

CAPITALIA GROUP - CONSOLIDATED BALANCE SHEET

(thousands of euro)

Assets	September 30, 2007	September 30, 2006	December 31, 2006
10. Cash and liquid asset	749,896	746,210	991,211
20. Financial assets held for trading	9,901,262	10,509,767	9,370,374
30. Financial assets designated at fair value	74,838	56,426	56,458
40. Available-for-sale financial assets	3,990,723	4,904,542	4,722,212
50. Held-to-maturity investments	930,082	962,268	940,373
60. Loans to banks	10,174,515	10,447,810	12,515,539
70. Loans to customers	105,408,376	92,979,916	96,012,214
80. Derivatives used for hedging	165,013	347,914	322,347
90. Fair value changes of generically hedged items	(26,989)	(11,498)	(19,694)
100. Investments in associates, subsidiaries and joint ventures	384,209	643,610	481,533
120. Tangible assets	3,011,286	2,845,753	2,907,267
130. Intangible assets	1,707,298	1,734,284	1,739,201
140. Tax assets	4,059,676	3,767,791	4,060,876
150. Non-current assets and groups of assets being disposed	15,442	24,797	22,232
160. Other assets	2,771,915	2,956,385	3,009,530
Total assets	143,317,542	132,915,975	137,131,673

Liabilities and Shareholders' Equity	September 30, 2007	September 30, 2006	December 31, 2006
10. Due to banks	20,979,672	20,914,785	17,369,602
20. Due to customers	65,922,738	60,678,475	65,550,274
30. Debt securities issued	33,768,416	29,553,733	31,202,746
40. Financial liabilities held for trading	4,933,236	4,874,361	4,852,153
60. Derivatives used for hedging	499,654	151,389	176,319
80. Tax liabilities	1,041,617	576,529	862,023
90. Liabilities associated with activities being sold	-	-	-
100. Other liabilities	4,283,905	4,605,577	5,198,966
110. Staff severance pay provision	744,734	835,248	843,122
120. Provision for liabilities and contingencies	1,324,186	1,352,796	1,304,508
140. Valuation reserves (*)	531,681	727,081	727,157
170. Reserves	2,136,728	1,845,071	1,849,970
180. Share premium account	3,355,848	3,380,929	3,382,774
190. Share capital	3,126,139	2,595,038	2,595,439
200. Treasury stock (-)	-	(19,047)	-
210. Minority interest (+/-)	55,907	39,916	54,647
220. Income (loss) for the period	613,081	804,094	1,161,973
Total liabilities and Shareholders' Equity	143,317,542	132,915,975	137,131,673

(*) Including minority interest

CAPITALIA GROUP - CONSOLIDATED INCOME STATEMENT

(thousands of euro)

Items	First 9 Months, 2007	First 9 Months, 2006	Full Year 2006
10. Interest income and similar revenues	5,023,796	4,043,536	5,572,878
20. Interest expense and similar charges	(2,872,750)	(2,134,337)	(2,984,997)
30. Net interest income	2,151,046	1,909,199	2,587,881
40. Commission income	1,447,768	1,461,391	1,989,942
50. Commission expense	(184,129)	(193,126)	(266,504)
60. Net commissions	1,263,639	1,268,265	1,723,438
70. Dividends and other similar income	52,540	58,267	125,325
80. Income/loss on financial assets and liabilities held for trading (net)	152,846	146,832	231,669
90. Income/loss from hedging activities (net)	(3,315)	(13,359)	(15,723)
100. Income/loss on disposal/purchase of:	248,078	232,818	367,840
a) <i>loans</i>	5,389	3,067	6,828
b) <i>available-for-sale financial assets</i>	216,307	223,377	338,900
c) <i>held-to-maturity investments</i>	-	(5)	84
d) <i>financial liabilities</i>	26,382	6,379	22,028
110. Net balance of financial assets and liabilities held at fair value	18,814	2,160	2,075
120. Total revenues	3,883,648	3,604,182	5,022,505
130. Net value adjustments/writebacks relating to:	(393,373)	(153,365)	(247,775)
a) <i>loans</i>	(301,551)	(120,208)	(187,667)
b) <i>available-for-sale financial assets</i>	(72,424)	5,399	(15,585)
c) <i>held-to-maturity investments</i>	8	2,091	2,331
d) <i>other financial operations</i>	(19,406)	(40,647)	(46,854)
140. Net income from financial operations	3,490,275	3,450,817	4,774,730
150. Net premiums	-	-	-
160. Net income/loss from insurance operations	-	-	-
170. Net income from financial and insurance operations	3,490,275	3,450,817	4,774,730
180. General and administrative expenses:	(2,446,409)	(2,258,359)	(3,077,392)
a) <i>staff costs</i>	(1,570,436)	(1,474,548)	(1,988,184)
b) <i>other administrative expenses</i>	(875,973)	(783,811)	(1,089,208)
190. Provisions for risks and charges	(90,351)	(101,295)	(120,338)
200. Amortisation and depreciation of tangible assets	(92,693)	(77,139)	(104,226)
210. Amortisation and depreciation of intangible assets	(65,778)	(70,541)	(94,523)
220. Other income/loss	232,059	204,052	313,285
230. Operating expenses	(2,463,172)	(2,303,282)	(3,083,194)
240. Income/loss from equity investments	16,493	77,168	77,928
260. Value adjustment of goodwill	-	-	(115)
270. Income/loss from disposal of investments	1,410	51,268	53,627
280. Income/loss before taxes from continuing operations	1,045,006	1,275,971	1,822,976
290. Tax expense (income) related to profit or loss from continuing operations	(430,124)	(470,337)	(657,499)
300. Income/loss after taxes from continuing operations	614,882	805,634	1,165,477
310. Profit/loss after taxes from discontinued assets being sold	(31)	1,142	(174)
320. Net profit/loss for the period	614,851	806,776	1,165,303
330. Minority interest	(1,770)	(2,682)	(3,330)
340. Net profit/loss	613,081	804,094	1,161,973

CAPITALIA GROUP
CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(thousands of euro)

	First 9 months, 2007	First 9 months, 2006	Change	
			amount	%
Net interest income	2,356,604	2,093,454	263,150	12.6
Gains/losses on assets/liabilities at fair value	381,182	324,347	56,835	17.5
Dividends & income from participations valued on equity method	69,480	123,902	(54,422)	(43.9)
Net commissions	1,263,639	1,268,265	(4,626)	(0.4)
Other income, net	198,205	204,052	(5,847)	(2.9)
Income from insurance operations	-	-	-	-
Gross income	4,269,110	4,014,020	255,090	6.4
Staff expenses	(1,570,436)	(1,474,548)	(95,888)	6.5
General and administrative expenses	(842,119)	(783,811)	(58,308)	7.4
Depreciation of tangible and intangible assets	(158,471)	(147,680)	(10,791)	7.3
Total operating expenses	(2,571,026)	(2,406,039)	(164,987)	6.9
Gross operating profit	1,698,084	1,607,981	90,103	5.6
Provisions for liabilities and risks	(90,351)	(101,295)	10,944	(10.8)
Net value adjustments for impairment of credits and other financial operations	(526,515)	(345,110)	(181,405)	52.6
Value adjustments on financial assets	(72,416)	7,490	(79,906)	-
Value adjustment on goodwill	-	-	-	-
Total provisions and value adjustments	(689,282)	(438,915)	(250,367)	57.0
Net operating profit	1,008,802	1,169,066	(160,264)	(13.7)
Profit/loss from divestments and from participations	36,204	106,905	(70,701)	(66.1)
Profit before tax	1,045,006	1,275,971	(230,965)	(18.1)
Income tax for the current fiscal period	(430,124)	(470,337)	40,213	(8.5)
Income/loss pertaining to minority interests	(1,770)	(2,682)	912	(34.0)
Profit or loss after tax from discontinued operations	(31)	1,142	(1,173)	-
Net profit/loss	613,081	804,094	(191,013)	(23.8)

CAPITALIA GROUP
CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(thousands of euro)

	3rd quarter 2007	3rd quarter 2006	Change	
			amount	%
Net interest income	809,849	701,982	107,867	15.4%
Gains/losses on assets/liabilities at fair value	36,708	130,742	(94,034)	-71.9%
Dividends & income from participations valued on equity method	5,198	8,103	(2,905)	-35.9%
Net commissions	397,900	406,145	(8,245)	-2.0%
Other income, net	58,571	70,002	(11,431)	-16.3%
Income from insurance operations	-	-	-	-
Gross income	1,308,226	1,316,974	(8,748)	-0.7%
Staff expenses	(562,074)	(496,119)	(65,955)	13.3%
General and administrative expenses	(288,328)	(257,047)	(31,281)	12.2%
Depreciation of tangible and intangible assets	(55,266)	(51,068)	(4,198)	8.2%
Total operating expenses	(905,668)	(804,234)	(101,434)	12.6%
Gross operating profit	402,558	512,740	(110,182)	-21.5%
Provisions for liabilities and risks	(45,449)	(14,920)	(30,529)	204.6%
Net value adjustments for impairment of credits and other financial operations	(184,773)	(114,238)	(70,535)	61.7%
Value adjustments on financial assets	(8,906)	18,492	(27,398)	-
Value adjustment on goodwill	-	-	-	-
Total provisions and value adjustments	(239,128)	(110,666)	(128,462)	116.1%
Net operating profit	163,430	402,074	(238,644)	-59.4%
Profit/loss from divestments and from participations	24,680	13,335	11,345	85.1%
Profit before tax	188,110	415,409	(227,299)	-54.7%
Income tax for the current fiscal period	(105,179)	(172,638)	67,459	-39.1%
Income/loss pertaining to minority interests	(740)	(233)	(507)	217.6%
Profit or loss after tax from discontinued operations	0	(1,554)	1,554	-100.0%
Net profit/loss	82,191	240,984	(158,793)	-65.9%

RECONCILIATION OF INCOME STATEMENT WITH RECLASSIFIED INCOME STATEMENT

Reclassified consolidated income statement

Line items set out in Bank of Italy circular no. 262 of 22 December 2005

Net interest income	10;20;130 a,b,c,d (part of write-backs for interests deterioration)
Gains/losses on assets/liabilities at fair value	80; 90;100 b (portion of sale of listed company) ;100 d; 110
Dividends & income from participations valued on equity method	70; 240 (exclusively gain/loss for participations valued at net equity)
Net commissions	40; 50
Other income, net	220 net of casualty premium component for mortgages
Income from insurance operations	150;160
Gross income	
Staff expenses	180 a
Other administrative expenses	180 b net of casualty premium component for mortgages
Depreciation of tangible and intangible assets	200; 210
Total operating expenses	
Gross operating profit	
Provisions for liabilities and risks	190
Net value adjustments for impairment of credits and other financial operations	130 a,d (net of part of write-backs for interests deterioration)
Value adjustments on financial assets	130 b,c (net of part of write-backs for interests deterioration)
Value adjustments of goodwill	260
Total provisions and value adjustments	
Net operating profit	
Profit/loss from divestments and from participations	100 a,b (net of sale of listed companies),c ; 240 (net of gain/loss for participations valued at net equity); 270
Net results from fair value of tangible and intangible assets	250
Profit before tax	
Income tax for the current fiscal period	290
Income pertaining to minority interests	330
Profit or loss after tax from discontinued operations	310
Net profit/loss	340

RECONCILIATION OF SELECTED BALANCE SHEET LINE ITEMS WITH MAIN AGGREGATES

Main Balance Sheet Aggregates

Line items set out in Bank of Italy circular no. 262 of 22 December 2005

Loans to customers	70 assets
Financial Assets	20; 30; 40; 50 assets
Direct funding from customers	20; 30 liabilities
Net interbank borrowing	60 assets - 10 liabilities
Shareholders' equity	140 (portion of associates' earnings attributable to the Group); 170; 180; 190; 200; 220 liabilities

Capitalia Condensed Format Income Statement – First nine months 2007: Differences from UniCredit methods

(€ million)				
	CONDENSED FORMAT		DIFFERENCES	DUE TO:
	UNICREDIT	CAPITALIA		
	METHOD	METHOD		
Net interest	2,151	2,357	-206	Time value of impaired loans
Dividend and other income from equity investments	41	69	-28	Dividend on trading portfolio shares
Net fees and commissions	1,264	1,264	0	
Net trading, hedging and fair value income	223	381	-158	+ Dividend on trading portfolio shares ²⁸
				- Gains on sale of listed AFS assets ¹⁸⁶
Net other expenses/income	-1	198	-199	- Recovery of expenses
OPERATING INCOME	3,678	4,269	-591	
Payroll costs	-1,460	-1,570	110	Integration costs
Other administrative expenses	-852	-842	-10	+ Integration costs ²⁴
				- Recovery of ins. premium re mortgages ³⁴
Recovery of expenses	233	0	233	
Amortisation, depreciation and impairment losses on intangible and tangible assets	-159	-159	0	
Operating costs	-2,238	-2,571	333	
OPERATING PROFIT	1,440	1,698	-258	
Provisions for risks and charges	-90	-90	0	
Integration costs	-134	0	-134	
Net impairment losses on loans and provisions for guarantees and commitments	-316	-527	211	+ Time value of impaired loans ²⁰⁶
				+ Gains on sale of loans ⁵
Net income from investments ¹	145	-36	181	+ Gains on sale of listed AFS assets ¹⁸⁶
				- Gains on sale of loans ⁵
PROFIT BEFORE TAX	1,045	1,045	0	
Income tax for the period	-430	-430	0	
Gains (losses) on assets classified as held for sale, after tax	0	0	0	
Minorities	-2	-2	0	
NET PROFIT ATTRIBUTABLE TO THE GROUP	613	613	0	

1. For the purposes of Capitalia's condensed income statement the items "Gains (losses) on sales and from equity investments" and "Write-downs of financial assets" were taken into account.

Capitalia Condensed Format Income Statement – Third quarter 2007: Differences from UniCredit methods

(€ million)				
	CONDENSED FORMAT		DIFFERENCES	DUE TO:
	UNICREDIT	CAPITALIA		
	METHOD	METHOD		
Net interest	742	810	-68	Time value of impaired loans
Dividend and other income from equity investments	4	5	-1	Dividend on trading portfolio shares
Net fees and commissions	398	398	0	
Net trading, hedging and fair value income	39	37	2	+ Dividend on trading portfolio shares ¹
				- Losses on sale of listed AFS assets ⁻¹
Net other expenses/income	-5	58	-63	- Recovery of expenses
OPERATING INCOME	1,178	1,308	-130	
Payroll costs	-507	-562	55	Integration costs
Other administrative expenses	-288	-288	0	+ Integration costs ¹²
				- Recovery of ins. premium re mortgages ¹²
Recovery of expenses	75	0	75	
Amortisation, depreciation and impairment losses on intangible and tangible assets	-56	-56	0	
Operating costs	-776	-906	130	
OPERATING PROFIT	402	402	0	
Provisions for risks and charges	-45	-45	0	
Integration costs	-67	0	-67	
Net impairment losses on loans and provisions for guarantees and commitments	-112	-185	73	+ Time value of impaired loans ⁶⁸
				+ Gains on sale of loans ⁵
Net income from investments (1)	10	16	-6	+ Losses on sale of listed AFS assets ⁻¹
				- Gains on sale of loans ⁵
PROFIT BEFORE TAX	188	188	0	
Income tax for the period	-105	-105	0	
Gains (losses) on assets classified as held for sale, after tax	0	0	0	
Minorities	-1	-1	0	
NET PROFIT ATTRIBUTABLE TO THE GROUP	82	82	0	

1. For the purposes of Capitalia's condensed income statement the items "Gains (losses) on sales and from equity investments" and "Write-downs of financial assets" were taken into account.