



UniCredit Central & Eastern European Platform

Federico Ghizzoni, Chief Executive Officer

London, December 2nd 2010

Agenda

UniCredit Positioning and Results

-  The Value of the Network
-  Opportunities
-  Strategy

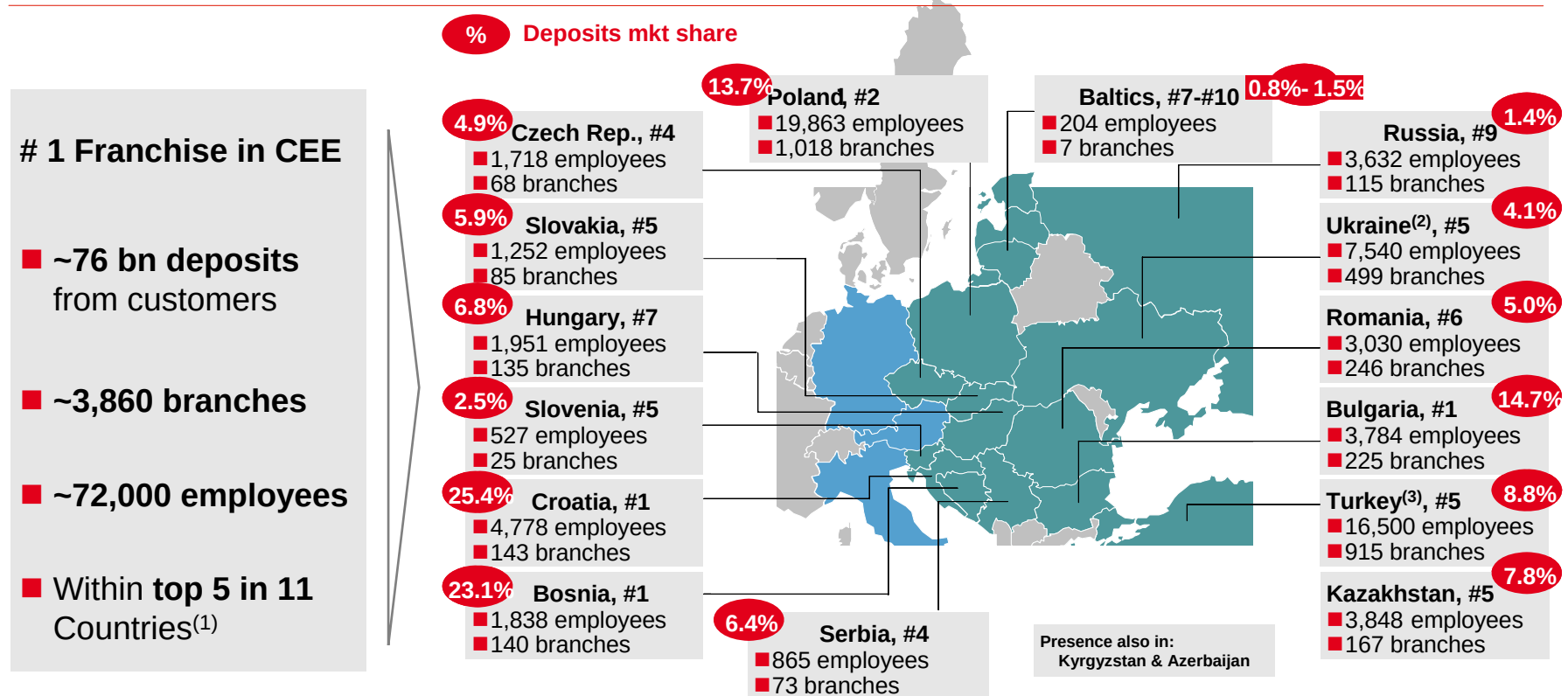
UniCredit Positioning and Results: Key Messages

- UniCredit is **the leading player** in CEE
- **CEE is a key contributor** to UniCredit profitability...
- ... with **positive results in all quarters**: cost control, and strong Loss Absorption Capacity
- **Encouraging signs on Asset Quality**
- **Excellent positioning** and best in class risk/return profile

UniCredit is the Leading Player thanks to its Unique Franchise with a Full Coverage

Overview

Ranking, Employees and Branches by Country⁽¹⁾



■ The leading player in the region, #1 by assets, branches and net profit

■ Strong market positioning:

✓ 6.4% market share in total assets, 6.4% in revenues as of June10

■ Leadership in AUM (~12 bn), Credit Cards (~8 mln), and leasing (~2 bn new business in 2009)

⁽¹⁾ Ranking by total assets as of Sep10 (CZ, RO and Baltics as of Dec09); Branches and FTEs at 100% as of Sep10; Deposits market share as of September 10 (Poland as of June 10)

⁽²⁾ Including 7 branches in Azerbaijan

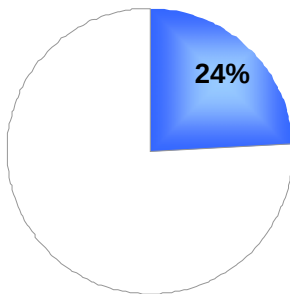
⁽³⁾ Including 41 branches in Kyrgyzstan

CEE is a Key Driver for Group Profitability

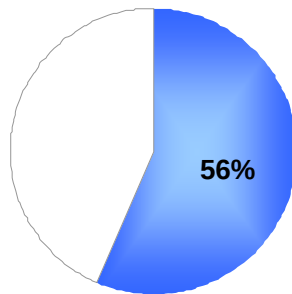
Overview

Revenues and PBT

(CEE as % of Total UniCredit – 9M10)



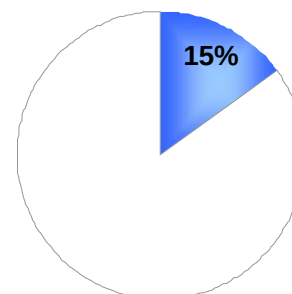
Revenues
(Eur 4.8 bn)



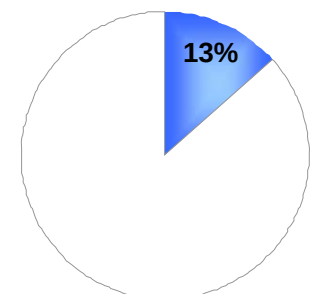
Profit before Tax⁽¹⁾
(Eur 1.4 bn)

Loans and Deposits

(CEE as % of Total UniCredit – 9M10)



Loans to Customers
(Eur 83.2 bn)



Deposits from Customers &
Securities in issue (Eur 78.9 bn)

- CEE is a key pillar of UniCredit's diversified and balanced business model
- ~25% of revenues, ~15% of loans to customers, ~13% of deposits from customers
- Strong contribution to UniCredit profitability
- Balanced loans / deposits structure: Loans/Deposits ratio at ~1.1x as of Sep10

⁽¹⁾ Poland included at 100%; excluding minorities would be 52%. In calculating the ratio, corporate centers cost are not rebated over CEE countries

Strong Profits Generation also in Turbulent Times

Results

CEE Platform P&L⁽¹⁾ (Eur mln)

	FY07	FY08	FY09	9M10
Total Revenues	5,523	6,915	6,247	4,773
Operating Costs	-2,701	-3,283	-2,802	-2,257
Operating Profit	2,822	3,632	3,444	2,515
Net write-downs on loans	-285	-561	-1,841	-1,112
Profit before taxes (PBT)	2,486	3,136	1,600	1,437
PBT excl. Kazakh.		3,088	1,894	1,675
KPIs	FY07	FY08	FY09	9M10
Revenues / RWAs,% ⁽²⁾	628 bp	662 bp	658 bp	662 bp
Cost/Income Ratio, %	48.9%	47.5%	44.9%	47.3%
Loans, bn eop	70.0	82.0	77.4	83.2
Cost of risk, bp (on loans) ⁽²⁾	37 bp	70 bp	234 bp	183 bp

- **Strong revenues generation capabilities** confirmed throughout the crisis
 - ✓ Revenues/RWAs always well above 600 bp
- **Successful cost control**
- Gradual decrease in **cost of risk** ongoing, after 2009 peak
- **Signs of pick-up of Loans** in 2010

⁽¹⁾ P&L at current FX, FY07 as published in 2008 financial statements; PBT excl. Kazakh considering the impact of the guarantee granted by Bank Austria

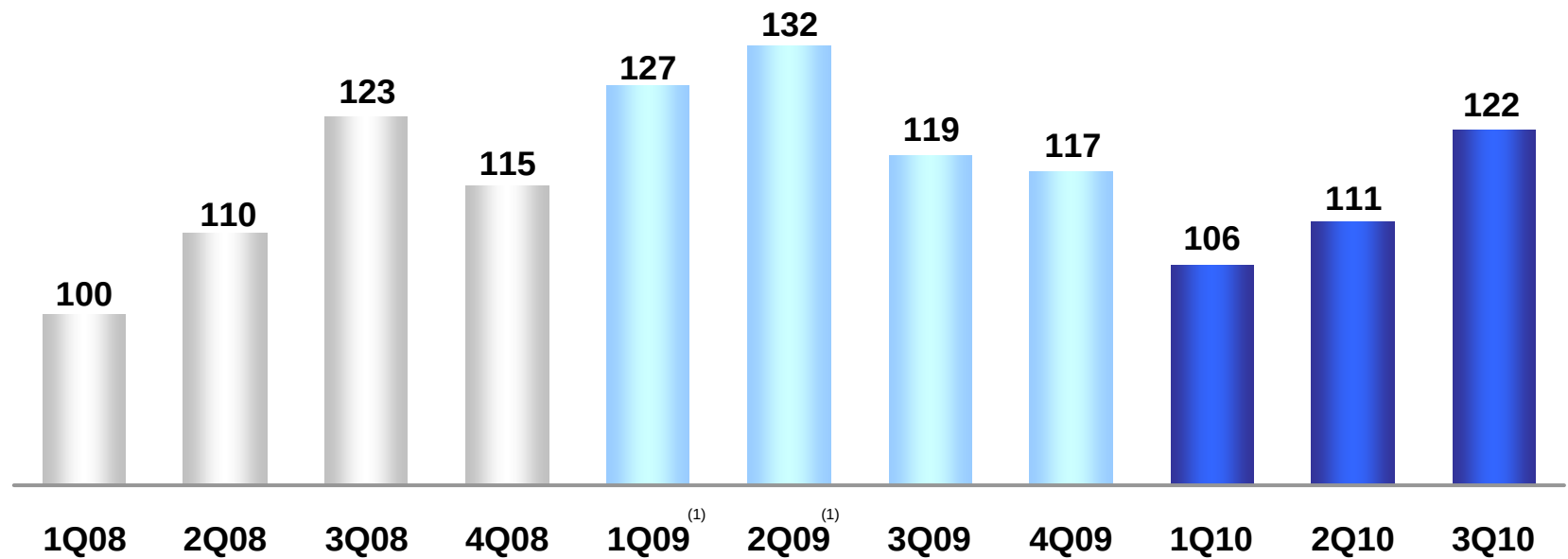
⁽²⁾ Annualized figure

Consistent Results in All Quarters

Results

Operating Profit at Constant 2008 EoP FX

Index figures, 1Q08 = 100



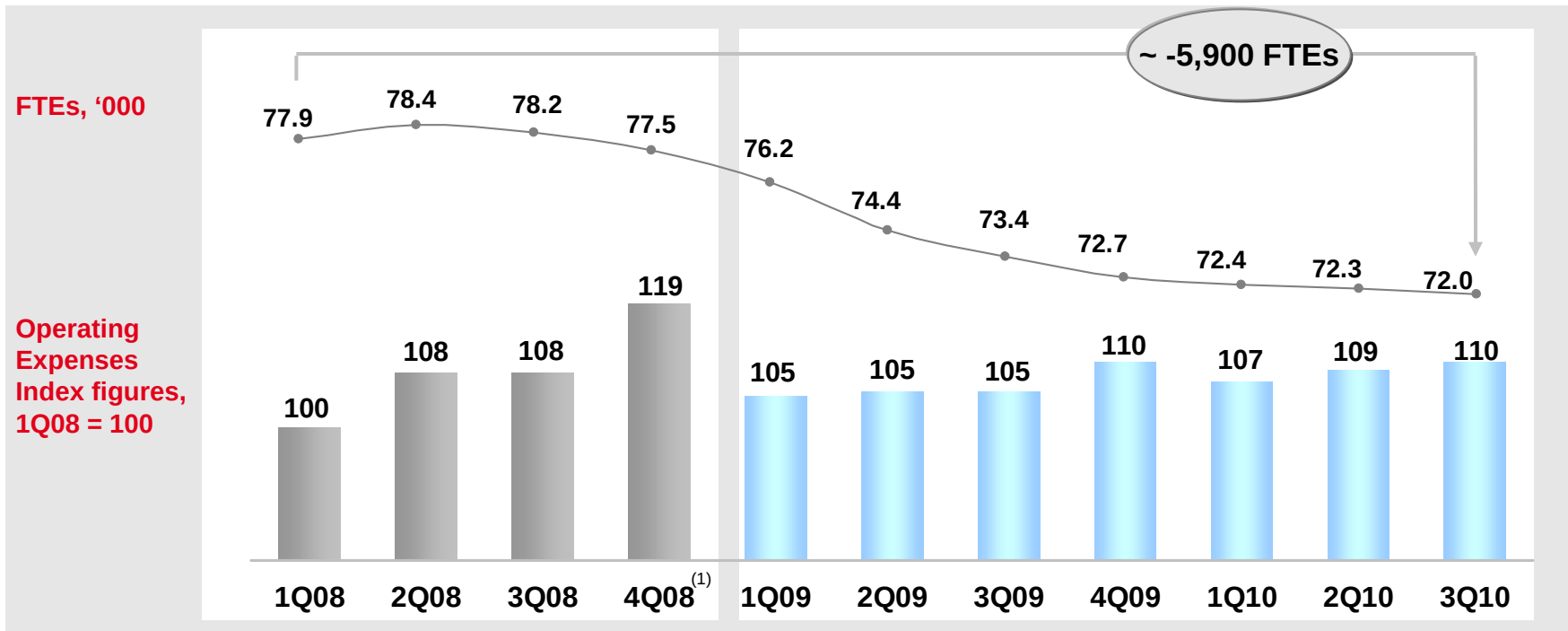
Strenght of the franchise is confirmed also in a challenging environment

⁽¹⁾ 1Q09 and 2Q09 benefited from strong trading income (~27 pp) driven by exceptional market conditions

Remarkable Cost Control, Supporting Profit Generation...

Results

Operating Expenses and FTEs



- **Quick shift from a growth oriented perspective to a stricter cost management approach**
 - ✓ 1Q08-4Q08: ~ +300 branches without FTEs increase
 - ✓ 1Q09-3Q10: stop to branch expansion, higher focus on cost control
- **~ -5,900 FTEs since 1Q08 (-4,100 excl. Kazakhstan)**
 - ✓ ~ 65% thanks to restructuring in Ukraine and Kazakhstan
 - ✓ ~ 27% in Poland thanks to post merger integration⁽²⁾

Normalized: at constant FX and perimeter

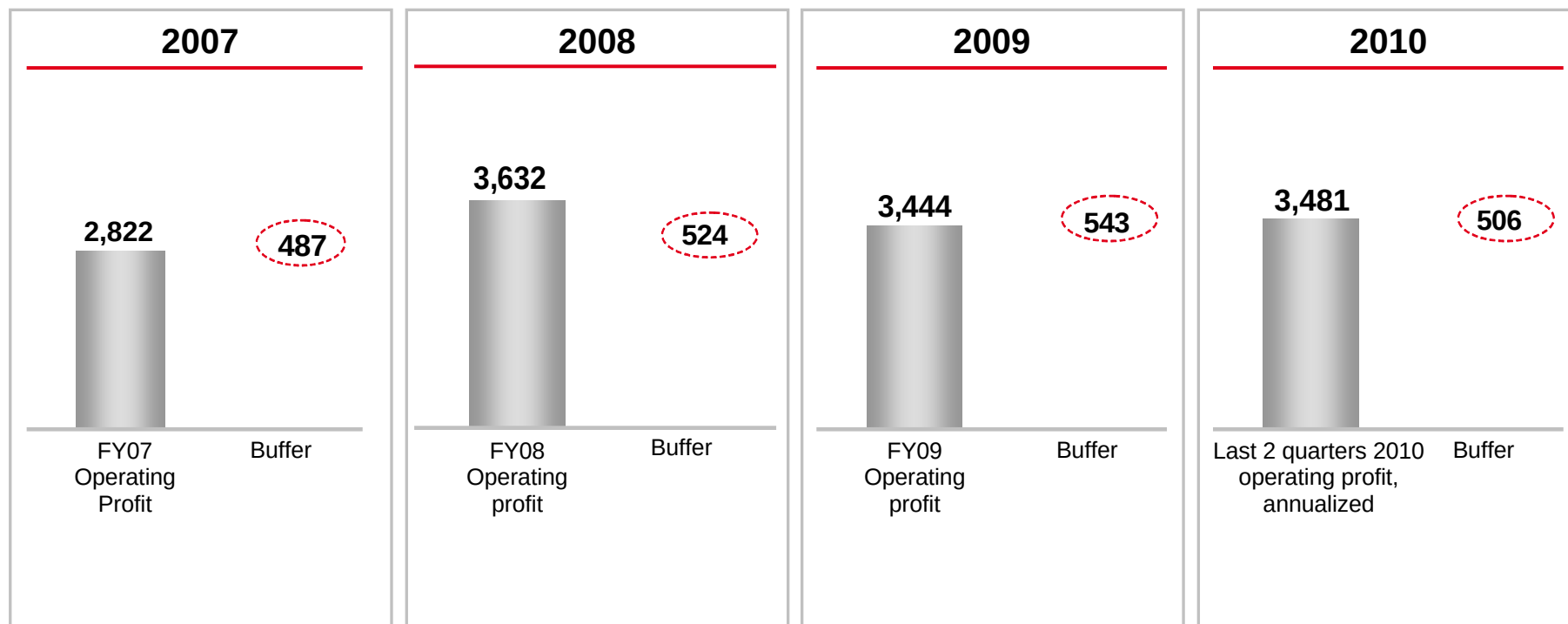
⁽¹⁾ Mainly impacted by seasonality e.g. bonus and vacation days and still impacted by branch expansion

⁽²⁾ Excluding the consolidation in 1Q10 of CBB (~ 340 FTEs)

... and Increasing Loss Absorption Capacity

Results

CEE Loss Absorption Capacity Evolution



- 2009 buffer at 2.3 actual cost of risk, thanks to resilient profitability and increasing generic reserve
- 2010 buffer improving at 2.7 ytd cost of risk

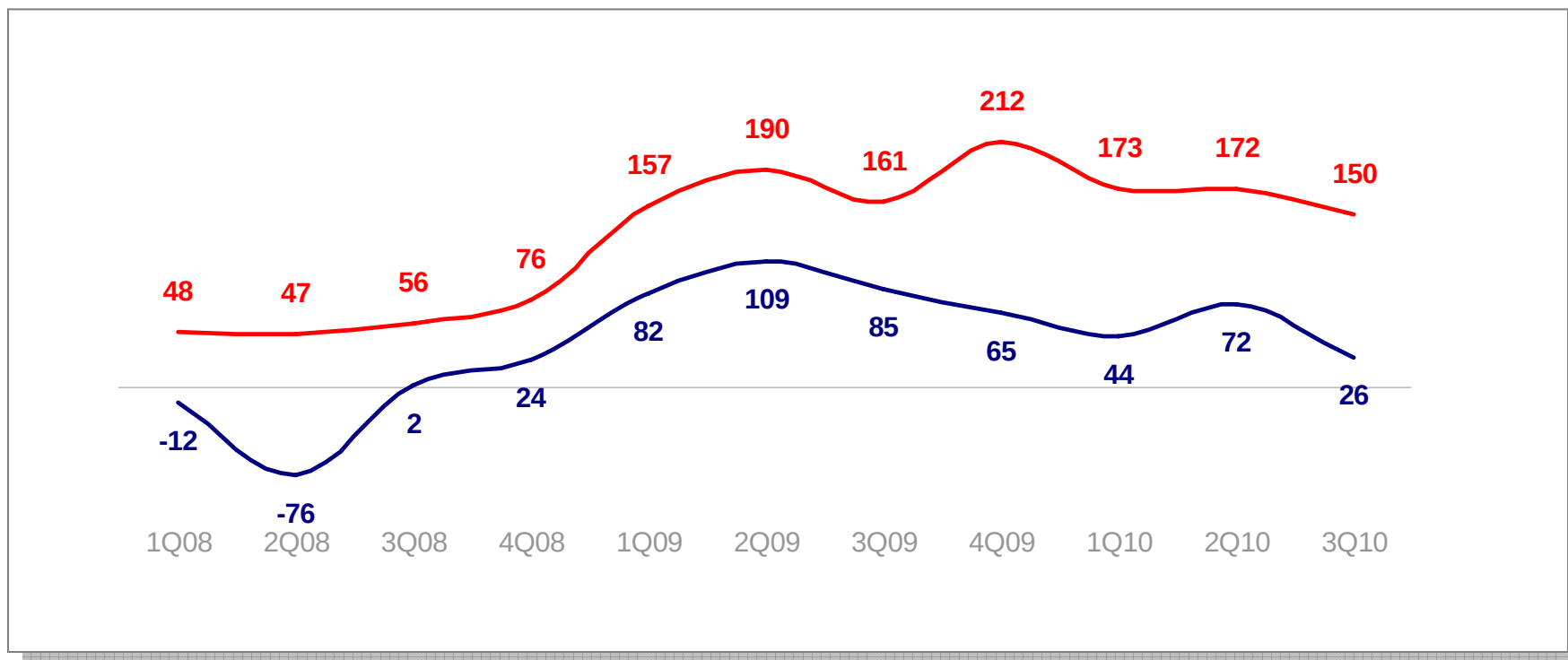
Note: buffer defined as ((operating income + generic provisions) / EoP Customer loans), indicating the capacity to absorb loan provisions without losses at pre-tax level

2007 as published in 2008 Reports and Accounts

CEE Asset Quality: Improving Trend after 2Q09 Peak

Asset Quality

- CEE annualized cost of risk per quarter, bp
- CEE Impaired loans' additions ⁽¹⁾, bp

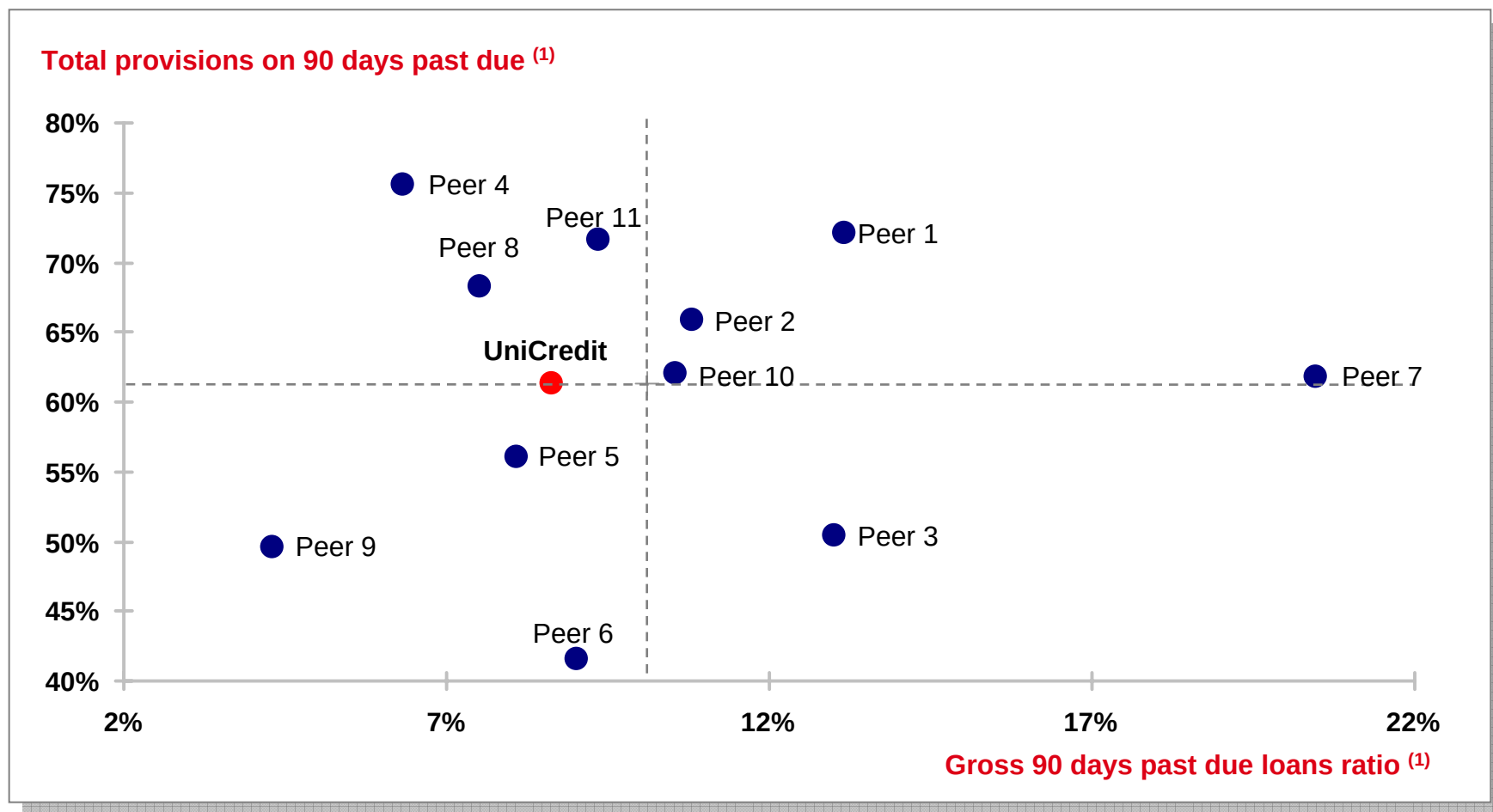


Figures excluding Kazakhstan

⁽¹⁾ Delta of Gross Impaired Loans on Total Gross Loans in the quarter vis-à-vis prior quarter. Previous quarters re-stated for accounting adjustments and re-mapping in Poland, Romania and Croatia

UniCredit Well Positioned in Terms of Asset Quality and Coverage

Asset Quality



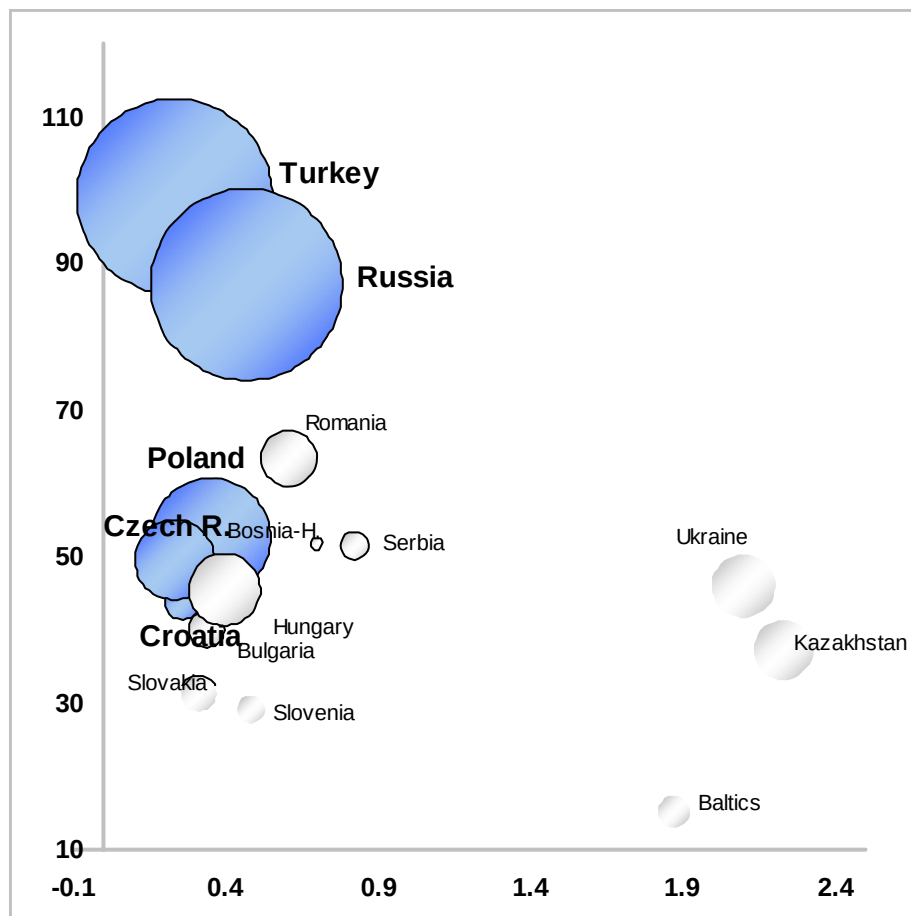
⁽¹⁾ Figures as of Sept. 2010 based on CEE perimeter only. Source: UniCredit estimates based on company data. Peers included: Alpha Bank, EFG Eurobank, Erste, KBC, Intesa Sanpaolo, NBG, Nordea, OTP, Piraeus Bank, Raiffeisen, Swedbank. UniCredit excluding Kazakhstan

Excellent Positioning: ~70% of Revenues Coming from High Opportunity/Low Risk Countries...

Positioning

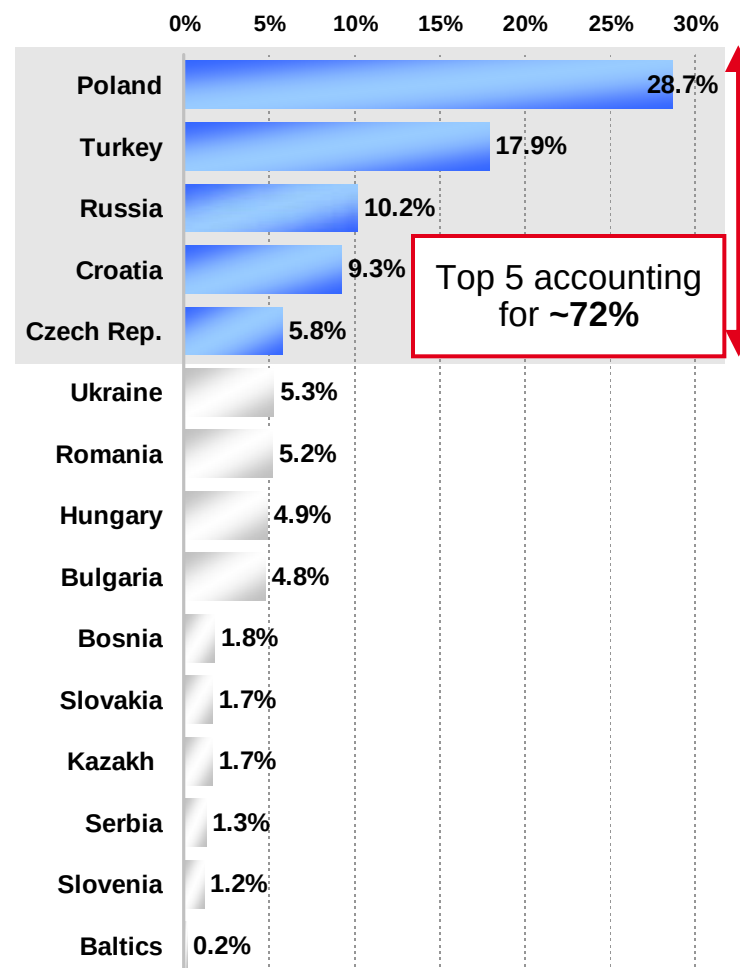
Market Attractiveness ⁽¹⁾

○ Banking System Profit in 2015



Long Term Volatility of Banking Sector Profitability ⁽²⁾

UniCredit CEE: revenues contribution by country(9M10)



⁽¹⁾ Market Attractiveness is an index ranked between 0 (low) and 100 (high), is obtained by considering volumes growth (50% weight) and risk-adj revenues over volumes (50% weight) over the period 2012-2015. From 10 to 30 low/medium attractiveness; from 30 to 60 medium/high; >60 high

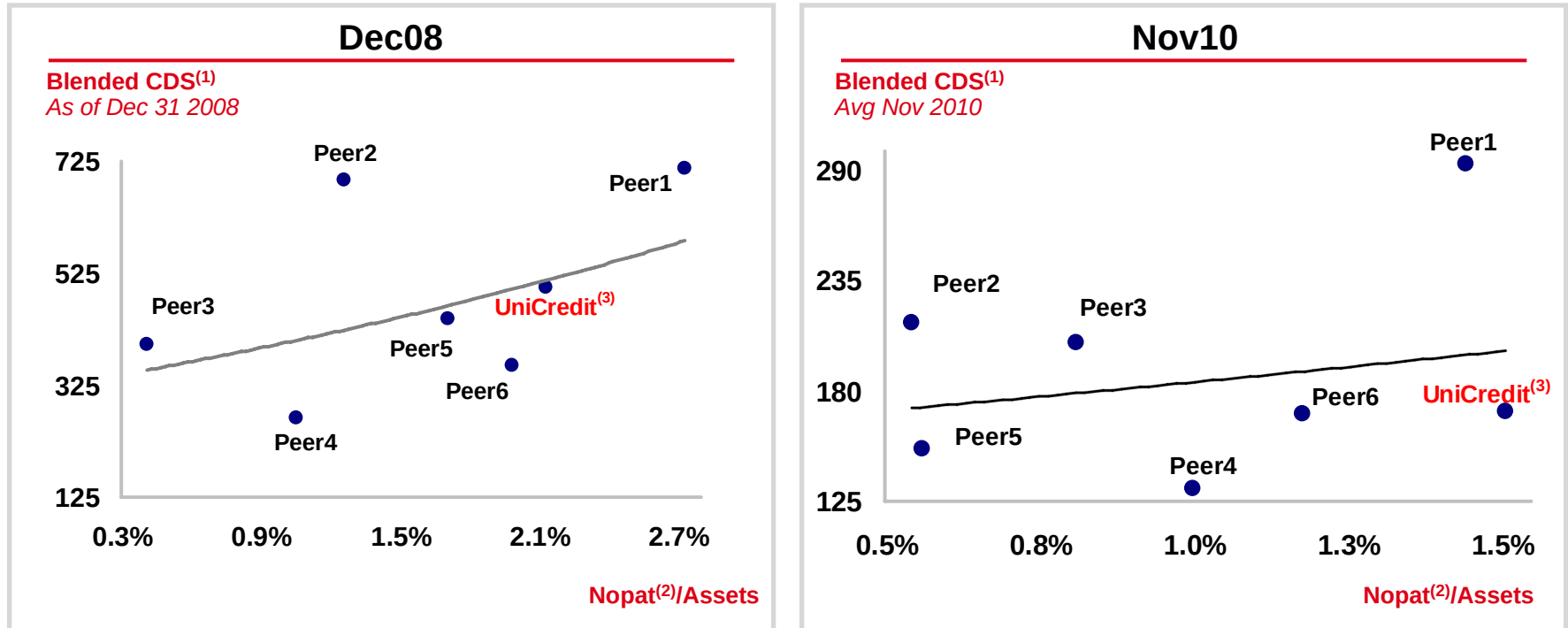
⁽²⁾ Long Term Volatility of Banking Sector Profitability is the standard deviation of banking system ROA over the period 2004-2015

Source: UniCredit CEE Strategic Analysis

... resulting in Best-in-class Risk-Return Profile, Clearly Improving

Positioning

Average CEE CDS vs. NOPAT/Assets



- **Significant improvement of risk/return profile:** UniCredit blended CDS as of Jun10 down ~-66% from Dec 08 vs ~-58% for peers average
- **Confirmed top tier profitability, the best in class** among peers excluding Kazakhstan

⁽¹⁾ Average of countries CDS weighted by Total Assets (as of Jun10) held in the countries by each Bank

⁽²⁾ Net Operating Profit after Tax and before Minorities, as of 1H10 annualized

⁽³⁾ Excluding Kazakhstan

Sample: Raiffeisen, Erste Bank, Intesa Sanpaolo, Societe Generale, OTP, KBC

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- UniCredit Positioning and Results

- **The Value of the Network**

- Opportunities

- Strategy

Leveraging on Group Strengths to Boost CEE Franchise Value

- 1 Organizational Model Shaped to **Minimize Managerial Complexity**
- 2 Continuous **know how transfer and best practice sharing**
- 3 **Economies of Scale and Scope**
- 4 **Funding**
- 5 **Capital**

Organizational Model Shaped to Minimize Managerial Complexity

- After HVB/BACA integration, UniCredit **CEE banks** have been streamlined and organizational structures **designed with a “copy and paste”** approach: banks in **Russia, Hungary, Romania, Bulgaria, Croatia and Czech Republic** have the same business model

- ✓ **Faster decision** making process
- ✓ **Best practices sharing**

- **Key projects** are primarily **tested by some banks** and **rollout** to the other banks

- ✓ **Divisionalization** program (**Romania as pilot**), Sales effectiveness programs, Soft collection programs

- Ongoing **projects to leverage on country/bank specific skills**, boosting revenue generation whilst optimizing cost base

- ✓ creation of **Sub-Regional Hubs** for Investment banking and Consumer Finance

Managerial complexity of CEE operations is a false myth

Cooperation and Best Practices Sharing

Retail

- **Support** from UniCredit Retail in definition / implementation of key initiatives
 - ✓ **Network Development & Optimization**
 - ✓ **Customer Relationship Management** development
 - ✓ **Alternative Delivery Channels** implementation

Corporate & Investment Banking

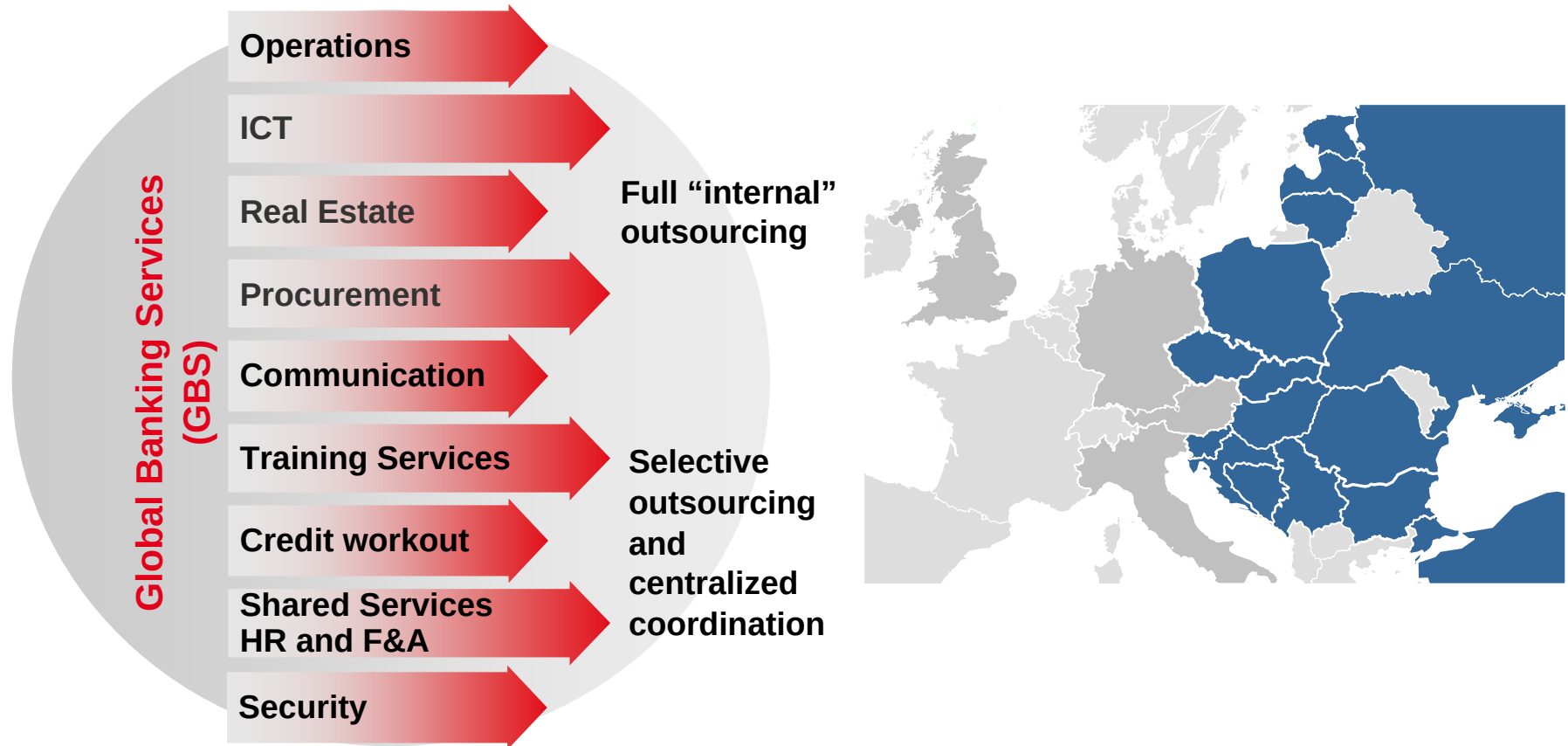
- Exploit the value of **cross Country Business**
- Leveraging on **Group's Product factories** to Fully **Capture Business Opportunities**, taking advantage of **IB know-how** to enhance product offer
 - ✓ **#1 book runner** in syndicated loans Oct 2010 ytd (deal for ~8.5 bn); Top 10 in M&A⁽¹⁾
 - ✓ Leading role in **landmark transactions** (e.g. Lukoil, Agrokor)

Common Platforms

- Transfer of **Group's platforms** to **reduce costs and time to go**
 - ✓ Implementation of **common CRM** in selected countries
 - ✓ **Sharing of Mobile Banking** platform

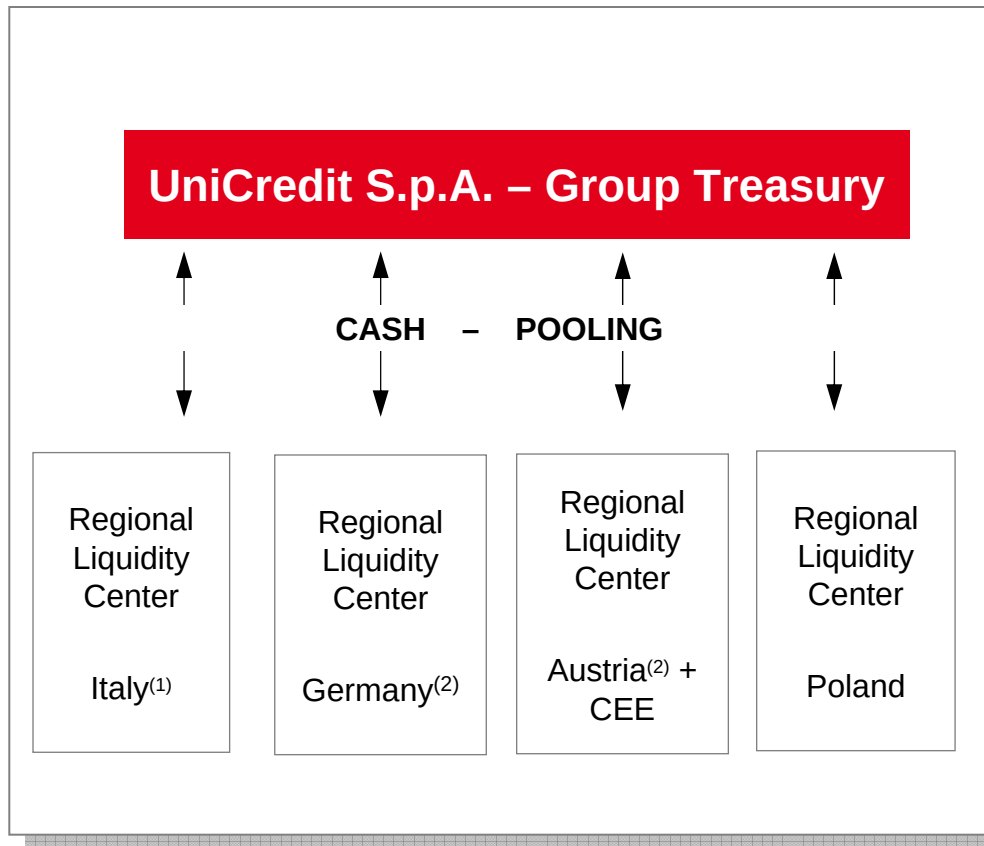
⁽¹⁾ Source: Thomson Reuters

GBS Providing Strategic Support to CEE, Reducing Complexity and Costs



Optimizing the overall's costs and internal processes, guaranteeing the best-possible synergies and savings, as well as the operational excellence

All CEE Banks Are Fully Plug-In into UniCredit Cash Pooling...



■ **Regional Liquidity Centers** acting as **first level netting** for each Legal Entity under their perimeter

■ **Group wide Finance function:**

- **Group Treasury**
 - ✓ second level netting center (**obligation of “first call”** for each Legal Entity)⁽³⁾ and Group steering
 - ✓ accessing the **unsecured Money Market, Repos Market** and **derivatives, issuing CDs/CPs**
- **Group Strategic Funding**
 - ✓ **coordinating and accessing the medium/long term debt** markets

■ **Coordinated liquidity management to optimize funding cost and market access**

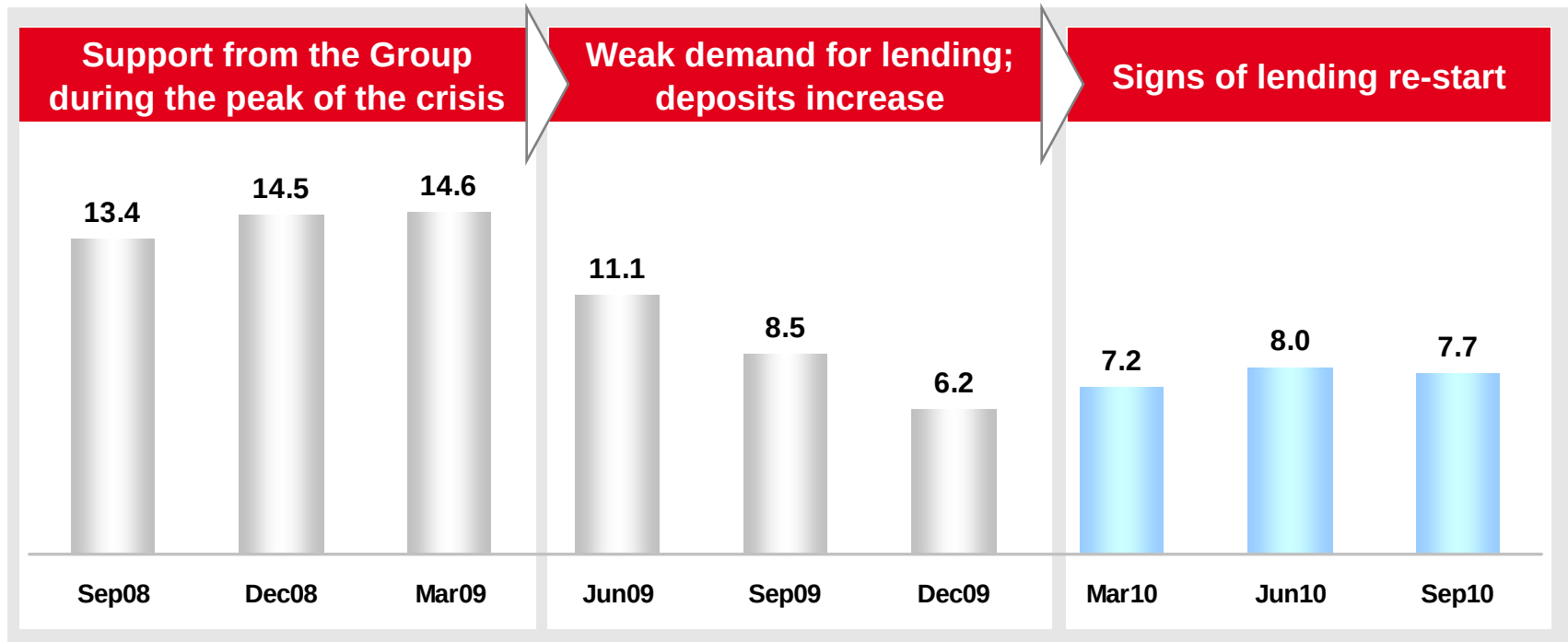
⁽¹⁾ Global access for all instruments

⁽²⁾ Global access for Pfandbriefe and selected money market instruments

⁽³⁾ According to local laws/constraints and preserving access to local markets

... Allowing for a Flexible Management of Funding According to the Cycle and Business Needs

Loans to customers - Deposits from Customers (EoP Eur Bn)

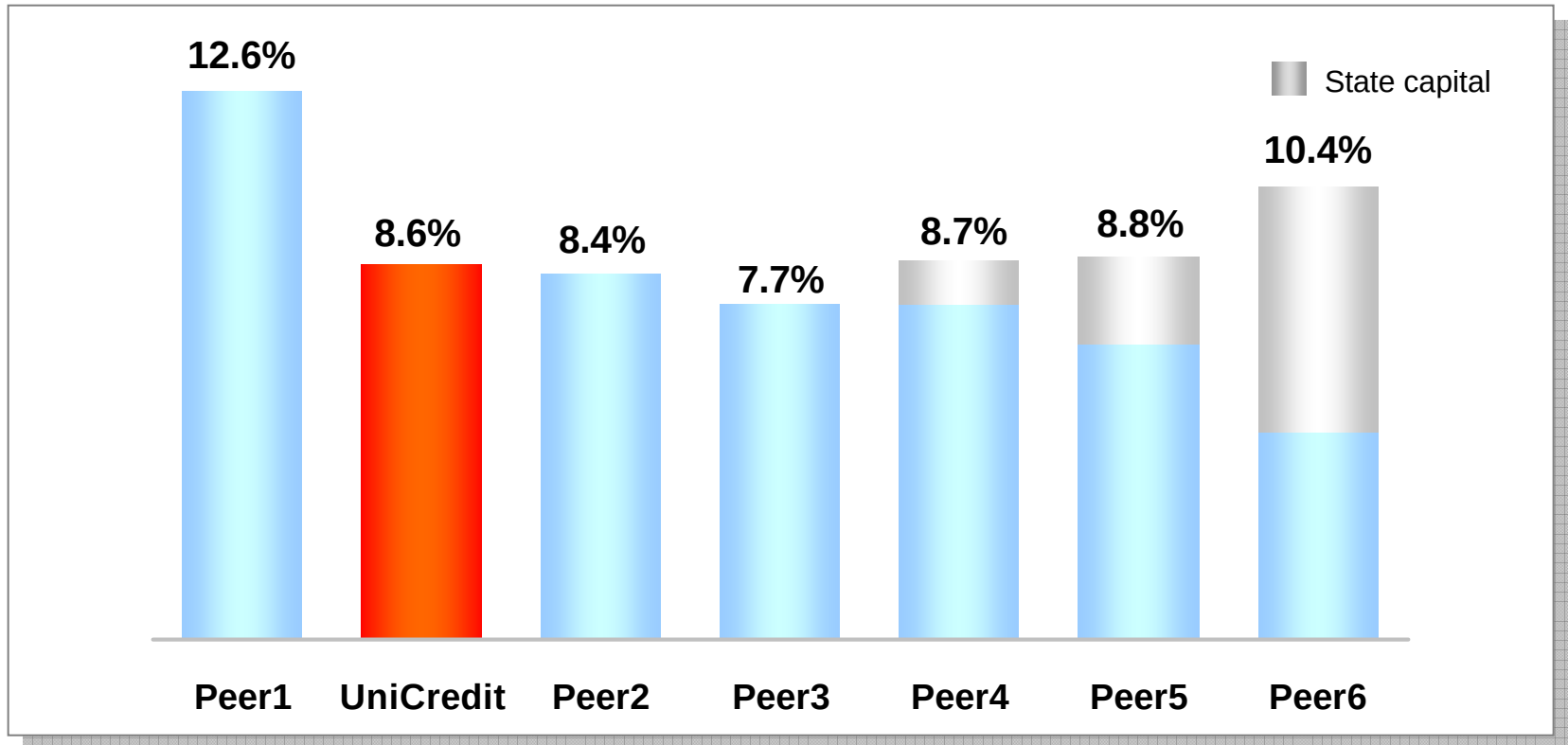


- Support from UniCredit Group during the peak of the crisis
- Key countries fully self funded, e.g. Poland, Turkey, Czech Republic
- Reduction of funding needs in other countries, e.g. Russia, Kazakhstan, Ukraine due to weak lending demand
- Exploitation of supranational funding opportunities

Funding has never been a binding constraint for our CEE banks

Strong Capital Position

Core Tier 1 Ratio, Sep10



■ Top Capital Ratios...

■ ... without state subscribed capital to be paid back

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Significant Opportunities to Create Value in CEE

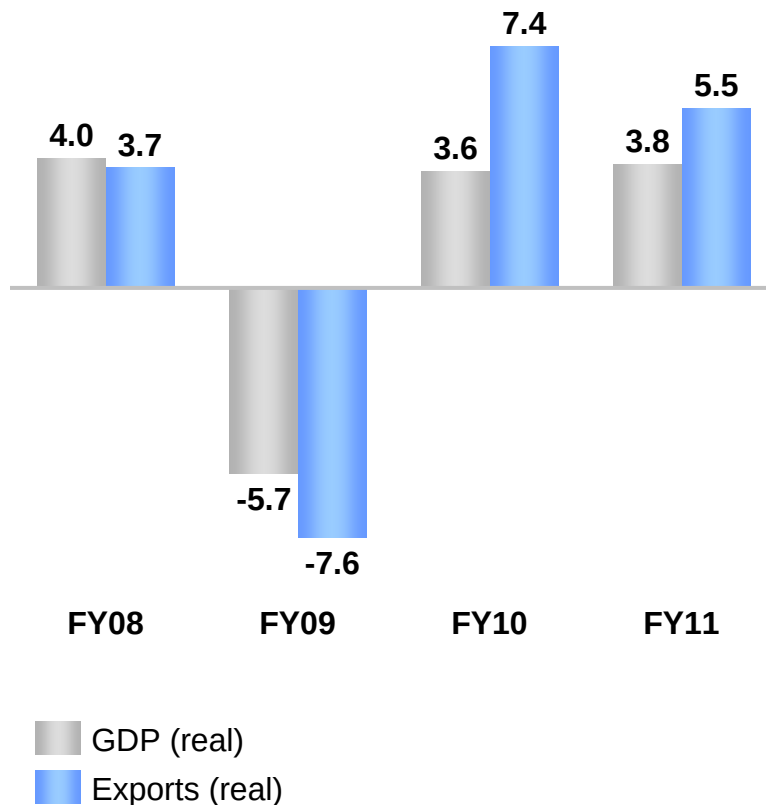
- **Macroeconomic recovery** to boost banking sector profitability
- UniCredit enjoys an **excellent positioning** and it is well **geared to corporate and exports** recovery
- Recovery will **translate into lower cost of risk**
- UniCredit is well **set to exploit growth opportunities: capital and funding** availability

Attractive Macro and Banking Picture: Macroeconomic Recovery to Support Banking Profits Growth

Macro & Banking Outlook

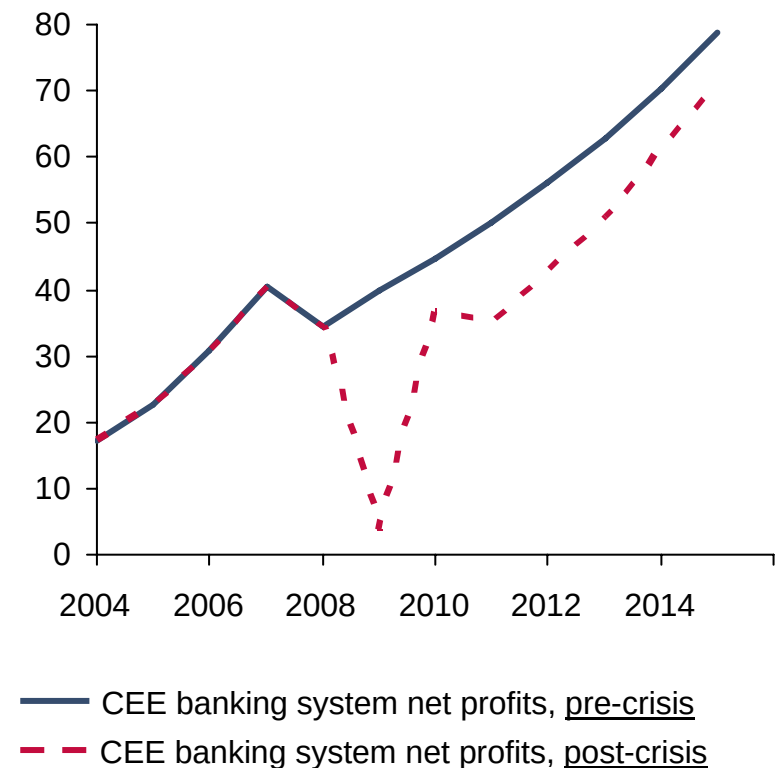
CEE-17 outlook supported by export and since 2011 also reviving internal demand

y/y % growth



CEE banking still holds opportunity

CEE-17 total CEE banking profits - bn euro

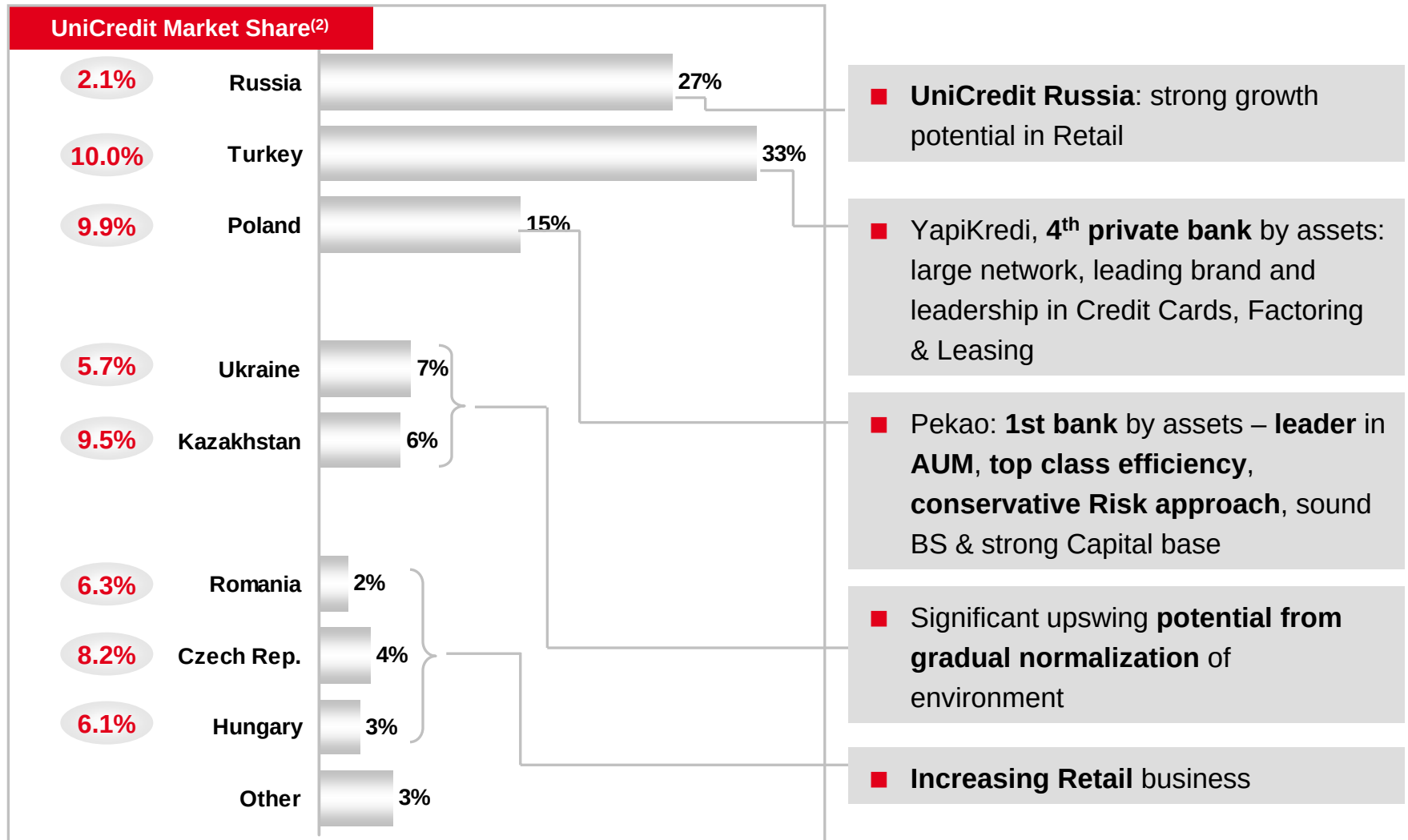


SOURCE: UniCredit CEE Strategic Analysis

~75% Revenue Pool Growth Driven by 3 Countries Where UniCredit Enjoys Excellent Positioning

Macro & Banking Outlook

Contribution by Country to 2009-2012 Revenue Pool Growth in CEE⁽¹⁾



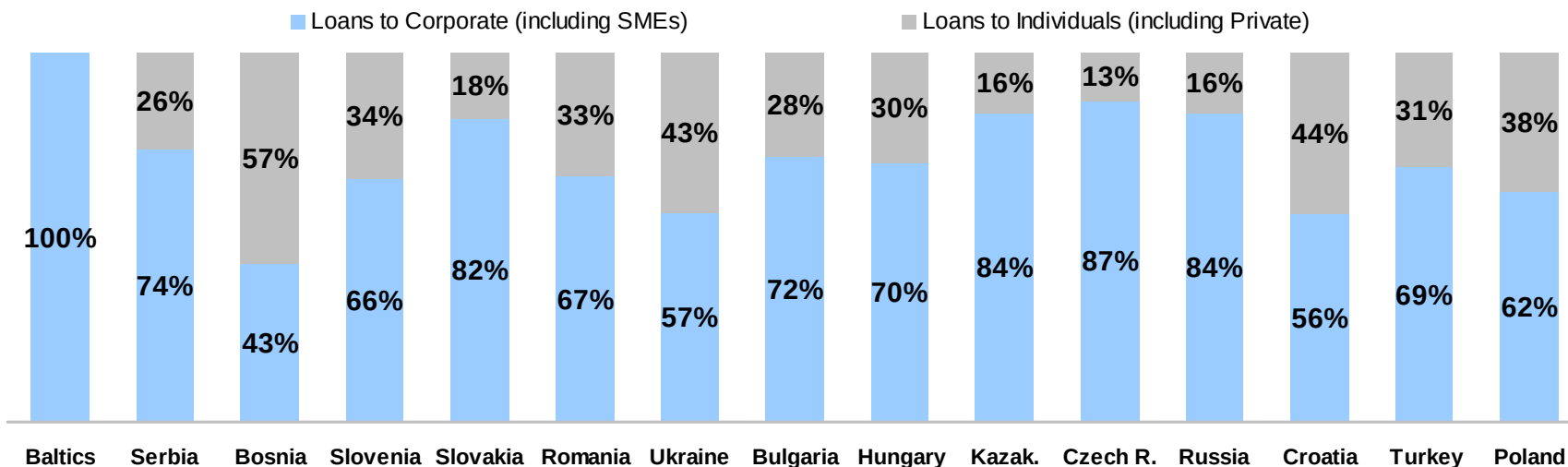
⁽¹⁾ UniCredit CEE Strategic Analysis, estimates as of October 2010

⁽²⁾ Market Share by Loans as of Sept10

UniCredit is Well Positioned to Take the Upside Related to the Exports Strength in the CEE Region

Macro & Banking Outlook

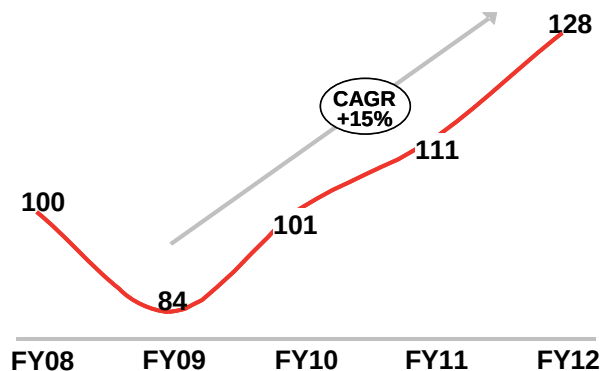
UniCredit CEE is more skewed vs Corporate



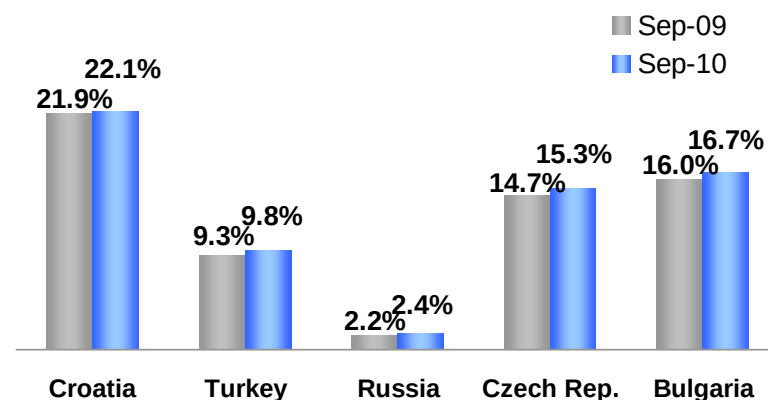
Sensitivity to CEE-17 exports is significant for UniCredit

Index figures, FY08 = 100 (nominal terms)

Exports weighted by UniCredit share in SWIFT traffic⁽¹⁾



Market Share in Corporate loans already improving



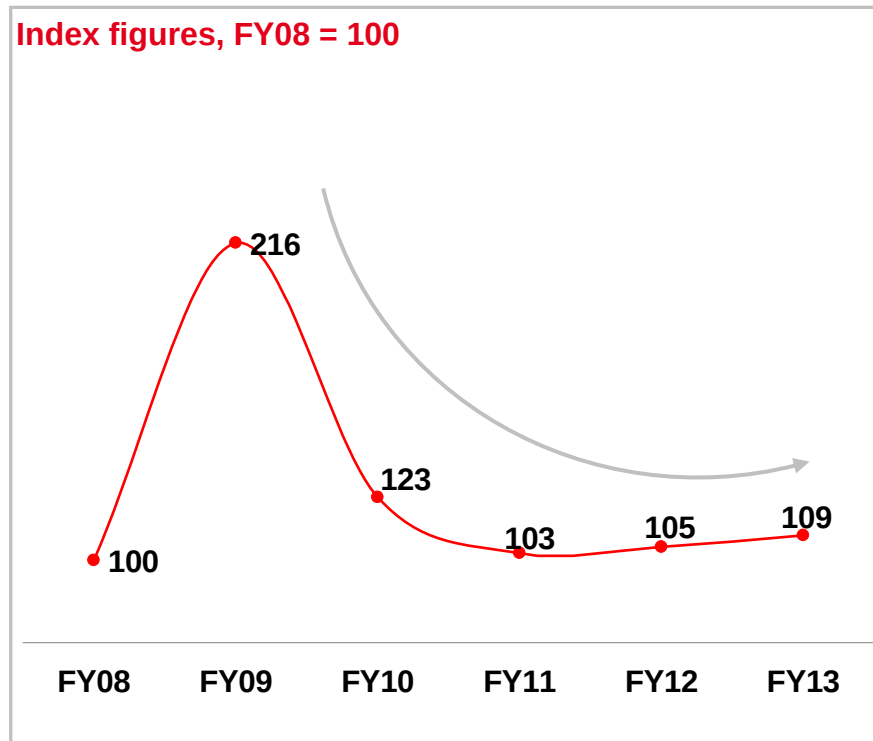
⁽¹⁾ Growth weighted by UniCredit GTB Division relevance in total country exports-related swift traffic

Source: UniCredit CEE Strategic Analysis, UniCredit Research

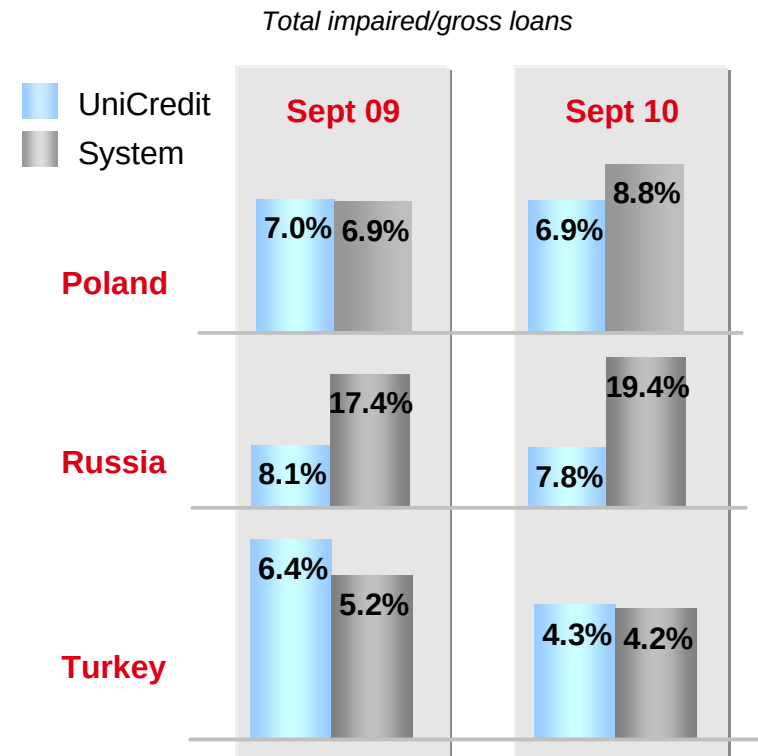
Loan Loss Provisions Expected to Normalize. UniCredit Well Set in Major Countries

Macro & Banking Outlook

CEE Banking System: Provisioning Trend⁽¹⁾



Impaired Loans Ratio



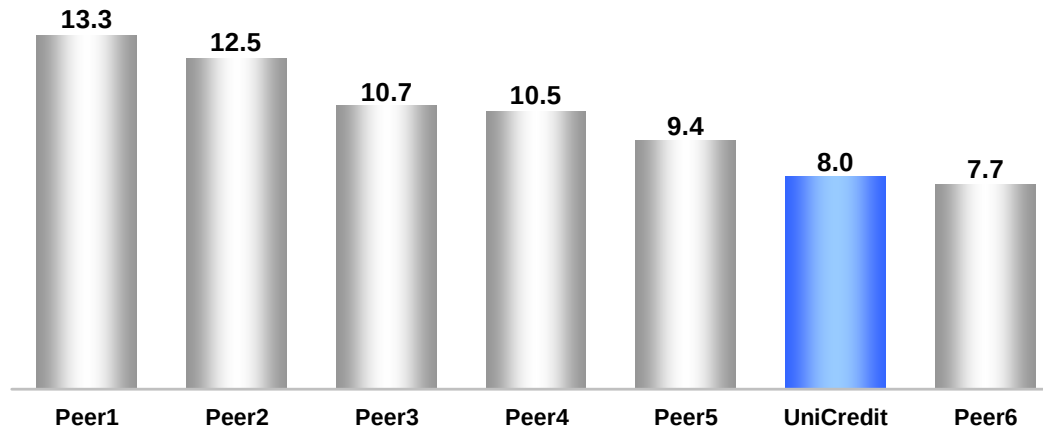
- CEE banking sector close to the credit quality problem peak and cost of risk is starting to decelerate
- UniCredit with better quality of loan portfolio vs system in Poland and Russia. In Turkey in line with the market notwithstanding the dynamic growth in loan book
- The generally lower rate of deterioration relative to the respective market is a prove of our ability to select good customers

⁽¹⁾ UniCredit CEE Strategic Analysis, estimates as of October 2010

Ready to Finance Growth Opportunities: Low Leverage and Strong Funding

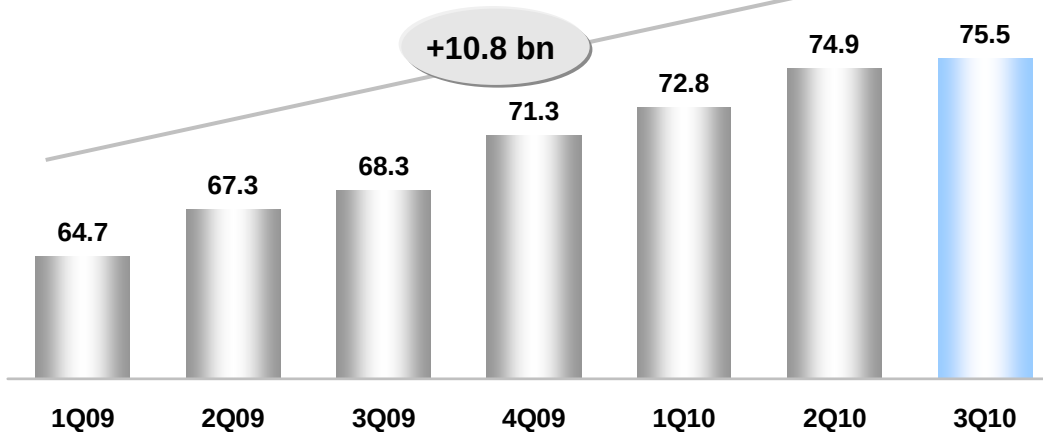
UniCredit Strengths

Asset/Equity CEE players⁽¹⁾, Jun10



- **Best in class** in terms of asset/equity
- Clear possibility to **sustain asset growth** keeping safe leverage

UniCredit CEE deposits from customers



- **Strong support** from our customers' base

⁽¹⁾ Based on CEE perimeter only

Sample: Raiffeisen, Erste Bank, Intesa Sanpaolo, Societe Generale, OTP, KBC

Agenda

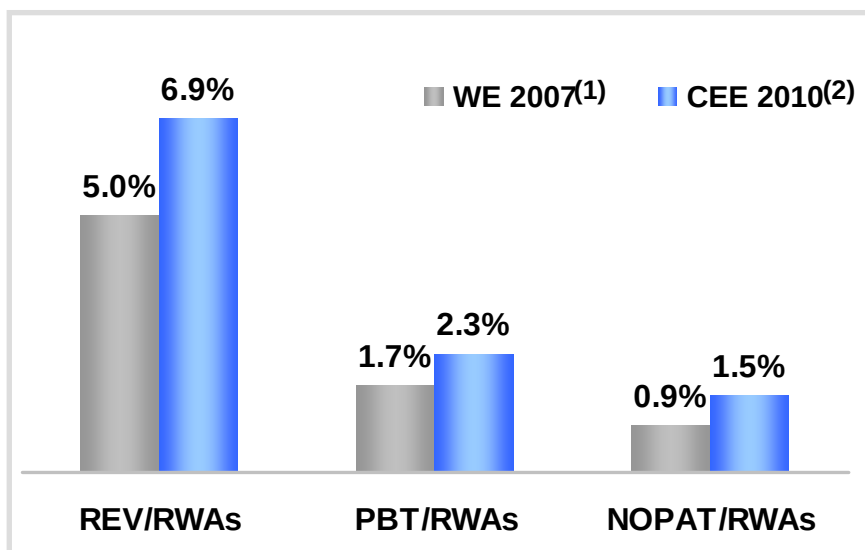
- UniCredit Positioning and Results
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CEE Strategy: Key Messages

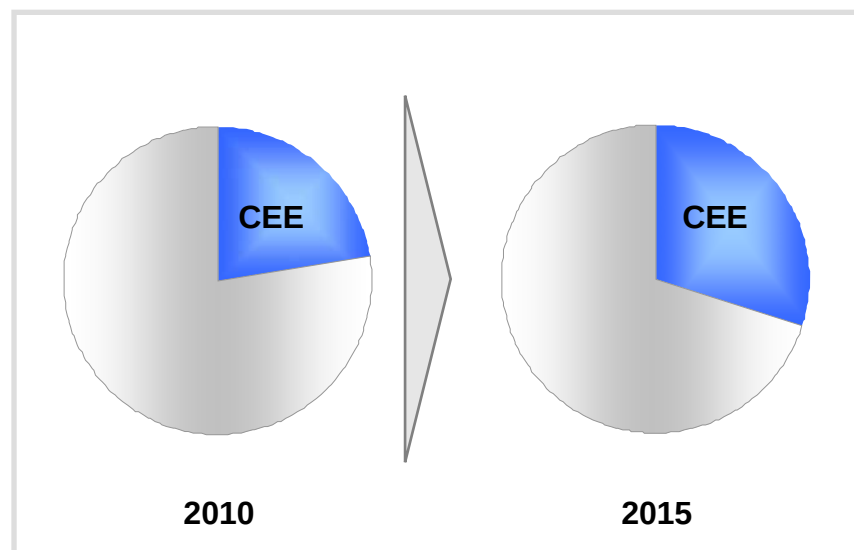
- **Higher Capital Allocation** in the Region
- Country portfolio managed to **Capture Higher Growth Opportunities**
- Room to **growth in Retail, leveraging on branch expansion and multichannel**
- **CIB/CEE cooperation** to maximize business opportunities

More Capital Allocation to Exploit UniCredit Engine for Growth

UniCredit Profitability Ratio



Group RWAs - CEE as % of Total UniCredit

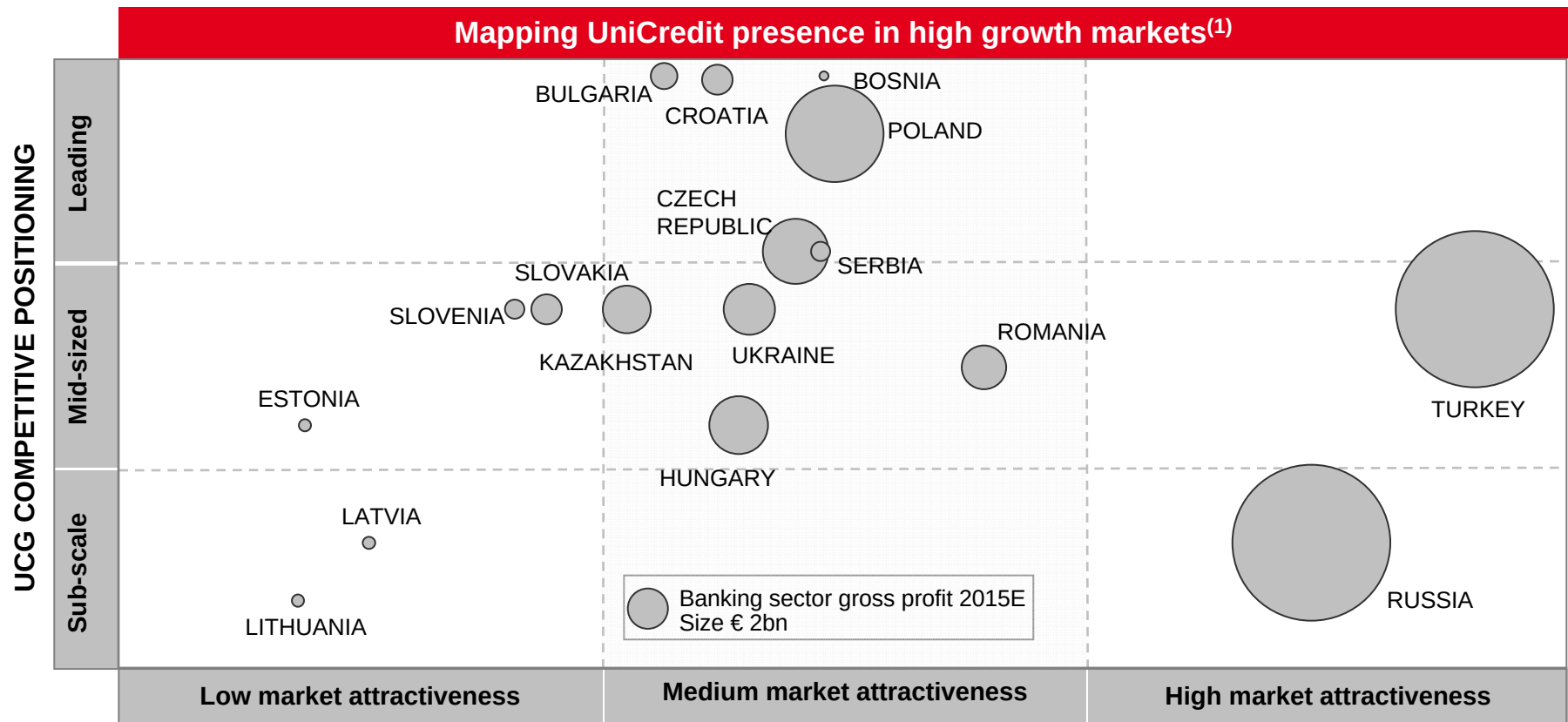


- UniCredit's **commitment to the region fully confirmed**
- Even under the current environment, **CEE risk/return in 2010** (bottom of the cycle) is still **above Western Europe in 2007** (top of the cycle)
- **CEE weight to be gradually increased** to exploit growth opportunities

(1) Italy, Germany, Austria

(2) Excluding Kazakhstan

Country Portfolio Managed to Capture Higher Growth Opportunities

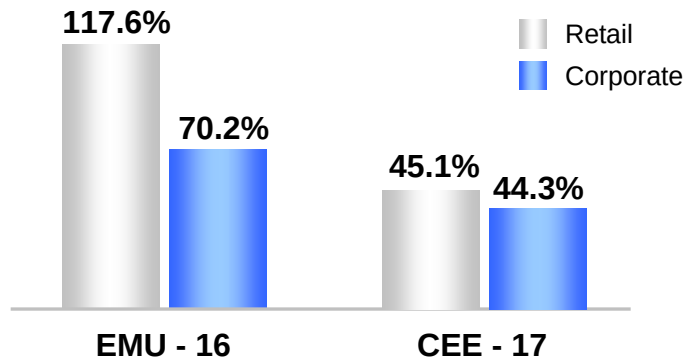


⁽¹⁾ Market Attractiveness is an index ranked between 0 (low) and 100 (high), obtained by considering volumes growth (50% weight) and risk-adj revenues over volumes (50% weight). Competitive positioning based on UniCredit ranking by total assets as of Sept10. Leading: ranking #1-4; mid-sized: ranking #5-8; sub-scale: ranking #<8

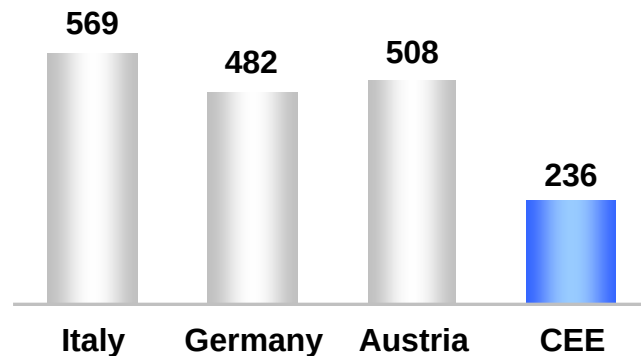
Retail: Branch Expansion and Multi-channel Banking

Banking Penetration: Still room for growth

Loans and Deposits/GDP, 2009

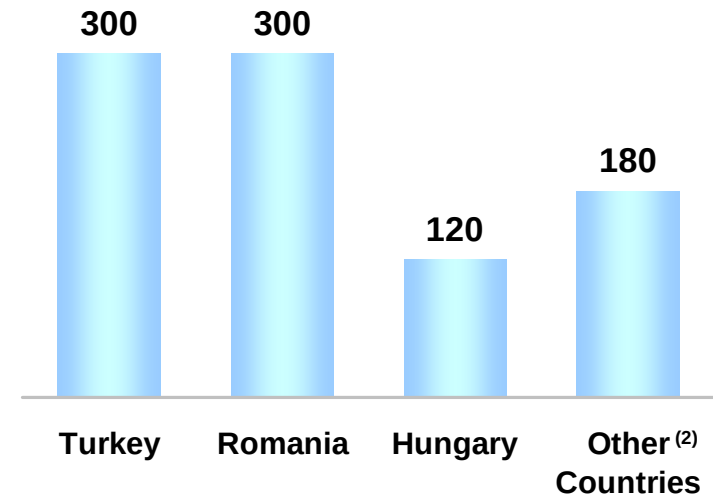


Number of branches per 1 mln inhabitants⁽³⁾



Network Development Plan

■ **New opening: ~900 branches⁽¹⁾** mainly in Countries where we have a proven track record in branch opening



Multi-channel Banking

■ **In combination with physical Network widening**

- ✓ Reduce cost to serve
- ✓ Increase customer satisfaction/retention
- ✓ Reach a widespread coverage

Source: UniCredit CEE Strategic Analysis

⁽¹⁾ Not included the optimization network process of ~ 100 branches in overlap or misplaced

⁽²⁾ Mainly Russia, Bulgaria and Serbia

⁽³⁾ 2008 figures for Italy, Germany and Austria; 2009 figures for CEE (2008 Slovenia, 1H09 Croatia)

Corporate & Investment Banking: Leveraging on Group's Product Lines Product Capabilities

CIB Product Lines

Financing & Advisory

Markets

Global Transaction Banking

Leasing

Selected Recent Achievements

- M&A CEE (excl. Russia and Turkey):
#1 by Volume of deals (2005-1H 2010) (*Dialogic*)

- Best Equity House CEE 2010
- Best Overall EMEA Research 2009
- Best Investment Bank CEE 2009



- Best Overall Bank for Cash Management in CEE 2010 (*Global Finance*)
- Best Trade Bank in Eastern Europe (*Trade Finance*)
- Best Sub-Custodian Bank in CEE 2010 (*Global Finance*)

- Top 3 positions in 11 CEE countries⁽¹⁾
- "Best Banking & Finance Online Application - Czech Republic, 2010" *Internet Effectiveness Awards (IEA)*

UniCredit's Product Factories Will Enable to Fully Capture Business Opportunities in the CEE Region

Two Landmark Transactions Emphasize the Potential of the Cooperation CEE/CIB

Lukoil



USD 2,380,000,000
Structured Equity
Transaction

Arranger
Russia – Sep 2010

- High profile transaction, showing our **ability to develop strong cooperation** among **central CIB product expertise** and **CEE local coverage**, in order to perfectly meet customer's needs
- Clearly **one of the most important Strategic Equity transactions globally** this year ...
- ... proving **UniCredit's superior skills** in those transactions especially when they require coordination and effectiveness amongst different offices

Agrokor



EUR 352.000.000
Syndicated Term
Loan

Croatia - July 2010

- UniCredit's played the Role of **Coordinator** and **Mandated Lead Arranger**
- **Strong knowledge** and **long lasting relationship** with the client were key drivers of the success of the deal
- **Excellent coordination** between **Syndication, Corporate Structured Finance** and **local teams** enabled a **timely closing**

Concluding Remarks

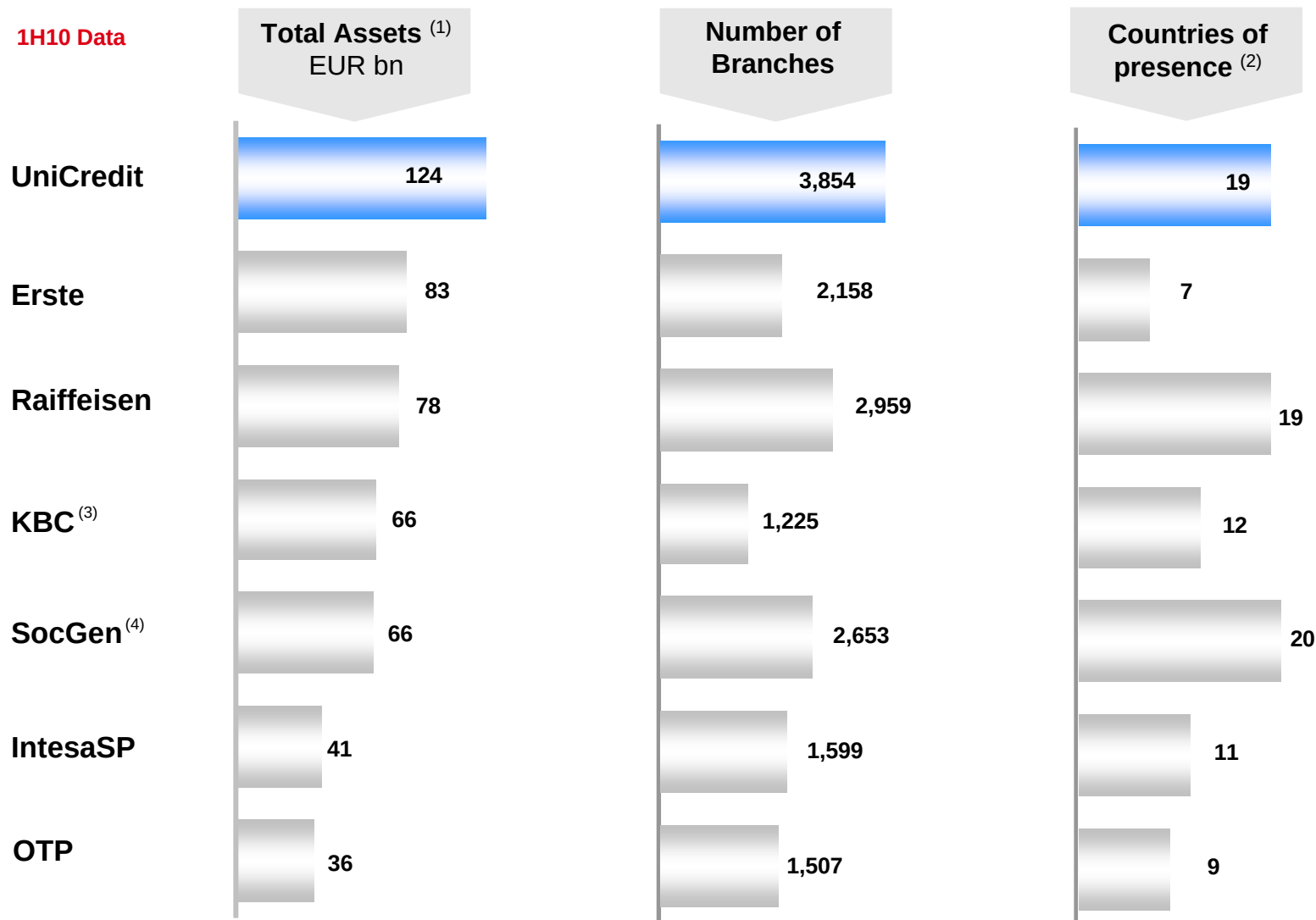
- ➔ **Unique exposure to countries poised for sustainable growth**
 - ✓ Strong capital position in each country
- ➔ **Selective growth** for certain customer groups and sectors across the board
 - ✓ **Self funded** growth, with specific focus on key countries
- ➔ Continued **cost efficiency**, with **selective investments**:
 - ✓ **Resuming branch expansion** in selected countries (Turkey, Romania)
- ➔ **Full capability to catch growth opportunities**

Competitive Advantage to Exploit Growth Opportunities Leveraging on Strong Capital Positioning and Solid Funding

ANNEX

The Leading Player in the Region

1H10 Data



Note: (1) 100% of total assets for controlled companies (stake > 50%) and pro rata for non- controlled companies (stake < 50%), except for OTP and Raiffeisen International (Group reported data). (2) Including direct and indirect presence in the 25 CEE countries, excluding representative offices. (3) excluding subsidiaries in Russia, Serbia and Slovenia, except in countries of presence (4) Data as of FY09, apart from total assets in CZ, RO, SRB, BG and AL. Excluding Rusfinance in Russia.
Source: UniCredit CEE Strategic Analysis

Several Deals Prove IB Capabilities

CIB/CEE Cooperation

Selected 2010 CFA transactions in 2010

Siemens  n.a. Sale side advisory in connection with divestment of facility management services business unit of Siemens Engineering a.s. 2010	Dalkia Česká republika  EUR 132,000,000 Advisor to Dalkia Česká republika on the acquisition of NWR Energy from New World Resources 2010	Czech Airlines  EUR 30,000,000 Advisor to Czech Airlines on the disposal of its Duty Free business unit 2010	Salavatsteklo  USD 40,000,000 Financial advisor to Salavatsteklo on the acquisition of Saratovstroysteklo Russia 2010	Ciech Group  EUR 34,000,000 Sole Financial Advisor to Ciech Group on the disposal of a 45.4% stake in PTU S.A. Poland 2010	Atlantic Grupa  In progress Sole Financial Advisor to Atlantic Grupa on the acquisition of Droga Kolinska Slovenia/Croatia 2010
Ekus  Undisclosed Sale of a majority stake in Ekus, a leading Croatian facility services providers, to Atalian Croatia 2010	Warburg Pincus  EUR 79,250,000 Sole Financial Advisor to Warburg Pincus on the acquisition of 24.9% stake in AmRest Poland 2010	Mieszko  Undisclosed Advisor to the selling shareholder of Mieszko on the disposal of a 66% stake to Eva Grupe Poland 2010	CVC  EUR 27,100,000 Advisor to CVC on the acquisition of a minority shareholding in Zagrebačka pivovara Croatia 2010	NETBYNET  USD 30,000,000 Financial advisor to NETBYNET to raise private equity financing Russia 2010	
NFI Midas  Undisclosed Financial advisor in securing a strategic investor for CenterNet Poland 2010	Eurocash S.A.  PLN 400,000,000 Sole Financial Advisor with respect to the acquisition of CEDC's Polish distribution business Poland 2010	Adamed  Undisclosed Financial advisor to Adamed on the acquisition of Agropharm (OTC drugs and diet supplements producer) Poland 2010	Adamed  EUR 77,700,000 Advisory to Adamed on the acquisition of 85% stake in Pabianickie Zakłady Farmaceutyczne Polfa Poland 2010	Advent International  EUR 79,000,000 Financial advisor to Advent International in the tender offer for 100% stake in Wydawnictwa Szkolne i Pedagogiczne Poland 2010	