



UNICREDIT GROUP

Strategic prospects in a competitive environment

Alessandro Profumo
Chief Executive Officer

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STRATEGIC PROSPECTS IN A COMPETITIVE ENVIRONMENT

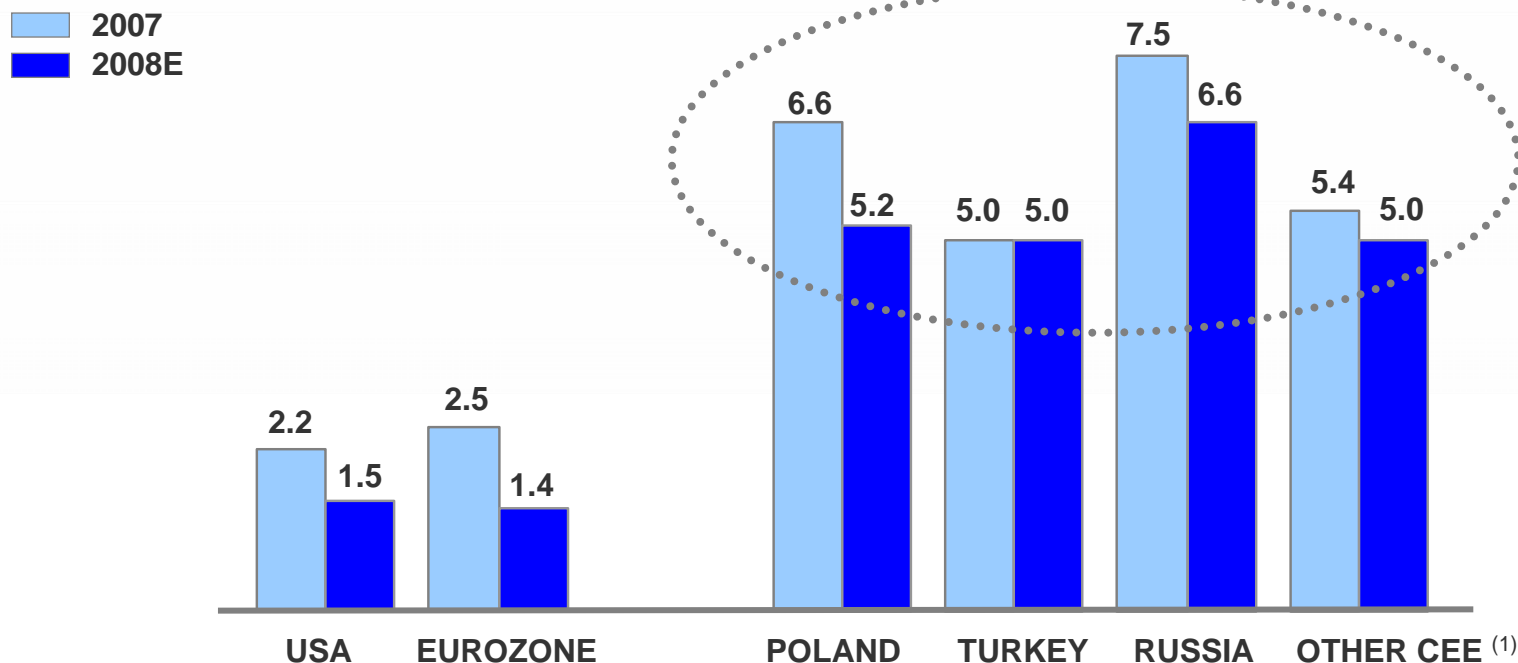
- **Macro environment expected resilient in Europe and supporting growth in CEE**
- **UniCredit: unique, solid franchise...**
 - ✓ strong network
 - ✓ leadership in key Countries
- **...with proven and effective business model...**
 - ✓ diversified revenue base
 - ✓ effective organization
- **... well set to deliver results thanks to restructuring potential and organic growth**

AGENDA

- **Current market conditions**
 - UniCredit: unique franchise and effective business model
 - Restructuring and growth potential
 - Update on Court ruling on BA-CA transfer

MACROECONOMIC SCENARIO: GROWTH DECREASING IN 2008, BUT STILL HIGH IN CEE

Real GDP y/y % ch.



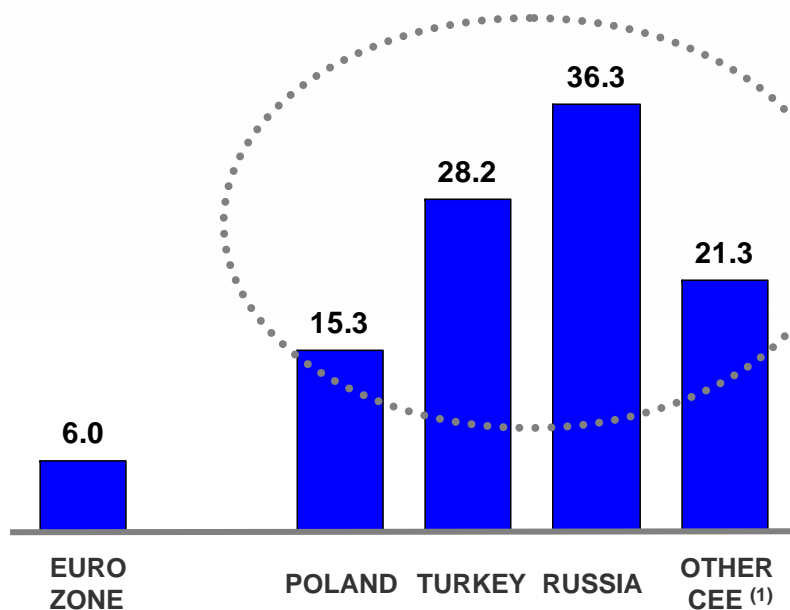
**ALTHOUGH WE EXPECT AN OVERALL MACROECONOMIC SLOWDOWN
CEE COUNTRIES SHOULD CONTINUE TO GROW ROBUSTLY**

Source: Unicredit Research Network, January 2008

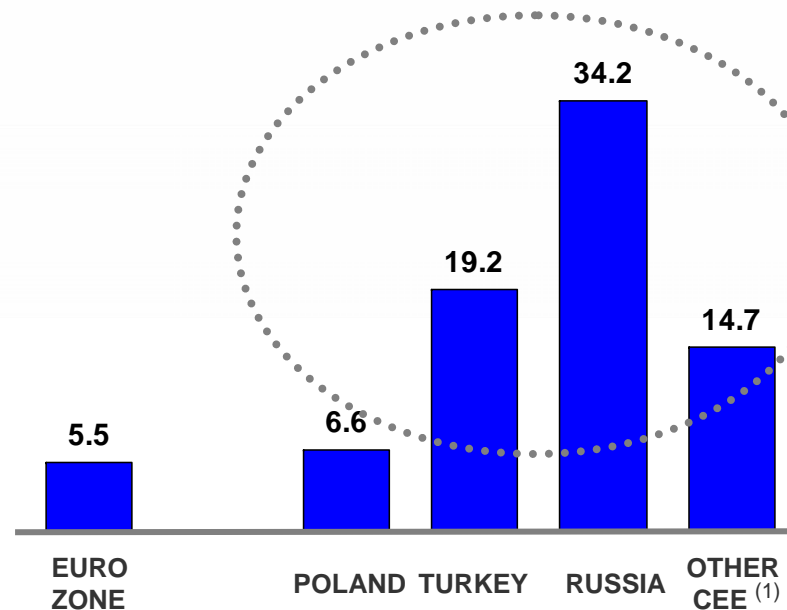
⁽¹⁾ Includes BG, HR, CZ, HU, RO, SK, SI, BiH, UA, Serbia and the Baltics. PL, TK, KZ and RU are excluded

BANKING SECTOR INDICATORS SHOW STILL ROOM FOR GROWTH, PARTICULARLY IN THE CEE REGION

TOTAL LOANS 2008E y/y % ch.



TOTAL DEPOSITS 2008E y/y % ch.

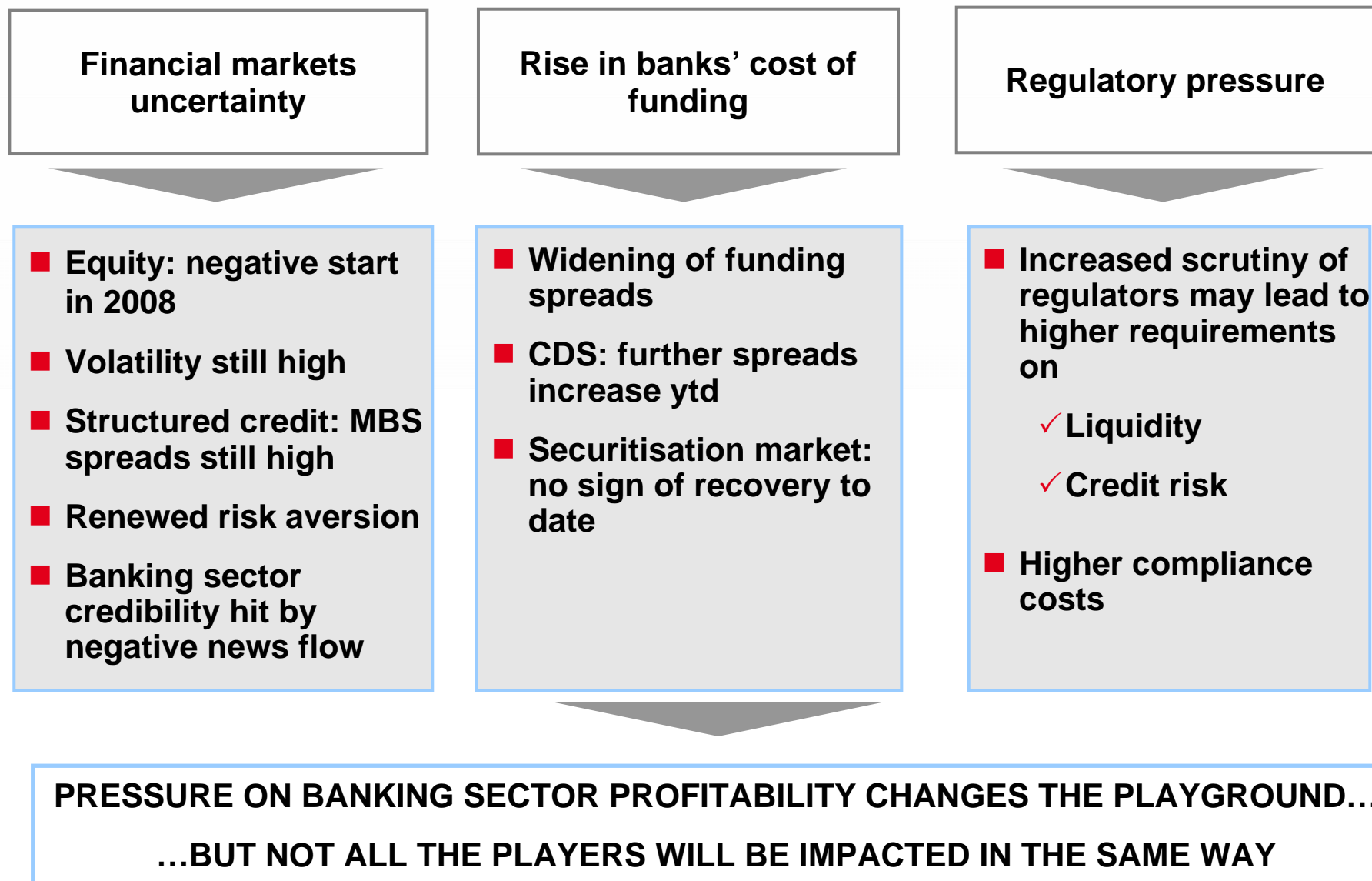


CEE BANKING SECTOR IS GROWING AT HIGH SPEED; WE MAINTAIN A POSITIVE OUTLOOK DESPITE A MORE CHALLENGING INTERNATIONAL ENVIRONMENT

Source: Unicredit Research Network, January 2008

⁽¹⁾ Includes BG, HR, CZ, HU, RO, SK, SI, BiH, UA, Serbia and the Baltics. PL, TK, KZ and RU are excluded

UNCERTAINTIES WEIGH ON THE OUTLOOK AND MAY EVENTUALLY DRAG DOWN BANKS PROFITABILITY



SOUND RISK CONTROL AND DIVERSIFICATION LIMITING IMPACT OF CREDIT MARKET TURMOIL

| | |
|------------------------------|---|
| US SUBPRIME | <ul style="list-style-type: none"> ■ Small initial exposure to US subprime (3Q07 246 mln) reduced steadily during quarter (4Q07 ~170 mln) |
| CONDUITS | <ul style="list-style-type: none"> ■ Bavaria TRR (approximately 50% of conduit exposure) on schedule for redemption by late February, without credit losses ■ Other Conduits consolidated in full year 2007 with no meaningful impact on Core Tier I |
| MONOLINE INSURERS | <ul style="list-style-type: none"> ■ Exposure limited in the context of the Group's overall operations <ul style="list-style-type: none"> ✓ ~20 mln direct exposure across various insurers; no ACA exposure ✓ Indirect exposure via ABS wraps and Tender Offer Bond programs well diversified across many individual securities issues and monoline insurers ✓ Negligible positions in structured bonds backed by US prime and subprime residential mortgages (18mln) |
| STRUCTURED CREDIT | <ul style="list-style-type: none"> ■ Structured credit portfolio negatively affected by weak 4Q market conditions; P&L impact consistent with good quality of assets (94% rated AAA-A) |
| LEVERAGED LOANS | <ul style="list-style-type: none"> ■ Steady reductions in underwriting portfolio (3Q07 5 bn) during quarter (4Q07 4.7 bn). Key exposures remain strong credit stories |





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EXCELLENT POSITIONING IN EUROPE, UNIQUE PLATFORM IN CEE



Country positioning, **loans mkt share**

| | | | |
|--|---|---|---|
|  Italy: #2, 16.6% |  Bulgaria: #1, 18.6% |  Czech Republic: #4, 10.1% |  Ukraina: #4, 6.2% ⁽²⁾ |
|  Germany: #3, 4.3% |  Bosnia & Herzegovina: #1, 20.8% |  Hungary: #7, 5.6% |  Slovenia: #5, 6.4% |
|  Austria: #1, 18.3% |  Croatia: #1, 23.5% |  Kazakhstan: #5, 9.8% | Baltics: #7-9, 0.6-2.7% |
|  Poland: #1, 18.8% ⁽¹⁾ |  Romania: #4, 6.8% |  Russia: #6, 1.8% |    |
|  Turkey: #4, 10.2% |  Slovakia: #4, 10.8% |  Serbia: #6, 4.6% | Minor presence in: |
| | | |  Tajikistan  Kirghizstan  Azerbaijan |

Source: UniCredit as of 31/12/2006 (I, D & A figures as at Sep07); Ranking and market shares on total loans as at Dec06 based on local countries' IAS/LAS

⁽¹⁾ ~17.4% net of BPH 200; ~22,000 FTEs net of BPH 200; ~1,100 branches net of BPH 200

⁽²⁾ Market share and Ranking including USB

A POWERFUL COMBINATION OF DISTRIBUTION AND PRODUCTION CAPABILITIES

DISTRIBUTION NETWORK WITH FURTHER GROWTH POTENTIAL

- **~6,000 retail branches** across Italy, Germany and Austria
- **~3,700 branch network in CEE**, across 20 Countries
- **Over 320,000 Corporate customers**
- **European leader in on-shore Private Banking** with top 3 position in Germany, Italy and Austria
- **Well-honed divisional model, based on effective governance**
- **Service models specialized by customer segment**

STRONG COMPETENCES IN GLOBAL PRODUCTS/SERVICES

- **Global asset managements**, with ~280 bn AUM⁽¹⁾
- **Markets and Investment Banking**: a European regional specialist focusing on selective product segments
- **Consumer financing**: ~6 mln customers in 16 Countries, ~15 bn loans outstanding
- **Global Leasing**: 1st European player⁽²⁾, with presence in 18 Countries
- **Global Transaction Banking**: Global Business Line (~1.6 bn FY07 revenues groupwide), providing innovative trade finance/cash management solutions

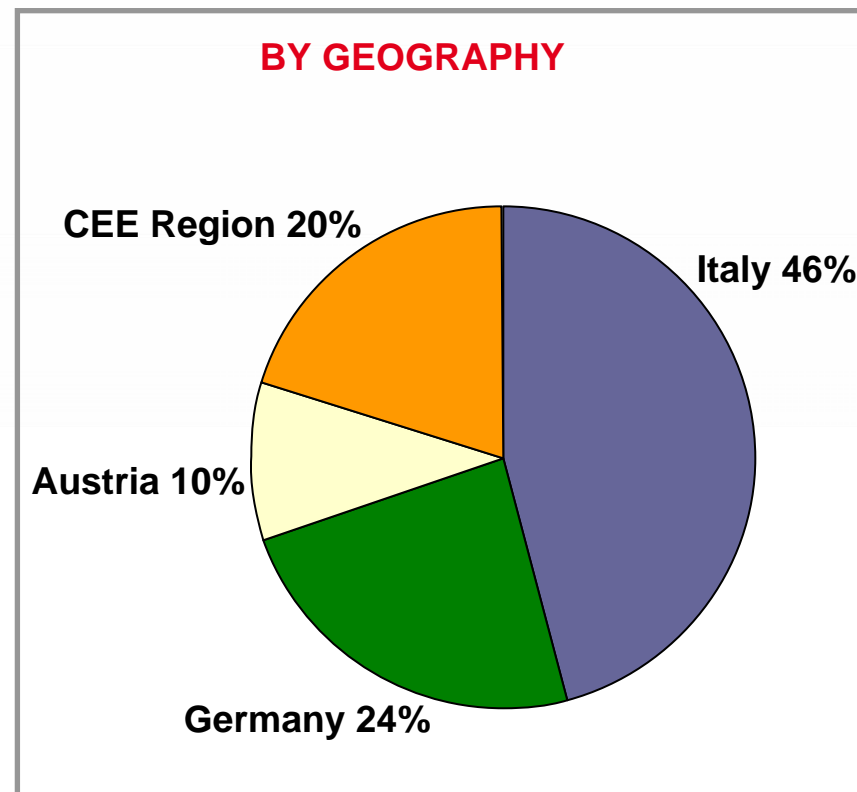
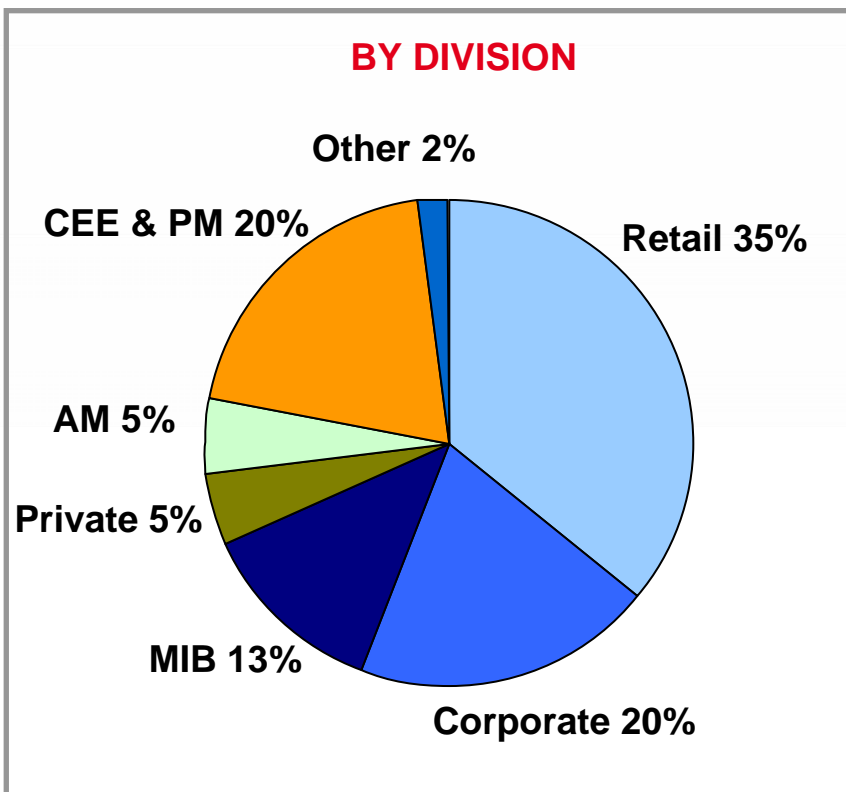
A WELL DESIGNED ENGINE, WHICH CAN LEVERAGE ON MANY STRENGTHS

⁽¹⁾ Data as at 30.09.07, including assets under administration

⁽²⁾ As for 2006 new business

A WELL DIVERSIFIED PORTFOLIO ACROSS GEOGRAPHIES AND BUSINESSES

TOTAL REVENUE BREAKDOWN



SIGNIFICANT DIVERSIFICATION WITH STRONG COMMERCIAL BANKING FOOTPRINT

EFFECTIVE, UNIQUE BUSINESS MODEL BASED ON DIVISIONALIZATION

DIVISIONALISATION BY CLIENT SEGMENT

- Proven success of Divisional Model: S3 project launched in 2001
- Increased knowledge of customer needs, tailored service models
- Full management focus and accountability

GLOBAL BANKING SERVICES DIVISION AS GROUP EXECUTION MACHINE

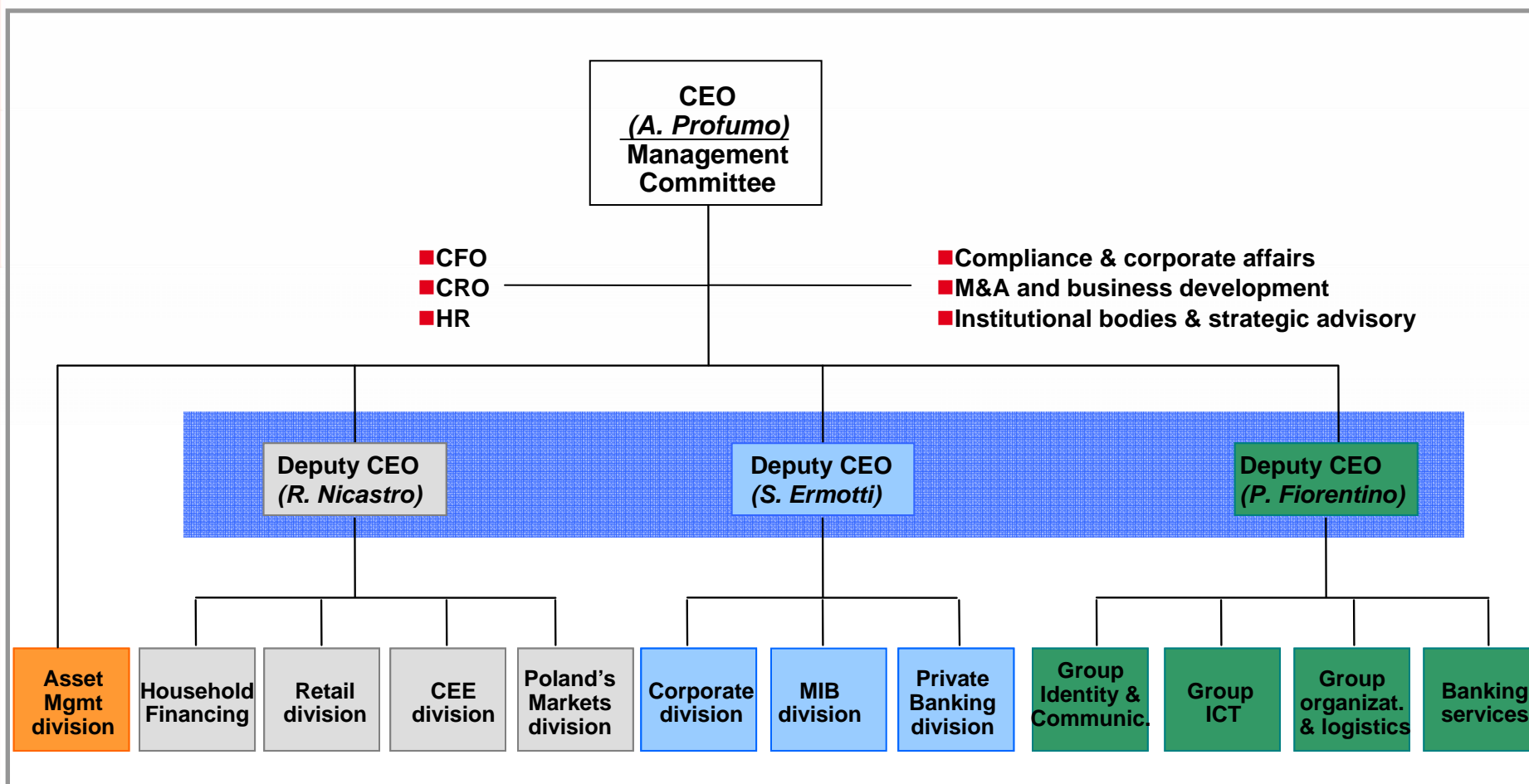
- Strong control on costs
- Centralised IT governance

MULTI-LOCAL APPROACH

- Maintaining the main existing local legal entities
- Fine tune to the characteristics of each market
- Leverage on already highly recognised brands

- DIVISIONAL MODEL SUCCESSFULLY INTRODUCED IN INTERNATIONAL CONTEXT
- ROLLOVER TO CAPITALIA ALREADY IN 2008

ORGANISATIONAL STRUCTURE FURTHER REFINED TO ENHANCE UCI'S DIVISIONAL MODEL AS A KEY TOOL TO EXTRACT VALUE



3 DEPUTY CEOs APPOINTED TO ENSURE STRONG RESPONSIBILITIES SHARING

AGENDA

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- UniCredit: unique franchise and effective business model
- **Restructuring and growth potential**
- Update on Court ruling on BA-CA transfer

UNICREDIT'S RESTRUCTURING AND GROWTH POTENTIAL

CAPITALIA

- Restructuring full on track, accelerating on synergies
- Bridging productivity and penetration gap

CEE

- Significant opportunities thanks to both growth and restructuring potential

PRODUCT FACTORIES

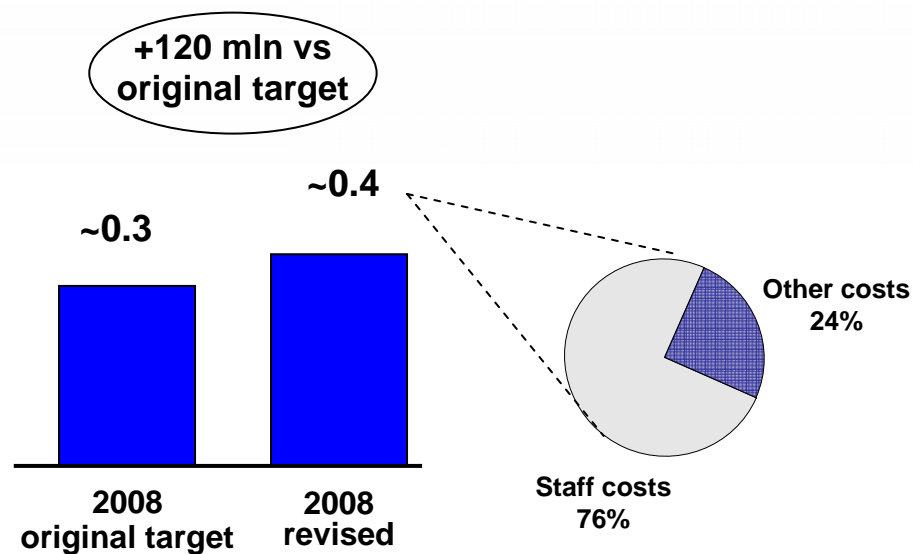
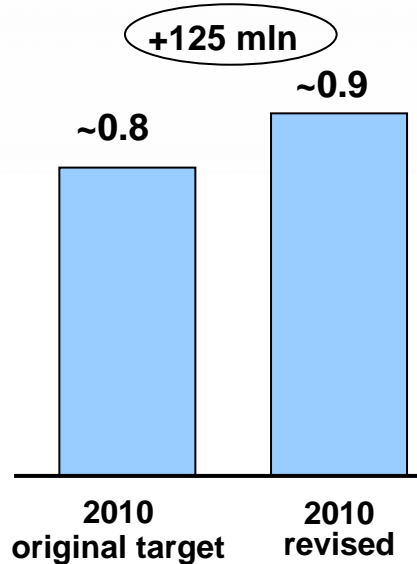
- Additional value from Global Product Factories / Business Lines

CAPITALIA COST SYNERGIES HIGHER AND ANTICIPATED

GROSS COST SYNERGIES, BN

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

... with accelerated delivery in 2008



SET TO DELIVER A QUICK INTEGRATION

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

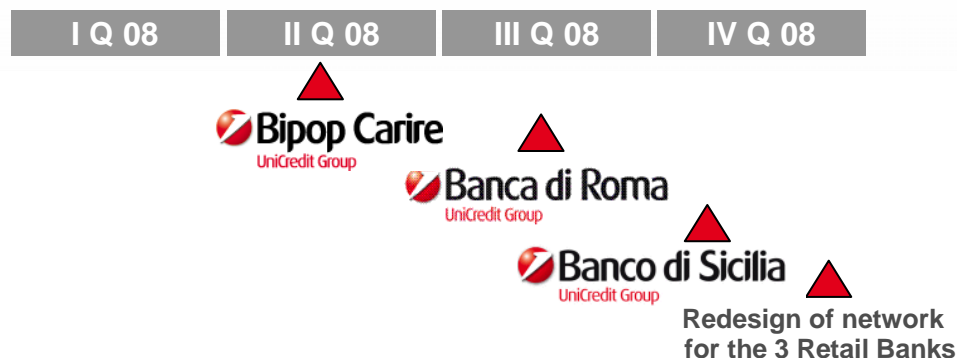
HUMAN RESOURCES RIGHTSIZING: ~7,800 HEADCOUNTS JOINED THE EXIT PLAN, 61% OUT BY 2008

- Quick rightsizing management with results above expectations
- ~14% of Italian employees joined
- Single biggest restructuring ever done in the Italian banking system

| | 2007 | 2008 | 2009 | 2010 |
|--|--------|--------|--------|--------|
| | | | ~1,600 | ~1,400 |
| | ~2,000 | ~2,800 | | |

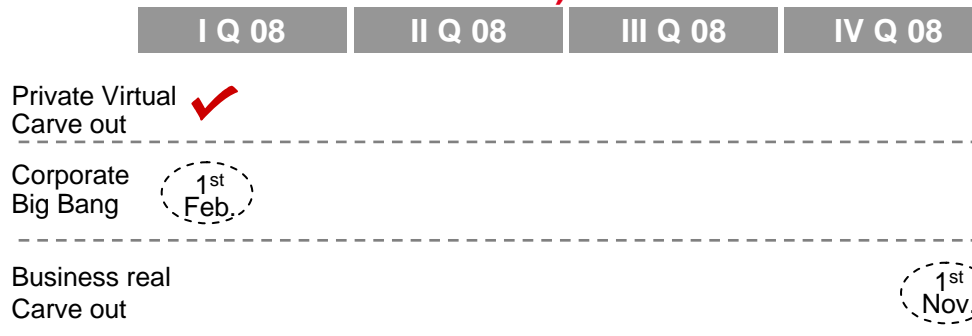
SINGLE IT PLATFORM: BY NOVEMBER 1, 2008

- Common business and operating model
- Common governance structure, eg. Credit processes
- Deep view of customer information, on commercial and risk side



BUSINESS CARVE-OUT (DIVISIONALISATION OF FORMER CAPITALIA)

- Corporate "Managerial Big Bang" from February 1st: full benefits of carve-out anticipated



OTHER COSTS SYNERGIES IN 2008: KEY INITIATIVES

KEY INITIATIVES

SYNERGIES

■ IT integration & Back Office unification

~35%

■ Headquarters & Network

- ✓ Headquarters & Network reorganization
- ✓ Capitalia's foreign branches rationalization

~28%

■ Real Estate, Procurement & Work Out activities

- ✓ Reorganisation of Real Estate and Work-Out activities
- ✓ Centralisation of purchase and contracts renegotiation: telecoms, legal expenses, facility mgmt, info provider

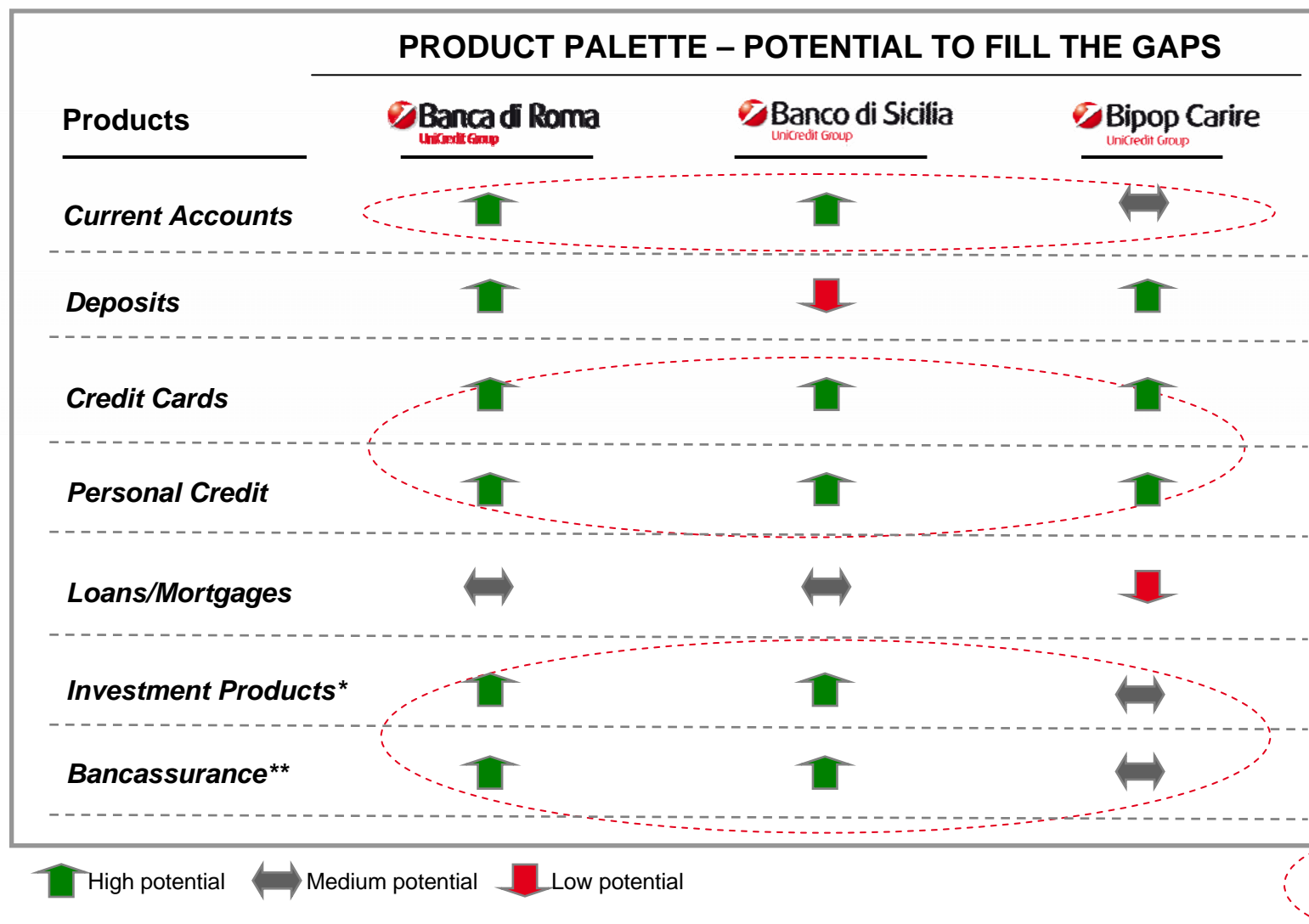
~22%

■ Product factories/Asset gathering

- ✓ Leasing & Factoring reorganization
- ✓ Asset Management rationalization
- ✓ Fineco/Xelion integration

~15%

RETAIL: SIGNIFICANT GROWTH POTENTIAL FROM BRIDGING PENETRATION GAPS IN FORMER CAPITALIA



PRODUCT SHARING INITIATIVES ALREADY LAUNCHED TO EXPLOIT POTENTIAL

* Mutual Funds + Unit Linked insurance products

** Recurring premia products

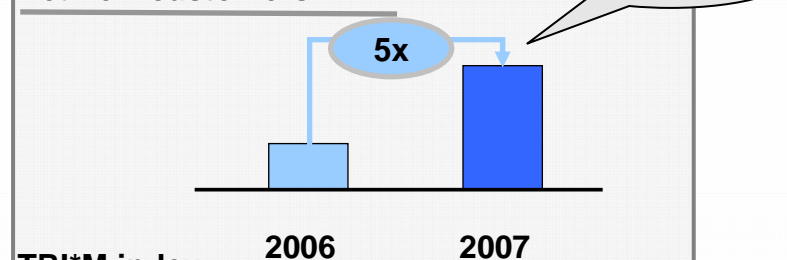
UNICREDIT BANCA: BEST IN CLASS IN SERVICING RETAIL CUSTOMERS

UniCredit Banca track record of excellence

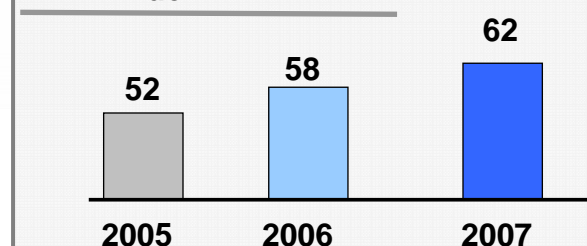
- ✓ Customer acquisition: +140,000 net new customers in 2007
 - ✓ Customer satisfaction: further improvement of TRI*m Index, up 10 points in 3 years
 - ✓ Migration towards alternative channels: branch transaction down ~10%, total transaction +12%
- Dedicated business model, with high focus on attractive segments (i.e. Affluent, Small Business)
 - Continuous product innovation

UniCredit Banca

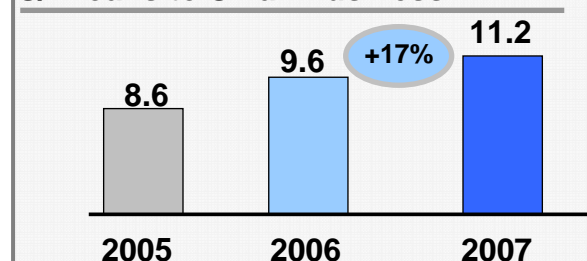
Net new customers



TRI*M index



S/T loans to Small Business⁽¹⁾



UNICREDIT BANCA BEST PRACTICE TO BE TRANSFERRED TO FORMER CAPITALIA NETWORK

⁽¹⁾Eop figures

SUCCESSFUL PRODUCTS SHARING. POSITIVE START IN 2008

Products sharing



To be launched

Capitalia network reactivity

Very good reactivity of former Capitalia network:

- **Genius:** more than 50,000 sold in less than 3 months (45% of total Accounts sold), of which 25,000 in January
- **Commercial Policy:** shift in place towards sustainable growth (management fee)
- **New Client inflows** thanks to “Trasloco Facile”, launched in October 2007

First 2008 data confirm very positive trend in Capitalia network:

- **Strong outperformance** of sales of investment products vs budget
- **Excellent reaction** from all branch managers involved

RETAIL AFFLUENT CLIENTS: WORKING TO REPLICATE UNICREDIT BANCA'S SUCCESSFUL MODEL

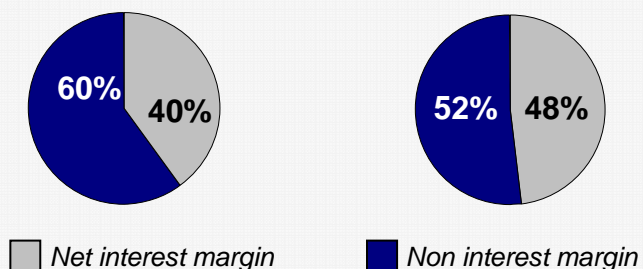
OPPORTUNITIES



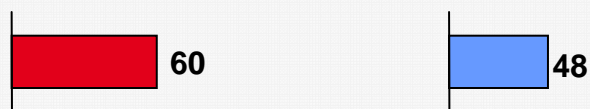
Net customer growth



Revenues breakdown



Customer satisfaction index



ACTIONS



- New product offering
- Reinforced sales force in terms of portfolio consultants
- Intensive staff training
- Renewed commercial process
- Need based, risk profiled product offer
- Careful post-sales customer follow-up
- Sales support tools already in place before full IT migration

Note: 2007 data

SMALL BUSINESS: INCREASED FOCUS ON SMALL BUSINESS PRODUCED GOOD RESULTS ALREADY IN 2007; FURTHER OPPORTUNITIES TO BE REAPED

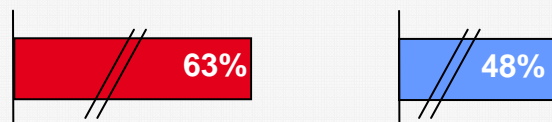
OPPORTUNITIES



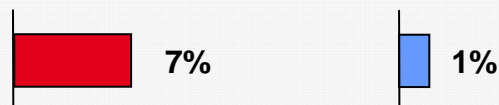
Loans growth 2006-2007



Customer with credit lines



Net customer growth



ACTIONS

BUSINESS MODEL SPECIALIZATION

- Customer acquisition dedicated channels
- Integrated management of enterprise and entrepreneur's assets
- Cost reduction on low end customers

CONTINUOUS PRODUCT INNOVATION

- Products tailored to direct channels
- Flexible products

TARGETED EXTERNAL COMMUNICATION

- Institutional events
- Targeted media campaign
- Support material / branding

CORPORATE: EXPANDING THE DIVISIONAL MODEL TO ALL OF ITALY BY 2008; FROM FOUR TO ONE NETWORK

- “Managerial Big Bang”, a series of organisational/IT measures, allows to achieve a **SINGLE GOVERNANCE** of the network already in February

UNICREDIT MODEL

ADVANTAGES

UNIFIED NETWORK & BUSINESS MODEL

- Simplified and leaner organisation, with improved service and distribution model
- Clear commercial strategy
- Unique integrated offer of corporate finance, investment banking and markets services
- Best practice sharing, leveraging on Group’s service model, tools and international exposure

UNIFIED PORTFOLIO

- Assignment of each customer to one relationship manager

UNIFIED CREDIT RISK MANAGEMENT

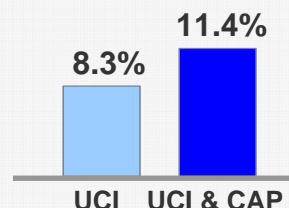
- Aligned credit processes, with single organization, underwriting and monitoring and with a better risk control

ADVANTAGES OF THE INTEGRATION ANTICIPATED OF ALMOST ONE YEAR

CORPORATE: HIGH GROWTH POTENTIAL FROM CAPITALIA INTEGRATION, WITH LIMITED CLIENT OVERLAP

New Corporate structure UniCredit & Capitalia⁽¹⁾

- **Market share in Italy up** by over 3 p.p., significantly in specific strategic region
- **Over 100,000 Customers**
- **~95 bn Customer loans**
- **6,000 employees, of which ~1,400 relationship managers**
- **280 Branches**



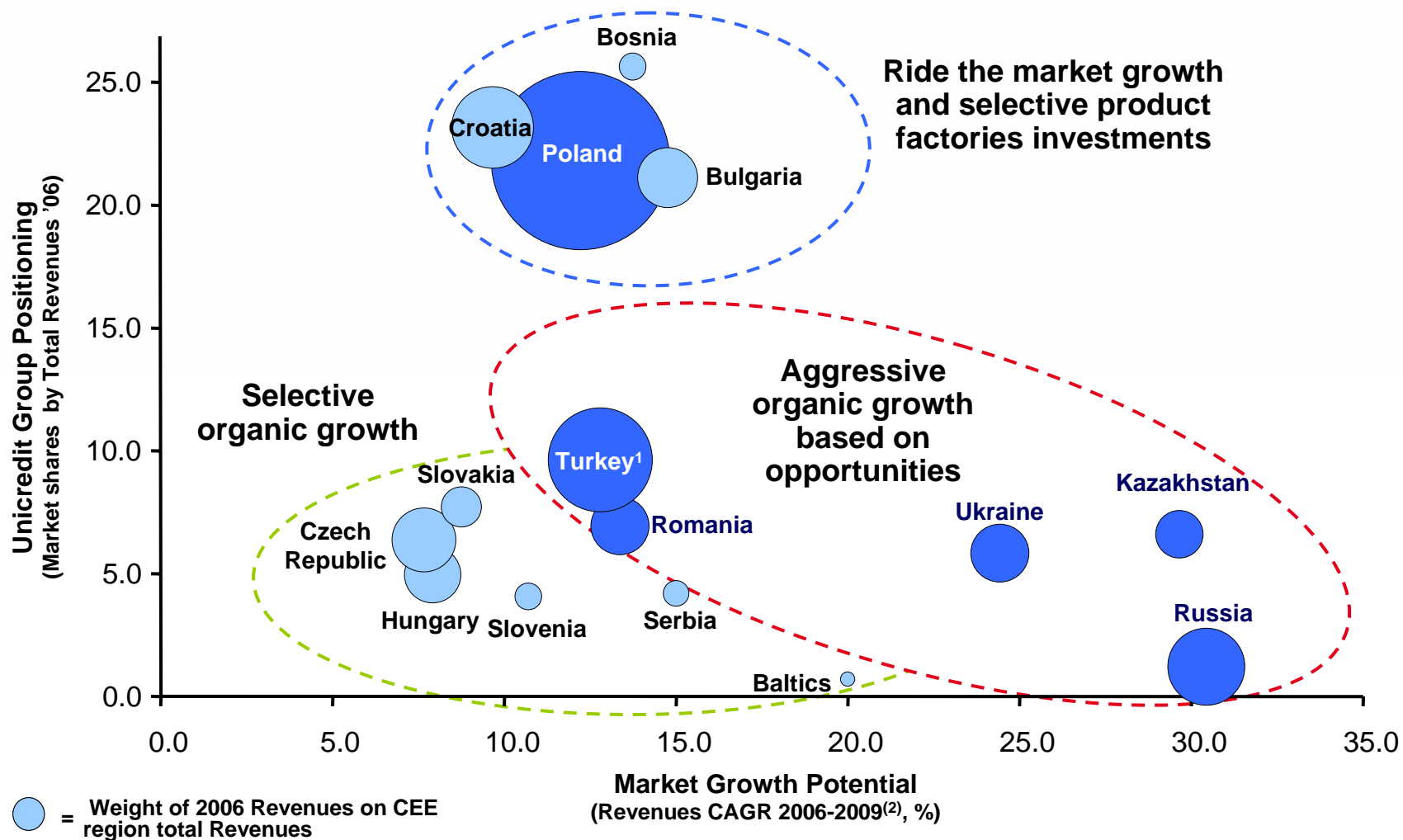
- **Lombardia** from 6.9% to **9.7%**
- **Emilia** from 11.3% to **14.2%**
- **Toscana** from 7.1% to **8.9%**
- **Lazio** from 6.7% to **11.5%**

- **Leverage on UniCredit Banca d'Impresa service model** based on different customer segment (Small, Mid and Large Corporate)
- **Considerable cross selling potential in former Capitalia** thanks to:
 - ✓ **cooperation with product's specialists** (structured finance, foreign trade finance activity, etc.)
 - ✓ **leveraging on Global Leasing & Global Factoring**
 - ✓ **enforcing** domestic as well as international transactional business activity through **Global Product Lines** (Global Transaction Banking)
- **Limited client overlap**, particularly in the more profitable SMEs segment

HUGE OPPORTUNITY TO INCREASE FORMER CAPITALIA NETWORK PROFITABILITY

⁽¹⁾ 2007 data

CEE REGION: INVESTING DRIVEN BY GROUP POSITIONING AND MARKET POTENTIAL



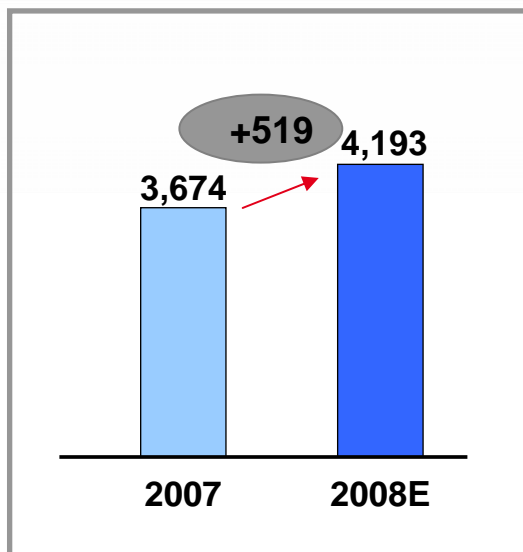
⁽¹⁾ Market revenues in 2006 adjusted for extraordinary revenues from disposal of assets

⁽²⁾ Local Currency

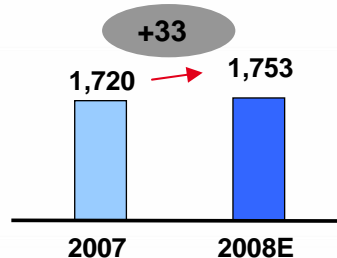
Source: UniCredit CEE Research

CEE REGION: NETWORK EXPANSION IN 2008 DESIGNED AS A KEY PILLAR OF GROWTH

BRANCHES



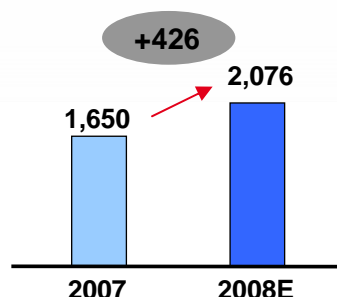
Consolidation



- ✓ Consolidating market shares
- ✓ Selective branch opening



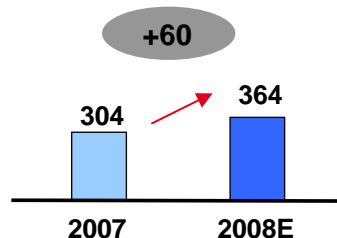
Aggressive growth



- ✓ Aggressive branch expansion
- ✓ Growing market shares
- ✓ Strong loan growth, ~+40% vs. ~+30% in the system



Selective growth



- ✓ Selective branch opening
- ✓ Selective growth in key products with increasing market shares



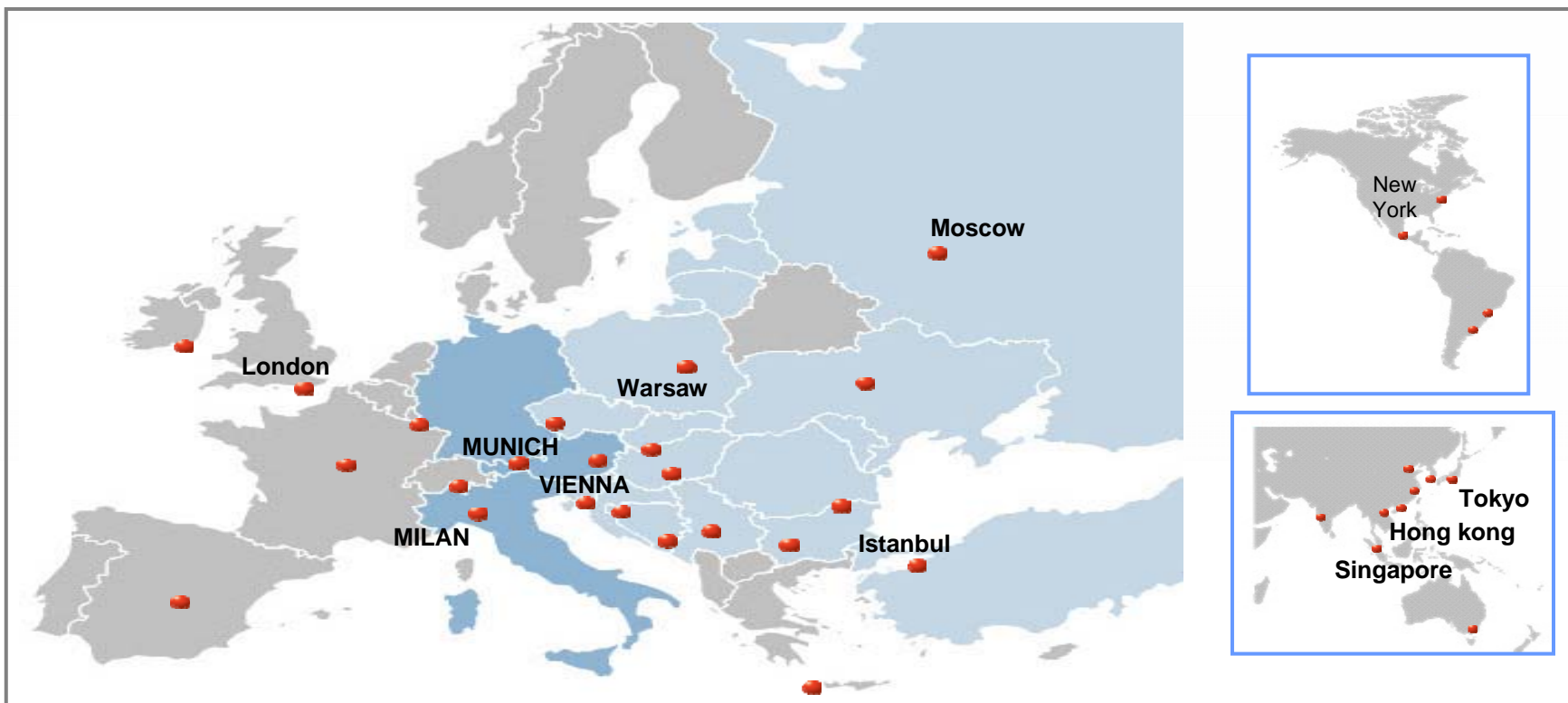
TOP BANK IN POLAND

-
- The map of Poland is divided into voivodeships, each labeled with a number representing the number of branches. The voivodeships and their branch counts are: Lublin (26), Świętokrzyskie (32), Łódź (222), Mazowieckie (88), Wielkopolskie (77), Śląskie (89), Opolskie (108), Lubuskie (81), Zachodniopomorskie (19), Pomorskie (26), Kujawsko-Pomorskie (50), Wielkopolskie (71), Łódź (20), Mazowieckie (57), and Lubuskie (66).
- Legend:
- Number of branches (indicated by the number in the circle)
 - N°1 in branch market share (dark blue)
 - N°2 in branch market share (light blue)
 - N°3 in branch market share (medium blue)
 - N°4 in branch market share (light green)

(4) *Nominal value: Net loans*

■ Best practice in cost management

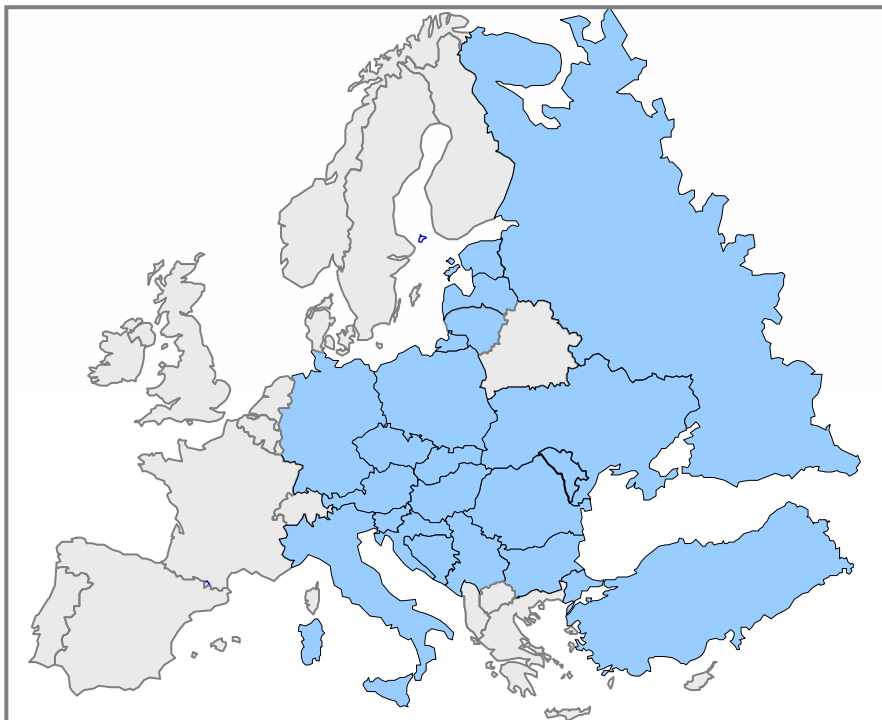
CEE REGION: ADDITIONAL GROWTH OPPORTUNITIES FROM HIGHLY COMPLEMENTARY INVESTMENT BANKING PLATFORM



- CEE: leadership in investment banking + leading network = exceptional opportunities
- Enhancing cross selling thorough co-operation and common goals
- Reinforcing organizational effectiveness thorough MIB divisionalization: Poland, Turkey, Russia and Croatia 1st wave in 1H08

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

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** in **three key segments**: Car, Real Estate and Equipment
- **27 bn total asset**
- **400,000 outstanding contracts**

- **Single point of competence** within the Group for each business line, avoiding cost duplications and maximizing cross fertilization potential
- **Increased customer penetration**, thanks to better exploitation of cross-selling opportunities in both Retail and Corporate
- **Strong focus on still under-penetrated CEE Countries**
- **Synergies from the integration of former Capitalia** product factories and from leverage on a wider network

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- Restructuring and growth potential
- **Update on Court ruling on BA-CA transfer**

UPDATE ON COURT RULING ON BA-CA AND CEE UNITS TRANSFERS

- First instance Court ruling of 31.01.2008 referring only to the validity of the resolution of the AGM of HVB which voted the transfer of BA-CA and CEE units
- It concerns pure formalities, i.e. alleged procedural deficiencies in the resolution, which can be corrected by another AGM
- The ruling contains no indication regarding fairness of the value of the transactions
- The effectiveness of the transfers is not affected by this first instance court ruling that can be duly appealed
- Next legal steps to be decided after the service of the complete written judgement
- The squeeze out process is not impacted by the ruling

NO IMPACT ON BUSINESS AND RESULTS

CLOSING REMARKS

- **Macro and sector outlook tougher than in 2007, but there is still room for growth, particularly in CEE**
- **UniCredit**
 - ✓ **has low exposure to main critical areas**
 - ✓ **can leverage on a widespread distribution network, leader in key Countries, and on strong product factories**
 - ✓ **has an effective business model based on clear organisation and governance...**
 - ✓ **..and a well diversified business mix**

A REMARKABLE BLEND OF RESTRUCTURING POTENTIAL AND GROWTH OPPORTUNITIES