



UNICREDIT GROUP

Delivering in turbulent times

Alessandro Profumo
Chief Executive Officer

Morgan Stanley, European Banks and Financials Conference 2008
London, 2nd April 2008

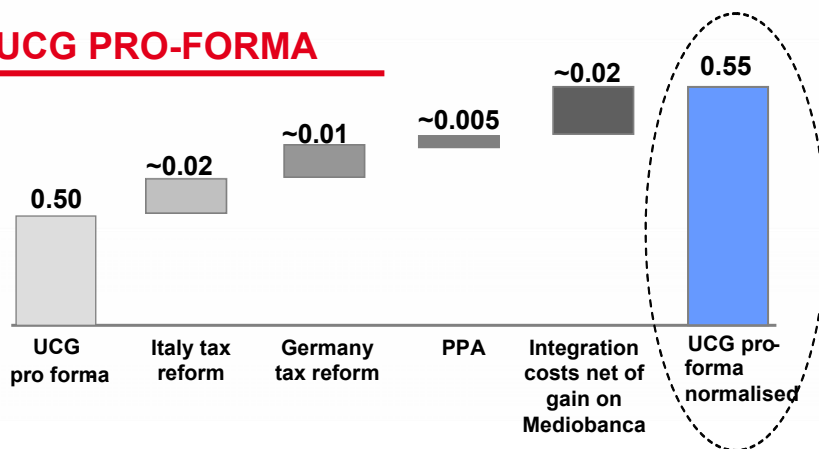
SOUND RESULTS WITH A SOLID COMMERCIAL BANKING PLATFORM READY TO DELIVER ALSO IN 2008

- **2007 confirms Group's capability to deliver results** also in a challenging market environment
- **UniCredit business and geographic diversification** helping to offset impact of market turmoil ...
- ... and paving the way to deliver good performance thanks to organic growth and restructuring potential

2007 RESULTS: EPS GROWTH, RISING DPS

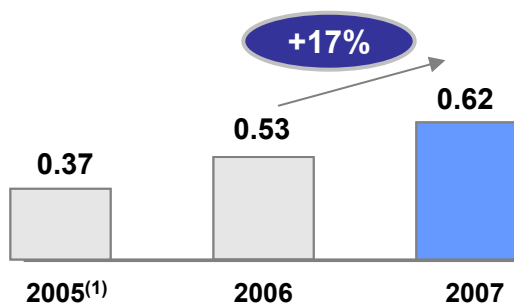
EPS 2007

UCG PRO-FORMA



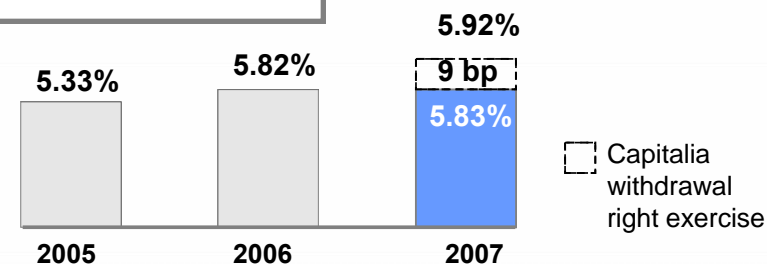
- 0.55 EPS normalised for one-offs

UCG EX-CAPITALIA



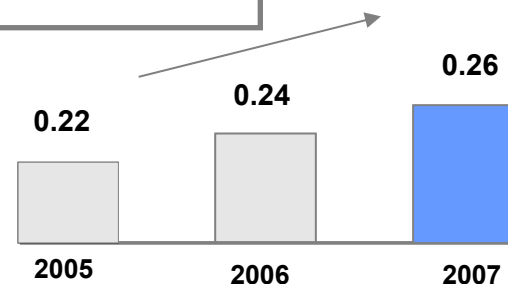
- UniCredit Group ex-Capitalia at 0.62 EPS, ahead of original plan

CORE TIER I RATIO



- Solid Core Tier I ratio confirmed, despite ATF acquisition (-28 bp) and withdrawal right exercise of Capitalia (-9 bp)
- 2008 Outlook: Continued organic capital generation, disposal gains & Generali convertible expiry more than compensating Ukrsofsbank acquisition & HVB/ BA-CA squeeze-outs

DPS

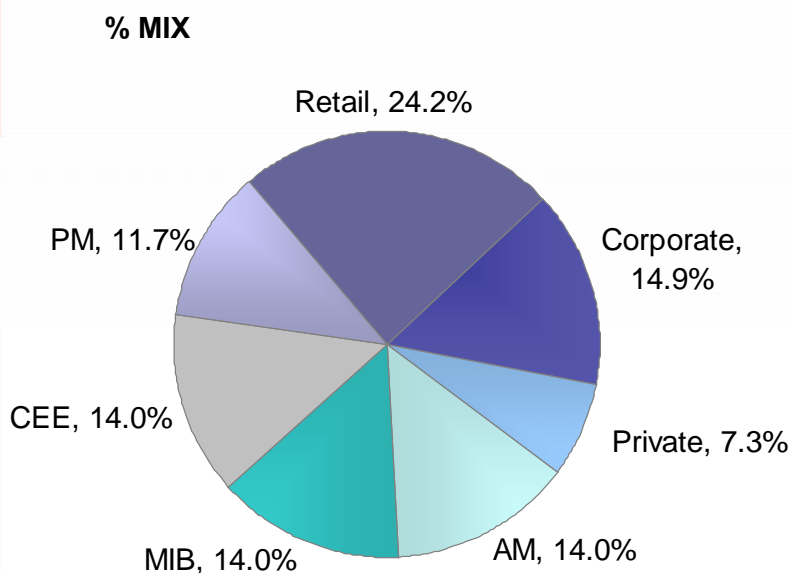


- 0.26 Eur dividend proposed, +8% y/y

(1) Normalized EPS excluding HVB/BA-CA integration effects

BENEFITS OF DIVERSIFICATION: STRONG COMMERCIAL BANKING OFFSETTING MARKETS' SET BACK

FY07 EVA: 2.6 bn, +7.9% y/y



	Δ EVA	y/y % ch.	Marginal RARORAC
			Dec07
Retail	503	103.9%	15.0%
o/w Italy	233	31.2%	23.2%
o/w Austria	170	n.m.	-0.8%
o/w Germany	100	n.m.	1.0%
CEE Region	249	31.2%	19.6%
o/w Poland	121	34.5%	37.7%
Private	94	45.9%	70.4%
Corporate	82	15.7%	4.7%
AM	67	13.3%	40.9%
MIB	-128	-18.2%	10.5%

2007: first year of positive EVA in Germany

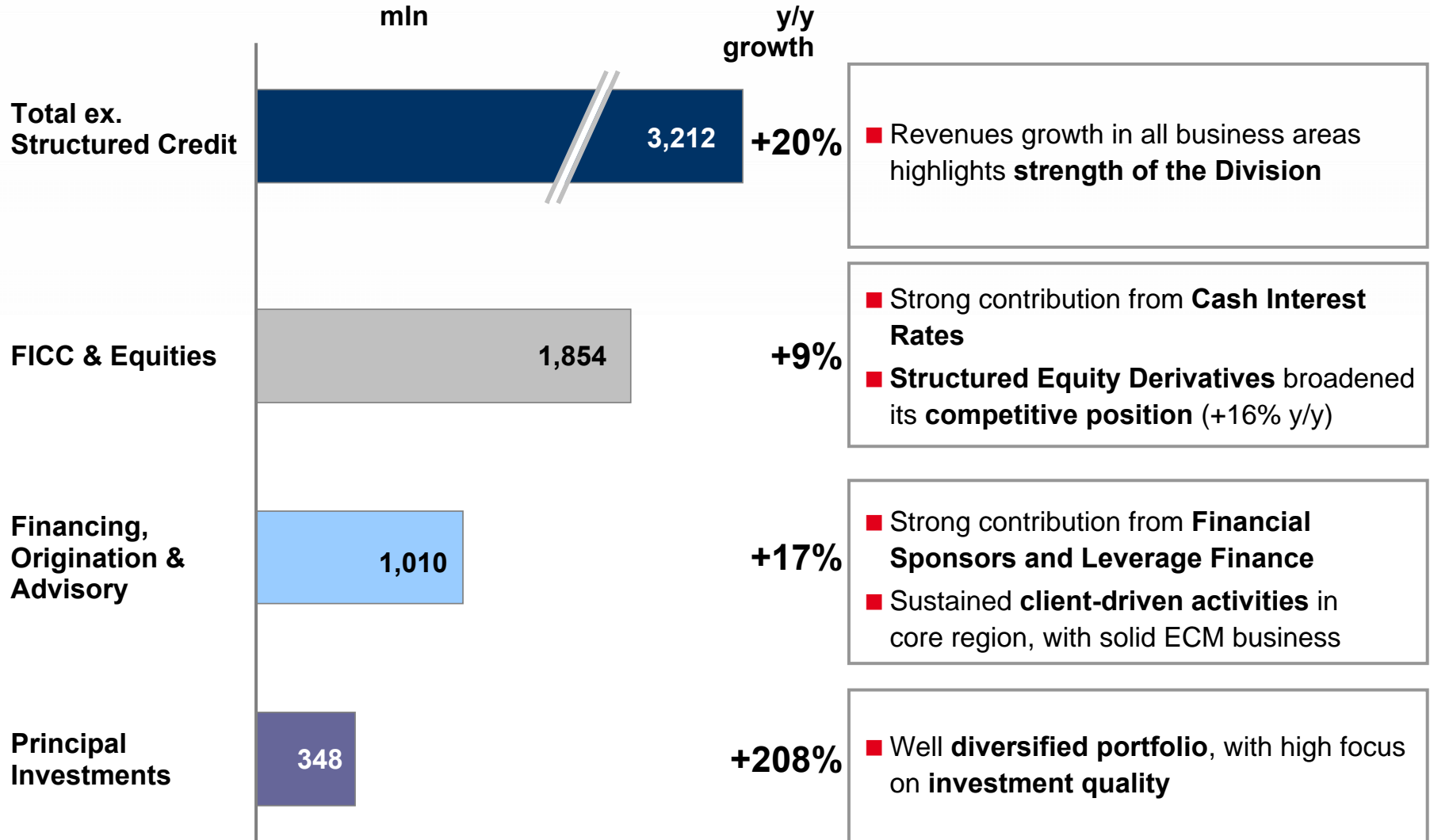
- **Strong value creation of the core traditional businesses:**
 - ✓ **Retail delta EVA +503 mln y/y driven by Italy and Austria**
 - ✓ **CEE Region delta EVA +249 mln y/y driven by Poland and Russia**

MIB DIVISION: IMPACTED BY FINANCIAL TURMOIL IN MARKETS SUB-DIVISION, BUT SOUND GROWTH IN INVESTMENT BANKING, FICC & EQUITIES

MIB

MIB Division ex. Structured Credit

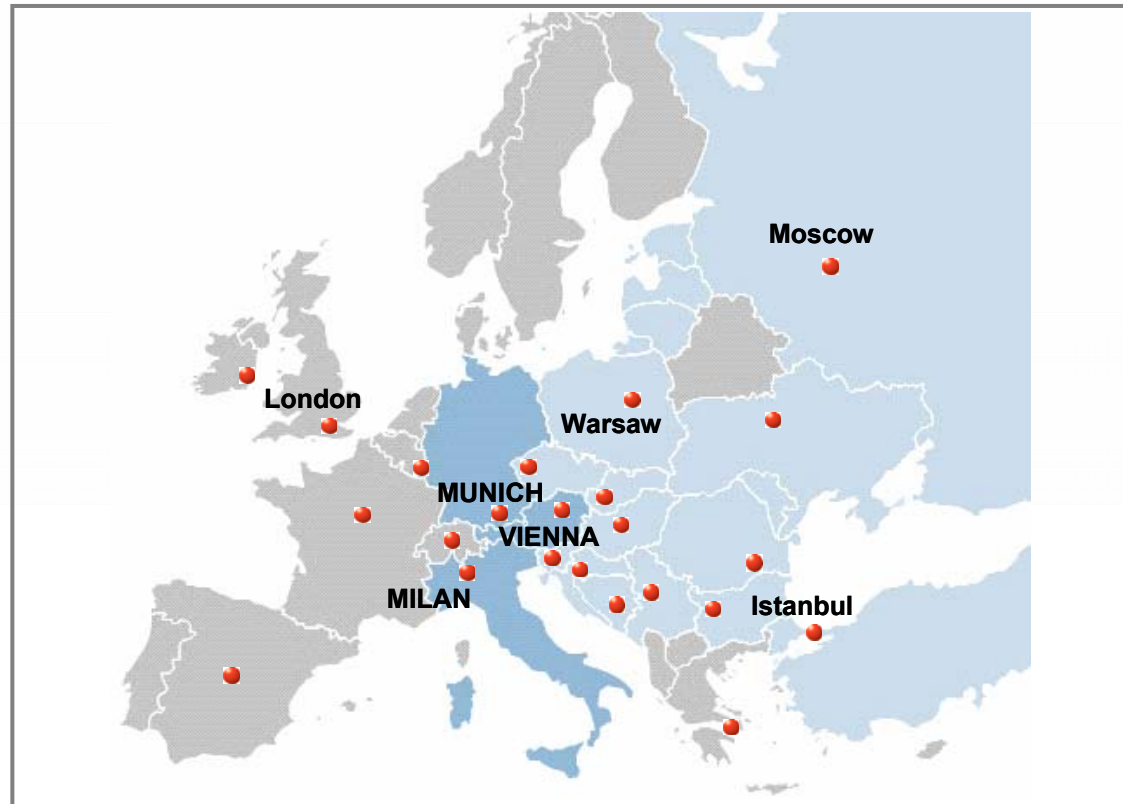
2007 Revenues



MIS (Management Information System) data

ADDITIONAL GROWTH OPPORTUNITIES IN INVESTMENT BANKING LEVERAGING CEE REGION PLATFORM

MIB

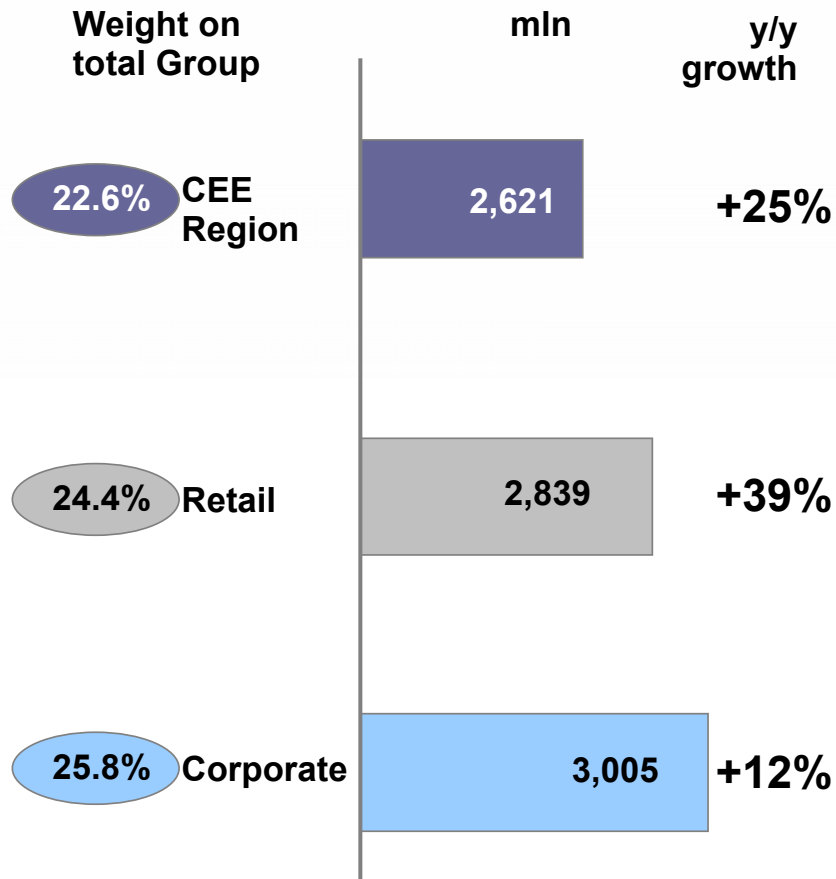


- **CEE: excellence in investment banking + largest commercial network = exceptional opportunities**
- **Enhancing cross selling** through co-operation and common goals
- **Reinforcing organizational effectiveness with focus on Poland, Turkey, Russia and Croatia 1st wave in 1H08**

COMMERCIAL BANKING: STRONG PERFORMANCE IN 2007; ANOTHER ROBUST YEAR EXPECTED IN 2008

COMMERCIAL BANKING

2007 GOP after provisions



FURTHER OPPORTUNITIES

- Well positioned in the most attractive Countries
- Organic growth through branch network expansion
- Leverage on Group product factories

- Integration of former Capitalia's network
- Growth leveraging on productivity and penetration gap
- Cost reduction thanks to restructuring

- Bridging productivity and penetration gaps by transferring of internal best practices
- Focus on Global product lines (cash management, trade finance and leasing)
- Higher focus on international clients (GAM⁽¹⁾)

~ 80% of 2007 Group's GOP after provisions from Commercial banking business⁽²⁾

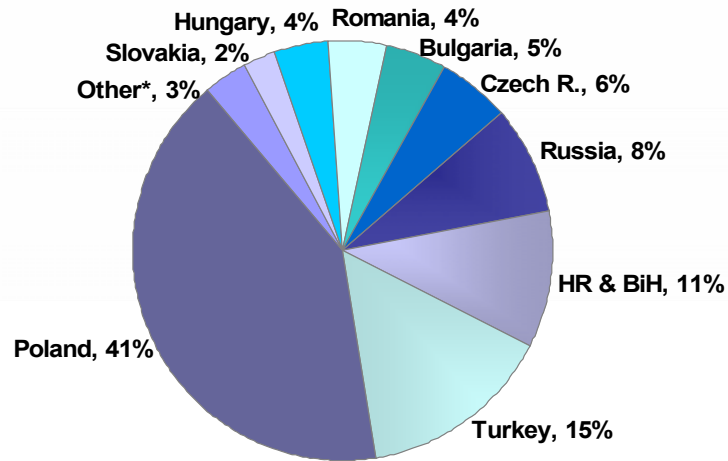
⁽¹⁾ Global Account Management

⁽²⁾ Retail, Corporate, Private, CEE

CEE REGION: A WELL BALANCED BUSINESS PORTFOLIO

CEE REGION —

2007 TOTAL REVENUES



y/y % ch.

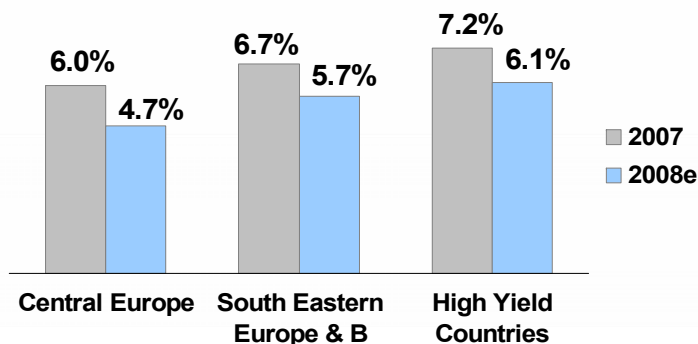
Poland	9%
Turkey	20%
Croatia & Bosnia	23%
Russia	22%
Czech R.	15%
Bulgaria	14%
Romania	14%
Hungary	11%
Slovakia	11%
Other*	n.m.

- **Significant revenue growth in all CEE Countries mainly driven by:**
 - ✓ Net interest income, **sustained by volume growth**
 - ✓ Net commissions, **mainly on loans and on mutual funds in Poland**
- **Additional 1 mln customers in 2007**

HEALTHY GROWTH CONFIRMED

CEE REGION

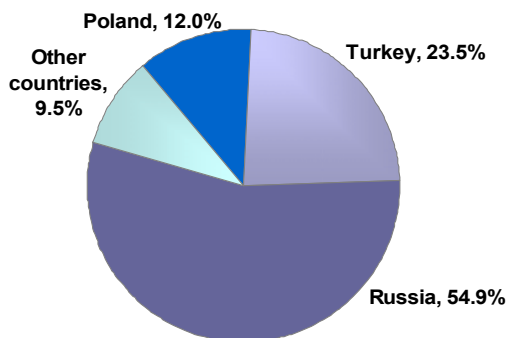
Real GDP y/y % ch.



- CEE Region avg. GDP growth +5.7% y/y in 2008e
 - ✓ Decelerating but **still** relatively high growth vs. Eurozone
- Confirmed double digit loan growth in CEE Region, +28.0% y/y in 2008e
 - ✓ Still strong growth in high yield countries (+36.4% y/y in 2008e)

Banking system 2008e/2007 delta profit by Country

(100% = 5.8 bn)



- Double digit profits growth, +15.1% y/y in 2008e to 44.3 bn
- Δ profits in 2008e/2007 mainly in Russia, Turkey & Poland, where UniCredit is well positioned
 - ✓ New Pekao net income represents ~ ¼ of the entire banking sector net income
 - ✓ Yapi Kredi, 4th bank by total loans
 - ✓ UniCredit Bank Russia, 6th bank by total loans

Central Europe: Poland, Hungary, Czech Rep. Slovakia, Slovenia; **SEE:** Croatia, Bosnia, Romania, Bulgaria, Serbia and Baltic Countries; **High Yield Countries:** Russia, Kazak., Ukraine, Turkey

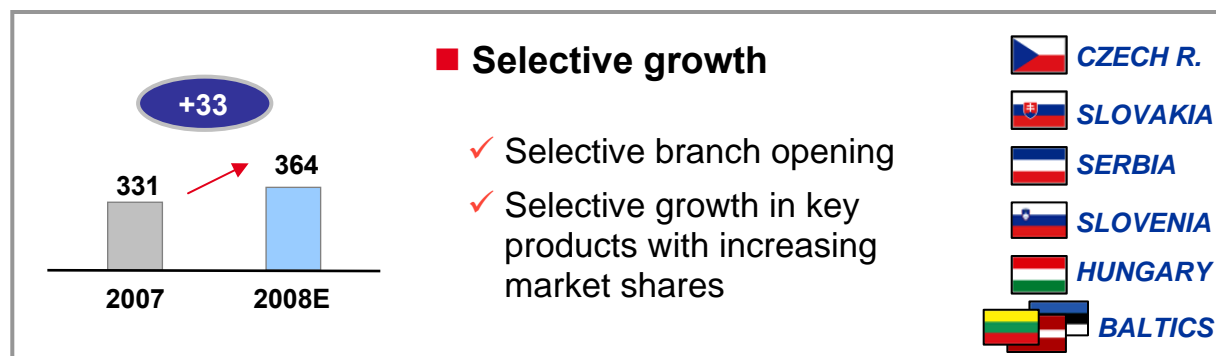
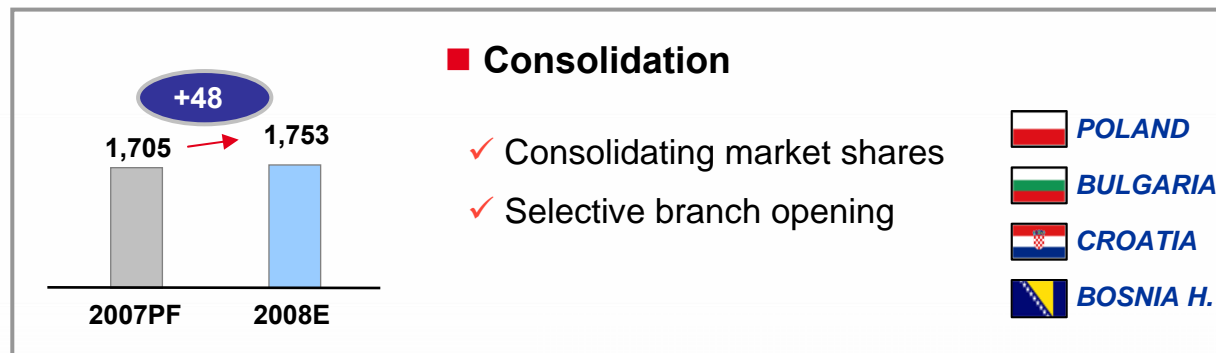
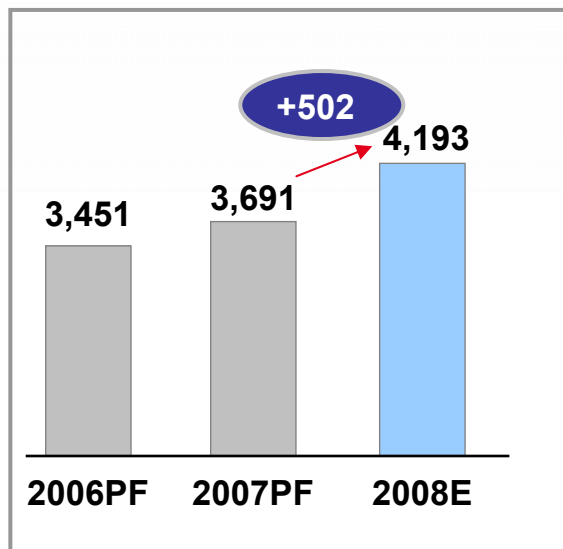
Source: UniCredit Group CEE Research Network

NETWORK EXPANSION IN 2007/2008 DESIGNED AS A KEY PILLAR FOR SUSTAINABLE GROWTH

CEE REGION

CEE REGION

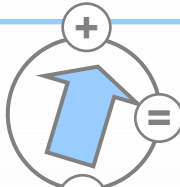
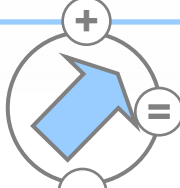
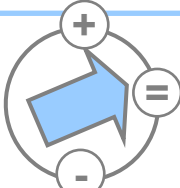
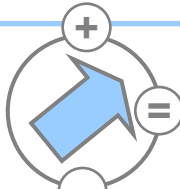
BRANCHES



UNICREDIT GROUP READY TO DELIVER IN CEE REGION ...

CEE REGION

2008 OUTLOOK

<p>Revenues</p>		<ul style="list-style-type: none"> ■ Growth driven by volume increase
<p>Operating costs</p>		<ul style="list-style-type: none"> ■ Increase due to network expansion and projects
<p>Cost of risk</p>		<ul style="list-style-type: none"> ■ Slight increase expected in Cost of Risk, however from a very low level
<p>Net Income</p>		<ul style="list-style-type: none"> ■ Net income growth reflecting jaw effect (revenues growing more than costs) and effective risk management

... LEVERAGING ON ITS POSITION AND STRENGTH IN KEY AREAS

CEE REGION

UNICREDIT GROUP POSITION AND STRENGTH

FUNDING, LIQUIDITY & CAPITAL

- CEE fully plugged to Group's cash pooling system
- UCG banks currently well capitalized
- Recognized UCG brand in Retail as a key vehicle to attract new customers

RISKS OF CURRENCY DEVALUATION

- Limited FX lending in UCG's banks, thanks to conservative approach, particularly towards retail customers
- Strong diversification

ASSET QUALITY

- Slight increase expected in Cost of Risk, however from a very low level (44 bp in FY07)
- Strict credit risk governance

WEAK FINANCIAL MARKETS

- Trading income only 5% of total revenues in 2007
- Growth expected to come from commissions/lending

COMMERCIAL BANKING FOOTPRINT IN ITALY STRONGLY ENHANCED BY MERGER WITH CAPITALIA

COMMERCIAL BANKING
IN ITALY

BUSINESS MODEL

- Integration of former Capitalia's network in UniCredit's well honed Divisional Model

RESTRUCTURING

- Significant room for cost reduction:
 - ✓ Human Resources rightsizing
 - ✓ Unification of back-office, Central Functions, Product Factories and IT

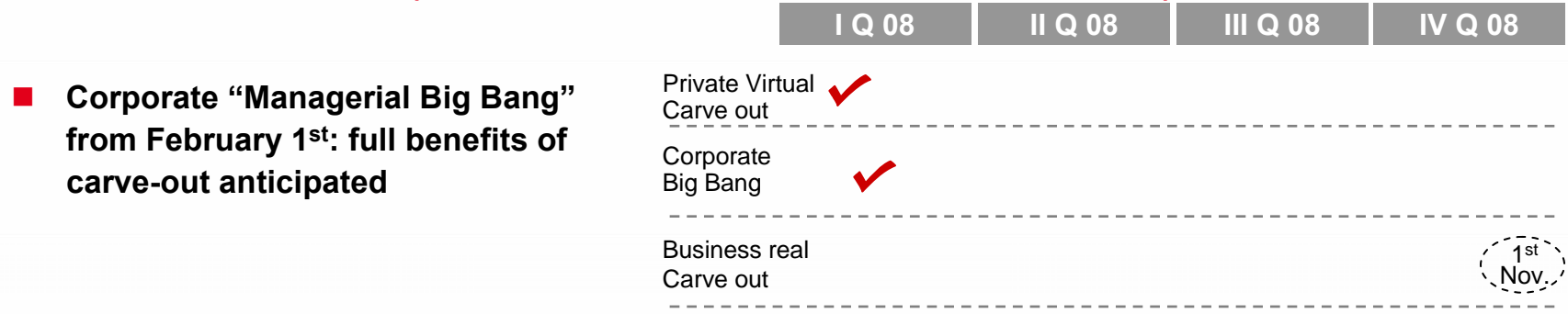
GROWTH

- Alignment of productivity and penetration gap in Retail and Corporate

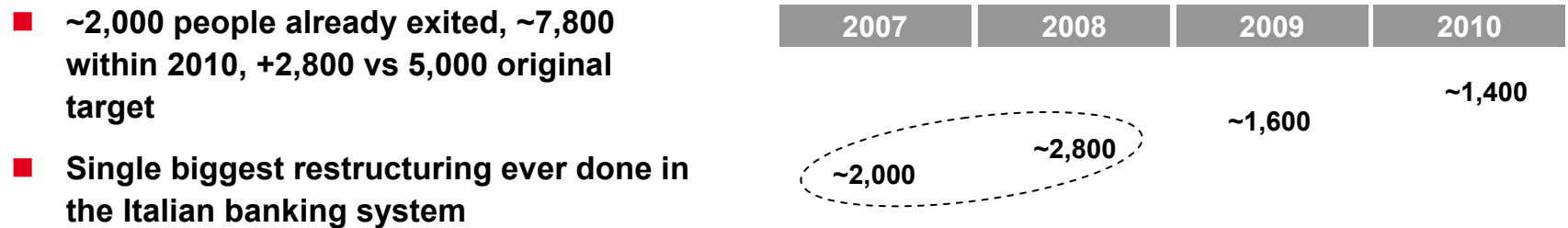
MILESTONES OF CAPITALIA INTEGRATION, TO ACHIEVE SYNERGIES AND SUSTAIN FUTURE GROWTH

INTEGRATION —

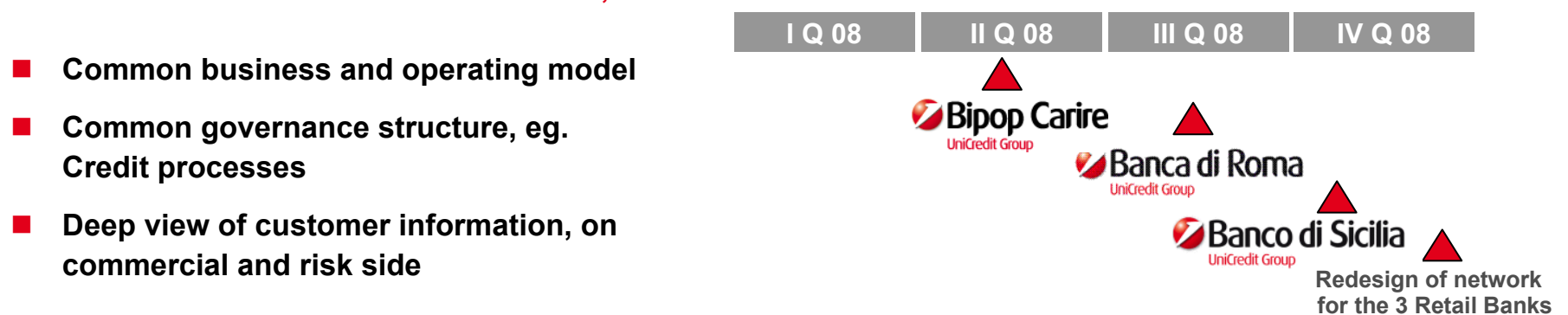
BUSINESS CARVE-OUT (DIVISIONALISATION OF FORMER CAPITALIA)



HUMAN RESOURCES RIGHTSIZING



SINGLE IT PLATFORM: BY NOVEMBER 1, 2008



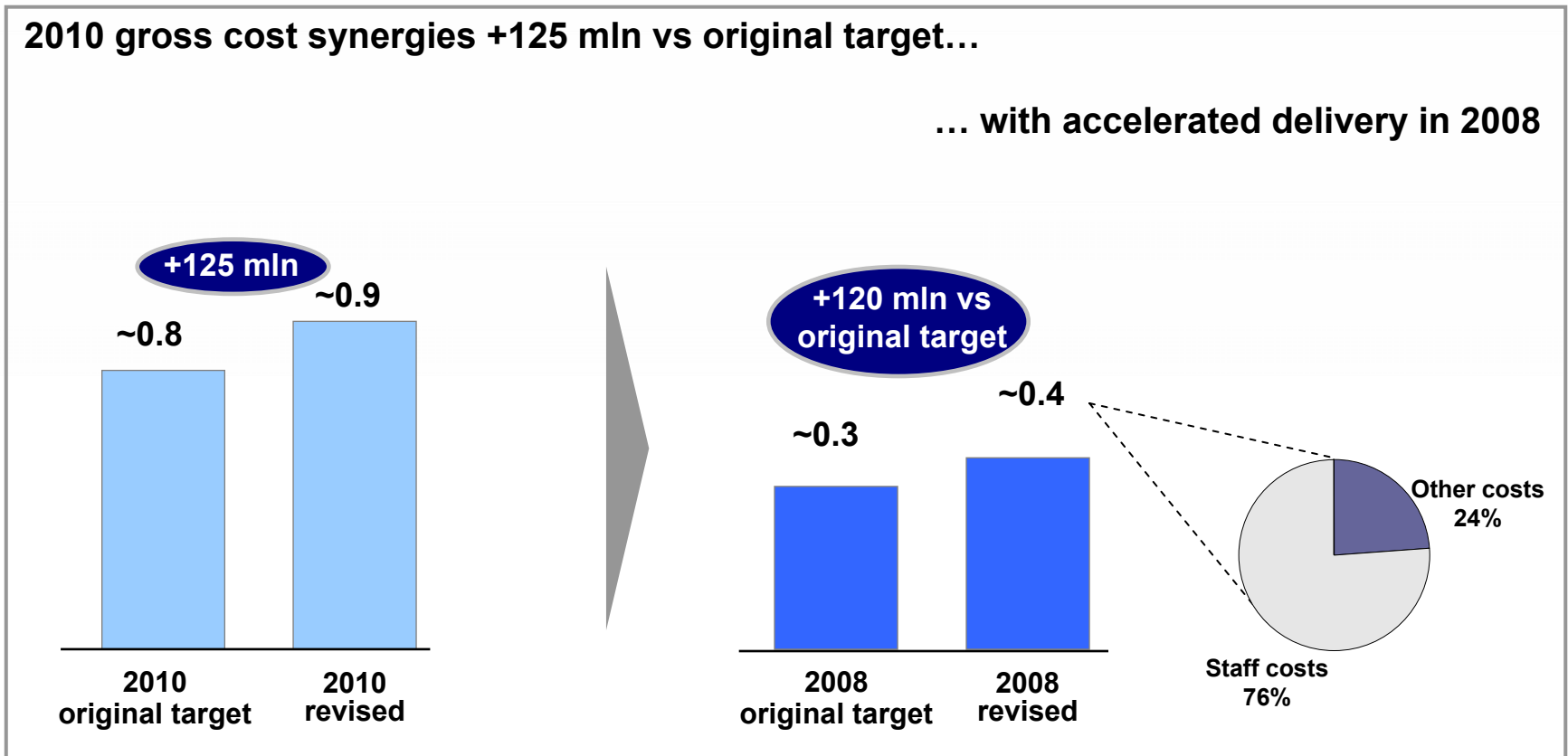
CAPITALIA COST SYNERGIES HIGHER AND ANTICIPATED

RESTRUCTURING —

GROSS COST SYNERGIES, bn

2010 gross cost synergies +125 mln vs original target...

... with accelerated delivery in 2008



SET TO DELIVER A QUICK INTEGRATION

CAPITALIA: NOT JUST RESTRUCTURING, LEVERAGING UNICREDIT BANCA'S BEST PRACTICE IN SERVICING RETAIL CUSTOMERS

RETAIL IN ITALY

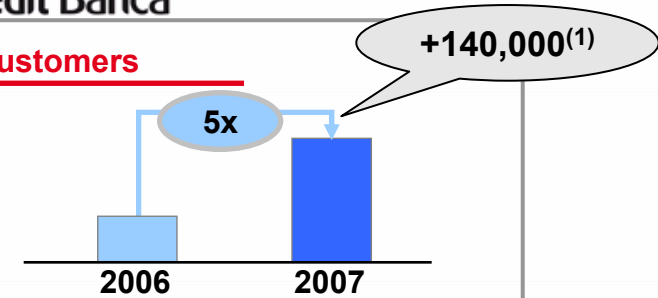
UniCredit Banca track record of excellence

- ✓ Customer acquisition: +140,000 net new customers in 2007⁽¹⁾
- ✓ Customer satisfaction: further improvement of TRI*m Index, up 10 points in 3 years
- ✓ Migration towards alternative channels: branch transaction down ~10%, total transaction +12%

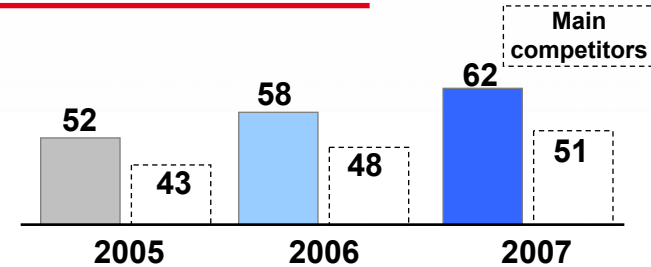
- Dedicated business model, with high focus on attractive segments (i.e. Affluent, Small Business)
- Continuous product innovation

UniCredit Banca

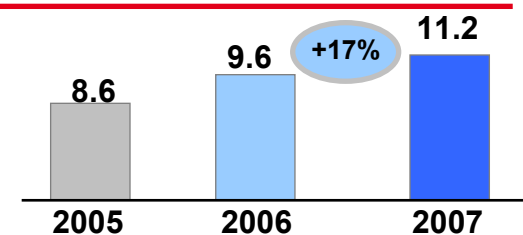
Net new customers



TRI*m index



S/T loans to Small Business⁽²⁾



UNICREDIT BANCA BEST PRACTICE TO BE TRANSFERRED TO FORMER CAPITALIA NETWORK

⁽¹⁾ Including Banca per la Casa and UciFin, 2007 Retail Italy new customers total ~150,000

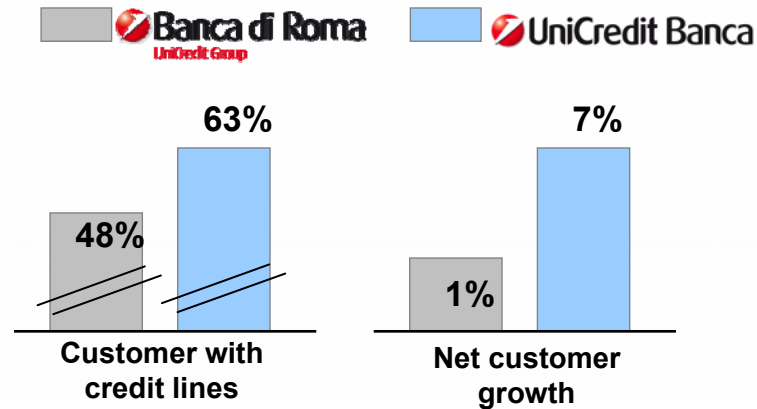
⁽²⁾Eop figures

CAPITALIA: COMMERCIAL AND PRODUCTIVITY GAPS TO BE EXPLOITED TO ALIGN NETWORK PROFITABILITY

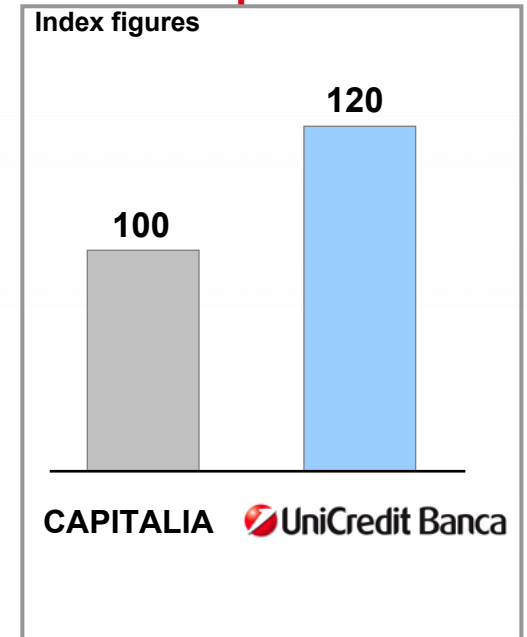
RETAIL IN ITALY

Small Business

- Lower penetration of former Capitalia in the segment



Revenues per customer



Retail products - Other key penetration gaps

- Revenue growth potential from bridging penetration gaps

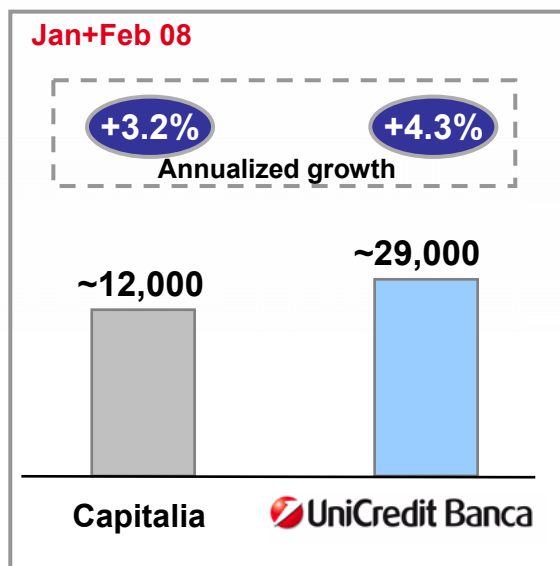
	UniCredit Banca	Capitalia
Current Account	89%	75%
Revolving Credit Cards	11%	5%
Bancassurance	19%	15%
S/T loans per customer Index figures	124	100
Clients per branch Index figures	140	100

- UniCredit's expertise will allow to fill the gap

GOOD START IN 2008 FOR BOTH FORMER UNICREDIT AND CAPITALIA NETWORK...

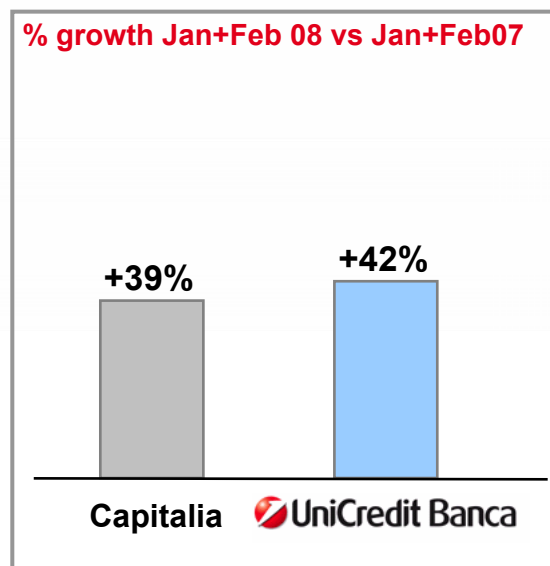
RETAIL IN ITALY

Net New Current accounts



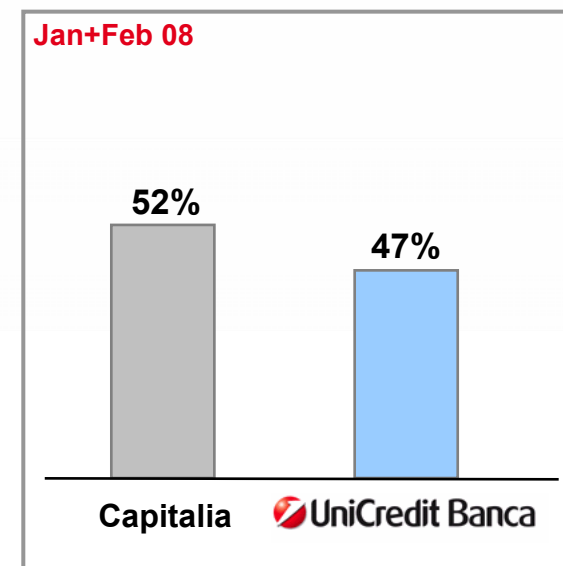
- Sound increase in Net New Current accounts, thanks to **commercial focus** and **customer retention**
 - ✓ **Outflows reduced by 7% in former Capitalia**

Gross margin from sales of Investment Products



- Significant **increase in volumes, with improved quality and mix of sales**
- **Strong results in former Capitalia notwithstanding higher focus on recurring revenues**

AUM⁽¹⁾ sales / Total sales of investment products



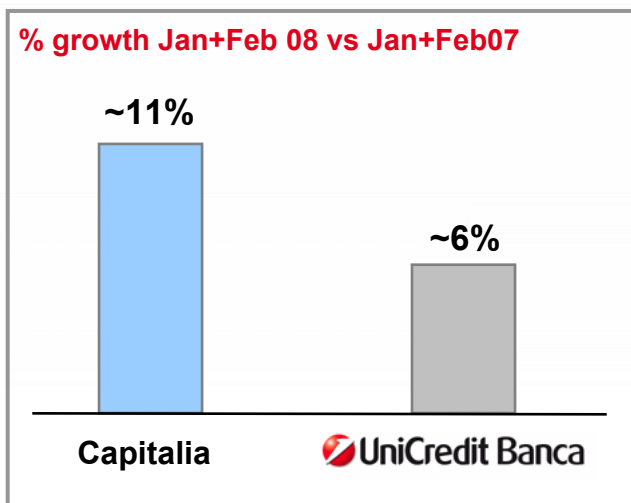
- Good results of product with **management fees** content
 - ✓ **Capitalia bancassurance new production: ~50% Unit Linked, vs 9% in first two months 2007**

⁽¹⁾ Mutual funds, Segregated Accounts, Bancassurance

... WITH EXCELLENT RESULTS IN THE AREAS WHERE UCG EXPERTISE CAN MAKE THE DIFFERENCE

RETAIL IN ITALY —

Consumer lending new production

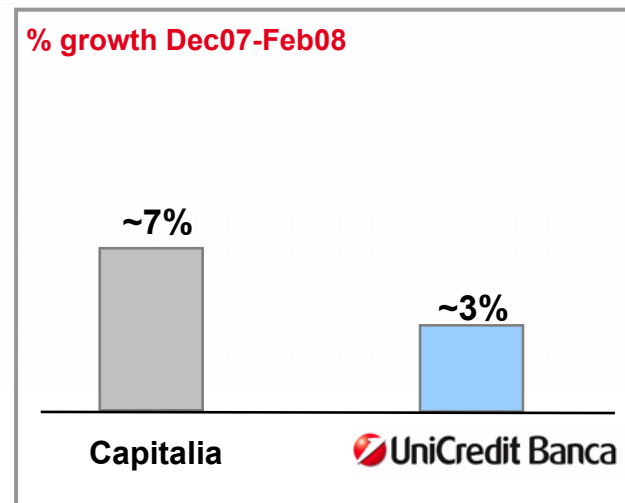


- Excellent results from **product sharing, exploiting the new customer base**

- **Enhanced cross selling**

- ✓ Strong increase of Credit Protection Insurance Penetration (CPI) in former Capitalia, from 25% Jan+Feb07 to 75% Jan+Feb08

Small Business S/T loans stock



- **Continuous improvement** on Small Business segment, leveraging on UniCredit's recognized model

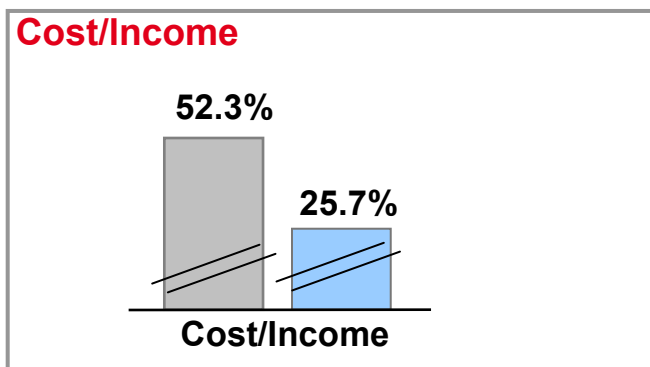
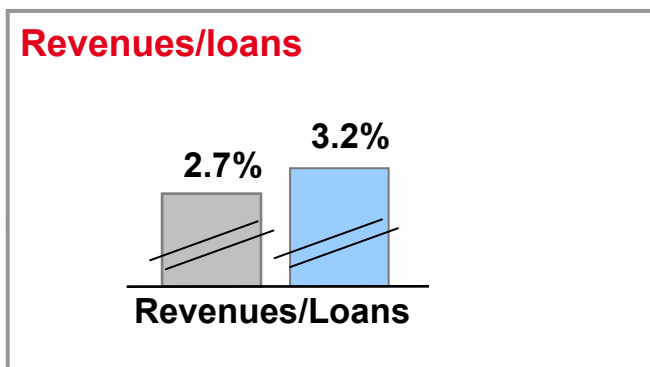
- **Still high room for growth: avg. S/T loans volumes 40% lower** than UniCredit Banca

FIRST RESULTS POINTING IN THE RIGHT DIRECTION

CORPORATE: FORMER CAPITALIA NETWORK READY TO LEVERAGE ON UNICREDIT BUSINESS MODEL

CORPORATE IN ITALY

OPPORTUNITIES



Capitalia
Mid Corporate

UniCredit
Banca d'Impresa

BUSINESS MODEL SPECIALIZATION

- Simplified and leaner organisation, with improved service and distribution model
- Clear commercial strategy
- Best practice sharing, leveraging on Group's service model, tools and international exposure

4Q 2007 RESULTS

- Traditional banking activities growing in 4Q07
 - ✓ Customer loans and net interest income respectively +3% and 4% q/q
 - ✓ Net commissions +13% q/q

OPPORTUNITIES

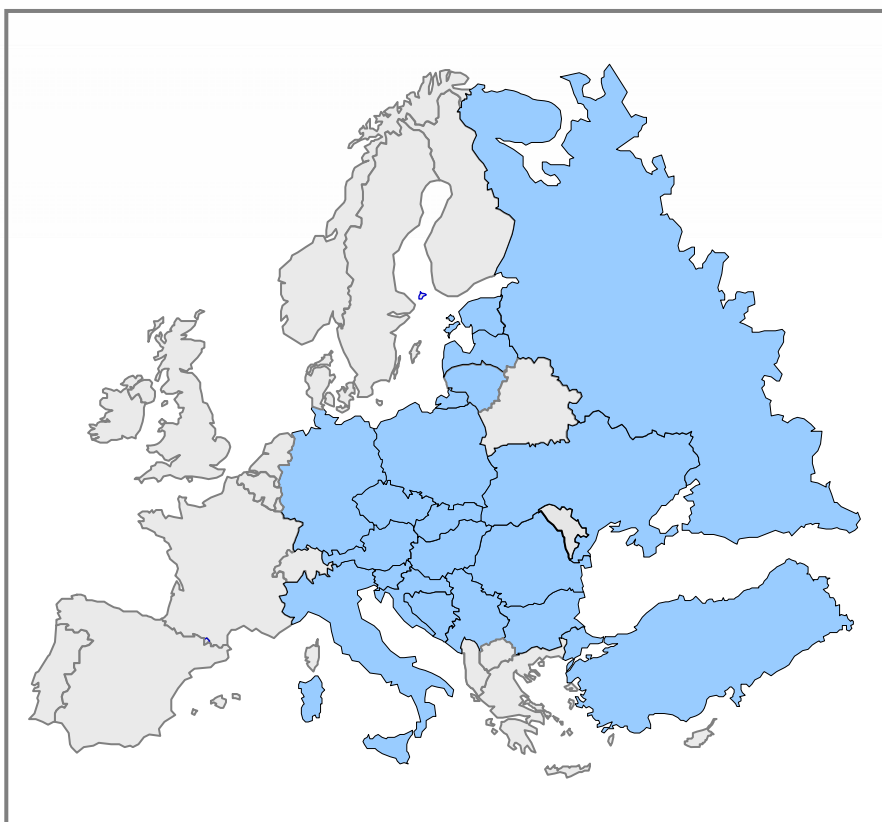
- Negative Capitalia RARORAC to be turned positive towards UniCredit Banca d'Impresa

FOCUS ON PROFITABILITY AND FILLING EFFICIENCY GAP

GLOBAL TRANSACTION BANKING, CONSUMER FINANCING & GLOBAL LEASING READY TO SUPPORT NETWORK

GLOBAL FACTORIES

**3 GLOBAL FACTORIES/BUSINESS LINES RECENTLY REINFORCED AND REORGANIZED
READY TO EXPLOIT CLEAR BENEFITS**



Global Transaction Banking

- Cross selling across **23 Countries**, with **4,000 correspondents** worldwide
- More than **110,000 import/export letters of credit transaction** at Group Level in 07

UniCredit Consumer Financing

- Leveraging on **40 mln customers**
- **Internationalization process** on track: from a purely Italian player to an European one

Global Leasing

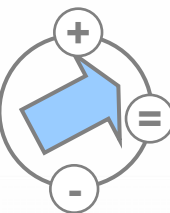
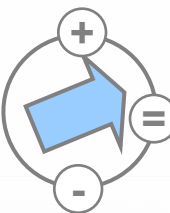
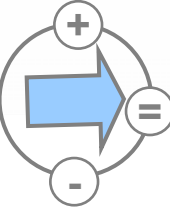
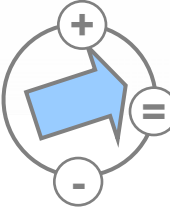
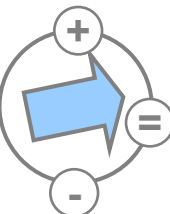
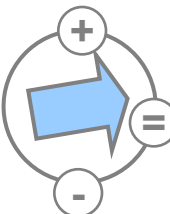
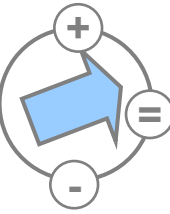
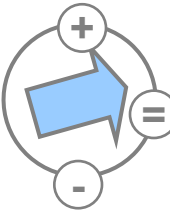
- **Market leader in Europe** with strong presence in **three key segments**: Car, Real Estate and Equipment
- **27 bn total asset**
- **330,000 outstanding contracts**

2008 COMMERCIAL BANKING OUTLOOK

COMMERCIAL BANKING

RETAIL

CORPORATE

Revenues		<ul style="list-style-type: none"> ■ Growth driven by volumes and cross selling on new customer base 		<ul style="list-style-type: none"> ■ Growth with increasing fees and RWA management
Operating costs		<ul style="list-style-type: none"> ■ Cost savings, driven by Capitalia restructuring to finance growth projects 		<ul style="list-style-type: none"> ■ Synergies with Capitalia to fund growth in leasing and international projects
Cost of risk		<ul style="list-style-type: none"> ■ Slight increase expected, driven by macroeconomic trend 		<ul style="list-style-type: none"> ■ CoR slightly increasing due to the worsening of economic cycle
Net Income		<ul style="list-style-type: none"> ■ Growth reflecting good performance at operating level and effective risk management 		<ul style="list-style-type: none"> ■ Growth benefiting from operating leverage

CONCLUSIONS

- **Macro environment resilient and confirmed healthy growth in CEE**
- **Strong commercial banking platform, well set to deliver growth with:**
 - ✓ **Restructuring potential in Italy**
 - ✓ **Growth enhancing initiatives in the CEE Region**
- **Low visibility on financial markets in 2008, but MIB/AM franchise remains solid**

**STRONG, RESILIENT AND DIVERSIFIED FRANCHISE, READY TO COPE WITH
TURBULENT TIMES**

DISCLAIMER

- Pursuant to article 154-BIS, paragraph 2, of the “Consolidated Law on Financial Intermediation“ of February 24th, 1998, Ranieri de Marchis, in his capacity as Senior Manager in charge of drawing up UniCredit S.p.A.’s company accounts, declares that the accounting information related to the Consolidated Results as at December 31st, 2007, contained in this document are provided in conformity against document results, books and accounts records.

* * * * *

- Pro-forma data show a hypothetical situation and therefore, they are not meant to represent in any way a present or future economic situation of the UniCredit Group.
- The new Group was formed on October 1st, 2007 subsequent to the effective merger of Capitalia in UniCredit. The combined pro-forma income statements at December 31st, 2006 & 2007 (Group and Divisional) include results related to the whole year for Capitalia Group and were prepared for purely illustrative purposes, showing results as they might have been obtained in case the merger with Capitalia S.p.A. had actually taken place at the beginning of each year.
- The forward-looking information contained in this presentation has been prepared on the basis of a number of assumptions which may not come true in the terms taken into consideration. As a consequence, actual results may vary significantly.
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