annual report.

Balance Sheet as at 31 December 2018

Amounts in Euros

ASSETS	31.12.2018	31.12.2017
C) CURRENT ASSETS	9,314,968	9,559,708
II Receivables	270,509	87,502
5) Due from others	270,509	87,502
III Financial assets not classified as fixed assets	0	7,221,470
2) Other Securities	0	7,221,470
IV Liquid Assets	9,044,459	2,250,736
1) Bank deposits	9,043,759	2,212,934
2) Cash held by asset management companies	0	37,102
3) Cash and cash equivalent on hand	700	700
TOTAL ASSETS	9,314,968	9,559,708

Amounts in Euros

LIABILITIES	31.12.2018	31.12.2017
A) NET EQUITY	4,512,792	3,525,308
I Operating Reserve	3,933,335	2,945,851
1) Surplus/deficit on operations	987,484	-1,188,011
2) Surpluses of previous years	2,648,544	4,133,862
3) Available reserve of UniCredit & Universities	297,307	0
II Endowment fund	579,457	579,457
D) PAYABLES, WITH SEPARATE INDICATION FOR EACH ITEM OF THE AMOUNTS DUE AFTER THE FOLLOWING PERIOD	4,802,176	6,034,400
2) Payables for contributions to be disbursed	4,675,538	5,912,628
2.1) Projects in countries in which the Group is present	302,140	772,868
within the following period	302,140	665,374
after the following period	0	107,494
2.2) Projects involving personnel of the Group	1,121,851	1,401,920
within the following period	1,121,851	1,077,070
after the following period	0	324,850
2.3) Specific projects	783,800	1,382,173
within the following period	587,758	751,388
after the following period	196,042	630,785
2.4) Support for Studies	1,367,766	1,295,297
within the following period	1,069,016	913,097
after the following period	298,750	382,200
2.5) Support for Research	907,142	931,999
within the following period	512,142	510,999
after the following period	395,000	421,000
2.6) Other initiatives	192,839	128,371
within the following period	192,839	128,371
6) Account payable	85,411	62,163
7) Taxes payable	41,227	59,609
TOTAL LIABILITIES	9,314,968	9,559,708

Memorandum accounts

	31.12.2018
Funds to be received from Cordusio SIM	10,000

Report on Operations for the 2018 financial year

Amounts in Euros

EXPENSES	2018	2017
1) EXPENSES FROM ORDINARY OPERATIONS	3,258,680	4,369,241
1.1) Projects in countries in which the Group is present	448,533	971,000
1.2) Projects involving personnel of the Group	1,078,565	1,348,288
1.3) Specific projects	0	765,675
1.4) Studies and expenses for feasibility, assessment and promotion of projects	0	2,453
1.5) Project monitoring	50,246	72,498
1.6) Support for Studies	982,000	617,545
1.7) Support for Research	512,000	439,500
1.8) Other activities	113,500	74,499
1.9) Compensation and expenses for Scientific Committee members	72,522	72,782
1.10) Communications expenses	1,314	5,001
4) FINANCIAL EXPENSES AND LOSSES	15,479	26,518
4.4) From other assets	15,479	26,518
6) GENERAL ADMINISTRATIVE COSTS	169,760	567,194
6.1) Employees	0	256,460
6.2) Other operating expenses	169,760	310,734
7) EXTRAORDINARY EXPENSES FOR MERGER	212,541	0
TOTAL EXPENSES	3,656,460	4,962,953
OPERATING SURPLUS	987,484	0
TOTAL	4,643,944	4,962,953

Amounts in Euros

REVENUES	2018	2017
1) REVENUES FROM ORDINARY OPERATIONS	4,020,290	2,777,473
1.1) Contributions received	4,020,290	2,777,473
4) FINANCIAL INCOME AND GAINS	2,256	969
4.1) From bank deposits	2,256	969
7) OTHER INCOME	621,398	996,500
7.1) Amounts recovered from projects, scholarships and initiatives concluded or not implemented	621,225	996,500
7.2) Other amount recovered	173	0
TOTAL REVENUES	4,643,944	3,774,942
OPERATING DEFICIT	0	1,188,011
TOTAL	4,643,944	4,962,953

Notes on the 2018 Accounts

Preliminary Information

UniCredit Foundation is the UniCredit Group corporate foundation. It was established from the merger, completed in April 2018, of UniCredit Foundation established on 5 March 2003 as Unidea - **UniCredit Foundation**, with an endowment fund of € 63,000, and **UniCredit & Universities** Knight of Labor Ugo Foscolo **Foundation**, created in Rome on 13 July 1966 as “Ugo Foscolo Cavaliere del Lavoro Foundation” with tied assets of 50,000,000 lire, currently € 516,456.90 thanks to subsequent extraordinary contributions made at the end of 1991 by what was formerly Banco di Roma. It is categorised as a private, non-profit foundation and is registered in the Register of Legal Persons of the Prefecture of Milan at number 414 of the second volume.

The Foundation is non-profit and cannot distribute profits. It:

- 1) pursues social and humanitarian goals in the fields of assistance and healthcare, the environment, and training, education and teaching;
- 2) promotes and supports research in the fields of economics, finance, law, politics, and social sciences; awards prizes, scholarships and research grants, and promotes and supports initiatives in universities.

The Foundation bodies are: the Board of Directors, the Chairman, the Secretary General, the Scientific Committee and the Board of Auditors.

Contents and form of the Financial Statements

The Financial Statements were drawn up in accordance with the recommendations issued by the “Non-profit Enterprise Commission” of the Chartered and Expert Accountants. The accounting principles and valuation criteria are applied consistently over time. If they are not underlined, they have not been modified.

The Financial Statements consist of the Balance Sheet, the Report on Operations and the Notes on the Accounts, and are accompanied by the Annual Report above.

The 2018 financial year ended with an operating surplus of € 987,484.

The accounts are audited by the Board of Auditors.

Since the Foundation does not conduct commercial business, it is not subject to VAT; due to the nature of its income, it is not subject to income tax, but only to IRAP (Regional Business Tax).

Accounting principles and valuation criteria

Income and expenses are reported on an accrual basis with the exception of contributions received, which are recorded on a cash basis. Accrual of the costs of ordinary activities is determined on the basis of the expenses incurred by the spending decisions deliberated by the Board of Directors.

ASSETS

Current assets

Receivables are posted at their face value, which coincides with their estimated realisable value.

Liquid assets are reported at face value.

LIABILITIES

Net equity

The **Operating Reserve** consists of operating results for the current and previous periods.

The **Endowment Fund** is recognised at face value and represents the value of contributions made at the time the Foundation was established.

Payables, with separate indication of amounts due after the following period.

Payables are reported at their face value.

Payables for contributions to be disbursed represent the Foundation's commitment to initiatives that have been approved but not yet funded. They are broken down according to the type of initiative supported.

Accounts payable in addition to the value of payables for invoices or notes received, include the amounts owed with respect to invoices or bills received as well as the amount of any invoice or bill to be received for services rendered but not invoiced by the end of the year.

Taxes payable include the advance withholding tax on the income of self-employed workers, taxes withheld from workers and scholars, and the IRAP amount due.

MEMORANDUM ACCOUNTS

The **Memorandum Accounts** represent the commitment from third parties to make donations to fund specific projects.

EXPENSES

Expenses from ordinary operations include all contributions and expenses for the initiatives approved during the year by the Board of Directors.

Financial expenses and losses include losses made on investments in asset management, including expenses and taxes.

General Administrative costs reflect the costs incurred by the Foundation during the reference period to conduct its operations.

REVENUES

Revenues from ordinary operations represent the donations received during the period.

Financial income and gains represent bank interest up to 31/12/2018. Income is shown net of taxes and any expenses.

Other Income item brings together the remaining revenues, which by nature cannot be included in the previous categories, and includes surpluses recovered on initiatives completed or not implemented.

Notes on the Balance Sheet and the Report on Operations

ASSETS

	31.12.2018	31.12.2017
C) Current assets	9,314,968	9,559,708
II - Receivable	270,509	87,502
5) Due from others	270,509	87,502

Receivables due from others include the balance of the prepayments for IRAP (€ 47,325) and INAIL taxations (€ 131), the withholding tax on income from asset management (€ 24,039) and the amount receivable from UniCredit S.p.A. for the reimbursement of the seconded staff cost paid by the Foundation in 2018.

	31.12.2018	31.12.2017
III - Financial assets not classified as fixed assets	0	7,221,470
2) Other securities	0	7,221,470

The **Other securities** item shows a balance equal to zero following the decision to close the portfolio securities asset taken on 16 March 2018 by UniCredit & Universities and during the fourth quarter by UniCredit Foundation which led to the sale of all the securities held by the Foundation

	31.12.2018	31.12.2017
IV - Liquid assets	9,044,459	2,250,736
1) Bank deposits	9,043,759	2,212,934
2) Cash held at asset management companies	0	37,102
3) Cash and cash equivalent on hand	700	700

Bank deposits represent the total of current account balances held at UniCredit S.p.A., the only bank where UniCredit Foundation has current account relations.

Cash held at asset management companies is the cash generated from the asset management relationship indicated under Other securities. It shows a balance equal to zero following the decision to close the portfolio security asset.

Cash and cash equivalents on hand is the balance of petty cash used for current expenses.

ORDER ACCOUNTS

	31.12.2018
Contribution to be received from Cordusio SIM	10,000

LIABILITIES

	31.12.2018	31.12.2017
A) Net equity	4,512,792	3,525,308

I - Operating Reserve

Amounts to **€ 3,933,335** and represents the algebraic sum of the operating surplus for the year of € 987,484, the surpluses of previous years equal to € 2,648,544 and the UniCredit & Universities available reserve amounting to € 297,307.

II - Endowment fund

Amounts to **€ 579,457** and reports the payments made at the time of setting up UniCredit Foundation for € 63,000 and UniCredit & Universities for € 516,457.

Changes in net equity are indicated in the table below. Since the use of the balance of the available reserve of UniCredit & Universities, which as at 31 December 2017 amounted to € 297,307, has not been spent, it is included within the total operating reserve referred to UniCredit Foundation as of 31 December 2018.

Changes in net equity in 2018

	Operating reserve	Endowment Fund	Total net equity
Start of the year	2,945,851	579,457	3,525,308
Now referred to UniCredit & Universities	297,307	516,457	813,764
Operating result for the period	987,484	-	987,484
Balance as at 31 December 2018	3,933,335	579,457	4,512,792
Now referred to UniCredit & Universities	297,307		

	31.12.2018	31.12.2017
D) Payables with separate indication for each item of the amounts due after the following period	4,802,176	6,034,400

Payables for contributions to be disbursed totaling **€ 4,675,538**, represent the Foundation's commitment to scholarships, research grants and projects, which have been approved, with disbursements to occur in following periods. The following table provides a breakdown of initiatives type and by disbursement period.

Amounts in Euro

Payables Due	31.12.2018		
	Within the following period	After the following period	Total
Projects in countries in which the Group is present	302,140	0	302,140
Grameen - Italia	14,654	0	14,654
Philanthropic activities	80,000	0	80,000
Initiatives with European Foundation Center	7,131	0	7,131
Filarmonica della Scala - Open Rehearsals 2018/2019	39,000	0	39,000
JOBLINGE - Joining forces to address youth unemployment - 2017	5,000	0	5,000
JOBLINGE - Joining forces to address youth unemployment - 2018	20,000	0	20,000
Initiatives in support of social enterprise - 2017	86,355	0	86,355
School Meals Programme - World Food Programme	50,000	0	50,000
Projects involving UniCredit Employees	1,121,851	0	1,121,851
Rest-Cent Initiative - Germany	66,851	0	66,851
We for the region Award - Germany	5,000	0	5,000
Gift Matching Program - 2018	1,000,000	0	1,000,000
Xmas for Kids - 2018	40,000	0	40,000
Solidarity Gift - 2018	10,000	0	10,000
Specific Projects	587,758	196,042	783,800
Call for tender UniCredit Carta E 2014 - Social cohesion strategies for young people - Italy	47,871	0	47,871
Call for tender UniCredit Carta E 2015 - Social cohesion strategies for elderly - Italy	54,827	0	54,827
Call for tender UniCredit Carta E 2016 - Social cohesion strategies for young people - Italy	117,317	58,658	175,975
Call for tender UniCredit Carta E 2017 - Social cohesion strategies for young people - Italy	250,000	99,884	349,884
Gianesini Fund Initiatives	117,743	37,500	155,243
Support for Studies	1,069,016	298,750	1,367,766
Crivelli Scholarship	125,722	81,250	206,972
17 th	65,000	65,000	130,000
16 th	32,500	16,250	48,750
15 th	28,222	0	28,222
US PhD Scholarship	189,954	97,500	287,454
8 th	97,500	97,500	195,000
7 th	32,500	0	32,500
6 th	44,217	0	44,217
5 th	15,737	0	15,737
Masterscholarship	272,253	55,000	327,253
9 th	125,000	55,000	180,000
8 th	39,387	0	39,387
7 th	107,866	0	107,866
Study Abroad Exchange Programme Grant	74,925	0	74,925
8 th	74,925	0	74,925
International Internship	192,000	0	192,000
6 th	192,000	0	192,000
Summer School Grant	60,000	0	60,000
5 th for employees	40,000	0	40,000
5 th for students	20,000	0	20,000
Marco Fanno	154,162	65,000	199,162
Marco Fanno 2018	65,000	65,000	130,000
Marco Fanno 2017	17,948	0	17,948
Marco Fanno 2016	51,214	0	51,214
Crivelli Special Prize - New Initiative	20,000	0	20,000

follows

continued from previous page

Amounts in Euro

Payables Due	31.12.2018		
	Within the following period	After the following period	Total
Support for research	512,142	395,000	907,142
<i>Foscolo Europe Scholarship</i>	<i>368,500</i>	<i>325,000</i>	<i>693,500</i>
4 th Top-Up	100,000	200,000	300,000
3 rd Top-Up	87,500	125,000	212,500
2 nd Top-Up	100,000	0	100,000
1 st Top-Up	50,000	0	50,000
6 th	31,000	0	31,000
<i>Modigliani Research Grant</i>	<i>80,000</i>	<i>40,000</i>	<i>120,000</i>
9 th	40,000	40,000	80,000
8 th	40,000	0	40,000
<i>UniCredit Best Paper Award</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>
10 th	5,000	0	5,000
<i>Best Paper Award</i>	<i>6,000</i>	<i>0</i>	<i>6,000</i>
6 th SUERF	1,000	0	1,000
9 th UWIN on Gender Economics	5,000	0	5,000
<i>5th Carlo Giannini Fellowship</i>	<i>35,000</i>	<i>0</i>	<i>35,000</i>
<i>Job Market Best Paper award</i>	<i>642</i>	<i>0</i>	<i>642</i>
<i>Prize on Gender Economics</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>
<i>Other research prizes 2018</i>	<i>15,000</i>	<i>30,000</i>	<i>45,000</i>
Other initiatives	192,839	0	192,839
<i>Workshop</i>	<i>104,379</i>	<i>0</i>	<i>104,379</i>
<i>Other Events</i>	<i>41,107</i>	<i>0</i>	<i>41,107</i>
<i>New conferences Marco Fanno 2017</i>	<i>17,353</i>	<i>0</i>	<i>17,353</i>
<i>New conferences Marco Fanno 2018</i>	<i>30,000</i>	<i>0</i>	<i>30,000</i>
TOTAL	3,785,746	889,792	4,675,538

Account payables amount to **€ 85,411** and include amounts owed on invoices from the Scientific Committee.

Taxes payable of € 41,227 include the worker-related withholding tax paid to the tax authorities in January 2019 (€ 7,844) and the balance of IRAP for the 2018 financial year (€ 33,383).

EXPENSES

	2018	2017
1) Expenses from ordinary operations	3,258,680	4,369,241
These can be broken down as follows:		
1.1) Projects in countries in which the Group is present	448,533	971,000
1.2) Projects involving personnel of the group	1,078,565	1,348,288
1.3) Specific projects	0	765,675
1.4) Studies and expenses for feasibility, assessment and promotion of projects	0	2,453
1.5) Project monitoring	50,246	72,498
1.6) Support for Studies	982,000	617,545
1.7) Support for Research	512,000	439,500
1.8) Other activities	113,500	74,499
1.9) Compensation and expenses for Scientific Committee members	72,522	72,782
1.10) Communications expenses	1,314	5,001

Here below the details of the projects, grouped by the Foundation's main areas of activity:

Projects in countries in which the Group is present

UniCredit Foundation supported projects for a total amount of € 448,533.

Below are the details:

PROJECTS IN COUNTRIES IN WHICH THE GROUP IS PRESENT	448,533
<i>La Filarmonica della Scala - Open Rehearsals 2018/19</i>	<i>195,000</i>
<i>Initiatives with European Foundation Center</i>	<i>14,000</i>
<i>JOBLINGE - Joining forces to address youth unemployment - 2018</i>	<i>20,000</i>
<i>Philanthropic Activities</i>	<i>94,533</i>
<i>School Meals Programme of World Food Programme</i>	<i>100,000</i>
<i>Progetto Accoglienza - Fondazione Bambino Gesù Onlus</i>	<i>25,000</i>

Projects involving uncredit employees

Also during the 2018 financial year the amount of € 1,000,000 was approved for the Gift Matching Program (GMP) which, as usual, consists of a contribution by the Foundation to supplement the donations made by the Group's employees for non-profit organisations.

This initiative, along with the others listed below, was recorded under the Projects involving UniCredit employees item which totals € 1,078,565.

PROJECT INVOLVING UNICREDIT EMPLOYEES	1,078,565
<i>Gift Matching Program 2018</i>	<i>1,000,000</i>
<i>Rest-Cent Initiative - Germania</i>	<i>20,000</i>
<i>We for the Region Award-Germany</i>	<i>5,000</i>
<i>Contribution of Vidas through fundraising of the "Mercatino solidale"</i>	<i>3,565</i>
<i>Solidarity Gift</i>	<i>10,000</i>
<i>Xmas for Kids</i>	<i>40,000</i>

Specific projects

During the 2018 financial year, no disbursements were made for "Specific projects".

Studies and expenses for feasibility, assessment and promotion of projects

During 2018, no costs were incurred for studies and expenses for feasibility, evaluation and dissemination of projects.

Project monitoring

Starting from 2015, it was decided to provide a specific item regarding the costs of project monitoring, previously individually allocated to each project. The same criteria was maintained in 2018 and the total value of this item amounts to **€ 50,246**.

Financial Statement

→ Notes on the Accounts

The **Support for Studies** item amounts to **€ 982,000**, and includes the funding for the support of studies abroad. The amount has increased compared to 2017 due to the increase in the number of scholarships granted.

The initiatives of the 2018 financial year are as follows:

Support for Studies	982,000
<i>Crivelli Europe Scholarship</i>	<i>130,000</i>
<i>Marco Fanno Scholarship</i>	<i>130,000</i>
<i>US PhD Scholarship</i>	<i>195,000</i>
<i>Mastersscholarship</i>	<i>180,000</i>
<i>Study Abroad Exchange Pr. Scholarship</i>	<i>75,000</i>
<i>International Internship Program Scholarship</i>	<i>192,000</i>
<i>Summer School Grant</i>	<i>60,000</i>
<i>Special Award Crivelli - New Initiative</i>	<i>20,000</i>

In 2018, UniCredit & Universities Foundation promoted several initiatives to support research among young European economists, by launching a number of competitions to award scholarships and grants but also to award the best papers.

The above initiatives are grouped under the **Support for Research** item, and total **€ 512,000** for 2018.

A brief description of the initiatives and a detailed list of costs are as follows:

Support for Research	512,000
<i>Foscolo Europe Top-up</i>	<i>300,000</i>
<i>Modigliani Research Grant</i>	<i>80,000</i>
<i>Other research prizes</i>	<i>45,000</i>
<i>Fellowship VISITINPS</i>	<i>50,000</i>
<i>Best Paper Award</i>	<i>27,000</i>
<i>Cordusio Research Grant</i>	<i>10,000</i>

Other activities were launched in the 2018 financial year, which were not strictly linked to scholarships and research grants but to scientific workshops.

A brief description of the initiatives and a detailed list of costs are as follows:

Other activities	113,500
<i>Workshop</i>	<i>55,500</i>
<i>Other Events</i>	<i>28,000</i>
<i>Initiatives of the Associazione Borsisti Marco Fanno 2018</i>	<i>30,000</i>

The **Compensation and expenses for the Scientific Committee members** item to the amount of € 72,522 includes the fees and expenses incurred by the members of the Scientific Committee when assessing candidates to award scholarships and prizes, and when determining grant renewals for the current scholarship recipients.

Communications costs to the amount of € 1,314 cover the expenses for the winners of the scholarships awarded during 2018 and for advertisements related to the notices of the competition.

	31.12.2018	31.12.2017
4) Financial expenses and losses	15,479	26,518

The item, equal to € 15,479, includes the negative result of Assets Under Management, including expenses and taxes achieved in the 2018 annual report.

During the 2018 financial year, the Foundation sold all the securities held and closed the Asset Under Management account.

	31.12.2018	31.12.2017
6) General administrative costs	169,760	567,194

Below are expenses incurred through activities that support the Foundation's objectives. These expenses decreased by 70% compared to the previous year, mostly due to UniCredit S.p.A.'s decision to totally bear the costs of the Foundation's personnel.

	31.12.2018	31.12.2017
6.1) Employees	0	256,460
6.2) Other operating costs	169,760	310,734

Employees

Starting from 1 January 2018, the Foundation does not have its own employees and uses only staff seconded from UniCredit S.p.A.

As of 31 December 2018, the number of UniCredit employees within UniCredit Foundation amounted to 6. Taking into account the changes that took place during the year (the release of resources from the previous Foundation and the entry of a new resource), the effective number of FTEs amounted to 5.7. In addition, the Foundation made use of two interns: one from 1 January to 15 April, the second one from 29 October until the end of the year.

Other operating costs (€ 169,760) were composed of the following:

	2018	2017
Fees paid to professionals and professional services	120,752	232,649
Taxes and withholding taxes:	33,757	56,265
IRAP	33,383	55,837
Revenue stamps and miscellaneous indirect taxes	374	428
Other:	15,251	21,820
Entertainment expenses	2,784	2,277
Stationery supplies, printed matter and miscellaneous	701	1,740
Travel expenses	584	924
Rents	0	0
Postal and telephone	5,770	10,216
Miscellaneous (subscriptions, publications, membership fees, etc.)	4,412	6,663
TOTAL	169,760	310,734

This item decreased mainly due to lower "Compensation to professionals and services" - since the Foundation did not use ongoing consultancy from external professionals - and to lower IRAP due to the reduction to zero of staff costs.

Below is the breakdown of the “Compensation to professionals and professional services” item compared with the previous year.

	2018	2017
Fees for Board of Auditors and Board of Directors members	11,797	9,643
Activity consulting	28,905	86,572
Communications	14,356	43,739
Website maintenance and updates	1,520	6,161
Communications agencies and services	12,078	37,454
Miscellaneous/communications	758	124
Annual Report	14,991	21,729
External Professional / Notarial Fees	9,815	14,546
Notary/Legal/Labor Consultant, etc.)	9,693	13,046
Consulting for brand registration	122	1,500
Services from UniCredit Services	37,745	45,980
Participation in Conferences and Meetings	183	5,053
Interns	2,960	5,387
TOTAL	120,752	232,649

7) Extraordinary expenses for merger	Annual report as at 31.12.2018
Communications costs	4,180
Charges for notary and taxes	41,312
Charges for professional advice	2,664
Consulting for brand registration	3,247
Charges for legal and compliance	161,138
TOTAL	212,541

These are charges incurred by the Foundation during 2018 and necessary for the completion of the merger and as such not repeatable.

REVENUES

	2018	2017
1) Revenues from ordinary operations	4,020,290	2,777,473

Contributions received amounted to € 4,020,290 and increased at around 45% compared to 2017. They are mostly due to the founder, as described in the Annual Report.

Ordinary Operations	
from UniCredit S.p.A.	4,000,000
from UniCredit employees	20,290
Total	4,020,290

	2018	2017
4) Financial income and gains	2,256	969
4.1) From bank deposits	2,256	969

The **From bank deposits** item, totaling € 2,256, consists entirely of interest accrued during the year on the current accounts. Income is shown net of taxes. The increase is due solely to the increase in current account balances occurred during the year, following the closure of the Asset Management portfolio.

	2018	2017
7) Other Income	621,398	996,500
7.1 Recovery of surpluses from scholarships and initiatives completed or not implemented	621,225	996,500
7.2 Other recoveries	173	0

The **Other income** item totaling € 621,398 represents the amount recovered for the year on completed or not implemented initiatives and other recoveries as detailed below.

The **Other recoveries** item shows the refund for payment by credit card of the catering service related to the Gender Equality workshop held at Bocconi University.

Recoveries on not implemented initiatives

PROJECTS IN COUNTRIES IN WHICH THE GROUP IS PRESENT	
Business with a mission - Bulgaria	2,799
Change with Business - Turkey 2015/2016	6,237
Call for tender UniCredit Carta E 2013 - Social cohesion strategies for elderly - Italy	47,029
Bando Occupiamoci!! - 2015	21,800
Contribution to the Philanthropy Survey	1,373
Change with Business - Turkey 2017/2018	14,244
Belfiore1- Saperi e saperi della legalità	4,971
Idea for a Better Tomorrow in Serbia 2017/18	1,120
Empowering the breakthrough generation - Bosnia and Herzegovina 2017/18	4,500
JOBLINGE - Joining forces to address youth unemployment (monitoring) - 2017	5,000
Call for tender UniCredit Carta E 2014 - Social cohesion strategies for young people (monitoring) - Italy	13,092
Call for tender UniCredit Carta E 2015 - Social cohesion strategies for elderly (monitoring) - Italy	20,589
Call for tender UniCredit Carta E 2016 Social cohesion strategies for young people (monitoring) - Italy	9,919
Initiatives in support of Social Enterprises - 2017	96,243
TOTAL	248,916
PROJECTS INVOLVING UNICREDIT EMPLOYEES	
Gift Matching Program - 2017	281,960
ECI - Programma Triennale - 2010	22,975
Support for the Philanthropy Advisory communication activities	1,220
TOTAL	306,155
SCOLARSHIP AND INITIATIVES	
4 th Summer School for Employees	5,557
5 th International Internship Program	8,597
5 th Best Paper Award on Money and Finance with SUERF	1,000
Best Paper Award Macro Banking and Finance	500
Best Presentation Award Petralia	500
INPS Fellowship - VisitINPS 2018	50,000
TOTAL	66,154
TOTAL RECOVERIES	621,225

OTHER INFORMATION

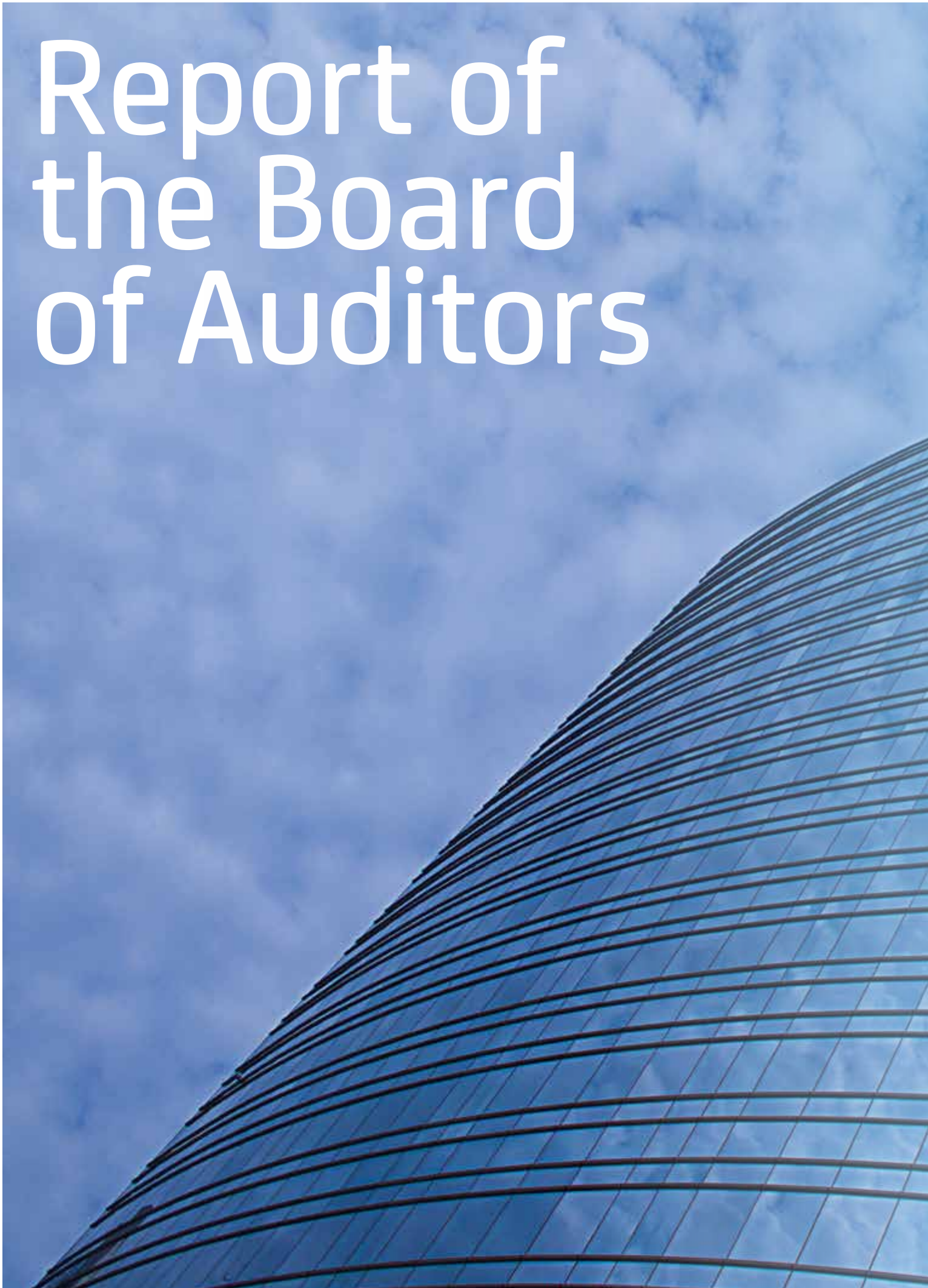
The Foundation does not hold, nor did it acquire or sell during the year, any shares of UniCredit Group's companies.

In 2018, the members of the Board of Directors received no compensation.

Milan, 4 March 2018

General Secretary
Giannantonio De Roni

Report of the Board of Auditors





**REPORT OF THE BOARD OF AUDITORS
ON THE 2018 FINANCIAL STATEMENTS**

To the Board of Directors

The Financial Statements as at 31 December 2018, drafted by the Secretary General and submitted for our attention, consist of the Balance Sheet, the Statement of Operations and the Notes to the Accounts, and are accompanied by the Mission Statement. They show the following results:

Balance Sheet

Assets	Euro	9,314,968
Liabilities	Euro	4,802,176
Net Equity	Euro	4,512,792

Statement of Operations

Expenses	Euro	3,656,460
Revenues	Euro	4,643,944
Operating surplus	Euro	987,484

The Notes to the Accounts include all information considered relevant in order to present a true and accurate picture of the situation. The Mission Statement describes in detail the activities carried out by the Foundation during this year of activity.

During the year we have carried out the necessary audits to ensure compliance with the Law and with the Articles of Association as well as to check the financial operations of the Foundation, the accuracy of its accounting books and the integrity of the values of the Foundation, as required by the Articles of Association.

Our audit of the Financial Statements has been carried out in accordance with the auditing standards recommended by the “Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili” and, in accordance with these standards, we have made reference to the provisions of law regulating the Financial Statements, as detailed in the accounting standards issued by the above mentioned National Council.

We wish to emphasise that the Financial Statements are based on the accruals principles of accounting, except for contributions received, which are accounted on a cash basis. The exception to the general rule, on which we agree, has been adopted in accordance with the principle of prudence, to prevent use of funds that are not yet available.

On the basis of the audits carried out during the year and on these Financial Statements, we express a positive opinion on the approval of these Financial Statements and on the proposal to set aside the operating profit for the increase of the Operating Reserve, as indicated by the Secretary General.

Milan, 4 March 2019

The Board of Auditors

Giorgio Loli
Elisabetta Magistretti
Michele Paolillo

Chairman
Regular Auditor
Regular Auditor



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