




**UNICREDIT GROUP**

**Alessandro Profumo**  
**Chief Executive Office**

Warsaw, 20th December 2007





## **DELIVERING VALUE FOR SHAREHOLDER THROUGH LEADERSHIP IN EUROPEAN MARKETS**

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- **Unique European franchise well rooted in some of the wealthiest countries as well as in the fast growing CEE region and beyond**
- **Divisional model and organization ensuring superior service to customers, thus providing a major contribution to growth**
- **Consistent delivery in results and integration**
- **Solid track record of value creation for all stakeholders**



# AGENDA

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## UniCredit Group today

-  Group strategy, strengths & results
-  Focus on Poland
-  Conclusions

# UNICREDIT GROUP – AT A GLANCE



## ■ EUROPEAN FRANCHISE<sup>(1)</sup>

- ✓ Banking operations in **23 Countries**
- ✓ **Over 40 million Customers**
- ✓ ~ **10,000 Branches<sup>(2)</sup>**
- ✓ ~ **180,000 Employees<sup>(2)</sup>**
- ✓ International network **spanning 50 Countries**

## ■ SIZE & PROFITABILITY<sup>(2,3)</sup>

- ✓ ~**29 bn eur** Total Revenues
- ✓ ~**7 bn eur** Net Income
- ✓ ~**542 bn eur** Customer Loans
- ✓ ~**357 bn eur** Customer Deposits
- ✓ ~**1 trillion eur** Total Assets, **ranking 5th in Eurozone**

## ■ RATINGS<sup>4</sup>

- ✓ S&P: **A+ (stable)**
- ✓ Moody's: **Aa2 (stable)**
- ✓ Fitch Ratings: **A+ (positive)**

(1) Figures at September 2007

(2) Pro-forma, UniCredit + Capitalia + ATF + UkrSotsbank

(3) Dec06 data

(4) Long term rating & outlook

# SOLID INTEGRATION AND DIVERSIFICATION PATH, DOMESTICALLY AS WELL AS CROSS-BORDER

1993	<ul style="list-style-type: none"> <li>■ <b>PRIVATISATION:</b> Credito Italiano first Italian State-owned bank to be privatised</li> </ul>
1998 – 2000	<ul style="list-style-type: none"> <li>■ <b>UNICREDITO CREATION AND INTEGRATION:</b> merger and integration of 7 Italian banks</li> </ul>
2001 – 2003	<ul style="list-style-type: none"> <li>■ <b>REORGANISATION BY CLIENT SEGMENT:</b> 3 segment banks established</li> </ul>
2005 – 2006	<ul style="list-style-type: none"> <li>■ <b>HVB GROUP MERGER AND INTEGRATION:</b> new Group full divisionalisation; mergers of Group banks in CEE countries</li> </ul>
2007	<ul style="list-style-type: none"> <li>■ <b>CAPITALIA MERGER:</b> strengthening position in Italy</li> <li>■ <b>NEW ACQUISITIONS IN CEE:</b> announcement of two new deals in Ukraine and Kazakhstan</li> </ul>

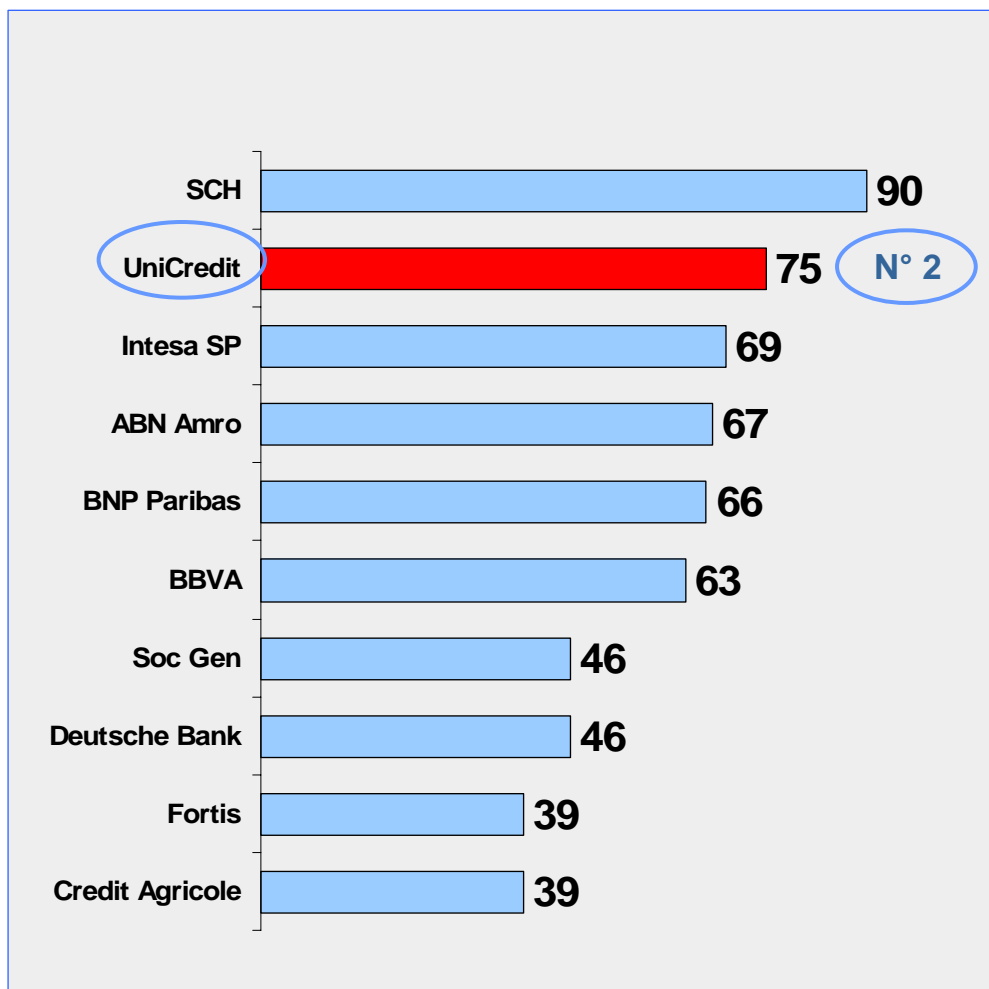
1999 – YTD

**STRATEGY DIVERSIFICATION**

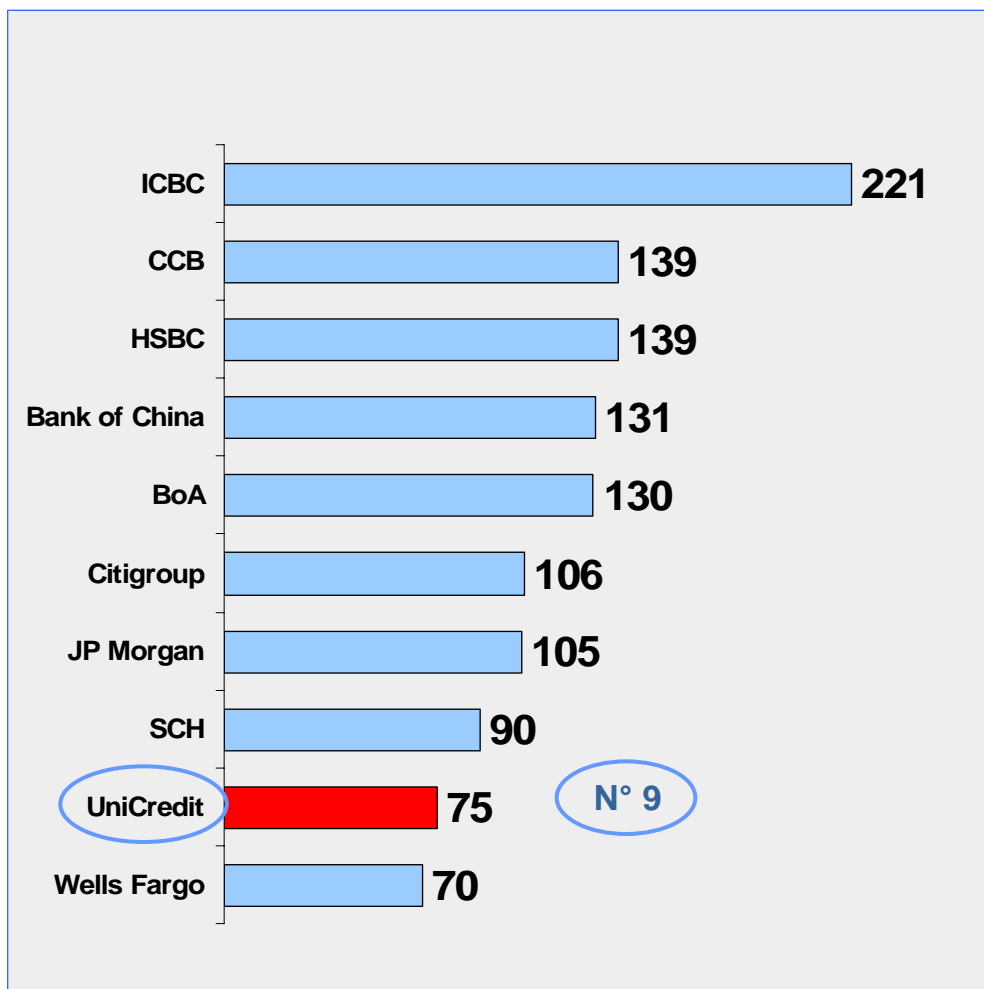
- Asset management: Pioneer, Momentum ...
- Investments in CEE: Pekao, Zagrebacka, ...

# A LEADER IN EUROZONE

## Market Cap in Eurozone (Euro bn)<sup>(1)</sup>

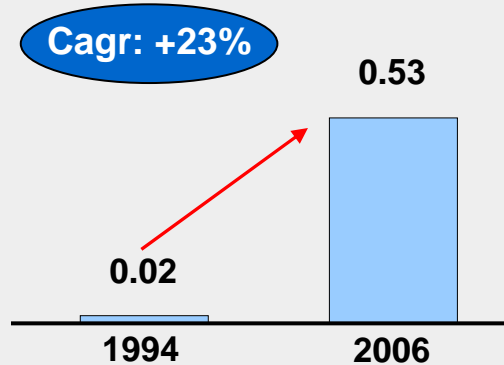


## Market Cap World Wide (Euro bn)<sup>(1)</sup>



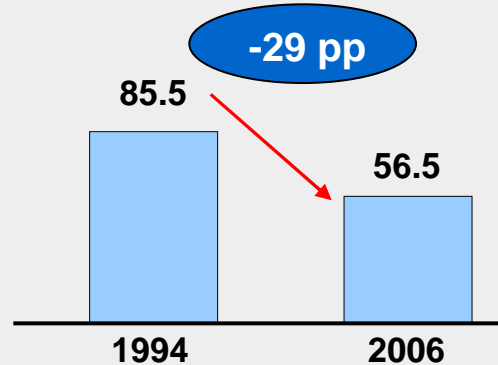
# A STRONG TRACK-RECORD IN VALUE CREATION FOR UNICREDIT SHAREHOLDERS ...

EPS, euro



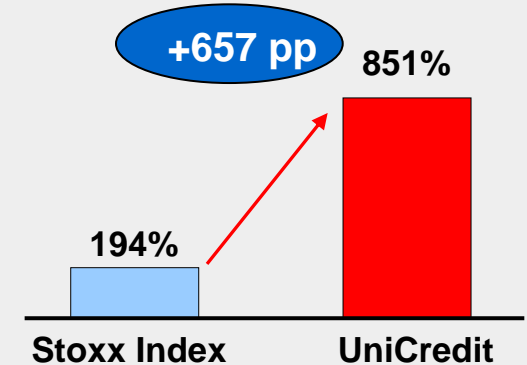
■ Significant earning growth coupled with ...

COST/ INCOME RATIO, %



■ ... efficiency improvement ...

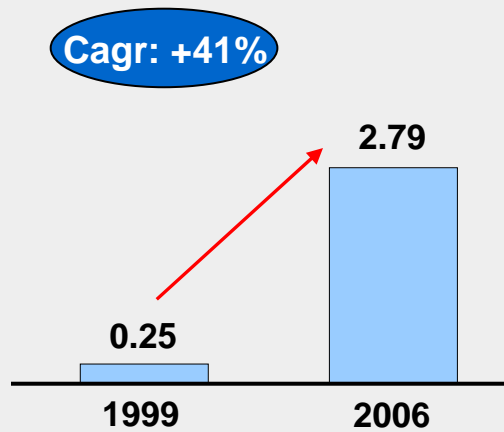
TSR<sup>(1,2)</sup> 1994-2007, %



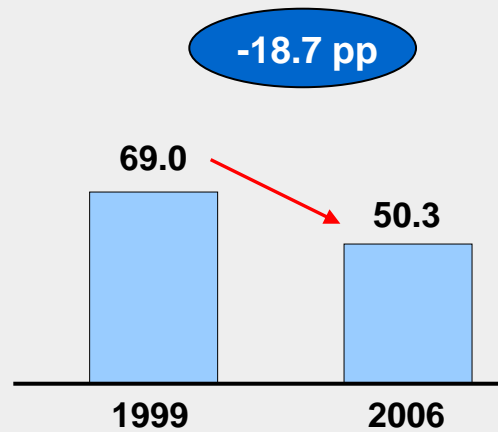
■ ... drive strong value creation for UniCredit Shareholders

## ... AS WELL AS FOR PEKAO SHAREHOLDERS

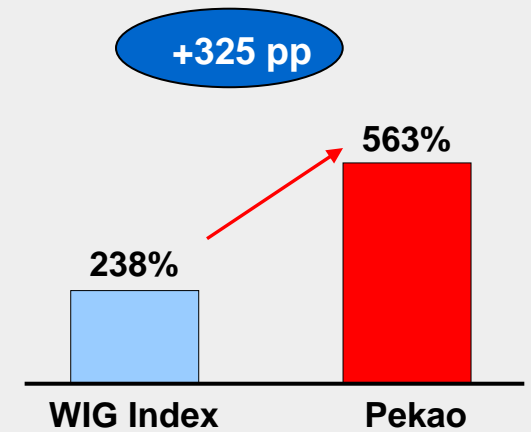
EPS, euro



COST/ INCOME RATIO, %



TSR<sup>(1,2)</sup> Jul.1999-2007, %





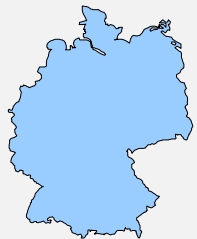
## LEADING POSITION IN SOME OF THE WEALTHIEST REGIONS IN EUROPE



### #2 WITH 16.6% MARKET SHARE

- ✓ Total Loans 245 bn
- ✓ Total Deposits 112 bn

- ✓ Branches 5,074
- ✓ Employees ~94,000
- ✓ Customers ~10.8 mln



### #3 WITH 4.3% MARKET SHARE

- ✓ Total Loans 116 bn
- ✓ Total Deposits 90 bn

- ✓ Branches 795
- ✓ Employees ~23,500
- ✓ Customers ~4.0 mln



### #1 WITH 18.3% MARKET SHARE

- ✓ Total Loans 53 bn
- ✓ Total Deposits 39 bn

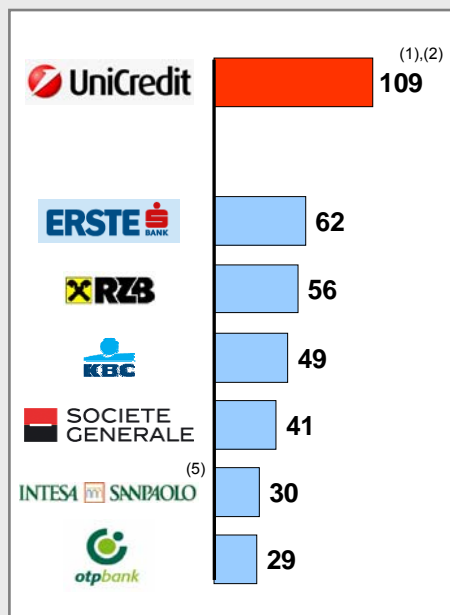
- ✓ Branches 387
- ✓ Employees ~11,000
- ✓ Customers ~1.7 mln

■ GDP of the combined area accounting for 48% of Europe GDP (EU13)

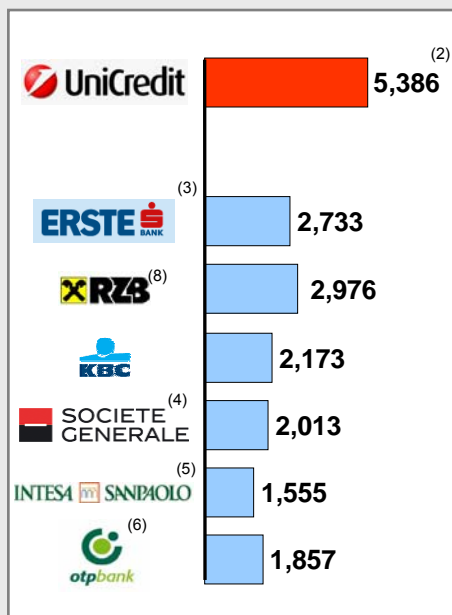
# UNDISPUTED N° 1 IN CEE REGION SIZE AND PROFITABILITY

## Central & Eastern Europe – Top Financial Groups\*

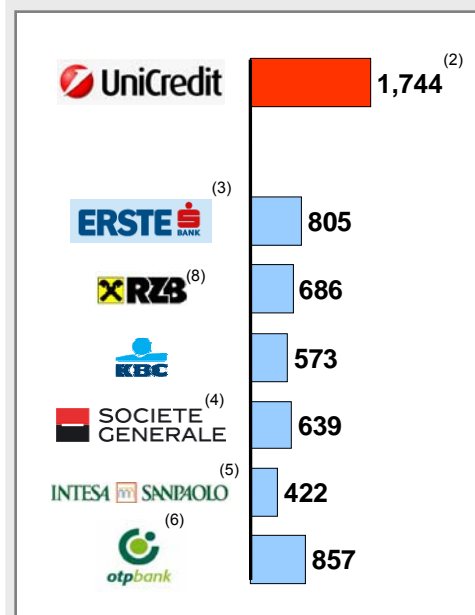
### Total Assets (Eur bn)



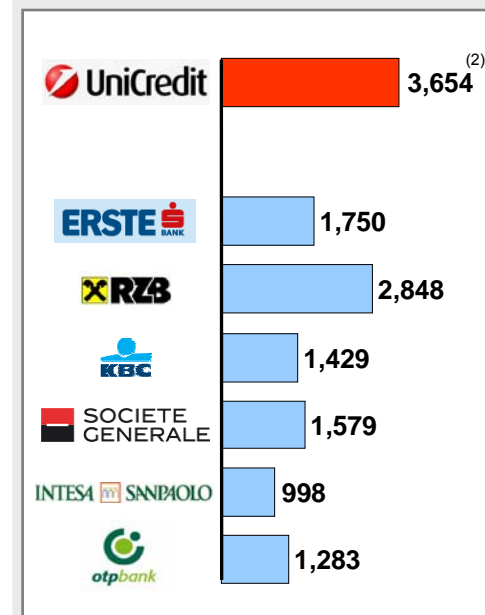
### Total Revenues (Eur mln)



### Net Profit (Eur mln)<sup>(7)</sup>



### Branches (Nr.)



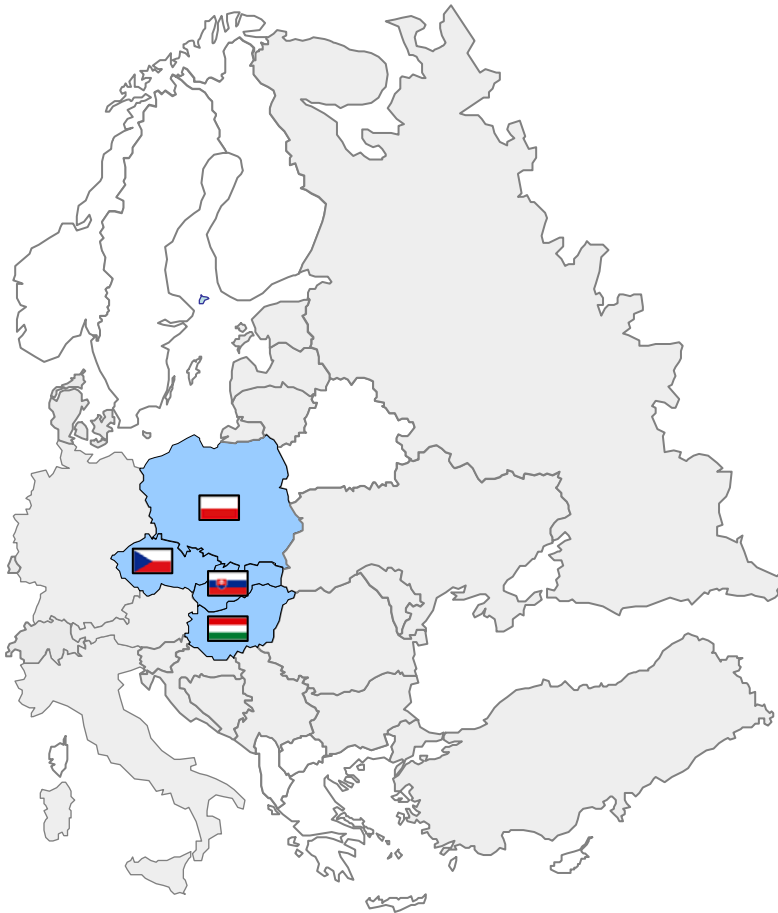
\*) As at end of 2006 (pro forma - incl. acquisitions until 05/2007)

100% of total assets and revenues for controlled Companies (stake > 50%) and share owned for non controlled companies.

100% of branches for all banks. Figures for UCI banks are from accounting except for Turkey (from FMC)

## EXTENSIVE PRESENCE IN CENTRAL EUROPE ...

### CENTRAL EUROPE



#### **Poland: # 1; 18.8%<sup>(1)</sup> mkt share**

- FTEs: 25,209<sup>1</sup>
- GDP per capita: 7,122 euro
- Branches: ~1,100<sup>1</sup>
- Population: 38 mln

#### **Hungary: # 7; 5.6% mkt share**

- FTEs: 1,520
- GDP per capita: 8,919 euro
- Branches: 76
- Population: 10 mln

#### **Czech Republic: # 4; 10.1% mkt share**

- FTEs: 1,780
- GDP per capita: 11,066 euro
- Branches: 79
- Population: 10 mln

#### **Slovakia # 4; 10.8% mkt share**

- FTEs: 1,369
- GDP per capita: 8,145 euro
- Branches: 93
- Population: 5 mln

# ... IN SOUTH EASTERN EUROPE & TURKEY...

## SOUTH EASTERN EUROPE & TURKEY



### Croatia: # 1; 23.5% mkt share

- FTEs: 4,744
- Branches: 127
- GDP per capita: 7,704 euro
- Population: 4 mln



### Bosnia & Herzegovina: # 1; 20.8% mkt share

- FTEs: 1,805
- Branches: 174
- GDP per capita: 2,541 euro
- Population: 4 mln



### Romania: # 4; 6.8% mkt share

- FTEs: 2,528
- Branches: 132
- GDP per capita: 4,501 euro
- Population: 22 mln



### Bulgaria: # 1; 18.6% mkt share

- FTEs: 4,703
- Branches: 317
- GDP per capita: 3,268 euro
- Population: 8 mln



### Slovenia: # 5; 6.4% mkt share

- FTEs: 388
- Branches: 14
- GDP per capita: 15,167 euro
- Population: 2 mln



### Serbia: # 6; 4.6% mkt share

- FTEs: 609
- Branches: 46
- GDP per capita: 3,394 euro
- Population: 7 mln

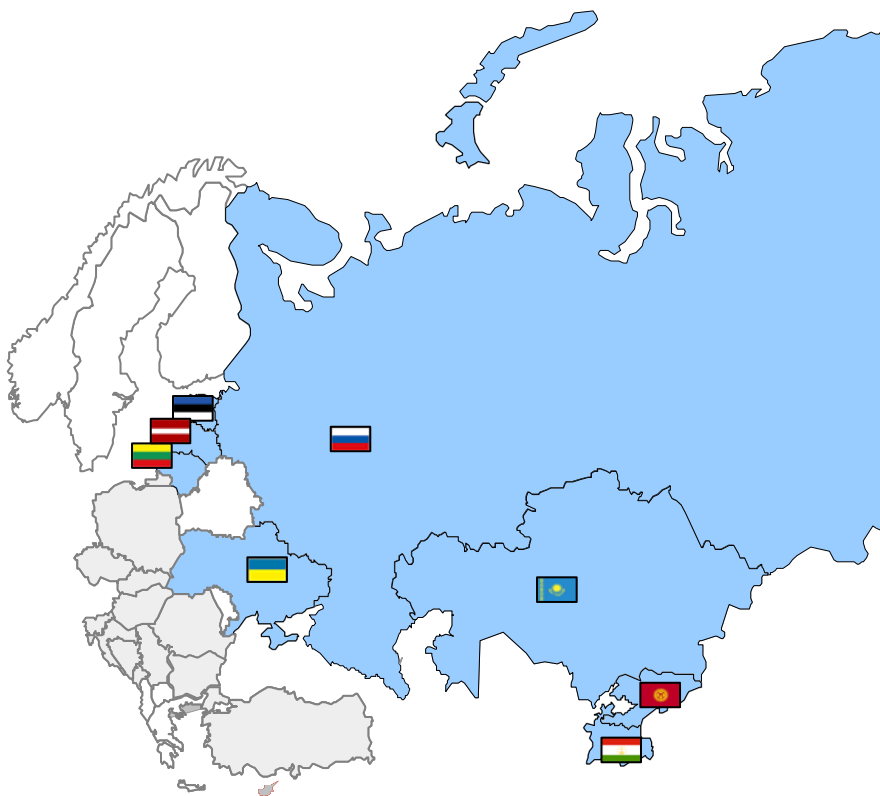


### Turkey: # 4; 10.2% mkt share

- FTEs: 15,792
- Branches: 653
- GDP per capita: 4,365 euro
- Population: 73 mln

# ... AS WELL AS IN RUSSIA, UKRAINE, BALTIC COUNTRIES AND KAZAKHSTAN

## CIS, BALTICS & CENTRAL ASIA



### Russia: # 6; 1.8% mkt share

- FTEs: 2,000
- Branches: 47
- GDP per capita: 5,521 euro
- Population: 142 mln



### Ukraine: # 4; 6.2% mkt share

- FTEs: 437
- Branches: 18
- GDP per capita: 1,808 euro
- Population: 47 mln



### Baltic Countries: # 7-9; 0.6%-2.7% mkt share

- FTEs: 154
- Branches: 4
- GDP per capita: 7,537 euro
- Population: 7 mln



### Kazakhstan: # 5; 9.8% mkt share

- Employees: 3,648
- Branches: 54
- GDP per capita: 4,161 euro
- Population: 15 mln



## GLOBAL PRODUCTS AND SERVICES

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**PIONEER**, our global asset manager, with ~ 261 bn AuM<sup>(1)</sup>, ~400 investment professionals, 5 global investment hubs (Dublin, London, Boston, NY, Singapore) with local presence in more than 20 countries

**MARKETS AND INVESTMENT BANKING**, a highly complementary international investment banking platform, with over 3'400 employees in 39 offices around the world and leading market positions in core competences and markets<sup>(2)</sup>

**PRIVATE BANKING & ASSET GATHERING**, with more than 230 bn<sup>(1)</sup> total financial assets, first in on-shore private banking in Europe and leading position in IFA's / brokerage business thanks to the unique coverage of >1'100 relationship managers and ~3'000 financial advisors

**UNICREDIT CONSUMER FINANCING**, ~13 bn outstanding loans (of which ~5 bn in core Italian market) and ~6 mln customers in 16 countries; large potential to be exploited leveraging on the Group widespread presence in retail banking across Europe

**GLOBAL LEASING**, 1<sup>st</sup> European player<sup>(1)</sup> (2006 new business ranking), presence in 17 countries with ~24 bn loans (9M07) and ~570 mln revenues (FY06)

**GLOBAL FINANCIAL SERVICES**, a new global factory with ~1 bn revenues (FY06), providing innovative trade finance/cash management solutions to international financial institutions and local client franchise



## AGENDA

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- UniCredit Group today
- **Group strategy, strengths & results**
- Focus on Poland
- Conclusions

## KEY STRENGTHS OF UNICREDIT GROUP ...

### DIVERSIFICATION - DIVISIONAL MODEL

- **Good diversification by geography and by business**
- **Consistent and effective divisional model**

### GROWTH

- **CEE: leadership in the region and market dynamism** offering exceptional growth opportunities
- **Strong commercial retail and corporate network** leveraging on an established divisional service model
- **Strategic focus on global product factories** (Asset management, Markets & Investment Banking, Consumer Financing, Leasing, Global Financial Services)
  - ✓ CEE offering large potential thanks to a distinctive network positioning

### INTEGRATION

- **Strong track-record in integration in both domestic and cross-border mergers**
- **Further significant synergies from Capitalia merger**
  - ✓ full speed integration highlighting faster and higher synergies than initially announced





## ... ENABLING A SOLID FINANCIAL PERFORMANCE

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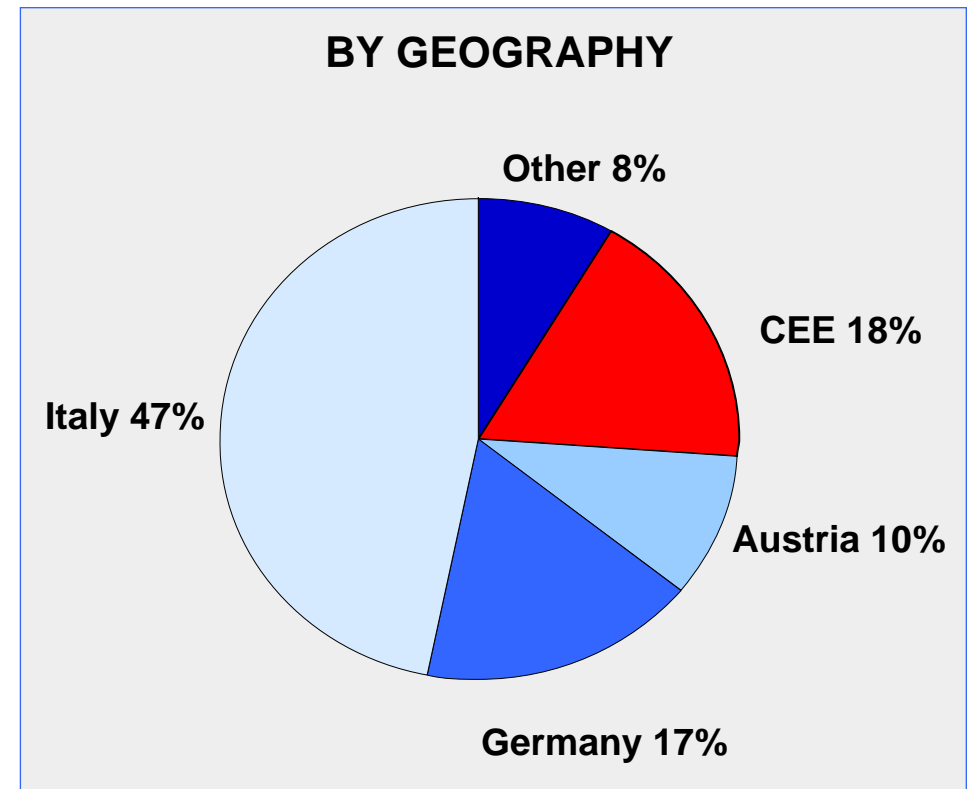
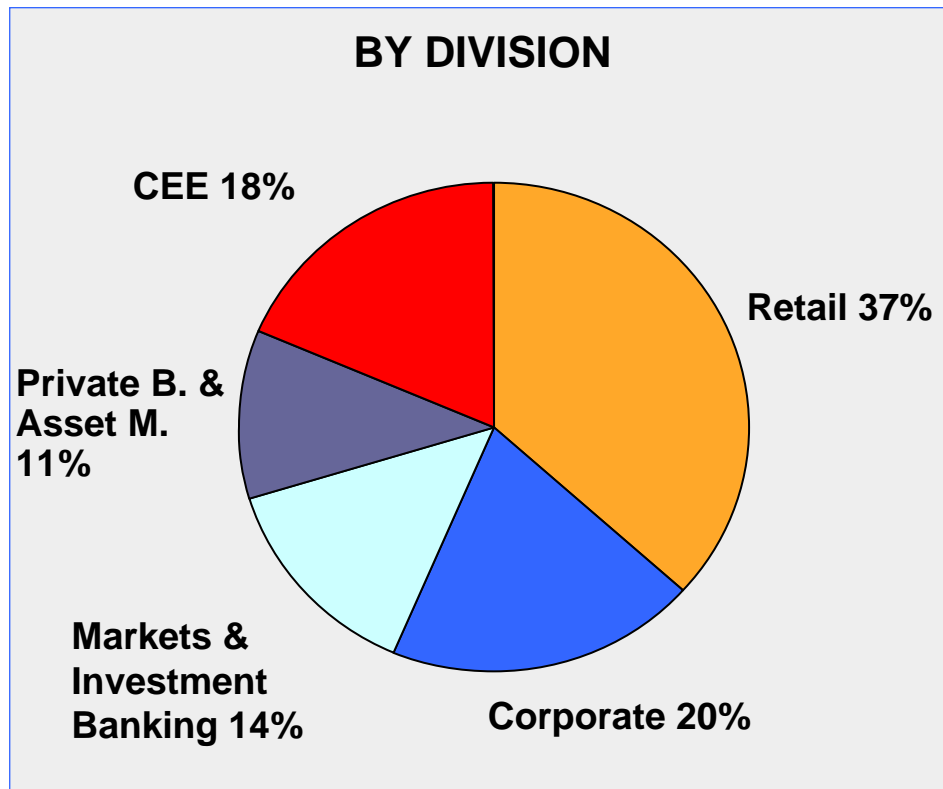
### DELIVERY ON RESULTS

- **Positive YTD results**
  - ✓ **sound revenue growth**
  - ✓ **costs below inflation**
  - ✓ **positive trend in asset quality and continued de-risking of balance sheet**
- **Limited impact of credit market turmoil on financial performance**
  - ✓ **negligible exposure to US sub-prime, limited and declining exposure to conduit business**
  - ✓ **no liquidity concern**

# DIVERSIFIED BUSINESS PORTFOLIO ACROSS DIFFERENT GEOGRAPHIES

DIVERSIFICATION / DIVISIONAL MODEL

## TOTAL REVENUE BREAKDOWN

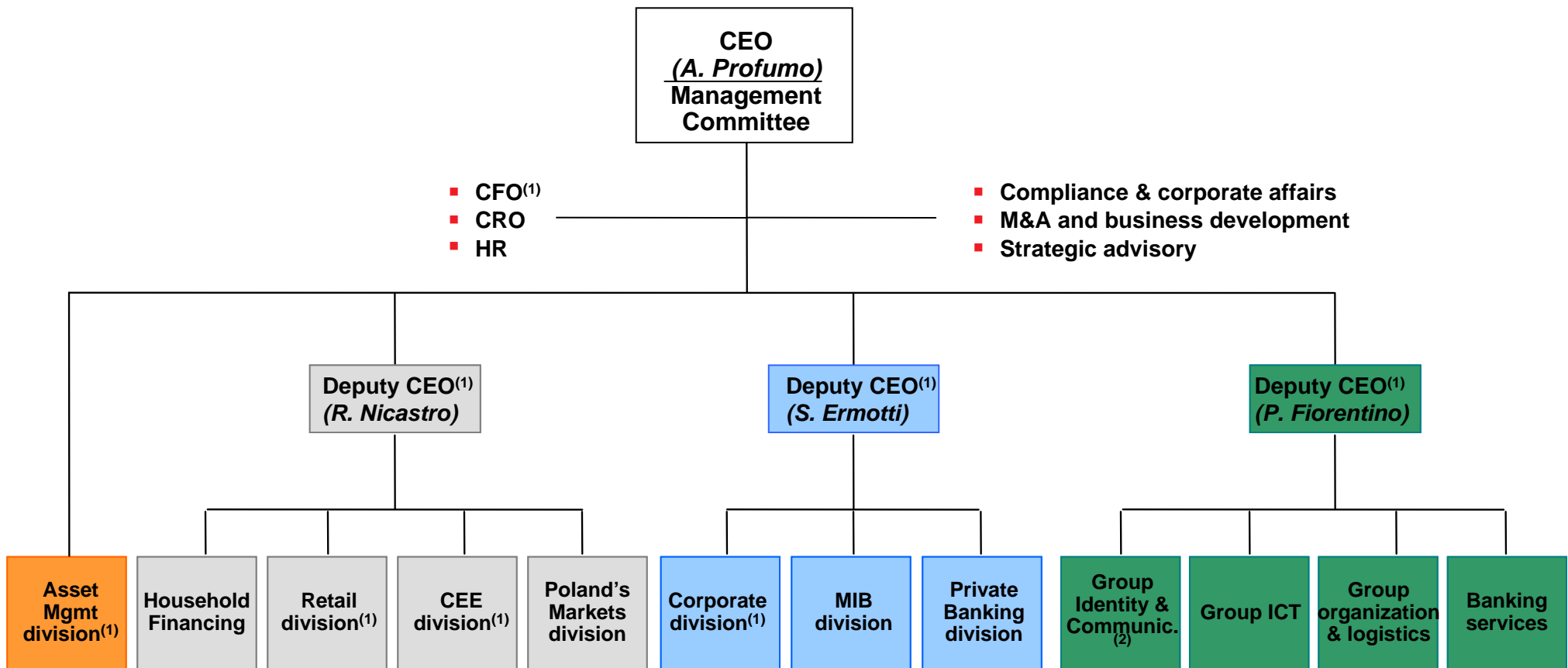


- All Divisions below 1/3 contribution to operating profit
- Italy 47% of consolidated revenues, Germany & Austria 27%, CEE 18%, other regions 8%

NOTE: Revenue breakdown based on 2006 pro-forma data, referred to UniCredit + Capitalia + ATF + USB Groups

# NEW ORGANISATIONAL STRUCTURE TO ENHANCE UCI'S DIVISIONAL MODEL AS A KEY TOOL TO EXTRACT VALUE

DIVERSIFICATION / DIVISIONAL MODEL



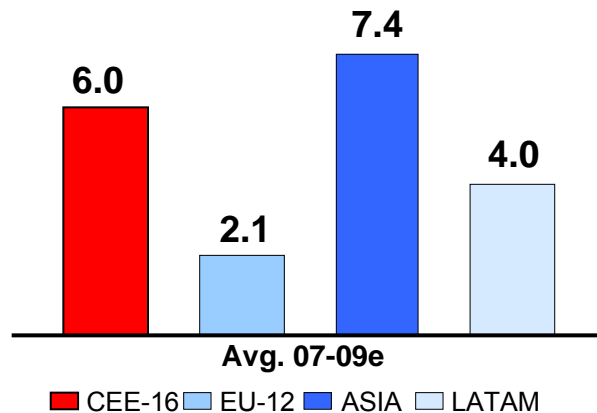
<sup>(1)</sup> Position covered by Group Deputy General Manager

<sup>(2)</sup> Reporting also to the CEO for Corporate Identity strategy definition

# CEE: UNIQUE COMBINATION OF STRONG GROWTH POTENTIAL AND IMPROVING RISK PROFILE

GROWTH – CEE

## Real GDP Growth (%)<sup>1</sup>



### ■ Stronger economic growth in CEE vs EU ...

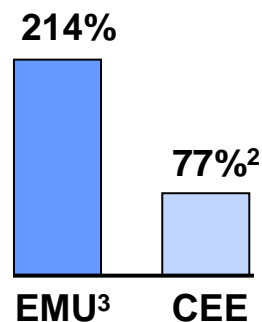
✓  $\Delta$  avg. real GDP growth 07-09e ~4 pp vs. EU

### ■ ... with improved risk profile

✓ **country rating** (weighted for GDP<sup>6</sup>) > **BBB-** ~78% in Nov 2007 (~+40 pp in the last 3 years)

## Banking penetrations

(Loans+Deposits)/ GDP in 2006



Euro bn	<u>Cagr</u> <u>06-09</u>
Loans	30%
Deposits	23%
AuM <sup>4</sup>	28%
Net Profits <sup>5</sup>	19%

### ■ Under penetrated banking sector

### ■ High volume growth rates expected

<sup>(1)</sup> CEE-16: BiH, BG, HR, CZ, HU, EE, LV, LT, PL, RO, RU, SK, SI, SRB, TK, UA; Source EIU (economist intelligence unit) for Asia and Latam

<sup>(2)</sup> Total loans/deposits include general gov.t, non-financial corporations, households and when available non-profit institutions serving households (NPISHs) and non-monetary financial institutions (Non-MFIs); CEE: new EU members, Croatia, Turkey, Bosnia, Serbia, Russia and Ukraine

<sup>(3)</sup> European Monetary Union

<sup>(4)</sup> Calculated for CEE 11, including Poland, Czech Rep., Hungary, Slovakia, Slovenia, Croatia, Bulgaria, Romania, Turkey, Russia & Latvia

<sup>(5)</sup> Net Profits (Before Tax & Extr. Items) are calculated for CEE 16

<sup>(6)</sup> For Nov 2007 S&P rates - GDP as year end '06; For May 2004 S&P rates - GDP as year end '03  
Sources: Central Banks and UniCredit Group New Europe Research Network

# SIGNIFICANT GROWTH OPPORTUNITIES LEVERAGING ON GROUP POSITIONING AND MARKET POTENTIAL

GROWTH – CEE

## UNICREDIT STRATEGY

## MARKET POTENTIAL <sup>(1)</sup>

## KEY ACTIONS

Where n°1...



...ride the market growth consolidating market shares

+11.4%

- Increase product penetration leveraging on Group's product factories
- Optimize branch network after merger and integration activities

In high-growth markets with solid presence...



...aggressive organic growth

+20.8%

- Significant branch opening plan: ~900 new branches in 3 years
- Increase Retail customer reach

In other countries of presence...



...selective organic growth

+10.5%

- Selective branch opening
- Strengthen retail positioning

<sup>(1)</sup> Revenues CAGR 2006-2009 (local currency) weighted for UniCredit revenues in the considered countries in 9M07 – Kazakhstan not included

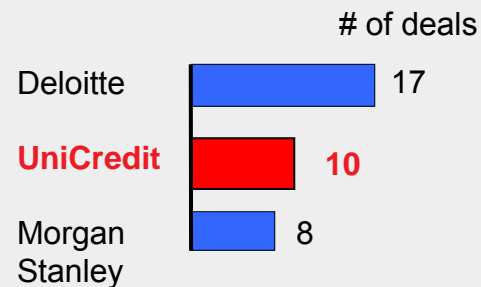
# MARKETS & INVESTMENT BANKING AND PIONEER IN CEE: GLOBAL PLATFORM AND STRONG BRAND LEVERAGING ON A WIDE NETWORK

**GROWTH – CEE**



- Leading position in CEE in Equity Capital Markets and M&A; # 1 in Poland in IPO, Trading, Commercial Paper, Corporate Bond
- Best Investment Bank in Central & Eastern Europe 2007 (UniCredit, Global Finance)

M&A In CEE by # of Deals  
*Mergers & Acquisitions 1H07*

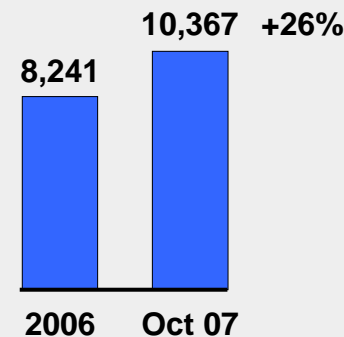


*Selected Awards 2007 CEE*

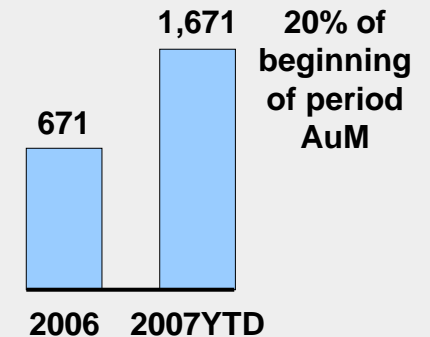


- # 1 in the region with over 10 bn AuM and 80 mln EBIT (9M07) and among the top 3 in most major markets
- Leverage on international brand recognition, one engine for investments, wide range of global and local products
- 1.7 bn net sales YTD, i.e. 20% of beginning of period AuM
- Entering new fast growing markets: Russia and beyond

**AuM CEE**  
*eur mln*



**Net Sales CEE**  
*eur mln*



<sup>(1)</sup> Equity Capital Markets

<sup>(2)</sup> Debt Capital Markets

# LEASING, GFS (GLOBAL FINANCIAL SERVICES) AND CONSUMER FINANCING IN CEE: BEST IN CLASS OFFER TO INCREASE CROSS-SELLING AND ATTRACT NEW CLIENTS

GROWTH – CEE



- # 1 in the region with presence in 14 CEE countries
- ~3 bn new business volume and ~200 mln revenues<sup>(1)</sup> in the region in 2006



- Started roll-out of common platform for international payments and cash management (pilot in Russia, Romania, Bulgaria)
- Started rationalization of Correspondent Banking activities in all CEE countries gaining easy and efficient access to 4,400 banks worldwide



- ~6.5 million cards at Group level in CEE
- Fast implementation of specialist model leveraging on local distribution
- Top priorities: Poland, Russia, Romania, Bulgaria
- First products to be introduced: personal loans & POS Financing. Revolving cards to follow

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

<sup>(2)</sup> Rebranding of Clarima: regulatory approval obtained, formal launch at the beginning of 2008

# SIGNIFICANT OPPORTUNITIES IN RETAIL ...

GROWTH – RETAIL

## KEY STRATEGIC GUIDELINES

### ■ ITALY: accelerating current successful growth through:



- ✓ **Customer base enlargement:** 100,000 new customers in Jan-Sep07
- ✓ **Customer satisfaction: continuous improvement** (TRIM<sup>(1)</sup> index @ 61 vs 51 of top 5 peers)
- ✓ **More cost efficiency and productivity**, thanks to higher automation/online migration
- ✓ **Capitalia integration:** strong opportunities in both revenues and costs

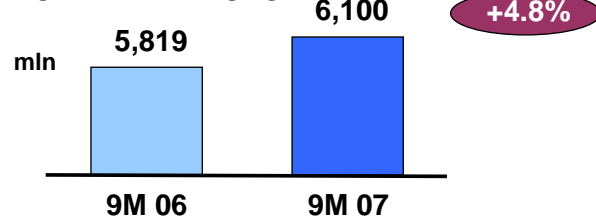
### ■ GERMANY & AUSTRIA: continuing restructuring to pave the way for future growth:



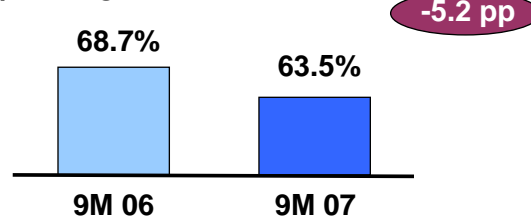
- ✓ **Cost efficiency** addressing high direct and indirect costs
- ✓ **Cross-selling** with focus on highly attractive Affluent segment
- ✓ **Turnaround** of unprofitable **Mass Market** (mainly in GE) and **Small Business** (mainly in AT) segments

## DIVISIONAL RESULTS – 9M07

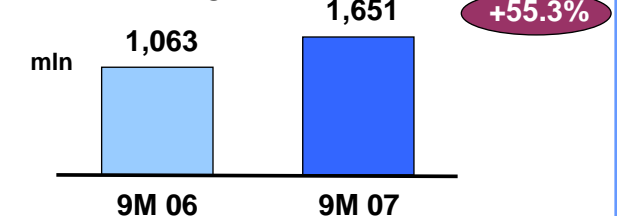
### TOTAL REVENUES



### C/I RATIO



### PRE-TAX PROFIT





KEY STRATEGIC GUIDELINES

■ Accelerate growth on Revenues:

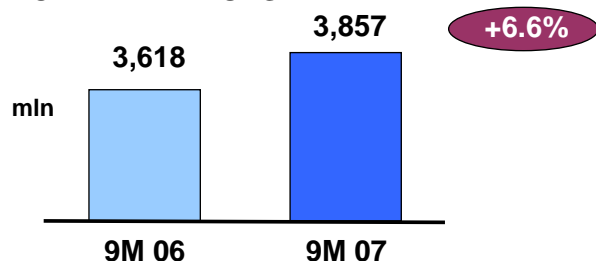
- ✓ Higher focus on International clients (all segments) and domestic Mid/Large Caps
- ✓ Gain market share in Italy (~14% after merger with Capitalia), particularly in very interesting target regions (Lombardy, Tuscany)
- ✓ Gain market share in Germany through an aggressive expansion plan in selective regions (5 new locations already opened)
- ✓ Strong push of GFS products (cash management and trade finance)
- ✓ Increase cross-selling of fee-based products in all markets

■ Improve Revenue mix:

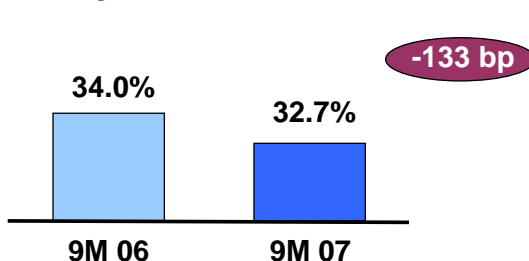
- ✓ Increase share of fee-based business on all client segments (net fees of 945 mln in 9M07, +5.2% y/y)
- ✓ Greater push on deposits (customer deposits +12% in Sep07 vs Dec06)

DIVISIONAL RESULTS – 9M07

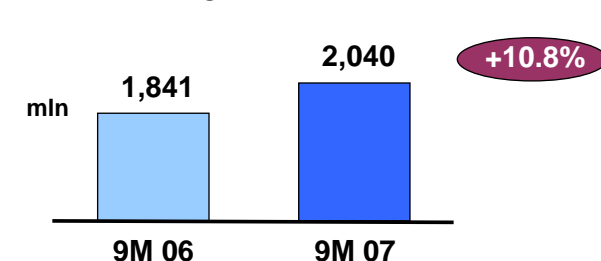
TOTAL REVENUES



C/I RATIO



PRE-TAX PROFIT



# INTEGRATION CAPABILITIES IMPLEMENTED IN CAPITALIA WITH ~1.2 BN GROSS SYNERGIES (68% COSTS) BY 2010

INTEGRATION

## MAIN INTEGRATION INITIATIVES

<b>HR</b>	<b>QUICK RIGHTSIZING WITH RESULTS ABOVE EXPECTATIONS</b> <ul style="list-style-type: none"><li>■ Union agreement signed well ahead of plan</li><li>■ ~7,800 headcounts joining the exit plans as at 16 Nov 07 vs. 5,000 initial agreement<ul style="list-style-type: none"><li>✓ ~2,800 exiting by end 2007</li></ul></li></ul>
<b>IT</b>	<b>A FULL SPEED MIGRATION</b> <ul style="list-style-type: none"><li>■ Integration to a single IT Platform by October 2008, with reduction in maintenance and development costs</li></ul>
<b>NETWORK PRODUCTIVITY &amp; JOINT COMMERCIAL INITIATIVES</b>	<b>ALIGNMENT TO BEST PRACTICES IN RETAIL NETWORK</b> <ul style="list-style-type: none"><li>■ Average portfolio size<sup>(1,2)</sup>: 40% gap to be closed between Capitalia (533) and UCB (885)</li><li>■ Direct channel utilization<sup>(2)</sup>: 19 pp gap (50% Capitalia vs. 69% UCB)</li></ul> <b>SHARING OF PRODUCT PORTFOLIO</b> <ul style="list-style-type: none"><li>■ 6 joint initiatives already launched in October and November to increase customer acquisition and retention ratios</li></ul>

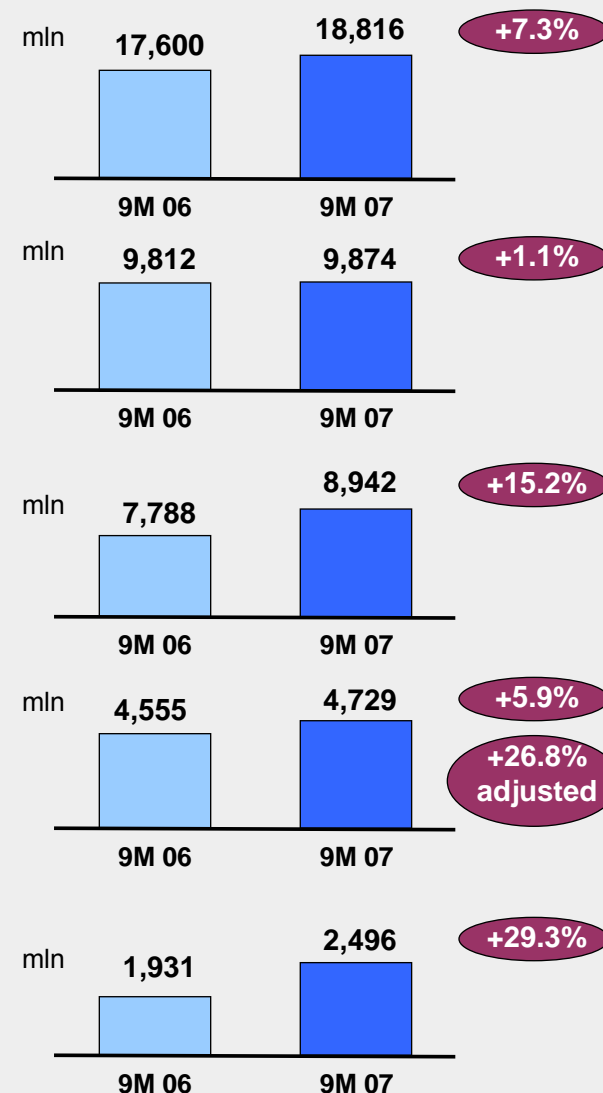
<sup>(1)</sup> Portfolio size is the average number of current accounts and saving books

<sup>(2)</sup> Gap versus best practice at UCB (UniCredit Banca)

# GROUP 9M07 RESULTS: >4.7 BN NET INCOME, +27% ON A NORMALIZED BASIS, NOTWITHSTANDING DIFFICULT MARKET CONDITIONS

DELIVERY ON RESULTS

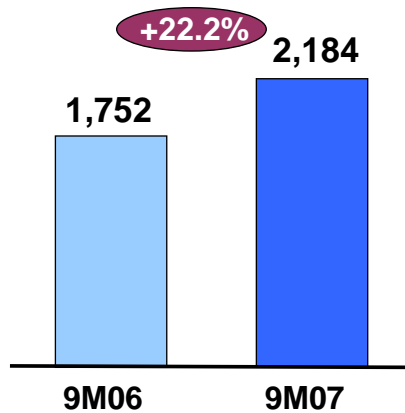
- **Total Revenue** growth sustained by net interest income (+9%) and net commissions (+10%), completely offsetting the impact of market turmoil on trading profits
- **Operating costs'** growth below inflation; **C/I ratio** at a sound 52.5%, -3.3 pp vs 9M06
- **Operating profit** increase driven by strong performance across all divisions: CEE region +19%, Retail +22%, Corporate +9%, MIB +10%, Private B. +24%, Asset Manag. +13%
- **Net income** at 4,729 mln, +27% y/y on an adjusted basis (excluding extraordinary net gains in 9M06 and the German Tax Reform impact in 9M07)
- **EVA strong increase** thanks to positive contribution from commercial banking



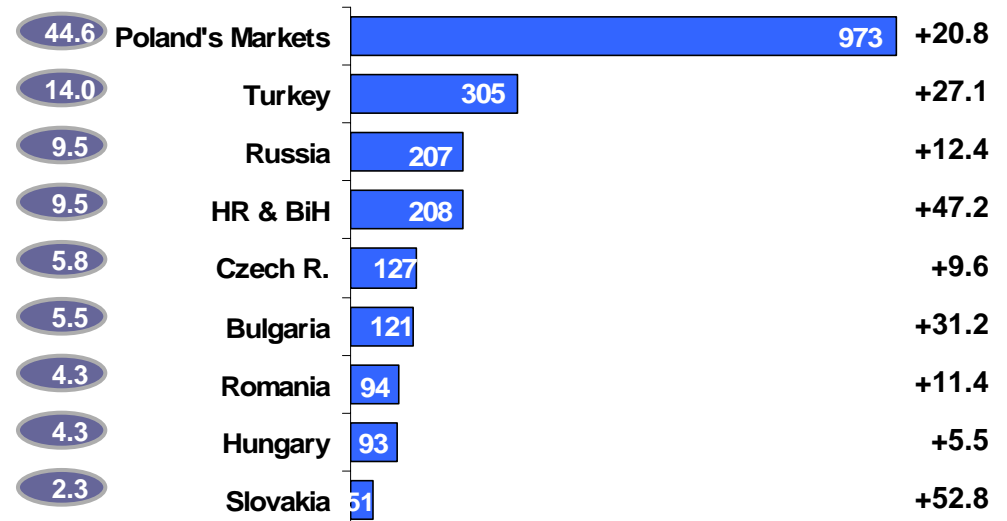
# EXCELLENT PERFORMANCE IN CEE REGION

DELIVERY ON RESULTS

UCI's Operating profit in CEE Region, mln



UCI's Operating profit, breakdown by country<sup>(1)</sup> (9M07) y/y % ch.



- **Strong top line growth delivered across all countries**, driven by volume expansion, careful pricing and high standard services to customers
- **Improved efficiency** (C/I ratio to 48.0% -3.0 pp y/y) while delivering organic growth



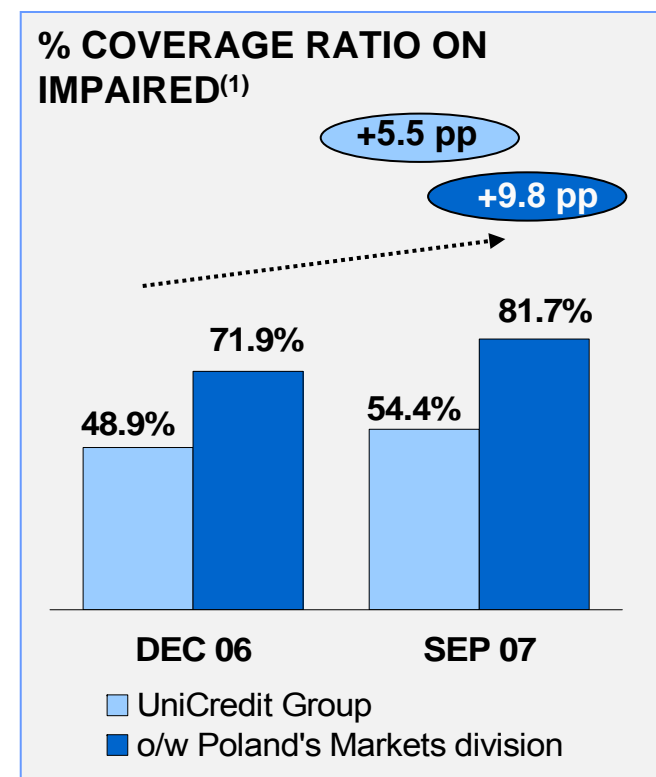
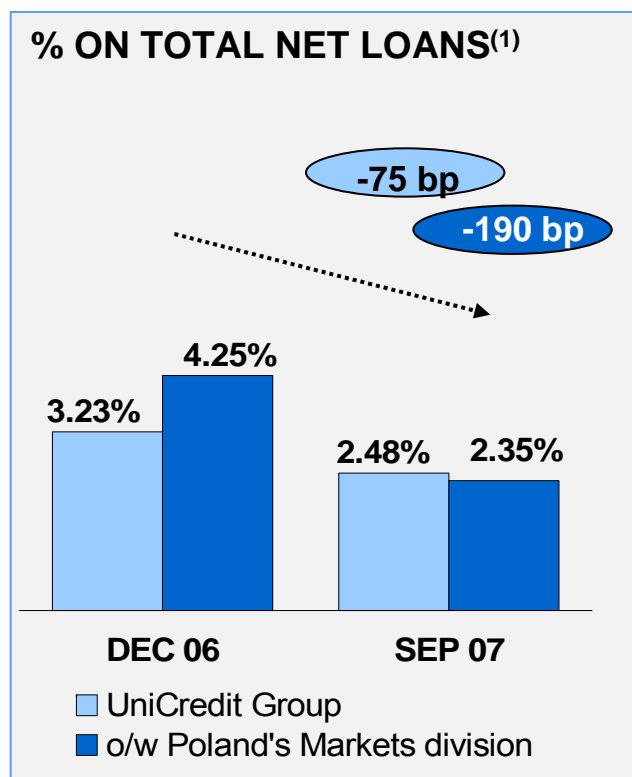
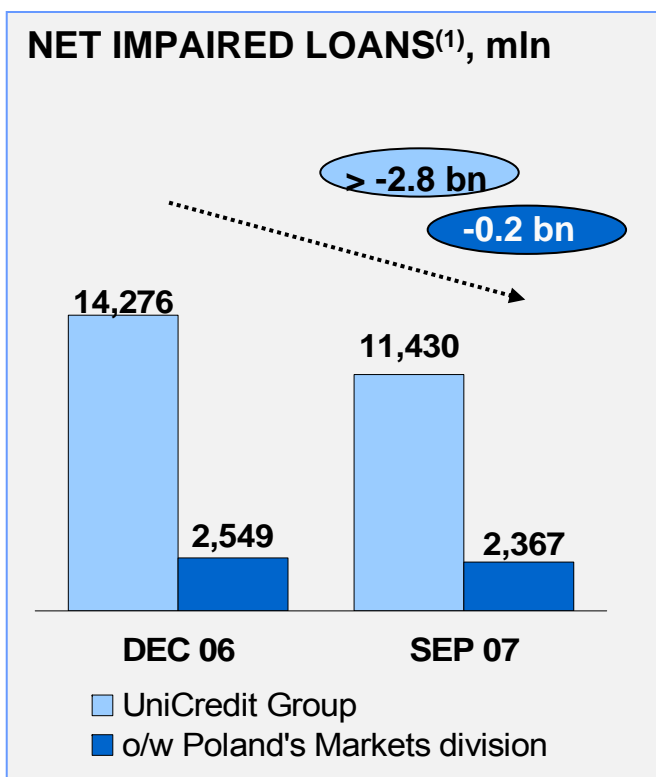
## SOUND RISK CONTROL AND DIVERSIFICATION LIMITING IMPACT OF CREDIT MARKET TURMOIL

[DELIVERY ON RESULTS](#)

- **Limited P&L impact for the Markets & Investment Banking division in 3Q07:**
  - ✓ negative result of the Structured Credit business (-272 mln, mainly related to ABS/CDO portfolio) more than offset by record performance of the other business lines
- **High quality ABS trading portfolio, well diversified by underlying loans and geography**
  - ✓ **97% investment grade**, o/w 84% AAA, none of the issues recently downgraded, none on watch-list for potential downgrading
  - ✓ **active risk management**: disposal of synthetic CDOs in 1Q/2Q07
- **Negligible US sub-prime exposure**
  - ✓ **246 mln as of 30/09/07**, down by ~100 mln vs 30/06/07
- **Conduit business: continuous reduction without any credit losses**
  - ✓ **10.3 bn total size as of Nov07**, -1.5 bn vs Sep07
- **Solid liquidity position**
  - ✓ well-balanced asset & liability structure, clear funding and liquidity management

# CONTINUOUS IMPROVEMENT OF ASSET QUALITY

DELIVERY ON RESULTS



■ **Group asset quality: further de-risking of balance sheet and significant increase of coverage ratio**

- ✓ Net Impaired loans / Total Regulatory Capital ratio reduced from 32.2% as of Dec06 to 24.7% as of Sep07 (~-7.5 pp)
- ✓ RER portfolio reduced by ~82.5% since creation (2.7 bn in Sep07 vs. 15.4 bn in Dec04)

■ **Poland: positive trends in asset quality with continuous improvement of coverage ratio**

<sup>(1)</sup> Loans to customers; Figures in Poland at current FX net of BPH 200

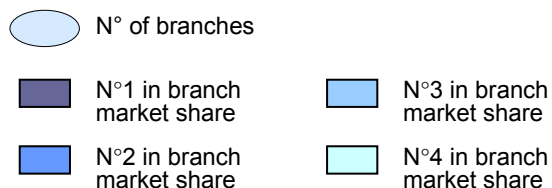
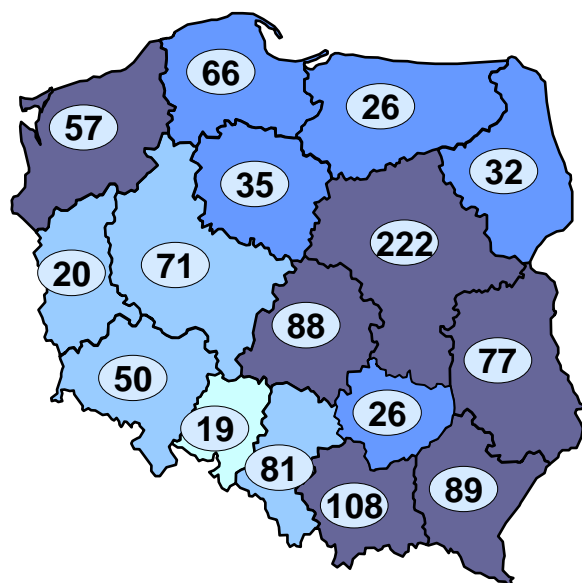


## AGENDA

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- UniCredit Group today
- Group strategy, strengths & results
- **Focus on Poland**
- Conclusions

# PEKAO TODAY



## ■ STRONG NATIONWIDE PRESENCE

- ✓ ~1,100<sup>(1)</sup> branches, with room for further expansion in selected regions
- ✓ ~3,000<sup>(2)</sup> ATMs, the largest network in Poland

## ■ TOP BANK IN POLAND

- ✓ ~30 bn Customer Funds<sup>(3)</sup>
- ✓ ~16 bn Customer Loans<sup>(4)</sup>

## ■ PEKAO RATINGS<sup>(5)</sup>

- ✓ S&P: **A (stable)**
- ✓ Moody's (unsolicited): **A2 (stable)**
- ✓ Fitch Ratings: **A (stable)**

## ■ COUNTRY RATINGS<sup>(5)</sup>

- ✓ S&P: **A- (stable)**
- ✓ Moody's: **A2 (stable)**
- ✓ Fitch Ratings: **A- (stable)**

<sup>(1)</sup> Including only Banking Branches; 1,059 branches as at Sep07

<sup>(2)</sup> Including Euronet ATMs (3<sup>rd</sup> parties provider)

<sup>(3)</sup> Deposits + Mutual funds managed by entities in Group

<sup>(4)</sup> Nominal value: Net loans

<sup>(5)</sup> Long term rating & outlook





## OPERATIONAL INTEGRATION IN LINE WITH PLAN

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### CUSTOMERS

- **One brand**
- **Unified commercial approach** ensuring immediate integration benefits
- Strong business focus maintained: **very limited customer churn**

### OPERATIONS

- **Big-bang migration of brokerage and corporate**, ensuring quick access to enhanced offer
- **Reduced disruption risk with roll-out retail customers migration** to Pekao updated IT platform
- **Continuity of service ensured** thanks to outsourcing agreements (eg. transactions, operations, archiving)

### PEOPLE

- Management structure in place, **combining key talents**
- **Very limited employee churn**
- Investment in **people training**

## KEY STRATEGIC INITIATIVES TO SUPPORT FUTURE GROWTH

- **Customer acquisition and cross-selling, based on innovative products/services in most attractive segments:**

- ✓ **Retail** family by focusing on **mortgages & consumer loans**
- ✓ **Affluent** by enhancing the **advisory proposition & investment products**
- ✓ **SMEs** by further **improving service and loans processes**
- ✓ **Corporate** by combining **financing and transactional capabilities**



- **Leveraging strongest distribution reach with multi-channel approach**

- **IT platform enhancement supporting offer enrichment**

- **Best practice in cost management**



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## CONCLUSIONS

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- **Unique European franchise well rooted in some of the wealthiest countries as well as in the fast growing CEE region and beyond**
- **Divisional model and organization ensuring superior service to customers, thus providing a major contribution to growth**
- **Consistent delivery in results and integration**
- **Solid track record of value creation for all stakeholders**