Enrico Cantoni
Winner of the Foscolo Europe Top-Up 2016
GOVERNING BODIES
(as at January 8, 2018)

Board of Directors

Maurizio Beretta  Chairman
Franco Bruni  Vice Chairman

Giorgio Barba Navaretti  Members
Gaia Ghirardi
Erik F. Nielsen
Doris Tomanek
Carlo Vivaldi

Giannantonio De Roni  Secretary General

Board of Auditors

Giorgio Loli  Chairman

Claudia Cattani  Standing Members
Elisabetta Magistretti

Michele Paolillo  Substitute Members
Valerio Villoresi
Flavia Barsotti
Winner of UniCredit Best Paper Award,
8th edition
SCIENTIFIC COMMITTEE
(as at January 8, 2018)

Scientific Committee

Franco Bruni **Chairman**

Silvia Giannini
Tullio Jappelli
Levent Kockesen
Christian Laux
Catherine Lubochinsky
Massimo Motta
Giovanna Nicodano
Marco Pagano
Reinhard H. Schmidt
Branko Urosevic

Delegate Member

Annalisa Aleati **Scientific Director**

Scientific Advisors

Guido Ascari
Matthias Doepke
Elsa Fornero
Teresa García Milà
Barbara Petrongolo
Michele Polo
Paola Profeta
Josef Zechner
2017 has been a turning point for the UniCredit & Universities Foundation.

2017 was another year of great achievement for UniCredit & Universities Foscolo Foundation. Thanks to the hard work and precious contribution of the members of the Scientific Committee, we drastically reshaped the structure of numerous scholarships. As a result, the Foundation was not only able to continue to support the best talents but also to offer additional assistance to them. These changes reconfirmed UniCredit & Universities’ ability to innovate where no one had before.

We continued to provide solid support for study and research, investing over 1.1 million euros. Furthermore, we continued to study the changes taking place and to propose new initiatives, to provide appropriate answers to the new needs emerging in the academic field.

2017 will also be remembered as a turning point in the history of our Foundation. During the year, a process of alliance started between Unicredit’s two foundations: UniCredit & Universities and UniCredit Foundation. This process is scheduled to be completed by 2018 with the merger of the UniCredit & Universities

We all can look at the future with great confidence and with the certainty that we can support the best talents in the fields of economics and finance in an even more effective way than in the past.”

Maurizio Beretta
Chairman
Foscolo Foundation with the UniCredit Foundation, which will be called the “UniCredit Foundation - Fondazione in onore del Cavaliere del Lavoro Ugo Foscolo”, in short The “UniCredit Foundation”. This alliance will lead to the “birth of a new subject” that will fully unite the aims that were previously pursued separately by the two Foundations.

The “new subject” aims to achieve recognisable and distinctive positioning, both by the increased size of the Foundation and the numerous synergies that can be achieved.

It was the same growth of the two foundations that made this alliance possible and timely. In the last few years, both Foundations have demonstrated that they are able to operate effectively across all UniCredit geographies and, consequently, have shown that they share the same attention to an area and a group of communities that go well beyond national borders.

Secondly, over time, the two Foundations have created a very close relationship with the Group’s legal entities and have thus managed to significantly improve the effectiveness of their initiatives in all the areas where they operate.

Having developed the ability to reflect UniCredit’s “modus operandi” has not only had positive repercussions in terms of the geographical dimension of the initiatives, but has also led the two foundations to share aspects that are more relevant to what we might call their “entrepreneurial culture”. It is no coincidence that both Foundations have developed considerable capacity for innovation within their own spheres, while maintaining great attention to supporting all communities of reference.

Following parallel paths, the two Foundations have also significantly developed their relationship with the group’s employees through studying and carrying out “ad hoc” initiatives.

This “closeness” has already led the two foundations to foster concrete and profitable synergies.

This framework helps provide a clearer understanding of the choice made in 2017 to combine the skills, the professionalism and the “strength” of the two Foundations to create a new subject. A reality capable of expressing greater efficiency and greater ability to grasp not only the objectives achieved so far by the two Foundations separately, but also to achieve new and more ambitious goals together.

To some extent, 2017 therefore closes an entire phase in the history of UniCredit & Universities, a foundation that, founded in 2009, has inherited the important legacy of the Fondazione Cavaliere del Lavoro Ugo Foscolo, former President of Banco di Roma, updating operating methods and steering initiatives to meet the needs of the third millennium.

The history of UniCredit & Universities is marked by eight years of uninterrupted growth in terms of initiatives launched, collaborations, and support for the study in areas previously uncovered.

A short period of time, but lived with great intensity, during which the Foundation also had the opportunity to join forces with those of other parties involved in the pursuit of the same objectives, as in the case of the Marco Fanno Association.

A success story therefore, based on women and men who have committed themselves with great competence and professionalism.

I must thank Dieter Rampl and Paolo Cornetta who, before me, managed this Foundation with great capacity and competence.

I would also like to thank the numerous Directors who, in recent years, have alternated on the Board of Directors, always providing extremely valuable contributions.

My gratitude also goes to all those who have been close to us and, in particular, to the members of the Scientific Committee, to the Scientific Consultants, to the numerous professors who, in every part of the world, have followed and supported us with sincere passion, and to the Alumni. They help us to face the most ambitious challenges each day.

My heartfelt thanks go to UniCredit, which for eight years has not only guaranteed its fundamental financial support, but has, above all, supported the Foundation by sharing its commitment and constant attention to assisting the study and research of economics and finance.

Thanks to the ongoing merger, we all can look at the future with great confidence and with the certainty that we can support the best talents in the fields of economics and finance in an even more effective way than ever before.

Maurizio Beretta
Chairman
Oguzhan Celebi
Winner of the Crivelli Scholarship
15th edition
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Ambra Awa Seck
Winner of the Marco Fanno Scholarship, 2016 edition
The Foundation’s Purposes

As stated in Article 2 of the foundation’s statute, the UniCredit & Universities Foundation does not pursue profit and operates with the following purposes:

1. **TO PROMOTE**
   - grants,
   - scholarships,
   - fellowships,
   - awards, as specified in article five;
   - **studies** and initiatives designed **to deepen knowledge** in the academic fields of finance, economics, law, political and the social sciences;

2. **TO ESTABLISH**
   - and support academic initiatives.

3. **TO PROPOSE**
"The merger approved this year will carry the work and commitment of UniCredit & Universities into the future through a Foundation with a broader mandate. Thanks to this new operational model, our work to support research and study will benefit from new opportunities. The new Foundation will have the task of transforming this great challenge into a new success story."

2017 marked the final year of the UniCredit & Universities Foscolo Foundation. The Board of Directors approved a project to merge the Foundation with the UniCredit Foundation, aiming to create a new Foundation in 2018 to support philanthropic projects, study and research.

Through this “new” entity, UniCredit will continue to provide tangible support for research and study in the fields of economics and finance.

The merger will mark the end of UniCredit & Universities as we have come to know it and take the initiatives into the future through a new Foundation with a broader mandate. Through this new operational model, this commitment to offer funding for research and study programmes will be enhanced by the spectrum of opportunities created by the synergies that will be put in motion to work towards achieving the new entity’s objectives.
The new Foundation will have the task of seizing these opportunities and transforming this great challenge into a new success story.

2017 was a year of growth and transformation for UniCredit & Universities, characterised by a series of successes made possible through the Foundation’s ability to interpret the changes currently in motion, adapt to new and emerging contexts and transform these challenges into new opportunities for young students and researchers.

For its activities in 2017, the funding received by the Foundation totalled €1 million.

This figure was 17% lower than in 2016, which in turn was 30% lower than the previous year.

The reasons behind this decrease in funding in 2017 are linked exclusively to the financial results achieved by the Group in 2016, which were strongly affected by non-recurring losses of over €12 billion.

Despite these difficulties, it should be noted that UniCredit never ceased to fund the Foundation, once again confirming its esteem for UniCredit & Universities and its commitment to supporting emerging talent in the fields of economics and finance.

This decision further underlines the conviction of the Managing Director of UniCredit that the Foundation is a tool through which the bank can engage in social activities in line with the principle that “to do well one has to do good”.

Finally, at the end of the year the Foundation also received a further grant of €10,000 from Cordusio SIM, a UniCredit Group company. This sum was used to finance a Research Grant in the field of economics and finance, with the aim of supporting and developing the skills of a young Italian researcher.

As part of the initiative, promoted through the synergy between the Foundation and a company belonging to the UniCredit Group, UniCredit & Universities took on the task of collecting the applications for evaluation by its Scientific Committee.

This initiative confirmed the commitment of UniCredit & Universities to increase its activities within the Group, offering specific skills and professionalism to provide benefits for every UniCredit company that intends to launch initiatives to support young and emerging talent in the fields of economics and finance.

The overall reduction in funding has led the Foundation to confront some difficult choices in terms of finding a new balance between reducing the number of initiatives and reducing unit amounts.
In this regard, a debate was opened within the UniCredit & Universities Foundation, involving members of the Board of Directors, the Professors of the Scientific Committee, Scientific Consultants and numerous “friends” of the Foundation. Through this discussion, the decision was taken to reform certain initiatives and, in particular, the Scholarships and Master Scholarships Programme.

The result of this decision, which will be explored in more detail in the activities chapter, led to the complete redefinition of the two initiatives, aligning their focus to meet students’ changing needs and reflect the funding opportunities offered by numerous universities in the United States and Europe. Thanks to these changes, the Foundation successfully renewed all the initiatives which had been launched the previous year without lessening its commitment to students and researchers within the UniCredit network.

This positive result was also made possible thanks to “significant” use of the Management Fund, the value of which reduced by 37% over the year from € 469,186 at the end of 2016 to € 297,307 on 31 December 2017. However, as per the Board of Director’s express decision, the Foundation’s Management Fund has never represented a “significant” amount due to the fact that since its launch, the Foundation has strived to use all of the funds received each year for its institutional goals. Consequently, the Management Fund received only those funds that, for predominantly technical reasons, had not been fully employed in the initiatives for which they were intended (in the case of lower than expected university fees, for example).

As part of a more detailed analysis of the activities carried out by the Foundation throughout the year, we will begin by looking at activities aimed at research and then explore activities directed towards other purposes.

In 2017, activities to fund studies continued to focus on initiatives to meet the needs expressed by students throughout their academic careers. In the following pages, we will explore how the Foundation restructured its entrance examination and confirmed its commitment to...
offer scholarships for doctoral (Crivelli Europe, Fanno, US PhD) and master’s courses abroad (Master Scholarship). The reform of the Scholarships enabled a significant reduction in costs, which decreased by 34% from € 410,508 in 2016 to € 271,545 in 2017. The savings achieved in the Master Scholarship programme were even greater, totalling € 180,000 (€ 325,000 in 2016) as a result of a 45% reduction in costs.

As regards the Study Abroad grants, costs were reduced from € 75,000 in 2016 to € 50,000 in 2017, due to a 33% reduction linked exclusively to the reduction in the number of grants offered.

The cost of the Summer School initiatives fell by 60% from € 50,000 in 2016 to € 20,000; this saving was made possible through the launch of Summer School courses which were open exclusively to UniCredit employees.

In contrast to the general trend, costs of the International Internship Programme rose by 23% from € 70,000 in 2016 to € 96,000. This increase was due solely to the increase in grants offered and was justified by the huge demand for this type of initiative registered by the Foundation across the Group’s countries in previous years.

As regards research grants, despite a reduction in funding the Foundation increased the total sum allocated to research initiatives.
In line with last year, the most expensive initiative was the Top-Up Fellowship. In 2017, the Foundation launched two Top-Up awards for a total amount of €300,000, in line with 2016.

In contrast, the number of Modigliani research grants increased from three in 2016 to four in 2017. The cost of this initiative rose to €80,000, compared to €60,000 the previous year.

The VisitNPS Grant, which in 2016 had cost €50,000, was not renewed.

Finally, in the course of 2017 the overall cost of the Best Paper Award was reduced from €54,000 in 2016 to €24,500 in 2017, while the cost of the Carlo Giannini Fellowship also fell from €65,000 in 2016 to €35,000 in 2017.
As regards the “Other activities”, 2017 was characterised by a new initiative that allocated € 30,000 to the Marco Fanno Scholarship Association to enable it to evaluate the numerous funding requests that reach the Association and the Foundation each year and, in the case of worthy initiatives, help to fund them.

In terms of the other items, funding for workshops rose by 21% compared to 2016, increasing from € 21,850 to € 26,500, while the cost of other events rose from € 16,500 to € 17,999.

As in the previous year, the reduction of funding received by the Foundation led to an increased focus in lowering costs.

This reduction was carried out in the knowledge that the Foundation’s Cost Ratio, namely the ratio between its activities and total costs, would be damaged. As in the previous year, the sharp drop in total activities due to a lower number of initiatives automatically resulted in a poorer ratio.

This negative efficiency index trend was also determined by the fact that the efficiency levels achieved in previous years left no room for any further cost reductions and, therefore, any mitigation to the damage to the Cost Ratio.

The total amount of general funding costs fell from € 133,181 in 2016 to € 120,089. This figure represented a 10% drop on the previous year. Reductions were made in staff costs, reduced by 3% from € 38,440 in 2016 to € 37,452 in 2017, and other operating costs, which fell by 13% from € 94,741 to € 82,637.

As regards this final item, a significant contributing factor in its reduction was the decrease in corporate income tax (IRAP), which fell by 16% (down by € 8,001) following a reduced number of activities, a 71% decrease in travel costs (down by € 2,158) following a drastic reduction in journeys linked to the reduced number of activities, and a 41% decrease in miscellaneous items (down by € 1,730) derived from a general reduction in costs.

It should be noted that the reduction in the ‘other operating costs’ item was derived to a lesser extent from all the sub-items included under the general item.

In 2016, at 9.9% the Foundation’s Cost Ratio was higher than the ratio recorded the previous year (8.3%), but still fell well within the parameters of “excellent management”.

UniCredit & Universities is proud of this result, which demonstrates how even in difficult situations the Foundation continues to operate to high levels of efficiency.

If taxes and charges were to be removed from the ‘costs’ item, the Cost Ratio would fall to 6.5%, expressing the actual efficiency of the Foundation in real terms.
Despite the reduction in funding which, as shown above, has particularly impacted scholarship activities, the Foundation has not only continued to develop completely new initiatives but has also brought them to fruition, confirming its focus towards innovation.

The constant focus towards UniCredit has led the Foundation to maintain its commitment to the launch of new initiatives for UniCredit employees and develop new initiatives and relationships with leading universities and business schools despite the reduction in funding, implementing high-profile initiatives aimed exclusively at employees. Some of the relationships developed over the last year will enable the Foundation to launch new employee initiatives in 2018, fulfilling the need for high-level training opportunities.

Naturally, the Foundation is developing and managing these initiatives in close collaboration with UniCredit’s Human Resources Department, which has always supported new projects launched by the Foundation aimed exclusively at Group employees.

This proximity has also led to the launch of initiatives involving the Group’s banks operating in Italy and abroad, as well as some of the clients of these banks.

The orientation journey has been a model example of this, an initiative held in March at some of the leading European universities and organised by UniCredit & Universities for the children of members of the Italian Association of Family Businesses (AldAF).

This initiative enabled a client of UniCredit Private Banking to benefit from the Foundation’s network of academic connections.

Finally, it is worth noting that this constant interaction between the Foundation and UniCredit has led to the development of initiatives that have brought tangible benefits to employees and their children, as in the case of the orientation day.

As part of this initiative, UniCredit & Universities organised a meeting at the company offices at Piazza Gae Aulenti which was attended by the heads of the Economy and Finance Departments of five of Italy’s most prestigious universities. These universities were able to present their academic programmes to the employees’ children, who were offered the opportunity to condense five open days into a single afternoon and easily interact with the heads of the universities’ Economics and Finance department.

Prof. Giorgio Barba Navaretti, Chairman of the Marco Fanno Association awards Awa Ambra Seck, winner of the Marco Fanno Scholarship 2016.
Over the year, particular focus has been given to the development and consolidation of the Fanno programme alumni. This decision was based on understanding the importance of the alumni themselves and the desire to make them an increasingly distinctive element of the Foundation compared with other entities that fund study and research programmes. The Alumni programme has proven to be a key tool in supporting the youngest scholarship students during their course and accompanying them throughout their academic and professional careers. The key tools used by the Foundation to support and promote the growth of the Alumni programme have been the Alumni Meetings, the Marco Fanno Conference and other events aimed at certain alumni.

In 2017 three Alumni Meetings were held in Boston, London and Milan. Although the number of events was lower than in previous years, meetings held in 2017 were slightly better attended when compared with other years.

As regards the future of these events, there is no doubt of the Foundation’s intention to strengthen its commitment, ensuring continuity of initiatives in communities where demand is greatest (United States, Italy and United Kingdom) while continuing to operate in communities which, although minor, are rapidly expanding (Germany, France, Spain).

As with last year, the number of alumni who spontaneously contacted the Association or the Foundation to participate in these events increased, enabling the revival of relations which had been lost over time.

Over the course of 2017, the progressive “internationalisation” of the Marco Fanno alumni which began in 2013 continued, following the signing of close partnership agreements between the Marco Fanno Association and the UniCredit & Universities Foundation which opened the Alumni programme to the entrance examination’s best performers.

On average, over the last few years the list of Alumni has increased by around 20 members a year, with the influx having a profound impact on the Alumni programme itself. At the heart of this transformation is the inclusion of numerous international students in a group which up until 2013 was largely composed of Italian citizens, as well as a significant reduction in the average age.

It should be noted that the internationalisation project does not solely apply to the nationality of the new alumni, where each year the Italian contingent has consistently represented less than 50% of the total, but also to the universities and companies where the alumni study and work. In this regard, it is worth noting that in the last 15 years, 33% of new alumni have chosen to study or work in the United States, while those choosing to remain in Italy represent less than 30% of the total. Overall, Europe remains the preferred destination for young alumni, with approximately two thirds of all new alumni opting to work or study in various European counties.

This information helps to provide an understanding of how Marco Fanno alumni are distributed across their various countries and the commitment required by the Association and the Foundation to retain solid relations with the alumni.

The data also serves to illustrate the importance of focusing efforts on the organisation of meetings and events in the countries with a higher frequency of alumni, closely monitoring the destinations of the winners of the most recent competitions as well as the locations of longer-standing members.
2017 was an important year for the Marco Fanno Association which, after years of inactivity, revived the prestigious tradition of organising and attending high-profile scientific conferences. The opportunity to revive this tradition was offered by the conference held in memory of the illustrious economist and Fanno alumnus, Riccardo Faini, to mark the tenth anniversary of his death. The conference was organised thanks to the support of the Marco Fanno Association, the Bank of Italy and the Luca D’Agliano Research Centre and was held on 13 January 2017 at the Bank of Italy. Speakers at the event included high-profile economists such as the Governor of the Bank of Italy, Ignazio Visco, and the Economy Minister, Piercarlo Padoan.

2017 was also a busy year for the Scientific Committee and its activities to assess submitted applications.

On 13 April, the Board of Directors approved the rotation rules for members of the Scientific Committee, which had been prepared and approved by the Committee. The new rules envisage a rotation of at least three members every two years and that, in the course of their appointment, each member may be allocated a maximum of three mandates. This decision was taken in order to seek a more stable balance between enabling new members to have the time needed to fully settle into their role within the Foundation and to offer their contribution after this initial learning period, as well as to promote a healthy rotation to ensure a constant influx of new skills.

The introduction of these rotation rules, which will come into force in early 2018, does not detract from the determination of the Board of Directors to ensure that the Scientific Committee features a correct balance of genders, a wide variety of skills, high academic profiles, good geographic diversification and a commitment to providing adequate space for younger professors.

On this point, it should be noted that in recent years the Scientific Committee has increased the involvement of young professors, generally alumni from the Fanno Association, in the activities of the Committee itself, entrusting them with the evaluation how various people. 

The 42nd Spanish Economic Association Symposium - From left to right, Juan F. Jimeno (Banco de España), Federica Daniele and Michela Carlana, winners of the 4th Economics Job Market Best Paper Award.
entrance examinations are applied. This delegation not only serves to lighten the heavy workload of members of the Scientific Committee, but also acts as preparation for the rotation approved in April.

It is worth highlighting that for the alumni involved in the Committee, this activity has been perceived as a means of involving new resources in the assessment process as well as presenting an opportunity to "repay" the Fanno Association and the Foundation for some of the value they have received through the entrance examinations they had passed.

As regards the Board of Directors, in 2017 a new Chairman was instated and a Director was replaced. On 11 April 2017, the Board of Directors of UniCredit appointed Maurizio Beretta as the new Chairman of the UniCredit & Universities Foundation, replacing Paolo Cornetta. This replacement took into consideration the fact that, as Paolo Cornetta had been requested by UniCredit to take on new roles with significant responsibilities and commitments, it would have been much more difficult for him to dedicate the time and attention to UniCredit & Universities that the Foundation required. At the same time, the decision to appoint Maurizio Beretta was a logical one in that, as manager of UniCredit Corporate and Identity Communication (I&C) he would be fulfilling a managerial position within an important department in the same organisational entity.

At the first Meeting of the Foundation’s Board of Directors, Maurizio Beretta thanked Paolo Cornetta for his commitment to UniCredit & Universities and the impressive results obtained by the department under his guidance.

On 14 March 2017, the Board of Directors of UniCredit appointed Gaia Ghirardi as a Director, replacing Andrea Maffezzoni. Again, this replacement took into consideration the new roles assigned by UniCredit to the outgoing Director and the fact that the newly appointed Director is the manager of the Sustainability and Foundations Group, of which the Foundation is an integral part.

It should be noted that in December, the Board of Directors requested the transfer of the Foundation’s registered offices from Rome to Milan, in line with the move by UniCredit S.p.A. As such, on 9 January 2018 the UniCredit & Universities Foscolo Foundation was enrolled on the Register of Legal Persons held at the Prefecture of Milan under roll no. 1596, page 6138 of volume no. 7.

One decision taken by the Board at the meeting of 13 April is worthy of particular note, namely the decision of UniCredit & Universities to allocate funding of € 30,000 to the Marco Fanno Scholarship Association in order to support particularly worthwhile new initiatives, appointing the task of establishing the assessment criteria and characteristics of the chosen initiatives to Professor Barba Navaretti.

This decision underlined the importance of the role played by the Marco Fanno Association within UniCredit & Universities, enabling the Association to revive its process of assessing new initiatives after a number of years of inactivity, which in the past had led to the organisation of significant scientific events.

Gianfranco Zampese, winner of the 8^ edition of the UniCredit Best Paper Award (on the left) with Prof. Donato Masciandaro (Bocconi University).
Once again, in 2017 the Foundation organised a number of “UniCredit Study Days” aimed predominantly at undergraduates. At the meetings, students were offered the opportunity to spend a day in a company like UniCredit in order to gain an understanding of how the work is structured, how networks are formed, the professional requirements of the market and the evolution, not just of the company but of the banking and finance industry as a whole. These experiences enabled young people, and undergraduates in particular, to continue their studies with a greater awareness of the challenges that await them when they finish their studies and enter into the workplace. This activity also benefits the entire company as it promotes the optimum allocation of resources in the professional environment.

The study visits to UniCredit organised by the Foundation in 2017 were open to Italian and international universities as part of the Foundation’s commitment to support every community within its perimeter.

The success of these meetings, which are set to continue in the future, is founded on the commitment of numerous UniCredit employees who volunteer their time to present the company’s activities to the young attendees.

These volunteers describe the activities in detail while also offering an extremely pragmatic perspective on the many processes that are currently transforming the banking industry.

Below is a list of some of the UniCredit Study Days

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>06 April 2017</td>
<td>CRIOS (Center for Research in Innovation, Organization and Strategy) at Bocconi University, Milan</td>
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<tr>
<td></td>
<td>Project: “Experience a business”</td>
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<td></td>
<td>Coordinator: Professor Fabio Quarato</td>
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<td>12 July 2017</td>
<td>Bocconi Summer School - High School Students - Finance Lab</td>
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<td></td>
<td>Coordinator: Professor Gimede Gigante</td>
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<tr>
<td>17 July 2017</td>
<td>Forum Nexus Study Abroad</td>
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<td></td>
<td>Coordinators: Professor Hugo Hervitz and Professor Georges Rocourt</td>
</tr>
<tr>
<td>21 November 2017</td>
<td>Business School in International Economics and Management at Bocconi University</td>
</tr>
<tr>
<td></td>
<td>Coordinator: Professor Silvia Zamboni</td>
</tr>
<tr>
<td>16 January 2018</td>
<td>Bilkent University Business Talks in Milan</td>
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<tr>
<td></td>
<td>Coordinator: Professor Burak Balik</td>
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<tr>
<td>02 February 2018</td>
<td>Executive MBA - Tor Vergata University, Rome</td>
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<td></td>
<td>Coordinator: Professor Vittorio de Pedys</td>
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Reports and Accounts 2017
UniCredit & Universities
The Foundation’s Network

A significant part of the foundation’s activities in 2016 focused on consolidating and further expanding its international network so that it can reach a greater number of talented students and researchers and enter more partnerships with top-rated universities. This network is fundamental to creating new initiatives that engage talented young people.

The UniCredit & Universities Foundation’s network currently has two main components:

1. the university network, which consists of economics and finance departments, economics and business schools, research institutes, and other international universities;
2. the fellows network, which encompasses students and researchers who have received the foundation’s support and includes all the members of the Marco Fanno Alumni Association as winners of the Crivelli, Fanno and US PhD Scholarships, Masterscholarships, Foscolo Europe, Top Up and Giannini Fellowships and Modigliani Research grants.

As in 2015, also in 2016 the foundation continued to receive a growing number requests from universities to enter partnership agreements. These dynamic universities are in tune with globally evolving needs and look to collaborate with non-academic institutions that provide support to top students.

The institutions which the foundation has recently secured partnerships with include, among others, the University College of London (UCL) and the Forum-Nexus Study Abroad.
With these new relationships, the foundation’s network now includes 72 universities (65 in 2015).

As for the network of our fellows, it must be stressed that in the course of 2016 has increased the number of alumni and, above all, their number has increased especially in Europe and in the US where the winners of scholarships launched in 2016 will start their doctoral path during the year.
The University Network

Austria
1. WU Vienna University
2. SUERF

Belgium
1. University of Louvain

Bulgaria
1. Svishtov Academy;
2. University of Sofia;
3. Bulgaria University of National and World Economy;
4. University VUZF;
5. American University

Croatia
1. Zagreb University

Germany
1. Goethe University Frankfurt;
2. Mannheim University;
3. Ludwig Maximilian University of Munich

Hungary
1. Central European University;
2. Corvinus University Budapest

Italy
1. Bocconi University;
2. Catholique University Milan;
3. Collegio Carlo Alberto of Turin;
4. CSEF;
5. EIEF;
6. European University Institute;
7. Luigi Guido Cari Rome;
8. Politecnico of Milan;
9. Scuola Sant’Anna of Pisa;
10. University of Bologna;
11. University Federico II of Naples;
12. University of Milan;
13. University of Pavia;
14. University of Trieste;
15. University of Turin

Latvia
1. Stockholm School of Economics

Luxembourg
1. University of Luxembourg

Poland
1. Warsaw School of Economics

Spain
1. Barcelona Graduate School of Economics
2. Universitat Pompeu Fabra;
3. Spanish Economic Association

Sweden
1. Stockholm School of Economics

Slovenia
1. Ljubljana University

Serbia
1. Belgrade University;

Slovakia
1. Comenius University

Slovenia
1. Ljubljana University

Spain
1. IE de Madrid

Switzerland
1. University of Lausanne

Spain
1. IE de Madrid

Spain
2. IE de Barcelona

Spain
3. Spanish Economic Association

Turkey
1. Koç University;
2. Sabanci University;
3. Bogazici University;
4. Istanbul University

United Kingdom
1. London Business School;
2. London School of Economics and Political Science;
3. Oxford University;
4. Queen Mary University;
5. SAD Business School;
6. UCL
7. European Economic Association

United States
1. Chicago Booth;
2. Forum-Nexus Study Abroad;
3. Harvard University;
4. MIT;
5. Northwestern University;
6. Princeton University;
7. Stanford University

United States
1. INSEAD;
2. SciencesPo;
3. Toulouse School of Economics;
4. Université Panthélan Assas
5. Paris 2

Romania
1. West University of Timisoara

Russia
1. GGM St. Petersburg State University;
2. Higher School of Economics Moscow;
3. Lomonosov Moscow State University;
4. New Economic School Moscow

Russia
1. Sveriges Academy;
2. University of Sofia;
3. Bulgarian University of National and World Economy;
4. University VUZF;
5. American University

United States
1. Chicago Booth;
2. Forum-Nexus Study Abroad;
3. Harvard University;
4. MIT;
5. Northwestern University;
6. Princeton University;
7. Stanford University

Serbia
1. Belgrade University;
2. Center for liberal Democratic Studies
Belgrade

Bosnia and Herzegovina
1. School of Economics and Business University of Sarajevo;
2. University of Mostar

Croatia
1. Zagreb University
2017 has been another year of excellent results and great satisfaction for the Marco Fanno Association.

Thanks to the admission of 18 new Alumni, the number of its members has exceeded 400 units. It is an Alumni that, year after year, increases its international dimension.

In fact, in the last five years the number of foreign scholarship holders has considerably increased, the percentage of which has now largely exceeded that of Italians. The global geographical dimension of the Associations is also confirmed, with the presence of new Alumni in many of the world’s leading universities.

Undoubtedly, in this context of growing internationalisation, the Association’s commitment to accompany its new Alumni beyond the scholarship or the research project they have won will become increasingly more difficult year after year. Nevertheless, the Association continues to be strongly determined

Marco Fanno Chairman’s Message

“The Marco Fanno Association is committed to providing maximum support to the new Foundation to achieve more and more ambitious objectives together.”

Giorgio Barba Navaretti
Chairman Marco Fanno Association
to provide its Alumni with this fundamental added value that distinguishes it from other subjects involved in supporting study and research.

The most important tool for providing continuous support to all its members is through the Alumni meetings that, even in 2017, the Association managed to maintain, largely by streamlining organisational methods.

Compared to the previous year, a larger number of participants attended the meetings. This increase is due both to the Association’s greater ability to reach all Alumni, and to the growth of “word of mouth” that allows the Association to resume relations with associates whose contacts had been lost.

2017 also saw the resumption of the Association’s commitment to support high-level scientific and academic meetings and conferences.

Together with the Bank of Italy and the Luca d’Agliano Study Center, the Association has supported the Conference in memory of the illustrious economist and Alumnus Riccardo Faini. The theme of the event, hosted by the Bank of Italy, was “Italy’s lost productivity and how to get it back”. Key speakers were the Governor of the Bank of Italy and the Minister of Economy, amongst others.

In June, the Association organised the Second Marco Fanno Conference, which was attended by more than thirty Alumni and had, as a guest speaker, the Alumnus Prof. Marco Ottaviani.

Also the Marco Fanno Conference is now included in the list of initiatives that the Association launches annually with the aim of encouraging the growth of its younger Alumni, providing them with important opportunities in comparison with senior Alumni.

For the Marco Fanno Association, 2017 will also be remembered as a turning point. During the year the merger process between UniCredit Foundation and UniCredit & Universities began, it was destined to have positive repercussions on the Association as well. I would like to express my great satisfaction that this operation will not in any way change the agreements that the Association has defined with UniCredit & Universities. Once the merger is completed, the commitments of this Foundation will be transferred to the new entity that will be responsible for fully honouring them.

All this on the one hand, confirms the solidity of the relationship built by the Marco Fanno Association with UniCredit and UniCredit’s own appreciation of our commitment and our activities. On the other hand, it provides all of us with new areas for growth through the synergies that the merger is destined to activate.

The merger between UniCredit Foundation and UniCredit & Universities also creates new challenges for our Association and even more ambitious objectives than in the past.

These are opportunities that all of us are ready to grasp and which inspire us to look to the future of the Marco Fanno Association with renewed confidence.

**Giorgio Barba Navaretti**
Chairman Marco Fanno Association
The Foundation’s activities can be divided into three key areas:

1. support for studies
2. support for research
3. other activities

1. Support for studies

1 Crivelli Europe Scholarship - 16th edition

€65,000 Funding for a Crivelli Europe Scholarship

The Crivelli Europe Scholarships are offered to students within UniCredit’s European perimeter who hold degrees in economics, banking or finance and wish to pursue a doctorate abroad.

This initiative continues the tradition of the Crivelli Scholarships launched in 2002 by Credito Italiano while also building upon the positive experience developed by the Foundation since the start of its activities in 2009, with the aim of expanding the proposed initiatives to a European dimension. In 2017, the sixteenth Crivelli Europe entrance examination was held with the offer of a scholarship.

The Crivelli Europe Scholarship is awarded annually and can be renewed for a second year. The grant is worth €65,000 (before tax) over two years.

From this year, the scholarship is inclusive of any university fees as in most cases, universities in the United States exonerate the best candidates enrolled on doctorate courses from the obligation to pay fees.

In the best case scenario where the university decides to completely exonerate the candidate of the Crivelli Scholarship, the Foundation pays €32,500 (before tax) each year for two years (paid quarterly) to the winning candidate.

In less favourable cases where the university does not fully exempt the student from university fees, the fees are deducted from the grant and paid directly to the university, while the remaining amount (before tax) is paid to the candidate on a quarterly basis over two years.

In total, 77 students applied for the sixteenth Crivelli Europe Scholarship, representing a significant increase both in number and in the average quality of submitted applications, which has always been very high.

Angela Crema, a University of Padua graduate, was awarded the sixteenth Crivelli Europe Scholarship.
Marco Fanno Scholarship - 2017

In 2017, the Foundation confirmed the launch of a Scholarship named after Marco Fanno, due to the partnership agreement signed between the Foundation and 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 and finance and who wish to pursue a doctoral degree abroad. Unlike the Crivelli Scholarship however, the Fanno Scholarships are aimed at students who have graduated from an Italian institution. The total amount and methods of payment are identical to those of the Crivelli Scholarship.

In 2017, the Foundation received 57 applications for the Marco Fanno Scholarship, a more than satisfactory result considering the more limited catchment area of the initiative when compared to the Crivelli Scholarship.

In 2017 the Marco Fanno Scholarship was awarded to Roberto Corrao (Bocconi University).

Funding for a Marco Fanno Scholarship

€65,000

Prof. Giorgio Barba Navaretti, Chairman of the Marco Fanno Association awards Oguzhan Celebi, winner of the 15^ edition of the Crivelli Europe Scholarship.
1 U.S. PhD Scholarship - 7th edition

As a result of the success of the initiative in previous years, aimed not only at supporting the specialisation of top students studying abroad but also the consolidation of relations with the five leading universities in the United States, the Foundation’s Board of Directors approved the launch of a Scholarship in 2017 aimed at top graduates in Europe within the UniCredit perimeter.

This scholarship offered the best candidate the opportunity to study for a doctorate in Economics or Finance at one of the five most prestigious universities in the United States; in alphabetical order: Chicago Booth, Harvard, MIT, Princeton and Stanford.

In line with the Crivelli and Fanno Scholarships, the US PhD Scholarship is awarded on an annual basis and can be renewed for a second year. Like the Crivelli and Fanno grants, the Scholarship is for a total of €65,000, including any universities fees.

The sixth US PhD Scholarship was awarded to Lorenzo Rigon (Bocconi University), who has started his doctorate at Stanford University. The fifth was awarded to Nikita Melnikov. In its fourth year, the Scholarship was awarded to a Russian student, Anton Popov, who chose to continue his studies at MIT in Boston.

The third scholarship was awarded to Alper Inecik, a Turkish student from Bilkent University who is now studying for a PhD in Economics at Princeton.

In the second year of the scholarship, the chosen candidate was Vira Semenova from Ukraine, who has been enrolled at MIT since October 2013.

The first US PhD Scholarship was awarded to Kirill Borusyack, a Russian student from the Higher School of Economics in Moscow who has been a doctorate student at Harvard since 2012.

8 Masterscholarships - 8th edition

In recent years the Foundation has broadened its range of scholarships to offer deserving students the option of choosing the most suitable course for them. Consequently, UniCredit & Universities has offered Master’s Scholarships as well as doctorate scholarships since 2010.

A Master’s degree is a specialist intermediary course taken after a Bachelor’s degree and before a PhD.

Courses are shorter than a doctorate (one to two years) and can either be taken as preparation for a doctorate or to complete the final step in a student’s academic career.

In 2017 the Masterscholarship initiative was confirmed for its eighth year, with the aim of providing funding for master’s courses in Economics and Finance at top European universities for students from all countries in the UniCredit perimeter for the 2018-2019 academic year.

The eighth Masterscholarship was awarded to Vira Semenova from Ukraine, who has been enrolled at MIT since October 2013.

The first US PhD Scholarship was awarded to Kirill Borusyack, a Russian student from the Higher School of Economics in Moscow who has been a doctorate student at Harvard since 2012.

Partner Universities

Chicago Booth
Harvard
MIT
Princeton
Stanford

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Eight universities participated in the seventh Scholarship, all of which are considered among the leading institutions in Europe in the fields of Economics and Finance. In alphabetical order:

1. Barcelona Graduate School of Economics
2. London School of Economics and Political Science
3. Mannheim University
4. Oxford University
5. SciencesPo
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 master’s degrees at each of the participating universities for one year.

The Masterscholarships competition is open to all European students in the geographic area where UniCredit operates. The scholarship is inclusive of university fees and provides a maintenance grant of between € 1,000 and € 2,000 per month (depending on the country where the master’s will be taken) to cost of living 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 entered to take the entrance examination. Each university provides a shortlist of candidates to the Foundation's Scientific Advisor, who then selects the best candidate from each institution.

For the eighth year, the Foundation sought the scientific counsel of Professor Michele Polo of Bocconi University, Milan. The chosen candidates of the eighth Masterscholarship programme will be notified by the end of April 2018 and will begin their master’s degrees in September 2018 (academic year 2018/19).

The chosen candidates of the seventh Masterscholarship award (a.y. 2017/18) were:

- Matthias Buchta, for a master’s in Economics and Social Science at Bocconi University
- Eva Schoenwald, who will study for a master’s in Economics at Barcelona Graduate School of Economics
- Małgorzata Majewska, who will take the Master 2 Doctoral Path at Toulouse School of Economics
- Jacopo Lunghi, for a master’s in Business and Economics at Stockholm School of Economics
- Michael Göpper for an MPhil in Economics at Oxford University
- Alexander Butz, for a master's programme in Economics at Mannheim University
- Philipp Barteska and Eduardo Leonardi for an MRes in Economics at LSE
- Zalina Alborova for a master’s in Economics at SciencesPo.

10 Study-Abroad Exchange Programme Grants - 7th edition

The UniCredit & Universities Foundation is committed to fielding an increasingly comprehensive range of distinctly European initiatives. The Foundation elected to continue its Study-Abroad Exchange Programme in 2017, which awards 10 scholarships to undergraduates enrolled at universities in Eastern Europe within the UniCredit perimeter and offers the opportunity to spend a maximum of six months abroad at a university located in any of the European countries within the UniCredit perimeter. The initiative’s principal objective is to offer all students the same exchange opportunities as the Erasmus Programme operated by the European Commission, which by contrast is only available to students studying in the European Union.
The grant offered by the Foundation is for € 700 a month, which is cumulative of any Erasmus funding or other grants which may be applicable. There is also an additional fixed grant of € 1,000 for travel expenses, visas and other costs.

This scholarship has been set up so that winning candidates can pursue their studies without having to seek additional funding.

The aim of the initiative is to offer students in every country within the UniCredit perimeter, including those characterised by relatively low incomes which are sometimes unable to support the living costs in the chosen exchange country, with the same opportunities for study abroad, albeit for a relatively short period.

As in the previous year, the seventh year of the award was met with great success. For the 10 grants, almost 350 applications were submitted from every corner of Eastern Europe.

Several of these candidates have already gone abroad to begin their studies, while the others are scheduled to start over the next few months. All study abroad experiences must be completed by March 2019.

The ten chosen candidates were, in alphabetical order:
- Borovaia Elizaveta,
- Eroshenko Alexander,
- Hadzic Naida,
- Iskakova Zhamilia,
- Mingaleva Anna,
- Petkova Miglena,
- Sutormina Marina,
- Tereshchenko Alena,
- Tregubova Anastasiia,
- Vavilina Anastasiia

30 International Internship Programme Grants - 5th edition

The International Internship Programme is aimed at undergraduate students who intend to carry out a curricular internship abroad at UniCredit. It is an important project that aims to respond to the
increasing need of young people to enhance their university curriculum with work experience.

Following the exceptional success of the previous four years, the Foundation decided to renew this initiative for 2017. For the fifth year, the Foundation offered 30 grants to undergraduates enrolled on a course in Economics, Finance, Financial Sciences, Engineering Management and Law whose programme includes an internship.

The internship, which is not aimed at securing a job, takes place in the summer term between June and September 2018 at the institutions offered by UniCredit in any of the following countries: Austria, Bosnia and Herzegovina, Croatia, Germany, Hungary, Italy, Russia, Serbia, Slovakia.

Each chosen candidate will receive a monthly €700 stipend to cover board and lodgings during the internship, as well as a fixed grant of €1,000 to cover travel and visa expenses.

The value of the grant has been established based on the average wage in the various countries for paid internships as well as the living costs of each country.

The fifth year of this initiative was an unprecedented success and, in terms of submitted applications, was by far the most popular competition of all the initiatives offered by the Foundation. For the 30 internships, over 2,500 applications were received from every corner of Europe. The names of the 30 winners will be announced in May 2018.

A crucial factor in the success of this initiative was the collaboration with UniCredit, which has understood the importance of giving talented undergraduates an opportunity to acquire work experience abroad and offered 30 internships for the winners at 9 of its international locations.

In addition to manage the high number of applications more effectively, UniCredit provided the applicants with a dedicated online platform.

€96,000
30 International Internship Programme Grants

Prof. Giorgio Barba Navaretti, Chairman of the Marco Fanno Association awards Lorenzo Rigon, winner of the 6th edition of the US PhD Scholarship.
5 Summer School Programme
Grants for UniCredit employees
- 4th edition

Summer schools can be an important opportunity for further study not just for students, but also for professionals who are already active in the workplace.

For this reason, the Foundation decided to open this initiative to UniCredit employees, with no restrictions in terms of age, country or profession. Two posts were offered during the first year, one at LSE and one at BGSE. The number of applications was immediately much higher than envisaged and the average calibre of the candidates was exceptional.

In 2017, the entrance examination was confirmed for its fourth year with the announcement of 5 awards to be allocated exclusively to UniCredit employees. The chosen candidates will have the opportunity to participate in summer school courses at three of the most prestigious schools of Economics in Europe:
Two placements at Barcelona Graduate School of Economics, two at London School of Economics and one at University College London.

For each award, the Foundation will pay all fees for the chosen summer course in full, while UniCredit will contribute to the travel and accommodation expenses for the best employee.

The chosen candidates will be notified on 15 April 2018 after the closing of this annual report.

The chosen candidates in 2016 were (in alphabetical order):

- Bejan Gratiela (LSE)
- Canese Caterina (LSE)
- Giovannini Alessandro (BGSE)
- Oprea Florini Adelina (BGSE)
- Zappa Sara (BGSE)

Awards Ceremony 2017 - Annalisa Aleati, UniCredit & Universities Scientific Director (on the left) together with the winners of the 6th edition of the UniCredit Study Abroad Exchange Program.
2. Support for research

2 Foscolo Europe Top-Up Fellowships - 3rd edition

The main objective of this initiative is to encourage the return of talented professionals to Europe. With this grant, the Foundation aims to attract and retain the best young economists in Europe who might otherwise choose to pursue a career overseas.

The grant is aimed at universities. Entrance is open exclusively to the Economics and Finance departments at every university and research institute in the European countries within the UniCredit perimeter and aims to promote the offer of a tenure track position or post-doc position to outstanding candidates on the job market. UniCredit & Universities allocates each department or research institution an annual stipend of €50,000 (for a total of €150,000) for three years, which is then used to supplement the salary and the other contractual terms offered to the successful candidate by the department. The award is paid directly to the two best departments. The researchers are selected directly from the job market by the best departments.

The research grant is for three years, but the total amount may be spread across a maximum of six years.

The winning departments/institutions in the third edition were: the Finance Department of Bocconi University in Milan and the Economics Department of the Central European University in Budapest. The two young beneficiaries of the Top-Up, as awarded by the winning departments, will be notified by the end of April 2018.
1 VISITINPS Fellowship - 2nd edition

In 2015, UniCredit & Universities began working with the Italian Social Security Institute (INPS) to co-fund, research grants, together with other sponsors, for young economists to develop welfare projects using the INPS databases. The INPS archives are the main source of information on the Italian pensions system, the job market and the Italian welfare system in general. The main goal of Professor Tito Boeri, Chairman of INPS, is to transform the institution into a source of ideas and research, analysing and monitoring policies relating to the job market and Italy’s welfare state and acting, as the Bank of Italy does in the field of Italian economic policy, as a veritable think tank on the welfare state.

With this second year, the Foundation provided funding worth €50,000, which, added to the contributions from other sponsors, aimed to finance young researchers in their projects at the INPS for three to twelve months in 2017/2018.

2 Best Paper Awards on Gender Economics - 8th edition

In 2017, in cooperation with the UniCredit Women’s International Network (UWIN), UniCredit & Universities launched the UWIN Best Paper Award on Gender Economics for the eighth year to honour the two best papers on gender economics. 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 projects a prize of €3,000 each. The papers were then published in the Foundation’s Working Paper series.

The competition closed in late April 2017 and the winners were notified by 15 May.

The winning papers were selected by a commission of international experts appointed by the Foundation’s...
Scientific Committee, whose members are Scientific Advisors to the Foundation and include Professor Matthias Doepke of Northwestern University in Chicago, Professor Barbara Petrongolo of Queen Mary University of London and Professor Paola Profeta from Bocconi University in Milan.

Last year, the selected candidates of the sixth UWIN Best Paper Award were:

- Annalisa Frigo and Eric Roca - “Now She Is Martha, then She Is Mary; the Influence of Beguinages on Attitudes Toward Women”.
- Daniela Piazzalunga - “Till Money Us Do Part: Property Division at Divorce and Married Couples’ Time Use Behaviour”.

The selected candidates were given the opportunity to present their papers at a workshop organised in cooperation with Bocconi University of Milan which hosted the event on 12 December 2017.

The presentation of the papers was hosted by Professor Paola Profeta and opened with remarks by Professor Paola Sapienza (Northwestern University).

SUERF/UniCredit & Universities Research Prizes - 5th edition

In 2017, the foundation renewed the “SUERF/UniCredit & Universities Research Prize” which awards the two best banking and financial regulations papers, launched in cooperation with SUERF (The European Money and Finance Forum).

Aimed at young researchers born after 30 September 1982, the two best papers on “Current and future topics in sovereign debt markets” were awarded in the fifth year.

The two selected candidates this year were:

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

The selected authors received €2,500 each (before tax) for their papers, which they presented during the SUERF/UniCredit & Universities Foundation Workshop held at the Vienna University of Economics and Business (WU) on 25 January 2018.
1 Belgrade Young Economist Prize - 4th edition

The fourth Belgrade Young Economist Prize was launched in 2017 to mark the Belgrade Young Economists Conference, organised in cooperation with the Department of Economics of the University of Belgrade (Professor Branko Urosevic).

The first prize of €1,500 is aimed exclusively at the young economists participating at the conference.

The selected candidate in 2017 was Lorenzo Bretscher with his "From Local to Global: Offshoring and Asset Prices" paper.

The paper was presented during the Belgrade Young Economists Conference which was held at the Department of Economics at the University of Belgrade on 10-11 June 2017.

2 Econ JM Best Paper Awards - 4th edition

First launched in 2014, the Econ JM Best Paper Award was designed to give young economists, graduate students and post-doctoral researchers participating in the Economics Job Market at the American Economic Association Annual Meeting the opportunity to present their paper to a smaller but no less prestigious board of experts.

It is only open to Job Market Candidates belonging to the network of European universities participating in the Foundation’s Master Scholarship programme (Barcelona Graduate School of Economics, Bocconi University of Milan, London School of Economics, Mannheim University, Oxford University, SciencesPo, Stockholm School of Economics and Toulouse School of Economics).

The two selected candidates were awarded €2,000 each and, thanks to the collaboration with the Pompeu Fabra University of Barcelona, were invited to present their papers during the job market session at the Annual Symposium of the Spanish Economic Association.

The winners presented their papers at the Spanish Economic Association Symposium which was held in Barcelona on 14-16 December 2017.

The two selected candidates in the fourth year were:
- Michela Carlana with the paper “Stereotypes and Self-Stereotypes: Evidence from Teachers’ Gender Bias”
- Federica Daniele with the paper “The Consumption Benefits of Agglomeration and Idiosyncratic Uncertainty”

3 EEA Young Economist Awards - 2nd edition

In 2017, UniCredit & Universities continued its collaboration with the prestigious European Economic Association (EEA) to award the three best papers presented by young economists at the Association’s annual conference, now in its 32nd year, which was held in Lisbon on 21-25 August 2017. Theoretical works and applied studies were both considered for the award, with no restriction in terms of subject matter. The candidates had to be less than 30 years old and have worked on their doctoral thesis for no more than three years. The three selected candidates were awarded €2,000 each.

The 2017 winners were:
- Stéphane Dupraz, with the “A Kinked-Demand Theory of Price Rigidity” paper
- Matteo Gamalerio, with the “Fiscal Rules and the Selection of Politicians: Evidence from Italian Municipalities” paper
- Petra Thiemann, with the “Does Teacher Sorting across and within Schools Explain Inequality in Education Outcomes?” paper
2 UniCredit Best Paper Award - 8th edition

The UniCredit Best Paper Award is the only initiative (together with the “summer school of economics” programme) to be offered exclusively to UniCredit staff employed at any of UniCredit's legal entities.

The Awards, which celebrated its eighth year in 2017 offered € 2,500 to the two UniCredit employees who presented the best papers in the fields of economics, finance, law or social sciences and which are relevant to UniCredit’s areas of interest.

The selected candidates were chosen by the Scientific Committee of UniCredit & Universities on 15 May 2018 (after the publication of this Report).

The selected candidates for the seventh year were selected in late April 2017 and were:

- Flavia Barsotti with the “Stereotypes and Self-Stereotypes: Evidence from Teachers’ Gender Bias” paper
- Gianfranco Zampese with the “The Consumption Benefits of Agglomeration and Idiosyncratic Uncertainty”

The selected candidates received their awards during the Foundation’s awards ceremony held at the UniCredit Tower Hall in Milan on 19 June 2017.

Prof. Franco Bruni, UniCredit & Universities Foundation Vice Chairman (on the left) awards, together with Prof. Rocco Mosconi, Andreea Enache, winner of the 4th edition of the Carlo Giannini Fellowship.
Our students

As at 31/12/2017, there were thirty-three students enrolled as scholars at the foundation, including all newly graduates of doctorate and master’s grants abroad launched by the foundation until the end of 2017 still funded by the Foundation:

**Crivelli Europe Scholarships**

- **Cavit Baran** (13 ed) MIT
- **Valerio Zurla** (14 ed) Brown University
- **Oguzhan Celebi** (15 ed) MIT
- **Angela Crema** (16 ed)

**Marco Fanno Scholarships**

- **Riccardo Cioffi** (ed 2014) MIT
- **Michele Fornino** (ed 2014) Princeton
- **Gaia Dossi** (ed 2015) Columbia University

**US PhD Scholarships**

- **Anton Popov** (ed 2014) MIT
- **Nikita Melnikov** (ed 2015) Princeton
- **Roberto Corrao** (ed 2017) MIT
- **Lorenzo Rigon** (ed 2016) Stanford

**US PhD Scholarships**

- **Armando Miano** (ed 2015) Harvard University
- **Awa Ambra Seck** (ed 2016) Harvard University
Masterscholarships

Robert Lachmayer
(5 ed) Università Bocconi, Milano

Elvira Babaeva
(6 ed) Mannheim University

Mara Solomon
(5 ed) Stockholm School of Economics

Philipp Barteska
(6 Ed) London School of Economics

Viola Salvestrini
(5 ed) London School of Economics

Eva Schoenwald
(7 ed) BGSE

Wodzislaw Kicinski
(5 ed) Oxford University

Gokce Gokkoca
(7 ed) TSE

Elisabeth Kurz
(5 ed) Mannheim University

Alexander Butz
(7 Ed) Mannheim University

Mattia Bongini
(6 ed) BGSE

Matthias Buchta
(7 Ed) Università Bocconi, Milano

Malgorzata Majewska
(6 ed) TSE

Jacopo Lunghi
(7 Ed) Stockholm School of Economics

Sergiusz Nowak
(6 ed) Università Bocconi, Milano

Edoardo Leonardi
(7 Ed) London School of Economics

Anita Hafner
(6 ed) Stockholm School of Economics

Michael Gopper
(7 ed) Oxford University

Maximilian Ahrens
(6 ed) Oxford University

Zalina Alborova
(7 ed) Sciences Po
Our researchers

As at 31/12/2017, there were eighteen researchers enrolled as fellows of the Foundation who had won initiatives launched until the end of 2017 which are still funded by the Foundation: the selected candidate of the Foscolo Europe fellowship, the four recipients of the Foscolo Europe Top-Up Fellowship, the selected candidate of the UniCredit Post-Doc Fellowship, of the Carlo Giannini Fellowship in Econometrics (launched in collaboration with CIDE, the Giannini Association and Bankit) and the ten recipients of the Modigliani Research Grant.

The fellows are young economists and researchers who are building a future in academia, conducting high-profile research on frontier issues whose implications in terms of the general economic system and the banking system in particular are proving to be of particular interest.

Thanks to eight years of continuous work, UniCredit & Universities supports a substantial number of researchers whose research is funded by the Foundation.

**Foscolo Europe Fellowship**

- **Tommaso Oliviero**
  - CSEF Università Federico II, Napoli

- **Kirill Shaknov**
  - EIEF Einaudi Institute for Economics and Finance, Roma
  - 2016, 2017, 2018, 2019

**Carlo Giannini Fellowship in Econometrics**

- **Andreea Enache**
  - Università Bocconi, Milano
  - 2016, 2017, 2018, 2019, 2020
### Top-up Europe Fellowship

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<thead>
<tr>
<th>Name</th>
<th>University</th>
<th>Years</th>
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<tbody>
<tr>
<td>Salvatore Nunnari</td>
<td>Università Bocconi, Milano</td>
<td>2016-2020</td>
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<tr>
<td>Veronika Selezeleva</td>
<td>CERGE-EI, Praga</td>
<td>2016-2020</td>
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<tr>
<td>Enrico Cantoni</td>
<td>Università di Bologna</td>
<td>2016-2020</td>
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<tr>
<td>Basile Grassi</td>
<td>Università Bocconi, Milano</td>
<td>2016-2020</td>
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<tr>
<td>Matthias Meier</td>
<td>Mannheim University</td>
<td>2016-2020</td>
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### Modigliani Research Grant

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<tr>
<th>Name</th>
<th>University</th>
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<tr>
<td>Alessandro Barattieri</td>
<td>Collegio Carlo Alberto, Torino</td>
<td>2016-2020</td>
</tr>
<tr>
<td>Felix Koelle</td>
<td>Università di Colonia</td>
<td>2016-2020</td>
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<tr>
<td>Petr Sedlacek</td>
<td>Università di Bonn</td>
<td>2016-2020</td>
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<tr>
<td>Peter Shwardmann</td>
<td>Università di Monaco</td>
<td>2016-2020</td>
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<tr>
<td>Alice Albonico</td>
<td>Università Milano Bicocca</td>
<td>2016-2020</td>
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<tr>
<td>Markus Dertwinkel-Kalt</td>
<td>Università di Mannheim</td>
<td>2016-2020</td>
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<tr>
<td>Sebastian Findeisen</td>
<td>Università di Mannheim</td>
<td>2016-2020</td>
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<tr>
<td>Lisandra Flach</td>
<td>Università di Monaco</td>
<td>2016-2020</td>
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<tr>
<td>Julien Sauvagnat</td>
<td>Università Bocconi, Milano</td>
<td>2016-2020</td>
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<tr>
<td>Nadia Montinari</td>
<td>Università di Bologna</td>
<td>2016-2020</td>
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3. Other activities

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. Furthermore, the workshops represent an opportunity for UniCredit & Universities to share the findings of the research conducted by the best performers of the various entrance examinations funded by the Foundation with the international academic community.

In 2017, the Foundation organised six events/workshops on various themes in collaboration with the top universities in the countries within the UniCredit perimeter.

1. University Day - UniCredit Milan, 21 February 2017

In collaboration with UniCredit Private, UniCredit & Universities organised the Economics and Finance Open Day at UniCredit’s headquarters. Some of Italy’s top universities, including the Luigi Bocconi Business School, the Catholic University of the Sacred Heart in Milan, the University of Turin, the Alma Mater Studiorum in Bologna, LIUSS “Guido Carlo” in Rome and the University of Naples Federico II attended the event, hosting information stands and presenting their courses.

The event served as an orientation day aimed at 17 to 19 year olds who are considering taking an undergraduate or master’s course in Economics and Finance.

2. The Belgrade Young Economists Conference - University of Belgrade, 10-11 June 2017

In 2017 the Foundation continued its support for the Faculty of Economics at the University of Belgrade by organising the Annual Conference for Young Economists. As in past years, considerable support for this important event was also provided by UniCredit Bank Serbia. The event was organised by Professor Branko Urosevic from the University of Belgrade, a Member of the Foundation’s Scientific Committee.
The main purpose of this conference was to give young researchers an opportunity to present and refine their papers before publishing them in major international journals. The conference also helped them to build an international network of relationships, a vital process for the future development of their careers. 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 financial experts.

The event was held on 10 and 11 June 2017 at the Faculty of Economics of the University of Belgrade.

Among the main speakers and panellists at the conference were:

• Charles Engel (University of Wisconsin, Madison)
• Boyan Jovanovic (New York University)
• Pavle Petrović (University of Belgrade)
• Branko Urošević (University of Belgrade and Member of the Foundation's Scientific Committee)
• Milan Nedeljković (National Bank of Serbia).

During this conference, UniCredit & Universities offered the Young Economist Best Paper Award for the best paper presented during the event. The competition was won by Lorenzo Bretscher with his paper “From Local to Global: Offshoring and Asset Prices”.

3. “Macro, Banking and Finance” (MBF) Workshop - Catholic University of Milan, 14-15 September 2017

The “Macro, Banking and Finance” workshop was organised in collaboration with Professor Guido Ascari (Pavia and Oxford Universities), a Scientific Advisor to the Foundation, and with cooperation from Italy's most prominent universities. The primary goal of this workshop was to create synergies, strengthen collaboration and encourage the development of joint projects between researchers and Italian institutions.

In 2017, the fifth year of the workshop, the event was held at the Department of Economics and Finance and the Complexity Lab in Economics (CLE) of the Catholic University of Milan. The fourth workshop was held at La Sapienza University in Rome, the third at the University of Pavia and the second and first workshops at Tor Vergata University in Rome and Bicocca University of Milan respectively.

The workshop was rotated annually around the leading Italian universities involved in the project, with each institution represented by a member on the Scientific Commission. This is currently composed as follows:

• Professor Guido Ascari (Oxford University and University of Pavia);
• Professor Pierpaolo Benigno (LUISS University of Rome);
• Professor Elena Carletti (Bocconi University);
• Professor Efrem Castelnuovo (University of Padua);
• Professor Domenico Delli Gatti (Catholic University of Milan);
• Professor Carlo Favero (Bocconi University);
• Professor Francesco Lippi (EIEF of Rome);
• Professor Fabrizio Mattesini (University of Rome Tor Vergata);
• Professor Tommaso Monacelli (Bocconi University);
• Professor Giovanna Nicodano (University of Turin and member of the Foundation’s Scientific Committee);
• Professor Salvatore Nisticò (La Sapienza University of Rome);
• Professor Patrizio Tirelli (University of Milano Bicocca).

It is particularly noteworthy that the organisers strongly encouraged the participation of young researchers and doctoral students at these workshops.

Keynote speakers in 2017 included Cars Hommes (University of Amsterdam), Gianluca Violante (Princeton University) and Tao Zha (Federal Reserve Bank of Atlanta).

4. “Gender Equality” Workshop - Bocconi University, 12 December 2017

The seventh “Gender Equality” workshop was held on 12 December 2017 at Bocconi University and was organised by Professor Paola Profeta (Bocconi University and Scientific Advisor to UniCredit & Universities) in cooperation with the Dondena Research Centre and the Analysis Department for Policy and Public Management Analysis.

The event was introduced by Professor Marco Ottaviani (Prorector of Research at Bocconi University) and the keynote speaker was Professor Paola Sapienza (Northwestern University) with her talk “The glass ceiling: an economist’s perspective”.

The workshop was also an opportunity to award the winners of the UniCredit & Universities Best Paper Award on Gender Economics:
• Daniela Piazzalunga with the paper “Till Money Us Do Part: Property Division at Divorce and Married Couples’ Time Behaviour”
• Annalisa Frigo and Eric Roca with the paper “Now She is Martha, then She is Mary: the Influence of Beguinages on Attitudes Toward Women”.

5. 4th Conference on Bank Performance, Financial Stability and the Real Economy – University of Naples Federico II, 15 December 2017

The fourth conference on the topic of banking and finance organised in cooperation with the Centre for Studies in Economics and Finance (CSEF) of the University Federico II of Naples was held in Naples on 15 December. The event was organised by Professor Marco Pagano (University of Naples Frederico II and a member of the Scientific Committee of the UniCredit & Universities Foundation).

The keynote speaker was Professor Atif Mian (Princeton University) on the subject of: “How Do Credit Supply Shocks Affect the Real Economy? Evidence from the United States in the 1980s”.

6. SUERF/UniCredit & Universities Foundation Workshop “current and future topics in sovereign colest markets ” - WU Vienna, 25 January 2018

The fifth workshop organised by UniCredit & Universities in cooperation with SUERF (The European Money and Finance Forum) was held on 25 January 2018 at the Vienna University of Economics and Business, focusing on the topic of “Current and future topics in sovereign debt markets”. The event was made possible thanks to the contribution of Professors Josef Zechner (the Foundation’s Scientific Advisor) and Christian Laux (Member of the Foundation’s Scientific Committee). During the workshop, the two winning papers submitted to the 5th SUERF/UniCredit & Universities Research competition were presented:
• Sergio de Ferra with the “External Imbalances, Gross Capital Flows and Sovereign Debt Crises” paper
• Malin Gardberg with the “Linking net foreign portfolio debt and equity to exchange rate movements” paper.
Focus: Awards Ceremony 2017

www.unicreditanduniversities.eu

On 19 June 2017, the winners of the various competitions launched in 2016 by UniCredit & Universities received their awards at the traditional Awards Ceremony held at UniCredit’s headquarters at Tower Hall in Milan.

On the left, Prof. Klaus Adam, Head of department of Economics of Mannheim University with Prof. Giorgio Bellettini, Head of department of Economics of Mannheim University (in the centre), winners of the third edition of the Top-Up fellowship.
Giuseppe Vita, Chairman of UniCredit, Maurizio Beretta, Chairman of UniCredit & Universities, Franco Bruni, Chairman of the Scientific Committee and Giorgio Barba Navaretti, Chairman of the Marco Fanno Scholarship Association all spoke at the event, while Professor Luigi Zingales of Chicago University delivered a lecture entitled: “The Origins of Italian NPLs”.

His presentation proposed a series of highly interesting ideas about the present and, above all, the future of the banking system in Italy and beyond.

At the end of Professor Zingales' lecture, Jean Pierre Mustier, CEO of UniCredit, took to the stage to thank the speakers and all of the winners attending the Ceremony.

Giannantonio De Roni, Secretary General of the Foundation, invited the many winners at Tower Hall to the stage to present details of their respective profiles and initiatives.
Next on stage was Professor Barba Navaretti, who presented the awards to the winners of the Marco Fanno Scholarship and the Franco Modigliani Research Grants. Maurizio Beretta then presented awards to the winners of the Crivelli Europe Scholarship, followed by Professor Franco Bruni, who presented the award to the winner of the U.S. PhD Scholarship and the winners of the Summer School grants. Finally, UniCredit’s Chairman Giuseppe Vita took the floor and presented awards to the winners of the Summer School for UniCredit Employees and the winners of the UniCredit Best Paper Award.

The Awards Ceremony is proving to be an increasingly important event for the Foundation. It provides an opportunity for members of the Board of Directors and the Board of Statutory Auditors to meet the members of the Scientific Committee, the Scientific Advisors, the selected candidates of the Foundation’s entrance examinations and those from previous years, whose increasingly numerous presence bears testament to their close links with the Foundation and the new arrivals.

As in previous years, in 2017 the event was attended by representatives of several European universities that closely collaborate with UniCredit & Universities and with whose cooperation the Foundation works to systematically refine its initiatives.

The presence of UniCredit’s senior management, represented this year by Chairman Giuseppe Vita and CEO Jean Pierre Mustier, is particularly significant, whose commitment to attending the ceremony underlines not only UniCredit’s appreciation for the Foundation’s work but also its desire to continue to work with the young students and researchers who have received awards from UniCredit & Universities.

The Awards Ceremony once again proved to be an opportunity to step back and consider the Foundation’s activities and to gather ideas for the future, listening to the experiences of those who have studied and planned initiatives as well as those who have experienced them and have suggestions on how to improve and adapt them to better serve the needs of students and researchers.

In his closing remarks, the Vice Chairman of UniCredit & Universities, Franco Bruni, thanked all the participants and presented the Foundation’s business plan for 2017. He took care to emphasise the Foundation’s strong commitment to accompanying its young students and researchers throughout their careers, despite the significantly reduced availability of funding compared to previous years.

Awards Ceremony 2017 - Mr. Jean Pierre Mustier, UniCredit Chief Operating Officer on the stage.

76 students and researchers received awards at the ceremony.
Thanks to the close cooperation agreement signed between the UniCredit & Universities Foundation and the Marco Fanno Scholarship Association in July 2012, all new and selected candidates of scholarships and fellowships launched by UniCredit and the UniCredit & Universities Foundation are now part of the ALUMNI of the Fanno Association.

From 2013, the Foundation resumed its tradition of alumni gatherings, an important way for the Foundation to develop and strengthen relationships with past and present recipients of scholarships offered by both the Foundation and the Fanno Association.

Over the years, these meetings have become increasingly attractive to Fanno alumni, becoming the preferred event for alumni to gather and network wherever they are in the world.

In 2017, the foundation held five alumni meetings.

31 May - UniCredit, Milan

On 31 May, the second conference organised by the Marco Fanno Association together with UniCredit & Universities, open exclusively to Fanno alumni, was held at UniCredit’s headquarters at UniCredit Tower at Piazza Gae Aulenti in Milan. The event was designed to promote and encourage academic interaction between alumni, giving them an opportunity to network with other members of the Association. The keynote speaker was Marco Ottaviani, alumnus and Prorector of Research at Bocconi University in Milan (more details on page 56).
In 2017, the collaboration with Professor Nicola Persico of the Kellogg School of Management continued, aimed at offering alumni of the Fanno Association the opportunity to attend workshops for young economists on the subject of Applied Economics. These meetings are organised by Professor Perisco once a year at Petralia Sottana in Sicily. In 2017, the event was hosted at the Ortygia Business School in Syracuse. As in previous years, the Foundation reimbursed the accommodation and travel costs for Fanno alumni who attended the event. The ninth workshop was held on 21-25 July 2017.

The main purpose of these conferences is to enable young researchers to interact with more senior experts in an informal working environment. This opportunity is particularly important for young economists as it allows them to receive valuable feedback on their work and advice on how to prepare themselves for the job market.

In 2017, the event continued its “job market boot camp” for doctoral and post-doctoral researchers, helping them to prepare for the all-important American job market. The Foundation awarded the two best presentations at the conference (UniCredit Best Presentation Prize 2017).

The winners in 2017 were Michela Carlana (Bocconi University, Milan), Alessandro Sforza (LSE) and Paul Vertier (SciencesPo).

Supporting the recipients of Fanno scholarships in their preparation for the Job Market has quickly developed into a significant goal for UniCredit & Universities and meets the specific needs experienced by doctoral students in European universities. The feedback from the alumni who attended the event in Petralia was very positive, and all participating students made it clear that the “job market boot camp” was one of the most attractive components of the workshop.

The meeting in Boston was held at the Harvard University Department of Economics whose former Director, Professor Alberto Alesina, was the guest speaker. The event was also an opportunity for the Foundation to unite alumni from the leading universities of the East Coast of the United States (Harvard, MIT, Boston College, New York University, Columbia University, Princeton, Yale and Stern) and stimulate the growth of their academic network.

Enrico Cantoni, Arda Gitmez, Anton Popov, Mert Demirer, Michele Fornino from MIT; Awa Ambra Seck Seck, Armando Miano, Raffaella Sadun, Marco di Maggio from Harvard; Stefano Pica (Boston Un), Nikita Melnikov, Riccardo Cioffi from Princeton; Federico Esposito (Tufts University), Gerardo Manzo (Two Sigma Inv NYC); Tommaso Bondi (NYU Stern); Greta Dossi (Columbia); Valeria Zurla (Brown Un.).
16 November - UniCredit Moor House, London

On 16 November, the second Fanno alumni meeting to be held in London took place at UniCredit's UK headquarters at Moor House.

The guest speaker at the event was Fadi Hassan, Assistant Professor at Trinity College Dublin and visiting professor at the Bank of Italy, who presented his research on “The Big Challenges of the Century”. Erik Nielsen, Head of Research at UniCredit and a Member of the Foundation's Board of Directors, welcomed the alumni to the conference.

The participants included: Daniele Massacci, Fabio Bertolotti, Michael Gopper, Martina Fazio, Martina Zanella, Viola Salvestrin, Matteo Gamalerio, Maximillian Ahrens, Nicola Mastrorocco, Philippe Barteska, Philippe Bracke, Maria Ventura.

27 November - UniCredit, Milan

On 27 November 2017, the Marco Fanno alumni meeting in Italy was held at UniCredit’s headquarters in Milan. Introductory remarks were given by Maurizio Beretta, Chairman of UniCredit & Universities, and Giorgio Barba Navaretti, Chairman of the Marco Fanno Scholarship Association. The guest speaker was UniCredit CEO Jean Pierre Mustier, who spoke about the European banking system.

The meeting was attended by around a hundred Fanno alumni from all over Italy, in addition to the board members of the Association and the Foundation and numerous professors from the UniCredit & Universities’ Scientific Committee.
Focus: The Second Edition of the Marco Fanno Conference

31 May 2017

After the success of the first Marco Fanno Conference, the Foundation and the Marco Fanno Association agreed to organise the second Marco Fanno Conference in 2017.
It is the only event to feature and present research developed exclusively by Marco Fanno alumni, with the key aim of reinforcing the collaborative network and extending it to junior professors as a means of promoting and stimulating academic interaction between alumni.

The project, whose leading supporter is Professor Giorgio Barba Navaretti, chairman of the Marco Fanno Scholarship Association, involved numerous fellows who contributed their ideas and experiences. The Organisational Committee was composed of alumni Fadi Hassan (Trinity College, Dublin), Edoardo Grillo (Collegio Carlo Alberto) and Paolo Pinotti (Bocconi University of Milan). The event was held on 31 May in Milan at the UniCredit Tower at Piazza Gae Aulenti. The keynote speaker at the event was alumnus Marco Ottaviani (Bocconi).

The conference was attended by over thirty alumni who came from leading Italian and international universities. The Organisational Committee selected seven papers which were presented and discussed at the conference.

The opening address and introduction was delivered by Michele Salvati, the longest-standing alumnus of the Marco Fanno Association.
2nd Marco Fanno ALUMNI Workshop

Milan, May 31st, 2017
UniCredit Tower A
Piazza Gae Aulenti 3, Milan

9:45-10:00  Registration & Coffee

10:00 - 10:15  Welcome Address: Michele Salvati (University of Milan)

10:15 - 11:35  Alessio Moro (University of Cagliari) “The Role of Gender in Employment Polarization” (with Fabio Cerina and Michelle Rendall)
Discussant: Matteo Gamalerio, Warwick University

Discussant: Kirill Shakhnov, EIEF

11:35 - 11:45  Coffee Break

11:45 - 12:15  Keynote Speaker: Marco Ottaviani (Bocconi University) “Strategic Sample Selection” (with Alfredo Di Tillio and Peter N. Sorensen)

12:15 - 14:00  Lunch Break

14:00 - 16:00  Massimiliano Onorato (Catholic University, Milan) “War of the Waves: Radio Propaganda, Violence and Political Polarization” (with Stefano Gagliarducci, Francesco Sobbrio and Guido Tabellini)
Discussant: Giulio Seccia, Nazarbayev University

Julien Sauvagnat (Bocconi University) “Import Competition and Household Debt” (with Jean-Noël Barrot, Erik Loualiche and Matthew Plosser)
Discussant: Mirco Tonin, University of Bologna

Nicola Limodio (LSE) “Deposit Volatility, Liquidity and Long-Term Investment: evidence from a Natural Experiment in Pakistan” (with Ali Choudhary)
Discussant: Alberto Manconi, Bocconi University

16:00 - 16:20  Coffee Break

16:20 - 17:40  Giulia Bovini (LSE) “The Transitional Labor Market Consequences of a Pension Reform” (with Matteo Paradisi)
Discussant: Edoardo Grillo, Collegio Carlo Alberto

Tommaso Oliviero (University of Naples, Federico II) “Property tax and property values: Evidence from the 2012 Italian Tax Reform” (with Annalisa Scognamiglio)
Discussant: Carmine Guerriero, University of Bologna

17:40 - 17:50  Concluding remarks

19:00  Social Dinner
UniCredit Tower Gae Aulenti 3 Milan is the new UniCredit & Universities Foscolo Foundation Registered Office.
An eight-year-long story

2017 marked the end of an eight-year-long story of the establishment of a highly distinctive framework within the international academic system by UniCredit & Universities Foscolo Foundation. The reasons behind the programme’s distinctiveness cannot be understood solely by looking at the figures, although the fact that UniCredit and Universities has launched almost forty initiatives a year and awarded over 100 students and researchers is remarkable. However, to fully understand this success story closer examination of its distinctive traits is required.

UniCredit & Universities was established as a truly “European” foundation.

This originates from the initiative’s success in translating the “entrepreneurial culture” that characterises UniCredit, a banking Group that extended its remit beyond Italy in 2000 to operate across a much wider area, to support research and study. For UniCredit, the European presence became a growth factor not only in terms of dimension but also from a cultural point of view, and UniCredit & Universities took full advantage of the opportunities this offered.

The Foundation always acted in line with this commitment, with the Board of Directors composed of members from the various countries within UniCredit's perimeter.

Similarly, its Scientific Committee and Scientific Consultants were not only chosen from professors operating within UniCredit’s borders, but also from other countries.

Its European dimension was confirmed by the fact that all of its initiatives were open to students and researchers from every country with the UniCredit network, or students and researchers from any country who were enrolled at a university based in a country within the network.
Yet being European didn’t just mean offering scholarships in every country where the Group operated; it also meant giving students and researchers the opportunity to “compete” with each other despite the differences that often divide academic systems in different countries. Consequently, UniCredit & Universities focused on studying each academic system in depth so that any differences could be taken into consideration when formulating the entrance examination categories. This research was carried out by the Scientific Committee in collaboration with professors from these countries, establishing strong and efficient links with universities endorsing the various admission tests among their students.

The end result was more than satisfactory and over the years the Foundation has been able to award students and researchers from every country in the UniCredit perimeter.

As a direct consequence of the experience of working on a Europe-wide scale, the level of the entrance examinations and the calibre of the top performers were raised. The most successful candidates have always been the best students and researchers, not of a single country but of a much wider area, involving different and extremely competitive academic systems. This was a determining factor in raising the “quality” of the best candidates.

UniCredit & Universities has shown a high capacity for innovation.

When UniCredit & Universities inherited the Scholarship Foundation established in honour of Cavaliere del Lavoro Ugo Foscolo in 2009, it took on the commitment of supporting students who were beginning a research doctorate or who, having completed their doctorate, were returning to Italy to continue their research. However, it soon became apparent that as the years had gone by, the needs of researchers and students had changed and the world of academia had new and no less important demands that required attention and support.

In response to this, the Foundation began to conduct targeted research into the most pressing needs and, most importantly, how to meet them. So it was that the Masterscholarship programme was born, designed to support students choosing to take a master’s course after graduating.

The Foundation then focused its attention on university students and so the Study Abroad programmes were launched, initiatives similar to Erasmus that aimed to offer the same opportunities in every country within the UniCredit perimeter and, therefore, to students from countries where the Erasmus programme was not available.
Next on the agenda was the International Internship Programme, an initiative to enable students from certain countries in the network to carry out the internships they needed to gain their degree.

In terms of support for research, having reached the limitations of the research grants available at that time, the Foundation decided to focus on returning the best minds to Italy, working in synergy with European universities and launching the Top-Up Fellowship, a highly successful initiative in the economics and finance sector, which unfortunately remains the only one of its kind in Europe.

The list of new initiatives launched by UniCredit & Universities goes on. Of the many merits, the most noteworthy is the strong desire to innovate that has characterised the Foundation’s activities, the result of its ability to carefully interpret the dynamics driving the academic world in various countries as well as the courage to take the risk of launching entirely new initiatives. For UniCredit & Universities, innovation has not been an abstract concept but rather a goal to be pursued methodically and with determination every day. The results have certainly given credence to the Foundation’s beliefs but have above all, enabled it to optimise the pursuit of its objectives to support research and study over the years.

UniCredit & Universities chose to continue to support all successful candidates throughout their academic careers.

Another distinctive trait of UniCredit & Universities has been its commitment to accompany successful candidates throughout their academic careers. Specifically, the Foundation chose to take an active role in assisting its alumni beyond merely providing financial support.

This support is expressed in various ways and is offered to the candidates who performed the best at each entrance examination. Over the years, UniCredit & Universities has offered funding for research conducted by its alumni during their doctorates and has helped to organise events during which winners of the Modigliani prize could present the findings of their grant-funded research to the academic community.

Furthermore, it has not been uncommon for alumni to approach the Foundation for suggestions or advice when making decisions at key moments of their academic career, to which the Foundation has responded by putting them in contact with alumni or professors in the network who could provide useful advice.

This activity requires commitment and energy yet has proven to be an important way of consolidating the relationship between UniCredit & Universities and its fellows.

UniCredit & Universities has become an international benchmark of support of study and research.

Thanks to these distinctive characteristics, UniCredit & Universities has become a leading provider of study and research support and gained international recognition in just a few years.

Through this visibility and a consolidated reputation, the Foundation has successfully established close partnership agreements with universities and associations across the globe.

Owing to the U.S. PhD Scholarship, UniCredit & Universities signs a partnership agreement each year with five of the top universities in the United States (University of Chicago Booth School of Business, Harvard University Department of Economics, MIT Department of Economics, Princeton University Department of Economics and Stanford University Department of Economics).
It is a story that doesn’t finish with the words “the end”.

This current merger does not mark an end to the short but highly successful story of UniCredit & Universities; instead, this legacy of experience, relationships, reputation and unshakeable ambition to improve is being passed on to a new entity.

The new Foundation shall have the task of shouldering this legacy and taking it forward, fueling it with the same enthusiasm that the members of our Board of Directors, Board of Statutory Auditors, the Scientific Committee and staff have demonstrated for eight years.

However, the objective of the new Foundation shall not be simply to continue the success story summarised here, but to provide new opportunities for growth and development to support the best young minds emerging in the field of economics and finance.

Due to the Masterscholarship, the Foundation signs agreements with the various universities every year launching the most prestigious economics and finance masters (Bocconi University of Milan, Barcelona Graduate School of Economics, Toulouse School of Economics, Stockholm School of Economics, London School of Economics, Oxford University, Mannheim University and SciencesPo).

Over the years, close collaboration agreements have been struck with the European Economic Association and the Spanish Economic Association aimed at launching combined initiatives, among other things. However, the most satisfying partnership for UniCredit & Universities has undoubtedly been the collaboration with the Marco Fanno Scholarship Association, enriching our prestigious Foundation through links with an organisation that has worked to support the best students and researchers in the fields of economics and finance for decades.

This collaboration extended far beyond the simple pooling of strengths, enabling both the Foundation and the Association to reach horizons that they would have never achieved on their own.
Working Papers

The Working Paper Series was launched in 2010 to compile works by researchers who received support from the foundation. The series is designed to circulate their papers both within and beyond the bank, to encourage comment and discussion.

The research involved generally focuses on subjects relating to the foundation’s areas of interest: economics, finance, law, politics and the social sciences. Based on technical criteria and their contributions to scientific debate, researchers’ papers are selected by UniCredit & Universities’ Scientific Committee and then published on the foundation’s website.

The working papers currently available online are winners of the UniCredit Best Paper Award competitions, the UWIN Best Paper Award on Gender Economics, the Best Paper Awards on Labor Economics, the UniCredit/SUERF Research Prize, the Belgrade Young Economist Prize, the Economics of Crime Competition, the Best PhD Thesis Award, the Econ Job Market Best Paper Award, the Macro Banking and Finance Best Paper Award, EEA Young Economist Best Paper Award and other best paper prizes launched by the foundation.

WORKING PAPER SERIES

As of December 31, 2017, the following works were available via the Working Paper Series section of the UniCredit & Universities Foundation website:

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. 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

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. 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

**Working Paper Series - 2014**

No. 62 - Financial Crises and Systemic Bank Runs in a Dynamic Model of Banking Roberto Robatto - SUERF Best Paper Prize

No. 61 - A Dynamic Quantitative Macroeconomic Model of Bank Runs Ettore Panetti, Elena Mattana – SUERF Best Paper Prize

No. 60 - The Market for Used Capital Endogenous Irreversibility and Reallocation over the Business Cycle Andrea Lanteri - Econ Job Market Best Paper Award

No. 59 - Quantifying network effects in dynamic consumer decisions Stefan Weiergräber - Econ Job Market Best Paper Award

No. 58 - No Hatred or Malice, Fear or Affection: How do jurors think? Aurelie Ouss, Arnaud Philippe - Economics of Crime Prize

No. 57 - Ethnicity, Migration and Conflict: Evidence from contemporary South Africa Giorgio Chiovelli, Francesco Amodio - Economics of Crime Prize

No. 56 - Contingent Capital Structure Jing Zeng – Belgrade Young Economists Prize

No. 55 - Why Not Settle Down Already? A Quantitative Analysis of the Delay in Marriage Cezar Santos e David Weiss - UWIN Best Paper Award

No. 54 - For the Love of the Republic. Education, Secularism, and Empowerment Selim Gulesci ed Erik Meyersson - UWIN Best Paper Award

No. 53 - Framed Incentives, Selection and Retention of Community Health Promoters in Uganda Erika Deserranno - Best Paper Awards on Public Organizations

No. 52 - Optimal Contracting with Endogenous Project Mission Lea Cassar - Best Paper Awards on Public Organizations

No. 51 - Regime Shifts in the Effects of Unconventional Monetary Policies on the Corporate Bond Market Manuela Pedio - UniCredit Best Paper Award


No. 49 - Meta-Analysis in International Economics Tomáš Havránek - Best PhD Thesis Award

No. 48 - Innovation-Specific Patent Protection and Growth Silvia Galli - Best PhD Thesis Award
Working Paper Series - 2013
No. 47 - Sovereign Credit Risk Co-movements in the Eurozone: Simple Interdependence or Contagion? Manuel Buchholz e Lena Tonzer – UniCredit/SUERF Research Prize
No. 46 - Monitoring the supervisors: optimal regulatory architecture in a banking union - Jean-Eduoard Colliard – UniCredit/SUERF Research Prize
No. 45 - Competitiveness in dynamic group contests: Evidence from combined field and lab data - Yann Girard e Florian Hett - Best Paper Award on Labor Economics
No. 44 - Paying is Believing: The Effect of Costly Information on Bayesian Updating - Pedro Robalo e Rei Sayag - Best Paper Award on Labor Economics
No. 43 - Asset Correlation in RMBS Reference Portfolios - Marco Geidosch - UniCredit Best Paper Award
No. 42 - What Factors affect Behavioral Biases?: Evidence from Turkish Individual Stock Investors - Bülent Tekçe - UniCredit Best Paper Award
No. 41 - More versus Closer Friends: How Gender Shapes Social Networks and their Effects on Performance - Ilse Lindenlaub e Anja Prummer - UWIN Best Paper Award
No. 40 - Yours, Mine And Ours: Do Divorce Laws Affect The Intertemporal Behavior Of Married Couples? - Alessandra Voena - UWIN Best Paper Award
No. 39 - Bounded Rationality and Heterogeneous Expectations in Macroeconomics - Domenico Massaro - Best PhD Thesis Award
No. 38 - Essays in Mechanism Design - Toomas Hinnosaar - Best PhD Thesis Award

Working Paper Series - 2012
No. 37 - With Strings Attached: Grandparent- Provided Child care, Fertility, and Female Labor Market Outcomes - Eva García-Morán and Zoë Kuehn - UWIN Best Paper Award
No. 36 - The Cost of Acting “Girly” - Gender Stereotypes and Educational Choices - Marta Favara - UWIN Best Paper Award
No. 35 - Optimal Capital Structure with Endogenous Bankruptcy: Payouts, Tax Benefits Asymmetry and Volatility Risk - Flavia Barsotti - Best PhD Thesis Award
No. 34 - Essays on Natural Experiments in Behavioral Finance and Trade - Wolf Nicolas Sauter - Best PhD Thesis Award
No. 33 - Quality Ladders and Nonhomothetic Preferences - Vincenzo Merella - Best PhD Thesis Award
No. 32 - Electoral campaigns with strategic candidates: a theoretical and empirical analysis - Elena Manzoni - Best PhD Thesis Award
No. 31 - Essays in the Economics of Networks - Edoardo Gallo - Best PhD Thesis Award
No. 30 - Quanto Adjustments in the Presence of Stochastic Volatility - Alexander Giese - UniCredit Best Paper Award
No. 29 - Consistent Pricing of CMS and CMS Spread Options with SABR-like Distributions and Power-t Copulas – Andreas K.H. Geisselmeyer - UniCredit Best Paper Award
No. 28 - Outsourcing innovation and the role of bank debt for SMEs - Elena d’Alfonso e Silvia Giannangeli - UniCredit Best Paper Award
No. 27 - Pay Dispersion and Work Performance - Alessandro Buccion e Marco Piovesan - Best Paper Award The Social Dimension of Organizations
No. 26 - Employee Recognition and Performance - A Field Experiment - Christiane Bradler, Robert Dur, Susanne Neckermann e Arjan Non - Best Paper Award The Social Dimension of Organizations
Working Paper Series - 2011
No. 25 - Gender Quotas, Female Politicians and Public Expenditures: Quasi-Experimental Evidence - Pamela Campa – UWIN Best Paper Award
No. 24 - An examination of paternal and maternal intergenerational transmission of schooling - Chiara Pronzato - UWIN Best Paper Award
No. 23 - Rise of the Service Sector and Female Market Work: Europe vs US - Michelle Rendall - UWIN Best Paper Award
No. 22 - Essays on Dynamic Macroeconomics - Ceyhun Elgin - Best PhD Thesis Award
No. 21 - Political Learning and the Number of Parties: Why Age Matters - Ekaterina Rashkova - Best PhD Thesis Award
No. 20 - Carbon Market Implications for New Eu Member States: Empirical Analysis for Hungary - Dora Fazekas - Best PhD Thesis Award
No. 19 - Essays on Exporting Behavior of Firms and on Inflation Persistence - Branislav Saxa - Best PhD Thesis Award
No. 18 - Essays on International Migration - Zvezda Dermendzhieva - Best PhD Thesis Award
No. 17 - Essays on Educational Institutions and Inequality of Opportunity - Daniel Horn - Best PhD Thesis Award
No. 16 - Investment and debt maturity: an empirical analysis from Turkey - Bülent Tekçe - UniCredit Best Paper Award
No. 15 - The reputational risk impact of internal frauds on bank customers: a case study on UniCredit Group - Daniele Ruspantini e Alessandra Sordi - UniCredit Best Paper Award
No. 14 - The influence of CSR on the company's market value - a random effect or the source of outperformance? A Case study of American companies from Global 100 list - Piotr Kazmierkiewicz - UniCredit Best Paper Award
No. 13 - Real Estate Equities - Real Estate or Equities? - Alexander Schätz - UniCredit Best Paper Award
No. 12 - On Primal-Dual Algorithm for Callable Bermudan Options - Jan Maruhn e Max Mair - UniCredit Best Paper Award
No. 11 - Systemic valuation of banks -interbank equilibrium and contagion - Grzegorz Halaj - UniCredit Best Paper Award

Working Paper Series - 2010
No. 10 - Forward Bias Trading in Emerging Markets - Manuel Mayer - L.Gratz Scholarship
No. 09 - Combining VAR forecast densities using fast Fourier transform - Jakub Rysanek - UniCredit Best Paper Award
No. 08 - Modeling of extremes Application on electricity day-ahead spot prices time series - Igor Paholok - UniCredit Best Paper Award
No. 07 - From Minority Game to Black and Scholes pricing - Matteo Ortisi- UniCredit Best Paper Award
No. 06 - Evidence on the Liquidity Effect in Euro Area Gov. Bond Markets. A Bayesian VAR Analysis - Stephan Maier – UniCredit Best Paper Award
No. 05 - Measuring prepayment risk: an application to UniCredit Family Financing - Matteo Consalvi, Giovanni Scotto di Freca - UniCredit Best Paper Award
No. 04 - A practitioner approach to forecasting cross section and aggregated outcomes - Andrea Brasili - UniCredit Best Paper Award
No. 03 - The Italian Financial Development and the Regional Impact on Growth - Elena D’Alfonso - UniCredit Best Paper Award
No. 02 - Corporate Growth: the Role of Financial Structure - Silvia Giannangeli - UniCredit Best Paper Award
No. 01 - Pricing distressed CDOs with Base Correlation and Stochastic Recovery - Martin Krekel - UniCredit Best Paper Award
Rock Stibric
Winner of the International Internship Program, 4th edition
Presentation and illustration of the legal and financial aspects of the merger plan

Report of the governing body

Background

The UniCredit Foundation was set up in 2003. It is a “corporate foundation” established by UniCredit that embodies UniCredit’s commitment to the complex array of values underpinning its corporate identity.

Through acts of corporate philanthropy, the Foundation contributes to the development of the communities in which it operates. It fosters social cohesion as a response to the challenging problems of inequality, unfulfilled needs and social transformation that are so characteristic of the present day. To this end, the UniCredit Foundation is committed to promoting lasting initiatives, seeking opportunities for innovation in various social spheres, and forming effectual and long-term partnerships with other non-profit organizations.

The primary purpose of the “UniCredit & Universities Knight of Labor Ugo Foscolo” Foundation, established in 2009, is the promotion of academic projects and similar initiatives to expand knowledge in the fields of banking, economics and law through the conferral of scholarships and awards. The Foundation builds on the significant legacy of the “Fondazione Cavaliere del Lavoro Ugo Foscolo” (so named in honour of the former President of Banco di Roma), whose scope it has expanded and whose working methods it has updated to meet the demands of the third millennium.

The most notable feature of most of the activities carried out by this latter Foundation is their distinctively European dimension. The European dimension to the Foundation’s sponsorship of economic and financial scholarship reflects the new geographical and cultural realities of UniCredit, which is both the sole source of funding for the Foundation and the repository of the values that guide its day-to-day activities.

By operating in their respective fields in a manner that resonates with UniCredit’s values and culture, the UniCredit Foundation and the UniCredit & Universities Foundation have progressively come to resemble one another and, in some cases, have ended up working together to maximize the chances of success of a number of initiatives.
Over time, the analogous interests of the two Foundations have caused them to become progressively more alike. First, they are alike in the breadth of their operational scope, which reflects the geographical reach of UniCredit. Both Foundations are therefore active in the 14 countries where UniCredit is present. To operate to good effect in a given geographic area, each Foundation must, above all, be capable of accommodating itself to the local culture and attuning its sensibilities to the expectations of diverse communities living well beyond the borders of Italy.

Second, over the years, both Foundations have forged close links with the banks of the Group, thanks to which they have significantly enhanced the effectiveness of their initiatives in all the territories where they operate.

The two Foundations have increasingly come to epitomize and represent the UniCredit “culture”, which has led them not only to expand the geographical scope of their initiatives, but also to promulgate what we might call an “enterprise culture”. It is therefore no coincidence that both Foundations should have accrued considerable innovation capabilities in their respective fields, and have become increasingly keen to discover new ways of supporting communities by following untraveled paths.

As they evolved in parallel, the two Foundations became ever more attentive to the interests of UniCredit Group employees, on whose behalf they developed several “ad hoc” initiatives.

The concurrence of aims and methods has already allowed the two Foundations to achieve productive synergies. For instance, through the Gianesini Fund, the UniCredit Foundation leveraged the competencies of the UniCredit & Universities Foundation to offer scholarships in economics and finance.

The foregoing example offers cogent grounds for the decision to combine the competencies, professionalism and strengths of the two Foundations to create a new entity that will not only be more efficient at realizing the goals that the two Foundations already aspire to separately, but will also be able to set new and more ambitious goals that are currently beyond the individual reach of either of the Foundations. The merger will deliver the important advantage of combining resources and competencies that already follow a similar pattern and depend on an almost identical core culture.

**Strategic vision**

The purpose of the merger is the furtherance of the Founder’s philanthropic goals through the realization of strategically meaningful results. The first benefit to accrue from the merger will be to deepen the beneficial societal impact of the Foundations’ work in several areas, such as culture, education, business entrepreneurship and social inclusion, and in the amelioration of social vulnerabilities.
The new Foundation will be sharply focused on societally significant initiatives and projects that deliver real benefits to the recipient communities. Moreover, the new Foundation will constantly monitor the effects of its initiatives as they unfold over time. Through the constant monitoring of the social effects of its actions, it will be able to make constant improvements to them, and keep constant score of the value of its work in all spheres.

The second benefit to accrue from the merger is that it will bestow a distinct reputation and standing on the new Foundation, which will reap the benefits of increased size and the synergizing of the goals of its precursors. A distinct recognition and standing are essential qualities for any undertaking that operates as a philanthropic organization and as a sponsor of scholarship and research. Only by forging a distinctive reputation and standing can the new Foundation generate the level of interest and resources it needs to enhance its capacities in the areas in which it operates.

A reputable Foundation that can stand out from the rest will also receive a greater number of project proposals and requests for collaboration, thanks to which it will enjoy the added advantage of being able to steer its efforts towards initiatives that it sees as most worthwhile.

At the same time, a reputable Foundation of distinct standing is well positioned to function as a catalyst of resources, which it can channel into preferred initiatives.

The third benefit to accrue from the merger is that the new Foundation will be better able to plot out a long-term approach that will help sustain the strategy of the UniCredit Group. It is essential that the new Foundation adopt a long-term approach, because this will commit it to continuity over time in the creation of value, which, in turn, will enhance the communicability of the basic ethos of the Foundation to the communities it assists. Continuity of action is very important to much of the Foundation’s work. By way of example we might cite the “Marco Fanno” scholarship, which over the years has enabled many of the best Italian economists to study for doctorates at the world’s most prestigious universities. It is precisely this promise of continuity over time that has made the Foundation a lodestar not only for the brilliant students who seek its support to continue their postgraduate studies, but also for educators who value the option of inviting their best students to apply for these scholarships.

The new Foundation’s ability to build a long-term strategy will enable it to coordinate its activities with those of the founder bank. Indeed, last autumn UniCredit launched a strategic plan in which it lays out its intention to overhaul its operations so as to support the communities in which it operates by materially and effectively reinforcing their economic and productive fabric. Finally, by means of the merger, the two Foundations intend to combine their activities in a productive manner that preserves their original goals while also streamlining operations and optimizing their organizational and financial structures.
Object of the merger

By (1) rationalizing its system of management and (2) optimizing its organizational and economic structures, the new Foundation will significantly reduce costs (in the order of 40-50%) and see a corresponding increase in the activities and initiatives it can undertake.

More particularly, the rationalized system of management resulting from the merger will streamline several tasks, such as:

1. the preparation and the printing of financial documents;
2. the maintenance and management of the website;
3. communications and social media accounts;
4. bookkeeping;
5. technical consultancy services.

The merger will also lead to many organizational improvements.

The streamlining of existing skills is likely to be one of the most important benefits of the merger. As things stand, the two Foundations have exclusive competencies that they fail to make systematically available to each other. The same logic applies to the management of individual initiatives. For example, the UniCredit Foundation currently offers scholarships in medicine through the Gianesini Fund, but could benefit from the UniCredit & Universities Foundation’s extensive experience in the administration of scholarships, research fellowships and grants.

Nor should it be forgotten that the rationalization of organizational structures following the merger means that the new entity will be under the management of just one Board of Directors and answerable to just one Board of Auditors rather than, as now, two of each.

The organizational restructuring that will follow the merger is likely to reduce staff costs by around 40%, and lead to a corresponding reduction in the implicit rental rate.

The more streamlined cost structure resulting from the merger will allow more resources to be allocated to the core activities of the Foundation and enhance overall efficiency.

With the same amount of funding, the new Foundation will be able to undertake a larger number of projects and/or increase the sums it allocates to them.
Lorenzo Rigon
Winner of the US Phd Scholarship, 6th edition
To Mr. Chairman and Members of the Board,

I ask you to approve the 2017 Accounts presented here in that show an operating deficit of € 171,879, which I propose to bring about a decrease the operating Reserve.

Giannantonio De Roni
Secretary General
Caterina Canese
Winner of the Summer School Programme for UniCredit Employees, 3rd edition
Financial Statements

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B) Breakdown of investment funds included in Assets under Management as of December 31, 2017 91
## Balance Sheet

### Report on Operations

<table>
<thead>
<tr>
<th>Assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>C) FLOATING ASSETS</td>
<td>3,274,470</td>
<td>3,964,391</td>
</tr>
<tr>
<td>II Receivables</td>
<td>59,397</td>
<td>59,424</td>
</tr>
<tr>
<td>5) Due from others</td>
<td>59,397</td>
<td>59,424</td>
</tr>
<tr>
<td>III Short-term financial assets not</td>
<td>3,116,081</td>
<td>3,343,651</td>
</tr>
<tr>
<td>classified as fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Other securities</td>
<td>3,116,081</td>
<td>3,343,651</td>
</tr>
<tr>
<td>IV Liquid assets</td>
<td>98,992</td>
<td>561,316</td>
</tr>
<tr>
<td>1) Bank deposits</td>
<td>82,937</td>
<td>501,857</td>
</tr>
<tr>
<td>2) Cash held by asset management companies</td>
<td>15,855</td>
<td>59,259</td>
</tr>
<tr>
<td>3) Cash and cash equivalents on hand</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>3,274,470</strong></td>
<td><strong>3,964,391</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) NET EQUITY</td>
<td>813,764</td>
<td>985,643</td>
</tr>
<tr>
<td>I Operating reserve</td>
<td>297,307</td>
<td>469,186</td>
</tr>
<tr>
<td>1) Surplus/Deficit for period of operations</td>
<td>-171,879</td>
<td>-172,307</td>
</tr>
<tr>
<td>2) Available reserve</td>
<td>469,186</td>
<td>641,493</td>
</tr>
<tr>
<td>II Endowment fund</td>
<td>516,457</td>
<td>516,457</td>
</tr>
<tr>
<td>D) Payables with itemized according to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>whether amounts fall due after the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Payables for contributions to be</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disbursed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1) Support for studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within the following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due after the following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2) Support for research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within the following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due after the following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3) Other initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within the following period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6) Accounts payable</td>
<td>61,407</td>
<td>82,514</td>
</tr>
<tr>
<td>7) Taxes payable</td>
<td>43,632</td>
<td>64,258</td>
</tr>
<tr>
<td>8) Payables to social security and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>welfare agencies</td>
<td>0</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>3,274,470</strong></td>
<td><strong>3,964,391</strong></td>
</tr>
</tbody>
</table>
### Expenses (Amounts in €)

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Expenses from ordinary operations</td>
<td>1,209,327</td>
<td>1,596,849</td>
</tr>
<tr>
<td>1.1) Support for studies</td>
<td>617,545</td>
<td>938,508</td>
</tr>
<tr>
<td>1.2) Support for research</td>
<td>439,500</td>
<td>515,000</td>
</tr>
<tr>
<td>1.3) Other activities</td>
<td>74,499</td>
<td>38,350</td>
</tr>
<tr>
<td>1.4) Compensation and expenses for the Scientific Committee members</td>
<td>72,782</td>
<td>93,609</td>
</tr>
<tr>
<td>1.5) Communications expenses</td>
<td>5,001</td>
<td>11,382</td>
</tr>
<tr>
<td>4) Financial expenses and losses</td>
<td>8,614</td>
<td>3,834</td>
</tr>
<tr>
<td>4.4) From other assets</td>
<td>8,614</td>
<td>3,834</td>
</tr>
<tr>
<td>6) General administrative costs</td>
<td>120,089</td>
<td>133,181</td>
</tr>
<tr>
<td>6.1) Employees</td>
<td>37,452</td>
<td>38,440</td>
</tr>
<tr>
<td>6.2) Other operating expenses</td>
<td>82,637</td>
<td>94,741</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>1,338,030</strong></td>
<td><strong>1,733,864</strong></td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,338,030</strong></td>
<td><strong>1,733,864</strong></td>
</tr>
</tbody>
</table>

### Revenues (Amounts in €)

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Revenues from ordinary operations</td>
<td>1,021,400</td>
<td>1,265,000</td>
</tr>
<tr>
<td>1.1) Contributions received</td>
<td>1,021,400</td>
<td>1,265,000</td>
</tr>
<tr>
<td>4) Financial income and gains</td>
<td>167</td>
<td>452</td>
</tr>
<tr>
<td>4.1) From bank deposits</td>
<td>167</td>
<td>452</td>
</tr>
<tr>
<td>7) Other income</td>
<td>144,584</td>
<td>296,105</td>
</tr>
<tr>
<td>7.1) Amounts recovered from scholarships and initiatives concluded or not implemented</td>
<td>144,584</td>
<td>296,105</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>1,166,151</strong></td>
<td><strong>1,561,557</strong></td>
</tr>
<tr>
<td><strong>OPERATING DEFICIT</strong></td>
<td><strong>171,879</strong></td>
<td><strong>172,307</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,338,030</strong></td>
<td><strong>1,733,864</strong></td>
</tr>
</tbody>
</table>
Notes on the Accounts 2017

Preliminary Information

The UniCredit & Universities Knight of Labor Ugo Foscolo Foundation was constituted in Rome on July 13, 1966, as Fondazione Cavaliere del Lavoro Ugo Foscolo, già Presidente del Banco di Roma, with a restricted equity of 50,000,000 ITL (currently € 516,456.90), thanks to the subsequent extraordinary contributions made at the end of 1991 by what was formerly Banco di Roma.

The Foundation’s current name came into effect on November 16, 2009, the date on which it received approval of its new articles of association from the Prefecture of Rome.

It is categorized as a private, non-profit Foundation and has been recognized under Italian Presidential Decree no. 255 of March 28, 1967 (Official Gazette no. 118 of May 12, 1967).

The Foundation aims to:

- promote studies and initiatives that increase awareness of economic, financial, legal, political and social matters;
- annually award one or more scholarships;
- institute prizes for degree theses or specific studies in financial, economic, legal, political and social matters;
- propose and support initiatives in the academic world.

The Foundation consists of: the Board of Directors, the Chairperson, the Secretary General and the Statutory 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 Enterprises Commission of the National Board of 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 Chairman’s Report.

The 2017 financial year ended with an operating deficit of € 171,879.

The accounts are audited by the Board of Auditors. Since the Foundation does not conduct commercial business, its income is not subject to VAT and, due to the nature of its income, is not subject to income tax however, it is subject 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 realizable value.

The **Short-term financial assets - Other securities** item includes securities in which the foundation’s funds are invested for asset management purposes until used by the foundation. These securities are all estimated according to the market value understood as the price reported on the last working day of the period and include quota accruals;

**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 recognized at face value and represents the value of contributions made at the time the Foundation was founded or at the time of subsequent deposits.

**Payables, with itemized details 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 for disbursements not yet made to fund approved scholarships and initiatives. They are divided according to the type of scholarship or initiative supported.

**Accounts payable** include amounts owed with respect to invoices or bills received as well as the amount of any invoices or bills to be received for services rendered but not invoiced by year-end.

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

**Payables to social security and welfare agencies** include the value of accrued - not liquidated - welfare contributions related to the Foundation’s collaborative relationships.

**Expenses**

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

**Financial Expenses and Losses** represent losses resulting from asset management investments and include 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 to 31/12/2017.

The item **Other Income** brings together the remaining revenues, which by nature cannot be included in the previous categories, and includes surpluses recovered on scholarships and initiatives completed or not implemented and restructuring of scholarships.
Notes on the Balance Sheet and the Report on Operations

Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C) Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II - Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Due from others</td>
<td>59,397</td>
<td>59,424</td>
</tr>
</tbody>
</table>

Receivables due from others represents the credit for prepayments for IRAP tax paid during the year for € 49,864, the withholding tax on the asset under management for € 9,153 that will be compensated in the next four years and some other minor INPS credits for € 380.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>III - Short-term financial assets not classified as fixed assets</td>
<td>3,116,081</td>
<td>3,343,651</td>
</tr>
<tr>
<td>2) Other securities</td>
<td>3,116,081</td>
<td>3,343,651</td>
</tr>
</tbody>
</table>

The item Other securities, represents the management’s decision to employ part of the bank account liquidity only into the asset under management.
The decrease of balance at 31/12/17 is due to the decision taken during the year to divest the portfolio securities by € 260,000 to dispose of the liquidity necessary to carry out the activities established by the Board of Directors.

The assets under management includes:
- Italian and European securities for € 1,937,549, valued at the last working day of December 2017 market value including accrued interests for € 21,273. A composition of the securities portfolio as at 31.12.17 is provided in the table in Annex A);
- European Bonds Security Funds for a total value of € 1,178,532, measured on the basis of the values of these Funds shares at 31.12.2017. The composition of the above-mentioned Funds portfolio is provided in Annex B).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IV - Liquid assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Bank deposits</td>
<td>82,937</td>
<td>501,857</td>
</tr>
<tr>
<td>2) Cash held at asset management companies</td>
<td>15,855</td>
<td>59,259</td>
</tr>
<tr>
<td>3) Cash and cash equivalents on hand</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

Bank deposits represent the total of current account balances held at UniCredit S.p.A.. The reduction in the balance is due to the ordinary support of the costs of the current activity.
Cash held at asset management companies is the cash generated from the asset management relationship indicated under Other securities. These availabilities consist of unconstrained positions. This decrease is due to the fact that it not been used during the year.
Cash and cash equivalents on hand is the balance of petty cash used for current expenses.
Liabilities

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Net equity</td>
<td>813,764</td>
<td>985,643</td>
</tr>
</tbody>
</table>

I - Operating reserve
Ammonta a € 297,307 e riflette per € 171,879 il disavanzo di gestione dell’esercizio e per € 469,186 la Riserva disponibile.

II - Endowment fund
This was contributed when the Foundation was established and increased through subsequent deliveries performed by what was previously the Banco di Roma, up to the current balance of € 516,457.

Changes in Net Equity are indicated in the table below.

Changes in net equity in 2017

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th>Management fund</th>
<th>Endowment fund</th>
<th>Total Shareholder equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of the year</td>
<td>469,186</td>
<td>516,457</td>
<td>985,643</td>
</tr>
<tr>
<td>Operating result for the period</td>
<td>-171,879</td>
<td>-171,879</td>
<td></td>
</tr>
<tr>
<td>Balance as at Dec. 31, 2017</td>
<td>297,307</td>
<td>516,457</td>
<td>813,764</td>
</tr>
</tbody>
</table>

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D) Payables with itemized</td>
<td>2,460,706</td>
<td>2,978,748</td>
</tr>
<tr>
<td>according to whether amounts fall due after the following period</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Payables for contributions to be disbursed totaled € 2,355,667, represent the Foundation’s commitment to scholarships, research grants and initiatives, which have been approved, with disbursements to occur in following periods.

In the following table they are listed broken down by type of expenses and by their receivability.
### FINANCIAL STATEMENTS - Notes on the Accounts

Reports and Accounts 2017

<table>
<thead>
<tr>
<th>Payable due</th>
<th>31.12.2017</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within the period</td>
<td>Following the period</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Support for studies</strong></td>
<td>913,097</td>
<td>382,200</td>
<td>1,295,297</td>
</tr>
<tr>
<td><strong>Crivelli Scholarship</strong></td>
<td>110,000</td>
<td>63,332</td>
<td>173,332</td>
</tr>
<tr>
<td>16° edition</td>
<td>32,500</td>
<td>32,500</td>
<td>65,000</td>
</tr>
<tr>
<td>15° edition</td>
<td>65,000</td>
<td>30,832</td>
<td>95,832</td>
</tr>
<tr>
<td>14° edition</td>
<td>12,500</td>
<td>0</td>
<td>12,500</td>
</tr>
<tr>
<td><strong>Marco Fanno</strong></td>
<td>149,550</td>
<td>64,222</td>
<td>213,772</td>
</tr>
<tr>
<td>Marco Fanno 2017</td>
<td>32,500</td>
<td>32,500</td>
<td>65,000</td>
</tr>
<tr>
<td>Marco Fanno 2016</td>
<td>65,000</td>
<td>31,722</td>
<td>96,722</td>
</tr>
<tr>
<td>Marco Fanno 2015</td>
<td>52,050</td>
<td>0</td>
<td>52,050</td>
</tr>
<tr>
<td><strong>US PhD Scholarship</strong></td>
<td>141,147</td>
<td>72,500</td>
<td>213,647</td>
</tr>
<tr>
<td>7° edition</td>
<td>32,500</td>
<td>32,500</td>
<td>65,000</td>
</tr>
<tr>
<td>6° edition</td>
<td>65,000</td>
<td>40,000</td>
<td>105,000</td>
</tr>
<tr>
<td>5° edition</td>
<td>43,647</td>
<td>0</td>
<td>43,647</td>
</tr>
<tr>
<td><strong>Masterscholarship</strong></td>
<td>355,000</td>
<td>172,146</td>
<td>527,146</td>
</tr>
<tr>
<td>8° edition</td>
<td>125,000</td>
<td>55,000</td>
<td>180,000</td>
</tr>
<tr>
<td>7° edition</td>
<td>130,000</td>
<td>56,420</td>
<td>186,420</td>
</tr>
<tr>
<td>6° edition</td>
<td>100,000</td>
<td>60,726</td>
<td>160,726</td>
</tr>
<tr>
<td><strong>Study Abroad Exchange Programme Grants</strong></td>
<td>41,400</td>
<td>10,000</td>
<td>51,400</td>
</tr>
<tr>
<td>7° edition</td>
<td>40,000</td>
<td>10,000</td>
<td>50,000</td>
</tr>
<tr>
<td>6° edition</td>
<td>1,400</td>
<td>0</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>International Internship</strong></td>
<td>96,000</td>
<td>0</td>
<td>96,000</td>
</tr>
<tr>
<td>5° edition</td>
<td>96,000</td>
<td>0</td>
<td>96,000</td>
</tr>
<tr>
<td><strong>Summer School Grants</strong></td>
<td>20,000</td>
<td>0</td>
<td>20,000</td>
</tr>
<tr>
<td>4° edition</td>
<td>20,000</td>
<td>0</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Support for research</strong></td>
<td>510,999</td>
<td>421,000</td>
<td>931,999</td>
</tr>
<tr>
<td><strong>Foscolo Europe Fellowship</strong></td>
<td>360,000</td>
<td>381,000</td>
<td>741,000</td>
</tr>
<tr>
<td>3° edition Top-Up</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
</tr>
<tr>
<td>2° edition Top-Up</td>
<td>100,000</td>
<td>100,000</td>
<td>200,000</td>
</tr>
<tr>
<td>1° edition Top-Up</td>
<td>100,000</td>
<td>50,000</td>
<td>150,000</td>
</tr>
<tr>
<td>6° edition</td>
<td>60,000</td>
<td>31,000</td>
<td>91,000</td>
</tr>
<tr>
<td><strong>Modigliani Research Grant</strong></td>
<td>70,000</td>
<td>40,000</td>
<td>110,000</td>
</tr>
<tr>
<td>8° edition</td>
<td>40,000</td>
<td>40,000</td>
<td>80,000</td>
</tr>
<tr>
<td>7° edition</td>
<td>30,000</td>
<td>0</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>UniCredit Best Paper Award</strong></td>
<td>2,500</td>
<td>0</td>
<td>2,500</td>
</tr>
<tr>
<td>9° edition</td>
<td>2,500</td>
<td>0</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Best Paper Award</strong></td>
<td>6,000</td>
<td>0</td>
<td>6,000</td>
</tr>
<tr>
<td>SUERF-5°edition</td>
<td>1,000</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>UWIN on Gender Economics-8° edition</td>
<td>5,000</td>
<td>0</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Carlo Giannini Fellowship</strong></td>
<td>72,499</td>
<td>0</td>
<td>72,499</td>
</tr>
<tr>
<td>5° edition</td>
<td>35,000</td>
<td>0</td>
<td>35,000</td>
</tr>
<tr>
<td>4° edition</td>
<td>37,499</td>
<td>0</td>
<td>37,499</td>
</tr>
<tr>
<td><strong>Contributions to other initiatives</strong></td>
<td>128,371</td>
<td>0</td>
<td>128,371</td>
</tr>
<tr>
<td>Workshop</td>
<td>60,157</td>
<td>0</td>
<td>60,157</td>
</tr>
<tr>
<td>Other Events</td>
<td>40,214</td>
<td>0</td>
<td>40,214</td>
</tr>
<tr>
<td>New conference/events Marco Fanno 2017</td>
<td>28,000</td>
<td>0</td>
<td>28,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,552,467</td>
<td>803,200</td>
<td>2,355,667</td>
</tr>
</tbody>
</table>
Accounts payable amount to € 61,407 and include amounts owed on invoices received for board of auditors (€ 9,643) and for Scientific Committee (€ 51,500).

Tax payable amount to € 43,632 and are represented for the most part from the IRAP debt due for 2017 balance, gross amount of advance payment (shown in receivables), and tax deductions paid to the Tax Authorities in January 2018.

**Expenses**

<table>
<thead>
<tr>
<th>Expenses from ordinary operations</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,209,327</td>
<td>1,596,849</td>
</tr>
</tbody>
</table>

These can be broken down as follows:

1.1) Support for Studies 617,545 938,508
1.2) Support for Research 439,500 515,000
1.3) Other activities 74,499 38,350
1.4) Compensation and expenses for the Scientific Committee members 72,782 93,609
1.5) Communication costs 5,001 11,382

The decrease compared to the previous period, is due to less funding received during the year 2017.

The amount of the Support for Studies has received a decrease compared to 2017 mainly due to redrafting of grants for scholarships and research grants.
A sharp increase can be seen in “Other activities” as result of the costs incurred for New conference events Marco Fanno 2017.

The Support for Studies item amounts to € 617,545, and includes the funding to the support for studies abroad and they are the following:

**Support for Studies**

- Crivelli Scholarship Europe 16°edition
- Fanno Scholarship 2017
- US PhD Scholarship 7°edition
- Masterscholarship 8°edition
- Study Abroad Exchange Pr, 7°edition
- International Internship Program 5°edition
- Summer School Grant 4°edition
- Taxes for Crivelli Scholarship Europe 13°edition
- Taxes for Marco Fanno 2014
- Taxes for US PhD Scholarship-4°edition
- Taxes for Crivelli Scholarship Europe 14°edition
In 2017, 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 and PhD thesis.

The above initiatives are grouped under the Support for Research item, and total € 439,500 for 2017. A brief description of the initiatives and a detailed list of costs are as follows:

**Support for Research**  € 439,500
- Foscolo Europe Top up 3° edition  € 300,000
- Modigliani Research Grant 8°edition  € 80,000
- UniCredit Best Paper Award 9°edition  € 2,500
- UWIN Best Paper Award on gender economics-8°edition  € 5,000
- Best Paper Award on specific topics-2017  € 11,000
- Best Paper Award on Money and Finance with SUERF-5° edition  € 6,000
- Carlo Giannini Fellowship 5°edition  € 35,000

**Additional initiative** were launched in the 2017 financial year not strictly linked to scholarship and research grant but to scientific workshops. A brief description of the initiatives and a detailed list of costs are as follows:

**Other initiative**  € 74,499
- Workshop  € 26,500
- Other Events  € 17,999
- New conference/events Marco Fanno 2017  € 30,000

The **Fees and expenses for Scientific Committee** members item in the amount of € 72,782 includes charges incurred by members of Scientific Committee when assessing candidates to award scholarships and prizes, and when determining grant renewals for current scholarship recipients.

**Communications costs** in the amount of € 5,001 cover the cost of digital PR and social networking services related to online communications for scholarship and prize contests. They also cover costs incurred related to advertising and award ceremonies for scholarships awarded in 2017.

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>4) Financial expenses and losses</td>
<td>8,614</td>
<td>3,834</td>
</tr>
<tr>
<td>4.4) From other assets</td>
<td>8,614</td>
<td>3,834</td>
</tr>
</tbody>
</table>

The **From other assets**, for a total amount of € 8,614 item represents expenses coming from assets under management. In particular, during the year, due to a potential prolonged market volatility, the Foundation has adopted an investment strategy even more defensive than the already prudent choice of the previous year. The adopted investment choice involves a 60% of the invested management in the Euro Government Liquidity, 25% in Bonds Government of the euro area with a duration of 1 to 3 years and the remaining 15% in Absolute Return Strategies, which have allowed the assets under management manager to invest in Absolute Return funds and fixed income.
Compared to the previous line of investment, the Foundation has decided to further reduce the weight of the government component and also to increase the overall duration, which increase to the level of 1,03 years compared to the previous 0,57.

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>6) General administrative costs</td>
<td>120,089</td>
<td>133,181</td>
</tr>
</tbody>
</table>

Below are expenses incurred through activities that support the Foundation's objectives.

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1) Payroll (seconded staff)</td>
<td>37,452</td>
<td>38,440</td>
</tr>
<tr>
<td>6.2) Other operating expenses</td>
<td>82,637</td>
<td>94,741</td>
</tr>
</tbody>
</table>

Payroll (seconded staff)
The Foundation does not have its own employees and uses 3 staff seconded from UniCredit S.p.A..

Other operating expenses (€ 82,637) is composed as follows:

(Amounts in €)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees paid to professionals and for professional services</td>
<td>34,724</td>
<td>33,640</td>
</tr>
<tr>
<td>Exhibitions and events, taxes and withholding :</td>
<td>41,184</td>
<td>49,647</td>
</tr>
<tr>
<td>IRAP (regional business tax)</td>
<td>41,020</td>
<td>49,021</td>
</tr>
<tr>
<td>Revenue stamps and miscellaneous indirect taxes</td>
<td>164</td>
<td>626</td>
</tr>
<tr>
<td>Other</td>
<td>6,729</td>
<td>11,454</td>
</tr>
<tr>
<td>Entertainment expenses</td>
<td>1,336</td>
<td>1,733</td>
</tr>
<tr>
<td>Stationery supplies, printed matter and miscellaneous office supplies</td>
<td>1,740</td>
<td>2,130</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>862</td>
<td>3,020</td>
</tr>
<tr>
<td>postal and telephone</td>
<td>255</td>
<td>305</td>
</tr>
<tr>
<td>Miscellaneous (subscriptions, publications, association dues, ecc.)</td>
<td>2,536</td>
<td>4,266</td>
</tr>
<tr>
<td>Total</td>
<td>82,637</td>
<td>94,741</td>
</tr>
</tbody>
</table>

Other operating expenses
The Operating expenses undergone a slight decrease respect to 31/12/2016, the main reason is for the containment of the costs for the reduction of ordinary operations.
Revenues

Total contributions received in the amount of **€ 1,021,400**, consist of donations from UniCredit factoring S.p.A. (€ 1,000,000), from Cordusio Sim (€ 10,000) and contributions received from third parties for institutional purposes for € 11,400.

The **From bank deposits** item, totaling **€ 167**, consists entirely of net interest accrued during the year on the current account.

The **Other income** item totaling **€ 144,584** represents, for the year, the recovery of surpluses on scholarships and initiatives completed or not assigned and related taxes. Recoveries are detailed below.
Recoveries of scholarships and initiatives concluded

- Marco Fanno – 2015 € 57,351
- Study Abroad Exchange Programme Grants-5° edition € 19,550
- Study Abroad Exchange Pr, 6° edition € 16,345
- International Internship Program 4° edition € 10,655
- Summer School Grant 3° edition € 10,940
- Unicredit Post-Doc Fellowship -1° edition € 13,203
- Best Paper Award on specific topics-2016 € 3,000
- Best Paper Award on specific topics-2017 € 3,500
- UWIN Best Paper Award on gender economics-7° edition € 3,940
- Best Paper Award on Labor Economics-5° edition € 4,000
- Stage-Abroad Exchange Programme Grants-3° edition € 2,100

€ 144,584

Other information

The Foundation does not hold, nor did it acquire or sell during the year, any shares of UniCredit Group’s companies. In 2017, the members of the Board of Directors received no compensation.

Milan, February 28th 2018

Secretary General
Giannantonio De Roni
### A) Breakdown of Securities Portfolio, included in the Assets under Management as of December 31, 2017

<table>
<thead>
<tr>
<th>Type of Securities</th>
<th>Balance</th>
<th>Accrued Interest</th>
<th>Closing Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Face Value</td>
<td>Discount</td>
<td>Market Value</td>
</tr>
<tr>
<td>BELGIUM 1,25% 22/06/2018</td>
<td>162,000</td>
<td>100.85</td>
<td>163,377</td>
</tr>
<tr>
<td>BELGIO 4,25% 28/09/2021</td>
<td>34,000</td>
<td>117.142</td>
<td>39,828</td>
</tr>
<tr>
<td>BTP 0,5% 20/04/2023</td>
<td>36,000</td>
<td>101.714</td>
<td>36,617</td>
</tr>
<tr>
<td>BTP 01/08/2018 4,5%</td>
<td>172,000</td>
<td>102.91</td>
<td>177,005</td>
</tr>
<tr>
<td>BTP 23 APRILE 2020 1,65%</td>
<td>40,000</td>
<td>105.6241</td>
<td>42,250</td>
</tr>
<tr>
<td>BUNDES 1% 12/10/2018</td>
<td>262,000</td>
<td>101.307</td>
<td>265,424</td>
</tr>
<tr>
<td>CCT 15/11/2019</td>
<td>91,000</td>
<td>102.4</td>
<td>93,184</td>
</tr>
<tr>
<td>CCT APRILE 2018</td>
<td>164,000</td>
<td>100.3696</td>
<td>164,606</td>
</tr>
<tr>
<td>CCTEU 2,117% 01 NOV 2018</td>
<td>55,000</td>
<td>101.7162</td>
<td>55,944</td>
</tr>
<tr>
<td>EFSF 2.625% 02/05/2019</td>
<td>61,000</td>
<td>104.185</td>
<td>63,553</td>
</tr>
<tr>
<td>IRISH GOVT 4,5% 18/04/2020</td>
<td>57,000</td>
<td>111.558</td>
<td>63,588</td>
</tr>
<tr>
<td>OAT 3,75% 25/04/2021</td>
<td>37,000</td>
<td>113.623</td>
<td>42,041</td>
</tr>
<tr>
<td>PORT 4,75 14/06/2019</td>
<td>362,000</td>
<td>107.016</td>
<td>387,398</td>
</tr>
<tr>
<td>PORTUGAL GOVT OT 4,80% 15/06/2020</td>
<td>35,000</td>
<td>111.725</td>
<td>39,104</td>
</tr>
<tr>
<td>SPAGNA 0,25% 30 04 2018 TLX</td>
<td>234,000</td>
<td>100.2</td>
<td>234,468</td>
</tr>
<tr>
<td>SPAGNA 2,75% 30/04/2019</td>
<td>46,000</td>
<td>104.108</td>
<td>47,890</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,848,000</td>
<td>1,916,277</td>
<td>21,273</td>
</tr>
</tbody>
</table>
B) Breakdown of Bonds Portfolio, included in the Assets under Management as of December 31, 2017

(Amounts in €)

<table>
<thead>
<tr>
<th>Investment Funds</th>
<th>Number of Shares</th>
<th>Balance Share Price</th>
<th>Market Value</th>
<th>Closing Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMUNDI ETF GOVT BOND EUROMTS BROAD</td>
<td>182</td>
<td>169,09</td>
<td>30,774</td>
<td>30,774</td>
</tr>
<tr>
<td>AMUNDI FD BD EURO CORP IE</td>
<td>59,87</td>
<td>1,029,61</td>
<td>61,643</td>
<td>61,643</td>
</tr>
<tr>
<td>BLACKROCK GLOB FD EUR SHORT DUR BND</td>
<td>4,754,98</td>
<td>16,5</td>
<td>78,457</td>
<td>78,457</td>
</tr>
<tr>
<td>BLUEBAY INV GRADE ABS RET BOND CL Q</td>
<td>238,297</td>
<td>100,37</td>
<td>23,918</td>
<td>23,918</td>
</tr>
<tr>
<td>BLACKROCK STRATEGIC FD FIXED INC</td>
<td>663,1</td>
<td>125,93</td>
<td>83,504</td>
<td>83,504</td>
</tr>
<tr>
<td>CREDIT SUISSE AB RET BOND</td>
<td>169,946</td>
<td>102,72</td>
<td>17,457</td>
<td>17,457</td>
</tr>
<tr>
<td>DB PORTFOLIO EURO LIQ</td>
<td>903,185</td>
<td>76,98</td>
<td>69,527</td>
<td>69,527</td>
</tr>
<tr>
<td>DEUTSCHE INVEST I SH DUR CREDIT FC</td>
<td>309,658</td>
<td>136,86</td>
<td>42,380</td>
<td>42,380</td>
</tr>
<tr>
<td>DEUTSCHE FLOATING RATE NOTES FC</td>
<td>925,436</td>
<td>84,54</td>
<td>78,236</td>
<td>78,236</td>
</tr>
<tr>
<td>DEUTSCHE INV I EURO–BONDS(SHORT) FC</td>
<td>629,467</td>
<td>154,8</td>
<td>97,441</td>
<td>97,441</td>
</tr>
<tr>
<td>FIDELITY EURO SHORT TERM BOND</td>
<td>961,96</td>
<td>26,578</td>
<td>25,567</td>
<td>25,567</td>
</tr>
<tr>
<td>H2O ADAGIO</td>
<td>0,308</td>
<td>67,692.52</td>
<td>20,849</td>
<td>20,849</td>
</tr>
<tr>
<td>HSBC EURO SHORT TERM AGGR BOND CL S</td>
<td>37,414</td>
<td>1,014,70</td>
<td>37,964</td>
<td>37,964</td>
</tr>
<tr>
<td>ING L LIQUID EURBOR 3M A</td>
<td>39,769</td>
<td>1,024,81</td>
<td>40,756</td>
<td>40,756</td>
</tr>
<tr>
<td>LA FRANCAISE TRESORERIE I ACC</td>
<td>0,882</td>
<td>108,400.80</td>
<td>95,610</td>
<td>95,610</td>
</tr>
<tr>
<td>M&amp;G SHORT DATED CORP BOND FUND</td>
<td>1,224,73</td>
<td>10,8527</td>
<td>13,292</td>
<td>13,292</td>
</tr>
<tr>
<td>TCW METWEST UNCONST BOND FUND CL IE</td>
<td>20,28</td>
<td>1,038,48</td>
<td>21,060</td>
<td>21,060</td>
</tr>
<tr>
<td>MUZINICH ENHANCEDYIELD 5 T A EUR</td>
<td>314,744</td>
<td>162,13</td>
<td>51,029</td>
<td>51,029</td>
</tr>
<tr>
<td>NATIXIS EURO SHORT TERM CREDIT I EUR</td>
<td>1,47</td>
<td>10,706,07</td>
<td>15,738</td>
<td>15,738</td>
</tr>
<tr>
<td>PARVEST BOND EURO SHORT TERM I CAP</td>
<td>201,806</td>
<td>130,19</td>
<td>26,273</td>
<td>26,273</td>
</tr>
<tr>
<td>PICTET EUR SHORT TERM CORP BOND</td>
<td>277,567</td>
<td>105,57</td>
<td>29,303</td>
<td>29,303</td>
</tr>
<tr>
<td>PIMCO EURO SHORT SOURCE INC.</td>
<td>827</td>
<td>101,44</td>
<td>88,891</td>
<td>88,891</td>
</tr>
<tr>
<td>PIONEER FUNDS DIVERS. ST. BOND H</td>
<td>39,394</td>
<td>1,022,51</td>
<td>40,281</td>
<td>40,281</td>
</tr>
<tr>
<td>PIONEER SF CURVE 1 3 YRS H</td>
<td>29,78</td>
<td>1,194,16</td>
<td>35,562</td>
<td>35,562</td>
</tr>
<tr>
<td>PIONEER FUNDS OPTIM H EUR</td>
<td>15,723</td>
<td>1,032,58</td>
<td>16,235</td>
<td>16,235</td>
</tr>
<tr>
<td>SCHRODER EURO SHORT TERM BOND C</td>
<td>3,816,08</td>
<td>7,6808</td>
<td>29,311</td>
<td>29,311</td>
</tr>
<tr>
<td>UBAM UNCONSTRAINED BOND IP</td>
<td>119,459</td>
<td>104,42</td>
<td>12,474</td>
<td>12,474</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,178,532</strong></td>
<td><strong>1,178,532</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Maximilian Ahrens
Winner of the Masterscholarship, 6th edition
Report of the Board of Auditors
UNICREDIT & UNIVERSITIES KNIGHT OF LABOR UGO FOSCOLO FOUNDATION
Registered Office: Piazza Gae Aulenti - Tower A - Milan

REPORT OF THE BOARD OF AUDITORS ON THE 31 DECEMBER 2017
BALANCE SHEET TO SUPPORT THE MERGER PROJECT

To the Board of Directors

in anticipation of the Board of Directors that will approve the merger plan for the incorporation of the Unicredit & Universities Knight of Labor Ugo Foscolo Foundation into the UniCredit Foundation, we examined the balance sheet at 31 December 2017 prepared by the Secretary General.

BALANCE SHEET ON THE 31 DECEMBER 2017

<table>
<thead>
<tr>
<th></th>
<th>Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>3,274,470</td>
</tr>
<tr>
<td>Liabilities</td>
<td>2,460,706</td>
</tr>
<tr>
<td>Net Equity</td>
<td>813,764</td>
</tr>
</tbody>
</table>

Our review has been limited to the verification of the data included in the balance sheet and the consistency with the Financial Statements.
On the basis of the examination carried out, we confirm that the balance sheet at 31 December 2017 is prepared in accordance with the accounting principles used in the Financial Statements.

Milan, February 28, 2018

The Board of Auditors

Giorgio Loli                     Chairman
Elisabetta Magistretti          Regular Auditor
Claudia Cattani                 Regular Auditor
Lisa Huang
Winner of the International Internship Program, 4th edition
Gold Standard
Climate Security & Sustainable Development

Cover and introduction creative definition: UniCredit S.p.A.
Sorter pages creative definition: UniCredit & Universities and UniCredit
Design, graphic development and production: Mercurio GP - Milan
Print: April 2018