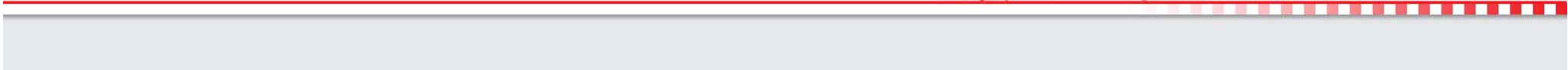




**UNICREDIT GROUP**  
**3Q07 Results**

**Alessandro Profumo**  
**Chief Executive Officer**

Milan, 14<sup>th</sup> November 2007





## UNICREDIT 3Q07 MAIN HIGHLIGHTS

- **3Q07 net income at 1,122 mln, up 19.0% y/y on a normalized basis<sup>(1)</sup>, 9M07 at 4,729 mln, +26.8%<sup>(1)</sup>**
- **Core Tier 1 ratio to 5.98% (+16 bp vs Dec06), notwithstanding RWA growth and acquisition of minorities**
- **Operating profit up 1.1% y/y thanks to strong performance in commercial banking: CEE Region +24.8% y/y, Retail +26.2% y/y, Corporate +10.0% y/y, Private Banking +50.0% y/y, Asset Management +8% y/y**
- **Markets and Investment Banking pre-tax profit at 123 mln (-215 mln y/y), impacted by incurred losses and negative mark to market valuations in Structured Credit (-272 mln) counterbalanced by positive contribution from all the other business lines**
- **Costs growing below inflation (+1.1% y/y); C/I ratio at 57.6%, in line with 3Q06**
- **Positive trends in asset quality and continued de-risking of balance sheet: net impaired loans down 0.9 bn vs Jun07 with continuous improvement of coverage ratio (~ +1.2 pp vs Jun07)**
- **Capitalia integration proceeding at full speed: wide participation to exit plan highlights faster and higher synergies**

<sup>(1)</sup> Net income for the Group at constant FX and perimeter calculated excluding net gains on Splitska (332 mln in 2Q06), 2S Banca (401 mln in 3Q06), Indexchange (133 mln in 1Q07) and the Tax Reform impact in Germany (-140 mln in 3Q07)



## AGENDA

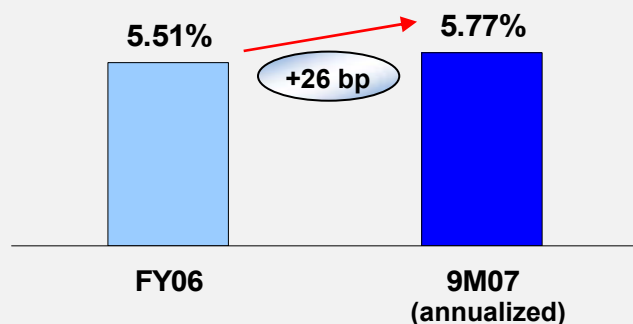
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- **UniCredit Group 3Q07 results**
- Capitalia 3Q07 results
- Capitalia Integration
- ANNEX

# > 1.1 NET INCOME, + 19.0% Y/Y ON A “NORMALIZED BASIS” NOTWITHSTANDING DIFFICULT MARKET CONDITIONS

min	9M07	% ch. on 9M06	% ch. on 9M06 at constant FX & perimeter	3Q07	% ch. on 3Q06	% ch. on 3Q06 at constant FX & perimeter
Total Revenues	18,816	6.9%	7.3%	5,692	1.1%	0.2%
Operating Costs	-9,874	0.6%	1.1%	-3,281	1.1%	0.2%
Operating Profit	8,942	14.8%	15.2%	2,411	1.1%	0.2%
Net Write Downs of Loans	-1,579	-6.1%	-6.5%	-504	-24.2%	-24.6%
Other Non Operating Items <sup>(1)</sup>	165	-78.7%	-78.9%	0	n.m.	n.m.
Net Income for the Group	4,729	3.8%	5.9%	1,122	-23.3%	-23.8%
Normalized Net income <sup>(2)</sup>	4,742		26.8%	1,239		19.0%
Cost/Income ratio, %	52.5%	-327 bp	-324 bp	57.6%	-1 bp	-1 bp

## TOTAL REVENUES / AVG. RWA, %



- **Normalized Net income for the Group<sup>(2)</sup>:** 19.0% 3Q/3Q and 26.8% 9M/9M growth at constant FX and perimeter
- **Total revenues:** growth (+1.1% 3Q/3Q) sustained by net interest income (+8.3%) and commissions (+9.4%), completely offsetting the impact of the market turmoil on trading profits
- **Operating costs:** very limited increase (+0.2% 3Q/3Q at constant FX and perimeter) benefiting also from lower accruals for variable compensation in the MIB Division
- **Net write-downs on loans:** significant reduction (> -24% 3Q/3Q), cost of risk down to 52 in 9M07 (-4 bp vs FY06)
- **Other non-operating items:** lower contribution (-342 mln 3Q/3Q), mainly due to the gain on 2S Banca posted in 3Q06)
- **Tax rate:** 32.1% in 3Q07, impacted by one-off ~140 mln due Tax Reform in Germany

<sup>(1)</sup> Goodwill amortization, provisions for risk and charges, integration costs and net profit from investments

<sup>(2)</sup> Net income for the Group at constant FX and perimeter calculated excluding net gains on Splitska (332 mln in 2Q06), 2S Banca (401 mln in 3Q06), Indexchange (133 mln in 1Q07) and the Tax Reform impact in Germany (-140 mln in 3Q07)

# BUSINESS AND GEOGRAPHIC DIVERSIFICATION HELPING OFFSET IMPACT OF MARKET TURMOIL WITH STRONG PERFORMANCE OF COMMERCIAL NETWORKS AND CLIENT BUSINESS

3Q REVENUE, mln % change y/y

CEE region

1,462

20.7%

■ Revenue growth driven by **strong volumes** (total loans +17% y/y) and **Mutual Funds** sales in Poland (+AUM +37% y/y)

Private Banking

270

15.4%

■ Double digit increase driven by growth in total **financial assets** (+14.4% y/y) across all countries

Corporate

1,260

8.6%

■ High contribution of **leasing** (+20.9% y/y) coupled with **net interest income** growth, driven by higher volumes. Good growth of **fees and commissions in Austria** (+12.5% y/y)

Retail

2,006

5.9%

■ **Italy +8.3%**, thanks to **loans growth** and **deposits margin**; **103,000 net new customer** in the first 9 months. **Non interest income** improvement in **Germany** (+14.7%) and **Austria** (+6.8) led by **investment product sale**

Asset Management

343

5.9%

■ Revenue stickiness thanks to increasing **management fees** (+5.2% y/y) despite negative AuM net sales (-4.2 bn YTD as of Sep07)

MIB

351

-47.8%

■ Negative mark-to-market on **structured credit** offsetting strong results across all **other business lines**



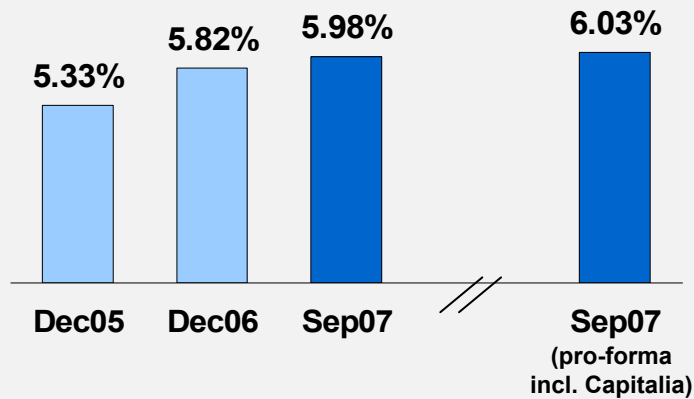
## **“IN THE SPOTLIGHT” TODAY: AN UPDATE**

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- **Capital Strength**
- **Impact of credit market turmoil on the MIB Division in 3Q07**
- **Exposure to US Subprime**
- **Exposure to conduit business**
- **Derivatives business in Italy**
- **Asset Quality**

# COMFORTABLE CAPITAL POSITION

CORE TIER 1 RATIO evolution, %



	9M07	9M06
EVA (mln)	2,496	1,931
	Sep07	Δ vs Dec06
Total RWA (bn)	451.4	6.9%
Core Capital (mln)	26,986	2,404
Total Capital (mln)	47,028	2,705
TIER1 Ratio (%)	6.98%	3 bp
Total Capital Ratio (%)	10.42%	-8 bp

+29.3%

- 6.9% growth of RWA vs Dec06, driven by strong commercial activity of the Corporate Division and in the CEE Region
- CT1 ratio at 5.98%, without inter-company lending to Capitalia at ~6.0%
- +16 bp Core Tier 1 ratio vs Dec06, ~2.4 bn core capital generation
- Capital ratios include acquisition of ATON and IMB minorities (~ -9 bp on CT1)
- ~300 mln of core capital and ~8 bn of RWA reduction through capital generating actions in 9M07

# MIB: MARKETS SUBDIVISION IMPACTED BY CREDIT TURMOIL

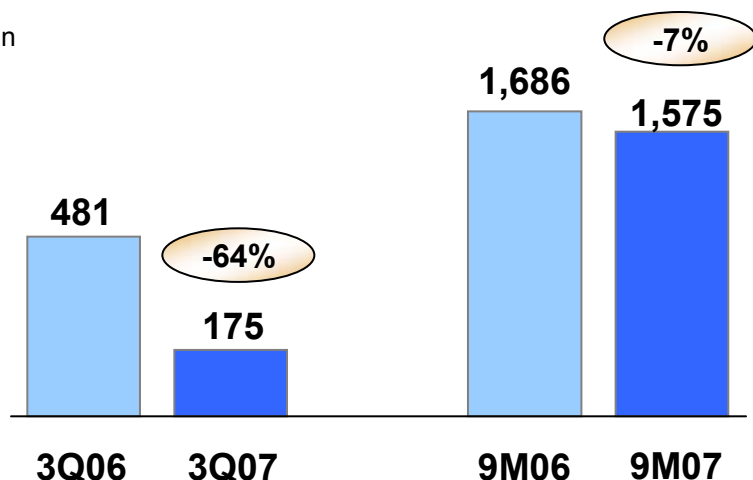
## Q3 2007:

■ <b>STRUCTURED CREDIT, o/w:</b>	-272 mln
■ <i>Realized losses</i>	-174 mln
■ <i>Mark-to-market</i>	-282 mln
■ <i>Other Revenues</i>	184 mln
■ <b>OTHER MARKETS' BUSINESS LINES</b>	447 mln

**TOTAL MARKETS <sup>(1)</sup> 175 mln**

### MARKETS: Total Revenues<sup>(1)</sup>

mln



### Structured Credit

- Hit by rapidly widening credit spreads and decoupling of correlations in illiquid markets
- Full mark to market valuation
- -282 mln related to ABS/CDO portfolio (mostly AAA-AA) and SIVs markdown

### FICC<sup>(2)</sup> (Cash and Derivatives)

- Record performance in 3Q07, +42% y/y
- Fixed Income benefiting from increased market volatility
- Strong client-driven revenues across our franchise

### Equities (Cash and Derivatives)

- 9M07 up 25% y/y
- Strong customer flows in CEE cash equities
- Strong growth in derivatives business, +6% y/y in 3Q07 and +31% in 9M07, high client demand in core markets

<sup>(1)</sup> Revenues total return view: the sum of Markets and Investment Banking differs from total accounting revenues of the division due to reconciliation factors and market value changes of investment positions

<sup>(2)</sup> Fixed Income, Currencies and Commodities



# ABS TRADING PORTFOLIO WELL DIVERSIFIED WITH HIGH QUALITY

## Diversification

**Residential Mortgages** 37%

*of which*

Europe 87%

Asia Pac 10%

US 3%

Negligible US  
sub-prime  
exposure

**Commercial Mortgages** 15%

**Corporate loans (large)** 15%

**Corporate loans (SME)** 9%

**Consumer loans** 5%

**Other<sup>(1)</sup>** 19%

## Rating structure

**AAA** 83.8%

**AA** 6.0%

**A** 4.9%

**BBB** 2.4%

**Total Investment grade** 97.2%

**Non investment grade or below** 2.8%

- Active risk management through disposal of synthetic CDOs portfolio in 1Q – 2Q07 resulting in significant reduction in risk and avoidance of losses
- None of the issues downgraded in recent actions by rating agencies<sup>(2)</sup>
- None currently on watch-list for potential downgrading<sup>(2)</sup>

(1) Including: Auto-loans 3%, Corporate Bonds 1%, Credit Cards 1%, Leases 2.5%, State-related 3%, Student loans 1.5%, other ABS 7%

(2) Excluding SIVs

# EXPOSURE TO US SUB-PRIME REDUCED TO 246 MLN AT 30SEP07, MAINLY 2002 AND 2003 VINTAGES

<b>TOTAL UCI GROUP</b> Euro mln	30/06/2007	30/09/2007
<b>On Balance</b>		
US Subprime RMBS	127	103
US CDO with partial US Subprime	139	106
<i>of which equity tranches/income notes</i>	11	3
Retained Interest	11	4
<b>Total on Balance</b>	<b>277</b>	<b>213</b>
<b>Off-Balance <sup>(1)</sup></b>	<b>77</b>	<b>33</b>
<b>TOTAL</b>	<b>354</b>	<b>246</b>

30.08.: USD/Euro 1,35  
30.09.: USD/Euro 1,40

## ■ Exposure to US sub-prime:

- ✓ **RMBS** collateralized by US sub-prime mortgages (mainly vintage, 2002-2003), still AAA rated
- ✓ **CDO** with sub-prime collateral: 90% still investment grade, 70% AA or better at the end of October
- ✓ **Retained interest** held by Pioneer

■ Risk decreased via amortization and mark-to-market adjustments, impairments on Retained Interest and SIV positions

■ Exposure equivalent to ~0.5% total regulatory capital<sup>(2)</sup>

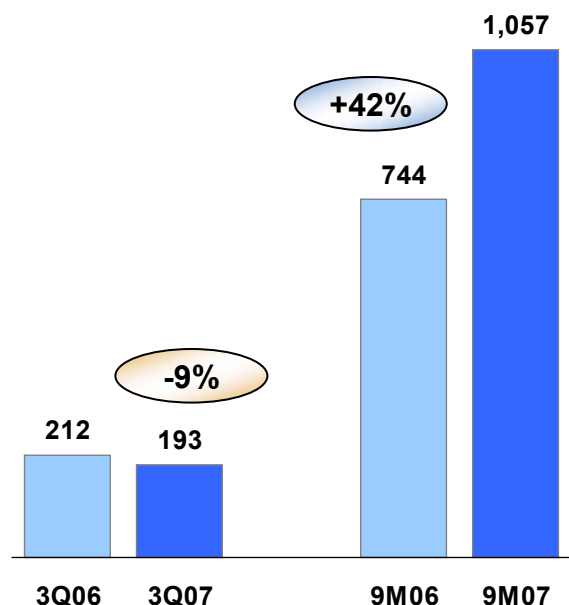
<sup>(1)</sup> Off balance items include Subprime RMBS and CDOs with partial Subprime underlyings via Conduits and investments in SIV structures with more than 5% Subprime RMBS and CDOs with partial Subprime underlyings

<sup>(2)</sup> Calculated on Group reported total regulatory capital as of Sep 07

## MIB: INVESTMENT BANKING REVENUES ARE ROBUST

### INVESTMENT BANKING: Total Revenues <sup>(1)</sup>

mln



### Financing

- +38% revenue increase vs. 3Q06
- Strong performance, mainly driven by robust results in Financial Sponsors and Leveraged Finance.
- Project Finance with solid revenues also in 3Q
- High quality syndication and hold portfolio thanks to strict underwriting policies

### Origination & Advisory

- Sustained client-driven activities in core markets
- Capital markets business (ECM, DCM) in Q3 weaker – directly effected by general market conditions
- Deal pipeline remains robust

### Principal Investments

- PI recently established as a separate business line in order to bundle and leverage existing know-how within the Group
- Strong performance in 3Q and 9M

### UNDERWRITING LBO PORTFOLIO

- Unchanged 5 eur bn –12 deals, all strong credit stories
- 2 jumbo LBOs (Alliance Boots, Valentino), high quality credit stories performing well, no impairment foreseeable
- Valued on a cost basis, no recognition of fees

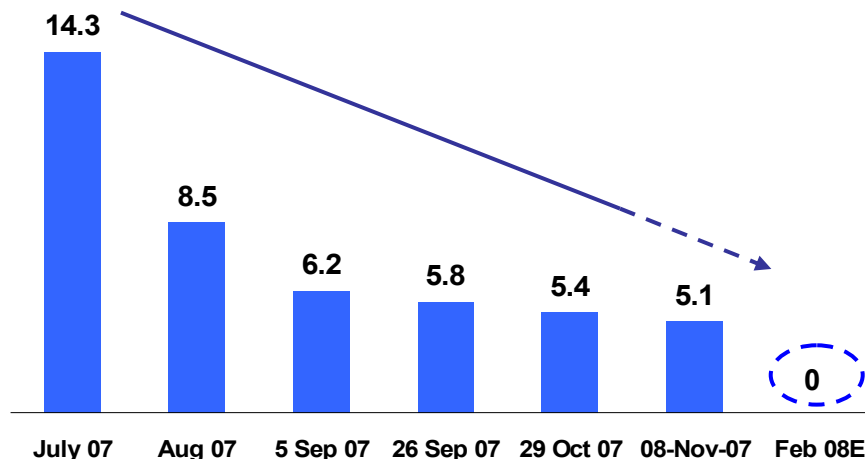
<sup>(1)</sup> Revenues total return view: the sum of Markets and Investment Banking differs from total accounting revenues of the division due to reconciliation factors and market value changes of investment positions

# CONDUIT BUSINESS: FURTHER REDUCTION WITHOUT ANY CREDIT LOSSES

Euro bn					
HVB sponsored conduits	Size as of 29 Oct-07 <sup>(1)</sup>	Type of Conduit	Liquidity line	HVB Liquidity line	Letter of Credit
Arabella	1.8	Customer	Yes	1.83	0.16
Salome	1.3	Customer	Yes	1.33	0.93
Black Forest*	0.8	Customer	Yes	0.62	0.40
Maximillian*	0.2	Arbitrage	Yes	0.27	0.03
BUFCO*	1.1	Arbitrage	Yes	1.05	0.12
<b>Subtotal</b>	<b>5.2</b>			<b>5.10</b>	<b>1.64</b>
Bavarian TRR*	5.1	TRR	No	-	-
<b>Total</b>	<b>10.3</b>			<b>5.10</b>	<b>1.64</b>

\* US \$ denominated; €/\$: 1.4124  
 (1) Except for Bavaria TRR, as of 8 Nov 2007

Bavaria TRR exposure, Euro bn

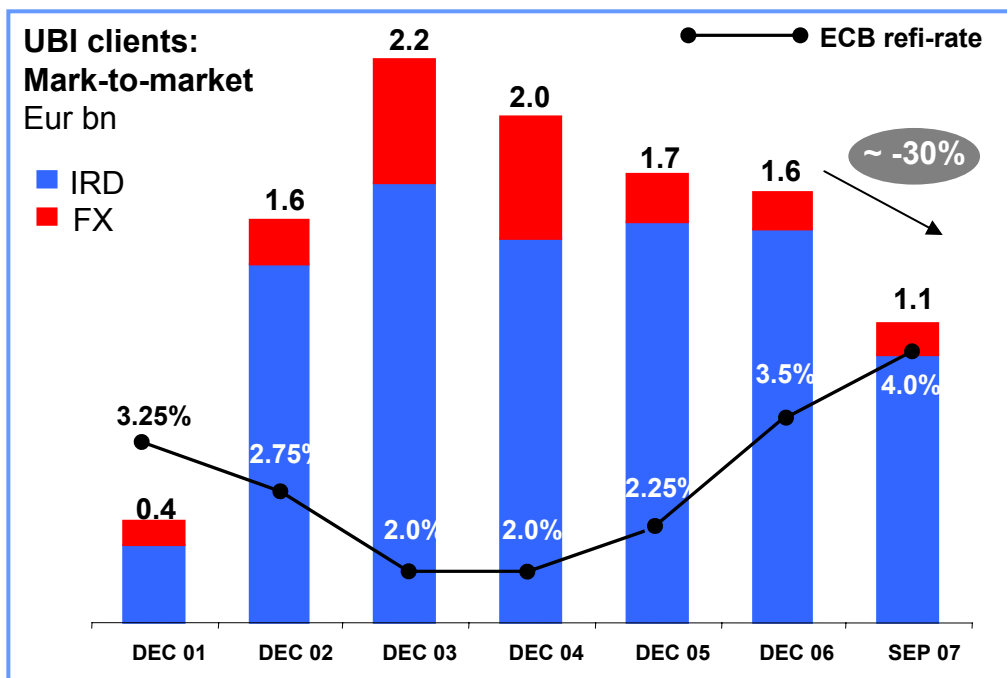


- **Overall Conduit volume reduced** within last 10 weeks via active management by EUR 1.5 bn to EUR 10.3 bn as of 8 Nov 2007 (from 11.8 bn as of 29 Aug 2007)
- Ongoing reduction of **Bavaria TRR assets from 14.3 to 5.1 Euro bn, without any credit loss; strong counterparty rating**
- **In case of consolidation of the conduits at year-end, no negative P&L impact due to mark-to-market<sup>(1)</sup>**
- **Extremely low exposure to 3rd parties conduits: total liquidity lines provided by HVB/BA-CA ~ EUR 0.55 bn**

(1) Based on current market prices

# FACTS & FIGURES OF THE CORPORATE DERIVATIVES BUSINESS IN ITALY: MARK-TO-MARKET TREND OUTLINING THE HEDGING NATURE OF THE TRANSACTIONS

- Nearly **10,000 corporate clients** totaling a notional amount of ~30 bn (**95% interest rates**) as of Sep07
- **Decreasing contribution to UniCredit's revenues**: from ~3.0% in 2004 to ~0.7% in 2006 and ~0.3% in 9M07
- **No correlation** between clients' mark-to-market and UniCredit P&L
- Negative mark-to-market value **originated** in years 2001-2003 in front of a **steep fall of Euro interest rates**, which allowed clients to **take advantage of lower funding costs** on a larger exposure (clients hedged on avg. **30%** of their underlying debt totaling ~100 bn)
- **Increasing weight of plain vanilla<sup>(1)</sup>** products (accounting for more than 90% of YTD07 derivatives sales)
- **Only 6 lawsuits lost out of 61 already settled<sup>(2)</sup>**

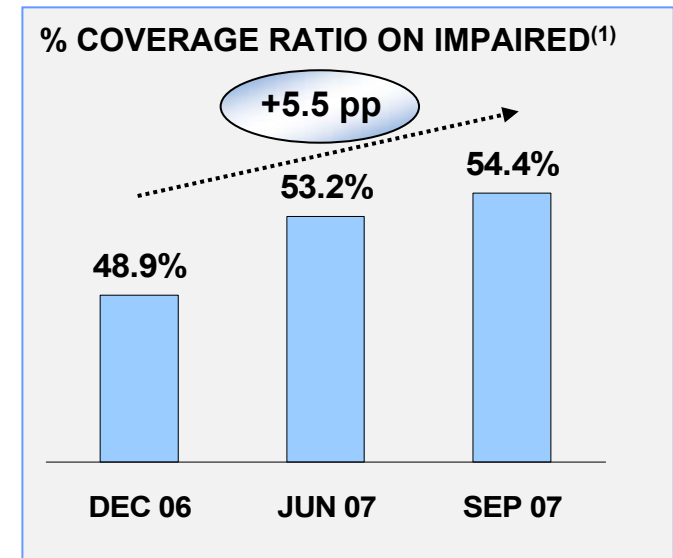
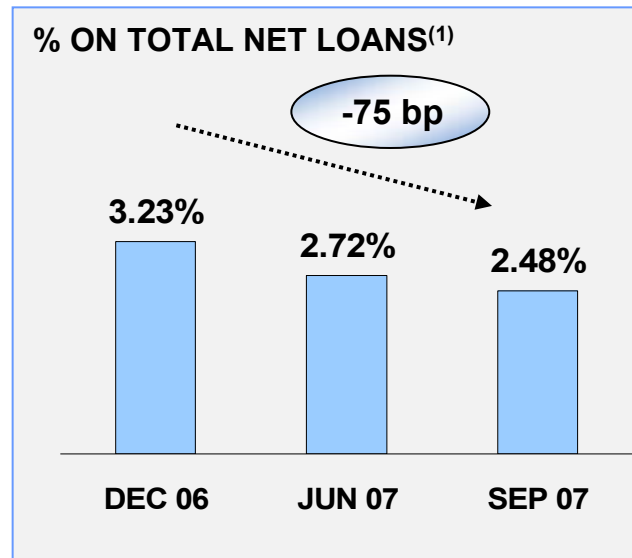
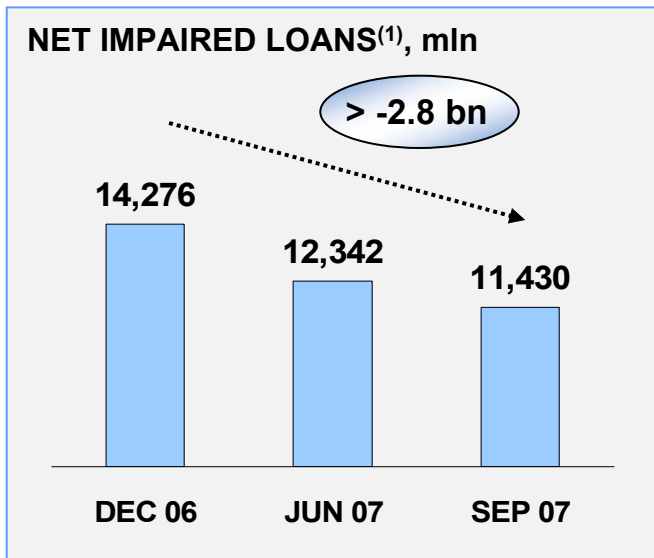


- Negative UniCredit's client m-t-m as of Sep 07 equal to:
  - ✓ **3.6% of notional outstanding**
  - ✓ **1% of clients' total exposure vs Italian banking system**
- Significant **reduction of clients' negative mark-to-market** thanks to:
  - ✓ **Rising interest rates** driving higher contracts valuation
  - ✓ **Active effort to avoid roll over of negative m-t-m positions**

(1) Standard Interest rate swap and FX options

(2) Lawsuits for which the first instance trial has been concluded or already settled through an agreement between parties

# GROUP ASSET QUALITY: CONTINUOUS REDUCTION OF NET IMPAIRED LOANS AND IMPROVEMENT OF COVERAGE RATIO



- **Strong reduction of net impaired loans: > -2.8 bn vs Dec06, of which ~ -0.9 bn vs Jun07 (-19.9% and -7.4% respectively)**
- **% weight of net impaired loans on total customer loans down to 2.48%, -75 bp in 9M07 and -24 bp in the last quarter**
- **Coverage ratio on impaired loans increased to 54.4% (+5.5 pp vs Dec06) with significant growth on NPL (from 61.5% to 64.1%), doubtful (from 26% to 31%) and restructured loans (from 31.6% to 36.3%)**
- **Material de-risking of balance sheet: Net impaired loans/Total Regulatory Capital ratio reduced from 32.2% as of Dec06 to 24.7% as of Sep07 (~ -7.5 pp)**

<sup>(1)</sup> Loans to customers

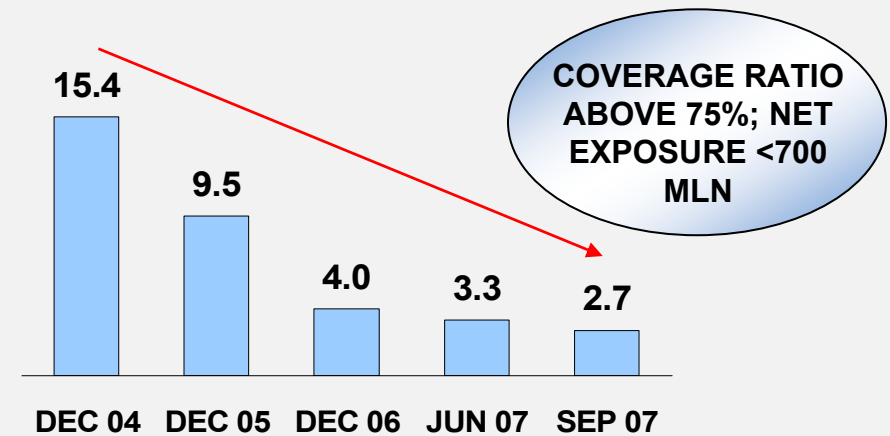
# HVB: FURTHER IMPROVEMENT OF ASSET QUALITY CONTINUED SUCCESSFUL WORK-OUT OF NON STRATEGIC ASSETS

## HVB MAIN ASSET QUALITY INDICATORS

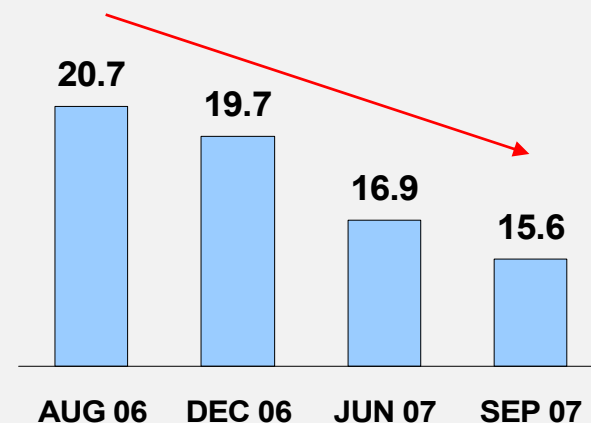
	Sep-07	Δ vs. Dec06	Δ vs. Jun07
Net impaired loans, bn	4.56	-34.7%	-16.0%
<i>of which:</i>			
NPL	3.35	-10.6%	-5.0%
Other impaired loans	1.22	-62.6%	-36.3%
% on total net loans	2.79%	-132 bp	-47 bp
% Coverage Ratio on impaired loans	52.7%	8.6 pp	2.2 pp

- Strong decrease of both gross (-2.9 bn vs Dec06) and net impaired loans (-2.4 bn vs Dec06, o/w ~-0.9 bn in the last quarter)
- Reduction mainly driven by low new inflows in the last quarters (no large entries) and successful workout activities
- Coverage ratio up to a sound 52.7% (~ +8.6 pp vs Dec06, ~ 2.2 pp vs Jun07)

## ■ RER<sup>(1)</sup> portfolio reduced by ~82.5% since creation



## ■ SCP<sup>(1)</sup>: 5.1 bn reduction achieved since creation (~ -24.6%), o/w 1.3 bn in the last quarter



<sup>(1)</sup> Credit Exposure figures



## AGENDA

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- UniCredit Group 3Q07 results

- **Capitalia 3Q07 results**

- Capitalia Integration

- ANNEX



## CAPITALIA 3Q07 MAIN HIGHLIGHTS



- **Solid revenue stream (+3.4% y/y), up 7% excluding trading profits impacted by negative mark-to-market valuation on Mediobanca**
- **Operating profit at 402 mln in 3Q07 (+1.0% y/y), 1,440 mln YTD (+16% y/y) thanks to good commercial performance in retail and corporate banking**
- **3Q07 net income at 82 mln, down 66% y/y, due to integration costs (~67 mln) and other non operating items**
- **3Q07 C/I ratio at 65.9% (+82 bp y/y)**
- **Integration costs mainly driven by incentive plan for voluntary leaves**
- **Conservative provisioning in presence of stable asset quality indicators; Trevi portfolio management reorganisation under way**

# CAPITALIA GROUP: OPERATING RESULT UP 1.0% y/y, NET PROFIT DECLINE DRIVEN BY INTEGRATION COSTS, CAUTIOUS PROVISIONING AND LOWER NET PROFIT FROM INVESTMENTS

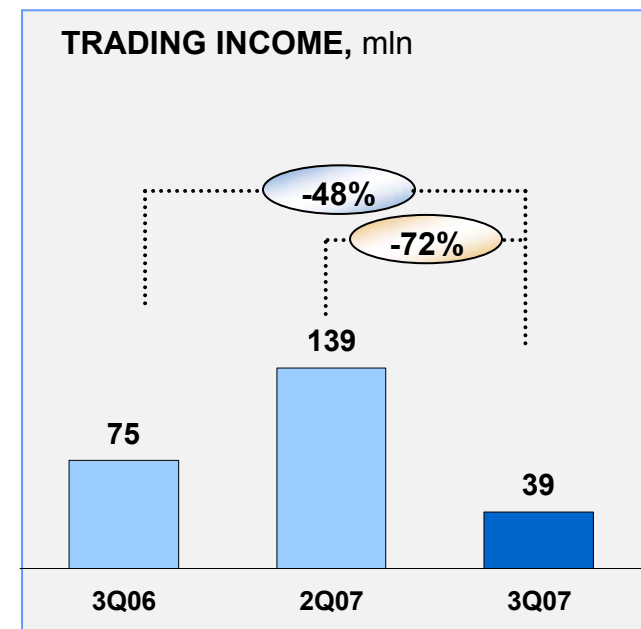
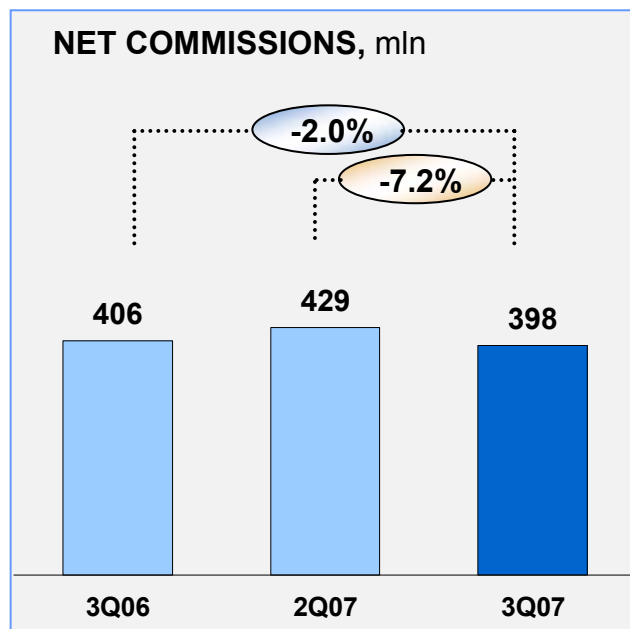
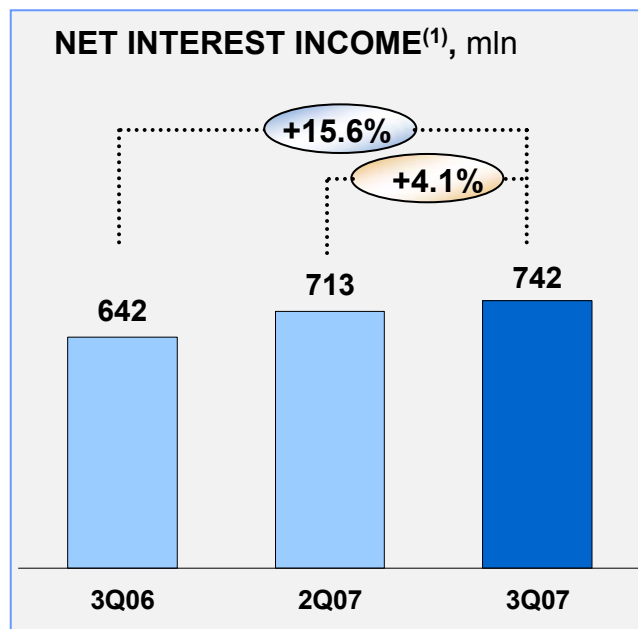


mln	9M07	% ch. on 9M06	3Q07	% ch. on 3Q06
Total Revenues	3,678	6.4%	1,178	3.4%
Operating Costs	-2,238	1.1%	-776	4.7%
Operating Profit	1,440	15.9%	402	1.0%
Integration Costs	-134	n.m.	-67	n.m.
Net Write Downs of Loans	-316	100.0%	-112	119.6%
Other Non Operating Items <sup>(1)</sup>	55	-117.4%	-35	n.m.
Net Income for the Group	613	-23.8%	82	-66.0%
Cost/Income ratio, %	60.8%	-321 bp	65.9%	82 bp

- **Total revenues +3.4% y/y in 3Q07:**
  - ✓ outstanding performance of **net interest income (+15.6%)**, off-setting ...
  - ✓ ... slowdown in **commissions (-2.0%)** and ...
  - ✓ ... decline in **trading profits (-48%)** mainly due to Mediobanca
- **Operating costs** by post-merger acceleration in legal expenses and amortization, staff costs in line with inflation
- **Integration costs** due to broad participation to incentive plan for voluntary exits, merger-related legal and advisory costs and executives' severance
- **Net write downs on loans** increase reflects volume growth and conservative provisioning following alignment to UniCredit policy
- **Other non operating items decreasing** due to lower net profits from investments (gain on Fiat sale in 3Q06) and higher provisions for risk and charges
- **Net profit** decline (-66% y/y) largely driven by non operating items and higher tax rate due to IRAP

<sup>(1)</sup> Provisions for risk and charges and Net profit from investments

# TOTAL REVENUES +3.4% Y/Y IN 3Q07, DRIVEN BY NET INTEREST INCOME AT RECORD HEIGHT, MARKET CONDITIONS AFFECTED TRADING INCOME



- **Net interest income record performance y/y** thanks to strong volume growth (customers loans +13.4% y/y, customer funding +10.5% y/y) and improving spread (+13 bp y/y) driven by mark-down (+48 bp)
- **Net commissions:** Wealth Management products up 4.8% y/y notwithstanding decrease in AM volumes. Other banking services down due to lower fees in Investment Banking and structured finance. Q/q decline largely explained by seasonality
- **Trading profits declining** sharply due to negative market conditions and tough comparison with 3Q06, which benefited significantly from positive mart-to-market on Mediobanca; q/q decline also reflects dividend seasonality and a large non-recurring gain in 2Q07<sup>(2)</sup>

<sup>(1)</sup> Excl. dividends

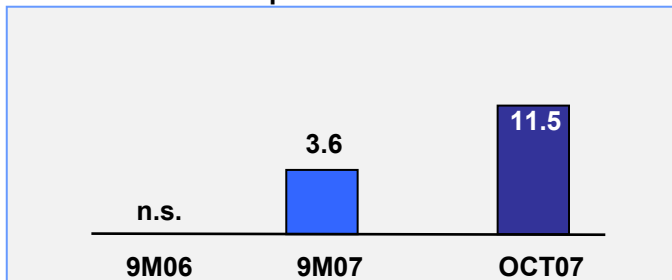
<sup>(2)</sup> Expiry of equity swap linked to Capitalia shares

# FIRST SIGNALS OF SWITCHED COMMERCIAL FOCUS, IN LINE WITH UNICREDIT POLICY AND 2008 GUIDELINES

FROM UP FRONT TO RECURRING REVENUES

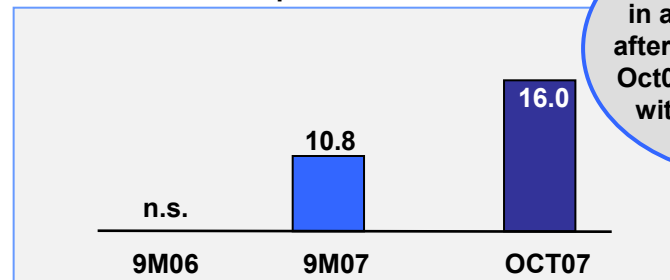
**Banco di Sicilia**

UniCredit Group  
Bancassurance new production:% Unit linked



**Banca di Roma**

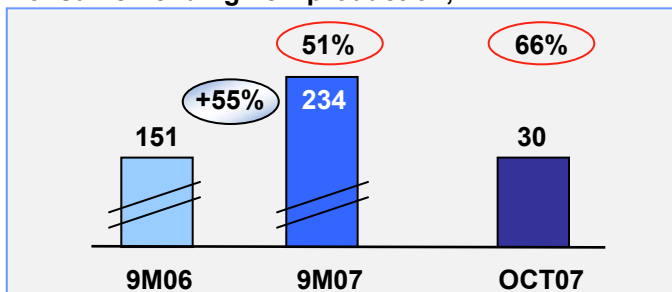
UniCredit Group  
Bancassurance new production:% Unit linked



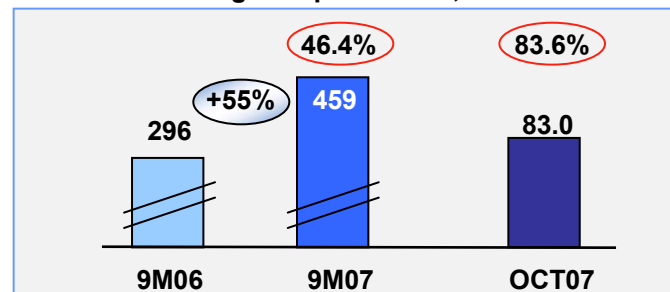
AUM: positive signals in a difficult market, after 2 negative years: Oct07 positive inflow, with 7.2 bn system outflows

ENHANCING FEES WITH CROSS SELLING

Consumer lending new production, mln



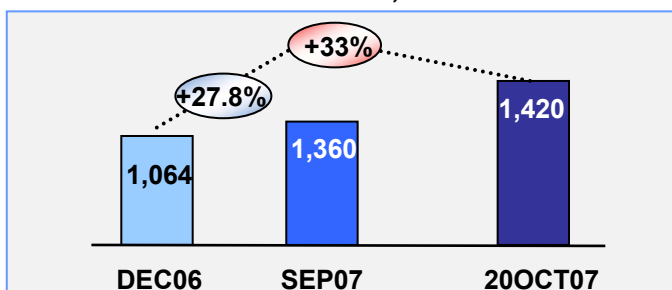
Consumer lending new production, mln



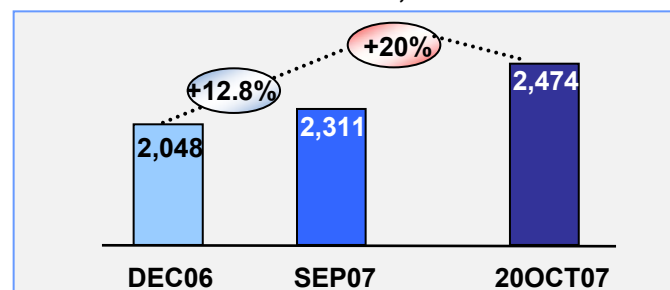
% cross selling credit protection

FOCUS ON SMALL BUSINESS

Small business s/t loans stock, mln

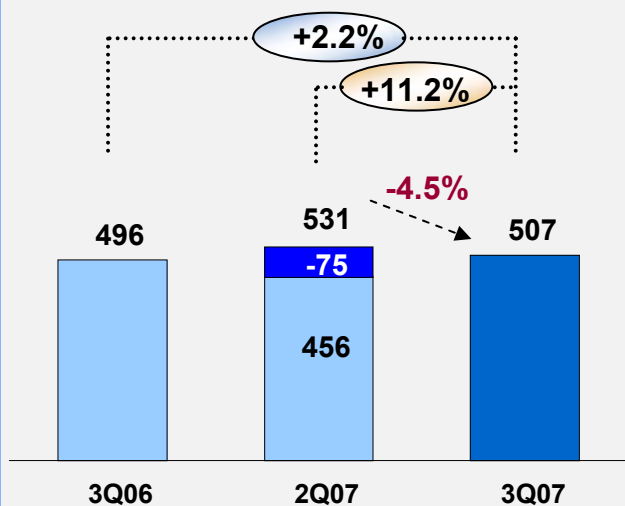


Small business s/t loans stock, mln

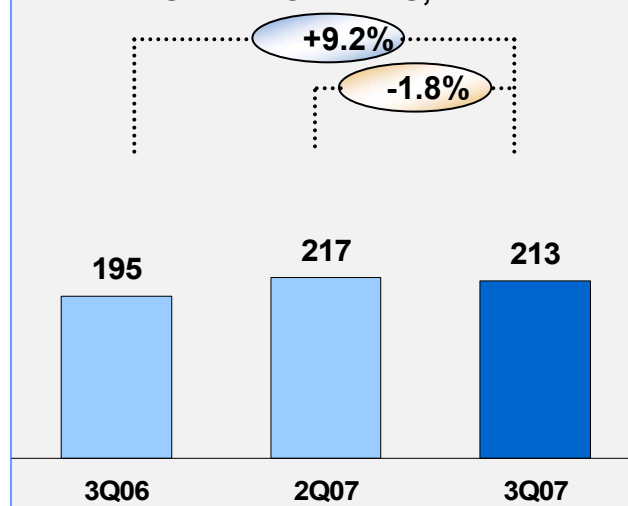


# OPERATING COSTS 776 MLN IN 3Q07 (+4.7% Y/Y) MAINLY DUE TO HIGHER OTHER ADMINISTRATIVE EXPENSES AND DEPRECIATION

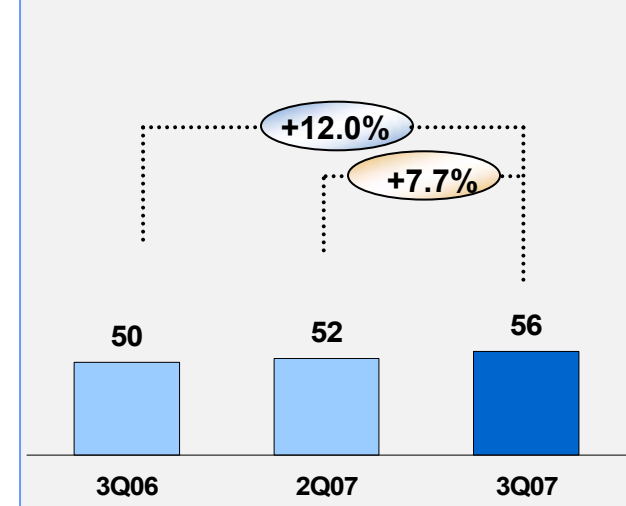
STAFF EXPENSES, mln



OTHER ADMIN. EXPENSES AND EXPENSE RECOVERIES, mln



DEPRECIATION, mln



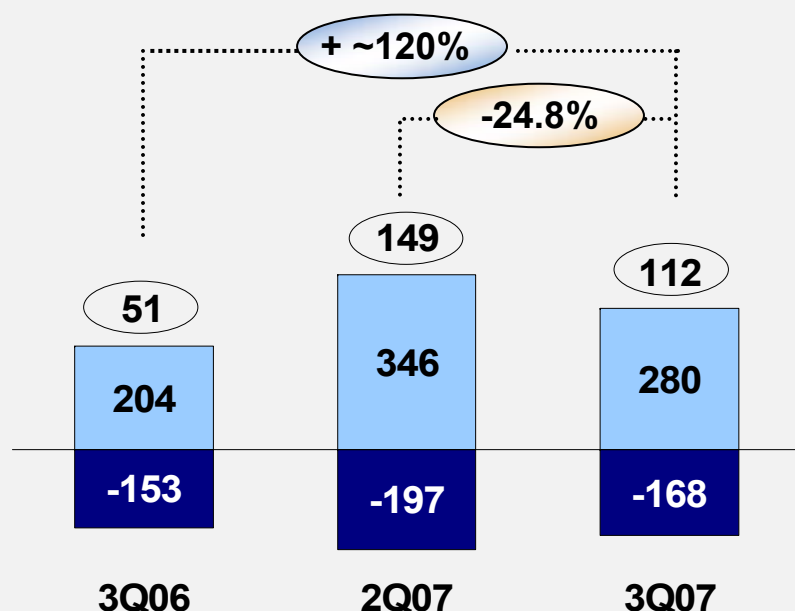
- **Staff costs up 2.2% Y/Y**, in line with inflation  
**Q/Q increase** due to one-off items posted in 2Q07<sup>(1)</sup>. Net of non recurring items, **staff costs down Q/Q by 24 mln (-4.5%)**
- **Other administrative expenses +9.2% Y/Y** mainly due to higher legal expenses; **-1.8% Q/Q**
- **Depreciations +12.0% Y/Y**, mainly driven by investments in branch opening  
**Q/Q increase** also impacted by amortization alignment after the merge

<sup>(1)</sup> 2Q07 non-recurring items in staff-costs: 75 mln of TFR reform benefits

# 3Q LOAN LOSS PROVISIONS DOWN FROM THE PEAK OF 2Q; SUBSTANTIAL STABILITY OF MAIN ASSET QUALITY INDICATORS

## LOAN LOSS PROVISIONS & WRITE-BACKS (mln)

- Gross loan loss Provisions
- Write-backs
- Net loan loss provisions



- **Y/Y increase of loan loss provisions (~ +37% gross, ~ + 120% net) mainly due to continuous growth of loan portfolio and to alignment to UniCredit risk methodologies**

## MAIN ASSET QUALITY INDICATORS & TRENDS

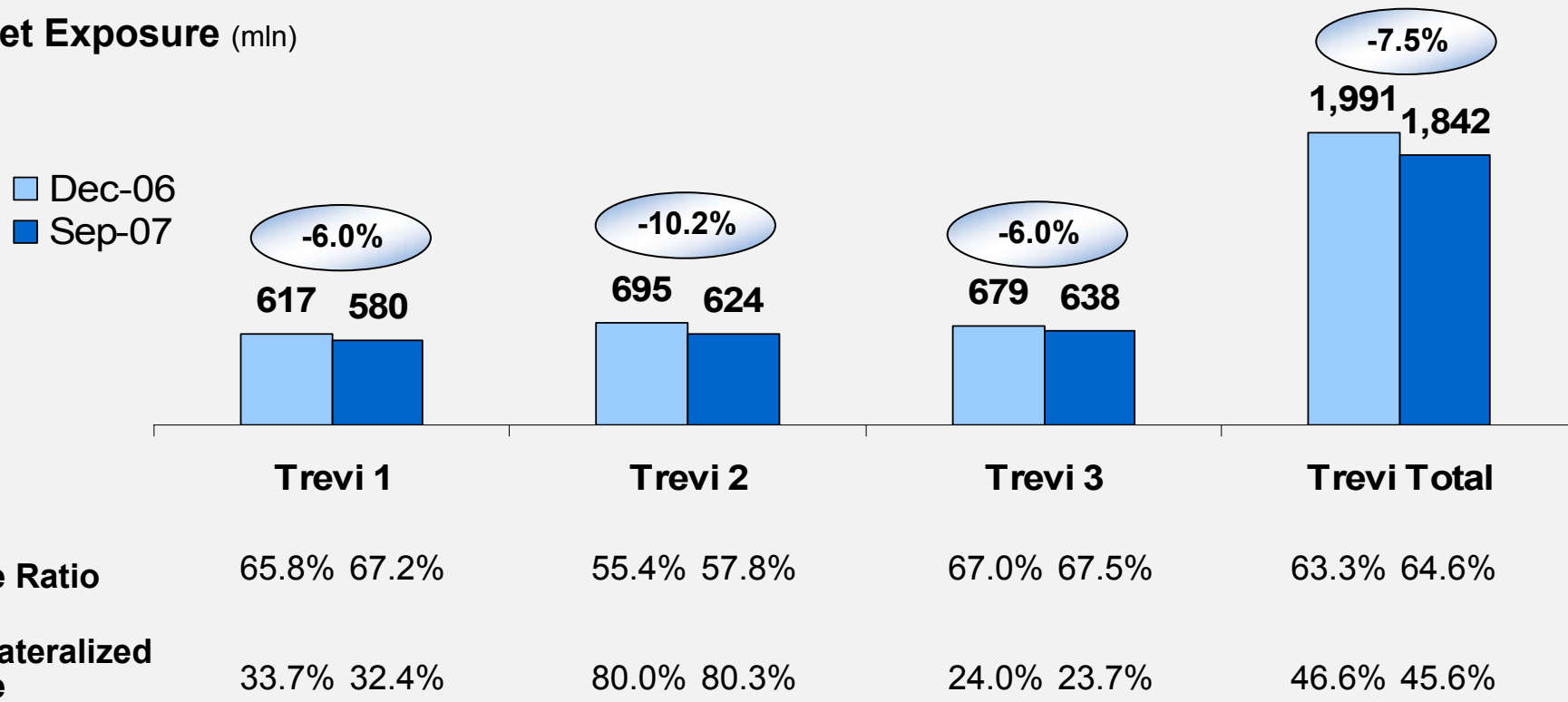
	Sep-07	Δ vs. Dec06	Δ vs. Jun07
Net doubtful loans <sup>(1)</sup> , bn	4,382	1.8%	1.5%
<i>of which:</i>			
NPL	3,430	2.9%	0.9%
Watchlist	952	-2.0%	3.8%
% on total net loans	4.2%	-33 bp	-1 bp
% Coverage Ratio on doubtful loans	61.6%	-124 bp	-137 bp

- **Reduction of net doubtful / net loans ratio from 4.5% as of Dec06 to 4.2% as of Sep07**
- **Coverage ratio at a sound 61.6%, slightly down vs Jun07 due to the disposal of a small, highly covered NPL portfolio in 3Q07 (~300 mln gross NPL)**

<sup>(1)</sup> Net NPL + Net Watchlist

# TREVI: DECREASED NET EXPOSURE WITH IMPROVED COVERAGE RATIO

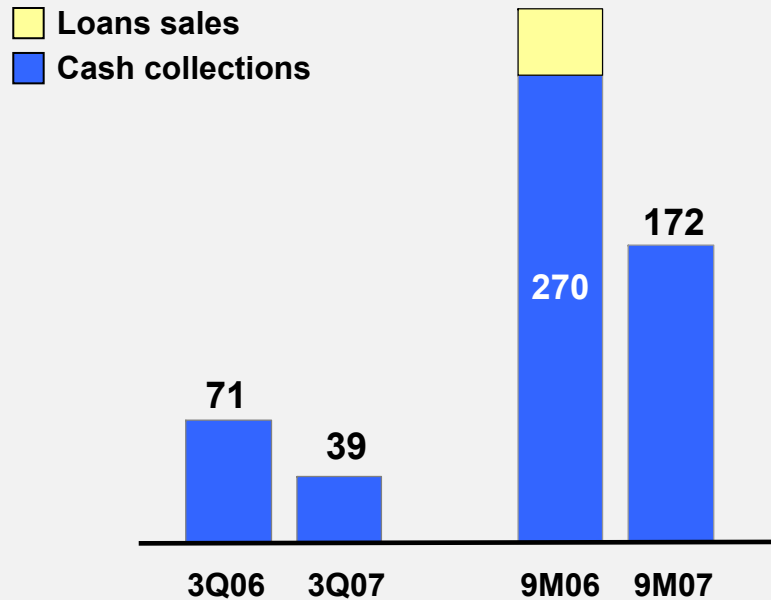
## Trevi Net Exposure (mln)



- Total Trevi net exposure -7.5% vs. Dec06 mainly in Trevi 2, -10.2%
- Improved coverage ratio, +1.3 pp vs Dec06

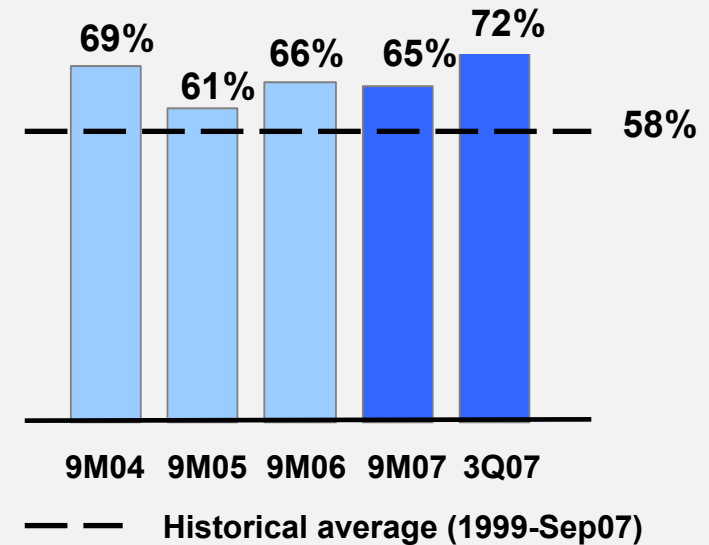
# TREVI: TEMPORARY SLOWDOWN OF COLLECTIONS, WITH PROFITABILITY OF RECOVERIES CONSTANTLY IMPROVING

## Trevi Collections (mln)



## Profitability

(Recoveries as % of Gross Book Value of Closed Positions)



- Slowdown due to collection managers being involved in analysis of credit positions since merger announcement and lack of contribution from loan sales
- Focus on efficiency recovery through alignment of Trevi portfolio to UniCredit's standard of credit management
- New process and timetable to manage Trevi's portfolio





## AGENDA

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- UniCredit Group 3Q07 results

- Capitalia 3Q07 results

- Capitalia Integration**

- ANNEX



## HR INTEGRATION FULLY IN PROGRESS: NEARLY 4% OF ITALIAN WORKFORCE WILL EXIT BY END 2007

### HR

#### QUICK RIGHTSIZING MANAGEMENT WITH RESULTS ABOVE EXPECTATIONS

- **3 August 2007: Industrial Relations Agreement with the Trade Unions of UniCredit and Capitalia**
  
- **Approx. 7,500 headcounts joining the exit plans as at 31 Oct 07 vs. 5,000 based on 3 August agreement**
  - ✓ ~ **1,000** already exited from Oct 1st
  - ✓ ~ **1,550** by end 2007
  - ✓ ~ **400** by April 2008
  - ✓ ~ **1,450** by end 2008
  - ✓ ~ **1,500** by 2009
  - ✓ ~ **1,600** by 2010
  
- **28 September 2007: Further Industrial Relations Agreement harmonizing Capitalia and UniCredit (e.g.: policies and welfare plans)**



## CLEAR NON-HR COST SYNERGIES LINKED TO ONGOING IT INTEGRATION

### INFORMATION TECHNOLOGY

#### A FULL SPEED MIGRATION

##### ■ Achievements

- ✓ October 2007 - Capitalia Holding Integration
- ✓ January 2008 – Unified Human Resources Management

##### ■ Integration to a single IT Platform, with reduction in maintenance and development costs

#### MIGRATION BY 2008

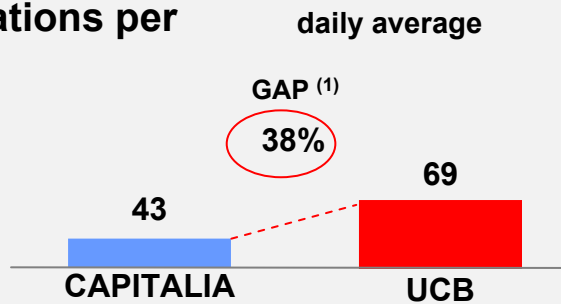
- ✓ May 2008 Bipop - Carire
- ✓ August 2008 Banca di Roma
- ✓ October 2008 Banco di Sicilia

# FIRST ACTIONS ON THE RETAIL NETWORK: LEVERAGE ON PRODUCTIVITY GAPS ...

## NETWORK PRODUCTIVITY

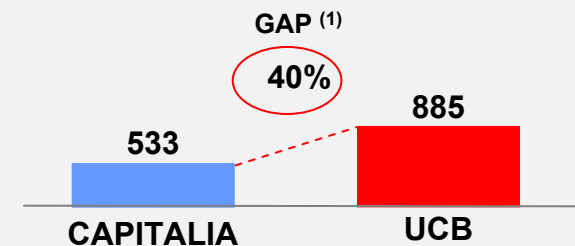
### PRODUCTIVITY IMPROVEMENT POTENTIAL THROUGH ALIGNMENT TO BEST PRACTICE

#### Transactional operations per FTEs

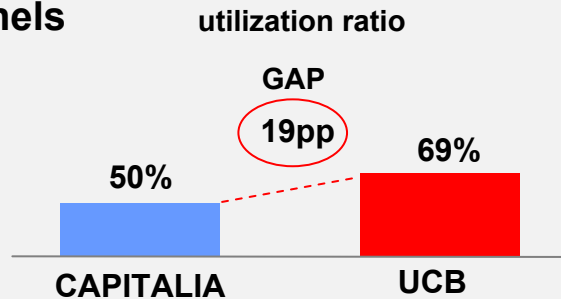


#### Portfolio size

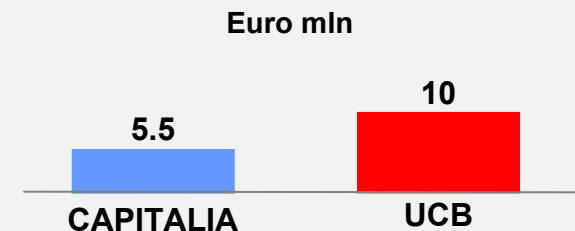
average current account and saving books numbers (2)



#### Direct channels



#### SB loans per relationship manager







(1) Existing gap vs. best practice  
 (2) Based on front office operators

# ... AND LAUNCH OF JOINT COMMERCIAL INITIATIVES AIMED AT INCREASING ACQUISITION AND RETENTION RATIOS

## KEY JOINT COMMERCIAL INITIATIVES

### SHARING OF PRODUCT PORTFOLIO

		<u>DATE OF LAUNCH</u>	<u>ACQUISITION INITIATIVE</u>	<u>RETENTION INITIATIVE</u>
	Customer satisfactions initiatives (Q48, e-mail to CEO)	1st October '07		✓
	"Trasloco Facile"	1st October '07	✓	
	Genius One and Genius Ricaricabile	1st November '07	✓	
	Focus Invest	15th November '07	✓	✓
	Pioneer products	15th November '07	✓	✓
	Selling of Carta Etica in UniCredit network	1st November '07		✓



## AGENDA

---

- UniCredit Group 3Q07 results

- Capitalia 3Q07 results

- **Conclusions**

- ANNEX



## CONCLUSIONS

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- **UniCredit's capital position is adequate and is not inhibiting the Group's growth targets**
- **No capital increase**
- **Management is totally focused on integration and delivery**
- **No M&A activity**
- **€0.56 EPS at end 2007 with Capitalia confirmed**



## AGENDA

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- UniCredit Group 3Q07 results

- Capitalia 3Q07 results

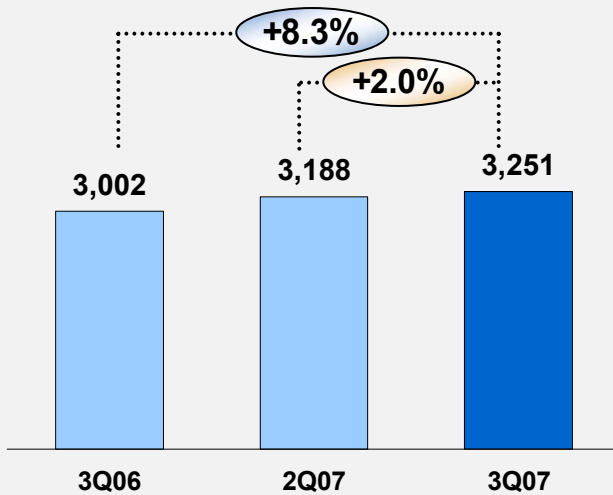
- Conclusions

- **ANNEX**

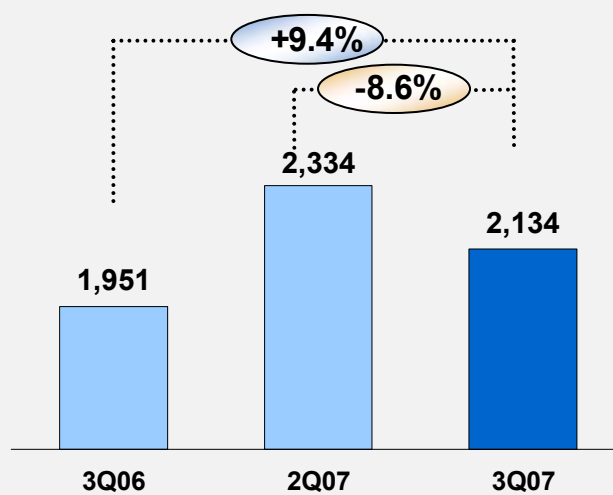


# REVENUES AT 5.7 BN, +1.1% Y/Y DESPITE DROP IN TRADING INCOME, THANKS TO GROWTH IN BOTH INTEREST AND COMMISSION INCOME

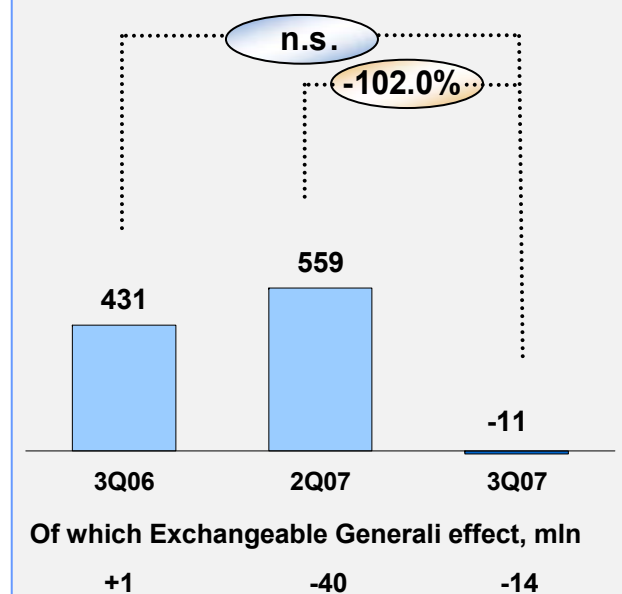
NET INTEREST INCOME (ex div.), mln



NET COMMISSION INCOME, mln



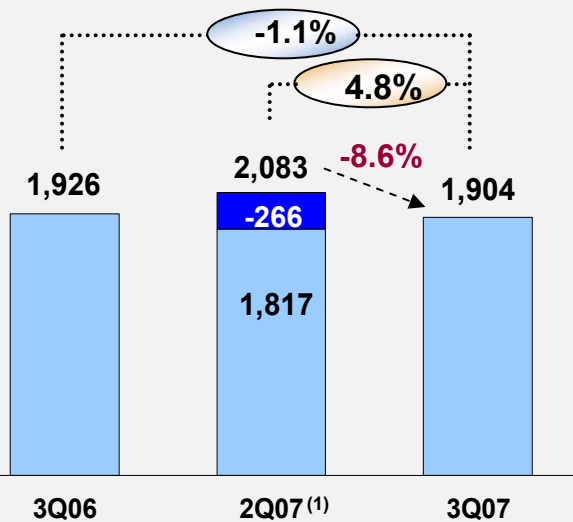
TRADING INCOME, mln



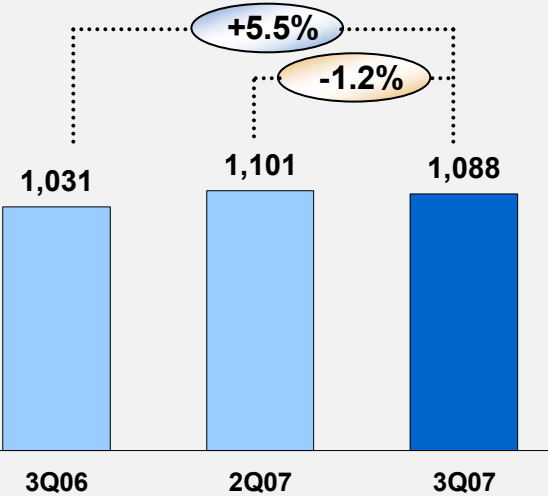
- **Net interest income up 8.3% y/y, thanks to positive contribution from all the Divisions.** Remarkable improvement in CEE region (+23% y/y, mainly driven by volumes growth) and Retail Italy (~+12%) supported by higher deposit spread and loans growth
- **Net commissions +9.4% y/y** mainly due to growth in the CEE Region (+28.6% y/y) and Retail in Germany (+15.8%) and Austria (+11.5% y/y). Positive trend confirmed across all the Divisions. Decline q/q attributable to seasonality effect
- **Negative trading income in 3Q07** mainly due to the valuation of Structured Credit portfolio

# OPERATING COSTS 3,281 (+1.1% Y/Y) MLN IN 3Q07. STAFF COSTS DOWN 8.6% Q/Q ON A COMPARABLE BASIS

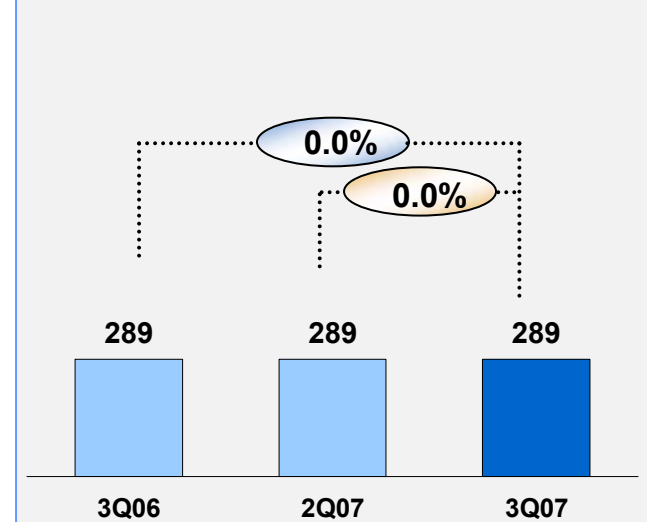
STAFF EXPENSES<sup>(1)</sup>, mln



OTHER ADMIN. EXPENSES AND EXPENSE RECOVERIES, mln



DEPRECIATION, mln



- **Staff costs decreasing y/y** thanks to lower variable compensation in MIB following market turmoil and headcount rationalization initiatives across the Group

**Q/Q increase** due to one-off items posted in 2Q07<sup>(1)</sup>. Net of non recurring items, **staff costs down q/q by 179 mln (-8.6%)** concentrated in MIB Division (-55.7% q/q, -38.2% y/y)

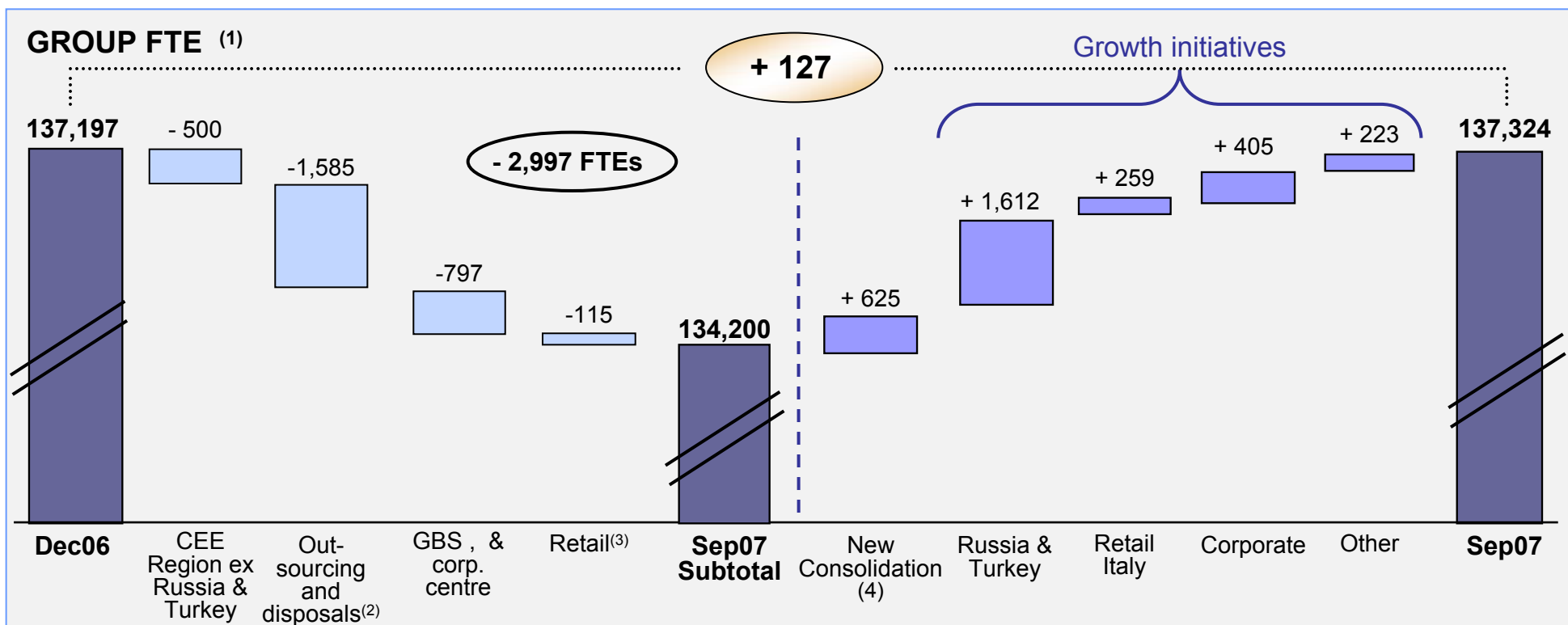
- **Other administrative expenses +5.5% y/y, +3.6% at constant FX** mainly due to:

- ✓ **CEE Region** (+16.3% or +6.5% at constant FX and perimeter) for new branches openings (Russia, Hungary) and re-branding ; increase in Poland (+12.6% at constant FX) related to Pekao-BPH merger
- ✓ **MIB Division** (+10.1%) mostly for ICT expenses and administrative services, offset by an equal decline in depreciation

**Q/Q decline concentrated in Retail Division**, other Divisions substantially flat

<sup>(1)</sup> 2Q07 non-recurring items in staff-costs: 150 mln of release of provisions for BA-CA pension liabilities and 116 mln of TFR reform benefits

# GROUP STAFF RIGHT-SIZING CONTINUING, FTE INCREASES REQUIRED TO FEED BUSINESS GROWTH



- Decrease of FTEs (-2997, or – 2.2%) excluding growth initiatives with relevant contribution of GBS & CC and outsourcing deals
- Decrease in CEE Region with Bulgaria going down by -409 (mainly due to post merger rationalization) and Slovakia (-114)

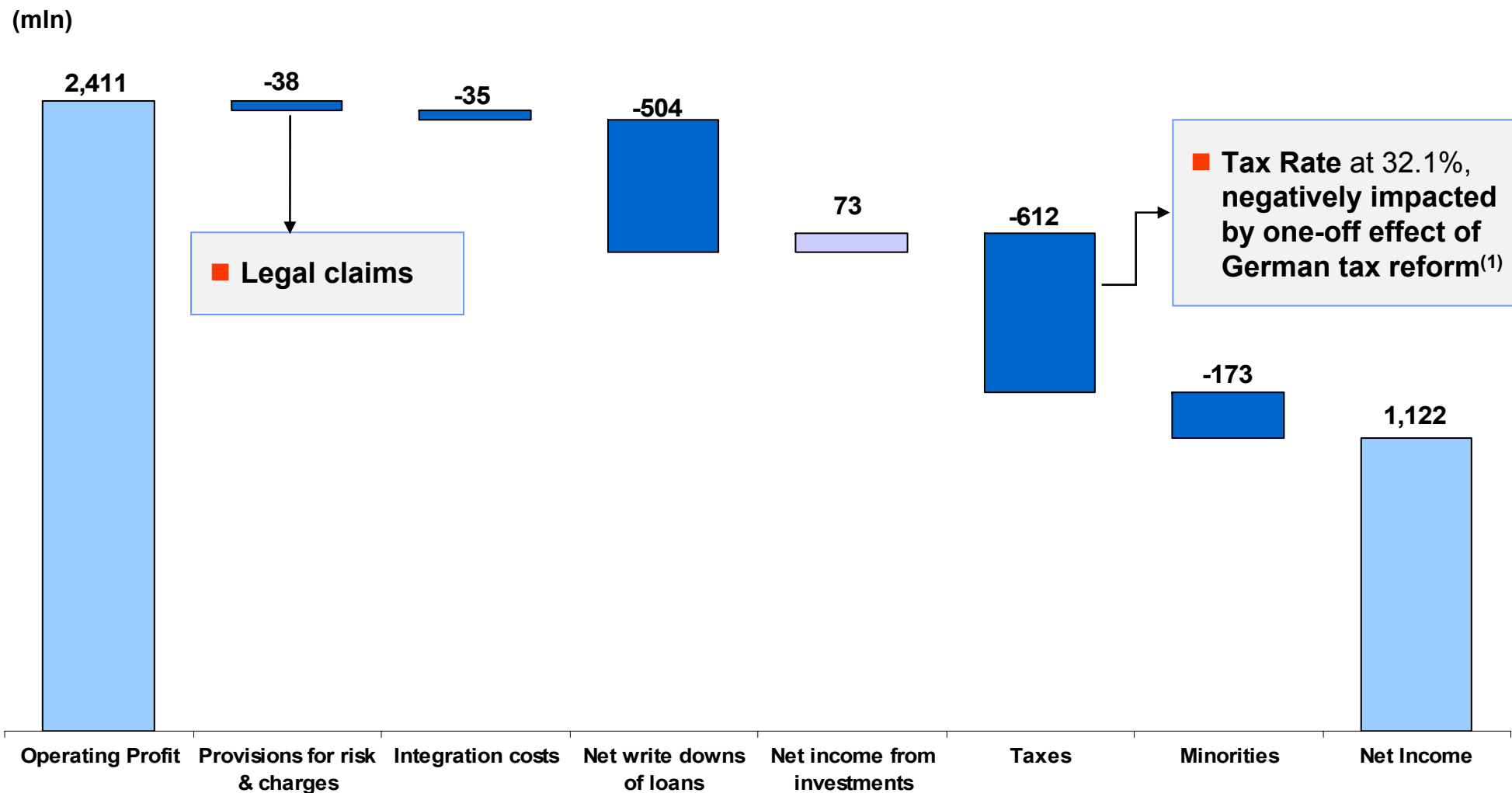
(1) Yapi Group at 100%

(2) Outsourcing: Security activities in Turkey (820), PAS (420), HVB IS (316), Indexchange Investment (30)

(3) Including transfer of approx. 200 FTE from Corporate Centre for CRO related activities

(4) New consolidation: Planet Home (299), Insurance Broker (16), Unicredit Leasing Ukraina (20), TLX (30), Aton (260)

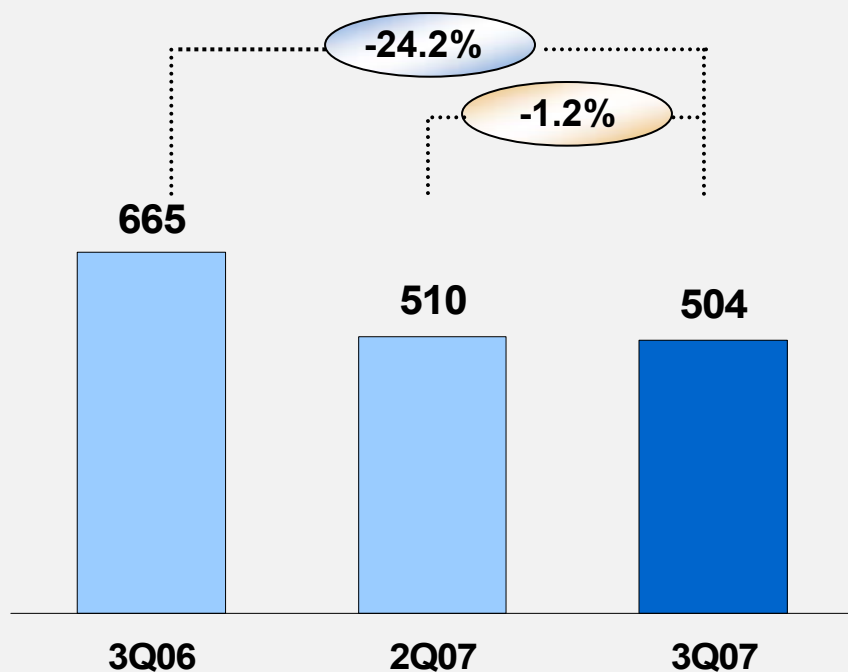
# NON OPERATING ITEMS IN 3Q07: TAXES IMPACTED BY THE ONE-OFF EFFECT OF GERMAN TAX REFORM



<sup>(1)</sup> Corporate tax rate is going to be reduced from current ~40% to ~31% starting from 2008; 3Q07 negatively impacted by -140 mln on deductible temporary differences and deferred tax assets recalculated on new tax rate

## SIGNIFICANT Y/Y REDUCTION OF NET LOAN LOSS PROVISIONS, REFLECTING A POSITIVE CREDIT ENVIRONMENT

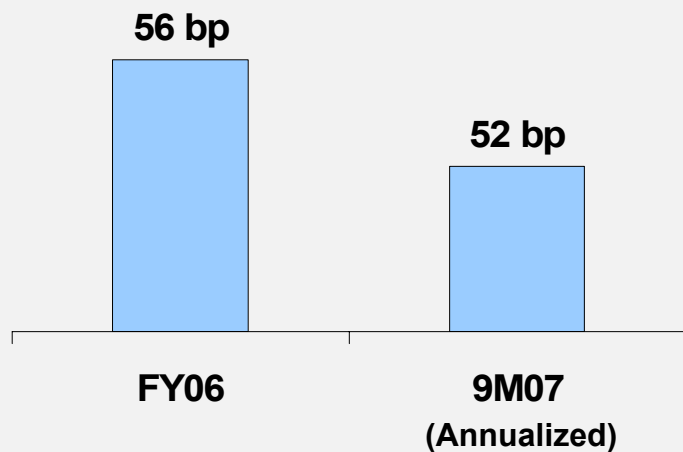
NET LOAN LOSS PROVISIONS, mln



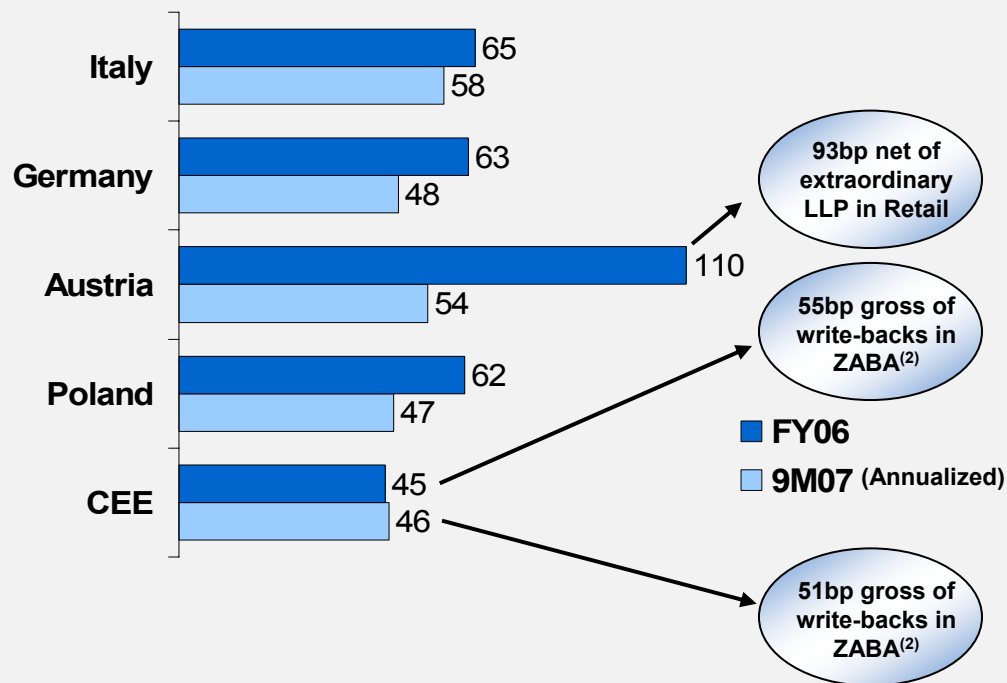
- **Italy:** -6 mln y/y; lower Retail (-15 mln) and Corporate Center (-10 mln) partially offset by higher provisions in Corporate (+18 mln, y/y)
- **Germany:** -120 mln y/y; overall good credit environment in Germany (namely in the Corporate sector) with good cash recoveries in MIB
- **Austria:** -96 mln y/y, largely related to Retail (~79 mln posted in 3Q06 for improved risk methodologies)
- **Poland's Markets:** -12 mln y/y; positive credit environment and improved quality of the loan portfolio
- **CEE:** +27 mln y/y mostly due to cautious provisioning policy in a context of strong lending growth, mainly in Russia
- **PPA adjustments:** -3 mln in 3Q07 vs -48 mln in 3Q06

# COST OF RISK DOWN TO 52 BP IN 9M07

Consolidated COST OF RISK<sup>(1)</sup>, bp



COST OF RISK by geographies<sup>(1)</sup>, bp



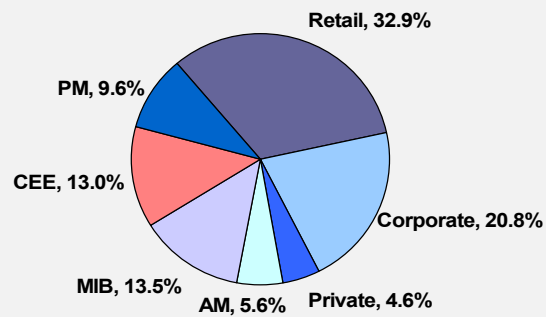
■ Improvement of cost of risk in all geographic areas<sup>(2)</sup>

<sup>(1)</sup> Profit (loss) and net write downs on loans / Total Period Average RWA for Credit Risks

<sup>(2)</sup> Considering CEE Divisions gross of write-backs posted by ZABA in FY06 and in 9M07: ~40 mln in FY06 and ~17 mln in 9M07

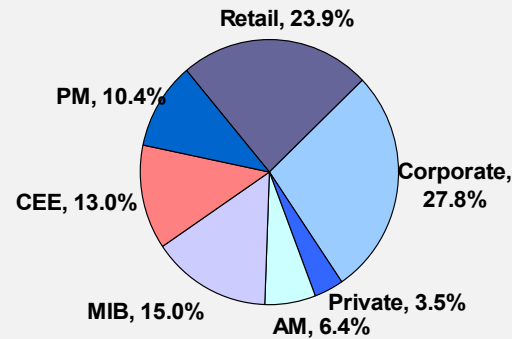
# GROUP RESULTS BENEFITING FROM A WELL BALANCED BUSINESS PORTFOLIO

## 9M07 TOTAL REVENUES



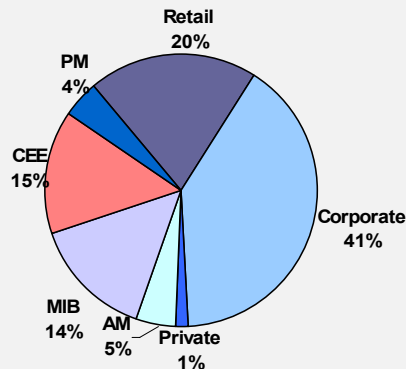
	y/y % ch.
Retail	4.8%
Corporate	6.6%
Private	7.6%
AM	8.1%
MIB	6.2%
CEE	19.1%
Poland's Markets	15.3%

## 9M07 OPERATING PROFIT



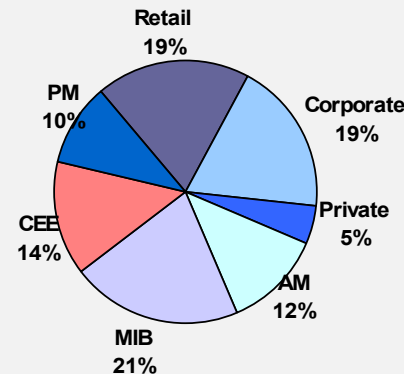
	y/y % ch.
Retail	22.4%
Corporate	8.8%
Private	23.6%
AM	13.0%
MIB	10.3%
CEE	25.5%
Poland's Markets	23.6%

## 9M07 ALLOCATED CAPITAL



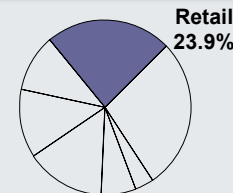
	y/y % ch.
Retail	-0.7%
Corporate	1.3%
Private	5.8%
AM	8.4%
MIB	7.6%
CEE	19.9%
Poland's Markets	20.3%

## 9M07 EVA



	y/y % ch.
Retail	190.9%
Corporate	40.3%
Private	42.1%
AM	22.6%
MIB	18.4%
CEE	51.6%
Poland's Markets	45.8%

# RETAIL DIVISION: OUTSTANDING IMPROVEMENT OF VALUE CREATION (+191% Y/Y) THANKS TO REVENUE GROWTH, COST CONTROL AND IMPROVED RISK MANAGEMENT



mln	9M07	% ch. on 9M06	3Q07	% ch. on 3Q06
<b>Total Revenues</b>	6,100	4.8%	2,006	5.9%
<b>Operating Costs</b>	-3,873	-3.2%	-1,303	-2.6%
<b>Operating Profit</b>	2,227	22.4%	703	26.2%
<b>Net write-downs on loans</b>	-562	-22.6%	-180	-42.7%
<b>Profit before taxes</b>	1,651	55.3%	511	113.8%
<b>Cost/Income Ratio, %</b>	63.5%	-5.2 pp	65.0%	-5.7 pp

KPIs	9M07	FY06	Δ on FY06
<b>Revenues / Avg. RWA, %<sup>(1)</sup></b>	9.0%	8.5%	51 bp
<b>Cost of risk, bp<sup>(1)</sup></b>	84	119	-35 bp
<b>EVA</b>	620	213 <sup>(2)</sup>	190.9%
<b>FTEs, #</b>	35,277	34,834	443 <sup>(3)</sup>

## 3Q07 Changes on 3Q06:

- **Revenues +6% y/y:** significant growth of net interest margin in Italy (+11%) and fees and commissions in Austria (+7%) and Germany (+15%). Increased weight of recurring revenues at division level
- **Operating costs -2,6% y/y:** strong reduction in other administrative expenses (-7,6% y/y) more than offsetting increase in staff costs (+3%) mainly due to Internal and National labor Agreement
- **Net write-downs of loans -43% y/y:** strong reduction driven by Germany and Italy
- Good Cost Income ratio reduction, ~6 p.p. y/y
- Confirmed improvement of asset profitability: **Revenues/RWA +51bp vs FY06**
- Significant **reduction of cost of risk across all countries**
- **Outstanding EVA creation and improvement**

(1) Revenues/avg. RWA and CoR in 9M07 are annualized

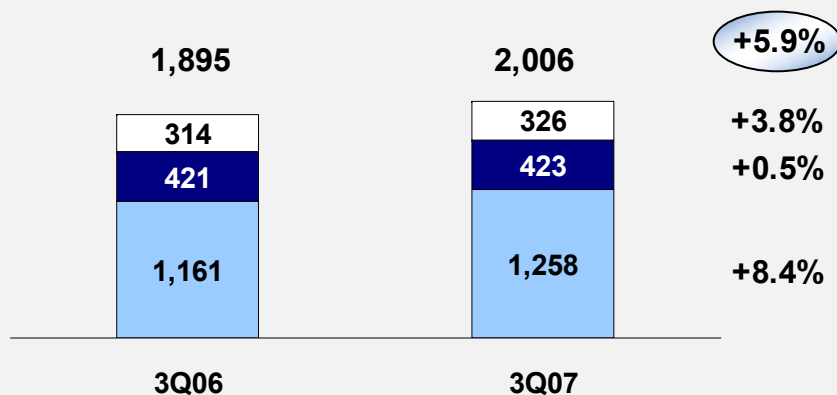
(2) Data refers to FY06

(3) +144 net of Planet Home new consolidation



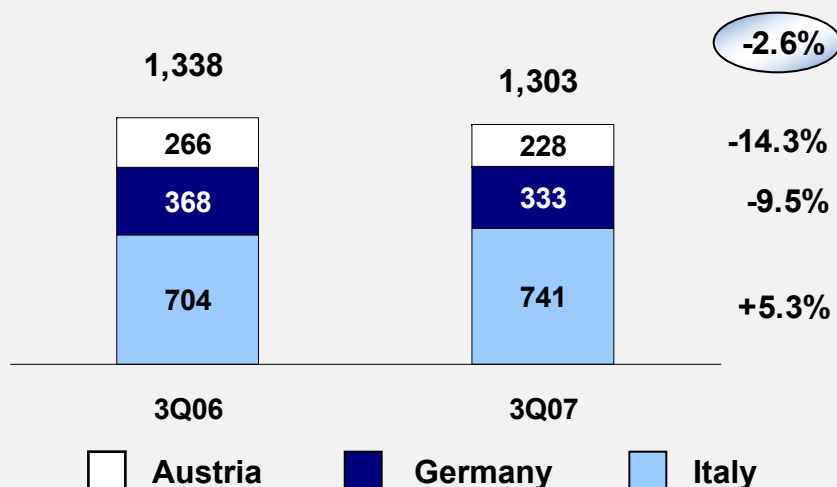
## RETAIL DIVISION: OPERATING PERFORMANCE BY COUNTRY

### TOTAL REVENUES (mln and y/y % ch.)



- **AUSTRIA:** good increase in fees and commissions (+6.4%) from AUM/AUC and direct deposits, partly offset by lower lending spreads
- **GERMANY:** resilient, thanks to net fees growth (+8.6%, also due to PlanetHome consolidation); net interest income decline due to comparison with strong 3Q06, however in line with 2Q07
- **ITALY:** net interest income increase (+11,6%), driven by loans growth (+13% y/y) and deposit spread improvement. Good commercial performance: ~130.000 new net current accounts in the first 9M07

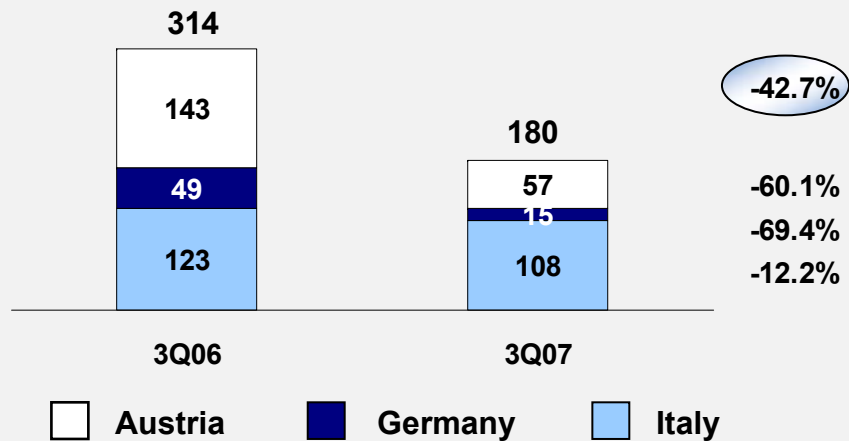
### OPERATING COSTS (mln and y/y % ch.)



- **AUSTRIA:** strong reduction in all lines, with staff expenses down 11% y/y thanks to the FTEs rightsizing program and other administrative expenses down 16%, highlighting effective cost management
- **GERMANY:** declining trend still ongoing thanks to strict cost management and new service model introduction
- **ITALY:** as planned, with efficiency gains financing growth projects. Staff costs growth due to Consumer Financing internationalization and Internal and National Labor Agreement, partially offset from FTEs reduction. Strict control on other administrative expenses (+1,7%)

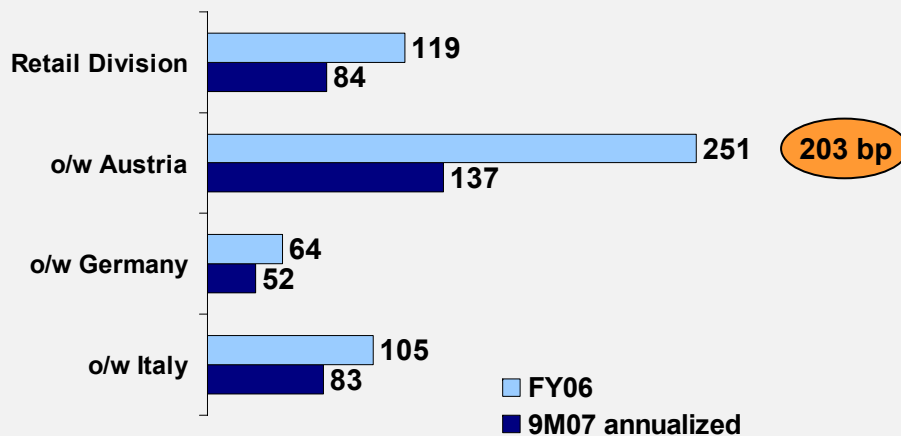
# RETAIL DIVISION: NET WRITE-DOWNS ON LOANS AND COST OF RISK BY COUNTRY

## NET WRITE-DOWNS OF LOANS (mln and y/y % ch.)



- **AUSTRIA:** Risk provisions much lower than 2006 thanks to tight credit guidelines and 2006 portfolio clean-up
- **GERMANY:** yoy comparison not very significant due to SCP portfolio carve out in 2006; net of that Q3/07 still reflects an exceptionally positive trend
- **ITALY:** improvement in credit quality and one-off interventions 2006 turn out in lower write-downs of loans (-12,2%)

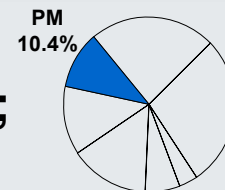
## COST OF RISK (bp)



- **AUSTRIA:** Private individuals segment is expected to be above budget while small business one benefits from releases of provisions
- **GERMANY:** Cost of risk shows a good positive trend
- **ITALY:** cost of risk reduction after the credit rationalizations of 2006 and improved asset quality mainly on consumer lending business

Cost of risk net of extraordinary provisions (79 mln in 2006)

**POLAND'S MARKETS: FURTHER GROWTH IN OPERATING INCOME (+19.1% 3Q07/3Q06) DRIVEN BY NET COMMISSIONS AND VOLUMES; OUTSTANDING EFFICIENCY (C/I AT 45.6%, -211 BP vs. 3Q06)**



mln	9M07	% ch. on 9M06 at constant FX	3Q07	% ch. on 3Q06 at constant FX
Total Revenues	1,790	12.9%	618	14.5%
Operating Costs	-817	4.8%	-282	9.4%
Operating Profit	973	20.8%	336	19.1%
Net Write Downs on Loans	-73	-22.1%	-19	-40.6%
Profit Before Taxes	947	28.3%	321	23.6%
Net Income for the Group	472	41.0%	164	54.8%
Cost/Income Ratio (%)	45.6%	-354 bp	45.6%	-211 bp

- Sustained revenue growth supported by:
  - ✓ Net interest income up 9.8% y/y driven by volume growth
  - ✓ Net commissions up 19.2% y/y mainly thanks to fees on Mutual Funds
- Operating costs impacted by integration effect and branch expansion in Ukraine (+26 branches y/y)
- C/I ratio at 45.6%, ~2.1% better than 3Q06
- Lower net write downs on loans thanks to good quality of loan portfolio

## POLAND'S MARKETS DIVISION: KPIs

KPIs	9M07	9M06	Δ y/y
EVA (mln)	336	231	45.8%
Total RWA (bn, eop)	23.7	19.6	20.9%
Tax Rate (%) <sup>(1)</sup>	18.8%	20.0%	-121 bp
Branches (#, eop)	1,339	1,315	24

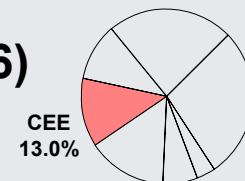
KPIs	9M07	FY06	Δ on FY06
Revenues/avg. RWA (%) <sup>(2)</sup>	10.8%	11.3%	-50 bp
Cost of Risk (%) <sup>(2)</sup>	47 bp	62 bp	-15 bp
FTEs (#, eop)	25,615	25,646	-31

- **336 mln EVA generation in 9M07, +45.8% y/y**
- **Improved cost of risk, -15 bp vs. FY06** benefiting also from better than expected macro-economic scenario
- **Sound volume growth**
  - ✓ **Net customer loans +2.9% q/q** to 18.4 bn
  - ✓ **Stock of Mortgages +21.6% y/y, +5.6% q/q** to 6.0 bn
  - ✓ **AUM +37% y/y, to 11.4 bn**
- **FTEs, -31 employees** (o/w +376 in Ukraine) vs. Dec06 due to managed turnover in Poland
- **Branch opening in Ukraine, +26 y/y** o/w 3 new branches in 3Q07

(1) Δ y/y calculated on figures at constant FX

(2) Revenues/Avg. RWA and Cost of Risk in 9M07 are annualized

# CEE DIVISION: HIGHER OPERATING PROFIT (+18.4% 3Q07/3Q06) DRIVEN BY REVENUE GROWTH (+15.4% 3Q07/3Q06)



mln	9M07	% ch. on 9M06 at constant FX	3Q07	% ch. on 3Q06 at constant FX
<b>Total Revenues</b>	<b>2,414</b>	<b>17.0%</b>	<b>844</b>	<b>15.4%</b>
<b>Operating Costs</b>	<b>-1,203</b>	<b>11.2%</b>	<b>-414</b>	<b>12.4%</b>
<b>Operating Profit</b>	<b>1,211</b>	<b>23.4%</b>	<b>430</b>	<b>18.4%</b>
<b>Net Write Downs on Loans</b>	<b>-149</b>	<b>11.8%</b>	<b>-80</b>	<b>42.1%</b>
<b>Profit Before Taxes</b>	<b>1,024</b>	<b>27.6%</b>	<b>345</b>	<b>15.1%</b>
<b>Net Income for the Group</b>	<b>739</b>	<b>37.2%</b>	<b>258</b>	<b>5.5%</b>
<b>Cost/Income Ratio (%)</b>	<b>49.8%</b>	<b>-260 bp</b>	<b>49.1%</b>	<b>-131 bp</b>

- **Total revenues up 15.4% vs. 3Q06** sustained by:
  - ✓ **Net interest income, +23.1% vs. 3Q06** mainly thanks to high volume growth
  - ✓ **Net commissions, +26.1% vs. 3Q06** driven by fees on loans
- **Operating costs impacted by branch opening:**
  - ✓ **Staff costs, +25.9% vs. 3Q06** (mainly related to new hiring for branch opening, variable compensation and salary adjustments)
  - ✓ **Non HR costs up only +2.3%** thanks to tight cost control
- **Higher net write downs on loans** mostly due to cautious provisioning policy in a context of further development of Retail and SMEs businesses especially in Russia

## CEE DIVISION: KPIs

KPIs	9M07	9M06	Δ y/y
EVA (mln)	457	302	51.6%
Total RWA (bn, eop)	48.8	42.9	13.7%
Tax Rate (%) <sup>(1)</sup>	18.5%	15.9%	276 bp
Branches (#, eop) <sup>(2)</sup>	1,770	1,743	27

KPIs	9M07	FY06	Δ on FY06
Revenues/avg. RWA (%) <sup>(3)</sup>	7.0%	6.9%	11 bp
Cost of Risk (%) <sup>(3)</sup>	46 bp <sup>(4)</sup>	45 bp <sup>(5)</sup>	1 bp
FTEs (#, eop) <sup>(2)</sup>	37,770	37,448	322

- **457 mln EVA generation in 9M07**
- **Cost of risk at 46 bp, stable y/y**
- **Volume growth**
  - ✓ **Customer loans** +6.3% q/q to 42.7 bn
  - ✓ **Stock of Mortgages** +28.0% y/y, +13.0% q/q to 6.2 bn<sup>(2)</sup>
  - ✓ **AUM** +19.9% y/y, +6.9% q/q to 6.7 bn<sup>(2)</sup>
- **FTEs, +322 employees** mainly due to
  - ✓ hiring for anticipated start of the new organic growth strategy especially in Russia and Turkey
  - ✓ the completion of staffing on the last branches opened in Hungary
- **Branches: +27 branches y/y** (mainly in Turkey +64, Russia +20 and Hungary +19) **net of some closing in merger countries** (mainly Bulgaria -54 and Bosnia, -12)

<sup>(1)</sup> Δ y/y calculated on figures at constant FX

<sup>(2)</sup> KFS included at 100%

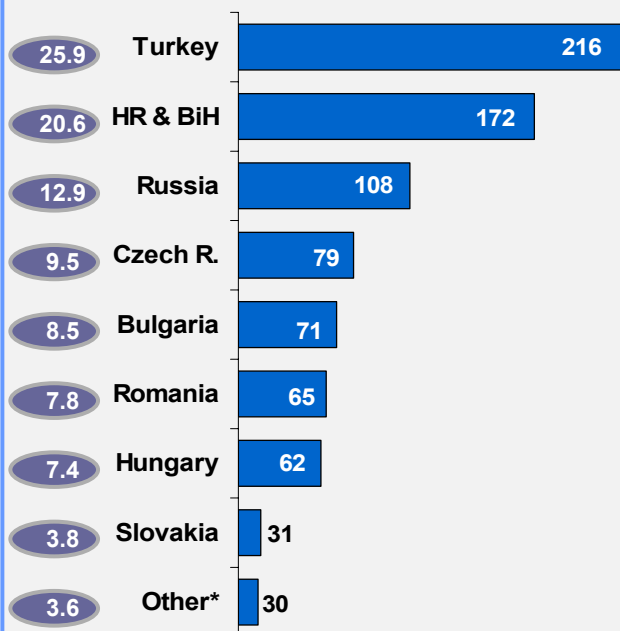
<sup>(3)</sup> Revenues/Avg. RWA and Cost of Risk in 9M07 are annualized

<sup>(4)</sup> CoR at ~50 bp in 9M07 ann. excl. release in Zaba in 2Q07

<sup>(5)</sup> CoR at 55 bp in FY06 excluding exceptional write-backs in Zaba

# CEE DIVISION: SNAPSHOT ON RESULTS AND MAIN MARKET TRENDS

## Total Revenues in 3Q07 (mln)



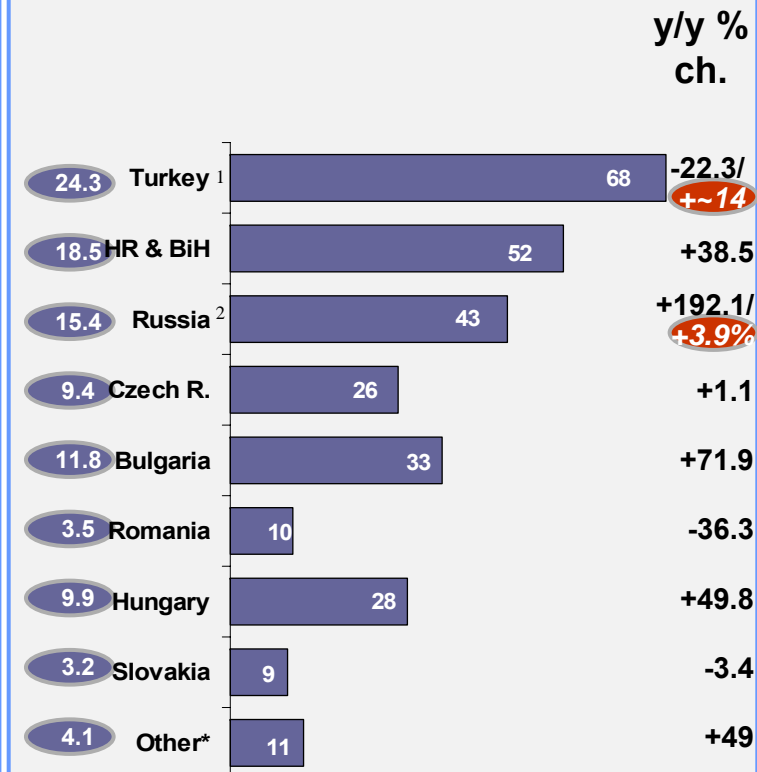
**+15.4%**  
**CEE Division**

## Revenues trend in main countries

y/y %  
ch.

- **Turkey** +21.1% with higher NII mainly from subsidiaries and F&C
- **Croatia & Bosnia** +24.8% mainly thanks to volume growth, fees on guarantees, custody & brokerage
- **Russia** +13.4% driven by volume growth
- **Czech Rep.** +18.2% mainly thanks to volume growth
- **Bulgaria** +19.1% driven by volume growth and improved spreads
- **Romania** +1.7% as a result of higher NII & F&C and lower trading
- **Hungary** -0.3% as a result of higher F&C compensated by lower trading on IRS

## Net Income for the Group in 3Q07 (mln)



**+5.5%**  
**CEE Division**

% ch. at constant FX rates; (\*) Serbia, Slovenia, Baltic Countries; Balance due to Profit Center Vienna;

(1) y/y change impacted by positive one-off taxes in 3Q06; (2) y/y change impacted by changes in controlling stake

47

Weight in % on total

Normalized % change

Minorities figures not normalized for changes in controlling stake





# TURKEY AND RUSSIA: INCOME STATEMENT

## TURKEY

mln	3Q07	3Q06	% ch. on 3Q06 at constant FX
Total Revenues	216	167	21.1%
Operating Costs	-103	-83	15.4%
Operating Profit	113	84	26.8%
Net Write Downs on Loans	-14	-19	-29.3%
Profit Before Taxes	86	57	41.3%
Net Income for the Group	68	78	-22.3%
Cost/Income Ratio, %	47.6%	49.6%	-234 bp

- **Total revenues**, +21.1% y/y driven by net interest income that benefits from higher subsidiaries contribution and by good performance of net commission mainly on loans, AM & credit cards
- **Operating costs**, +15.4% y/y impacted by salary adjustment post integration as well as by new hiring for network expansion
- **Net write downs on loans**, -29.3% y/y benefiting from improved asset quality
- **Net income for the Group** y/y trend impacted by +~30 mln of tax one-off in 3Q06 (for the winning of tax litigations); **~+14% y/y net of one-off**
- **Retail loans**, +13.8% y/y, +6.3% q/q to 5.9 bn<sup>(1)</sup>

## RUSSIA

mln	3Q07	3Q06	% ch. on 3Q06 at constant FX
Total Revenues	108	98	13.4%
Operating Costs	-43	-33	34.3%
Operating Profit	65	65	2.8%
Net Write Downs on Loans	-19	-13	43.5%
Profit Before Taxes	46	51	-7.6%
Net Income for the Group	43	15	192.1%
Cost/Income Ratio, %	40.1%	33.8%	622 bp

- **Total revenues**, +13.4% driven by net interest income (mainly thanks to volume growth on corporate clients) and net commissions (mainly lending fees and customer FX business)
- **Operating costs**, +34.3% y/y mainly due to the strategic expansion program with +20 new branches y/y
- **Net write downs on loans**, +43.5% y/y mainly due to loan growth
- **Net income for the Group** positively impacted by changes in controlling stake; **net income pre minorities +3.9% y/y**
- **Average customer loans**, +69% y/y, **consumer loans**, +164% y/y to 1.1 bn with strong growth in 3Q07 driven by car loans

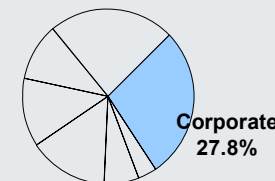
(1) At 100%

(2) Benefiting from bonus provision release

Minorities figures not normalized for changes in controlling stake



# CORPORATE DIVISION: STRONG REVENUE GROWTH IN A POSITIVE CREDIT ENVIRONMENT



mln	9M07	% ch. on 9M06	3Q07	% ch. on 3Q06
<b>Total Revenues</b>	<b>3,857</b>	<b>6.6%</b>	<b>1,260</b>	<b>8.6%</b>
<b>Operating Costs</b>	<b>-1,260</b>	<b>2.4%</b>	<b>-434</b>	<b>6.1%</b>
<b>Operating Profit</b>	<b>2,597</b>	<b>8.8%</b>	<b>826</b>	<b>10.0%</b>
<b>Net write-downs on loans</b>	<b>-542</b>	<b>0.2%</b>	<b>-172</b>	<b>-15.3%</b>
<b>Profit before taxes</b>	<b>2,040</b>	<b>10.8%</b>	<b>635</b>	<b>21.2%</b>
<b>Cost/Income Ratio, %</b>	<b>32.7%</b>	<b>-133bp</b>	<b>34.4%</b>	<b>-81bp</b>

KPIs	9M07	FY06	Δ on FY06
<b>Revenues / Avg. RWA, %<sup>(1)</sup></b>	<b>3.08%</b>	<b>2.96%</b>	<b>12bp</b>
<b>Cost of risk, bp<sup>(1)</sup></b>	<b>45bp</b>	<b>51bp</b>	<b>-6bp</b>
<b>EVA</b>	<b>612</b>	<b>436 (2)</b>	<b>40.3%</b>
<b>FTEs, #</b>	<b>9,257</b>	<b>8,815</b>	<b>442</b>

- **Revenues, +8.6% y/y:** buoyant growth pace due to:
  - ✓ Leasing, +18.4%: strong expansion of operational leasing
  - ✓ “corporate” net interest income in all countries, driven by higher volumes;
  - ✓ fees and commissions in Italy and Austria
- **Operating costs, +6.1% y/y:** higher depreciation (linked to development of operational leasing) and staff expenses (more FTEs to sustain the expansion plan); good control of other adm. expenses in Germany and Austria (flat y/y)
- **C/I ratio at ~34.4%, -81 bp vs 3Q06**
- **Net write-downs on loans, -15.3% y/y:** lower provisioning need in Germany and Austria thanks to the positive credit cycle; cost of risk at 45bp, ~6 bp better than FY06
- **Profit before taxes, +21.2% y/y:** some positive contribution from profit on investments (mainly from Locat Rent disposal, ~22 mln in 3Q07)
- **EVA at 612 mln in 9M07, +40.3% y/y:** sound net profit growth and active control on capital absorption
- **FTE +442 unit vs Dec06, o/w:**
  - ✓ ~ +190 due to hiring of skilled staff (Relationship Managers) and expansion plans (CEE Leasing, Italy and Germany)
  - ✓ ~250 due to changes in division perimeter and new scope of consolidation

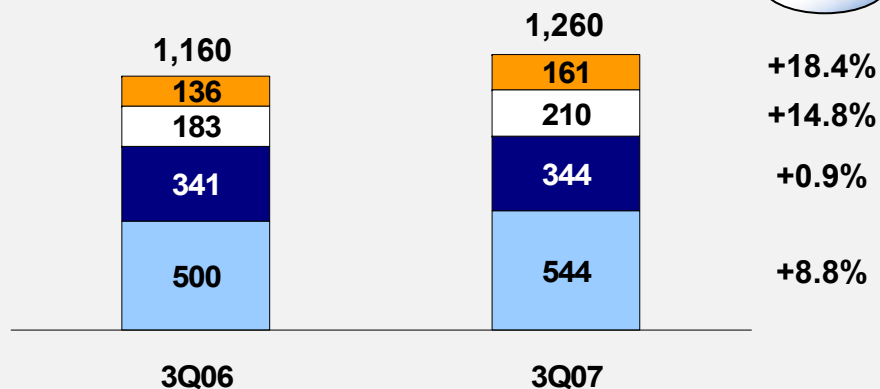
(1) Revenues/Avg. RWA and Cost of Risk in 9M07 are annualized

(2) Data refers to 9M06

# CORPORATE DIVISION: REVENUES AND COSTS BREAKDOWN BY COUNTRY

## TOTAL REVENUES (mln and y/y % ch.)

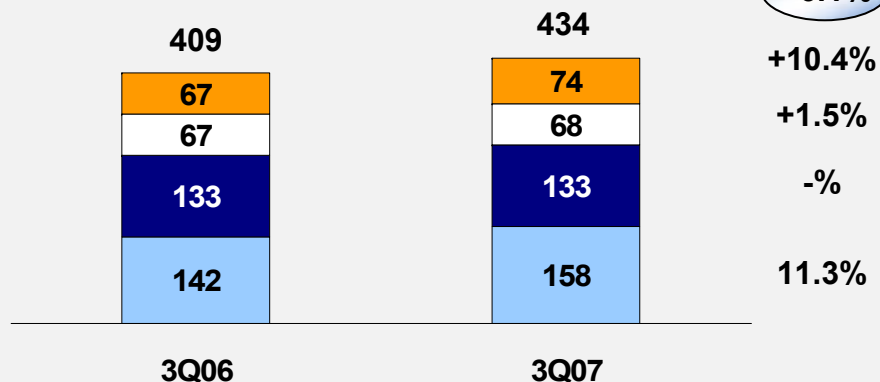
+8.6%



- **GLOBAL LEASING +18.4% y/y:** buoyant performance of leasing (9M07 new business: ~8.2 bn, +31.8% y/y)
- **AUSTRIA +14.8% y/y:** higher deposit volumes (+19.5% vs Dec06) and growth of net commission (securities, derivatives, payments and guarantees)
- **GERMANY +0.9% y/y:** higher interest margin (largely due to increased deposit volumes) in “pure corporate” offset by lower contribution of Commercial Real Estate
- **ITALY +8.8% y/y:** growth of both interest margin (loans +10.5% vs Dec06) and commission (foreign services, corporate finance and transaction banking)

## OPERATING COSTS (mln and y/y % ch.)

+6.1%



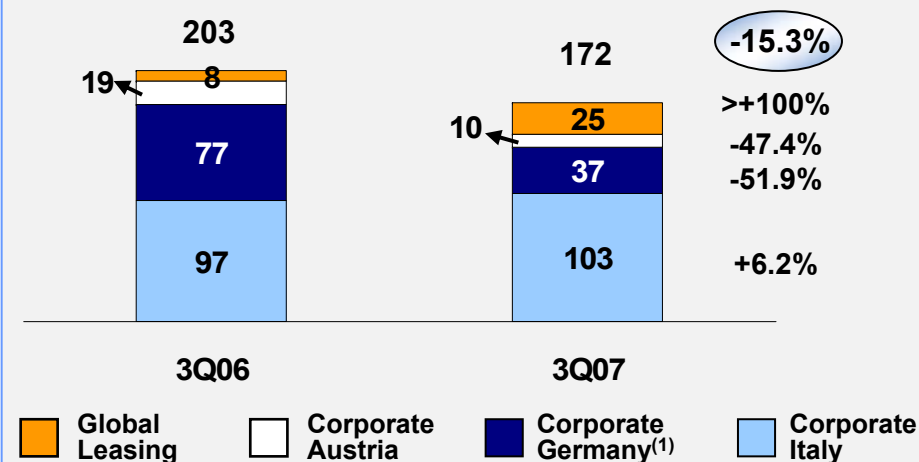
- **GLOBAL LEASING +10.4 y/y:** totally due to higher depreciations linked to expansion of operational leasing; flat staff costs and other admin. expenses
- **AUSTRIA +1.5% y/y:** growth under inflation rate thanks to active cost management
- **GERMANY flat y/y:** effective cost management
- **ITALY +11.3% y/y:** higher FTEs and other administrative expenses (mainly communication and staff-related expenses, i.e. business travels)

■ Global Leasing   
 ■ Corporate Austria   
 ■ Corporate Germany<sup>(1)</sup>   
 ■ Corporate Italy

(1) Including CREF

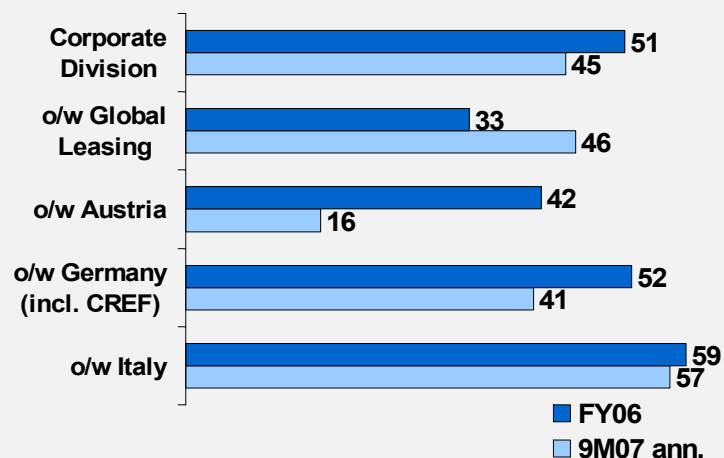
# CORPORATE DIVISION: NET WRITE-DOWNS ON LOANS AND COST OF RISK BY COUNTRY

## NET WRITE-DOWNS OF LOANS (mln and y/y % ch.)



- **GLOBAL LEASING >+100% y/y:** higher business volumes
- **AUSTRIA -47.4% y/y:** good credit environment and cautious provisioning in 3Q06 “affecting” y/y comparison
- **GERMANY -51.9% y/y:** good credit environment and some write-backs in Commercial Real Estate
- **ITALY +6.2% y/y:** mainly due to higher lending volumes (~ +14% Sep7/Sep06)

## COST OF RISK (bp)

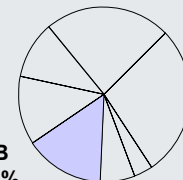


- **Cost of risk -6 bp vs FY06 due to:**
  - ✓ Overall positive credit environment, namely in Germany and Austria
  - ✓ Effective control on asset quality
  - ✓ Significant increase of RWA in 9M06, mainly due to sound growth in Italy and of Leasing
- **Austrian and German trends** impacted by high provisions posted in FY06 (mainly in 4Q06); **Global Leasing** pace linked to higher business volumes

<sup>(1)</sup> Including CREF

# MIB DIVISION: 3Q PRE-TAX PROFIT WELL ABOVE BREAK-EVEN IN A CONTEXT OF MARKET CRISIS; 9M SHOWING STRONG DOUBLE DIGIT GROWTH (+25%)

MIB  
15.0%



mln	9M07	% ch. on 9M06	3Q07	% ch. on 3Q06
<b>Total Revenues</b>	<b>2,507</b>	<b>6.2%</b>	<b>351</b>	<b>-47.8%</b>
<b>Operating Costs</b>	<b>-1,110</b>	<b>1.5%</b>	<b>-289</b>	<b>-16.7%</b>
<b>Operating Profit</b>	<b>1,397</b>	<b>10.3%</b>	<b>62</b>	<b>-81.0%</b>
<b>Net write-downs on loans</b>	<b>42</b>	<b>n.s.</b>	<b>42</b>	<b>n.s.</b>
<b>Profit before taxes</b>	<b>1,680</b>	<b>25.3%</b>	<b>123</b>	<b>-63.6%</b>
<b>Cost/Income Ratio</b>	<b>44.3%</b>	<b>-208 bp</b>	<b>82.3%</b>	<b>30.8 pp</b>

	9M07	FY06	Δ on FY06
<b>Revenues / Avg. RWA, %<sup>(1)</sup></b>	<b>5.3%</b>	<b>5.3%</b>	<b>-4 bp</b>
<b>EVA<sup>(2)</sup></b>	<b>685</b>	<b>579</b>	<b>18.4%</b>
<b>FTEs, #</b>	<b>3,449</b>	<b>3,218</b>	<b>231</b>

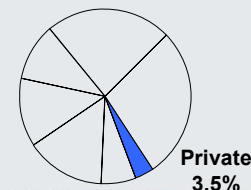
- **Total revenues** -47.8% y/y in 3Q07 (+6.2% in 9M07), due to distortion in credit markets, partially compensated by broad business diversification with strong performance in FICC<sup>(3)</sup>, Cash Equities, Equity Derivatives, Financing and Principal Investments
- **Operating costs -16.7%% y/y** – strong operational cost control across all cost elements, driven primarily by lower staff costs (-38% y/y) and synergies
- **Cost of risk:** benefited from the sound credit quality and cash recoveries
- **Cost/Income ratio** at 44% in 9M07, maintaining a strong competitive positioning
- **EVA of 685 mln, +18.4% y/y**

(1) Figure in 9M07 is annualized

(2) Figure in FY06 column is related to 9M06 and Δ is consequently calculated vs. 9M06

(3) Fixed income, Currencies and Commodities

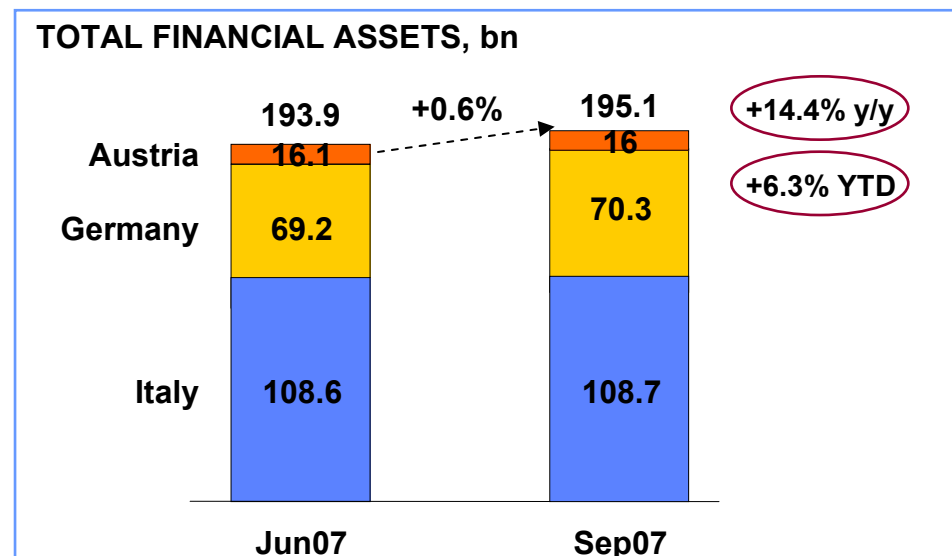
# PRIVATE BANKING DIVISION: OUTSTANDING OPERATING PERFORMANCE (+50% Y/Y) DRIVEN BY STRONG REVENUE GROWTH



mln	9M07	% ch. on 9M06	3Q07	% ch. on 3Q06
Total Revenues	845	7.6%	270	15.4%
Operating Costs	-515	-0.6%	-171	1.8%
Operating Profit	330	23.6%	99	50.0%
Profit before taxes	324	31.2%	99	76.8%
Cost/Income Ratio, %	60.9%	-504 bp	63.3%	-846 bp

	9M07	FY06	Δ on FY06
Revenues/Avg. TFA <sup>(1,2)</sup> , bp	71 bp	74 bp	-3 bp
Operating costs/Avg. TFA <sup>(1,2)</sup> , bp	43 bp	49 bp	-6 bp
EVA <sup>(3)</sup>	160	112	42.1%
FTEs	3,527	3,350	177

- **Total Revenues +15.4%** y/y in 3Q07, with double digit growth of both net interest income (+18%), and net commissions (+13% thanks to higher recurring fees on AuM and higher upfront in GE and AT)
- **Strong control on operating costs (+1.8%), with non-staff costs flat on 3Q06**
- **Further efficiency improvement (C/I ratio down 8 pp)**
- **Profit before taxes 99 mln in 3Q07 (+76.8%):** Italy +48% y/y (with **Xelion** at break-even for the first time ever), Germany >+100% and Austria +20%
- **EVA** at 160 mln in 9M07, +42.1% y/y



- **Total Financial Assets** up by ~1bn vs. June 07 despite market turmoil, thanks to positive net sales in Italy and Germany
- **Net sales<sup>(4)</sup>** of 1.7 bn in 3Q07 and 6.6 bn YTD
- **Asset-mix** quality roughly stable (AuM/TFA at 46.5% in Sep07 from 47.2% in Jun07) in spite of increasing client propensity for liquidity

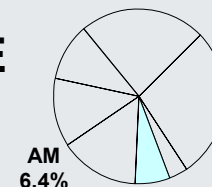
(1) TFA net of extraordinary assets (Private Banking Italy)

(2) Figures in 9M07 are annualized

(3) Figure in FY06 column is related to 9M06 and Δ is consequently calculated vs 9M06

(4) Excluding flows from extraordinary assets (~+3bn in 3Q07)

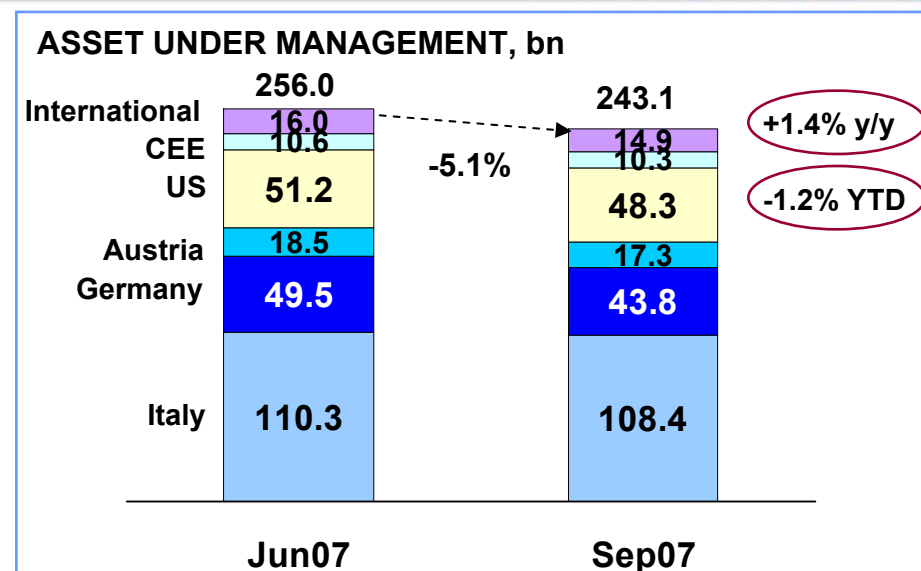
# ASSET MANAGEMENT DIVISION: VERY GOOD PERFORMANCE IN A DIFFICULT OPERATING ENVIRONMENT



	9M07	9M06	% ch. on 9M06	3Q07	% ch. on 3Q06
min					
Total Revenues	1,041	963	8.1%	343	5.9%
Operating Costs	-448	-438	2.3%	-144	3.6%
Operating Profit	593	525	13.0%	199	7.6%
Profit before taxes	591	495	19.4%	195	27.5%
Cost/Income Ratio, %	43.0%	45.5%	-245 bp	42.0%	-92 bp

	9M07	FY06	Δ on FY06
Revenues/Avg. AUM <sup>(1)</sup> , bp	55 bp	57 bp	-2 bp
Operating costs/Avg. AUM <sup>(1)</sup> , bp	24 bp	26 bp	-3 bp
EVA <sup>(2)</sup>	399	325	22.6%
FTEs	2,353	2,278	75

- **Total revenues** +5.9% y/y in 3Q07 thanks to higher management fees (+5.2%) driven by higher avg. AUM (+5.5% y/y)
- **Operating costs** +3.6% y/y, staff expenses flat thanks to lower variable compensation
- **Outstanding C/I ratio**, 42% in 3Q07, -92 bp y/y
- **Pre-tax profit** +27.5% y/y in 3Q07
- **EVA** strong increase: +22.6% y/y



- **AuM** at 243.1bn (+1.4% y/y; -5.1% vs. Jun07 o/w market effect -2.0% and net sales effect -3.1%)
- **Net sales** YTD -4.2 bn, reflecting tough markets conditions especially in 3Q, with outflows concentrated in Italy (-4.3 bn YTD) and Germany (-5.5 bn), partially offset by large inflows in US (+2.8 bn), CEE (+1.6 bn) and International (+1.7 bn mainly in Asia)
- Italy and Germany worst markets in Europe, but **Pioneer's asset mix improving** (less money markets funds, more HF)
- **Market share** in Italy up to 15.60% in Oct06<sup>(3)</sup>, +24 bp vs Dec06

(1) Figures in 9M07 are annualized

(2) Figure in FY06 column is related to 9M06 and Δ is consequently calculated vs 9M06

(3) 20.03% including Capitalia



## HVB GROUP: INCOME STATEMENT AND MAIN KPIs

mln	3Q07	3Q06	% ch. on 3Q06	% ch. on 3Q06 at constant FX & perimeter
<b>Total Revenues</b>	1,340	1,361	-1.5%	-7.2%
<b>Operating Costs</b>	-839	-919	-8.7%	-13.1%
<b>Operating Profit</b>	501	442	13.3%	4.5%
<b>Net Write-downs of Loans</b>	-106	-226	-52.9%	-53.1%
<b>Other Non Operating Items<sup>(1)</sup></b>	-3	508	n.m.	n.m.
<b>Net Income<sup>(2)</sup></b>	53	650	-91.9%	-94.8%
<b>Cost/Income ratio, %</b>	62.6%	67.5%	-491bp	-410bp
	9M07	FY06	Δ on FY06	
<b>Revenues / Avg. RWA, %<sup>(3)</sup></b>	4.7%	3.8%	89bp	
<b>Cost of Risk, bp<sup>(3)</sup></b>	48bp	63bp	-15bp	

- **Total revenues stable y/y** (-1.5%; -7.2% at constant FX and perimeter), despite declining trading profits, impacted by the recent financial markets crisis
- **Good growth of net interest income and stable fees** (up net of FX and perimeter changes) almost offset a 153 mln y/y **drop in trading income**
- **Operating costs decline significantly** (-13.1% y/y at constant FX and perimeter), driven by staff expenses; **cost/income: -4.1 pp y/y**
- **Net write-downs of loans** still at a low level thanks to overall good recoveries; **cost of risk** below FY07 run-rate
- **Remarkable improvement in asset profitability: Revenues/ Avg. RWA +89 bp** since Dec06

(1) Provisions for risk and charges, Integration costs and Net profit from investments

(2) Net income after HVB Group's minorities but before UniCredit's minorities

(3) Revenues/Avg. RWA and Cost of Risk 9M07 are annualized

## RETAIL GERMANY: INCOME STATEMENT AND MAIN KPIs

	3Q07	3Q06	% ch. on 3Q06
<b>mln</b>			
<b>Total Revenues</b>	423	421	0.5%
<b>Operating Costs</b>	-333	-368	-9.5%
<b>Operating Profit</b>	90	53	69.8%
<b>Net Write Downs of Loans</b>	-15	-49	-69.4%
<b>Profit before taxes</b>	73	-2	n.s.
<b>Cost/Income ratio, %</b>	78.7%	87.4%	-8.7 pp
<b>KPIs</b>	<b>9M07</b>	<b>FY06</b>	<b>Δ on FY06</b>
<b>Revenues/Avg. RWA, %<sup>(1)</sup></b>	7.1%	6.1%	98 bp
<b>Cost of Risk, bp<sup>(1)</sup></b>	52	64	-12 bp

- **Revenues +0.5%:** resilient, thanks to net fees growth (+8.6%, also due to PlanetHome consolidation); net interest income decline due to comparison with strong 3Q06, however in line with 2Q07
- **Operating costs -9.5%:** declining trend still ongoing, thanks to strict cost management and introduction of new service model
- Cost efficiency leading to **operating profit improvement (+70% y/y)** and **9 p.p. cut in cost income ratio**
- **Net write-downs of loans:** y/y comparison affected by SCP creation in 2006; net of that 3Q07 still reflects an exceptionally **positive trend**
- **Business drivers record another good quarter:**
  - ✓ Customer Satisfaction: TRIM Index 3 points above 2006
  - ✓ Consumer Finance: positive launch of UniCredit Consumer Finance Germany with 70,000 credit cards sold in 3Q07 (of which >50% revolving)
  - ✓ Innovative saving products: 200 eur mln net sales of the total return fund NordKonzept in 3Q07
  - ✓ “Willkommenskonto”: around 75,000 sold in 3Q

(1) Revenues/avg. RWA ad CoR in 9M07 are annualized



## CORPORATE GERMANY (incl. CREF, excl. LEASING): INCOME STATEMENT AND MAIN KPIs

min	3Q07	3Q06	% ch. on 3Q06
<b>Total Revenues</b>	<b>344</b>	<b>341</b>	<b>0.9%</b>
<b>Operating Costs</b>	<b>-133</b>	<b>-133</b>	<b>0.0%</b>
<b>Operating Profit</b>	<b>211</b>	<b>208</b>	<b>1.4%</b>
<b>Net Write-downs of Loans</b>	<b>-37</b>	<b>-77</b>	<b>-51.9%</b>
<b>Profit before taxes</b>	<b>166</b>	<b>120</b>	<b>38.3%</b>
<b>Cost/Income ratio, %</b>	<b>38.7%</b>	<b>39.0%</b>	<b>-34bp</b>
	9M07	FY06	Δ on FY06
<b>Revenues/Avg. RWA, %<sup>(1)</sup></b>	<b>3.15%</b>	<b>2.69%</b>	<b>46bp</b>
<b>Cost of Risk, bp<sup>(1)</sup></b>	<b>41</b>	<b>52</b>	<b>-11bp</b>

- **Revenues +0.9% y/y**: higher interest margin (largely due to increased deposit volumes) in “pure corporate” offset by lower contribution of Commercial Real Estate
- **Operating costs flat y/y**: effective cost management
- **C/I ratio 38.7%, ~ -34 bp**, progressively approaching the Division’s best practices (Italy below 30%, Austria ~33%)
- **Net write-downs of loans -51.9% y/y**: good credit environment and some write-backs in Commercial Real Estate
- **Revenues/Avg. RWA +46 bp vs FY06**: sound improvement of asset profitability

(1) Revenues/avg. RWA ad CoR in 9M07 are annualized

# PRIVATE BANKING GERMANY: INCOME STATEMENT AND MAIN KPIs

mln	3Q07	% ch. on 3Q06
<b>Total Revenues</b>	115	23.7%
<b>Operating Costs</b>	-67	1.5%
<b>Operating Profit</b>	48	77.8%
<b>Profit before taxes</b>	49	122.7%
<b>Cost/Income ratio, %</b>	58.3%	-12.7 pp

	9M07	FY06	Δ on FY06
<b>Total Financial Assets (eop)<sup>(1)</sup></b>	70,341	65,159	8.0%
<b>Revenues/Avg. TFA<sup>(2)</sup>, bp</b>	46 bp	48 bp	-1 bp
<b>Operating Costs/Avg. TFA<sup>(2)</sup>, bp</b>	41 bp	45 bp	-4 bp
<b>EVA<sup>(3)</sup></b>	69	48	45.2%

- **Revenues** fostered by solid expansion of net commissions (+32% y/y) and benefiting from closed-end-funds business dividends
- **Operating costs** well under control (+1.5%) as declining in staff expenses partially offset higher spending in marketing and commercial initiatives
- **Strong improvement of C/I ratio**, -13 pp y/y
- **Profit before taxes** more than doubling vs 3Q06, thanks to strong operating result (+78% y/y)
- **Satisfactory volume growth**: Total Financial Assets up to 70.3 bn<sup>(3)</sup>, +8% YTD and +14% y/y; AuM 29 bn, +11% y/y
- **Business drivers**:
  - ✓ Increase of recurrent revenues on AuM
  - ✓ Customer base enlargement
  - ✓ Good contribution from closed-end-funds business and interest hedging derivatives
  - ✓ All-time high number of transactions in DAB

(1) Figures in 9M07 are annualized

(2) Figure in FY06 column is related to 9M06 and Δ is consequently calculated vs 9M06

(3) Figures excluding Wealth Cap closed end funds; would be ~77bn including it

## BA-CA GROUP: INCOME STATEMENT AND MAIN KPIs

mln	3Q07	3Q06	% ch. on 3Q06	% ch. on 3Q06 at constant perimeter <sup>(3)</sup>
<b>Total Revenues</b>	1,542	1,199	28.6%	6.9%
<b>Operating Costs</b>	-821	-699	17.5%	0.9%
<b>Operating Profit</b>	721	500	44.2%	14.9%
<b>Net Write Downs of Loans</b>	-148	-197	-25.1%	-33.1%
<b>Other Non Operating Items<sup>(1)</sup></b>	79	2	n.m.	-100.0%
<b>Net Income<sup>(2)</sup></b>	543	216	150.8%	65.1%
<b>Cost/Income ratio, %</b>	53.2%	58.3%	-5.1 pp	-3.2 pp

- **Revenue growth driven by good trend in net commissions and net interest income, mainly thanks to security business and volume growth**
- **Operating costs well under control** benefiting also from the ongoing rightsizing program in Retail
- **Net write downs of loans y/y trend** impacted by additional write-downs in Retail in 3Q06 (-79 mln one-off); +4.2% net of this one-off
- **Good efficiency, cost income ratio to 53.2%, -3.2 pp y/y at constant perimeter**

<sup>(1)</sup> Provisions for risk and charges, Goodwill impairment, Integration costs and Net income from investments

<sup>(2)</sup> Net income after BA-CA Group's minorities but before UniCredit's minorities

<sup>(3)</sup> Net of changes in CEE perimeter (excluding ATON)

## AUSTRIA: INCOME STATEMENT AND MAIN KPIs

min	3Q07	3Q06	% ch. on 3Q06	% ch. on 3Q06 net non recurring items <sup>(1)</sup>
<b>Total Revenues</b>	692	748	-7.5%	-7.5%
<b>Operating Costs</b>	-404	-468	-13.6%	-13.6%
<b>Operating Profit</b>	288	280	2.7%	2.7%
<b>Net Write Downs of Loans</b>	-68	-168	-59.5%	-23.6%
<b>Profit before taxes</b>	305	109	178.5%	61.7%
<b>Cost/Income ratio, %</b>	58.4%	62.5%	-4.1 pp	-4.1 pp

- **Total revenues** down **7.5%** in 3Q07 y/y due to MIB division, negatively impacted by financial turmoil; **positive trend in all other divisions**
- Significant cost reduction as a result of **effective cost management** and **staff optimization**
- **Lower net write downs on loans** mainly due to **higher write-backs in corporate division**

(1) -79 mln in net write-downs on loans in Retail segment

## RETAIL AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	3Q07	3Q06	% ch. on 3Q06
<b>Total Revenues</b>	<b>326</b>	<b>314</b>	<b>3.8%</b>
<b>Operating Costs</b>	<b>-228</b>	<b>-266</b>	<b>-14.3%</b>
<b>Operating Profit</b>	<b>98</b>	<b>48</b>	<b>104.2%</b>
<b>Net Write Downs of Loans</b>	<b>-57</b>	<b>-143</b>	<b>-60.1%</b>
<b>Profit before taxes</b>	<b>46</b>	<b>-88</b>	<b>-152.3%</b>
<b>Cost/Income ratio, %</b>	<b>69.9%</b>	<b>84.7%</b>	<b>-14.8 pp</b>
<b>KPIs</b>	<b>9M07</b>	<b>FY06</b>	<b>Δ on FY06</b>
<b>Revenues/Avg. RWA, %<sup>(1)</sup></b>	<b>7.9%</b>	<b>7.8%</b>	<b>16 bp</b>
<b>Cost of Risk, bp<sup>(1)</sup></b>	<b>137</b>	<b>251</b>	<b>-114 bp</b>

- **Revenues +3.8%:** good increase (+6.4%) in fees and commissions from AUM/AUC and direct deposits, partly offset by lower lending spreads
  - ✓ KapitalSparbuch: above 2 bn in saving deposits since July 07 leading to market share improvement
  - ✓ FokusInvest: 250 mln inflows Sep ytd
  - ✓ ErfolgsKredit Whonkredit: above 800 mln housing new production in 3Q07
- **Operating costs -14.3%:** positive trend due to both the FTE rightsizing plan and the strong scrutiny of all the other administration expenses both for direct and indirect/allocated costs
- **Cost/Income ratio down ~15 p.p,** mainly thanks to very successful cost management
- **Cost of risk -114 bp:** positive outcome of the more restrictive lending criteria

<sup>(1)</sup> Revenues/avg. RWA ad CoR in 9M07 are annualized

## CORPORATE AUSTRIA (excl. LEASING): INCOME STATEMENT AND MAIN KPIs

mln	3Q07	3Q06	% ch. on 3Q06
<b>Total Revenues</b>	<b>210</b>	<b>183</b>	<b>14.8%</b>
<b>Operating Costs</b>	<b>-68</b>	<b>-67</b>	<b>1.5%</b>
<b>Operating Profit</b>	<b>142</b>	<b>116</b>	<b>22.4%</b>
<b>Net Write-downs of Loans</b>	<b>-10</b>	<b>-19</b>	<b>-47.4%</b>
<b>Profit before taxes</b>	<b>120</b>	<b>96</b>	<b>25.0%</b>
<b>Cost/Income ratio, %</b>	<b>32.4%</b>	<b>36.6%</b>	<b>-423bp</b>
	9M07	FY06	Δ on FY06
<b>Revenues/Avg. RWA, %<sup>(1)</sup></b>	<b>3.32%</b>	<b>3.26%</b>	<b>7 pp</b>
<b>Cost of Risk, bp<sup>(1)</sup></b>	<b>16</b>	<b>42</b>	<b>-26bp</b>

- **Revenues +14,8% y/y:** higher deposit volumes (+19.5% vs Dec06) and growth of net commission (securities, derivatives, payments and guarantees)
- **Operating costs +1.5% y/y:** growth under inflation rate thanks to active cost management
- **C/I ratio ~32.4%, ~ -4 pp vs 3Q06**
- **Net write-downs of loans -47.4% y/y:** good credit environment and cautious provisioning in 3Q06 “affecting” y/y comparison
- **Revenues/Avg. RWA +7 bp vs FY06:** asset profitability improved thanks to careful capital management and improved revenue mix (higher weight of low-capital-consuming fee component)

(1) Revenues/avg. RWA ad CoR in 9M07 are annualized

## PRIVATE BANKING AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	3Q07	% ch. on 3Q06
<b>Total Revenues</b>	30	7.1%
<b>Operating Costs<sup>(1)</sup></b>	-19	11.8%
<b>Operating Profit</b>	11	0.0%
<b>Profit before taxes</b>	12	20.0%
<b>Cost/Income ratio, %</b>	63.3%	262 bp

	9M07	FY06	Δ on FY06
<b>Total Financial Assets (eop)</b>	16,038	14,091	13.8%
<b>Revenues/Avg. TFA<sup>(2)</sup>, bp</b>	48 bp	57 bp	-10 bp
<b>Operating Costs/Avg. TFA<sup>(2)</sup>, bp</b>	47 bp	60 bp	-13 bp
<b>EVA<sup>(3)</sup></b>	25	19	31.3%

- **Total Revenues** +7% y/y, thanks to Bank Privat and AMG strong growth
- **Operating profit** flat on 3Q06 due to not fully comparable costs structure<sup>(1)</sup> (divisional governance structure set up in 4Q06)
- **Profit before taxes** +20% y/y
- **Good volume growth:** Total Financial Assets 16 bn, +13.8% vs. Dec06 and +19% y/y; AuM 8bn, ~+7% y/y
- **EVA up to 25 mln** in 9M07, with excellent +31% y/y growth

<sup>(1)</sup> 3Q07 operating costs figures not fully comparable with 3Q06 due to allocation of divisional costs to the corporate centre in 3Q06 ahead of set-up of divisional structure in 4Q06

<sup>(2)</sup> Figures in 9M07 are annualized

<sup>(3)</sup> Figure in FY06 column is related to 9M06 and Δ is consequently calculated vs 9M06

# CAPITALIA 9M07 RESULTS: MAIN DIFFERENCES BETWEEN OLD AND UNICREDIT CLASSIFICATION METHODOLOGIES



	9M07 Old	9M07 UCI Reclassified	Δ	Main reclassified items
Net Interest Income + Dividends&other income from eq. Inv.	2,426	2,192	-234	-206m Time value - 28m Div. from equity HFT portf.
Gains/losses on assets/liabilities at fair value	381	223	-158	+28m Div. From equity HFT portf. -186m Gains from listed companies
Net commissions	1,264	1,264	0	
Other operating income	198	-1	-199	-199m Expenses recovery
<b>Total income</b>	<b>4,269</b>	<b>3,678</b>	<b>-591</b>	
Total operating expenses	-2,571	-2,238	+333	+199m Expenses recovery +134m Integration costs
<b>Gross operating profit</b>	<b>1,698</b>	<b>1,440</b>	<b>-258</b>	
Provisions for risks and charges	-90	-90		
Net value adjustments on loans	-527	-316	+211	+206m Time value +5m Gains/loss. on sales of ass.
Integration costs	0	-134	-134	-134m Integration costs
Net income from investments <sup>(1)</sup>	-36	+145	+181	+186m Gains from listed companies -5m Gains/loss. on sales of ass.
<b>Profit before taxes</b>	<b>1,045</b>	<b>1,045</b>	<b>0</b>	
Income tax	-430	-430		
Gain/loss after tax from disc. operations & Minorities	-2	-2		
<b>Net profit</b>	<b>613</b>	<b>613</b>	<b>0</b>	

(1) Includes € -72m related to Provisions on Financial assets



# CAPITALIA 3Q07 RESULTS: MAIN DIFFERENCES BETWEEN OLD AND UNICREDIT CLASSIFICATION METHODOLOGIES



	3Q07 Old	3Q07 UCI Reclassified	$\Delta$	Main reclassified items
Net Interest Income + Dividends&other income from eq. Inv.	815	746	-69	-68m Time value -1m Div. from equity HFT portf.
Gains/losses on assets/liabilities at fair value	37	39	+2	+1m Div. From equity HFT portf. +1m Loss from listed companies
Net commissions	398	398		
Other operating income	58	-5	-63	-63m Expenses recovery
<b>Total income</b>	<b>1,308</b>	<b>1,178</b>	<b>-130</b>	
Total operating expenses	-906	-776	+130	+63m Expenses recovery +67m Integration costs
<b>Gross operating profit</b>	<b>402</b>	<b>402</b>	<b>0</b>	
Provisions for risks and charges	-45	-45		
Net value adjustments on loans	-185	-112	+73	+68m Time value +5m Gains/loss. on sales of ass.
Integration costs	0	-67	-67	-67m Integration costs
Net income from investments <sup>(1)</sup>	+16	+10	-6	-1m Loss from listed companies -5m Gains/loss. on sales of ass.
<b>Profit before taxes</b>	<b>188</b>	<b>188</b>	<b>0</b>	
Income tax	-105	-105		
Gain/loss after tax from disc. operations & Minorities	-1	-1		
<b>Net profit</b>	<b>82</b>	<b>82</b>	<b>0</b>	

<sup>(1)</sup> Includes € -9m related to Provisions on Financial assets