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## **UNICREDIT GROUP 2008 Results**

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

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London, 18<sup>th</sup> March 2009

## AGENDA

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- **A solid franchise to face 2009 challenges**
- UniCredit Group 2008/4Q08 Results
- ANNEX

## EXECUTIVE SUMMARY

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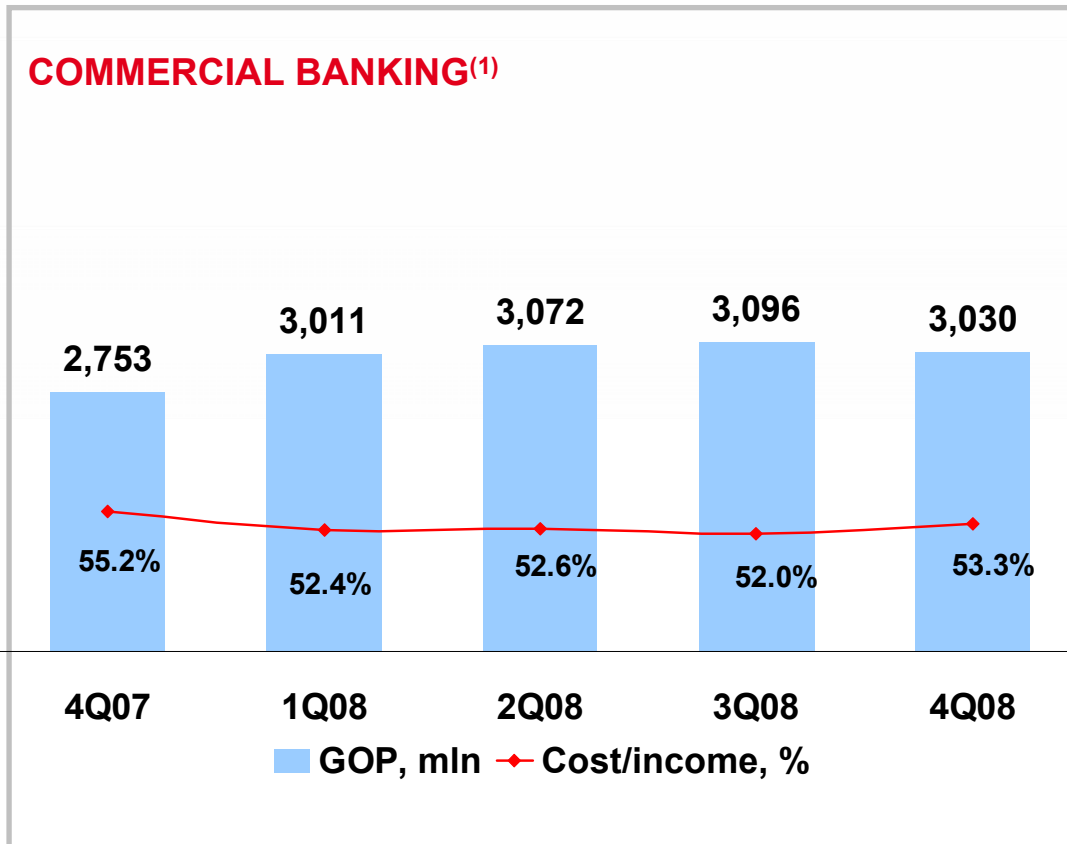
### 2008 RESULTS CONFIRM THE SOLID FRANCHISE

- 4 bn net profit delivered in 2008
- Remarkable resilience of operating profit in Commercial banking, largely due to cost efficiency
- Core Tier I at 6.5%, despite the dislocated 4Q08
- Lower RWA, decreasing assets, stable tangible book also pre capital increase
- Diversified loan book, with gross NPLs growth still contained
- Underlying profitability providing strong loss absorption capacity

### 2009 SO FAR SO GOOD

- Good start of 2009 with positive contribution of all divisions in Jan-Feb
- Continuous focus on efficiency and risk control

# COMMERCIAL BANKING EARNINGS POWER STRONG IN A DIFFICULT YEAR



■ Commercial banking delivering solid operating income also in 4Q08...

■ ...despite an already tough environment

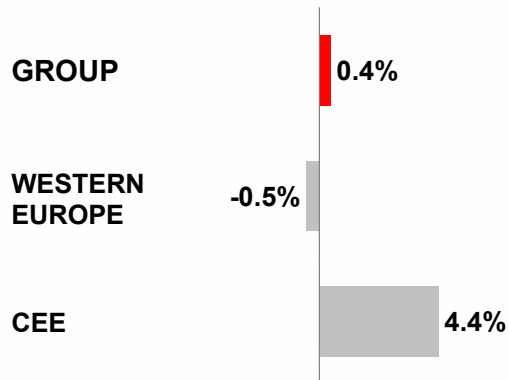
**12 BN OPERATING PROFIT IN 2008**

**UNDERLYING PROFITABILITY: A STRONG CUSHION TO COPE WITH FURTHER SLOWDOWN**

<sup>(1)</sup> Retail, Corporate, Private Banking and CEE Region. Retail figures normalized (see Retail P&L slide for details)

# GOOD DELIVERY ON COST EFFICIENCY

## OPERATING EXPENSES 4Q08<sup>(1)</sup>, y/y % growth

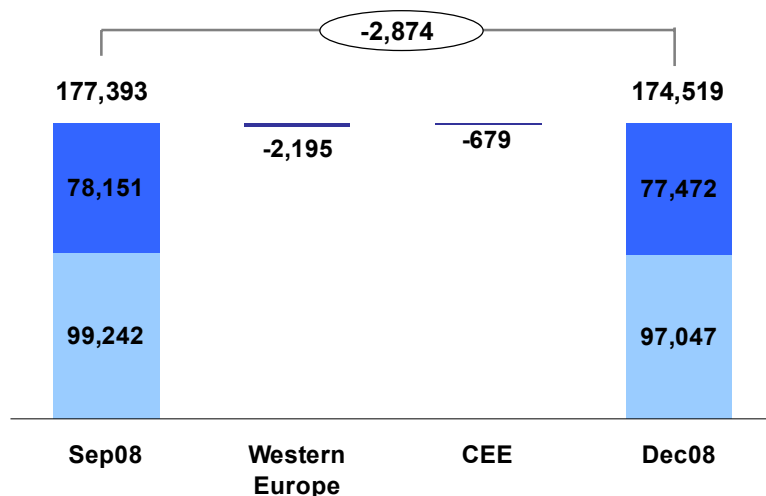


■ Good Group cost trend: +0.4% y/y normalized mainly thanks to Western Europe

■ CEE trend markedly improving thanks to high cost flexibility:

✓ +4% y/y in 4Q08 vs +14% y/y in 3Q08

## FTE 4Q08



■ Integrations and refocuses are paying:

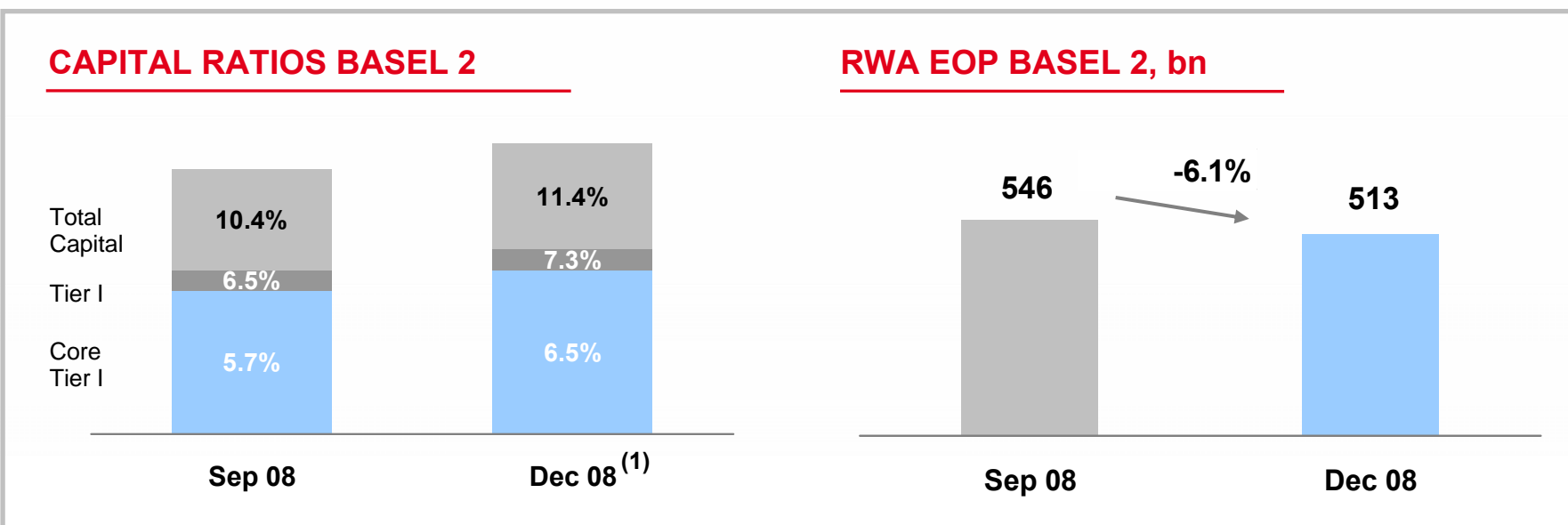
✓ Over -2,400 FTE in Retail, mainly in Italy

✓ ~ -500 FTE in Poland

✓ Reduction in both MIB and AM

<sup>(1)</sup> At constant FX and perimeter

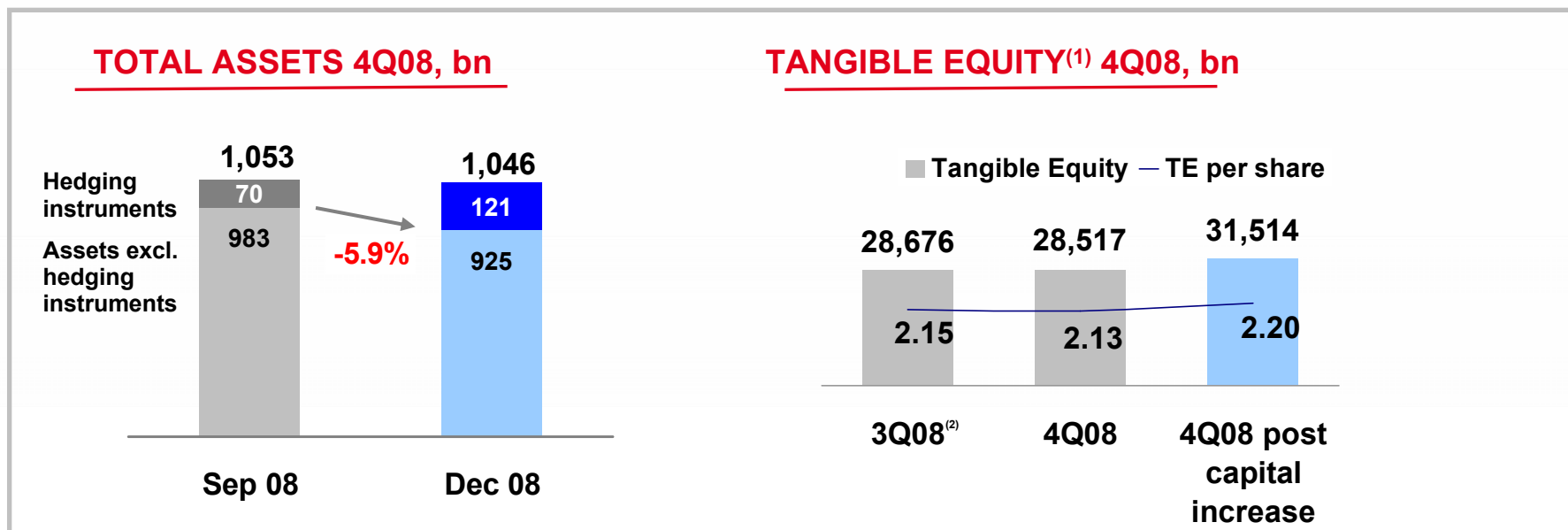
## CAPITAL POSITION: CORE TIER I +0.8 PP, RWA -6.1% Q/Q



- **Core Tier I up to 6.5%, including negative AFS reserves but excluding benefits on own bonds:**
  - ✓ Good contribution of capital increase (+59 bp)
  - ✓ Positive impact of retained earnings and RWA optimization
  - ✓ Negative impact on reserves from FX (18 bp) and AFS (5 bp)
- **RWA -6.1% q/q to 513 bn, with containment of Credit RWA, more than offsetting growth of RWA for Market risks**
- **Government capital measures only up to 4 bn offering potential to increase Core tier I to up to ~7.2%**

(1) Pro-forma for the Capital increase completed in February 2009

# DELEVERAGING ONGOING: TOTAL FUNDED ASSETS -5.9%, WITH RESILIENT TANGIBLE EQUITY DESPITE AFS AND FX ADJUSTMENTS

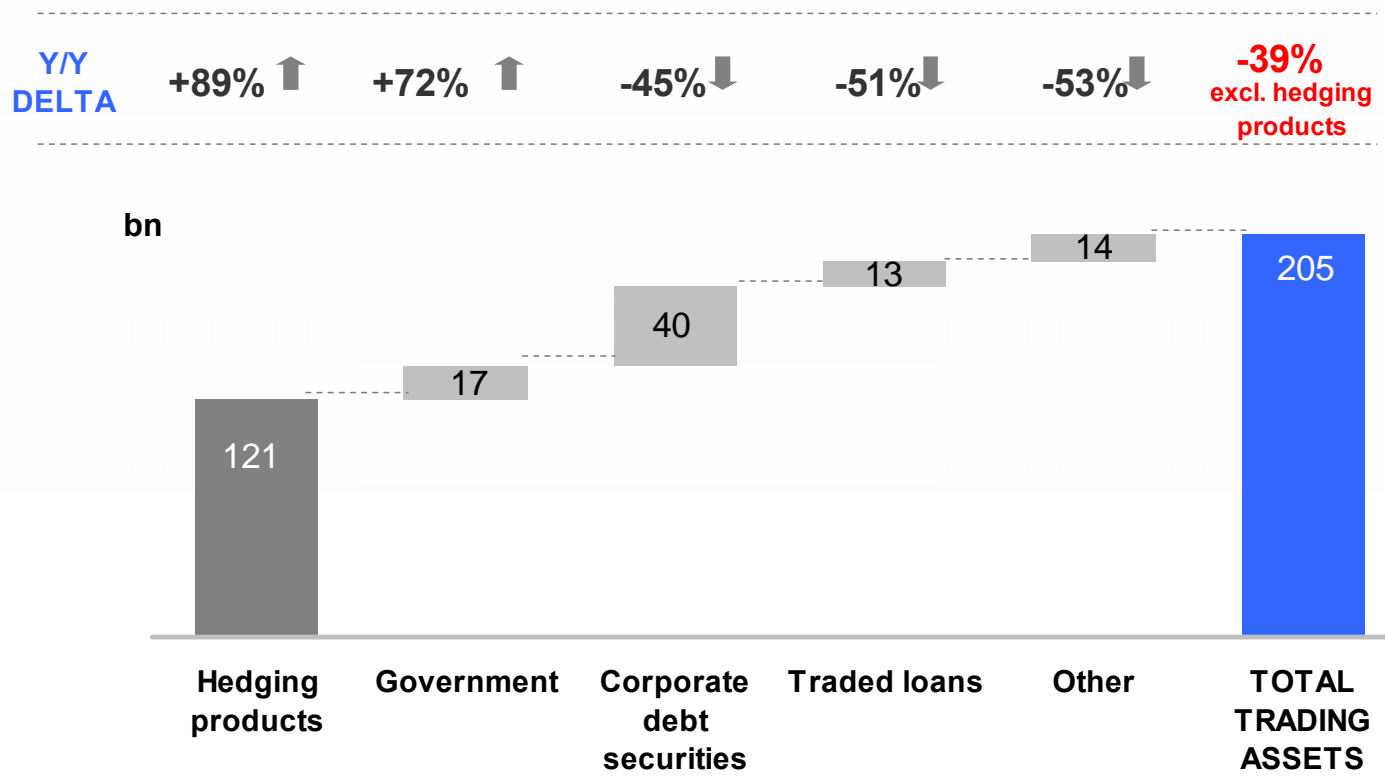


- **5.9% decline net of hedging instruments** (-4.3% at constant FX); total assets -0.7% q/q notwithstanding higher mark to market of hedging instruments (due to volatility);
- **Tangible assets/tangible equity at 32.1x in 4Q08; pro-forma for capital increase and netting of hedging instruments 27.4x**
- **Remarkable stability of tangible equity despite negative revaluation reserves, with tangible equity per share rising post capital increase (at 3.083/share)**

(1) Defined as Shareholders' equity - Goodwill - Other intangible assets

(2) Adjusted for the effect of 9M08 P&L conversion at December 2008 FX, rather than at September 2008 FX

# TRADING ASSETS: STRONG REDUCTION ALREADY DELIVERED

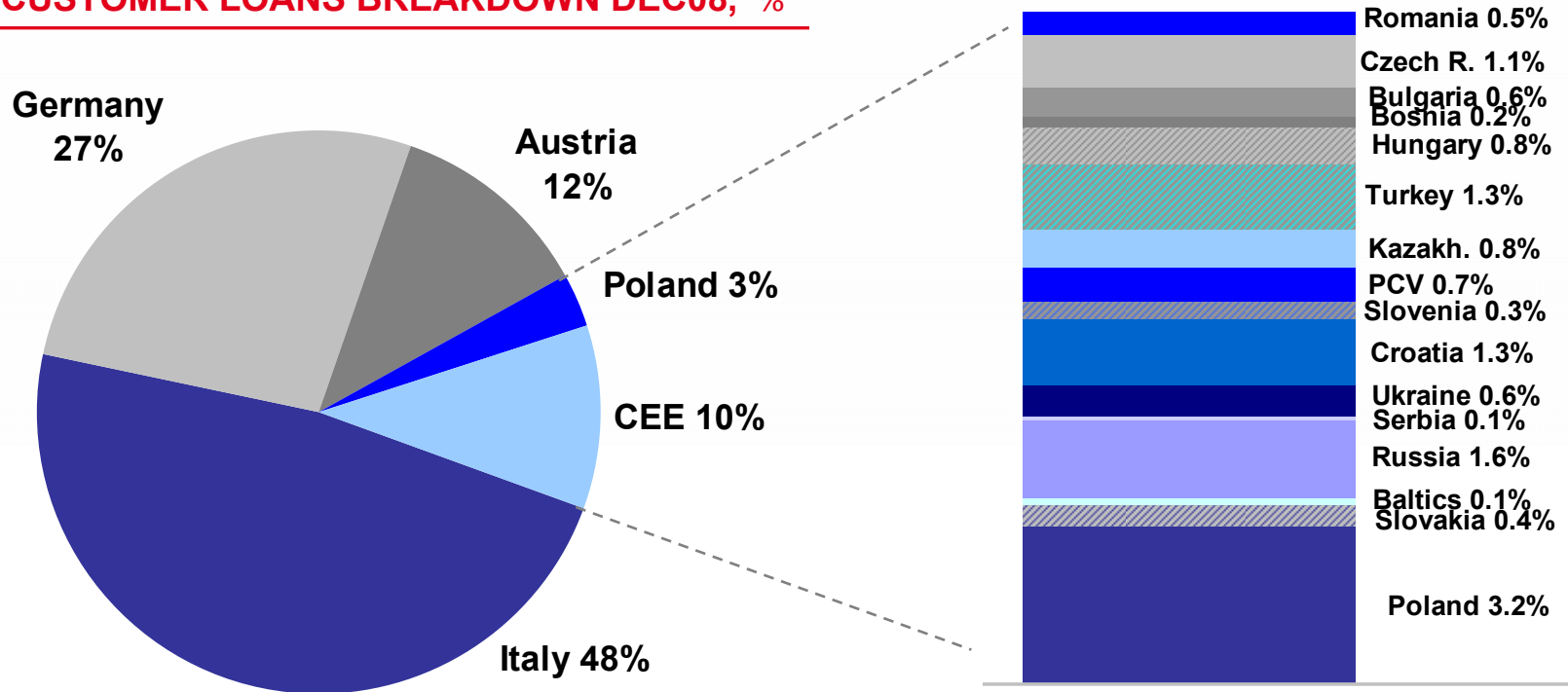


- ~60% of portfolio represented by hedging instruments: usually matched on the liability side; up in 4Q08 basically due to mark to market, mainly due to lower rates
- Portfolio net of hedging products well diversified and already significantly reduced in 2008: -39% y/y
- Focus in 2009 remaining on reduction of non core trading assets



# CUSTOMER LOANS: A DIVERSIFIED PORTFOLIO

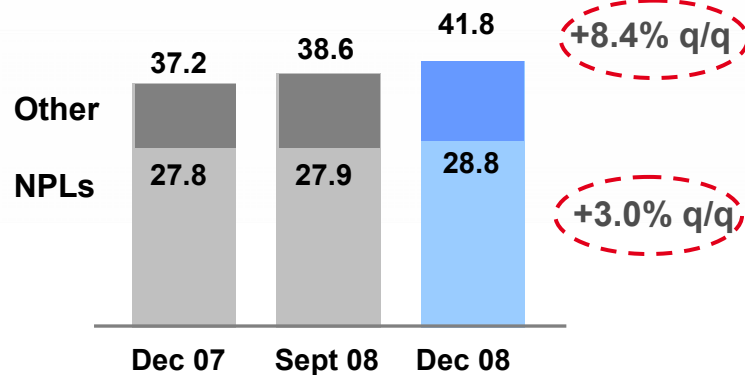
**CUSTOMER LOANS BREAKDOWN DEC08, %**



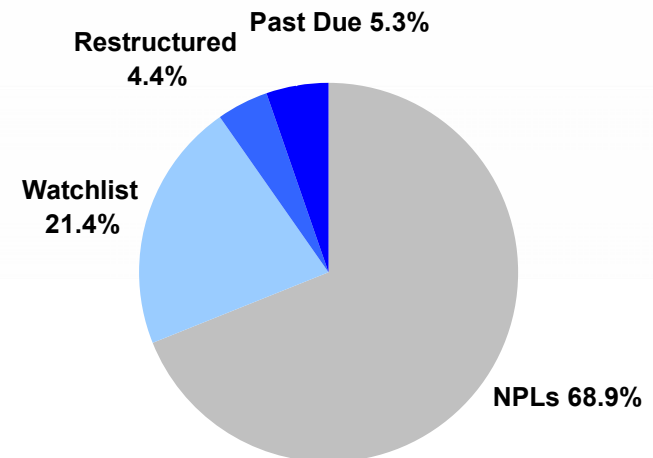
- A well diversified portfolio both in term of countries and segments
- CEE Region: a fragmented distribution, with Poland with the highest concentration at 3.2% of group total

# ASSET QUALITY: DETERIORATION MAINLY IN WATCHLIST LOANS

**GROSS IMPAIRED LOANS bn**

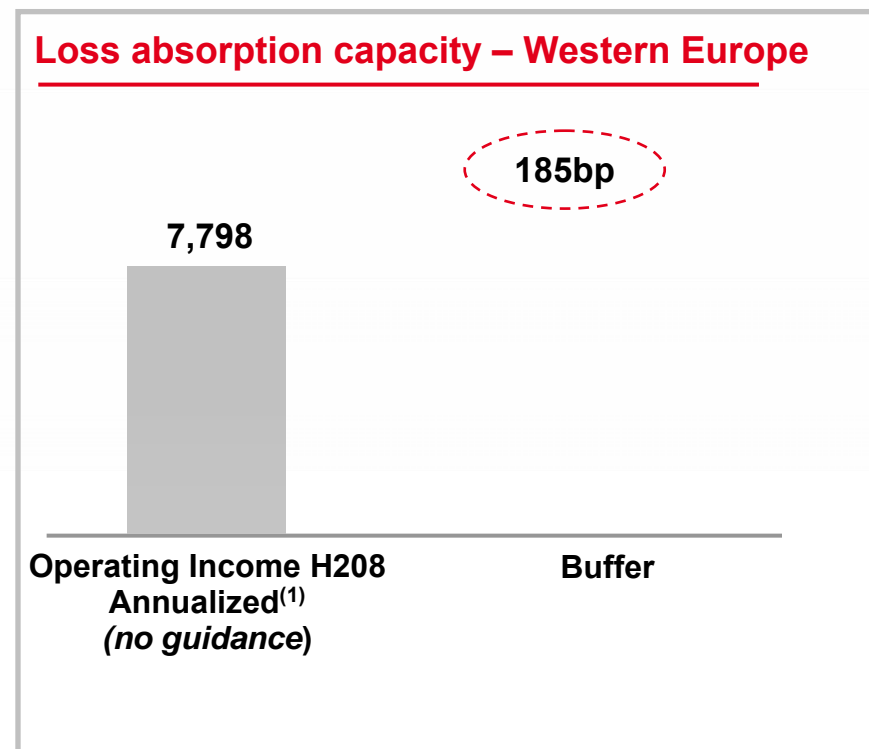
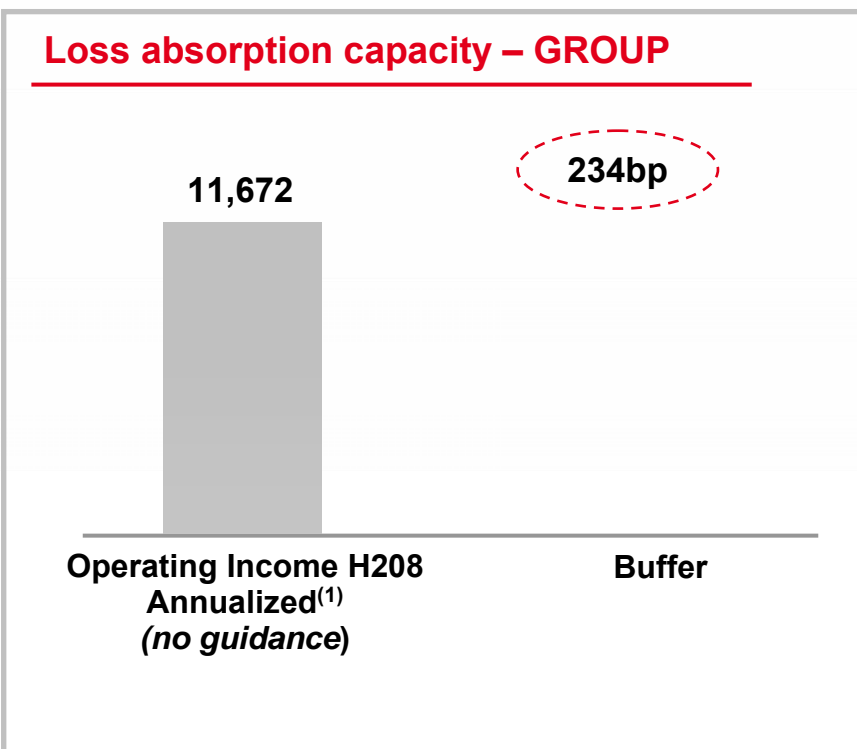


**DEC08 GROSS IMPAIRED LOANS MIX, %**



- Despite a worsening of macroeconomic scenario, gross impaired loan deterioration mainly in low severity categories, reflecting delayed payments
- Gross NPLs inflows still gradual, also helped by disposals and write-offs
- Coverage ratio decreases mainly due to write-back of excess provisions on SCP/RER in Germany and mix effect (increase in categories requiring lower coverage)

# ROBUST GROUP LOSS ABSORPTION CAPACITY

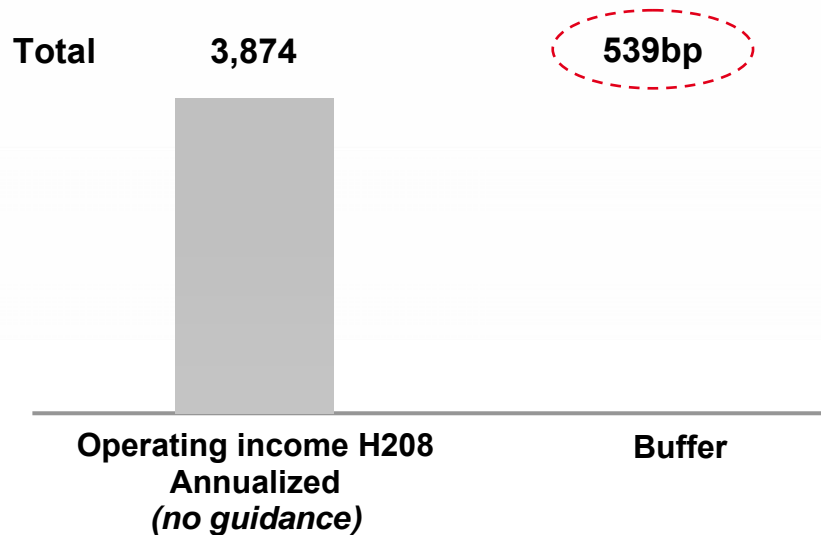


■ Annualization of 2H08 operating income shows that income generation and generic provisions would provide a buffer capable to absorb **Group loan charges for 234 bp** (Western Europe 185 bp, CEE Region 539 bp)

<sup>(1)</sup> Excl. Trading loss and B&C dividend

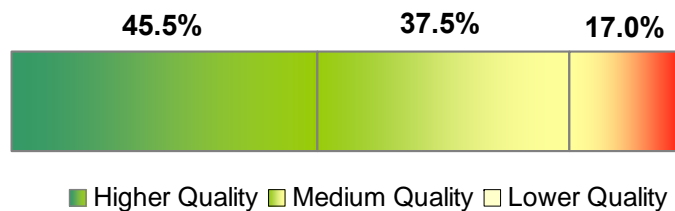
# LOSS ABSORPTION CAPACITY: FOCUS ON CEE

## Loss absorption capacity – CEE region



- Annualization of 2H08 operating income shows that **income generation and generic provisions would provide a buffer** capable to absorb CEE Region loan charges for **539 bp**
- All things being equal loss absorption capacity is **539 bp**
- Given UniCredit varied geographical mix risk loss absorption capacity allows for very high impaired loans ratio up to 40%

## Country Rating – UniCredit CEE presence<sup>(1)</sup>



(1) "Higher quality defined as above A according to Moody's ratings; "Medium quality" between Baa1 and Baa3; "Lower quality" below Ba1

## COST EFFICIENCY, REFOCUSING AND DERISKING INTO 2009: KEY PRIORITIES

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### COST EFFICIENCY

- Continue staff efficiency: 2/3 of exits expected for 2009 already done by February
- Improve cost efficiency: room identified in different areas, eg Marketing, Travel, Networking, Training and Consultants, IT (overall ~45% of 2008 Group G&A costs)

### REFOCUSING

- Primary focus on Commercial banking
- Enhance synergies between MIB and Corporate: moving towards a single division
- CEE from growth to cost focus: exploit the cost flexibility typical of the region
- Asset management back to basics: simplify products and presence

### DERISKING

- Continue RWA reduction: tackling exposures with unsatisfactory risk/return profile across all divisions, also through selective repricing
- Group wide priority to loan quality: no compromise on Retail FX lending in CEE
- Further reduction of non core assets

## UNICREDIT ENTERING INTO 2009

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- **Group franchise strength a key element in a difficult year**  
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- **Capital position already significantly improved provides a buffer, to be possibly increased via “government bond” issue**  
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- **Tough actions ongoing on costs: ~-3,300 FTE ytd in February**  
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- **Solid CEE contribution to Group results in the first months**  
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- **Positive trading revenues in Jan-Feb09**

**SO FAR SO GOOD BUT 2009 TO BE A TOUGH YEAR**

## AGENDA

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- A solid franchise to face 2009 challenges
- **UniCredit Group 2008/4Q08 Results**
- ANNEX

## EXECUTIVE SUMMARY: 4 BN NET PROFIT IN 2008

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- **Net profit of 4,012 mln in 2008 (-38% y/y). 505 mln in 4Q08 despite difficult market conditions**
- **Revenues 6,077 mln in 4Q08, -15% y/y with:**
  - ✓ **Resilient commercial banking (+2.9% y/y), with both Corporate and CEE Region delivering growth, Retail stable, and Private banking down due to lower assets**
  - ✓ **MIB down by over 900 mln y/y, impacted by crisis and market volatility**
- **Costs of 4,174 mln in 4Q08, stable y/y with costs down in all divisions save CEE (where cost actions should kick-in in 2009)**
- **Provisions for loans up to 1,328 mln, increased to face pressure on asset quality, particularly in MIB and some CEE countries**
- **Benefit from fiscal deductibility of goodwill used to offset negative non cash items below the operating line (goodwill and investment impairments)**

**EARNINGS POWER REMAINS STRONG: BUSINESS SLOWING DOWN, NOT PLUNGING**



## MAIN FIGURES

<b>mln</b>	<b>4Q08</b>	<b>q/q % change</b>	<b>y/y % change</b>	<b>y/y % ch. normalized<sup>(1)</sup></b>	<b>2008</b>	<b>y/y % change</b>	<b>y/y % ch. normalized<sup>(1)</sup></b>
Total Revenues	6,077	-9.9%	-14.6%	-15.7%	26,866	-8.9%	-11.0%
Operating Costs	-4,174	0.4%	0.9%	0.4%	-16,692	3.3%	0.0%
Operating Profit	1,903	-26.5%	-36.1%	-38.4%	10,174	-23.8%	-25.0%
Net Write-downs of Loans	-1,328	23.6%	131.8%	117.9%	-3,700	49.9%	42.2%
Other Non Operating Items <sup>(2)</sup>	-733	70.9%	61.5%	69.8%	-1,016	176.1%	189.9%
Income tax for the period	849	n.m.	n.m.	n.m.	-627	-80.5%	-82.5%
Net Income for the Group pre PPA	580	-2.4%	-53.1%	-54.9%	4,313	-34.4%	-34.5%
Net Income for the Group	505	-5.1%	-56.9%	-59.0%	4,012	-38.3%	-38.7%

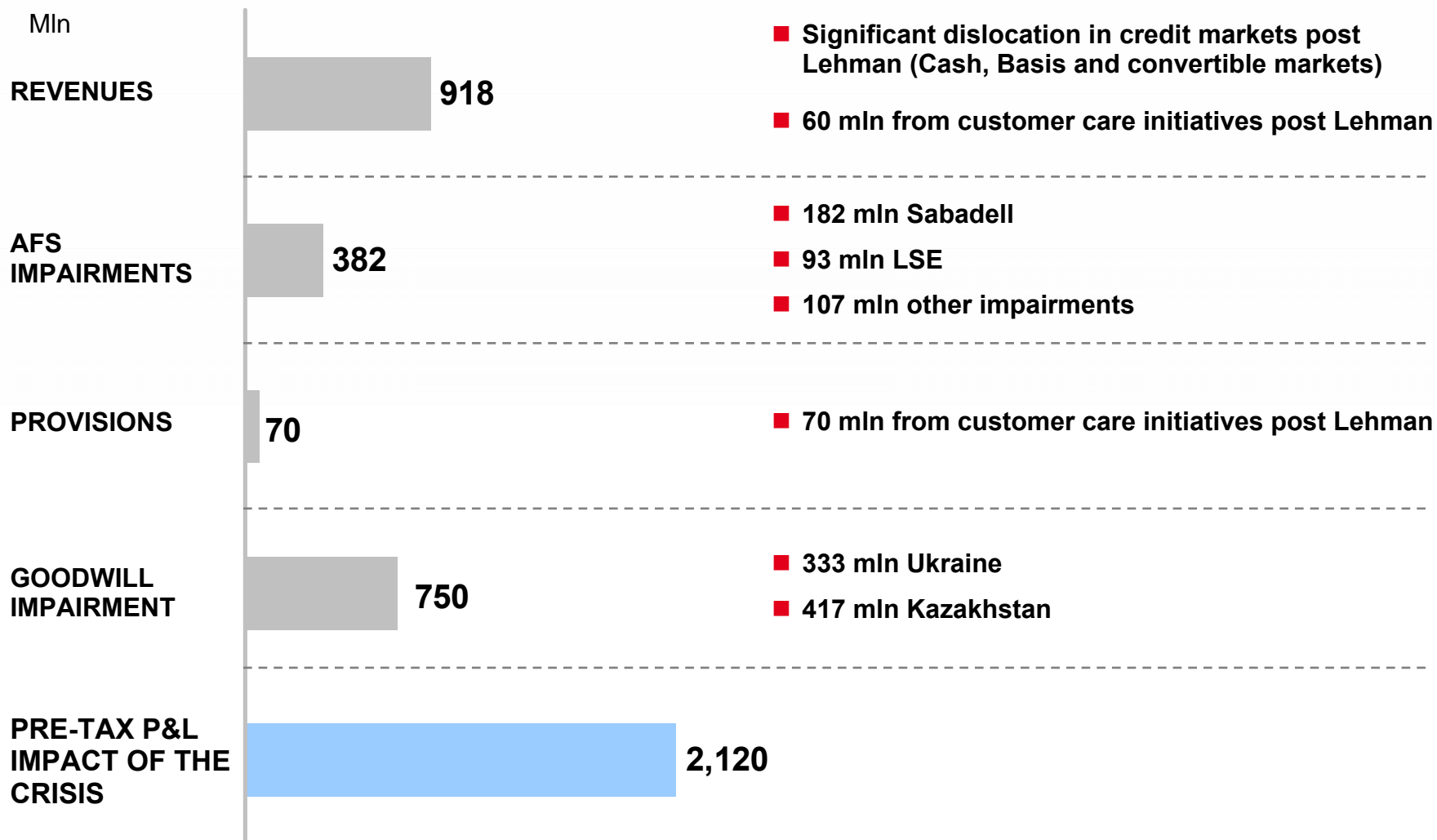
<b>KPIs</b>	<b>4Q08</b>	<b>q/q % change</b>	<b>y/y % change</b>	<b>y/y % ch. normalized<sup>(1)</sup></b>	<b>2008</b>	<b>y/y % change</b>	<b>y/y % ch. normalized<sup>(1)</sup></b>
Cost/Income ratio	68.7%	7.1 pp	10.5 pp	n.a.	62.1%	7.4 pp	n.a.
Cost of risk <sup>(3)</sup>	86 bp	16 bp	46 bp	n.a.	62 bp	17 bp	n.a.

<sup>(1)</sup> At constant FX and perimeter (ATF, Ukrasotsbank and Bank BPH)

<sup>(3)</sup> Cost of risk is cumulated and calculated on average loans

<sup>(2)</sup> Provisions for risk and charges, goodwill impairment, profit from investments and integration costs

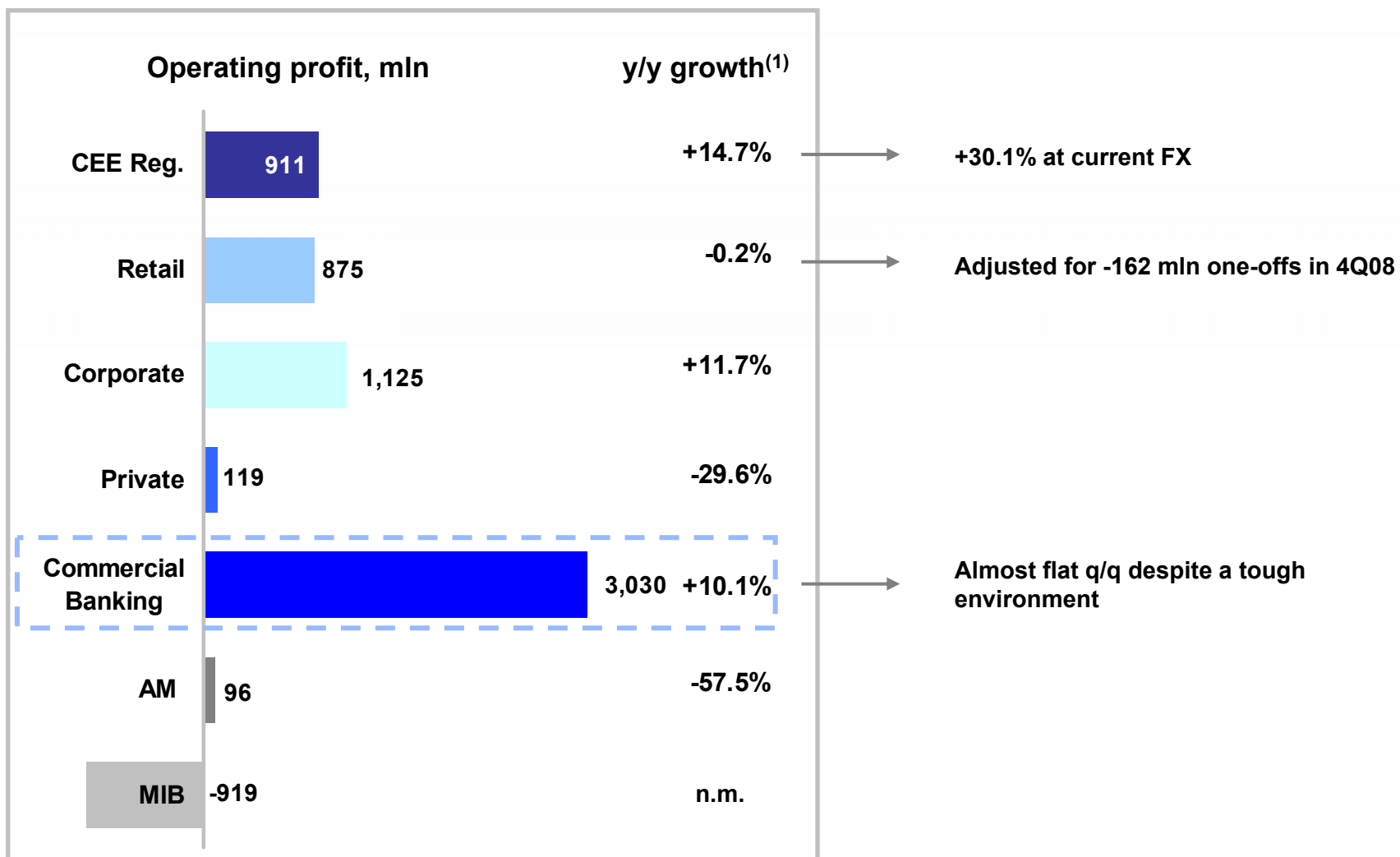
## 4Q08 NEGATIVE P&L IMPACT OF THE FINANCIAL CRISIS



4Q08 REFLECTING FINANCIAL MARKETS' DISLOCATION

# COMMERCIAL BANKING OPERATING PROFIT: +10.1% Y/Y

## 4Q08 OPERATING PROFIT

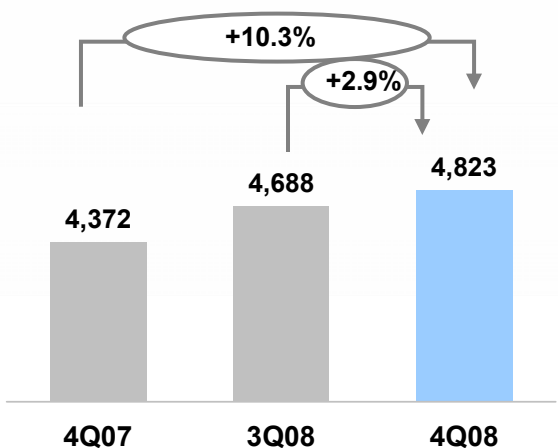


<sup>(1)</sup> CEE at constant FX and perimeter. Retail normalized for one-offs (see details P&L retail slide)

# REVENUE BY MAIN P&L LINES

## NET INTEREST<sup>(1)</sup>

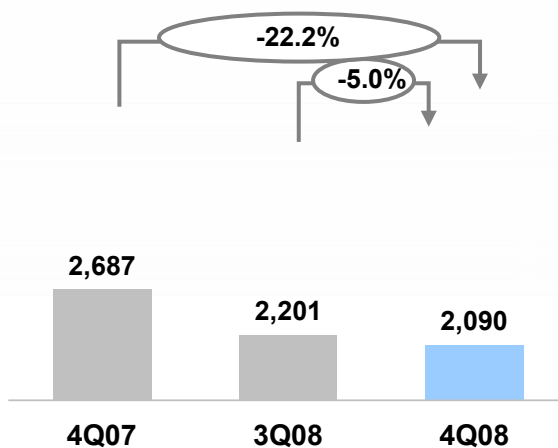
(mln)



- +10.3% y/y, with growth also q/q, despite higher funding costs in the Corporate Centre
- Commercial banking +3.7% q/q with only Poland's Markets down (due to FX)

## NET COMMISSIONS

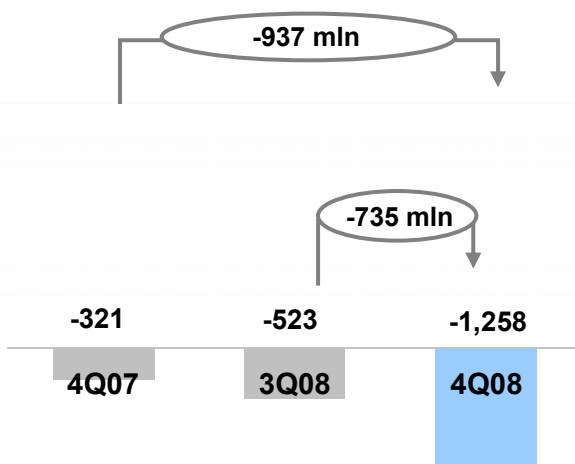
(mln)



- -22.2% y/y and -5.0% q/q mainly related to market related services
- Largest % decreases in MIB, AM and Private Banking

## TRADING INCOME

(mln)

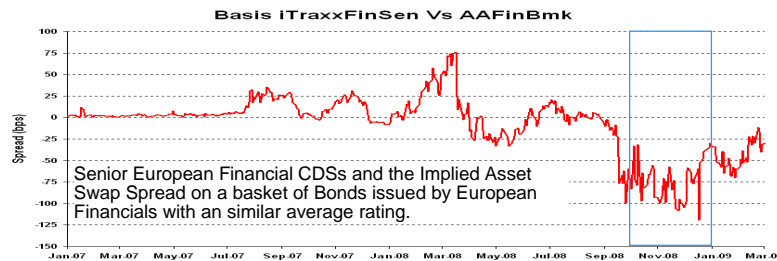


- 4Q08 reflecting a dislocated market, particularly in MIB
- No positive impact from own bonds not accounted

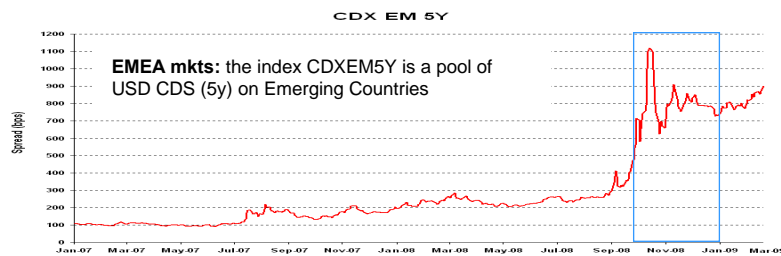
<sup>(1)</sup> Excluding dividends

# EXTREME MARKET CONDITIONS IN 4Q08 IMPACT MIB REVENUES

## ■ Basis risk gapping



## ■ Dramatic widening of credit spreads



## ■ Equity volatility exploded



## 4Q MIB TOTAL RETURN REVENUES <sup>(1)</sup>

### Impact of Basis Risk/Credit Spread widening

- Cash and basis inventories -912
- Convertibles

### Impact of market disruption and volatility

- Equities (cash & derivatives) -260
- Principal Investments

### Other businesses

- Rates & FX 594
- Investment Banking (excluding Principal Investments)

(1) Managerial view, MIB Investment Banking, MIB Markets and MIB other revenues

# OPERATING EXPENSES

## OPERATING EXPENSES 4Q08, y/y % growth

	Western Countries	CEE Region	Group		y/y	q/q
Actual	-1.2%	9.7%	0.9%	Other Costs <sup>(2)</sup>	↑ 4.2%	↑ 6.9%
Normalized <sup>(1)</sup>	-0.5%	4.4%	0.4%		Staff costs	↓ -2.2%

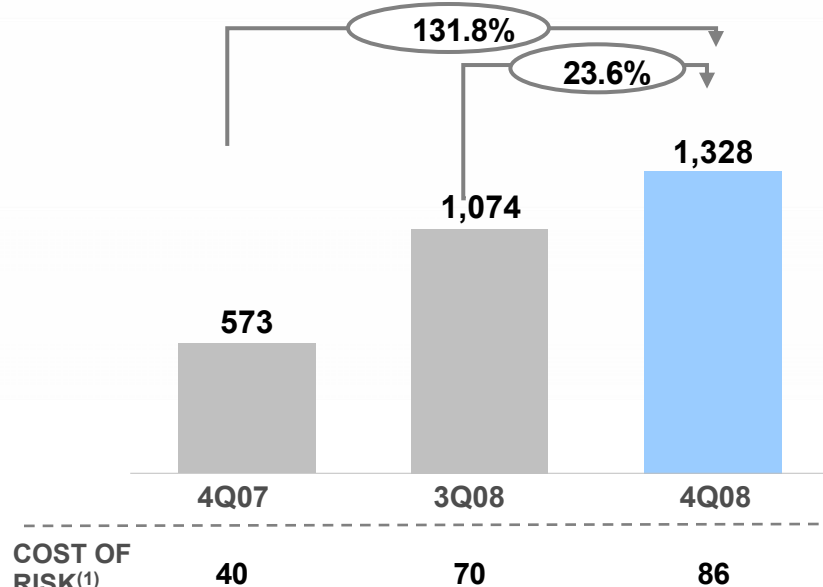
- Continuing good Group cost trend: +0.9% y/y in 4Q08, +0.4% y/y normalized
- Significant reduction of staff expenses driven by both lower variable compensations and remarkable staff reduction
- Other costs +4.2% y/y normalized, driven by growth in CEE

(1) At constant FX and perimeter

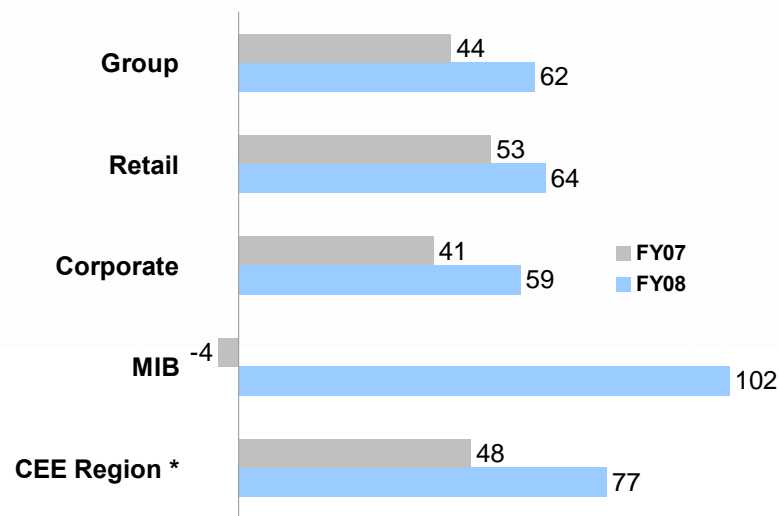
(2) Other admin. expenses, Expenses recovery, Write-downs on tangible and intangible assets

# LOAN LOSS PROVISIONS AND COST OF RISK

## NET WRITE DOWNS OF LOANS, mln



## COST OF RISK<sup>(1)</sup> bp



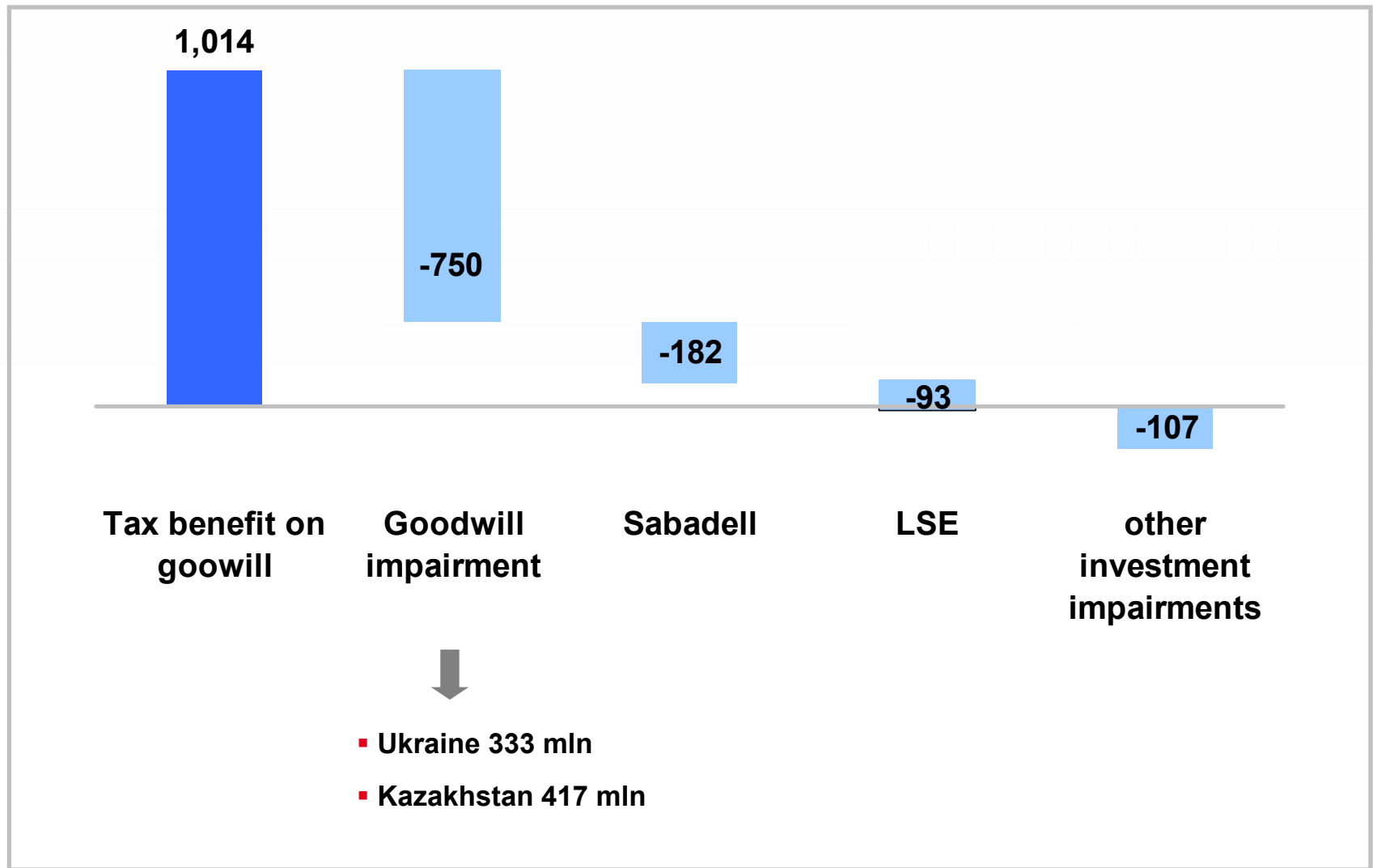
\* FY08 including 54mln of LLP in Poland, accounted as lower revenues in UCG

- Signs of worsening in all divisions, Retail and Corporate impacted mainly in Italy
- MIB increase in cost of risk in 2008 mainly related to the financial crisis and IAS 39 re-classification, but also with new flows to impaired in 4Q08
- CEE Region, also impacted by changes in perimeter vs. previous year<sup>(2)</sup>, showing deterioration mainly in Ukraine and Kazakhstan
- Cost of risk at Corporate Centre mainly benefiting from write-backs in SCP/RER in Germany

<sup>(1)</sup> Profit (loss) and net write downs on loans / Average Loans

<sup>(2)</sup> ATF, Ukrsofsbank

## SOME NON-CASH ONE-OFFS BELOW THE OPERATING LINE, LARGELY OFFSETTING EACH OTHER





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## AGENDA

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- A solid franchise to face 2009 challenges
- UniCredit Group 2008/4Q08 Results
- **ANNEX**
  - ✓ **2008/4Q08 divisional results**
  - ✓ 2008/4Q08 database

# RETAIL DIVISION: 2008 OPERATING PROFIT +8.6% DESPITE UNFAVORABLE ENVIRONMENT

RETAIL DIVISION

Normalized figures

mln	FY08	% ch. on FY07	4Q08	% ch. on 4Q07
Total Revenues	11,087	1.5%	2,717	-0.5%
-o/w Net interest income	7,307	7.0%	1,936	10.6%
-o/w Fees & Commissions	3,780	-7.6%	781	-20.3%
Operating Costs	-7,319	-1.8%	-1,842	-0.5%
Operating Profit	3,768	8.6%	875	-0.3%
Net write-downs on loans	-1,178	24.0%	-386	43.0%
Profit before taxes	2,549	1.6%	467	-23.6%

KPIs	FY08	FY07	Δ
Revenues/Avg. RWA,%	9.13%	9.5%	-34 bp
Cost/Income Ratio, %	66.0%	68.2%	-2.2 pp
Cost of risk, bp (on loans)	64 bp	53 bp	11 bp

- FY Operating profit +8.6% y/y
- 2008 Revenues slightly increasing y/y (+1.5%):
  - ✓ Net interest income +7.0% (good performance in Italy)
  - ✓ Fees & Commissions -7.6% y/y due to adverse market conditions
- ✓ Operating costs -1.8% with strict cost saving actions in all countries
- Net write downs on loans: +24% y/y mostly due to worsening credit scenario in Italy and alignment in former Capitalia banks to Group parameters

Normalization items

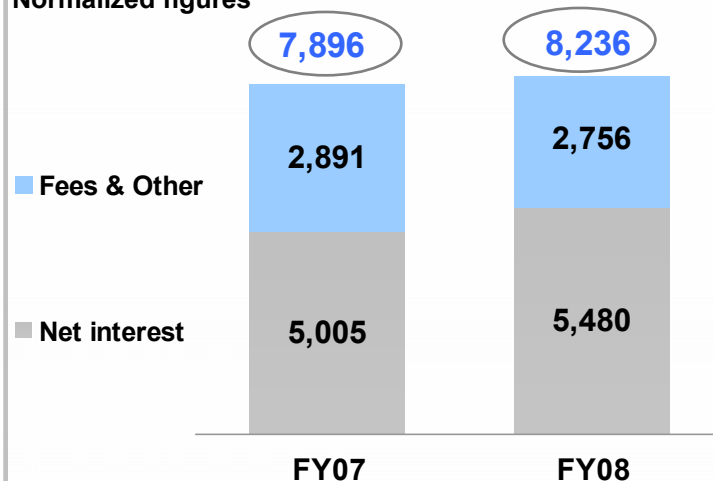
2008: customer care initiative for Lehman case (-124mln), cashier's check effect (102mln), 187 branches disposal (557mln), integration costs (-73mln)  
2007: TFR release (+125mln), integration costs (685mln)

# REVENUES BREAKDOWN BY COUNTRY

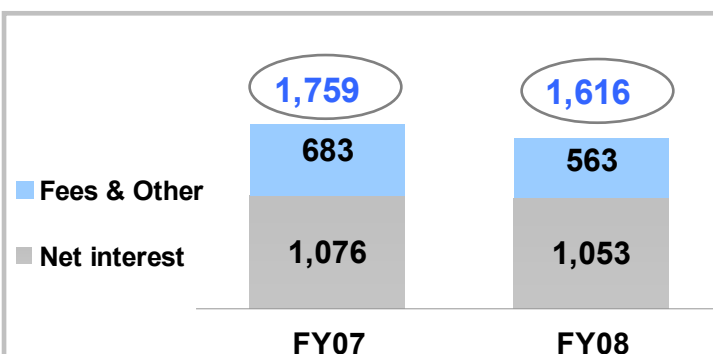
RETAIL DIVISION



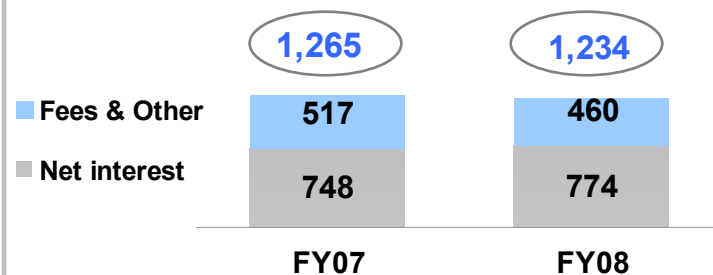
Normalized figures



- Strong **interest margin (+9.5%)** thanks to volumes growth and deposits spread improvement
- **Lower management fees** on AUM, only partially offset by investment product sales



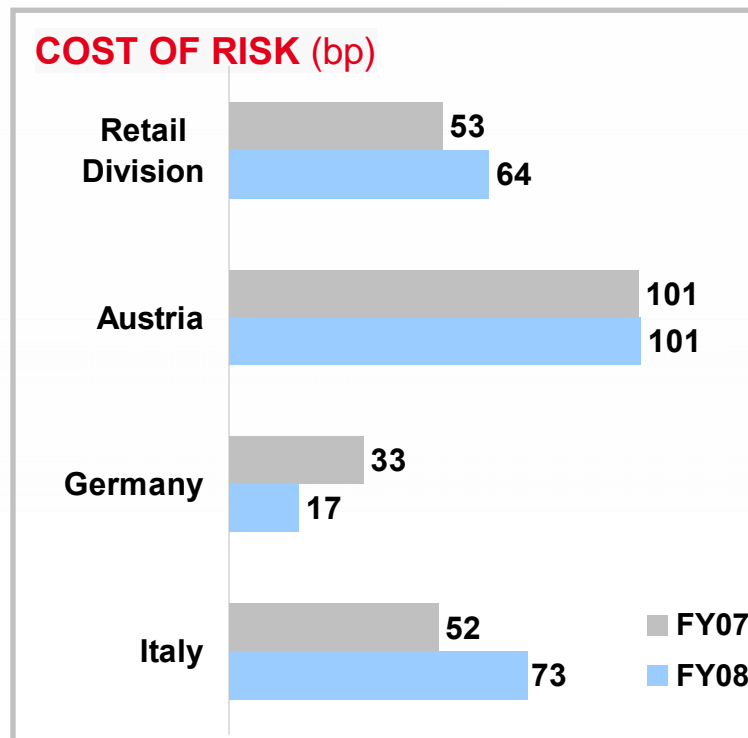
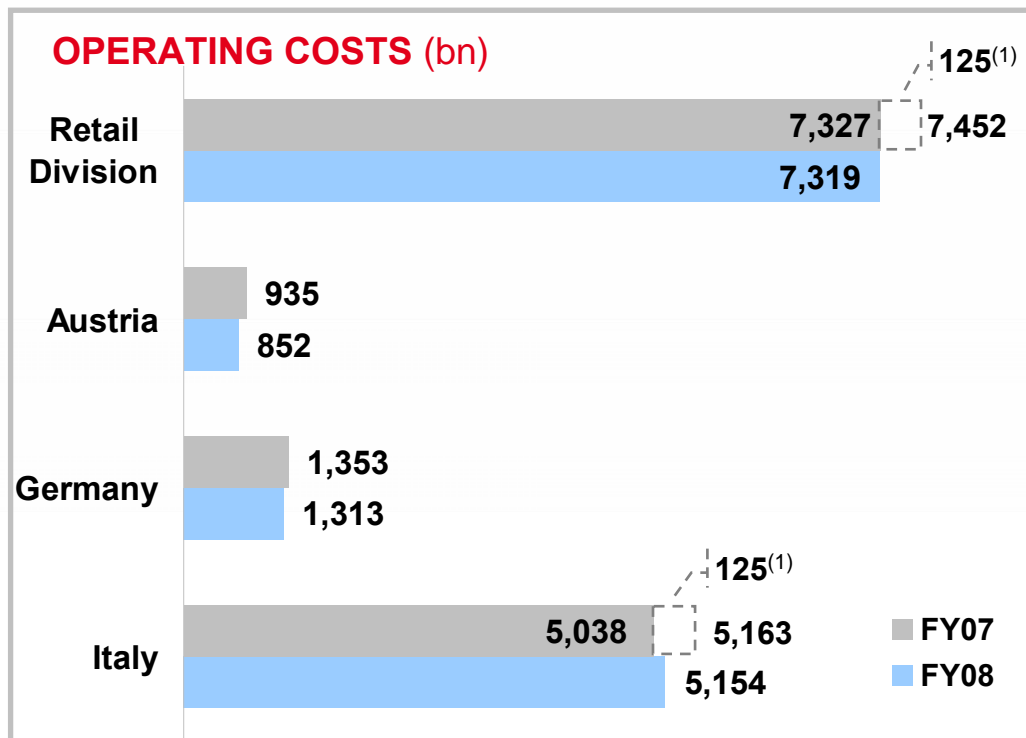
- **Net interest income:**
  - ✓ Germany: mortgage rundown partially offset by positive spread trend (s/t loans & savings deposits); good increase term deposits



- ✓ Austria: growth in term deposits
- **Fees & other** income hit by current market turmoil in both countries

# RETAIL DIVISION: OPERATING COSTS AND COST OF RISK

RETAIL DIVISION



■ **ITALY: slight reduction** in operating costs driven by HR cost (-0.8%) thanks to Capitalia integration

■ **GERMANY & AUSTRIA: strong decrease** thanks to

- ✓ reduction of FTEs and variable compensation
- ✓ tight control on other administrative costs

■ **Cost of risk in Italy** impacted by alignment of provisioning in former Capitalia, credit scenario and product mix effect

■ **Germany** improvement driven by **product mix** and **release of over provisioned** positions

■ **Austria: stable** cost of risk

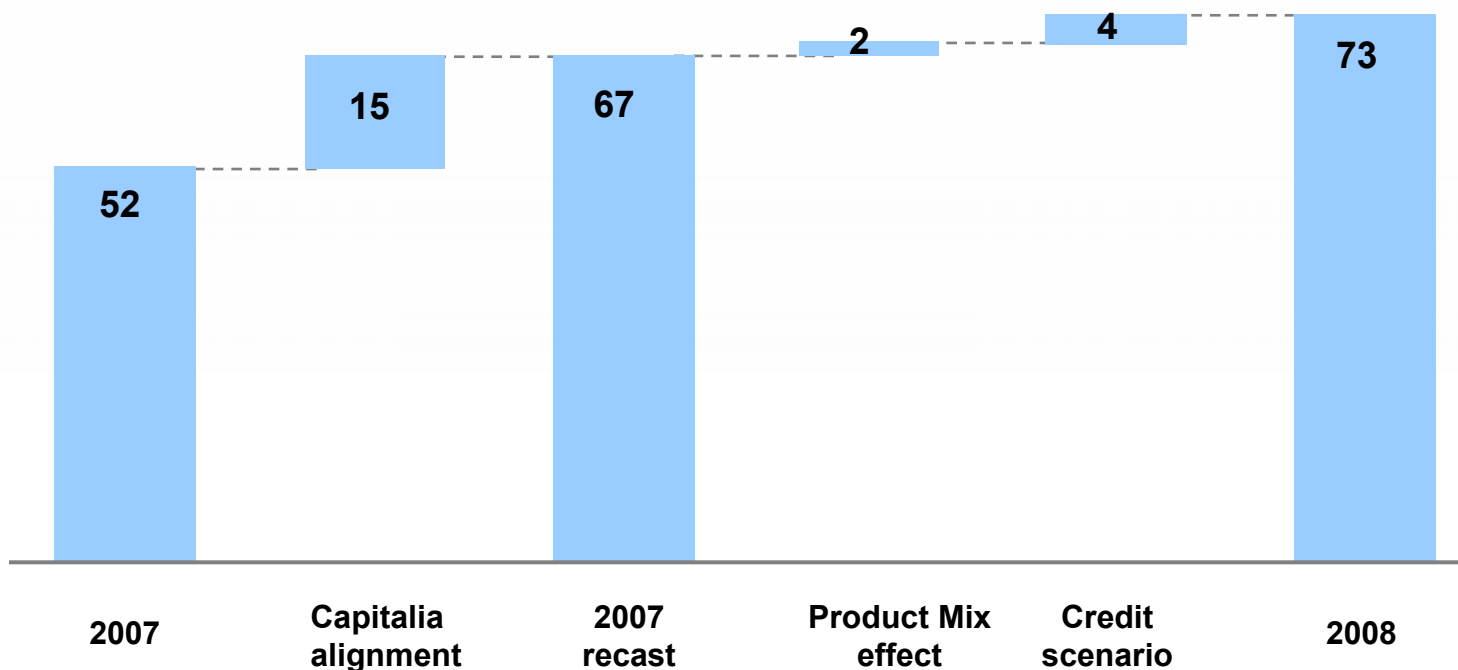
(1) TFR release

# RETAIL PORTFOLIO - ITALY

Annualized cost of risk in Italy

RETAIL PORTFOLIO - ITALY

## RETAIL ITALY PROVISIONS, bp <sup>(1)</sup>



- Increase in provisions only partly related to worsening scenario and different product mix
- Volume growth and alignment of Capitalia watchlist coverage continue driving the increase

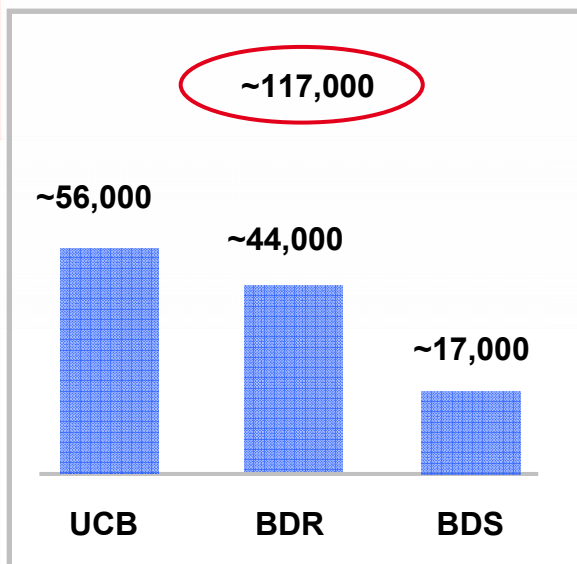
<sup>(1)</sup> Yearly Bps calculated on average loans to Customers

## EFFECTIVE COMMERCIAL NETWORK

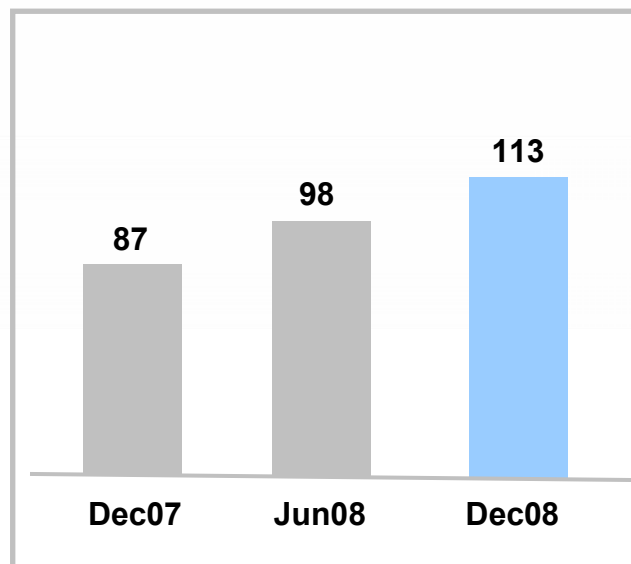


RETAIL ITALY

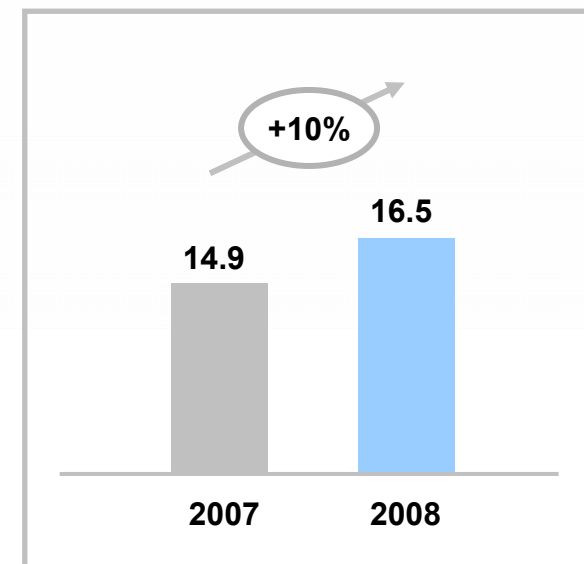
## NET NEW CURRENT ACCOUNTS, 2008



## SPREAD OF MORTGAGES NEW PRODUCTION (bp)



## SMALL BUSINESS S/T LOANS STOCK (bn)



- Retail Division Italy confirmed a **positive growth in current accounts** (117,000 net new c/a)
  - ✓ After negative performance in 2007, **positive contribution of former Capitalia** network
- **Repricing of mortgages new production** resulted in a good spread increase
- **Increased penetration in Small Business lending: short-term loans up 10%** Dec08 vs Dec07

# RETAIL DIVISION: KEY INITIATIVES

RETAIL DIVISION

	2008	2009
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>■ <b>Underwriting:</b> increased selectivity on specific customer sub-segments, stop to FX mortgages also in Austria</li> <li>■ <b>Monitoring &amp; Collection:</b> anticipation of warning signals, enhanced early / friendly collection</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Italian non strategic mortgages portfolio segregated</b> to focus on risk prevention and recovery actions</li> <li>■ Re-focusing the <b>network on “asset quality culture”</b> (e.g. <b>training plan</b> Small Business Relationship Manager in Italy)</li> </ul>
<b>Cost cutting</b>	<p><b>ITALY: Freeing up Capitalia synergies, further switch to remote channels</b></p> <ul style="list-style-type: none"> <li>■ -1,300 FTEs<sup>(1)</sup></li> <li>■ ~50 branches closure</li> <li>■ ~760 advanced ATMs</li> </ul> <p><b>GERMANY &amp; AUSTRIA: pursuing efficiency</b></p> <ul style="list-style-type: none"> <li>■ <b>Best practice in cost management</b> (e.g. other admin. -7% y/y)</li> </ul>	<ul style="list-style-type: none"> <li>■ -2,200 FTEs within December</li> <li>■ ~300 branches closure</li> <li>■ ~500 advanced ATMs (total &gt;3,000)</li> <li>■ ~1,900 multimedia kiosks</li> <li>■ - ~460 FTEs within Dec09</li> <li>■ <b>Network rationalization</b> (up to -50 branches)</li> </ul>
<b>RWAs optimization and productivity</b>	<ul style="list-style-type: none"> <li>■ <b>Selective lending growth</b> and <b>strict monitoring of EVA negative</b> customers</li> <li>■ <b>Cross selling</b> initiatives</li> <li>■ <b>Pricing at risk</b> with specific <b>support tools through the network</b> (e.g. of EVA-based pricing for mortgages in Germany)</li> </ul>	

<sup>(1)</sup> ~2,200 including Antitrust branches ex Capitalia



## CEE REGION: CONFIRMED A STRONG GROWTH IN PROFIT BEFORE TAX (+14.6% y/y) DESPITE MUCH HIGHER PROVISIONING

CEE REGION

mln	FY08	% ch. on FY07 const FX and perim <sup>(1)</sup>	4Q08	% ch. on 4Q07 const FX and perim <sup>(1)</sup>
<b>Total Revenues</b>	<b>6,919</b>	<b>11.0%</b>	<b>1,778</b>	<b>9.2%</b>
-o/w Net interest	4,326	13.9%	1,104	2.6%
-o/w Fees & Commissions	1,833	-5.2%	452	-2.5%
<b>Operating Costs</b>	<b>-3,293</b>	<b>10.3%</b>	<b>-867</b>	<b>4.4%</b>
<b>Operating Profit</b>	<b>3,626</b>	<b>11.6%</b>	<b>911</b>	<b>14.7%</b>
<b>Net write-downs on loans</b>	<b>-560</b>	<b>24.6%</b>	<b>-192</b>	<b>65.4%</b>
<b>Profit before taxes</b>	<b>3,131</b>	<b>14.6%</b>	<b>719</b>	<b>19.7%</b>

KPIs	FY08	FY07	Δ const FX and perim
<b>Revenues/Avg. RWA, %</b>	<b>7.8%</b>	<b>8.5%</b>	<b>-0.3 pp</b>
<b>Cost/Income Ratio, %</b>	<b>47.6%</b>	<b>48.9%</b>	<b>-0.3 pp</b>
<b>Cost of risk, bp (on loans)</b>	<b>77 bp<sup>(2)</sup></b>	<b>48 bp</b>	<b>8 bp<sup>(2)</sup></b>

<sup>(1)</sup> Excluding Kazakhstan and Ukraine

<sup>(2)</sup> Including 54mln of LLP in Poland, accounted as lower revenues by Group accounting

- **Total Revenues up 11.0% y/y** at constant FX and perimeter
  - ✓ Net Interest (+13.9% y/y at const FX and perim) driven by business growth in CEE division
  - ✓ Net commission affected by lower performance in Poland
- **Efficiency: cost/income ratio** improved to 47.6% (-2.8 pp y/y in CEE division), with **operating expenses up 10.3% y/y** mainly due expansion programs (suspended for 2009)
- **77 bp cost of risk** with significant increase in 4Q due to market situation, in particular higher provisions in Ukraine, Kazakhstan and Turkey
- **Satisfactory level of Loan/Deposit Ratio at 116%**

# GROSS OPERATING PROFIT

CEE REGION

## GROSS OPERATING PROFIT IN FY08

Mln - % changes at constant FX and perimeter

		y/y % ch.	Revenues y/y % ch.	Costs y/y % ch.
CEE Region	3,625	11.6%	11.0%	10.3%
Poland	1,123	-11.8%	-5.7%	1.6%
CEE Div (1)	2,502	28.8%	21.8%	15.2%
Turkey	516	31.8%	20.7%	10.3%
Russia	481	75.2%	64.4%	47.3%
Croatia	260	7.3%	12.3%	17.0%
Ukraine (2)	251	n.m.	n.m.	n.m.
Czech Rep (2)	225	20.6%	5.6%	-10.6%
Kazakhstan (2)	203	n.m.	n.m.	n.m.
Bulgaria	178	17.5%	14.5%	10.6%
Romania	153	41.2%	31.0%	22.2%
Hungary	131	3.9%	8.7%	13.6%
Slovakia	89	18.5%	15.3%	11.9%
Serbia	45	54.3%	34.4%	14.4%
Bosnia	33	-14.7%	1.8%	10.6%
Slovenia	28	6.0%	10.8%	14.9%
Baltics	9	160.1%	63.6%	32.4%

- **Strong operating growth (+11.6% at constant FX and perim.) driven by CEE division (+28.8%)**
- **Still good jaws effect (6.6pp) in CEE Division even despite impact of new branches on cost growth**
- **Poland: lower fees impact revenues, but good cost trend also thanks to merger**

(1) The figures indicate unaudited pro-rata IFRS results of KFS

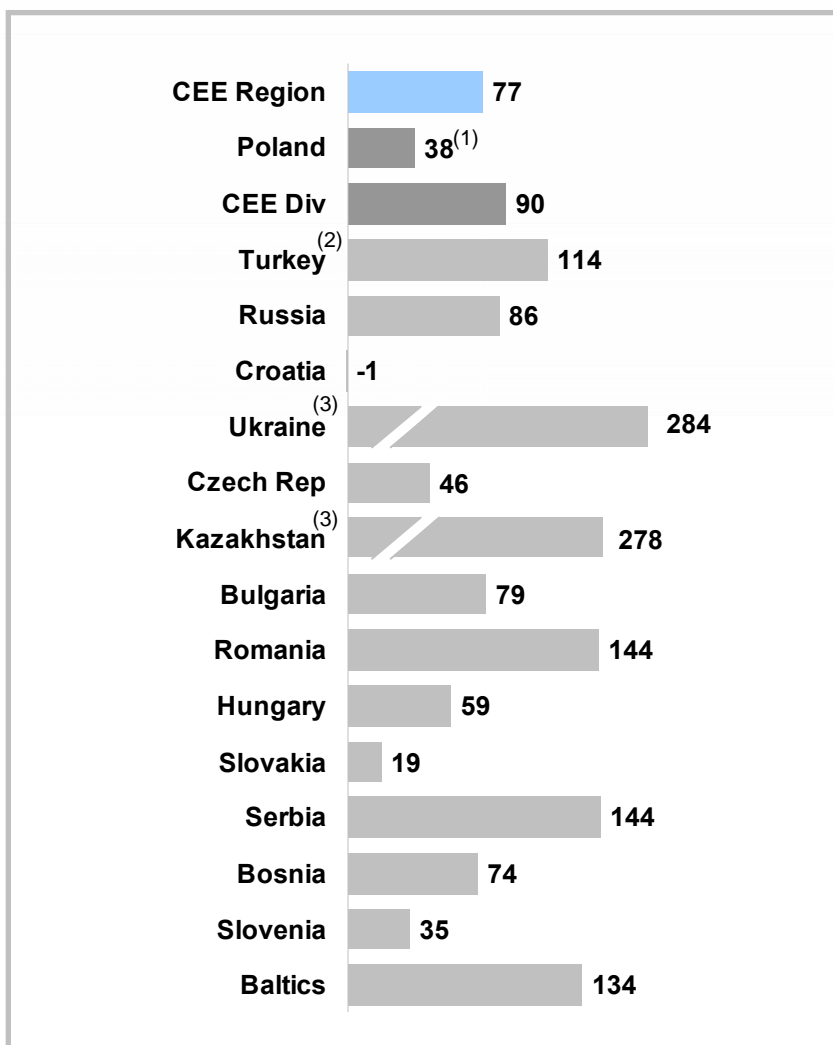
(2) Countries not included in 2007 perimeter

# COST OF RISK

CEE REGION

## Cost of risk December FY 2008

bp - changes at constant FX and perimeter



- **Cost of risk at 77 bp in CEE region** with first time full consolidations of **Ukraine** and **Kazakhstan** with **total Risk Costs of 213 mln**
- 4Q08: situation in **Central Europe** still stable, first signs of deterioration in **South East, CIS** (especially Ukraine and Kazakhstan) most hit by the crisis
- **Coverage of Impaired Loans** down mainly due to
  - ✓ mix effect: higher growth of **lower risk categories** (NPLs down from 74% to 64% of impaired loans) structurally requiring lower coverage
  - ✓ **write-off of fully provisioned NPLs** in Poland, Turkey, Croatia and Bosnia
- Increase in lower risk categories of impaired loans also due to regulator requirement for extremely strict criteria<sup>(4)</sup>

(1) Including 54mln of LLP in Poland, accounted as lower revenues by Group accounting (4) For example "Impaired" also for loans overdue for over 30 days in Romania  
 (2) The figures indicate unaudited pro-rata IFRS results of KFS  
 (3) Countries not included in 2007 perimeter

# CEE REGION: KEY INITIATIVES

CEE REGION

	2008	2009
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>■ <b>Limited origination and strict monitoring of FX lending:</b> tightening of retail lending rules               <ul style="list-style-type: none"> <li>✓ required debt repayment capability increase by 10-20%</li> <li>✓ measures to cover FX risk: appropriate add-on's and haircuts, Customer Awareness letters</li> </ul> </li> <li>■ <b>More restrictive lending in Real Estate:</b> very selective developer financing               <ul style="list-style-type: none"> <li>✓ decrease of LTVs/LTCs by 10%</li> <li>✓ increase of Debt Service Coverage Ratio by 10bp</li> </ul> </li> <li>■ <b>Special liquidity check and very cautious lending in Corporate:</b> <ul style="list-style-type: none"> <li>✓ new business subject to up-dated review and positive result of liquidity check</li> <li>✓ No underwriting commitments</li> </ul> </li> </ul>	
<b>Cost cutting</b>	<ul style="list-style-type: none"> <li>■ <b>~4,000 FTEs less than expected</b> thanks to efficient exploiting of synergies from 17 mergers in 2006-2008 (-680 FTEs 4Q08 vs 3Q08)</li> <li>■ <b>Best practice in cost management,</b> limited growth in 2008 despite ~400 new branches</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>-2,000 FTEs</b> within December</li> <li>■ <b>Strict control</b> of salary development and reduction of variable compensation</li> <li>■ <b>Efficiency in IT services</b> with centralization of initiatives and streamlining of costs</li> <li>■ <b>Corporate Center razionalization</b></li> </ul>
<b>RWAs optimization</b>	<ul style="list-style-type: none"> <li>■ <b>Basel II-roll out / RWA optimization projects</b></li> <li>■ <b>Focus on reducing speed of increase of RWA Credit</b> with pricing and attention to risk</li> </ul>	

# CORPORATE DIVISION

## 2008 OPERATING PROFIT +6.8% IN A CHALLENGING ENVIRONMENT

CORPORATE DIVISION

mln	FY08	% ch. on FY07	4Q08	% ch. on 4Q07
<b>Total Revenues</b>	<b>6,332</b>	<b>5.6%</b>	<b>1,648</b>	<b>8.7%</b>
-o/w Net interest	4,683	11.2%	1,246	14.9%
-o/w Fees & Others	1,574	-7.2%	392	-4.4%
<b>Operating Costs</b>	<b>-2,039</b>	<b>3.2%</b>	<b>-523</b>	<b>2.8%</b>
<b>Operating Profit</b>	<b>4,293</b>	<b>6.8%</b>	<b>1,125</b>	<b>11.7%</b>
<b>Net write-downs on loans</b>	<b>-1,421</b>	<b>55.8%</b>	<b>-659</b>	<b>207.9%</b>
<b>Profit before taxes</b>	<b>2,991</b>	<b>1.2%</b>	<b>628</b>	<b>-5.0%</b>

KPIs	FY08	FY07	Δ
<b>Revenues/Avg. RWA, %</b>	<b>2.9%</b>	<b>2.9%</b>	-
<b>Cost/Income Ratio, %</b>	<b>32.2%</b>	<b>32.9%</b>	<b>-0.7 pp</b>
<b>Cost of risk, bp (on loans)</b>	<b>59 bp</b>	<b>41 bp</b>	<b>18 bp</b>

- **Net interest** improving thanks to **volumes growth** and **repricing efforts**
  - ✓ Loans to customer +4.5% y/y, deposits from customer +7.8%<sup>(1)</sup>
- **Fees & others:** decline due to **lower corporate treasury sales**; good performance in **Global Transaction Banking**
- **Costs:** net of **extraordinary items in 2007**,<sup>2</sup> **flat in FY** and **decreasing in 4Q** (-3.7% y/y)
  - ✓ **Drivers:** strong managerial focus and **Capitalia integration**
- **Net write down on loans** increase due to **worsening** of credit scenario and specific events:
  - ✓ 2008 impact from Iceland ~120 mln

<sup>(1)</sup> Securities in issue not included

<sup>(2)</sup> TFR: 26 mln release in 2Q07. Early retirement charges: 34 mln in 4Q07

# SOLID COMMERCIAL RESULTS AND ONGOING RE-PRICING

CORPORATE DIVISION



	FY07	FY08	% ch.
Total revenues	3,068	3,228	5.2%
Net interest income	2,253	2,479	10.0%
Fees & others	815	749	-8.1%

- **Net interest income** benefiting mainly from spread effect on loans
- **Fees & others:** lower trading profits in UCCB offset solid performance of GTB products



	FY07	FY08	% ch.
Total revenues	1,442	1,541	6.9%
Net interest income	1,030	1,135	10.2%
Fees & others	412	406	-1.5%

- **Net interest income ~+10%** thanks to good volumes
- **Fees and others: positive corporate finance** and foreign services offset by **slowdown in corporate treasury sales**



	FY07	FY08	% ch.
Total revenues	850	861	1.3%
Net interest income	530	586	10.6%
Fees & others	320	275	-14.1%

- **Net interest income +10.6%** driven by higher volumes
- **Fees and others:** slowdown in corporate treasury sales



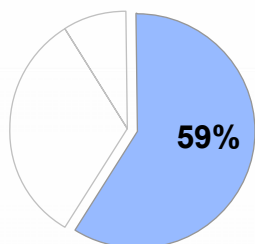
	FY07	FY08	% ch.
Total revenues	633	704	11.2%
Net interest income	483	558	15.5%
Fees & others	150	146	-2.7%

- **Net interest income** positively affected by **strong re-pricing** started in early 2008
- **Fees and others:** decline due to higher weight of finance leasing in some countries. Good growth of insurance products

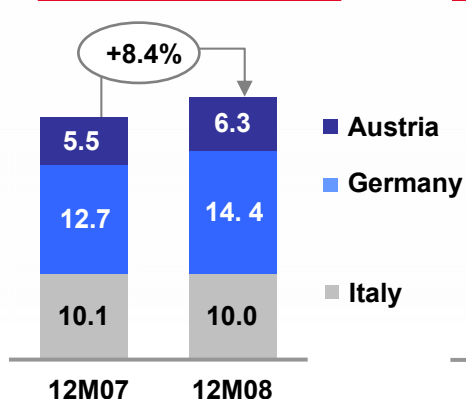
# CORPORATE BREAKDOWN BY SEGMENT

## Small & Mid Corporate

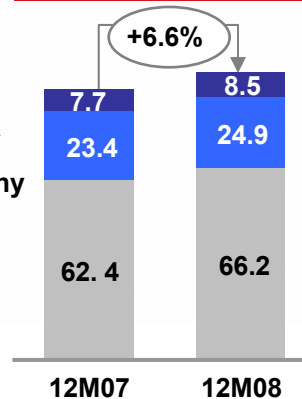
% on YTD Corporate Revenues



Deposits  
Avg. 12M08: 30.6bn



Loans  
Avg. 12M08: 99.6 bn



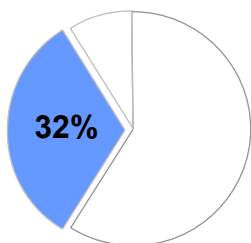
■ **Strong push on deposit**, driven Germany and Austria

■ **No credit crunch evidences:**

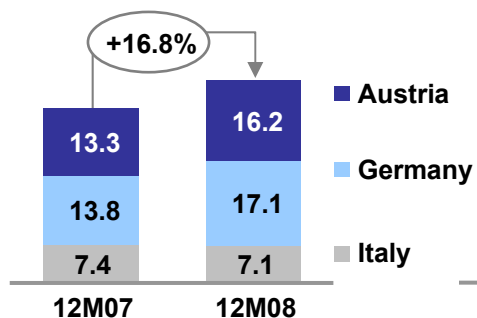
■ At divisional level, **Deposit/Loan ratio at 30.74%**, +52bp y/y

## Large Corporate<sup>(1)</sup>

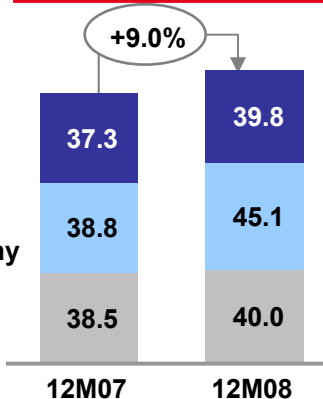
% on YTD Corporate Revenues



Deposits  
Avg. 12M08: 40.4bn



Loans  
Avg. 12M08: 125bn



■ **Boost in deposit in 2008**, especially on Public Sector (+36% y/y); Large Caps +9% y/y

■ Outstanding deposit growth in Germany (+23.8% y/y) thanks to **Short Term Desk development<sup>(2)</sup>**

■ At divisional level, Deposit/Loan ratio at 32.3%, +216bp y/y

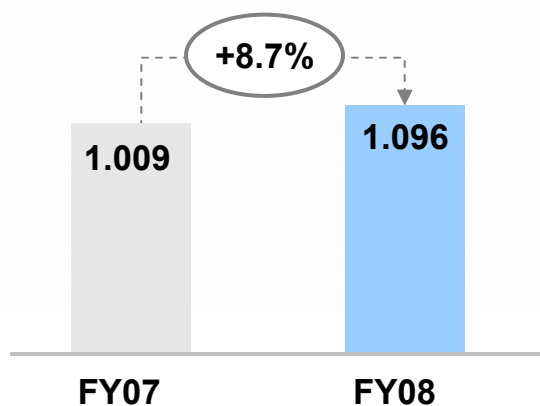
<sup>(1)</sup> Includes Public Sector, Real Estate and Others

<sup>(2)</sup> Specialist team dedicated to advise customers on liquidity management

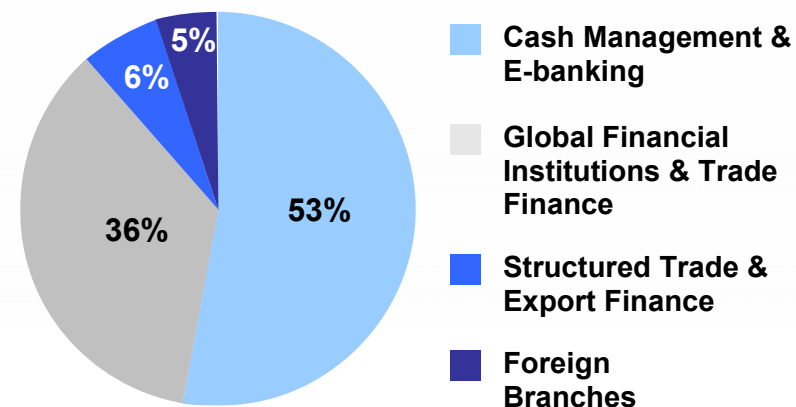
# STRONG CONTRIBUTION FROM GLOBAL TRANSACTION BANKING

CORPORATE DIVISION

**Global Transaction Banking - Revenues**  
(mln; y/y % ch)



**FY08 breakdown by business line**  
(% weight on total)



## Main growth drivers

### ■ Cash Management & Electronic Banking:

- ✓ 578 mln ytd: +3.5% y/y thanks to volume increase on payments and margin on deposits<sup>(1)</sup>
- ✓ Volumes and number of transactions driven by Domestic Payments in all countries

### ■ Trade Finance:

- ✓ 270.2 mln ytd: +9.2% y/y mainly for Letter of Credits (+9%) and Guarantees (+15%) thanks to volumes growth and re-pricing actions

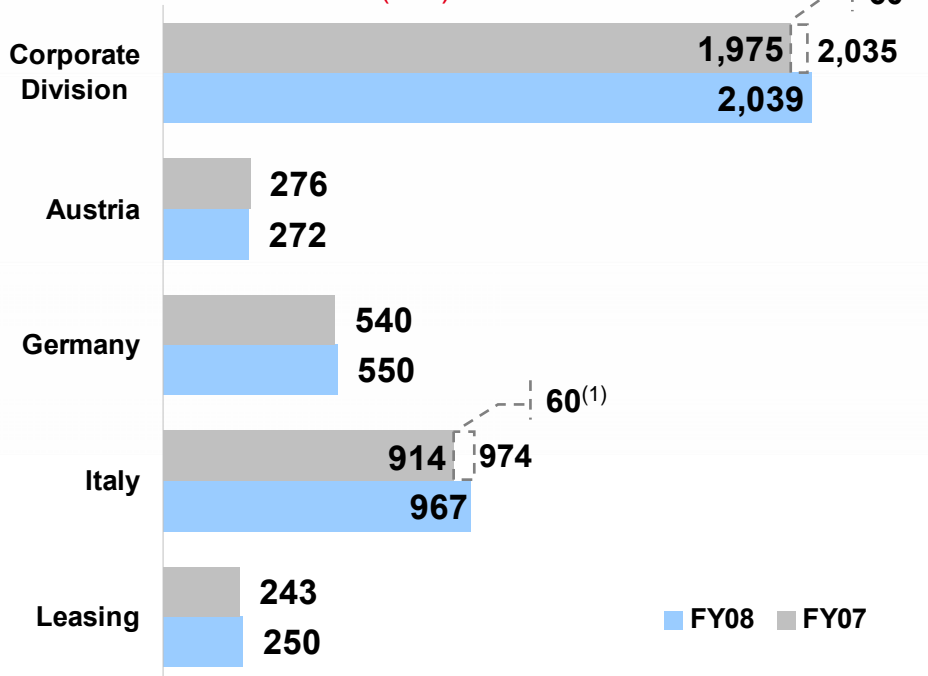
<sup>(1)</sup> Value date effect



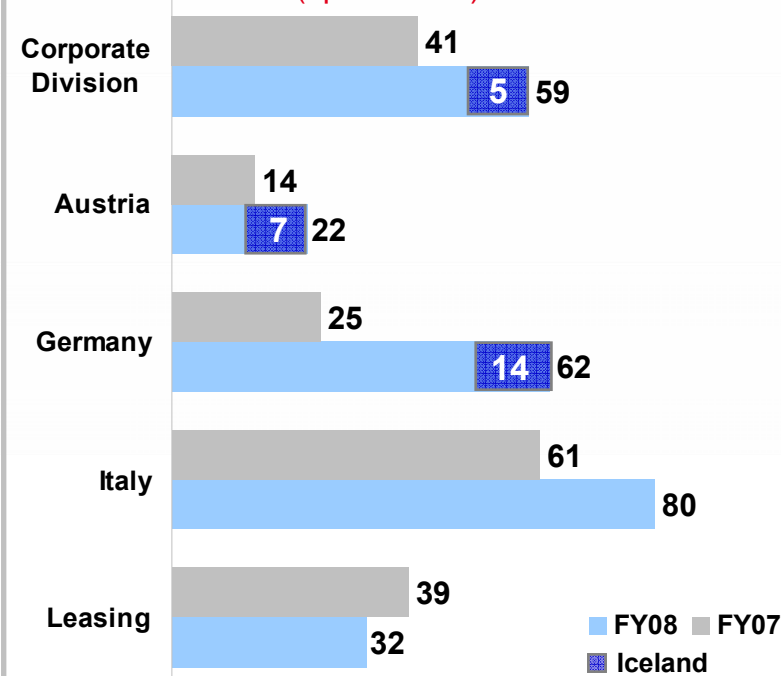
# CORPORATE DIVISION: OPERATING COSTS AND COST OF RISK

CORPORATE DIVISION

## OPERATING COSTS (mln)



## COST OF RISK (bp on loans)



Strong managerial focus delivering **over-achievement of Capitalia synergies** and high cost efficiency in all countries:

- **AUSTRIA** and **GERMANY**: solid cost control
- **ITALY**: slight reduction y/y excluding positive extraordinary releases in 2007<sup>(1)</sup>
- **LEASING**: increase due expansion plan in CEE

- **AUSTRIA**: deterioration of credit environment throughout 2008, accelerating in 4Q08 especially in automotive and some large specific cases
- **GERMANY**: acceleration of inflows in restructuring/work out in 4Q08
- **ITALY**: deterioration of credit environment started in 3Q08; higher provisions required in specific positions

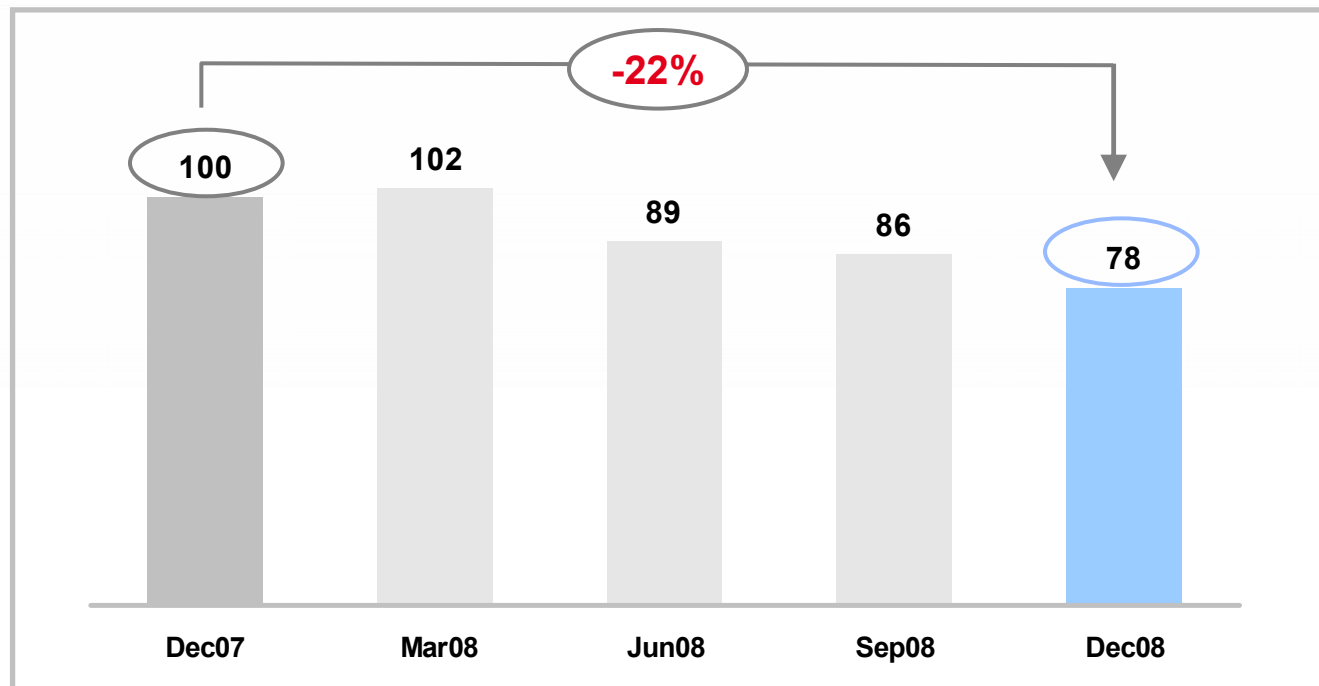
<sup>(1)</sup> 2007 positive extraordinary release: 26 mln TFR in 2Q07; 34 mln early retirement charges in 4Q07

# CORPORATE DIVISION: DELIVERING ON RWA OPTIMIZATION

CORPORATE DIVISION

## RWAs linked to negative EVA groups: 2008 trend

*Index number referred to Corporate Networks in ITA-AT-DE, Basel II*



### Key guidelines 2009: focus on core profitable clients in core markets

- **Product optimization** in light of **RWA absorption**
- **Monitoring and steering of pricing processes:**
  - ✓ **Reflect higher funding costs**
  - ✓ **optimize risk-return profile** of loan portfolio
  - ✓ **reduce EVA negative stock** and **prevent EVA negative new inflows**

# MIB DIVISION: RESULTS NEGATIVELY IMPACTED BY MARKET DISLOCATION

MIB DIVISION

## MIB MAIN KPIS

mln	FY08	% ch. on FY07	4Q08	% ch. on 4Q07
Total Revenues	134	-96%	-566	n.m.
Operating Costs	-1,421	-12%	-353	1%
Operating Profit	-1,287	-180%	-919	n.m.
Net write-downs on loans	-693	n.m.	-406	n.m.
Profit before taxes	-2,186	n.m.	-1,396	n.m.

KPIs	FY08	FY07	Δ
Revenues/Avg. RWA, %	0.1%	3.8%	-3.6 pp
Cost of Risk, bp <sup>(1)</sup>	102 bp	-4 bp	n.m.

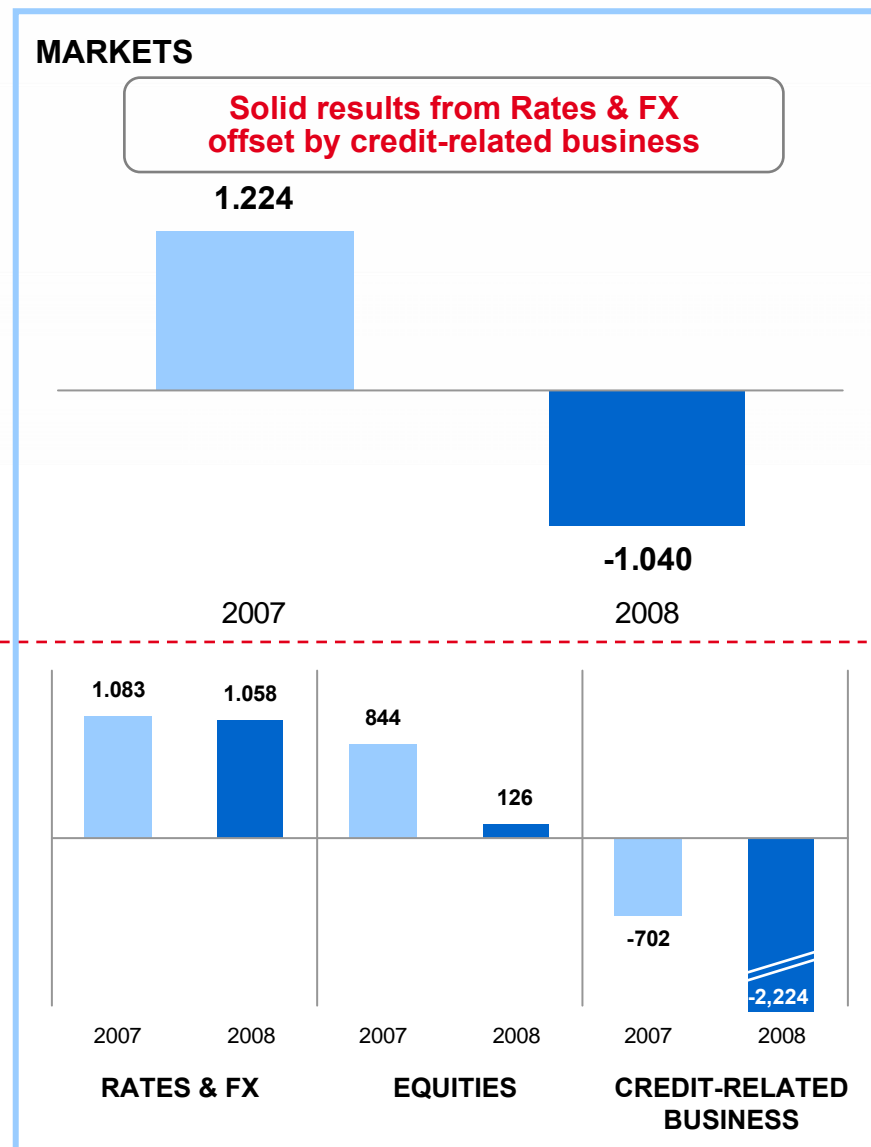
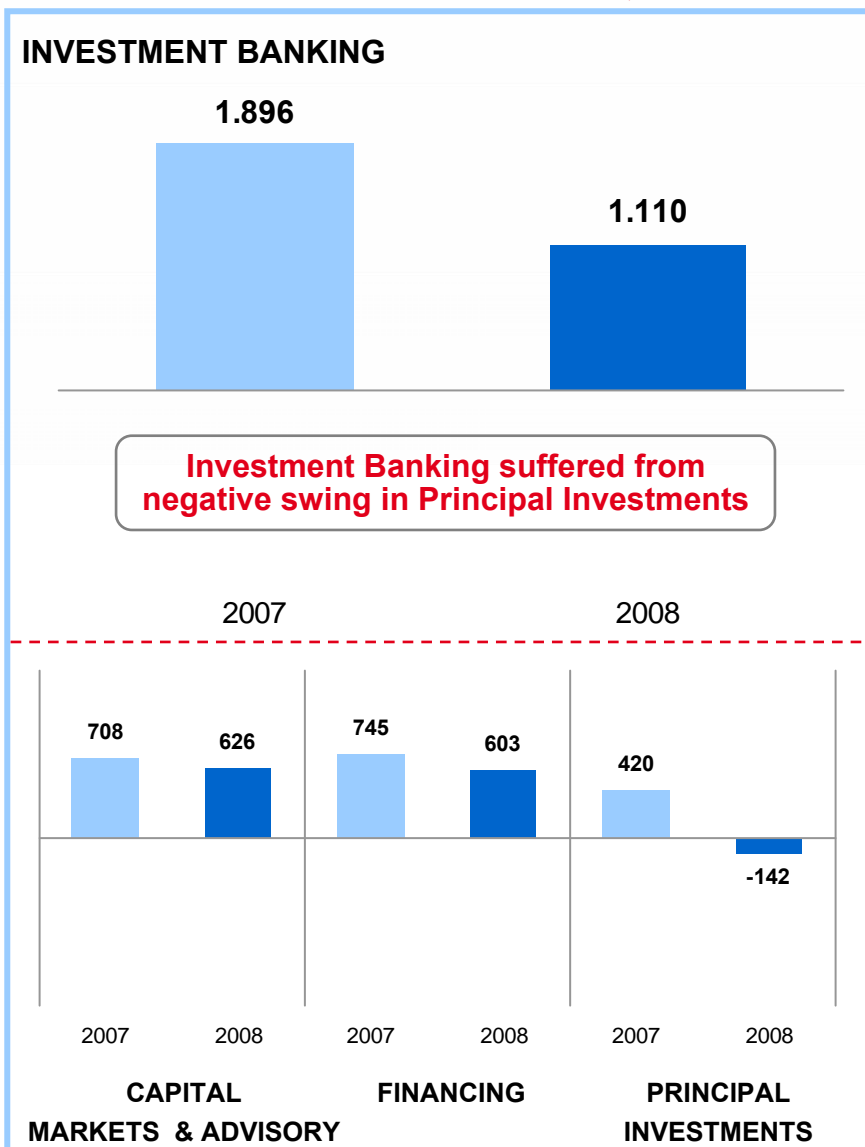
- **Revenues:** trading income and fees heavily impacted by financial crisis
- **4Q trading losses** resulting mainly from a sharp fall in market prices, higher credit spreads and basis widening
- **Costs:** total staff expenses adjusted immediately, Q408 already 19% lower than 4Q07
  - ✓ Intensified cost-cutting program for 2009 already in place
  - ✓ Streamlining of the organization and no voluntary bonus payments as main driver of cost efficiency
- **Loan loss provision:** strong increase related to financial crisis, to IAS 39 reclassification and to new flows to impaired loans in 4Q08

<sup>(1)</sup> Calculated on Average loans

# MIB 2008 IS NOT ONLY CRISIS RELATED MARK-DOWNS: SIGNIFICANT DIFFERENCES IN BUSINESS AREA PERFORMANCES

MIB DIVISION

## MIB TOTAL RETURN REVENUES<sup>(1)</sup>, mln



(1) Managerial view

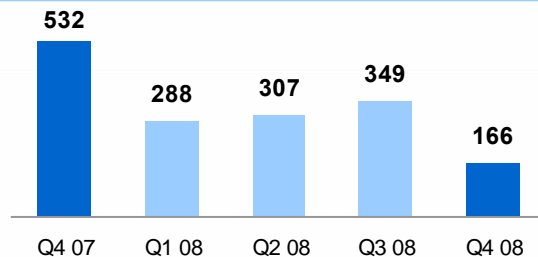
Note: IB Management/Others (not shown separately in a diagram):  
2007: €24m | 2008: €23m

# MIB DIVISION: INVESTMENT BANKING QUARTERLY TREND

MIB DIVISION

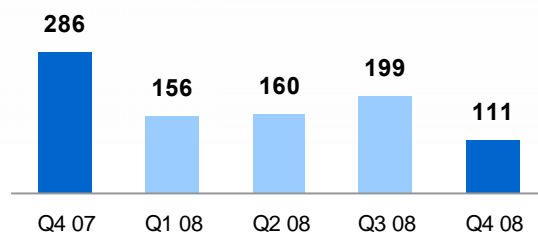
## TOTAL RETURN REVENUES<sup>(1)</sup>, mln

### INVESTMENT BANKING



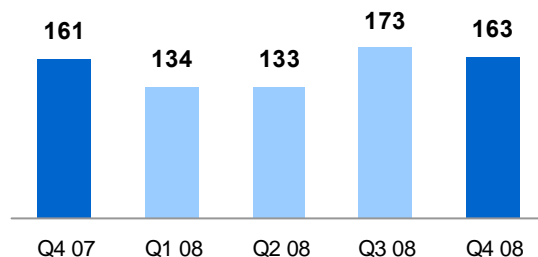
- **Solid results**, despite the difficult market environment in 2008, with **positive contribution from all business lines except Principal Investments**

### o/w CAPITAL MARKETS & ADVISORY



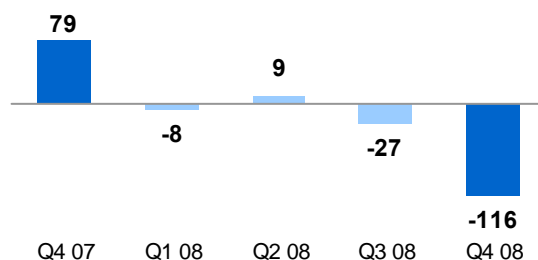
- **Debt Capital Market** maintains a **good transaction flow**
- **M&A business** experienced a **solid deal flow** despite difficult conditions

### o/w FINANCING



- The unit structured and executed **numerous deals at attractive returns** in spite of significantly deteriorating business conditions
- **Resilient revenue contribution** on a quarterly view

### o/w PRINCIPAL INVESTMENTS



- **Hedge fund** business largely driven by the **redemption of certain investments**
- Within the **Private Equity** business, the market disruption resulted in **reduced investment and divestment activities** as well as **valuation adjustments** affecting the existing portfolio

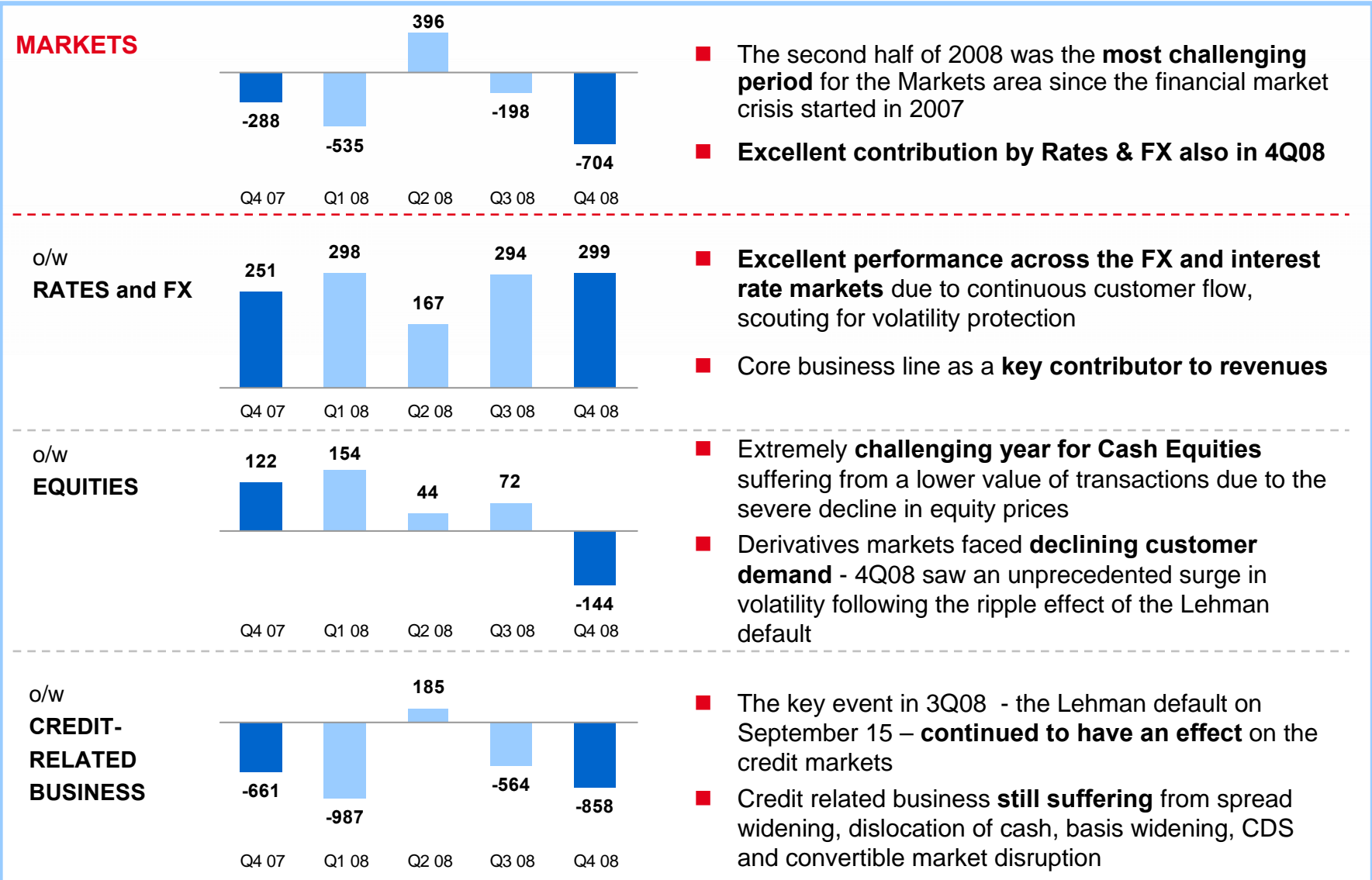
(1) Managerial view, Q3/Q4 08 post IAS39 reclassification

Note: IB Management/Others (not shown separately in the diagram):  
Q407: €6m | Q108: €6m | Q208: €5m | Q308: €4m | Q408: €8m

# MIB DIVISION: MARKETS QUARTERLY TREND

MIB DIVISION

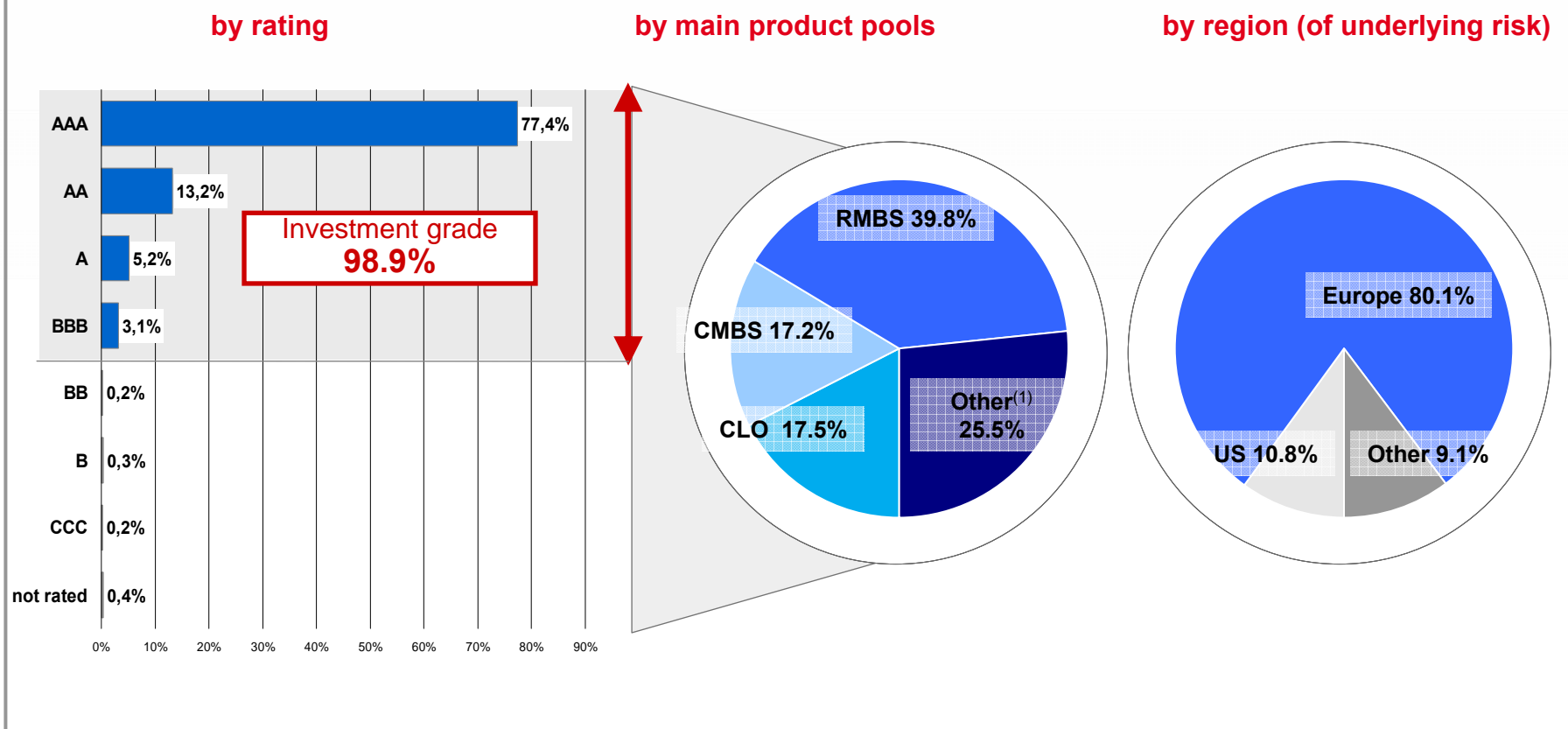
## TOTAL RETURN REVENUES<sup>(1)</sup>, mln



(1) Managerial view, Q3/Q4 08 post IAS39 reclassification

# ABS PORTFOLIO: BREAKDOWN

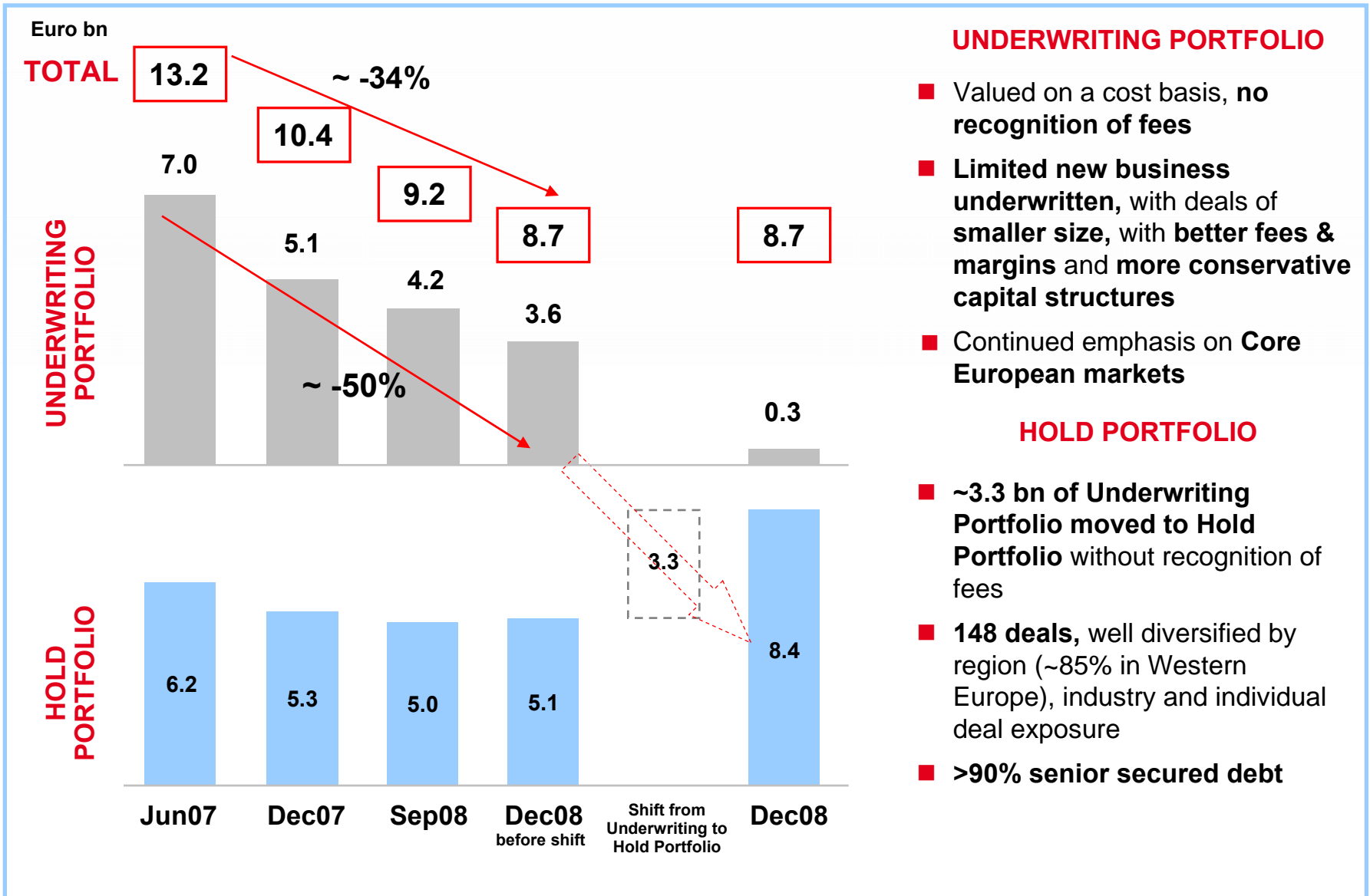
## GLOBAL ABS PORTFOLIO – BOOK VALUE BREAKDOWN



(1) Mainly Auto, Consumer Loans, Credit Cards, CDO, Lease, NPL, SIV, State-related and Student Loans; Others

# LBO EXPOSURE UPDATE: ~34% OVERALL REDUCTION SINCE JUN07

MIB DIVISION





# MIB DIVISION: KEY INITIATIVES

MIB DIVISION

	2008	2009
<p>Re-positioning and re-focusing</p> <p>to</p> <p>de-risk and de-leverage</p>	<ul style="list-style-type: none"> <li>■ New focused approach with lower appetite for volatility and risk</li> <li>■ Global ABS portfolio ongoing reduction with further -1 bn in 4Q08 through amortisation at par and FX/Other effects to 9.7 bn book value</li> <li>■ Continuous reduction of non-core trading portfolios and non-client related activities</li> <li>■ Reorganisation of credit-related business approved and already undergoing:               <ul style="list-style-type: none"> <li>✓ get out of proprietary activities</li> <li>✓ reduction of inventories</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Single division with Corporate to enhance synergies and focus on customers</li> <li>■ Consolidation of risk-taking activities in two hubs (Munich and London)</li> <li>■ RWA reduction, through:               <ul style="list-style-type: none"> <li>✓ run down of existing loan portfolios for non-core clients in non-core countries</li> <li>✓ continuous reduction in inventories and carry trade positions</li> </ul> </li> <li>■ Streamlined organization, concentrated on core markets and businesses, more centralized and efficient</li> </ul>
<p>Cost cutting</p>	<ul style="list-style-type: none"> <li>■ ~ -600 net FTE in 2008, 15% decrease y/y</li> <li>■ No voluntary bonus payments in 2008</li> </ul>	<ul style="list-style-type: none"> <li>■ Completion of staff reduction plan (~550 net FTE reduction to ~-30% vs. 2007)</li> <li>■ Significant reduction in personnel costs, gradually reaching "full run rate" of cost savings</li> </ul>

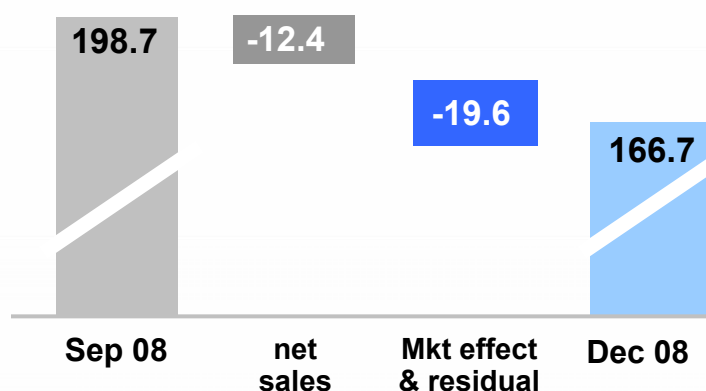
# ASSET MANAGEMENT DIVISION IMPACTED BY NEGATIVE FINANCIAL MARKET

ASSET MANAGEMENT DIVISION

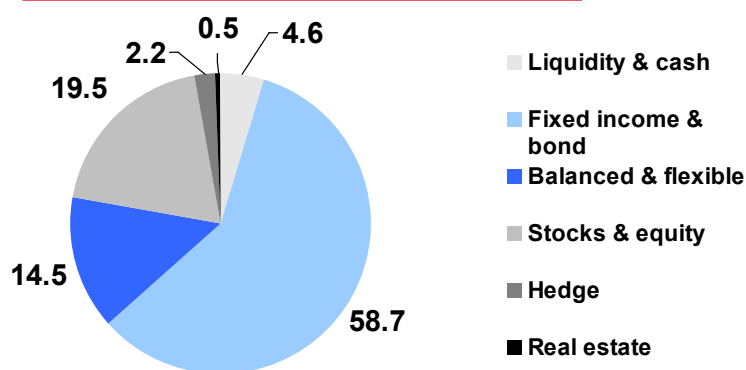
mln	FY08	% ch. on FY07	4Q08	% ch. on 4Q07
Total Revenues	1,088	-31.1%	212	-47.0%
Operating Costs	-508	-22.1%	-116	-33.3%
Operating Profit	580	-37.4%	96	-57.5%
Profit before taxes	599	-35.9%	93	-60.6%

KPIs	FY08	FY07	Δ on FY07
Revenues/Avg. AUM, bp	51.0	56.8	6 bp
Operating Costs/Avg. AUM, bp	23.8	23.5	bp
Cost/Income Ratio, %	46.7%	41.3%	-5.4 pp

AUM evolution, bn



AUM breakdown, %<sup>(1)</sup>



- Revenues impacted by outflows due to reallocation of households financial assets and by lower pricing and performance fees
- Operating costs down ~22.1% y/y, thanks to **lower staff expenses and strong control on discretionary costs**

(1) As of December 08, AM perimeter

# ASSET MANAGEMENT: RESTRUCTURING PLAN

ASSET MANAGEMENT DIVISION

## WEST EUROPE & INTERNATIONAL

### Business repositioning projects

- **Streamlining of corporate functions**
- **Sales and distribution optimization**
  - ✓ Repositioning institutional business
  - ✓ S&D efficiency
  - ✓ Marketing & products optimization
- **IT & Operations**
  - ✓ **Outsourcing** Trade Matching
  - ✓ **Increase efficiency**

## WEST EUROPE, CEE & INTERNATIONAL

### Additional restructuring initiatives

- **Rationalization of geographical presence**
- European markets **Corporate functions consolidation**
- **Funds rationalization** (over 160 funds closed by YE 2009)
- **Hub centralization**
- **Redesign Pioneer Alternative** business model

**RE-SHAPING OPERATIONS AND BUSINESS MODEL TO COPE WITH THE CURRENT SCENARIO:  
DOUBLE DIGIT CUT OF OPERATING EXPENSES**

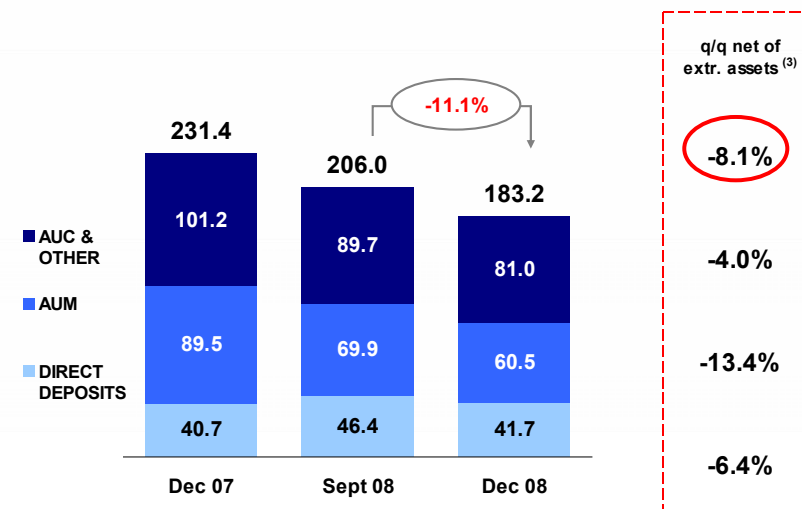
# PRIVATE BANKING DIVISION

PRIVATE BANKING DIVISION

mln	FY08	% ch. on FY07 <sup>(1)</sup>	4Q08	% ch. on 4Q07 <sup>(1)</sup>
Total Revenues	1,414	-7.6%	345	-17.4%
Operating Costs	-892	-4.7%	-226	-9.9%
Operating Profit	522	-12.2%	119	-28.6%
Profit before taxes	511	-9.8%	95	-39.2%

KPIs	FY08	FY07	Δ on FY07
Revenues/Avg. TFA <sup>(2,4)</sup> , bp	82 bp	83 bp	-1 bp
Operating costs/Avg. TFA <sup>(2,4)</sup> , bp	52 bp	49 bp	3 bp
Cost/Income Ratio % <sup>(1)</sup>	63.1%	61.2%	192 bp

## Total Financial Assets<sup>(2)</sup>, bln



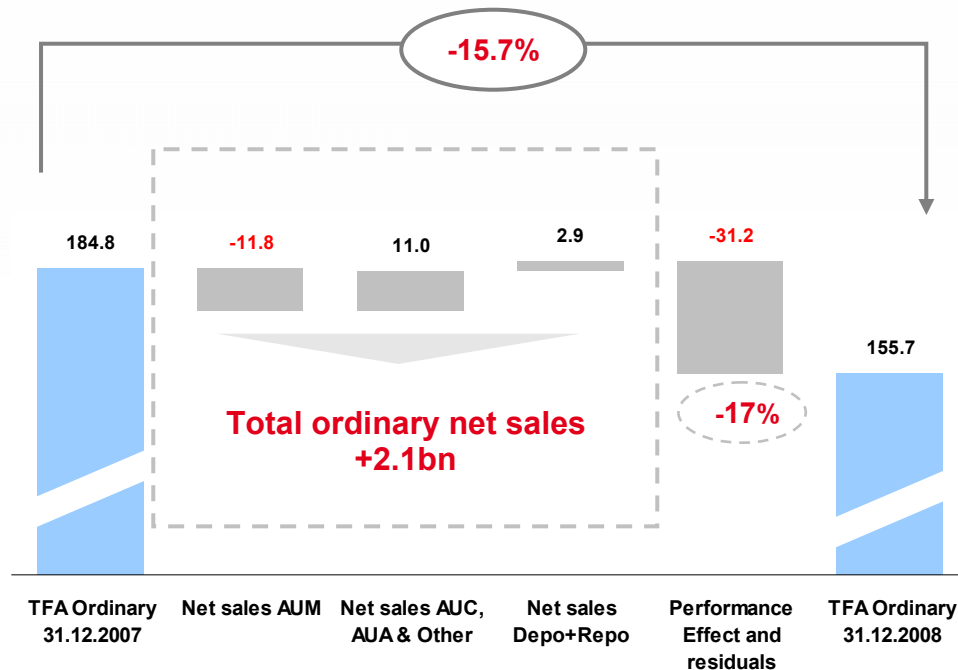
- **Revenues** down by 7.6% y/y<sup>(1)</sup>, due to lower average Financial Asset reflecting adverse market conditions and client propensity to cash
- **Decrease in Ordinary<sup>(3)</sup> Financial Asset** entirely due to market effect, +2.1bn net sales in 2008
- **Rigorous cost control** (-4.7% y/y)<sup>(1)</sup> both on staff costs and other administrative expenses
- **Successful integration of ex-Capitalia network; good synergies achievement from Fineco/Xelion integration:** costs on TFA stood at 66bp FY08 vs 73bp in FY07

(1) Pro-forma data taking into consideration the first time consolidation of Wealth Capital, excl. the Fineco Captive Brokerage activity (not executed in '08) and TFR release in Italy  
 (2) TFA recasted in Dec 2007 for Wealth Capital and Montecarlo branch disposal  
 (3) TFA net of non ordinary assets (transactions which, due to their temporary nature, large size and low profitability, are not considered ordinary operations)  
 (4) KPIs calculated on TFA net of non ordinary assets (see above)

# PRIVATE BANKING DIVISION: SIGNIFICANT COMMERCIAL RESULTS EVEN IN BEAR MARKET

PRIVATE BANKING DIVISION

## Ordinary TFA<sup>(1)</sup> - 2008 ytd evolution, bln



- Decrease in Ordinary Financial Assets<sup>(1)</sup> (-15.7% vs Dec07) **totally due to market effect: ~-31bn negative performance effect** (-17% on 2007 eoy assets)
- **+2.1bn net sales ytd** (in spite of ~-2bn in Q4) in Ordinary Financial Assets<sup>(1)</sup> despite adverse market conditions
- **Good commercial performance in AUC and Deposits** more than offsetting AuM outflows (along to market trend), showing strong network retention in a very difficult environment
- Asset Gathering, **+2.9bn net sales<sup>(1)</sup>**, Private banking **-0.8bn overall**, with Italy and Austria positive

<sup>(1)</sup> TFA net of non ordinary assets (transactions which, due to their temporary nature, large size and low profitability, are not considered ordinary operations)

# GROUP OPERATING MACHINE INTO 2009: GBS DIVISION KEY INITIATIVES

GBS DIVISION

	2008	2009
IT	<ul style="list-style-type: none"> <li>■ <b>Capitalia IT integration:</b> <ul style="list-style-type: none"> <li>✓ Former Capitalia banks moved to Group platform (Eurosig)</li> <li>✓ ICT Capitalia subsidiaries merged into UGIS</li> </ul> </li> <li>■ <b>IT costs flat</b> adsorbing around 70 mln for integration costs and for new activities/projects (eg. BIS II, MIS,..)</li> <li>■ <b>Efficiency improvement programs</b> for <b>CEE countries</b> launched</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Group IT platform:</b> <ul style="list-style-type: none"> <li>✓ HVB migration in 2009</li> <li>✓ Follow-up/launch of migration in Austria (to be completed in 2010) and Poland (to be completed in 2011)</li> </ul> </li> <li>■ <b>Integration of all IT Co.</b> into the Group single specialist Company (UGIS International)</li> <li>■ <b>Expected cost savings ~100 mln</b></li> </ul>
Back Office	<ul style="list-style-type: none"> <li>■ <b>Capitalia Back Office integration:</b> <ul style="list-style-type: none"> <li>✓ Back office integrated in UniCredit Group (~13 mln € synergies, ~300 FTEs)</li> <li>✓ FTEs flat despite insourcing of new activities for 200 FTEs (~10 mln)</li> </ul> </li> <li>■ <b>Germany reduced ~600 FTEs</b> due to outsourcing and rationalization</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Go-live of “One4All” project</b> (the Global Operations Company for the Group)</li> <li>■ <b>Go-live of Polish Branch</b> (near shoring of operations for German and Austrian customer banks)</li> <li>■ <b>Expected cost savings ~30 mln</b> also due to 200 FTEs reductions</li> </ul>
Real Estate	<ul style="list-style-type: none"> <li>■ <b>Real estate fund (4Q08):</b> <ul style="list-style-type: none"> <li>✓ 72 buildings placed (~290 mln net Capital gain)</li> </ul> </li> <li>■ <b>Space optimization plan / asset sales:</b> <ul style="list-style-type: none"> <li>✓ <b>Italy:</b> release of ~100.000 sqm/~10 mln Capital Gain</li> <li>✓ <b>Austria:</b> release of ~45.000 sqm/~50 mln Capital Gain</li> <li>✓ <b>Germany:</b> release of ~30.000 sqm</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Continuation of initiatives on:</b> <ul style="list-style-type: none"> <li>✓ Space optimization and asset sales, with ~135.000 sqm released and ~100 mln capital gain</li> <li>✓ Capital generation</li> </ul> </li> </ul>
Work Out	<ul style="list-style-type: none"> <li>■ <b>Integration of Capitalia NPLs management</b> into UniCredit Group model (~30 mln synergies)</li> <li>■ <b>Collection of more than 1.8 bn</b>, exceeding targets</li> <li>■ <b>Cost reduction of ~13% y/y</b></li> <li>■ <b>Rating UCCMB raised</b> by Fitch and <b>confirmed</b> at the highest level by S&amp;P</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Centralization of Group NPLs</b> in a single Company (ASPRA)</li> <li>■ <b>- 15% of costs thanks to rationalization</b> of network, <b>renegotiation</b> of legal rate and <b>optimization</b> of processes</li> </ul>

## AGENDA

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- **A solid franchise to face 2009 challenges**
- UniCredit Group 2008/4Q08 Results
- **ANNEX**
  - ✓ **2008/4Q08 divisional results**
  - ✓ 2008/4Q08 database

# 4Q08 GROUP P&L

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	4Q08/3Q08	4Q08/4Q07
	2008	2008	2008	2008	2007	2007	2007	2007	CHANGE	at constant FX & Perimeter
(mln Euro)	PRO-FORMA PRO-FORMA PRO-FORMA PRO-FORMA									
Net interest	4,823	4,688	4,400	4,462	4,372	3,993	3,901	3,933	2.9%	9.5%
Dividends and other income from equity investments	433	223	280	76	292	156	355	117	94.2%	44.1%
<b>Net interest income</b>	<b>5,256</b>	<b>4,911</b>	<b>4,680</b>	<b>4,538</b>	<b>4,664</b>	<b>4,149</b>	<b>4,256</b>	<b>4,050</b>	<b>7.0%</b>	<b>11.6%</b>
Net fees and commissions	2,090	2,201	2,342	2,460	2,687	2,532	2,763	2,712	-5.0%	-22.5%
Net trading, hedging and fair value income	-1,258	-523	484	-683	-321	32	693	876	140.5%	n.s.
Net other expenses/income	-11	157	88	134	83	135	103	88	n.m.	-158.8%
<b>Net non-interest income</b>	<b>821</b>	<b>1,835</b>	<b>2,914</b>	<b>1,911</b>	<b>2,449</b>	<b>2,699</b>	<b>3,559</b>	<b>3,676</b>	<b>-55.3%</b>	<b>-67.7%</b>
<b>OPERATING INCOME</b>	<b>6,077</b>	<b>6,746</b>	<b>7,594</b>	<b>6,449</b>	<b>7,113</b>	<b>6,848</b>	<b>7,815</b>	<b>7,726</b>	<b>-9.9%</b>	<b>-15.7%</b>
Payroll costs	-2,385	-2,467	-2,570	-2,496	-2,445	-2,411	-2,273	-2,541	-3.3%	-2.2%
Other administrative expenses	-1,576	-1,478	-1,506	-1,459	-1,492	-1,443	-1,469	-1,386	6.6%	3.7%
Recovery of expenses	140	114	169	134	158	142	151	142	22.8%	-11.6%
Depreciation and amortisation	-353	-326	-316	-317	-357	-323	-306	-303	8.3%	-0.7%
<b>Operating costs</b>	<b>-4,174</b>	<b>-4,157</b>	<b>-4,223</b>	<b>-4,138</b>	<b>-4,136</b>	<b>-4,035</b>	<b>-3,897</b>	<b>-4,088</b>	<b>0.4%</b>	<b>0.4%</b>
<b>OPERATING PROFIT</b>	<b>1,903</b>	<b>2,589</b>	<b>3,371</b>	<b>2,311</b>	<b>2,977</b>	<b>2,813</b>	<b>3,918</b>	<b>3,638</b>	<b>-26.5%</b>	<b>-38.4%</b>
Goodwill impairment	-750	0	0	0	0	0	-1	0	n.m.	0.0%
Provisions for risks and charges	-165	-51	-77	-51	-511	-83	-101	-58	223.5%	-66.6%
Integration costs	-31	-18	-67	-24	-1,104	-102	-86	-16	72.2%	-97.1%
Net write-downs of loans	-1,328	-1,074	-634	-664	-573	-616	-659	-620	23.6%	117.9%
Net income from investments	213	-360	180	185	1,161	83	153	297	n.m.	n.s.
<b>PROFIT BEFORE TAX</b>	<b>-158</b>	<b>1,086</b>	<b>2,773</b>	<b>1,757</b>	<b>1,950</b>	<b>2,095</b>	<b>3,224</b>	<b>3,241</b>	<b>n.m.</b>	<b>-112.9%</b>
Income tax for the period	849	-388	-631	-457	-555	-717	-954	-995	n.m.	-265.0%
<b>NET PROFIT</b>	<b>691</b>	<b>698</b>	<b>2,142</b>	<b>1,300</b>	<b>1,395</b>	<b>1,378</b>	<b>2,270</b>	<b>2,246</b>	<b>-1.0%</b>	<b>-51.7%</b>
Profit (Loss) from non-current assets held for sale, af	0	0	0	0	0	0	0	0	n.m.	0.0%
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>691</b>	<b>698</b>	<b>2,142</b>	<b>1,300</b>	<b>1,395</b>	<b>1,378</b>	<b>2,270</b>	<b>2,246</b>	<b>-1.0%</b>	<b>-51.7%</b>
Minorities	-111	-104	-142	-161	-158	-174	-195	-191	6.7%	-27.7%
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP BEFORE</b>	<b>580</b>	<b>594</b>	<b>2,000</b>	<b>1,139</b>	<b>1,237</b>	<b>1,204</b>	<b>2,075</b>	<b>2,055</b>	<b>-2.4%</b>	<b>-54.9%</b>
Capitalia Purchase Price Allocation effect	-75	-62	-88	-76	-65	0	0	0	21.0%	0.0%
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>505</b>	<b>532</b>	<b>1,912</b>	<b>1,063</b>	<b>1,172</b>	<b>1,204</b>	<b>2,075</b>	<b>2,055</b>	<b>-5.1%</b>	<b>-59.0%</b>



## 4Q08 P&L BY DIVISION

	Retail 4Q 2008	Corporate 4Q 2008	Private Banking 4Q 2008	AM 4Q 2008	MIB 4Q 2008	CEE 4Q 2008	Poland Mkts 4Q 2008	Corporate Centre & Elision 4Q 2008	Group 4Q 2008
Net interest	1,910	1,246	154	10	691	811	293	-292	4,823
Dividends and other income from equity investments	-34	10	2	2	29	9	3	412	433
<b>Net interest income</b>	<b>1,876</b>	<b>1,256</b>	<b>156</b>	<b>12</b>	<b>720</b>	<b>820</b>	<b>296</b>	<b>120</b>	<b>5,256</b>
Net fees and commissions	775	388	176	207	107	306	146	-15	2,090
Net trading, hedging and fair value income	26	-4	7	-8	-1,399	177	38	-95	-1,258
Net other expenses/income	-122	8	6	1	6	22	-27	95	-11
<b>Net non-interest income</b>	<b>679</b>	<b>392</b>	<b>189</b>	<b>200</b>	<b>-1,286</b>	<b>505</b>	<b>157</b>	<b>-15</b>	<b>821</b>
<b>OPERATING INCOME</b>	<b>2,555</b>	<b>1,648</b>	<b>345</b>	<b>212</b>	<b>-566</b>	<b>1,325</b>	<b>453</b>	<b>105</b>	<b>6,077</b>
Payroll costs	-955	-271	-106	-43	-117	-287	-120	-486	-2,385
Other administrative expenses	-953	-253	-125	-54	-236	-271	-106	422	-1,576
Recovery of expenses	79	7	11	3	1	0	1	38	140
Depreciation and amortisation	-13	-6	-6	-22	-1	-55	-29	-221	-353
<b>Operating costs</b>	<b>-1,842</b>	<b>-523</b>	<b>-226</b>	<b>-116</b>	<b>-353</b>	<b>-613</b>	<b>-254</b>	<b>-247</b>	<b>-4,174</b>
<b>OPERATING PROFIT</b>	<b>713</b>	<b>1,125</b>	<b>119</b>	<b>96</b>	<b>-919</b>	<b>712</b>	<b>199</b>	<b>-142</b>	<b>1,903</b>
Goodwill impairment	0	0	0	0	0	0	0	-750	-750
Provisions for risks and charges	-87	-13	-24	-3	4	-21	7	-28	-165
Integration costs	-8	-2	0	1	0	-4	1	-19	-31
Net write-downs of loans	-386	-659	-2	0	-406	-214	22	317	-1,328
Net income from investments	558	177	2	-1	-75	14	3	-465	213
<b>PROFIT BEFORE TAX</b>	<b>790</b>	<b>628</b>	<b>95</b>	<b>93</b>	<b>-1,396</b>	<b>487</b>	<b>232</b>	<b>-1,087</b>	<b>-158</b>

# RETAIL DIVISION P&L

41% of Group revenues

(mln Euro)	TOTAL								CHANGE	
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	4Q08/3Q08 %	4Q08/4Q07 %
Net interest	1,910	1,806	1,781	1,725	1,725	1,712	1,653	1,633	+ 5.8%	+ 10.7%
Dividends and other income from equity investments	-34	20	16	23	25	32	43	6	n.m.	n.m.
<b>Net interest income</b>	<b>1,876</b>	<b>1,826</b>	<b>1,797</b>	<b>1,748</b>	<b>1,750</b>	<b>1,744</b>	<b>1,696</b>	<b>1,639</b>	<b>+ 2.7%</b>	<b>+ 7.2%</b>
Net fees and commissions	775	838	1,029	1,077	966	965	1,039	1,083	- 7.5%	- 19.8%
Net trading, hedging and fair value income	26	6	15	9	8	8	12	12	+ 333.3%	+ 225.0%
Net other expenses/income	-122	27	-7	5	5	-4	5	-7	n.m.	n.m.
<b>Net non-interest income</b>	<b>679</b>	<b>871</b>	<b>1,037</b>	<b>1,091</b>	<b>979</b>	<b>969</b>	<b>1,056</b>	<b>1,088</b>	<b>- 22.0%</b>	<b>- 30.6%</b>
<b>OPERATING INCOME</b>	<b>2,555</b>	<b>2,697</b>	<b>2,834</b>	<b>2,839</b>	<b>2,729</b>	<b>2,713</b>	<b>2,752</b>	<b>2,727</b>	<b>- 5.3%</b>	<b>- 6.4%</b>
Payroll costs	-955	-943	-1,012	-966	-970	-981	-873	-972	+ 1.3%	- 1.5%
Other administrative expenses	-953	-916	-929	-943	-954	-963	-974	-932	+ 4.0%	- 0.1%
Recovery of expenses	79	92	106	100	109	100	108	106	- 14.1%	- 27.5%
Depreciation and amortisation	-13	-21	-23	-22	-37	-34	-35	-25	- 38.1%	- 64.9%
<b>Operating costs</b>	<b>-1,842</b>	<b>-1,788</b>	<b>-1,858</b>	<b>-1,831</b>	<b>-1,852</b>	<b>-1,878</b>	<b>-1,774</b>	<b>-1,823</b>	<b>+ 3.0%</b>	<b>- 0.5%</b>
<b>OPERATING PROFIT</b>	<b>713</b>	<b>909</b>	<b>976</b>	<b>1,008</b>	<b>877</b>	<b>835</b>	<b>978</b>	<b>904</b>	<b>- 21.6%</b>	<b>- 18.7%</b>
Goodwill impairment	0	0	0	0	0	0	0	0	n.m.	n.m.
Provisions for risks and charges	-87	-5	-3	-6	-12	-6	-8	-7	+ 1640.0%	+ 625.0%
Integration costs	-8	-8	-49	-8	-645	-40	0	0	-	- 98.8%
Net write-downs of loans	-386	-285	-252	-255	-270	-231	-207	-242	+ 35.4%	+ 43.0%
Net income from investments	558	-18	0	13	16	-3	-2	12	n.m.	+ 3387.5%
<b>PROFIT BEFORE TAX</b>	<b>790</b>	<b>593</b>	<b>672</b>	<b>752</b>	<b>-34</b>	<b>555</b>	<b>761</b>	<b>667</b>	<b>+ 33.2%</b>	<b>n.m.</b>

# RETAIL ITALY P&L

30% of Group revenues

(mln Euro)	RETAIL ITALY							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	1,444	1,358	1,336	1,289	1,281	1,247	1,206	1,178
Dividends and other income from equity investments	-58	17	12	22	24	30	34	5
<b>Net interest income</b>	<b>1,386</b>	<b>1,375</b>	<b>1,348</b>	<b>1,311</b>	<b>1,305</b>	<b>1,277</b>	<b>1,240</b>	<b>1,183</b>
Net fees and commissions	553	602	751	770	683	680	729	744
Net trading, hedging and fair value income	11	8	17	8	11	5	13	10
Net other expenses/income	-111	33	-1	13	6	2	11	-3
<b>Net non-interest income</b>	<b>453</b>	<b>643</b>	<b>767</b>	<b>791</b>	<b>700</b>	<b>687</b>	<b>753</b>	<b>751</b>
<b>OPERATING INCOME</b>	<b>1,839</b>	<b>2,018</b>	<b>2,115</b>	<b>2,102</b>	<b>2,005</b>	<b>1,964</b>	<b>1,993</b>	<b>1,934</b>
Payroll costs	-726	-718	-777	-735	-734	-752	-640	-728
Other administrative expenses	-639	-613	-619	-637	-640	-619	-638	-601
Recovery of expenses	75	93	105	100	109	100	108	106
Depreciation and amortisation	-9	-17	-18	-19	-31	-30	-29	-19
<b>Operating costs</b>	<b>-1,299</b>	<b>-1,255</b>	<b>-1,309</b>	<b>-1,291</b>	<b>-1,296</b>	<b>-1,301</b>	<b>-1,199</b>	<b>-1,242</b>
<b>OPERATING PROFIT</b>	<b>540</b>	<b>763</b>	<b>806</b>	<b>811</b>	<b>709</b>	<b>663</b>	<b>794</b>	<b>692</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-66	-3	-2	-7	-27	-12	-9	-6
Integration costs	-9	-7	-49	-8	-648	-40	0	0
Net write-downs of loans	-353	-227	-169	-150	-176	-158	-137	-124
Net income from investments	558	-1	0	0	1	0	-2	0
<b>PROFIT BEFORE TAX</b>	<b>670</b>	<b>525</b>	<b>586</b>	<b>646</b>	<b>-141</b>	<b>453</b>	<b>646</b>	<b>562</b>

# RETAIL GERMANY P&L

6% of Group revenues















(mln Euro)	RETAIL GERMANY							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	258	266	266	263	268	269	267	271
Dividends and other income from equity investments	0	0	0	0	0	-1	2	0
<b>Net interest income</b>	<b>258</b>	<b>266</b>	<b>266</b>	<b>263</b>	<b>268</b>	<b>268</b>	<b>269</b>	<b>271</b>
Net fees and commissions	106	123	160	178	151	151	172	195
Net trading, hedging and fair value income	0	0	0	0	0	0	0	1
Net other expenses/income	-5	0	2	-1	4	4	1	4
<b>Net non-interest income</b>	<b>101</b>	<b>123</b>	<b>162</b>	<b>177</b>	<b>155</b>	<b>155</b>	<b>173</b>	<b>200</b>
<b>OPERATING INCOME</b>	<b>359</b>	<b>389</b>	<b>428</b>	<b>440</b>	<b>423</b>	<b>423</b>	<b>442</b>	<b>471</b>
Payroll costs	-147	-141	-151	-149	-154	-147	-150	-160
Other administrative expenses	-193	-176	-180	-175	-162	-201	-187	-183
Recovery of expenses	3	0	0	1	0	0	0	0
Depreciation and amortisation	-1	-1	-2	-1	-2	-1	-3	-3
<b>Operating costs</b>	<b>-338</b>	<b>-318</b>	<b>-333</b>	<b>-324</b>	<b>-318</b>	<b>-349</b>	<b>-340</b>	<b>-346</b>
<b>OPERATING PROFIT</b>	<b>21</b>	<b>71</b>	<b>95</b>	<b>116</b>	<b>105</b>	<b>74</b>	<b>102</b>	<b>125</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-12	2	-4	0	19	1	2	0
Integration costs	2	-2	0	0	3	0	0	0
Net write-downs of loans	16	-6	-31	-50	-52	-15	-13	-67
Net income from investments	-5	-17	-1	13	15	-3	-2	0
<b>PROFIT BEFORE TAX</b>	<b>22</b>	<b>48</b>	<b>59</b>	<b>79</b>	<b>90</b>	<b>57</b>	<b>89</b>	<b>58</b>

# RETAIL AUSTRIA P&L

5% of Group revenues

(mln Euro)	RETAIL AUSTRIA							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	209	181	179	173	175	197	180	184
Dividends and other income from equity investments	24	3	4	1	1	3	7	1
<b>Net interest income</b>	<b>233</b>	<b>184</b>	<b>183</b>	<b>174</b>	<b>176</b>	<b>200</b>	<b>187</b>	<b>185</b>
Net fees and commissions	115	113	119	129	132	133	139	144
Net trading, hedging and fair value income	15	-2	-1	0	-3	3	0	0
Net other expenses/income	-6	-7	-8	-7	-5	-10	-9	-7
<b>Net non-interest income</b>	<b>124</b>	<b>104</b>	<b>110</b>	<b>122</b>	<b>124</b>	<b>126</b>	<b>130</b>	<b>137</b>
<b>OPERATING INCOME</b>	<b>357</b>	<b>288</b>	<b>293</b>	<b>296</b>	<b>300</b>	<b>326</b>	<b>317</b>	<b>322</b>
Payroll costs	-83	-82	-85	-82	-81	-82	-83	-84
Other administrative expenses	-121	-127	-130	-131	-153	-143	-149	-148
Recovery of expenses	0	0	0	0	0	0	0	0
Depreciation and amortisation	-3	-4	-2	-2	-3	-3	-3	-3
<b>Operating costs</b>	<b>-207</b>	<b>-213</b>	<b>-217</b>	<b>-215</b>	<b>-237</b>	<b>-228</b>	<b>-235</b>	<b>-235</b>
<b>OPERATING PROFIT</b>	<b>150</b>	<b>75</b>	<b>76</b>	<b>81</b>	<b>63</b>	<b>98</b>	<b>82</b>	<b>87</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-9	-4	4	0	-4	5	-1	-1
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	-48	-53	-51	-56	-42	-57	-59	-50
Net income from investments	5	0	0	1	0	0	2	12
<b>PROFIT BEFORE TAX</b>	<b>98</b>	<b>18</b>	<b>29</b>	<b>26</b>	<b>17</b>	<b>46</b>	<b>24</b>	<b>48</b>

# MAIN KPI BY COUNTRY

		Revenues		Cost/income	Cost of risk	Pre-tax profit		Branches
		4Q08	%y/y at const. FX	4Q08	FY08	4Q08	%y/y at const. FX	Dec 08
	<b>Poland</b>	453	-11.8%	56.1%	38 <sup>(1)</sup>	232	-4.5%	1,043
	<b>Russia</b>	271	105.0%	28.6%	86	177	145.6%	89
	<b>Turkey<sup>(2)</sup></b>	242	9.1%	47.6%	114	46	33.2%	931
	<b>Ukraine</b>	144	n.a.	30.6%	284	54	n.a.	536 <sup>(3)</sup>
	<b>Croatia</b>	126	-4.8%	71.0%	-1	40	-27.8%	140
	<b>Kazakhstan</b>	109	n.a.	36.7%	278	32	n.a.	193
	<b>Czech Rep.</b>	101	5.8%	34.8%	46	67	128.3%	67
	<b>Romania</b>	85	39.5%	48.9%	144	26	66.5%	259
	<b>Bulgaria</b>	83	23.1%	40.2%	79	43	81.6%	269
	<b>Hungary</b>	71	18.0%	47.4%	59	23	15.8%	119
	<b>Slovakia</b>	47	21.1%	50.6%	19	23	37.9%	92
	<b>BiH</b>	28	-4.2%	79.3%	74	3	-22.4%	161
	<b>Serbia</b>	21	44.3%	40.9%	144	11	80.6%	72
	<b>Slovenia</b>	12	-20.2%	77.8%	35	3	-45.1%	27
	<b>Baltics</b>	6	23.2%	61.8%	134	-6	-818.2%	7

(1) Including 54mln of LLP in Poland, accounted as lower revenues by Group accounting

(2) The figures indicate unaudited pro-rata IFRS results of KFS

(3) Including 61 Pekao branches in Ukraine

# CEE DIVISION: IMPRESSIVE GROWTH IN PROFIT BEFORE TAX +36% Y/Y

CEE DIVISION

mln	FY08	% ch. on FY07 const FX and perim	4Q08	% ch. on 4Q07 const FX and perim
Total Revenues	4,736	21.8%	1,325	21.1%
-o/w Net interest	3,041	20.7%	811	7.0%
-o/w Fees & Commissions	1,163	13.6%	306	16.2%
Operating Costs	-2,233	15.3%	-613	7.4%
Operating Profit	2,503	28.7%	712	38.5%
Net write-downs on loans	-537	55.7%	-214	103.3%
Profit before taxes	2,021	36.0%	487	39.8%

KPIs	FY08	FY07	Δ const FX and perim
Revenues/Avg. RWA,%	7.4%	7.5%	0.2 pp
Cost/Income Ratio, %	47.2%	51.4%	-2.8 pp
Cost of risk, bp (on loans)	90 bp	50 bp	11 bp

- **Good performance on Revenues**, +21.8% y/y at constant FX and perim. mainly driven by
  - ✓ **Net interest** +20.8% y/y driven by strong business growth, in particular in Russia and Turkey
  - ✓ **Net Fee and Commission** up by 13.6% y/y, in Q4 still strong (loan and service fees) despite weaker securities business
  
- **Cost/Income ratio** at 47.2%, much efficiency and effects of synergies by 17 mergers, the increase in **operating costs** is mainly due to branch expansion (~+400 branches in 2008, suspended for 2009)
  
- **Cost of risk** up to 90bp, 131bp in 4Q08, reflecting the worsening economic environment
  
- **RWA growth** below the growth of loans thanks to optimization actions and effective monitoring

## CEE DIVISION P&L

18% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	811	811	726	693	634	530	504	466
Dividends and other income from equity investments	9	3	5	10	0	4	7	6
<b>Net interest income</b>	<b>820</b>	<b>814</b>	<b>731</b>	<b>703</b>	<b>634</b>	<b>534</b>	<b>511</b>	<b>472</b>
Net fees and commissions	306	315	281	261	248	248	226	207
Net trading, hedging and fair value income	177	97	79	31	52	31	41	53
Net other expenses/income	22	40	35	24	19	31	44	16
<b>Net non-interest income</b>	<b>505</b>	<b>452</b>	<b>395</b>	<b>316</b>	<b>319</b>	<b>310</b>	<b>311</b>	<b>276</b>
<b>OPERATING INCOME</b>	<b>1,325</b>	<b>1,266</b>	<b>1,126</b>	<b>1,019</b>	<b>953</b>	<b>844</b>	<b>822</b>	<b>748</b>
Payroll costs	-287	-281	-267	-248	-233	-195	-191	-183
Other administrative expenses	-271	-232	-230	-218	-251	-180	-180	-156
Recovery of expenses	0	0	1	0	0	1	0	0
Depreciation and amortisation	-55	-50	-48	-47	-42	-40	-41	-38
<b>Operating costs</b>	<b>-613</b>	<b>-563</b>	<b>-544</b>	<b>-513</b>	<b>-526</b>	<b>-414</b>	<b>-412</b>	<b>-377</b>
<b>OPERATING PROFIT</b>	<b>712</b>	<b>703</b>	<b>582</b>	<b>506</b>	<b>427</b>	<b>430</b>	<b>410</b>	<b>371</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-21	-22	-15	-7	-33	-16	-15	-14
Integration costs	-4	-1	6	-4	-9	-11	-4	-3
Net write-downs of loans	-214	-124	-96	-103	-62	-80	-19	-50
Net income from investments	14	52	29	28	-5	22	0	3
<b>PROFIT BEFORE TAX</b>	<b>487</b>	<b>608</b>	<b>506</b>	<b>420</b>	<b>318</b>	<b>345</b>	<b>372</b>	<b>307</b>



# TURKEY P&L<sup>(1)</sup>

4% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	146	152	135	147	155	132	126	114
Dividends and other income from equity investments	4	1	1	1	0	1	1	0
<b>Net interest income</b>	<b>150</b>	<b>152</b>	<b>136</b>	<b>148</b>	<b>155</b>	<b>133</b>	<b>127</b>	<b>114</b>
Net fees and commissions	81	90	77	75	83	70	61	52
Net trading, hedging and fair value income	-7	4	9	5	4	8	6	7
Net other expenses/income	17	9	15	17	15	6	15	11
<b>Net non-interest income</b>	<b>92</b>	<b>103</b>	<b>101</b>	<b>97</b>	<b>102</b>	<b>84</b>	<b>81</b>	<b>70</b>
<b>OPERATING INCOME</b>	<b>242</b>	<b>255</b>	<b>237</b>	<b>246</b>	<b>257</b>	<b>216</b>	<b>208</b>	<b>184</b>
Payroll costs	-65	-65	-63	-65	-74	-57	-59	-53
Other administrative expenses	-47	-44	-42	-42	-62	-36	-39	-30
Recovery of expenses	0	0	0	0	0	0	0	0
Depreciation and amortisation	-3	-9	-8	-10	-10	-9	-10	-9
<b>Operating costs</b>	<b>-115</b>	<b>-119</b>	<b>-113</b>	<b>-117</b>	<b>-145</b>	<b>-103</b>	<b>-107</b>	<b>-92</b>
<b>OPERATING PROFIT</b>	<b>127</b>	<b>136</b>	<b>125</b>	<b>129</b>	<b>112</b>	<b>113</b>	<b>100</b>	<b>91</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-21	-19	-14	-9	-25	-20	-10	-13
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	-62	-27	-32	30	-40	-14	-9	-10
Net income from investments	3	7	4	0	-3	6	3	0
<b>PROFIT BEFORE TAX</b>	<b>46</b>	<b>97</b>	<b>83</b>	<b>150</b>	<b>44</b>	<b>86</b>	<b>84</b>	<b>68</b>

<sup>(1)</sup> The figures indicate unaudited pro-rata IFRS results of KFS

# RUSSIA P&L

3% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	156	138	116	107	100	94	84	77
Dividends and other income from equity investments	0	0	1	0	0	0	1	0
<b>Net interest income</b>	<b>156</b>	<b>138</b>	<b>117</b>	<b>107</b>	<b>100</b>	<b>94</b>	<b>85</b>	<b>77</b>
Net fees and commissions	39	37	32	28	34	28	27	25
Net trading, hedging and fair value income	75	8	-5	-6	4	-15	1	6
Net other expenses/income	0	0	7	0	-3	2	1	2
<b>Net non-interest income</b>	<b>115</b>	<b>45</b>	<b>35</b>	<b>23</b>	<b>35</b>	<b>14</b>	<b>29</b>	<b>32</b>
<b>OPERATING INCOME</b>	<b>271</b>	<b>183</b>	<b>152</b>	<b>130</b>	<b>134</b>	<b>108</b>	<b>114</b>	<b>109</b>
Payroll costs	-39	-34	-28	-28	-26	-21	-19	-21
Other administrative expenses	-32	-26	-23	-24	-25	-18	-19	-16
Recovery of expenses	0	0	0	0	0	0	0	0
Depreciation and amortisation	-6	-5	-5	-5	-4	-4	-3	-3
<b>Operating costs</b>	<b>-77</b>	<b>-66</b>	<b>-56</b>	<b>-56</b>	<b>-55</b>	<b>-43</b>	<b>-41</b>	<b>-41</b>
<b>OPERATING PROFIT</b>	<b>194</b>	<b>117</b>	<b>96</b>	<b>74</b>	<b>79</b>	<b>65</b>	<b>73</b>	<b>69</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	0	0	0	0	1	0	-1	0
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	-16	-23	-24	-14	-9	-19	-6	-7
Net income from investments	0	0	3	0	3	0	0	0
<b>PROFIT BEFORE TAX</b>	<b>177</b>	<b>94</b>	<b>75</b>	<b>60</b>	<b>74</b>	<b>46</b>	<b>67</b>	<b>61</b>

# CROATIA P&L

2% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	77	98	95	82	77	72	69	64
Dividends and other income from equity investments	1	1	1	1	1	1	1	1
<b>Net interest income</b>	<b>78</b>	<b>99</b>	<b>96</b>	<b>84</b>	<b>78</b>	<b>74</b>	<b>70</b>	<b>65</b>
Net fees and commissions	34	36	33	32	39	32	29	26
Net trading, hedging and fair value income	11	7	7	5	10	14	-4	6
Net other expenses/income	4	28	10	3	3	25	26	3
<b>Net non-interest income</b>	<b>49</b>	<b>71</b>	<b>49</b>	<b>40</b>	<b>52</b>	<b>71</b>	<b>51</b>	<b>35</b>
<b>OPERATING INCOME</b>	<b>126</b>	<b>170</b>	<b>145</b>	<b>124</b>	<b>130</b>	<b>145</b>	<b>121</b>	<b>100</b>
Payroll costs	-44	-42	-40	-30	-33	-33	-31	-28
Other administrative expenses	-36	-26	-26	-23	-28	-25	-24	-21
Recovery of expenses	0	0	0	0	0	0	0	0
Depreciation and amortisation	-10	-9	-9	-9	-8	-9	-9	-7
<b>Operating costs</b>	<b>-90</b>	<b>-78</b>	<b>-75</b>	<b>-62</b>	<b>-70</b>	<b>-67</b>	<b>-63</b>	<b>-56</b>
<b>OPERATING PROFIT</b>	<b>37</b>	<b>92</b>	<b>70</b>	<b>61</b>	<b>60</b>	<b>78</b>	<b>57</b>	<b>44</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	0	0	0	0	-1	1	-1	-1
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	2	6	-4	-3	-4	-3	8	-1
Net income from investments	2	1	12	-2	0	0	0	1
<b>PROFIT BEFORE TAX</b>	<b>40</b>	<b>98</b>	<b>78</b>	<b>56</b>	<b>54</b>	<b>75</b>	<b>64</b>	<b>43</b>

# UKRAINE P&L

1.5% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	95	81	55	45	n.a.	n.a.	n.a.	n.a.
Dividends and other income from equity investments	0	0	0	0	n.a.	n.a.	n.a.	n.a.
<b>Net interest income</b>	<b>95</b>	<b>81</b>	<b>55</b>	<b>45</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Net fees and commissions	22	24	19	16	n.a.	n.a.	n.a.	n.a.
Net trading, hedging and fair value income	27	14	6	7	n.a.	n.a.	n.a.	n.a.
Net other expenses/income	1	0	-1	2	n.a.	n.a.	n.a.	n.a.
<b>Net non-interest income</b>	<b>50</b>	<b>38</b>	<b>24</b>	<b>25</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>OPERATING INCOME</b>	<b>144</b>	<b>119</b>	<b>79</b>	<b>70</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Payroll costs	-24	-25	-24	-22	n.a.	n.a.	n.a.	n.a.
Other administrative expenses	-16	-12	-7	-16	n.a.	n.a.	n.a.	n.a.
Recovery of expenses	0	0	0	0	n.a.	n.a.	n.a.	n.a.
Depreciation and amortisation	-4	-4	-4	-4	n.a.	n.a.	n.a.	n.a.
<b>Operating costs</b>	<b>-44</b>	<b>-42</b>	<b>-34</b>	<b>-42</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>OPERATING PROFIT</b>	<b>100</b>	<b>78</b>	<b>45</b>	<b>28</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Goodwill impairment	0	0	0	0	n.a.	n.a.	n.a.	n.a.
Provisions for risks and charges	2	-2	0	0	n.a.	n.a.	n.a.	n.a.
Integration costs	0	0	0	0	n.a.	n.a.	n.a.	n.a.
Net write-downs of loans	-49	-18	-8	-15	n.a.	n.a.	n.a.	n.a.
Net income from investments	1	0	0	0	n.a.	n.a.	n.a.	n.a.
<b>PROFIT BEFORE TAX</b>	<b>54</b>	<b>58</b>	<b>37</b>	<b>14</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

# POLAND'S MARKETS DIVISION: INCOME STATEMENT AND KPI

PM DIVISION

mln	FY08	% ch. on FY07 const FX and perim	4Q08	% ch. on 4Q07 const FX and perim
<b>Total Revenues</b>	<b>2,183</b>	<b>-5.7%</b>	<b>453</b>	<b>-11.8%</b>
-o/w Net interest	1,285	1.5%	293	-5.8%
-o/w Fees & Commissions	670	-26.0%	146	-25.6%
<b>Operating Costs</b>	<b>-1,060</b>	<b>1.7%</b>	<b>-254</b>	<b>-1.6%</b>
<b>Operating Profit</b>	<b>1,123</b>	<b>-11.8%</b>	<b>199</b>	<b>-21.8%</b>
<b>Net write-downs on loans</b>	<b>-23</b>	<b>-64.9%</b>	<b>22</b>	<b>n.m.</b>
<b>Profit before taxes</b>	<b>1,110</b>	<b>-10.1%</b>	<b>232</b>	<b>-4.5%</b>

KPIs	FY08	FY07	Δ const FX and perim
<b>Revenues/Avg. RWA, %</b>	<b>8.8%</b>	<b>10.9%</b>	<b>-2.0 pp</b>
<b>Cost/Income Ratio, %</b>	<b>48.6%</b>	<b>45.1%</b>	<b>3.5 pp</b>
<b>Cost of risk, bp (on loans)</b>	<b>38 bp<sup>(1)</sup></b>	<b>43 bp</b>	<b>-<sup>(1)</sup></b>

- **Total revenues** down by 5.7% y/y at constant FX and perim.
  - ✓ **Net interest** up +1.5% y/y mainly driven by improvement on asset mix, in 4Q08 down by 8.2% y/y mainly due a contraction on deposits spread
  - ✓ **Fee and Commissions** down impacted by AUM performance
- **Operating cost under control** with savings in 4Q08 thanks to FTEs optimization (-3.6% y/y)
- **Net write-downs on loans** down by 64.9% affected by improving changed accounting methodology (54mln) in 4Q08

(1) Including 54mln of LLP in Poland, accounted as lower revenues by Group accounting

# POLAND MARKETS' DIVISION P&L

8% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	293	342	335	315	319	301	285	272
Dividends and other income from equity investments	3	7	11	11	10	10	5	9
<b>Net interest income</b>	<b>296</b>	<b>349</b>	<b>346</b>	<b>326</b>	<b>329</b>	<b>311</b>	<b>290</b>	<b>281</b>
Net fees and commissions	146	170	183	171	201	216	228	196
Net trading, hedging and fair value income	38	48	46	29	5	26	30	26
Net other expenses/income	-27	41	5	16	2	7	5	3
<b>Net non-interest income</b>	<b>157</b>	<b>259</b>	<b>234</b>	<b>216</b>	<b>208</b>	<b>249</b>	<b>263</b>	<b>225</b>
<b>OPERATING INCOME</b>	<b>453</b>	<b>608</b>	<b>580</b>	<b>542</b>	<b>537</b>	<b>560</b>	<b>553</b>	<b>506</b>
Payroll costs	-120	-141	-141	-134	-140	-125	-131	-119
Other administrative expenses	-106	-114	-104	-85	-96	-91	-85	-82
Recovery of expenses	1	1	0	1	0	1	0	0
Depreciation and amortisation	-29	-31	-31	-27	-28	-26	-25	-25
<b>Operating costs</b>	<b>-254</b>	<b>-285</b>	<b>-276</b>	<b>-245</b>	<b>-264</b>	<b>-241</b>	<b>-241</b>	<b>-226</b>
<b>OPERATING PROFIT</b>	<b>199</b>	<b>323</b>	<b>304</b>	<b>297</b>	<b>273</b>	<b>319</b>	<b>312</b>	<b>280</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	7	0	0	1	1	-1	-1	0
Integration costs	1	-2	-9	-17	-23	-2	-5	-3
Net write-downs of loans	22	-13	-19	-13	-6	-17	-25	-26
Net income from investments	3	2	23	1	9	6	4	49
<b>PROFIT BEFORE TAX</b>	<b>232</b>	<b>310</b>	<b>299</b>	<b>269</b>	<b>254</b>	<b>305</b>	<b>285</b>	<b>300</b>

# CORPORATE DIVISION P&L

24% of Group revenues

(min Euro)	TOTAL								CHANGE	
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	4Q08/3Q08 %	4Q08/4Q07 %
Net interest	1,246	1,158	1,154	1,125	1,084	1,050	1,038	1,039	+ 7.6%	+ 14.9%
Dividends and other income from equity investments	10	36	19	10	22	14	41	9	- 72.2%	- 54.5%
<b>Net interest income</b>	<b>1,256</b>	<b>1,194</b>	<b>1,173</b>	<b>1,135</b>	<b>1,106</b>	<b>1,064</b>	<b>1,079</b>	<b>1,048</b>	<b>+ 5.2%</b>	<b>+ 13.6%</b>
Net fees and commissions	388	338	360	355	350	341	384	396	+ 14.8%	+ 10.9%
Net trading, hedging and fair value income	-4	7	11	9	9	29	33	24	n.m.	n.m.
Net other expenses/income	8	34	26	42	51	22	38	20	- 76.5%	- 84.3%
<b>Net non-interest income</b>	<b>392</b>	<b>379</b>	<b>397</b>	<b>406</b>	<b>410</b>	<b>392</b>	<b>455</b>	<b>440</b>	<b>+ 3.4%</b>	<b>- 4.4%</b>
<b>OPERATING INCOME</b>	<b>1,648</b>	<b>1,573</b>	<b>1,570</b>	<b>1,541</b>	<b>1,516</b>	<b>1,456</b>	<b>1,534</b>	<b>1,488</b>	<b>+ 4.8%</b>	<b>+ 8.7%</b>
Payroll costs	-271	-272	-269	-266	-238	-255	-238	-257	- 0.4%	+ 13.9%
Other administrative expenses	-253	-232	-247	-238	-272	-242	-249	-229	+ 9.1%	- 7.0%
Recovery of expenses	7	5	11	8	9	8	10	10	+ 40.0%	- 22.2%
Depreciation and amortisation	-6	-6	-6	-4	-8	-8	-10	-6	-	- 25.0%
<b>Operating costs</b>	<b>-523</b>	<b>-505</b>	<b>-511</b>	<b>-500</b>	<b>-509</b>	<b>-497</b>	<b>-487</b>	<b>-482</b>	<b>+ 3.6%</b>	<b>+ 2.8%</b>
<b>OPERATING PROFIT</b>	<b>1,125</b>	<b>1,068</b>	<b>1,059</b>	<b>1,041</b>	<b>1,007</b>	<b>959</b>	<b>1,047</b>	<b>1,006</b>	<b>+ 5.3%</b>	<b>+ 11.7%</b>
Goodwill impairment	0	0	0	0	0	0	0	0	n.m.	n.m.
Provisions for risks and charges	-13	-1	3	19	-172	-42	-13	-12	+ 1200.0%	- 92.4%
Integration costs	-2	-1	-5	-1	-68	-3	0	0	+ 100.0%	- 97.1%
Net write-downs of loans	-659	-311	-239	-212	-214	-229	-265	-204	+ 111.9%	+ 207.9%
Net income from investments	177	-42	-14	-1	108	23	0	27	n.m.	+ 63.9%
<b>PROFIT BEFORE TAX</b>	<b>628</b>	<b>713</b>	<b>804</b>	<b>846</b>	<b>661</b>	<b>708</b>	<b>769</b>	<b>817</b>	<b>- 11.9%</b>	<b>- 5.0%</b>

# CORPORATE ITALY P&L

12% of Group revenues

(mln Euro)	CORPORATE ITALY							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	652	618	603	600	584	550	552	546
Dividends and other income from equity investments	0	0	6	0	6	0	15	0
<b>Net interest income</b>	<b>652</b>	<b>618</b>	<b>609</b>	<b>600</b>	<b>590</b>	<b>550</b>	<b>567</b>	<b>546</b>
Net fees and commissions	220	174	179	159	197	171	181	175
Net trading, hedging and fair value income	-1	8	10	10	7	32	31	24
Net other expenses/income	-10	0	-1	1	-1	-1	0	-1
<b>Net non-interest income</b>	<b>209</b>	<b>182</b>	<b>188</b>	<b>170</b>	<b>203</b>	<b>202</b>	<b>212</b>	<b>198</b>
<b>OPERATING INCOME</b>	<b>861</b>	<b>800</b>	<b>797</b>	<b>770</b>	<b>793</b>	<b>752</b>	<b>779</b>	<b>744</b>
Payroll costs	-149	-149	-153	-154	-119	-155	-133	-152
Other administrative expenses	-90	-97	-96	-100	-87	-93	-108	-92
Recovery of expenses	5	6	7	7	7	6	9	8
Depreciation and amortisation	-1	-1	-1	-1	-2	-1	-1	-1
<b>Operating costs</b>	<b>-235</b>	<b>-241</b>	<b>-243</b>	<b>-248</b>	<b>-201</b>	<b>-243</b>	<b>-233</b>	<b>-237</b>
<b>OPERATING PROFIT</b>	<b>626</b>	<b>559</b>	<b>554</b>	<b>522</b>	<b>592</b>	<b>509</b>	<b>546</b>	<b>507</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	6	1	-6	15	-142	-34	-13	-11
Integration costs	-2	0	-5	-1	-58	-2	0	0
Net write-downs of loans	-350	-239	-142	-117	-155	-154	-181	-124
Net income from investments	167	-1	0	0	118	9	-1	27
<b>PROFIT BEFORE TAX</b>	<b>447</b>	<b>320</b>	<b>401</b>	<b>419</b>	<b>355</b>	<b>328</b>	<b>351</b>	<b>399</b>



# CORPORATE GERMANY P&L

6% of Group revenues

(mln Euro)	CORPORATE GERMANY							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	295	274	264	268	256	247	260	254
Dividends and other income from equity investments	5	22	7	0	0	1	12	0
<b>Net interest income</b>	<b>300</b>	<b>296</b>	<b>271</b>	<b>268</b>	<b>256</b>	<b>248</b>	<b>272</b>	<b>254</b>
Net fees and commissions	97	96	101	111	82	96	107	121
Net trading, hedging and fair value income	-1	0	0	-1	3	-1	0	0
Net other expenses/income	1	2	0	0	1	1	1	1
<b>Net non-interest income</b>	<b>97</b>	<b>98</b>	<b>101</b>	<b>110</b>	<b>86</b>	<b>96</b>	<b>108</b>	<b>122</b>
<b>OPERATING INCOME</b>	<b>397</b>	<b>394</b>	<b>372</b>	<b>378</b>	<b>342</b>	<b>344</b>	<b>380</b>	<b>376</b>
Payroll costs	-56	-58	-55	-50	-58	-48	-49	-52
Other administrative expenses	-92	-78	-84	-78	-96	-82	-77	-76
Recovery of expenses	1	0	0	0	0	0	0	0
Depreciation and amortisation	0	0	0	0	0	-1	-1	0
<b>Operating costs</b>	<b>-147</b>	<b>-136</b>	<b>-139</b>	<b>-128</b>	<b>-154</b>	<b>-131</b>	<b>-127</b>	<b>-128</b>
<b>OPERATING PROFIT</b>	<b>250</b>	<b>258</b>	<b>233</b>	<b>250</b>	<b>188</b>	<b>213</b>	<b>253</b>	<b>248</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-8	2	8	4	-22	-7	1	0
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	-165	-95	-63	-54	-2	-37	-50	-51
Net income from investments	-10	21	1	1	-1	-1	1	-1
<b>PROFIT BEFORE TAX</b>	<b>67</b>	<b>186</b>	<b>179</b>	<b>201</b>	<b>163</b>	<b>168</b>	<b>205</b>	<b>196</b>

# CORPORATE AUSTRIA P&L

3% of Group revenues

(mln Euro)	CORPORATE AUSTRIA							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	150	134	141	129	119	128	116	119
Dividends and other income from equity investments	4	14	5	9	12	14	14	8
<b>Net interest income</b>	<b>154</b>	<b>148</b>	<b>146</b>	<b>138</b>	<b>131</b>	<b>142</b>	<b>130</b>	<b>127</b>
Net fees and commissions	59	63	74	81	65	72	93	97
Net trading, hedging and fair value income	0	0	0	0	0	0	0	0
Net other expenses/income	0	-1	0	-1	-1	-4	-1	-1
<b>Net non-interest income</b>	<b>59</b>	<b>62</b>	<b>74</b>	<b>80</b>	<b>64</b>	<b>68</b>	<b>92</b>	<b>96</b>
<b>OPERATING INCOME</b>	<b>213</b>	<b>210</b>	<b>220</b>	<b>218</b>	<b>195</b>	<b>210</b>	<b>222</b>	<b>223</b>
Payroll costs	-27	-26	-27	-26	-24	-24	-26	-23
Other administrative expenses	-50	-37	-41	-36	-53	-44	-42	-39
Recovery of expenses	0	0	1	0	0	0	1	0
Depreciation and amortisation	-1	-1	0	-1	0	-1	0	-1
<b>Operating costs</b>	<b>-78</b>	<b>-64</b>	<b>-67</b>	<b>-63</b>	<b>-77</b>	<b>-69</b>	<b>-67</b>	<b>-63</b>
<b>OPERATING PROFIT</b>	<b>135</b>	<b>146</b>	<b>153</b>	<b>155</b>	<b>118</b>	<b>141</b>	<b>155</b>	<b>160</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-8	-2	1	1	-5	0	0	0
Integration costs	0	0	0	0	0	0	0	0
Net write-downs of loans	-119	43	-10	-14	-25	-10	-8	-13
Net income from investments	8	-62	-8	0	-1	-11	-3	2
<b>PROFIT BEFORE TAX</b>	<b>16</b>	<b>125</b>	<b>136</b>	<b>142</b>	<b>87</b>	<b>120</b>	<b>144</b>	<b>149</b>

# GLOBAL LEASING P&L

3% of Group revenues

(mln Euro)	GLOBAL LEASING							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	150	131	145	129	126	124	110	120
Dividends and other income from equity investments	1	0	2	0	2	0	1	0
<b>Net interest income</b>	<b>151</b>	<b>131</b>	<b>147</b>	<b>129</b>	<b>128</b>	<b>124</b>	<b>111</b>	<b>120</b>
Net fees and commissions	13	4	7	4	6	2	3	3
Net trading, hedging and fair value income	-2	0	0	0	0	-2	2	0
Net other expenses/income	19	32	28	41	51	26	37	22
<b>Net non-interest income</b>	<b>30</b>	<b>36</b>	<b>35</b>	<b>45</b>	<b>57</b>	<b>26</b>	<b>42</b>	<b>25</b>
<b>OPERATING INCOME</b>	<b>181</b>	<b>167</b>	<b>182</b>	<b>174</b>	<b>185</b>	<b>150</b>	<b>153</b>	<b>145</b>
Payroll costs	-38	-39	-36	-35	-38	-27	-30	-30
Other administrative expenses	-21	-20	-26	-24	-33	-23	-24	-21
Recovery of expenses	1	-2	3	2	2	1	2	1
Depreciation and amortisation	-4	-4	-5	-2	-5	-6	-8	-4
<b>Operating costs</b>	<b>-62</b>	<b>-65</b>	<b>-64</b>	<b>-59</b>	<b>-74</b>	<b>-55</b>	<b>-60</b>	<b>-54</b>
<b>OPERATING PROFIT</b>	<b>119</b>	<b>102</b>	<b>118</b>	<b>115</b>	<b>111</b>	<b>95</b>	<b>93</b>	<b>91</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-3	-1	-1	0	-5	0	-2	0
Integration costs	-1	0	0	0	-10	-1	0	0
Net write-downs of loans	-26	-20	-23	-27	-31	-28	-25	-17
Net income from investments	11	0	-6	-3	-9	27	2	-1
<b>PROFIT BEFORE TAX</b>	<b>100</b>	<b>81</b>	<b>88</b>	<b>85</b>	<b>56</b>	<b>93</b>	<b>68</b>	<b>73</b>

# MIB DIVISION P&L

0.5% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	691	652	484	479	445	329	310	369
Dividends and other income from equity investments	29	12	35	16	89	30	93	60
<b>Net interest income</b>	<b>720</b>	<b>664</b>	<b>519</b>	<b>495</b>	<b>534</b>	<b>359</b>	<b>403</b>	<b>429</b>
Net fees and commissions	107	74	73	72	168	110	208	140
Net trading, hedging and fair value income	-1,399	-544	221	-865	-345	-8	532	648
Net other expenses/income	6	8	-19	2	24	-4	18	13
<b>Net non-interest income</b>	<b>-1,286</b>	<b>-462</b>	<b>275</b>	<b>-791</b>	<b>-153</b>	<b>98</b>	<b>758</b>	<b>801</b>
<b>OPERATING INCOME</b>	<b>-566</b>	<b>202</b>	<b>794</b>	<b>-296</b>	<b>381</b>	<b>457</b>	<b>1,161</b>	<b>1,230</b>
Payroll costs	-117	-114	-149	-161	-145	-119	-247	-243
Other administrative expenses	-236	-224	-206	-212	-203	-219	-214	-214
Recovery of expenses	1	2	3	1	2	2	2	1
Depreciation and amortisation	-1	-4	-2	-2	-2	-4	-4	-4
<b>Operating costs</b>	<b>-353</b>	<b>-340</b>	<b>-354</b>	<b>-374</b>	<b>-348</b>	<b>-340</b>	<b>-463</b>	<b>-460</b>
<b>OPERATING PROFIT</b>	<b>-919</b>	<b>-138</b>	<b>440</b>	<b>-670</b>	<b>33</b>	<b>117</b>	<b>698</b>	<b>770</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	4	2	-1	0	6	1	4	-2
Integration costs	0	-1	-1	0	-55	0	0	0
Net write-downs of loans	-406	-257	10	-40	-11	43	-4	-2
Net income from investments	-75	-102	-50	18	214	35	21	216
<b>PROFIT BEFORE TAX</b>	<b>-1,396</b>	<b>-496</b>	<b>398</b>	<b>-692</b>	<b>187</b>	<b>196</b>	<b>719</b>	<b>982</b>

# ASSET MANAGEMENT DIVISION P&L

4% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	10	11	14	11	13	19	7	7
Dividends and other income from equity investments	2	1	1	3	4	1	3	2
<b>Net interest income</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>14</b>	<b>17</b>	<b>20</b>	<b>10</b>	<b>9</b>
Net fees and commissions	207	257	280	307	397	374	407	370
Net trading, hedging and fair value income	-8	-3	-1	-2	-10	-13	-2	1
Net other expenses/income	1	1	-2	-2	-4	6	-6	2
<b>Net non-interest income</b>	<b>200</b>	<b>255</b>	<b>277</b>	<b>303</b>	<b>383</b>	<b>367</b>	<b>399</b>	<b>373</b>
<b>OPERATING INCOME</b>	<b>212</b>	<b>267</b>	<b>292</b>	<b>317</b>	<b>400</b>	<b>387</b>	<b>409</b>	<b>382</b>
Payroll costs	-43	-76	-77	-53	-106	-91	-108	-98
Other administrative expenses	-54	-52	-61	-58	-62	-60	-59	-55
Recovery of expenses	3	4	4	4	4	4	4	4
Depreciation and amortisation	-22	-8	-8	-11	-10	-7	-7	-5
<b>Operating costs</b>	<b>-116</b>	<b>-132</b>	<b>-142</b>	<b>-118</b>	<b>-174</b>	<b>-154</b>	<b>-170</b>	<b>-154</b>
<b>OPERATING PROFIT</b>	<b>96</b>	<b>135</b>	<b>150</b>	<b>199</b>	<b>226</b>	<b>233</b>	<b>239</b>	<b>228</b>
Goodwill impairment	0	0	0	0	0	0	-1	0
Provisions for risks and charges	-3	0	-5	2	-7	-1	3	0
Integration costs	1	-1	0	-1	0	-4	3	-4
Net write-downs of loans	0	-3	0	0	0	0	0	0
Net income from investments	-1	2	3	25	17	1	1	0
<b>PROFIT BEFORE TAX</b>	<b>93</b>	<b>133</b>	<b>148</b>	<b>225</b>	<b>236</b>	<b>229</b>	<b>245</b>	<b>224</b>

# PRIVATE BANKING DIVISION P&L

5% of Group revenues

(mln Euro)	TOTAL							
	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest	154	141	135	130	124	111	109	106
Dividends and other income from equity investments	2	1	11	0	12	11	4	3
<b>Net interest income</b>	<b>156</b>	<b>142</b>	<b>146</b>	<b>130</b>	<b>136</b>	<b>122</b>	<b>113</b>	<b>109</b>
Net fees and commissions	176	179	217	245	253	219	252	257
Net trading, hedging and fair value income	7	-25	5	-3	1	2	-3	2
Net other expenses/income	6	12	9	12	21	8	11	6
<b>Net non-interest income</b>	<b>189</b>	<b>166</b>	<b>231</b>	<b>254</b>	<b>275</b>	<b>229</b>	<b>260</b>	<b>265</b>
<b>OPERATING INCOME</b>	<b>345</b>	<b>308</b>	<b>377</b>	<b>384</b>	<b>411</b>	<b>351</b>	<b>373</b>	<b>374</b>
Payroll costs	-106	-104	-105	-105	-105	-101	-98	-97
Other administrative expenses	-125	-116	-128	-125	-141	-119	-127	-126
Recovery of expenses	11	12	12	11	11	11	12	11
Depreciation and amortisation	-6	-7	-5	-6	-7	-6	-6	-7
<b>Operating costs</b>	<b>-226</b>	<b>-215</b>	<b>-226</b>	<b>-225</b>	<b>-242</b>	<b>-215</b>	<b>-219</b>	<b>-219</b>
<b>OPERATING PROFIT</b>	<b>119</b>	<b>93</b>	<b>151</b>	<b>159</b>	<b>169</b>	<b>136</b>	<b>154</b>	<b>155</b>
Goodwill impairment	0	0	0	0	0	0	0	0
Provisions for risks and charges	-24	1	-4	-3	-16	-1	1	-5
Integration costs	0	-2	-2	-1	-13	0	0	0
Net write-downs of loans	-2	-4	11	-4	1	-1	-8	-5
Net income from investments	2	0	2	19	17	-1	1	0
<b>PROFIT BEFORE TAX</b>	<b>95</b>	<b>88</b>	<b>158</b>	<b>170</b>	<b>158</b>	<b>133</b>	<b>148</b>	<b>145</b>

## GROUP BALANCE SHEET: ASSETS

(mIn Euro)	31.12.2008	31.12.2007	%
	CHANGE		
<b>Assets</b>			
Cash and cash balances	7,652	11,073	-30.9%
Financial assets held for trading	204,890	202,343	1.3%
Loans and receivables with banks	80,827	100,012	-19.2%
Loans and receivables with customers	612,480	575,063	6.5%
Financial investments	65,222	62,229	4.8%
Hedging instruments	8,710	2,442	256.7%
Property, plant and equipment	11,936	11,872	0.5%
Goodwill	20,889	20,342	2.7%
Other intangible assets	5,593	5,929	-5.7%
Tax assets	12,392	11,548	7.3%
Non-current assets and disposal groups held for sale	1,030	6,374	-83.8%
Other assets	13,991	12,609	11.0%
<b>Total assets</b>	<b>1,045,612</b>	<b>1,021,836</b>	<b>2.3%</b>

## GROUP BALANCE SHEET: LIABILITIES AND EQUITY

(mln Euro)	31.12.2008	31.12.2007	% CHANGE
<b>Liabilities and shareholders' equity</b>			
Deposits from banks	177,677	160,601	10.6%
Deposits from customers and debt securities in issue	591,290	630,239	-6.2%
Financial liabilities held for trading	165,335	113,656	45.5%
Financial liabilities designated at fair value	1,659	1,967	-15.7%
Hedging instruments	9,323	4,944	88.6%
Provisions for risks and charges	8,049	9,105	-11.6%
Tax liabilities	8,229	7,652	7.5%
Liabilities included in disposal groups held for sale	537	5,027	-89.3%
Other liabilities	25,272	26,211	-3.6%
Minorities	3,242	4,744	-31.7%
Shareholders' equity	54,999	57,690	- 4.7%
- <i>Capital and reserves</i>	51,665	50,931	+ 1.4%
- <i>Available-for-sale assets fair value reserve and cash-flow hedging reserve</i>	-678	858	- 179.0%
- <i>Net profit</i>	4,012	5,901	- 32.0%
<b>Total liabilities and shareholders' equity</b>	<b>1,045,612</b>	<b>1,021,836</b>	<b>2.3%</b>



## CUSTOMER LOANS BY DIVISION AND RELEVANT AREA

(min Euro)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Retail Division</b>	<b>180,440</b>	<b>184,394</b>	<b>184,717</b>	<b>183,815</b>	<b>186,569</b>	<b>182,771</b>	<b>181,099</b>	<b>176,798</b>
Italy	119,884	123,231	124,986	121,119	123,166	118,406	116,147	111,025
Germany	39,723	39,988	40,797	41,821	42,649	43,801	44,418	45,135
Austria	20,833	21,175	18,935	20,875	20,755	20,564	20,534	20,639
<b>Corporate Division</b>	<b>247,554</b>	<b>246,267</b>	<b>239,924</b>	<b>236,967</b>	<b>236,972</b>	<b>230,800</b>	<b>224,824</b>	<b>219,211</b>
Italy	107,660	107,459	103,433	105,979	107,856	105,084	100,815	97,139
Germany	63,684	62,251	60,248	58,445	57,595	57,936	57,168	57,037
Austria	45,441	46,521	46,155	43,401	41,935	41,387	41,971	40,803
Leasing	30,770	30,036	30,087	29,142	29,586	26,393	24,870	24,232
<b>MIB Division</b>	<b>74,691</b>	<b>77,532</b>	<b>64,327</b>	<b>62,107</b>	<b>59,777</b>	<b>61,069</b>	<b>60,544</b>	<b>62,627</b>
<b>Asset Management Division</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Private Banking Division</b>	<b>8,427</b>	<b>9,035</b>	<b>8,484</b>	<b>8,119</b>	<b>9,264</b>	<b>8,710</b>	<b>8,811</b>	<b>8,950</b>
<b>CEE Division</b>	<b>64,208</b>	<b>66,683</b>	<b>60,945</b>	<b>55,224</b>	<b>50,638</b>	<b>42,713</b>	<b>39,831</b>	<b>37,126</b>
Turkey	8,122	9,079	8,040	7,009	7,641	7,023	6,381	5,676
Russia	9,674	10,587	9,175	7,983	7,471	6,464	5,444	4,842
Croatia	8,259	8,106	7,699	7,408	7,028	7,072	6,786	6,344
Ukraine	3,899	4,486	3,952	3,425	0	0	0	0
Other countries	34,254	34,425	32,079	29,399	28,498	22,154	21,220	20,264
<b>Poland's Markets Division</b>	<b>19,870</b>	<b>21,768</b>	<b>21,311</b>	<b>20,007</b>	<b>19,386</b>	<b>16,982</b>	<b>16,561</b>	<b>15,665</b>
<b>Corporate Center, GBS and elisions</b>	<b>17,291</b>	<b>17,874</b>	<b>18,330</b>	<b>21,783</b>	<b>12,457</b>	<b>23,061</b>	<b>26,077</b>	<b>29,679</b>
<b>TOTAL GROUP</b>	<b>612,480</b>	<b>623,553</b>	<b>598,040</b>	<b>588,023</b>	<b>575,063</b>	<b>566,106</b>	<b>557,748</b>	<b>550,057</b>
o.w. Italy	282,326	286,732	283,779	283,798	279,183	278,198	272,008	265,328
o.w. Germany	174,954	175,643	164,117	162,278	160,638	163,867	165,513	169,088
o.w. Austria	71,123	72,726	67,886	66,716	65,220	64,345	63,833	62,849
o.w. CEE Region	84,078	88,451	82,256	75,231	70,024	59,695	56,392	52,791

## AVERAGE CUSTOMER LOANS BY DIVISION AND RELEVANT AREA

(mln Euro)	FY 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	FY 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Retail Division</b>	<b>183,987</b>	<b>182,417</b>	<b>184,556</b>	<b>184,266</b>	<b>185,192</b>	<b>180,469</b>	<b>184,670</b>	<b>181,935</b>	<b>178,949</b>	<b>175,954</b>
Italy	122,477	121,558	124,109	123,053	122,143	115,369	120,786	117,277	113,586	109,563
Germany	40,996	39,856	40,393	41,309	42,235	44,448	43,225	44,110	44,777	45,685
Austria	20,515	21,004	20,055	19,905	20,815	20,653	20,660	20,549	20,587	20,707
<b>Corporate Division</b>	<b>241,537</b>	<b>246,911</b>	<b>243,096</b>	<b>238,446</b>	<b>236,970</b>	<b>224,762</b>	<b>233,886</b>	<b>227,812</b>	<b>222,018</b>	<b>215,608</b>
Italy	106,477	107,560	105,446	104,706	106,918	100,963	106,470	102,950	98,977	95,531
Germany	60,445	62,968	61,250	59,347	58,020	56,877	57,766	57,552	57,103	55,843
Austria	44,691	45,981	46,338	44,778	42,668	41,018	41,661	41,679	41,387	39,899
Leasing	29,924	30,403	30,062	29,615	29,364	25,904	27,990	25,632	24,551	24,336
<b>MIB Division</b>	<b>67,687</b>	<b>76,112</b>	<b>70,930</b>	<b>63,217</b>	<b>60,942</b>	<b>60,352</b>	<b>60,423</b>	<b>60,807</b>	<b>61,586</b>	<b>60,185</b>
<b>Asset Management Division</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Private Banking Division</b>	<b>8,666</b>	<b>8,731</b>	<b>8,760</b>	<b>8,302</b>	<b>8,692</b>	<b>8,937</b>	<b>8,987</b>	<b>8,761</b>	<b>8,881</b>	<b>8,950</b>
<b>CEE Division</b>	<b>59,540</b>	<b>65,446</b>	<b>63,814</b>	<b>58,085</b>	<b>52,931</b>	<b>41,818</b>	<b>46,676</b>	<b>41,272</b>	<b>38,479</b>	<b>37,955</b>
Turkey	7,978	8,601	8,560	7,525	7,325	6,472	7,332	6,702	6,029	5,658
Russia	8,978	10,131	9,881	8,579	7,727	5,784	6,968	5,954	5,143	4,771
Croatia	7,700	8,183	7,903	7,554	7,218	6,626	7,050	6,929	6,565	6,123
Ukraine	3,152	4,193	4,219	3,689	1,713	n.a.	n.a.	n.a.	n.a.	n.a.
Other countries	31,731	34,340	33,252	30,739	28,949	22,936	25,326	21,687	20,742	21,404
<b>Poland's Markets Division</b>	<b>20,468</b>	<b>20,819</b>	<b>21,540</b>	<b>20,659</b>	<b>19,697</b>	<b>17,068</b>	<b>18,184</b>	<b>16,772</b>	<b>16,113</b>	<b>16,205</b>
<b>Corporate Center, GBS and elisions</b>	<b>17,547</b>	<b>17,583</b>	<b>18,102</b>	<b>20,057</b>	<b>17,120</b>	<b>23,854</b>	<b>17,759</b>	<b>24,569</b>	<b>27,878</b>	<b>28,838</b>
<b>TOTAL GROUP</b>	<b>599,432</b>	<b>618,017</b>	<b>610,797</b>	<b>593,032</b>	<b>581,543</b>	<b>557,261</b>	<b>570,585</b>	<b>561,927</b>	<b>553,903</b>	<b>543,694</b>
o.w. Italy	283,164	284,529	285,256	283,788	281,490	273,679	278,691	275,103	268,668	n.a.
o.w. Germany	167,526	175,298	169,880	163,198	161,458	164,777	162,253	164,690	167,301	n.a.
o.w. Austria	68,734	71,925	70,306	67,301	65,968	64,062	64,782	64,089	63,341	n.a.
o.w. CEE Region	80,008	86,265	85,354	78,744	72,628	59,726	64,860	58,044	54,592	n.a.

# GROUP ASSET QUALITY

	December 2008	September 2008	December 2007	% ch. Vs Dec08/Sep08	% ch. Vs Dec08/Dec07
<b>NPLs - Face value</b>	28,772	27,926	27,759	+ 3.0%	+ 3.6%
Writedowns	18,308	18,568	18,742	- 1.4%	- 2.3%
<i>as a percentage of face value (Coverage Ratio)</i>	63.6%	66.5%	67.5%		
<b>NPLs - Carrying value</b>	10,464	9,358	9,017	+ 11.8%	+ 16.0%
<b>Doubtful Loans - Face value</b>	8,949	7,070	5,937	+ 26.6%	+ 50.7%
Writedowns	2,772	2,311	1,903	+ 19.9%	+ 45.7%
<i>as a percentage of face value (Coverage Ratio)</i>	31.0%	32.7%	32.1%		
<b>Doubtful Loans - Carrying value</b>	6,177	4,759	4,034	+ 29.8%	+ 53.1%
<b>Restructured Loans - Face value</b>	1,856	1,260	1,654	+ 47.3%	+ 12.2%
Writedowns	593	358	449	+ 65.6%	+ 32.1%
<i>as a percentage of face value (Coverage Ratio)</i>	32.0%	28.4%	27.1%		
<b>Restructured Loans - Carrying value</b>	1,263	902	1,205	+ 40.0%	+ 4.8%
<b>Past-due Loans - Face value</b>	2,205	2,301	1,856	- 4.2%	+ 18.8%
Writedowns	281	272	187	+ 3.3%	+ 50.3%
<i>as a percentage of face value (Coverage Ratio)</i>	12.7%	11.8%	10.1%		
<b>Past-due Loans - Carrying value</b>	1,924	2,029	1,669	- 5.2%	+ 15.3%
<b>Total Impaired Loans - Face value</b>	41,782	38,557	37,206	+ 8.4%	+ 12.3%
Writedowns	21,954	21,509	21,281	+ 2.1%	+ 3.2%
<i>as a percentage of face value (Coverage Ratio)</i>	52.5%	55.8%	57.2%		
<b>Total Impaired Loans - Carrying value</b>	19,828	17,048	15,925	+ 16.3%	+ 24.5%

# CUSTOMER DEPOSITS<sup>(1)</sup> BY DIVISION AND RELEVANT AREA

(mH Euro)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Retail Division</b>	<b>201,205</b>	<b>196,949</b>	<b>199,023</b>	<b>195,756</b>	<b>198,930</b>	<b>196,909</b>	<b>197,533</b>	<b>188,795</b>
Italy	140,928	138,659	138,485	134,114	137,614	136,658	138,583	132,061
Germany	32,066	32,769	31,584	31,705	31,853	31,352	29,992	29,088
Austria	28,212	25,521	28,954	29,938	29,464	28,898	28,957	27,647
<b>Corporate Division</b>	<b>110,077</b>	<b>119,869</b>	<b>114,848</b>	<b>117,001</b>	<b>115,763</b>	<b>113,244</b>	<b>106,926</b>	<b>105,559</b>
Italy	39,196	44,886	44,156	50,497	48,750	45,131	46,728	49,282
Germany	38,088	39,261	37,256	37,114	37,575	38,795	33,119	30,785
Austria	23,648	28,418	24,804	22,827	23,403	22,591	20,262	18,541
Leasing	9,145	7,304	8,632	6,563	6,034	6,727	6,817	6,950
<b>MIB Division</b>	<b>64,996</b>	<b>71,974</b>	<b>71,193</b>	<b>65,886</b>	<b>66,003</b>	<b>63,911</b>	<b>69,859</b>	<b>71,896</b>
<b>Asset Management Division</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Private Banking Division</b>	<b>39,955</b>	<b>45,071</b>	<b>41,916</b>	<b>40,386</b>	<b>40,991</b>	<b>38,516</b>	<b>37,032</b>	<b>35,632</b>
Italy	25,353	29,422	27,287	25,544	26,267	24,160	24,462	23,833
Germany	12,580	13,184	12,695	12,865	13,030	12,900	11,159	10,459
Austria	2,022	2,466	1,933	1,977	1,694	1,455	1,410	1,339
<b>CEE Division</b>	<b>50,099</b>	<b>54,766</b>	<b>51,280</b>	<b>48,103</b>	<b>46,261</b>	<b>41,610</b>	<b>40,197</b>	<b>38,821</b>
Turkey	8,759	9,458	8,787	7,539	8,751	8,384	8,215	7,718
Russia	6,032	7,296	6,800	6,254	5,652	5,162	4,675	5,004
Croatia	8,025	8,520	7,838	7,669	7,600	7,096	7,247	6,861
Ukraine	1,646	2,676	2,718	2,264	0	0	0	0
Other countries	25,637	26,816	25,137	24,377	24,258	20,968	20,060	19,238
<b>Poland's Markets Division</b>	<b>22,392</b>	<b>26,127</b>	<b>26,530</b>	<b>25,607</b>	<b>25,896</b>	<b>23,965</b>	<b>23,243</b>	<b>23,057</b>
<b>Corporate Center, GBS and elisions</b>	<b>102,568</b>	<b>125,060</b>	<b>135,020</b>	<b>139,726</b>	<b>136,396</b>	<b>136,597</b>	<b>130,305</b>	<b>131,863</b>
<b>TOTAL GROUP</b>	<b>591,290</b>	<b>639,814</b>	<b>639,809</b>	<b>632,465</b>	<b>630,239</b>	<b>614,750</b>	<b>605,093</b>	<b>595,622</b>
o.w. Italy	260,069	287,254	290,108	296,009	294,386	285,851	285,129	281,649
o.w. Germany	179,786	188,445	193,219	187,914	189,310	191,765	186,473	185,776
o.w. Austria	78,945	83,224	78,671	74,834	74,387	71,558	70,049	66,320
o.w. CEE Region	72,491	80,893	77,810	73,710	72,157	65,575	63,440	61,878

(1) Including securities in issue

## GROUP REGULATORY CAPITAL AND RATIOS UNDER BASEL 2

(mln Euro)	BASEL II	BASEL II	BASEL I	Ch. vs. Sep08	Ch. vs. Dec07
	Dec 2008	Sep 2008	Dec 2007		
<b>Core Capital</b>	<b>33,075</b>	<b>30,942</b>	<b>32,570</b>	<b>6.9%</b>	<b>1.6%</b>
<b>Tier I Capital</b>	<b>37,157</b>	<b>35,287</b>	<b>36,577</b>	<b>5.3%</b>	<b>1.6%</b>
<b>Total Capital</b>	<b>58,412</b>	<b>57,001</b>	<b>56,474</b>	<b>2.5%</b>	<b>3.4%</b>
<b>Total RWA (bn)</b>	<b>512,532</b>	<b>546,026</b>	<b>558,639</b>	<b>-6.1%</b>	<b>-8.3%</b>
<b>Hybrids included in Tier I Capital</b>	<b>4,458</b>	<b>4,571</b>	<b>4,123</b>	<b>-2.5%</b>	<b>8.1%</b>

(%)	BASEL II	BASEL II	BASEL I	Ch. vs. Sep08	Ch. vs. Dec07
	Dec 2008	Sep 2008	Dec 2007		
<b>Core Tier I Ratio</b>	<b>6.45%</b>	<b>5.67%</b>	<b>5.83%</b>	<b>79bp</b>	<b>62bp</b>
<b>Tier I Ratio</b>	<b>7.25%</b>	<b>6.46%</b>	<b>6.55%</b>	<b>79bp</b>	<b>70bp</b>
<b>Total Capital Ratio</b>	<b>11.40%</b>	<b>10.44%</b>	<b>10.11%</b>	<b>96bp</b>	<b>129bp</b>
<b>Hybrids as % of Tier I capital</b>	<b>12.0%</b>	<b>13.0%</b>	<b>11.3%</b>	<b>-96bp</b>	<b>73bp</b>
<i>note: maximum allowed by Bol</i>	<b>20%</b>	<b>20%</b>	<b>20%</b>		

Figures are Basel II, except for December 2007 which is under Basel I rules.  
December 2008 figures including the capital increase closed in February 2009

# GROUP RWA EOP BY DIVISION AND RELEVANT AREA<sup>(1)</sup>

(mln Euro)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Retail Division</b>	<b>117,925</b>	<b>122,505</b>	<b>122,991</b>	<b>122,370</b>	<b>118,915</b>	<b>117,423</b>	<b>115,486</b>	<b>114,339</b>
Italy	81,711	84,775	83,832	82,545	79,950	76,748	74,586	72,960
Germany	20,556	22,334	23,615	23,844	23,393	24,575	24,801	25,156
Austria	15,659	15,396	15,543	15,981	15,570	16,101	16,098	16,222
<b>Corporate Division</b>	<b>211,811</b>	<b>217,841</b>	<b>216,714</b>	<b>216,922</b>	<b>210,895</b>	<b>210,355</b>	<b>204,246</b>	<b>198,322</b>
Italy	109,123	113,460	111,169	114,878	112,535	114,262	111,063	106,227
Germany	49,305	49,927	52,483	48,602	47,735	47,444	46,427	46,938
Austria	27,359	29,696	29,109	29,876	27,587	27,354	26,708	25,755
Leasing	26,024	24,759	23,954	23,566	23,036	21,296	20,048	19,404
<b>MIB Division</b>	<b>99,516</b>	<b>94,364</b>	<b>85,919</b>	<b>91,360</b>	<b>81,309</b>	<b>90,989</b>	<b>91,400</b>	<b>86,087</b>
<b>Asset Management Division</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Private Banking Division</b>	<b>7,410</b>	<b>7,896</b>	<b>7,573</b>	<b>7,700</b>	<b>7,231</b>	<b>6,903</b>	<b>6,940</b>	<b>6,964</b>
<b>CEE Division</b>	<b>68,673</b>	<b>71,958</b>	<b>66,107</b>	<b>62,440</b>	<b>58,891</b>	<b>48,773</b>	<b>45,458</b>	<b>44,176</b>
Turkey	9,382	10,488	8,941	9,032	10,300	10,444	8,959	8,000
Russia	11,596	12,911	10,893	10,163	9,048	7,723	7,052	6,596
Croatia	8,460	8,011	7,952	7,519	7,525	7,011	6,897	6,729
Ukraine	4,189	4,758	4,168	3,517	0	0	0	0
Other countries	35,046	35,790	34,153	32,209	32,018	23,595	22,550	22,851
<b>Poland's Markets Division</b>	<b>22,544</b>	<b>26,666</b>	<b>27,059</b>	<b>26,051</b>	<b>25,726</b>	<b>21,582</b>	<b>20,791</b>	<b>19,305</b>
<b>Global Banking Services Division</b>	<b>10,526</b>	<b>7,709</b>	<b>6,971</b>	<b>5,601</b>	<b>5,415</b>	<b>5,349</b>	<b>5,350</b>	<b>5,403</b>
<b>Corporate Center</b>	<b>36,666</b>	<b>40,329</b>	<b>42,506</b>	<b>45,398</b>	<b>48,635</b>	<b>54,532</b>	<b>55,436</b>	<b>55,483</b>
<b>TOTAL GROUP</b>	<b>576,980</b>	<b>591,648</b>	<b>580,141</b>	<b>584,281</b>	<b>558,639</b>	<b>560,524</b>	<b>548,139</b>	<b>533,189</b>
o.w. Italy	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
o.w. Germany	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
o.w. Austria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
o.w. CEE Region	91,217	98,624	93,166	88,491	84,617	70,355	66,249	63,481

(1) Basel I

## FTE: GROUP, DIVISIONS AND RELEVANT AREAS

(mln Euro)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
<b>Retail Division</b>	<b>50,850</b>	<b>53,298</b>	<b>53,462</b>	<b>53,424</b>	<b>53,851</b>	<b>54,262</b>	<b>54,313</b>	<b>53,708</b>
Italy	39,747	41,439	41,585	41,442	41,783	41,988	42,171	41,799
Germany	7,416	8,031	8,040	8,128	8,214	8,343	8,240	7,997
Austria	3,687	3,828	3,837	3,854	3,855	3,931	3,902	3,912
<b>Corporate Division</b>	<b>12,194</b>	<b>12,292</b>	<b>12,232</b>	<b>11,982</b>	<b>12,367</b>	<b>12,104</b>	<b>11,976</b>	<b>11,838</b>
Italy	6,242	6,324	6,305	6,352	6,820	6,617	6,626	6,641
Germany	2,385	2,389	2,274	2,258	2,207	2,130	2,032	1,901
Austria	982	976	978	977	933	933	929	928
Leasing	2,585	2,603	2,675	2,395	2,408	2,424	2,390	2,368
<b>MIB Division</b>	<b>3,400</b>	<b>3,602</b>	<b>3,764</b>	<b>3,891</b>	<b>4,009</b>	<b>3,889</b>	<b>3,642</b>	<b>3,702</b>
<b>Asset Management Division</b>	<b>2,165</b>	<b>2,229</b>	<b>2,297</b>	<b>2,392</b>	<b>2,466</b>	<b>2,616</b>	<b>2,572</b>	<b>2,538</b>
<b>Private Banking Division</b>	<b>4,480</b>	<b>4,427</b>	<b>4,473</b>	<b>4,596</b>	<b>4,520</b>	<b>4,526</b>	<b>4,402</b>	<b>4,344</b>
<b>CEE Division</b>	<b>56,066</b>	<b>56,226</b>	<b>56,245</b>	<b>55,690</b>	<b>43,647</b>	<b>37,258</b>	<b>37,157</b>	<b>37,343</b>
Turkey	17,122	17,322	17,053	16,877	16,619	16,041	15,384	15,678
Russia	3,709	3,418	3,275	3,051	2,814	2,543	2,371	2,134
Croatia	4,963	4,954	4,925	4,821	4,781	4,740	4,767	4,704
Ukraine	9,670	9,881	10,418	10,740	0	0	0	0
Other countries	20,602	20,652	20,574	20,201	19,433	13,934	14,635	14,827
<b>Poland's Markets Division</b>	<b>21,406</b>	<b>21,925</b>	<b>22,184</b>	<b>22,198</b>	<b>22,249</b>	<b>22,398</b>	<b>22,307</b>	<b>22,247</b>
<b>Global Banking Services Division</b>	<b>15,611</b>	<b>15,808</b>	<b>14,918</b>	<b>14,853</b>	<b>15,054</b>	<b>14,250</b>	<b>14,082</b>	<b>14,099</b>
<b>Corporate Center</b>	<b>8,348</b>	<b>7,586</b>	<b>7,995</b>	<b>11,632</b>	<b>11,653</b>	<b>11,961</b>	<b>12,988</b>	<b>13,526</b>
<b>TOTAL GROUP</b>	<b>174,519</b>	<b>177,393</b>	<b>177,571</b>	<b>180,657</b>	<b>169,817</b>	<b>163,263</b>	<b>163,440</b>	<b>163,345</b>
o.w. Italy	63,275	64,982	65,100	68,467	69,676	69,147	70,212	69,695
o.w. Germany	22,720	22,976	22,641	22,856	23,401	23,459	23,073	23,385
o.w. Austria	11,052	11,284	11,401	11,447	10,844	11,002	10,691	10,675
o.w. CEE Region	77,472	78,151	78,429	77,888	65,896	59,656	59,464	59,589