



UNICREDIT GROUP 1Q07 Results

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10th May 2007





KEY HIGHLIGHTS OF 1Q07 RESULTS

- **1Q07 net income up 28.8% y/y to 1,780 mln, best quarter ever**
- **Revenue growth +9.9% y/y with positive contribution from all business divisions**
- **Good cost control: +1.9% y/y with decreased non HR costs**
- **Excellent operating performance: +19.9% y/y and +32.0% q/q**
- **Core Tier 1 ratio at 5.99%, +17 bp vs. Dec06; limited growth of Total RWA, +1.4% on Dec06**
- **Net impaired loans down ~800 mln vs Dec06; RER portfolio below 4 bn, Special Credit Portfolio (“SCP”) reduced by 1.5 bn in 1Q07**

SOLID NET INCOME GROWTH, IMPROVED EFFICIENCY AND PROFITABILITY

min	1Q07	1Q06	Ch. on 1Q06	Ch. on 1Q06 at constant FX and perimeter
Total Revenues	6,577	5,986	9.9%	11.6%
Operating Costs	-3,386	-3,324	1.9%	3.8%
Operating Profit	3,191	2,662	19.9%	21.3%
Net Write Downs of Loans	-565	-515	9.7%	9.7%
Other Non Operating Items⁽¹⁾	166	113	46.9%	46.1%
Net Income	1,780	1,382	28.8%	33.1%
Revenues/Avg. RWA, %⁽²⁾	6.21%	5.51%	69 bp	-
Cost/Income ratio, %	51.5%	55.5%	-405 bp	-387 bp
Cost of Risk, bp⁽²⁾	57 bp	56 bp	1 bp	-
FTEs, #^(2,3,4)	135,857	137,197	-1,340	-
Branches, #^(2,3)	7,414	7,357	57	-

- **Strong operating performance**, with good contribution from all divisions
- **Operating costs under control** with higher staff expenses and decreased non HR costs
- **Better efficiency**, C/I ratio at 51.5% - 4 pp y/y
- Higher non operating items benefiting from **IndExchange sale** (~140 mln)
- **Solid double digit growth of consolidated net income**, +28.8% y/y
- **Improved profitability of RWA**, 6.21% in 1Q07 (+69 bp on FY06)
- **CoR to 57 bp in 1Q07**, + 1 bp vs. FY06
- **FTEs reduction**, benefiting also from outsourcing in Germany (more than 700 FTEs)

(1) Provisions for risk and charges, Integration costs and Net profit from investments

(2) Change vs FY06 figure. Figures in 1Q06 column are related to FY06. Revenues/avg. RWA ad CoR in 1Q07 are annualized

(3) KFS included at 100%

(4) FY06 adjusted for new methodology (mainly without unpaid leaves)

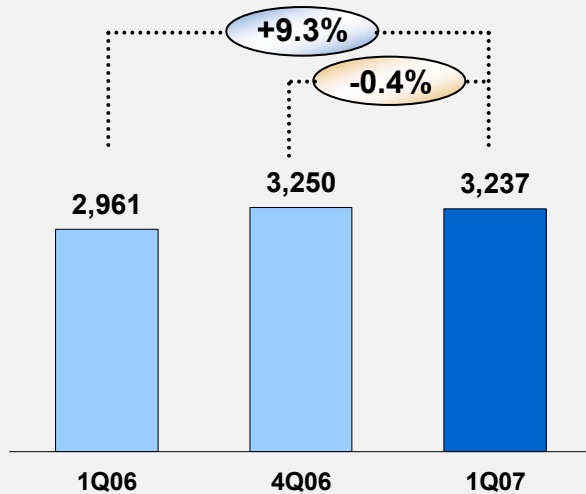
EVA[®] GENERATION OF ~1 BN IN JUST ONE QUARTER; CORE TIER 1 RATIO 17 bp UP VS DEC06

	1Q07	1Q06	Δ
EVA (mln)	986	567	419
Marginal RARORAC (%)	15.3%	10.2%	5.2%
	Mar07	Dec-06	Δ
Core Capital (mln)	25,664	24,583	1,081
Total Capital (mln)	45,382	44,324	1,058
Total RWA (bn)	428,234	422,291	1.4%
Core TIER1 Ratio (%)	5.99%	5.82%	17 bp
TIER1 Ratio (%)	7.08%	6.96%	13 bp
Total Capital Ratio (%)	10.60%	10.50%	10 bp

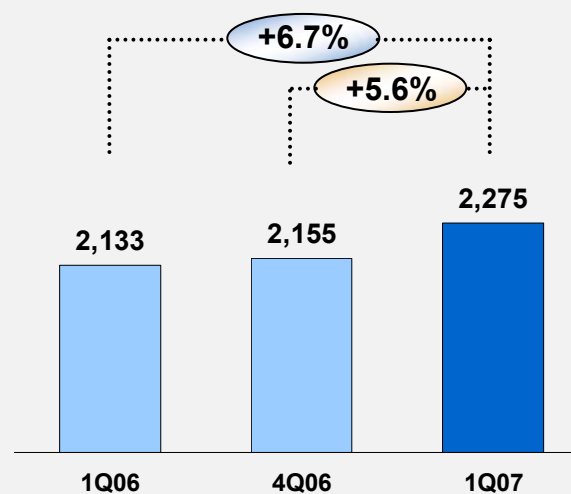
- ~1 bn EVA, +74% y/y
- Limited growth of RWA (+1.4% vs Dec06), concentrated in MIB and Corporate Divisions
- ~1.1 bn of core capital generated in one quarter, leading to 17 bp increase of Core Tier 1 ratio:
 - ✓ ~+28 bp due to organic generation of capital
 - ✓ ~-11 bp due to alignment to new Bank of Italy “Istruzioni di Vigilanza” for calculation of Tier 1 Capital (deduction of 50% of banking and financial shareholdings)

TOTAL REVENUES GROWING ~10% THANKS TO POSITIVE PERFORMANCE OF ALL COMPONENTS

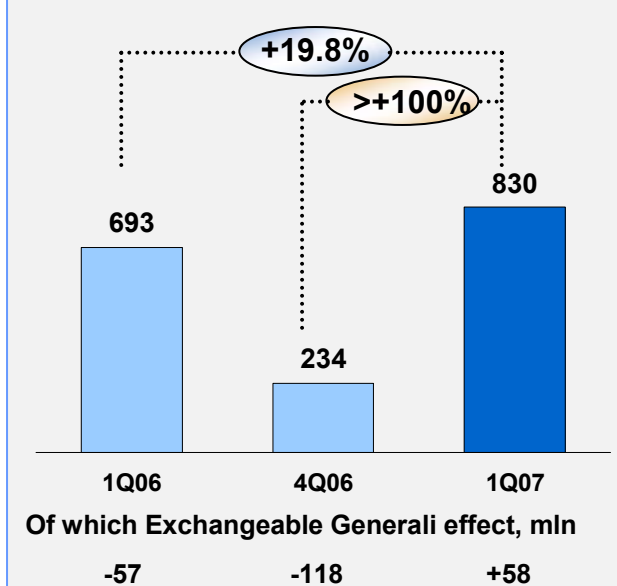
NET INTEREST INCOME (ex div.), mln



NET COMMISSION INCOME, mln



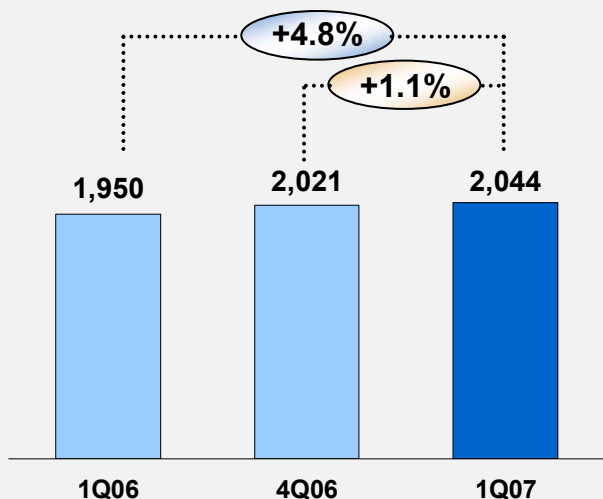
TRADING INCOME, mln



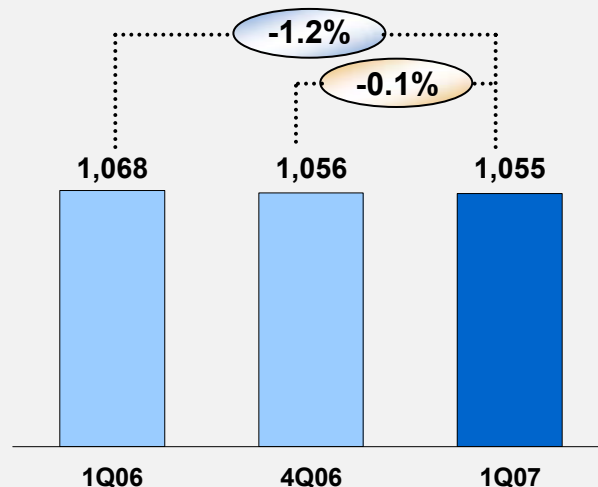
- Net interest income performance driven by positive volume effect and improved deposit spread. Good growth of trading related interests in MIB (+75 mln y/y)
- Net commissions improvement mainly due to growth of AUM fees (+26 mln y/y) and payment services (+83 mln y/y)
- Trading income increase thanks to MIB (+10% y/y) and positive effect of Exchangeable Generali

OPERATING COSTS: STAFF COSTS INCREASE DRIVEN BY BUSINESS GROWTH, PARTLY OFFSET BY DECLINING NON-STAFF EXPENSES

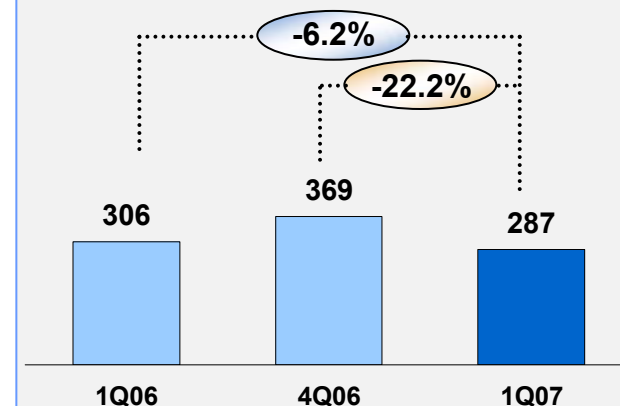
STAFF EXPENSES, mln



OTHER ADMIN. EXPENSES AND EXPENSE RECOVERIES, mln

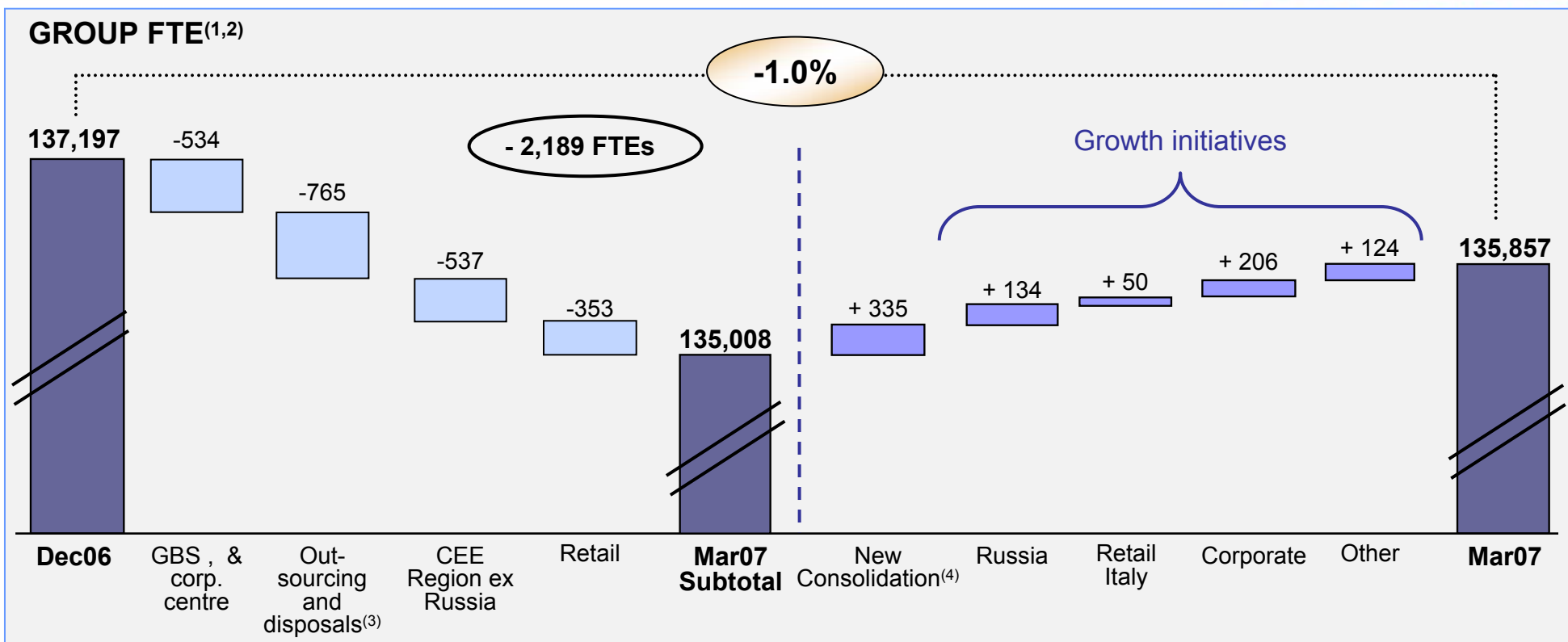


DEPRECIATION, mln



- Group operating costs +1.9% y/y, +3.8% at constant FX and perimeter
- Staff costs y/y increase driven by business performance (mostly MIB) and staff increase in selected CEE countries
- Other administrative expenses declining y/y (mainly in Retail, Corporate and Private &AM)
- Depreciation: y/y reduction in Austria and Germany (ceasing impact of old IT investments); q/q decline mainly due to GBS IT seasonality and refurbishment of retail branches in 4Q06

GROUP FTE: RIGHTSIZING AND OUTSOURCING MORE THAN OFFSETTING HIRING FOR GROWTH INITIATIVES



- **Group FTEs - 2,189 vs Dec06 or -1.6% excluding growth initiatives with relevant contribution of GBS & CC and outsourcing deals**
- **Decrease in CEE Region with relevant contribution of Poland Markets (-180, mainly due to managed turnover) and Romania (-160, mainly for transfer of leasing business to Corporate Division)**
- **Increase in Corporate mainly due to perimeter changes (~130) and to the expansion plan in UBI and HVB**

(1) Dec06 FTE differ from the figure previously reported (142,406) due to a change in methodology

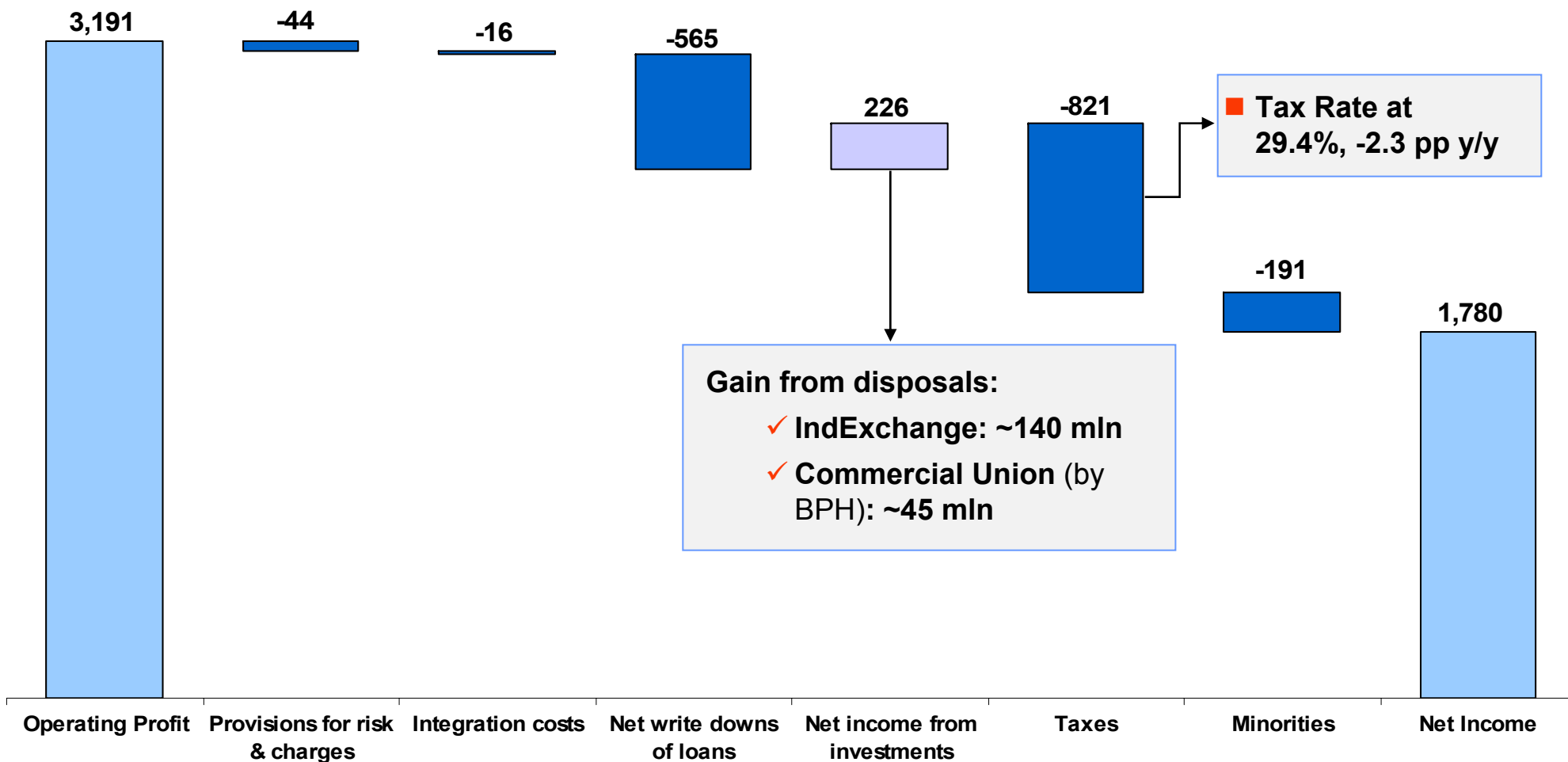
(2) Yapi Group at 100%

(3) Mainly PAS (~400), HVB IS (~300) and Indexchange Investment (30)

(4) New consolidation: Planet Home (299), Insurance Broker (16) and Unicredit Leasing Ukraine (20)

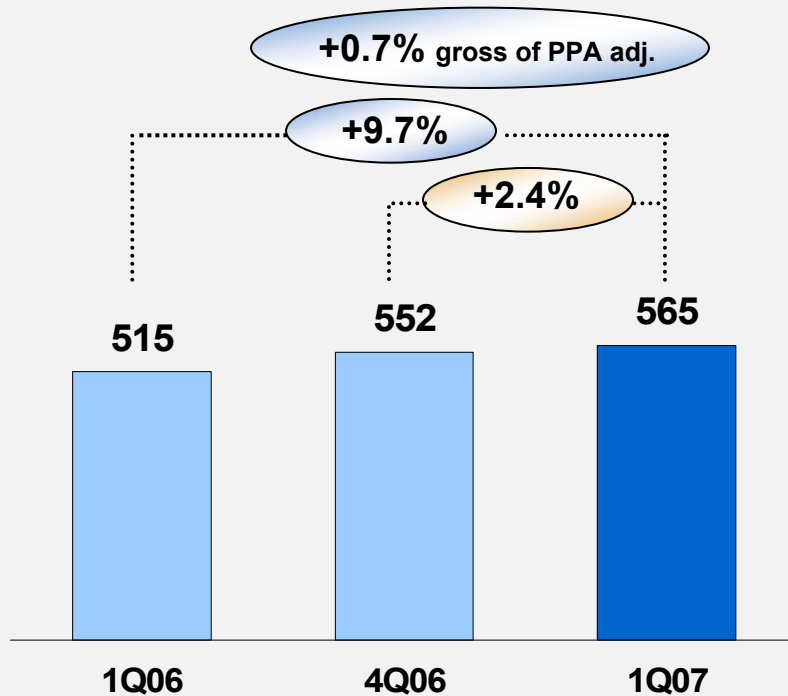
NON OPERATING ITEMS IN 1Q07: POSITIVE INCOME FROM INVESTMENTS DRIVEN BY INDEXCHANGE SALE

(mln)



LOAN LOSS PROVISIONS SUBSTANTIALLY IN LINE Y/Y GROSS OF PPA ADJUSTMENTS

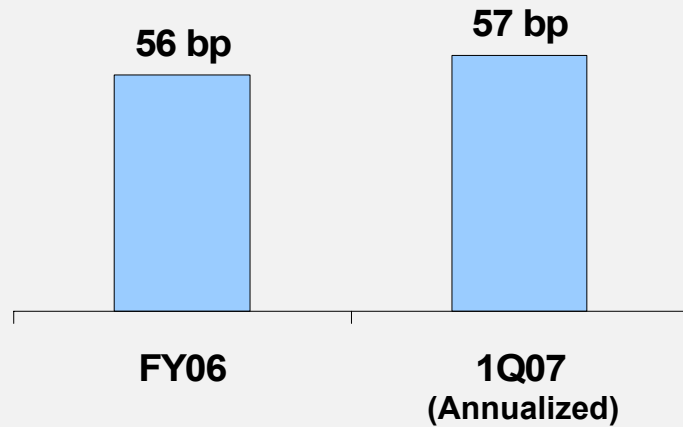
LOAN LOSS PROVISIONS, mln



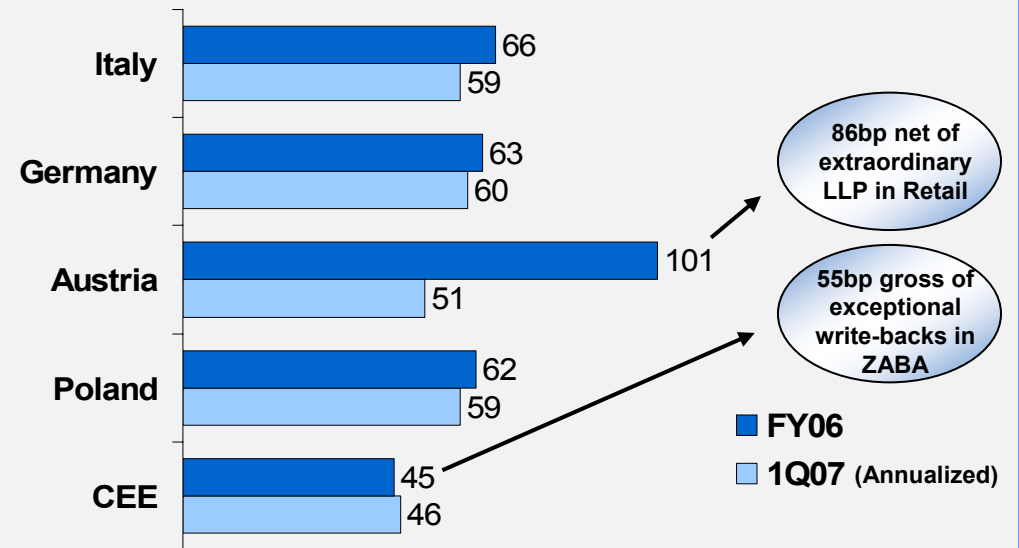
- **Italy:** +6 mln y/y; decrease in Retail (-14 mln) offset by higher provisions in Corporate (+22 mln y/y to 109 mln, in line with 2006 quarterly average)
- **Germany:** -2 mln; substantially in line y/y
- **Austria:** fully in line with 1Q06 at 68 mln
- **Poland's Markets:** -5 mln at 29 mln, in line with the quarterly average of FY06 (1Q06 was the highest quarter in 2006)
- **CEE:** +5 mln; mainly due to Russia reflecting higher lending volumes
- **PPA adjustments:** -2 mln in 1Q07 vs -48 mln in 1Q06

COST OF RISK STABLE ON FY06 LEVELS

Consolidated COST OF RISK⁽¹⁾, bp



COST OF RISK by geographies⁽¹⁾, bp

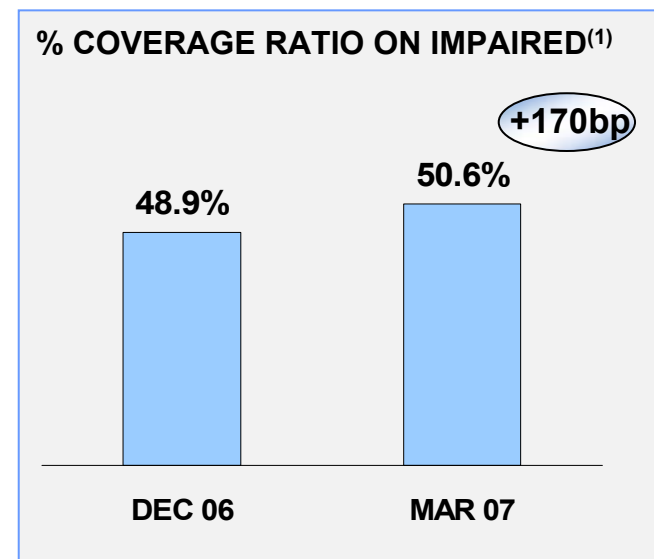
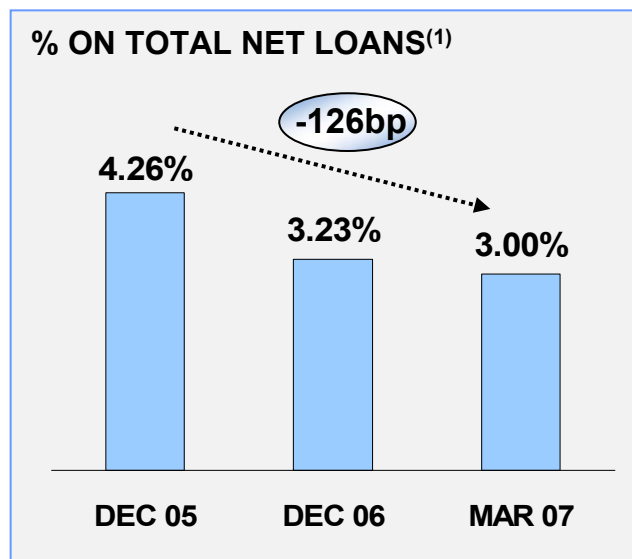
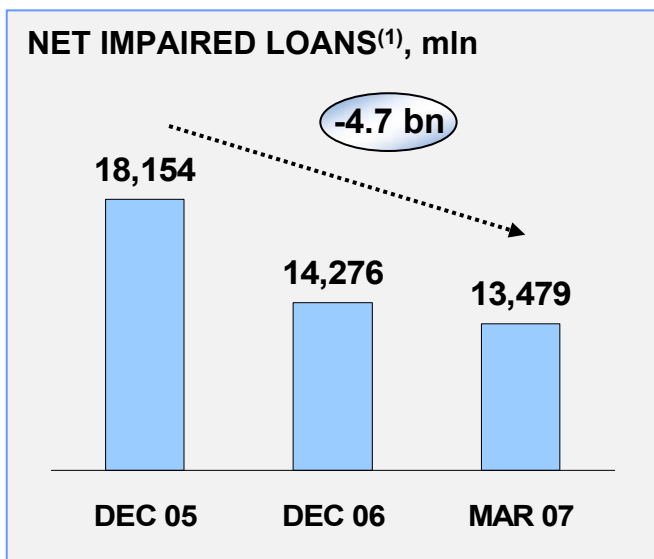


■ Improvement of cost of risk in all geographic areas⁽²⁾; stable vs FY06 at Group level

⁽¹⁾ Profit (loss) and net write downs on loans / Total Period Average RWA for Credit Risks

⁽²⁾ Considering CEE Divisions gross of 40 mln exceptional write-backs posted by ZABA in FY06

ASSET QUALITY: SIGNIFICANT DE-RISKING OF BALANCE SHEET AND INCREASE OF COVERAGE RATIO

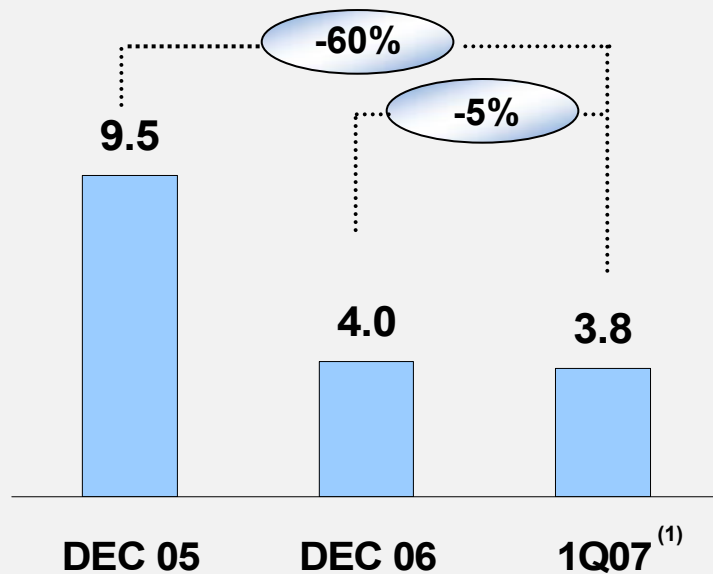


- **Strong decrease of net impaired loans: -4.7 bn vs Dec05 and ~-800 mln vs Dec06 (-25.8% and -5.6% respectively)**
- **% weight of net impaired loans on total customer loans down to 3%, reduced by ~126 bp in 15 months and by ~23 bp in the last quarter**
- **Coverage ratio on impaired loans higher than 50% (+170 bp vs Dec06) with significant growth on NPL (from 61.5% to 63.7%); total provisions on performing loans at ~2.1 bn (~48 bp coverage ratio)**
- **Material de-risking of balance sheet: Net impaired loans/Total Regulatory Capital ratio reduced from 43.5% as of Dec05 to 29.7% as of Mar07 (32.2% as of Dec06)**

⁽¹⁾ Loans to customers

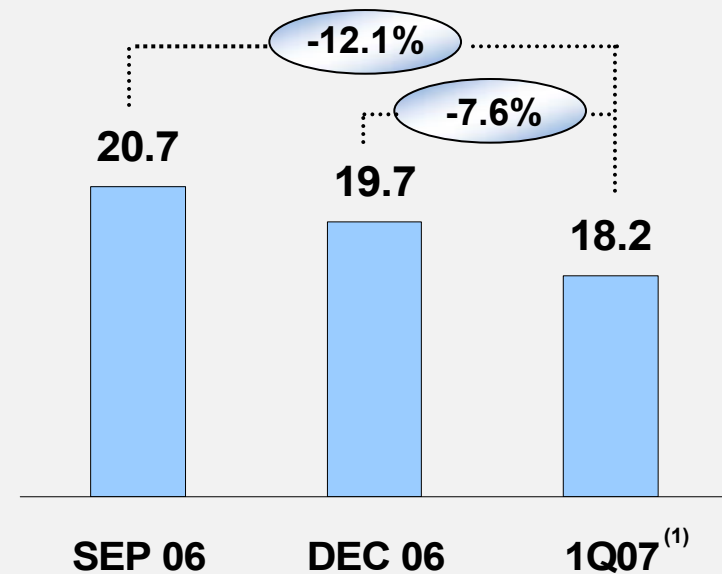
HVB NON STRATEGIC ASSETS: FURTHER DECREASE OF BOTH RER AND SCP

RER: recent evolution (Credit Exposure, bn)



- RER portfolio reduced by more than 75% since creation (15.4 bn as of 31.12.2004)
- ~200 mln reduction in 2 months achieved through successful day-by-day workout

SCP: recent evolution (Credit Exposure, bn)

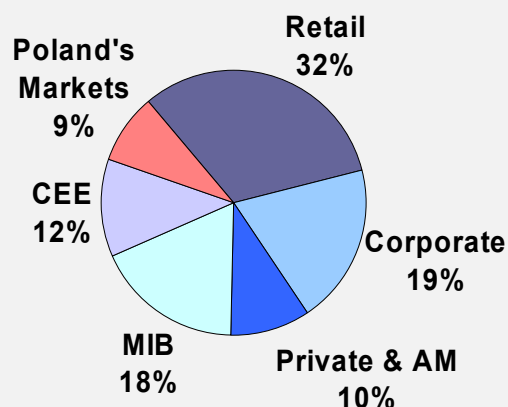


- 2.5 bn reduction achieved since creation, o/w 1.5 bn in 2 months

⁽¹⁾ 1Q07 data based on Feb07 data

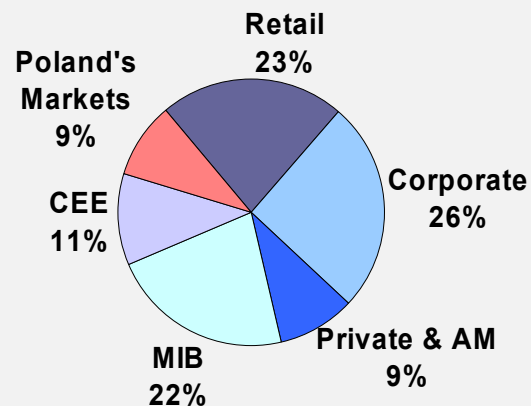
GROUP RESULTS BENEFITING FROM A WELL BALANCED BUSINESS PORTFOLIO

1Q07 TOTAL REVENUES



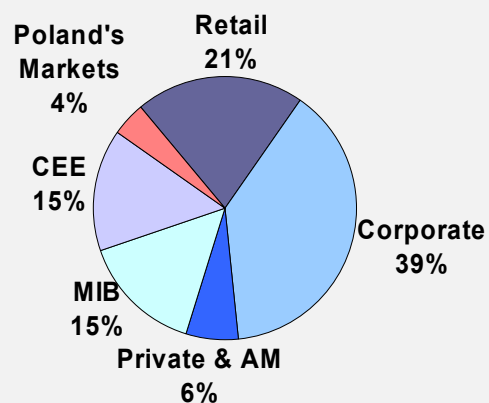
	y/y % ch.
Retail	4.4%
Corporate	4.5%
Private & AM	2.6%
MIB	16.2%
CEE	15.2%
Poland's Markets	9.0%

1Q07 OPERATING PROFIT



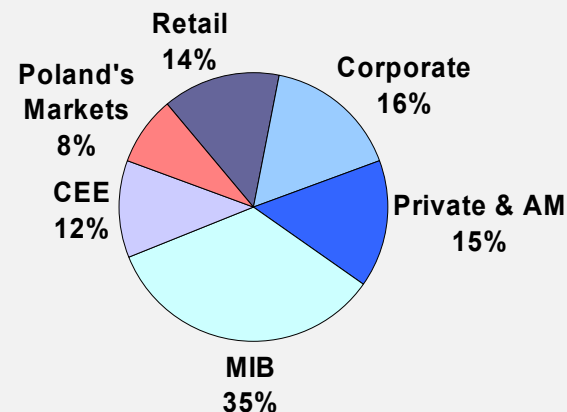
	y/y % ch.
Retail	17.5%
Corporate	5.9%
Private & AM	11.6%
MIB	19.5%
CEE	25.5%
Poland Markets	19.2%

1Q07 ALLOCATED CAPITAL



	y/y % ch.
Retail	4.0%
Corporate	4.1%
Private & AM	11.2%
MIB	5.5%
CEE	38.9%
Poland's Markets	32.9%

1Q07 EVA



	y/y % ch.
Retail	53.6%
Corporate	11.8%
Private & AM	17.8%
MIB	30.2%
CEE	53.1%
Poland's Markets	33.6%

RETAIL DIVISION: STRONG OPERATING IMPROVEMENT (+17.5% Y/Y) AND EVA INCREASE (>+50% Y/Y)

	1Q07	1Q06	% ch. on 1Q06
mln			
Total Revenues	2,045	1,958	4.4%
Operating Costs	-1,301	-1,325	-1.8%
Operating Profit	744	633	17.5%
Net write-downs on loans	-220	-194	13.4%
Profit before taxes	531	424	25.2%
Revenues / Avg. RWA, % ⁽¹⁾	9.1%	8.5%	60 bp
Cost/Income Ratio, %	63.6%	67.7%	-4.1 pp
Cost of risk, bp ⁽¹⁾	99 bp	119 bp	-20 bp
EVA	164	107	53.6%
FTEs ⁽¹⁾	34,830	34,834	-4 ⁽²⁾

- **Total revenues +4.4%:** main growth coming from net interest income, driven by loan growth and higher deposit spread in Italy
- **Effective cost management efforts** leading to lower operating expenses (other admin. expenses down 5.3% y/y and staff costs growing in line with inflation)
- **Write downs on loans:** reduction in Italy offset by increased provisions in Germany in order to achieve higher coverage after SCP spin off in 2006
- **Cost Income ratio** down ~4 p.p. y/y
- **EVA** at 164 mln, up more than 50% y/y

CORPORATE DIVISION: DOUBLE DIGIT EVA GROWTH DRIVEN BY SOUND OPERATING PERFORMANCE AND ACTIVE PORTFOLIO MANAGEMENT

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	1,241	1,187	4.5%
Operating Costs	-399	-392	1.8%
Operating Profit	842	795	5.9%
Net write-downs on loans	-177	-172	2.9%
Profit before taxes	680	638	6.6%
Revenues / Avg. RWA, % ⁽¹⁾	3.14%	3.0%	16 bp
Cost/Income Ratio, %	32.2%	33.0%	-87 bp
Cost of risk, bp ⁽¹⁾	46 bp	53 bp	-7 bp
EVA	187	167	11.8%
FTEs ⁽¹⁾	8,941	8,698	243

- Good performance of revenues (+4.5% y/y) due to:
 - ✓ leasing;
 - ✓ net interest income in Italy, supported by higher volumes;
 - ✓ commissions in Austria and Germany
- Moderate (+1.8% y/y) growth of operating costs due to higher depreciation linked to development of operating leasing and expansion plan in Italy and Germany
- Cost/Income at 32.2%, about 1% better than 1Q06
- Cost of risk annualized at 46bp, about 7 bps better than FY06
- 6.6% progress of profit before tax
- EVA at 187 mn, 11.8% higher than 1Q06 thanks to progress of net profit, strict control of capital absorption and active portfolio management (securitizations)
- FTE up by 243 unit, o/w ~160 due to changes in the scope of consolidation of the Division and ~80 due to the expansion plan

MIB DIVISION: STRONG PERFORMANCE DRIVEN BY MARKETS AND FINANCING BUSINESS LINES

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	1,150	990	16.2%
Operating Costs	-422	-381	10.8%
Operating Profit	728	609	19.5%
Net write-downs on loans	-1	-14	-92.9%
Profit before taxes	941	621	51.5%
Revenues / Avg. RWA, %⁽¹⁾	7.1%	5.1%	202bp
Cost/Income Ratio, %	36.7%	38.5%	-179bp
EVA	393	302	30.2%
FTEs, #	3,288	3,218	69

- **Total revenue +16% y/y** thanks to strong growth in core businesses particularly in Structured Credit and Financing
 - ✓ net interest income +36.7% y/y with remarkable contribution from trading-related interest income and Financing business
 - ✓ net commission -1.5% vs. a very strong 1Q06 and reflecting Indexchange deconsolidation
 - ✓ trading income +9.9% y/y driven by Markets performance
- **Operating costs +11% y/y** including new consolidations; bonus accruals increase, driven by performance, partly off-set by tight hiring process and strong containment of other admin. expenses
- **Net write-down on loans** considerably reduced due to strong credit environment
- **Profit before taxes +51.5%** thanks to excellent operating profit (+20%) and significant contribution of net profit from investments for the Indexchange disposal (219 mln⁽²⁾)
- **C/I ratio** down ~2 pp y/y

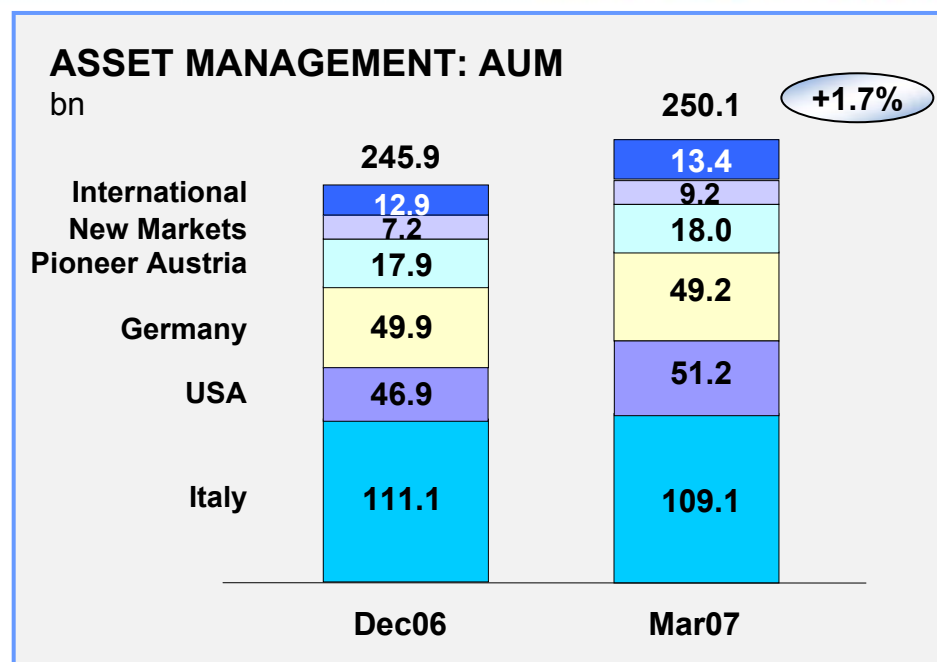
(1) Figures in 1Q06 column are related to FY06 and the Δ is calculated vs. FY06

(2) Gross amount before PPA adjustments

ASSET MANAGEMENT SUB-DIVISION: SOLID OPERATING PERFORMANCE AND DOUBLE DIGIT GROWTH IN EVA

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	335	327	2.4%
Operating Costs	-143	-160	-10.6%
Operating Profit	192	167	15.0%
Profit before taxes	188	168	11.9%
Revenues/Avg. AUM ^(1,2) , bp	54 bp	57 bp	-3 bp
Operating costs/Avg. AUM ⁽¹⁾ , bp	23 bp	26 bp	-3 bp
Cost/Income Ratio, %	42.7%	48.9%	-624 bp
EVA	126	100	25.7%
FTEs ⁽¹⁾	2,277	2,277	0

- **Total revenues +2.4%** y/y with higher management fees, driven by avg AUM increase (+10%), off-setting lower performance fees due to methodology change⁽²⁾ and higher payout to retail distributors in ex- Activest
- **Operating costs -11%** y/y thanks to lower administrative expenses and depreciation; staff costs + 1% mainly due to new consolidations (Vanderbilt and ex-BA-CA CEE)
- **Pre-tax profit +12%** y/y after 4 mln of **Integration costs** mainly for rebranding of funds
- **EVA strong increase: +26%** y/y



- **Asset under Management** increased by 1.7% vs Dec06 (+9.2% y/y) thanks to positive net sales effect (+1%), market effect (+0.2% including FX effect) and new consolidation (+0.5% or 1.2 bln as of Jan07 from ex-BA-CA CEE)
- **Net sales** reached 2.5 bn in 1Q07, of which 4.1 bn in US, 0.6 bn in International (mainly Japan), and 0.5 bn in New Markets, more than off-setting net outflows in Germany and Italy. Austria slightly positive (+0.1bn)
- Market share on the Italian market stood at 15.43% as of Mar07, increasing to 15.52% in Apr07

(1) Figures in 1Q06 column are related to FY06 and the Δ is calculated vs. FY06

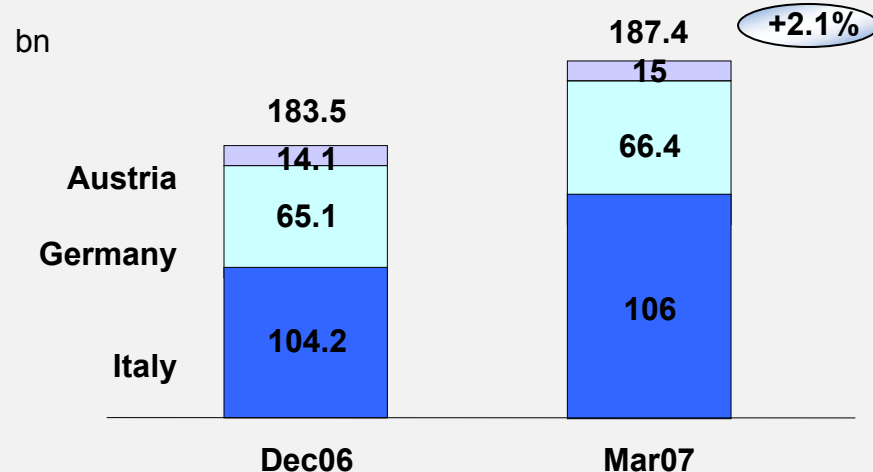
(2) Performance-fees on long-only mutual funds are paid on an annual basis in 2007 (i.e. in 4Q07) while in 2006 they were paid on a quarterly basis

PRIVATE BANKING SUB-DIVISION: GOOD PROGRESS OF OPERATING PROFIT

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	290	282	2.8%
Operating Costs	-174	-174	0.0%
Operating Profit	116	108	7.4%
Profit before taxes	108	100	8.0%
Revenues/Avg. TFA ^(1,2) , bp	74 bp	73 bp	1 bp
Operating costs/Avg. TFA ^(1,2) , bp	45 bp	49 bp	-4 bp
Cost/Income Ratio, %	60.0%	61.7%	-170 bp
EVA	52	51	2.7%
FTEs ⁽²⁾	3,376	3,350	25

- **Total Revenues, +2.8%:** strong increase of net interest income, +13 mln (+21%) more than offsetting light slowdown in net non-interest income, -5 mln (-2%) due to extraordinary sales results in 1Q06
- **Operating costs, flat:** strict control in administrative expenses (-3%) counterbalancing staff expenses increase (+5%) driven by German and Austrian network development
- **Profit Before taxes, +8.0%:** Italy +6.8%, Germany +4.3%, Austria +30%

PRIVATE BANKING: total financial assets



ITALY

- Positive total net sales (+934mln)⁽³⁾ in 1Q07 despite a context of deep redemptions in the Italian fund industry (-11bn)

GERMANY

- Asset mix improvement in HVB WEM: AUM +4.8%
- Strong growth in DAB: +5.3%

AUSTRIA

- Very good asset dynamics (+6.2%) thanks both to positive net sales (over 250 mln) and acceleration in customer transfer from BA-CA

(1) TFA net of extraordinary assets (Private Banking Italy)

(2) Figures in 1Q06 column are related to FY06 and the Δ is calculated vs. FY06

(3) Excluding extraordinary outflows (-260 mln)

POLAND'S MARKETS: HIGH NET INCOME GROWTH BENEFITING FROM SOUND OPERATING PERFORMANCE AND POSITIVE INCOME FROM INVESTMENTS; IMPROVED EFFICIENCY (C/I AT 46.5%, -425 BP Y/Y)

mln	1Q07	1Q06	% ch. on 1Q06 at constant FX
Total Revenues	557	511	10.8%
Operating Costs	-259	-261	1.6%
Operating Profit	298	250	20.4%
Net Write Downs on Loans	-29	-34	-14.7%
Profit Before Taxes	315	228	39.9%
Net Income for the Group	157	102	53.0%

- **Solid revenue growth:**
 - ✓ **Net interest income** up 11.4% y/y mainly thanks to **volume growth**
 - ✓ **Net commissions** up 10.0% y/y mainly driven by **excellent performance of Mutual Funds** and consumer finance (new volumes sold +14.7% y/y)
- **Costs under control:**
 - ✓ **Stable non HR costs**
 - ✓ **Moderate growth in staff costs** up 3.0% y/y mainly due to inflation adjustment and branch expansion in Ukraine
- **Lower net write downs on loans** with improved asset quality
- Net income benefits from 45 mln as capital gain from the sale of Commercial Union stake (by Bph)

CEE DIVISION: STRONG OPERATING PERFORMANCE SUPPORTED BY VOLUME GROWTH; IMPROVED EFFICIENCY (C/I AT 50.2%, -4 PP Y/Y)

mln	1Q07	1Q06	% ch. on 1Q06 at constant FX
Total Revenues	751	652	17.9%
Operating Costs	-377	-354	9.3%
Operating Profit	374	298	28.2%
Net Write Downs on Loans	-50	-45	13.3%
Profit Before Taxes	310	244	29.1%
Net Income for the Group	220	148	51.3%

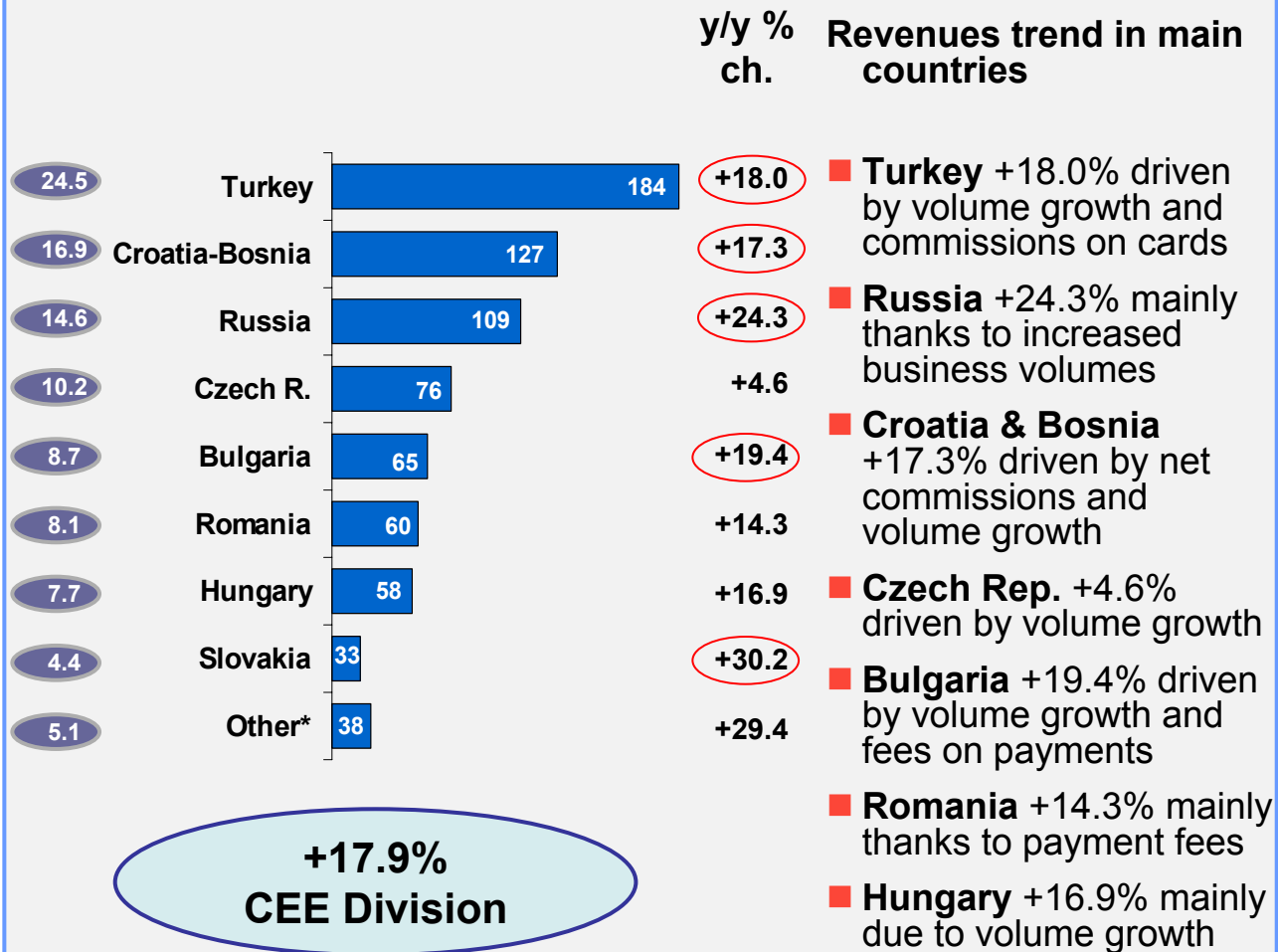
- **Total revenues up 17.9% y/y**
 - ✓ **Net interest income** up 15.9% y/y mainly driven by **volume growth**
 - ✓ **Net commissions** up 22.5% y/y mainly in **Russia**

- **Operating costs:**
 - ✓ **Substantially stable non HR costs**
 - ✓ **Increased staff costs**, +20.4% y/y mainly due to strategic expansion in Russia and to higher staff costs in Turkey

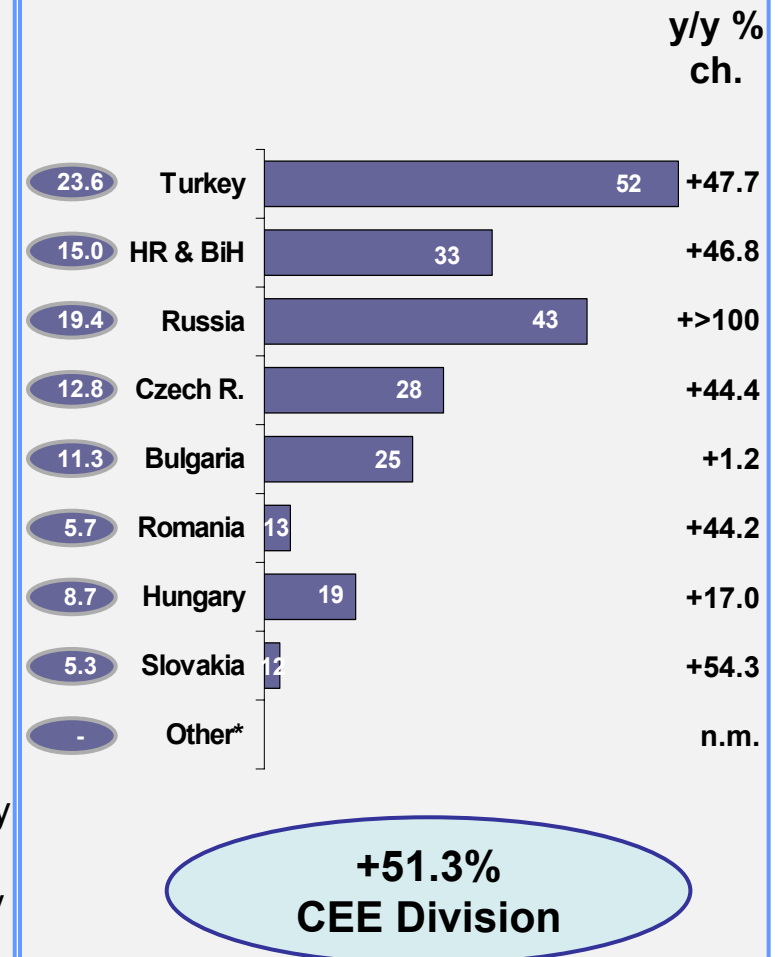
- **Net write downs on loans** up 13.3% y/y driven by **volume growth**

CEE DIVISION: REVENUES AND NET INCOME BY COUNTRIES

Total Revenues (mln)



Net Income for the Group (mln)



% ch. at constant FX rates

(*) Serbia, Slovenia, Baltic Countries, Profit Center Vienna

TURKEY AND RUSSIA: INCOME STATEMENT

TURKEY

mln	1Q07	1Q06	% ch. on 1Q06 at constant FX
Total Revenues	184	180	18.0%
Operating Costs	-92	-99	8.0%
Operating Profit	91	81	30.2%
Net Write Downs on Loans	-10	-10	22.5%
Profit Before Taxes	68	65	20.3%
Net Income for the Group	52	39	47.7%
Cost/Income Ratio, %	50.2%	55.1%	-466 bp

- **Total revenues**, +18.0% y/y benefiting from volume growth and improved performance of subsidiaries (mainly leasing and insurance)
- **Operating costs**, +8.0% y/y, mainly salary adjustments
- **Net write downs on loans**, +22.5% y/y mainly due to cautious provisioning policy
- **Consumer loans**, +21.8% y/y to 4.1 bn⁽¹⁾

RUSSIA

mln	1Q07	1Q06	% ch. on 1Q06 at constant FX
Total Revenues	109	88	24.3%
Operating Costs	-41	-34	19.2%
Operating Profit	69	54	27.5%
Net Write Downs on Loans	-7	-4	82.0%
Profit Before Taxes	61	50	23.1%
Net Income for the Group	43	17	147.0%
Cost/Income Ratio, %	37.3%	38.8%	-158 bp

- **Total revenues**, +24.3% driven by lending growth mainly with retail customers and net commissions
- **Operating costs**, +19.2% y/y driven by staff costs due to strategic expansion project (FTEs +~500 employees y/y to 2,134; branches +16 to 48)
- **Higher net write downs on loans linked to loan growth** and related creation of generic provisions
- **Consumer loans**, +140% y/y to 0.6 bn

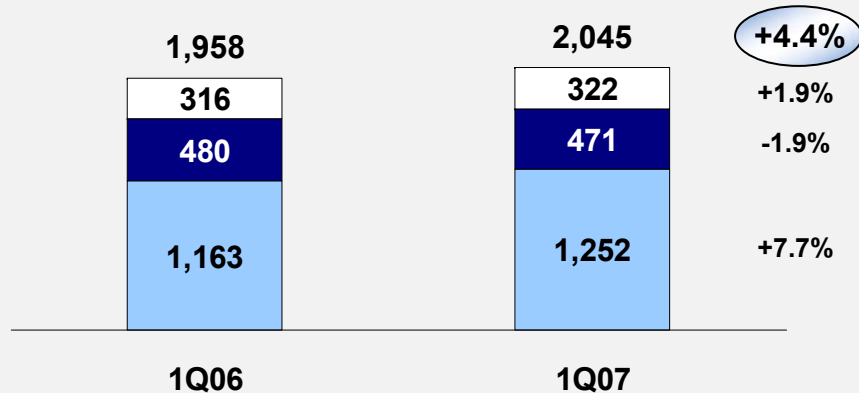
⁽¹⁾ At 100%



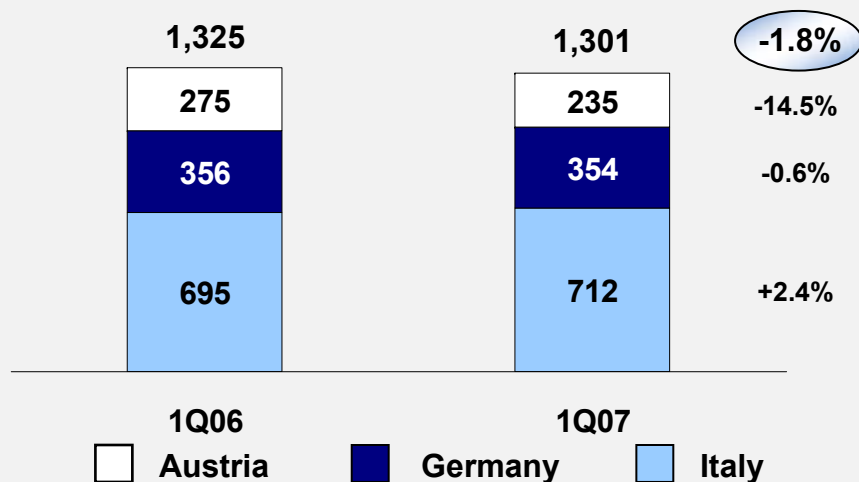
ANNEXES

RETAIL DIVISION: REVENUES AND COSTS BREAKDOWN BY COUNTRY

TOTAL REVENUES (mln and y/y % ch.)



OPERATING COSTS (mln and y/y % ch.)

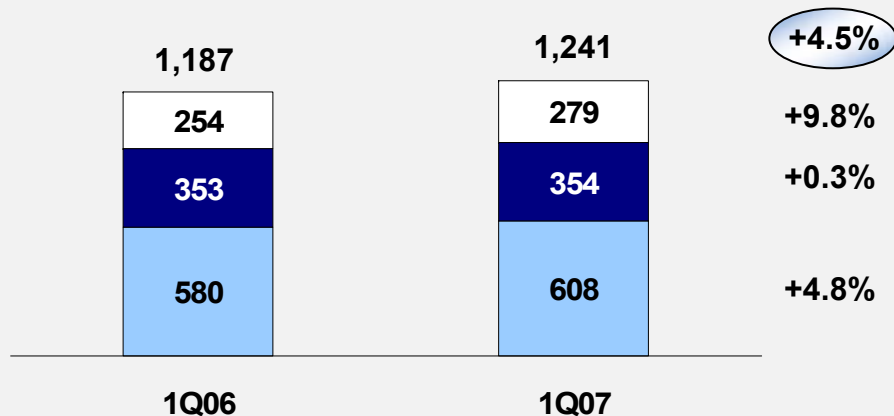


- **AUSTRIA:** +1.9% thanks to net commission income (+8.5%), driven by strong sales of securities under custody and services income fees
- **GERMANY:** -1.9% y/y mainly due to selective trimming of household mortgages and M/L-term loans to Small Business
- **ITALY:** +7.7% thanks to higher volumes (mainly loans) and positive spread evolution on sight deposits

- **AUSTRIA:** strong reduction both of staff expenses (-11%) and other administrative expenses (-18%), as result of effective cost management
- **GERMANY:** operating costs down despite the first time consolidation of Planet Home (-3.1% y/y net of that)
- **ITALY:** Staff expenses 4.2% up, due to growth initiatives and accruals for National Labour Agreement renewal; other administrative expenses under control (+1.2%), while investing in Consumer Credit

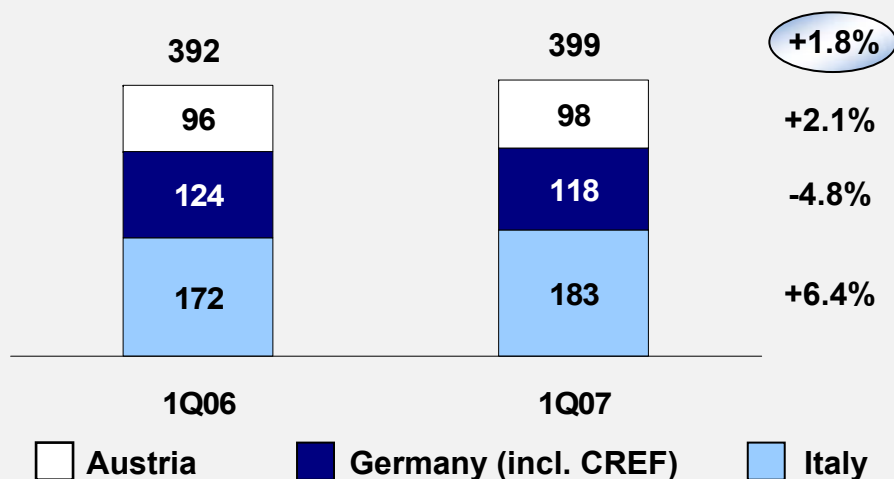
CORPORATE DIVISION: REVENUES AND COSTS BREAKDOWN BY COUNTRY

TOTAL REVENUES (mln and y/y % ch.)



- **AUSTRIA: +9.8% y/y** thanks to the good performance of volumes of m/l term loans and of deposits. Sound growth of AUM&AUC commissions and derivatives. Positive contribution of leasing business, totally driven by volumes
- **GERMANY: in line with a very good 1Q06**; growth of “pure Corporate” totally offset by decrease of CREF (due to rationalization of non strategic asset). Fees increase (payments, structured finance and derivatives) offset by postponed dividends and lower net interest income
- **ITALY: +4.8% y/y** thanks to good performance of Locat (+15% y/y) and higher revenues of UBI (+2.1% y/y) mainly linked to net interest income (higher lending volumes)

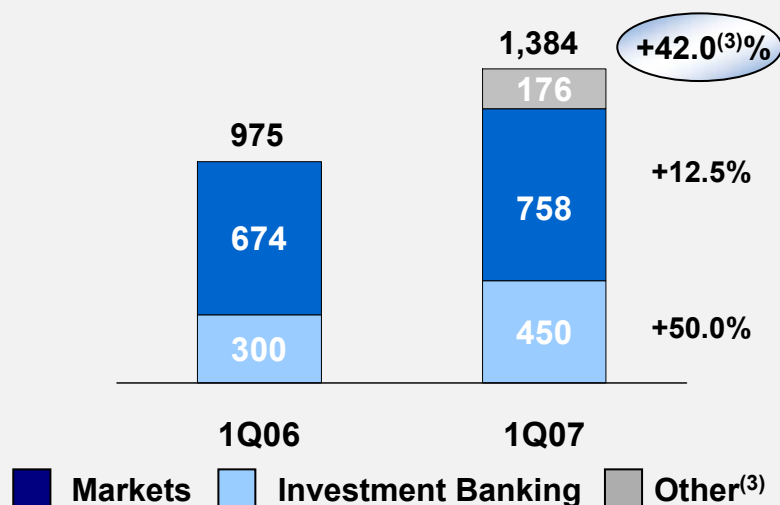
OPERATING COSTS (mln and y/y % ch.)



- **AUSTRIA: +2.1% y/y**, largely due to higher depreciation for increased volumes of leasing business
- **GERMANY: good cost control (-4.8% y/y)** mainly thanks to the reductions of non-HR expenses in both Corporate and CREF
- **ITALY: +6.4% y/y** due to 7 mln higher staff expenses in UBI (“Revenues Boost” project) and 5 mln increased write-downs of tangible assets linked to the operating leasing

MIB DIVISION: REVENUES AND COSTS BREAKDOWN BY BUSINESS / NATURE

TOTAL REVENUES⁽¹⁾ (mln)



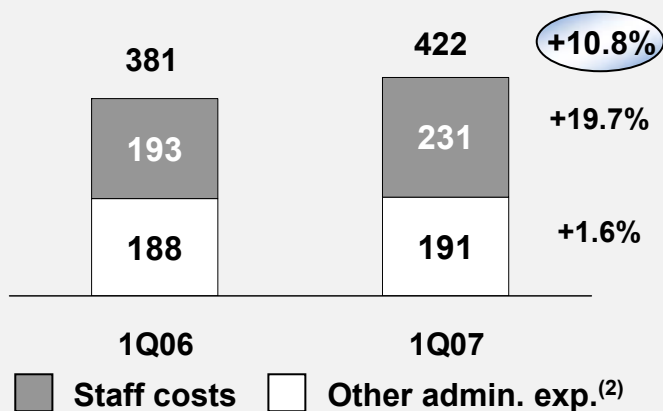
MARKETS +12.5% y/y

- **FICC +14% y/y**: Interest Rate Management and EEMEA Markets, best performing products in an overall strong market environment
- **Equities +13% y/y** driven by Equity Sales CEE and Equity Finance
- **Structured Derivatives +5% y/y**, positive deal flow with international institutional clients across all asset classes
- **Structured Credit (JV with Investment Banking) +38% y/y**, excellent result driven by active credit portfolio management and securitizations.

INVESTMENT BANKING +50% y/y

- **Financing +86% y/y**, outstanding performance in Financial Sponsors and Leverage Finance mainly related to private equity
- **Regional IB Italy +32% y/y** thanks to strong ECM

OPERATING EXPENSES (mln)



STAFF EXPENSES +19.7% y/y

- 1Q07 below budget thanks to tight hiring process and not fully comparable y/y due to not adequately provisioned variable compensation in 1Q06 and perimeter changes (transfers from GBS to MIB in 1Q07)
- Bonus accruals driven by performance

OTHER ADMIN. EXPENSES & DEPRECIATION +1.6% y/y

- modest increase of other admin. expenses y/y, well below budget, thanks to tight cost management

⁽¹⁾ Revenues economic view: the sum of Markets and Investment Banking differs from total accounting revenues of the division due to other revenues and reconciliation factors

⁽²⁾ Including recoveries of expenses and writedowns on tangible/intangible assets

⁽¹⁾ "Other" includes gain on Indexchange disposal, Fair Value adjustments and other minor differences; net of "other", economic revenues y/y growth would be +24%

POLAND'S MARKETS DIVISION: KPIs

KPIs	1Q07	1Q06	Δ y/y
EVA (mln)	97	73	33.6%
Total RWA (bn, eop)	21.1	17.7	19.6%
Revenues/avg. RWA (%) ⁽¹⁾	10.6%	11.3%	-74 bp
Cost/Income Ratio (%) ⁽²⁾	46.5%	51.1%	-425 bp
Cost of Risk (%) ⁽¹⁾	58 bp	62 bp	-4 bp
Tax Rate (%) ⁽²⁾	19.4%	20.2%	-43 bp
FTEs (#, eop) ⁽³⁾	25,466	25,646	-180
Branches (#, eop)	1,318	1,307	11

- **97 mln EVA generation in 1Q07**, +33.6% y/y benefiting from strong operating performance and lower provisions on loans
- **Further efficiency improvement** (C/I at 46.5%), thanks to revenue growth and sound cost control
- **Better cost of risk**, -4 bp vs FY06 with improved asset quality
- **Tax rate substantially stable**
- **Volume growth**
 - ✓ Stock of Mortgages +24.1% y/y to 5.1 bn
 - ✓ AUM to 9.9 bn, +34% y/y
- **FTEs**, -180 employees vs. Dec06 due to managed turnover in Poland
- **Branch opening in Ukraine**, +14 y/y o/w 4 new branches in 1Q07

(1) Revenues/Avg. RWA and Cost of Risk in 1Q07 are annualized, Figures in 1Q06 column are related to FY06, Δ y/y calculated vs. FY06

(2) Δ y/y calculated on figures at constant FX

(3) Figures in 1Q06 column are related to Dec06, Δ y/y calculated vs. Dec06

CEE DIVISION: KPIs

KPIs	1Q07	1Q06	Δ y/y
EVA (mln)	133	87	53.1%
Total RWA (bn, eop)	44.4	38.5	15.4%
Revenues/avg. RWA (%) ⁽¹⁾	6.6%	6.9%	-34 bp
Cost/Income Ratio (%) ⁽²⁾	50.2%	54.3%	-397 bp
Cost of Risk (%) ⁽¹⁾	46 bp	45 bp	2 bp
Tax Rate (%) ⁽²⁾	19.4%	20.9%	-154 bp
FTEs (#, eop) ⁽³⁾	37,342	37,565	-223
Branches (#, eop) ⁽⁴⁾	1,730	1,647	83

- **133 mln EVA generation in 1Q07**
- **Further efficiency improvement (C/I at 50.2%, -397 bp y/y) driven by strong revenue growth**
- **Cost of risk at 46 bp, +2 bp vs. FY06 that benefited from exceptional write-backs in Zaba⁽⁵⁾**
- **Volume growth**
 - ✓ **Consumer loans +26.7% y/y**
 - ✓ **Mortgages +32.8% y/y**
- **Network expansion: +83 branches y/y (+20 in Turkey, +20 in Hungary, +18 Bosnia, +16 in Russia), +12 branches in 1Q07 (+7 Turkey, +2 Hungary, +2 Romania, +2 Bosnia)**

⁽¹⁾ Revenues/Avg. RWA and Cost of Risk in 1Q07 are annualized, Figures in 1Q06 column are related to FY06, Δ y/y calculated vs. FY06

⁽³⁾ KFS included at 100%; Figures in 1Q06 column are related to Dec06, Δ y/y calculated vs. Dec06

⁽²⁾ Δ y/y calculated on figures at constant FX

⁽⁴⁾ KFS included at 100%

⁽⁵⁾ CoR at 55 bp in FY06 excluding exceptional write-backs in Zaba

HVB GROUP: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06	% ch. on 1Q06 at constant FX & perimeter
Total Revenues	2,005	1,714	17.0%	20.9%
Operating Costs	-955	-964	-0.9%	3.6%
Operating Profit	1,050	750	40.0%	43.2%
Net Write Downs of Loans	-209	-210	-0.5%	0.0%
Other Non Operating Items⁽¹⁾	264	68	>+100%	>+100%
Net Income⁽²⁾	793	392	>+100%	>+100%
Revenues / Avg. RWA, %⁽³⁾	5.44%	3.78%	166bp	-
Cost/Income ratio, %	47.6%	56.2%	-8.6 pp	-
Cost of Risk, bp⁽³⁾	60bp	63bp	-3bp	-
FTEs⁽³⁾	22,952	23,803	-851	-

- **Total revenues grow by a solid 17.0% y/y (+20.9% at constant FX and perimeter), driven by:**
 - ✓ significant growth of net interest income (helped also by the return on the cash in from disposals)
 - ✓ excellent trading income, up despite comparison with a strong 1Q06
- **Operating costs down by 0.9% y/y, due to strict cost control and despite the high rise in revenues; cost/income: -8.6 pp y/y**
- **Net write downs of loans overall flat y/y; the significant asset rationalization did not translate into higher provisions**
- **Asset profitability significantly up y/y: Revenues/ Avg. RWA increases by 166 bp vs FY06**
- **Further reduction of FTE in Q1/07 also thanks to outsourcing: -851 vs Dec06 and -1,150 adjusted for the consolidation of Planet Home**

(1) Provisions for risk and charges, Integration costs and Net profit from investments

(2) Net income after HVB Group's minorities but before UniCredit's minorities

(3) % change vs FY06 figure; figures in 1Q06 column are related to FY06; Revenues/Avg. RWA and Cost of Risk 1Q07 are annualized

RETAIL GERMANY: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	471	480	-1.9%
Operating Costs	-354	-356	-0.6%
Operating Profit	117	124	-5.6%
Net Write Downs of Loans	-67	-29	>+100%
Profit before taxes	50	96	-47.9%
Revenues/Avg. RWA, %⁽¹⁾	7.4%	6.1%	128 bp
Cost/Income ratio, %	75.2%	74.2%	1.0 pp
Cost of Risk, bp⁽¹⁾	109	64	45 bp

■ Revenues

- ✓ Slight decline in **net interest income** due to the planned reduction of low profitable mortgages
- ✓ **Resilience of net commission**, despite a very strong 1Q06 (best quarter ever) and the shifted commercial focus towards products with lower upfront fees

■ Asset profitability significantly increased (+128 bp) as result of selective lending approach

■ Solid commercial growth trend underlines 1Q07 numbers:

- ✓ 17,000 new Willkommenskonto customers
- ✓ 400 mln sales of Top Certificate seller ZinsAce
- ✓ +30% y/y in sales of closed-end funds

■ Operating costs down despite the first time consolidation of Planet Home (-3.1% y/y net of that)

■ y/y rise in net write downs of loans in line with internal expectations and resulting in improved coverage ratio

CORPORATE GERMANY (incl. CREF): INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	354	353	0.3%
Operating Costs	-118	-124	-4.8%
Operating Profit	236	229	3.1%
Net Write Downs of Loans	-51	-62	-17.7%
Profit before taxes	183	174	5.2%
Revenues / Avg. RWA, %⁽¹⁾	3.27%	2.77%	51 bp
Cost/Income ratio, %	33.3%	35.1%	-1.79 pp
Cost of risk, bp⁽¹⁾	49 bp	58 bp	-10 bp

- **Total revenues stable yoy also due to an extraordinarily strong 1Q06, up in Corporate and down in CREF (decrease of less profitable loans)**
- **Remarkable rise of fees (+18.5% yoy), mainly driven by payment services, structured finance and derivatives**
- **Operating costs down by ~5% yoy, decreasing in both Corporates and CREF, thanks to strict control on non-HR expenses**
- **Further improvement of C/I to an excellent 33.3% (~1.8 pp)**
- **Net write downs of loans down by ~18% vs a 1Q06 hit by high restructuring-related provisions in CREF**
- **First milestones of growth strategy (SouthWest, Northrhine- Westfalia and Lower Saxony) successfully achieved in 1Q07 with 2 location openings (additional 3 expected in 2007) and hiring of qualified relationship managers**
- **Cost of risk annualized at 49 bp, ~10 bps better than FY 2006**

PRIVATE BANKING GERMANY: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06 ⁽²⁾
Total Revenues	123	117	5.1%
Operating Costs	-72	-69	4.3%
Operating Profit	51	48	6.3%
Profit before taxes	48	46	4.3%
Total Financial Assets (eop)	66,416	60,384	10.0%
Revenues/Avg. TFA⁽¹⁾, bp	75 bp	71 bp	4 bp
Operating Costs/Avg. TFA⁽¹⁾, bp	44 bp	45 bp	-1 bp
Cost/Income ratio, %	58.5%	59.0%	-44 bp

- New WEM division perimeter focused on its core Private Banking business, after transfer of the remaining Asset Management activity (Nordinvest) to Pioneer (as of Jan07) and of the custodial banking activities of HVB Banque Luxembourg to MIB
- Revenues increased by 5.1%, mainly due to:
 - ✓ strong commission income driven by a record number of security transactions
 - ✓ net interest income rose by ~9%
- Particularly strong private equity placement and the dynamic earnings growth of DAB (which posted the most successful quarter in its history, with 13% operating profit rise) were the drivers of operating growth
- Rising operating costs (+4.3%) largely growth-related:
 - ✓ higher settlement costs, related to the remarkable increase in transaction levels
 - ✓ Increase in staff related to business expansion, in order to promote future growth

(1) Figures in 1Q06 column are related to FY06 and the Δ is calculated vs. FY06

(2) Adjusted for deconsolidation effects of Activest companies, Nordinvest and custodial banking activities of HVB Bank Luxembourg

BA-CA GROUP: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06	% ch. on 4Q06 at constant FX & perimeter
Total Revenues	1,618	1,220	32.5%	17.5%
Operating Costs	-849	-699	21.5%	7.1%
Operating Profit	769	522	47.3%	31.5%
Net Write Downs of Loans	-117	-108	8.4%	4.3%
Other Non Operating Items⁽¹⁾	37	8	>100%	>100%
Net Income⁽²⁾	535	308	73.8%	54.8%
Revenues/Avg. RWA, %⁽³⁾	6.42%	5.97%	45 bp	-
Cost/Income ratio, %	52.5%	57.3%	-482 bp	-503 bp
Cost of Risk, bp⁽³⁾	46 bp	85 bp	-39 bp	-

- UniCredit's CEE subsidiaries in Turkey, Romania, Bulgaria, Croatia, Slovakia, Czech Republic and the Russian IMB and UniCredit Latvia have been **included in BA-CA group of consolidated companies** from **1 January 2007**
- The integration of the new subsidiaries in CEE determined an increase in BA-CA **consolidated profit of +73.8% y/y (vs. 54.8% at constant FX and perimeter)**
- **Strong operating performance growth** +47.3% y/y, +31.5% vs. at constant FX and perimeter
- **Positive trend in credit risk** with reduction of cost of risk to 46 bp
- **Improved efficiency, cost income ratio to 52.5%**, -5 pp y/y at constant FX and perimeter

(1) Provisions for risk and charges, Integration costs and Net profit from investments

(2) Net income after BA-CA Group's minorities but before UniCredit's minorities

(3) Change vs FY06 figure. Figures in 1Q06 column are related to FY06. Revenues/avg. RWA ad CoR in 1Q07 are annualized.

AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	870	759	14.6%
Operating Costs	-470	-459	2.4%
Operating Profit	401	301	33.2%
Net Write Downs of Loans	-68	-71	-4.0%
Profit Before Taxes	383	242	58.1%
Revenues/Avg. RWA, %⁽¹⁾	6.04%	5.52%	52 bp
Cost/Income ratio, %	54.0%	60.4%	-6.4 pp
Cost of Risk, bp⁽¹⁾	47	98	-51 bp

- **All Austrian business** segments increased their results y/y in 1Q07
- **Total revenues** rose by **14.6%** in 1Q07 y/y driven by strong growth in net commissions (+21%) and net interest income (+18%)
- **Strict cost management**, particularly in the Retail Division, with improved efficiency, **cost/income ratio at 54.0%**, -6.4 pp y/y
- **Retail Division** turned from negative to positive results in 1Q07
- **Improved risk management** with lower provisions on loans

RETAIL AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	322	316	1.9%
Operating Costs	-235	-275	-14.5%
Operating Profit	87	41	112.2%
Net Write Downs of Loans	-50	-48	4.2%
Profit before taxes	48	-6	n.m.
Revenues/Avg. RWA, %⁽¹⁾	7.9%	7.8%	9 bp
Cost/Income ratio, %	73.0%	87.0%	-14.0 pp
Cost of Risk, bp⁽¹⁾	122	251	-129 bp

- **Revenues +1.9%:** strong trend of net commission (+8.5% driven by strong sales of securities under custody and services income fees) offsetting the slight decline of net interest margin
- Good launch of FokusInvest in March 2007: about 40 mln net sales up to the third week of April
- **Operating costs:** remarkable decrease due to effective cost management on both staff (-11% y/y) and other administrative costs (-18% y/y)
- **Net write-downs on loans:** slight y/y growth driven by volumes increase, with clear derisking of portfolio after clean up in 2006

CORPORATE AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	279	254	9.8%
Operating Costs	-98	-96	2.1%
Operating Profit	181	158	14.6%
Net Write Downs of Loans	-17	-24	-29.2%
Profit before taxes	164	139	18.0%
Revenues / Avg. RWA, %⁽¹⁾	3.55%	3.33%	23 bp
Cost/Income ratio, %	35.1%	37.8%	-2.67 pp
Cost of risk, bp⁽¹⁾	22 bp	39 bp	-17 bp

- **Very good performance of revenues (+9.8% y/y) driven by fees related to AUM/AUC products, derivatives and higher business volumes in leasing**
- **Operating costs slightly higher y/y due to increased depreciation linked to development of leasing**
- **Cost/Income at ~35%, ~2.7% better than 1Q06**
- **Lower net write-downs on loans linked to positive credit environment and improved asset quality**
- **Cost of risk annualized at 22 bp, 17 bp better than FY06**
- **18% progress of profit before taxes**

PRIVATE BANKING AUSTRIA: INCOME STATEMENT AND MAIN KPIs

mln	1Q07	1Q06	% ch. on 1Q06
Total Revenues	31	29	6.9%
Operating Costs	-18	-18	0.0%
Operating Profit	13	11	18.2%
Profit before taxes	13	10	30.0%
Total Financial Assets (eop)	14,963	13,648	9.6%
Revenues/Avg. TFA⁽¹⁾, bp	85 bp	91 bp	-5 bp
Operating Costs/Avg. TFA⁽¹⁾, bp	50 bp	60 bp	-10 bp
Cost/Income ratio, %	58.1%	62.1%	-400 bp

■ New Private Banking division perimeter includes:

- ✓ Bank Privat
- ✓ Schoellerbank,
- ✓ AMG

■ The total financial assets achieved 15 bn, increasing by 9% in 1Q07 (+950 mln), thanks both to positive net sales (over 250 mln) and acceleration in customer transfer from BA-CA

■ Operating profit rose by 18.2% to 13 mln, benefiting from assets growth, higher interest income, successful sale of guaranteed products and flat costs:

- ✓ non staff expenses declined (-2 mln)
- ✓ staff expenses increased (+2 mln) due to reorganization measures (transfer of financial advisers within division set up)