UNICREDIT GROUP

COMPETING IN THE NEW NORMAL

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UCG THROUGH THE CRISIS: SOME LESSONS LEARNED HELPED TO MAINTAIN A STRONG FRANCHISE

UNICREDIT POSITIONING RELATIVE TO KEY THEMES

THE CRISIS LED EVERYONE TO REFLECT ON SOME KEY THEMES:	At the beginning of the crisis…	… and after some tough quarters	
1. CENTRALITY OF FRANCHISE	✓ ✓	✓ ✓	Strong customer franchise preserved, with role as key player in CEE confirmed
2. LOSS ABSORPTION CAPACITY	✓	✓	Buffer to absorb credit losses remained solid, thanks to diversification
3. EFFICIENT COST STRUCTURE	✘	✓	Restructuring potential activated and efficiency improved: lower cost structure, with FTE ~ -8,700 since Dec07
4. RISK MANAGEMENT AT THE CENTRE: DELEVERAGE AND DERISK	✘	✓	De-leveraging/ de-risking undertaken, with some good results
5. STRONGER CAPITAL BUFFERS NEEDED	✘	✓ ✓	We "paid" for the effects of past acquisitions but positive capital generation has been maintained

UNICREDIT MANY QUARTERS INTO THE CRISIS:

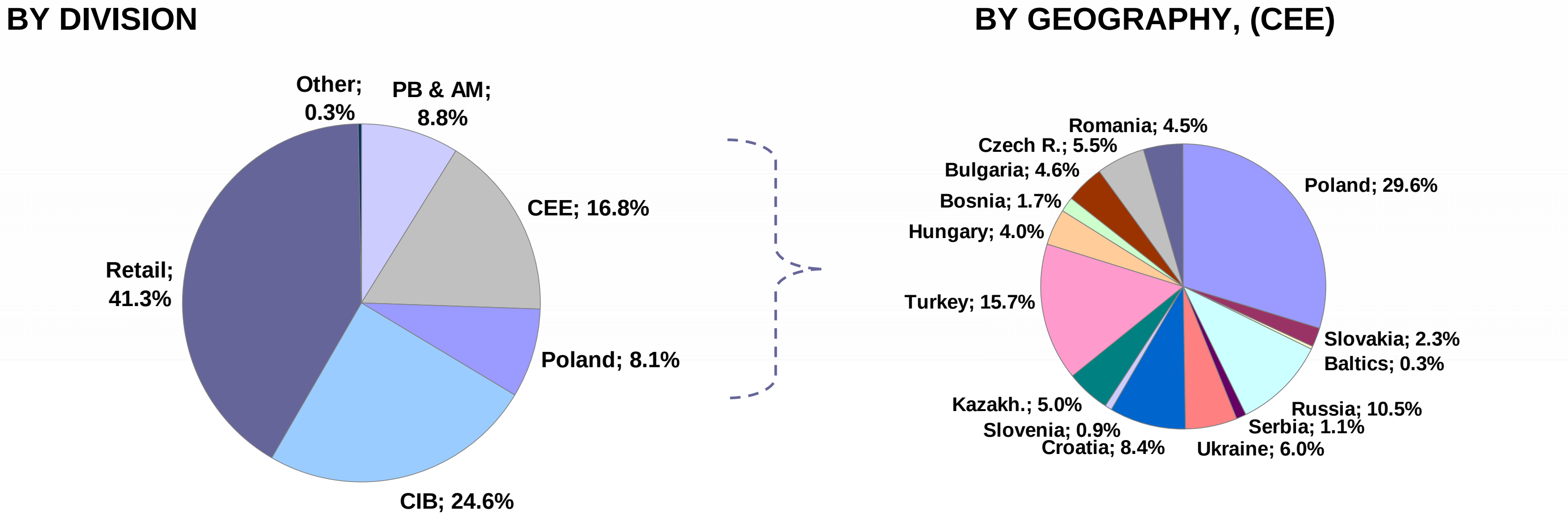
IMPORTANT LESSONS LEARNED

AGENDA

- **Strong franchise**
- Capital strengthened
- Conclusions

STRONG FRANCHISE IN WESTERN EUROPE, LEADER IN CEE …

TOTAL REVENUES BREAKDOWN(1)



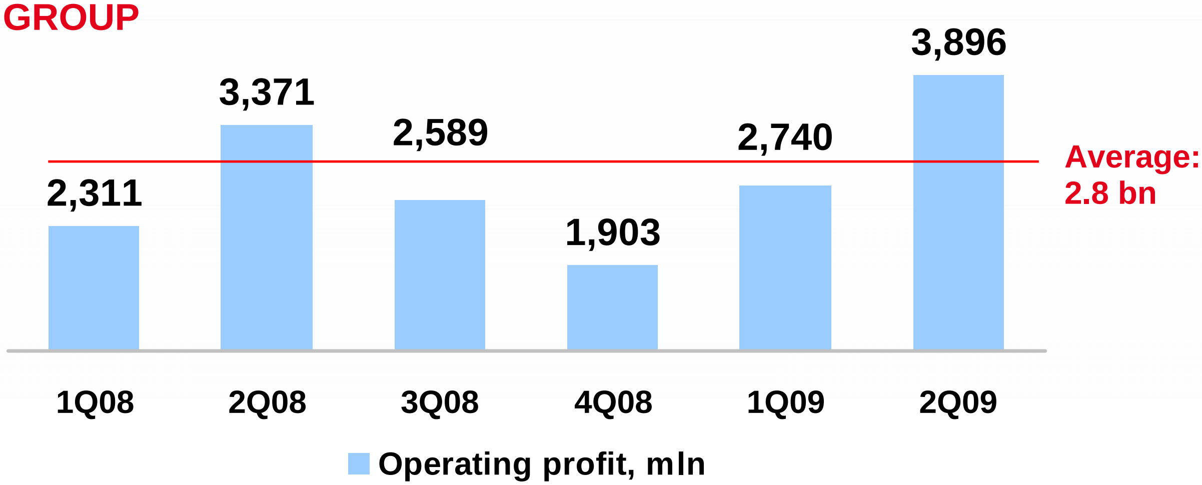
- **STRONG FRANCHISE, DIVERSIFIED BY BUSINESS AND BY GEOGRAPHY**
  - ✓ Well **diversified** by business, with **high focus on commercial banking**
  - ✓ Banking operations **in 22 countries, with ~10,000 branches:**
    - Top player in Italy, Germany and Austria
    - #1 in CEE

(1) FY08 & 1H09 quarterly average

… WITH SOLID OPERATING PERFORMANCE THROUGH THE CRISIS …

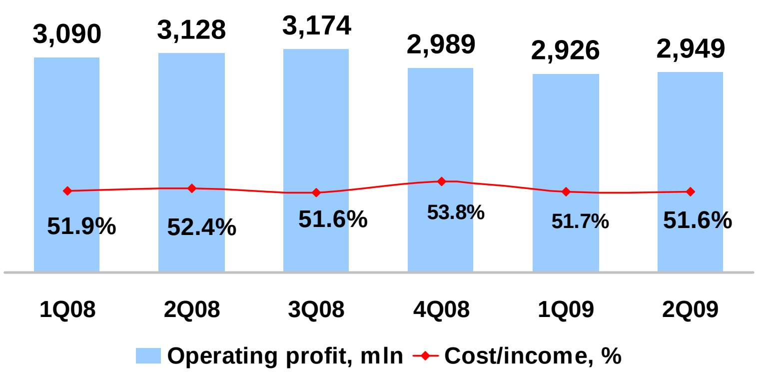
- 2.8 bn operating profit delivered on average throughout the crisis …

GROUP



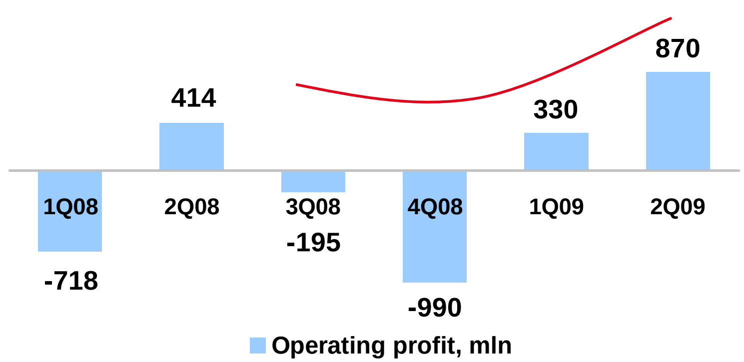
- … thanks to resilient commercial banking …

COMMERCIAL BANKING[1]



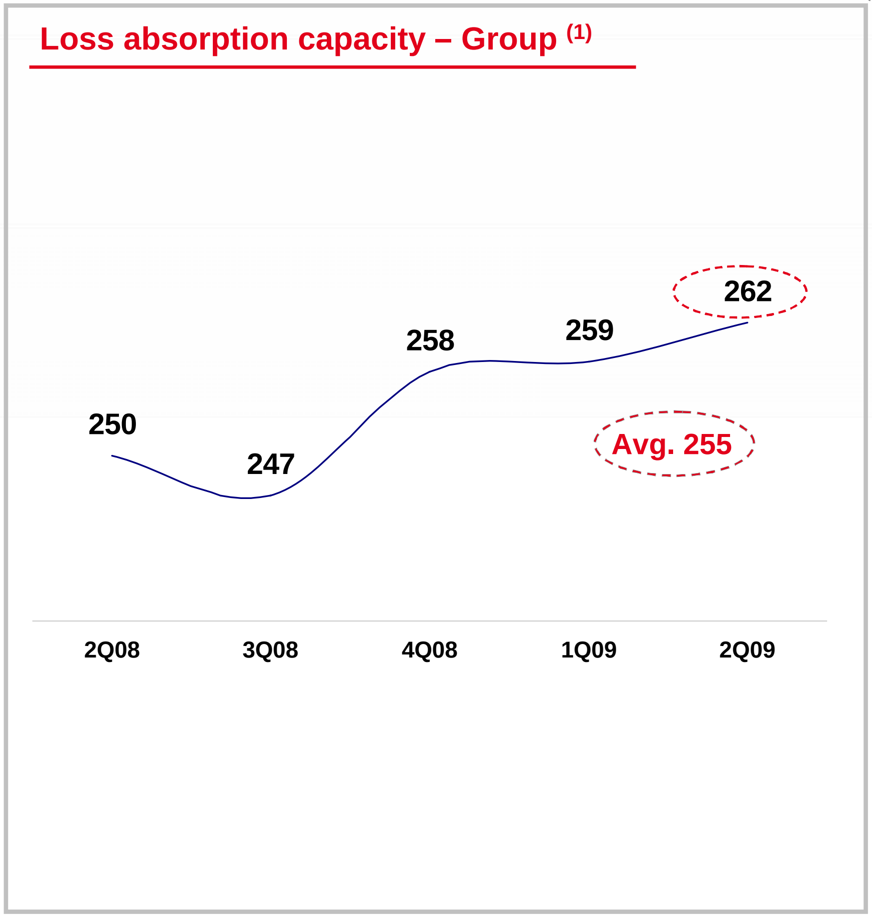
- … and also prompt recovery of MIB

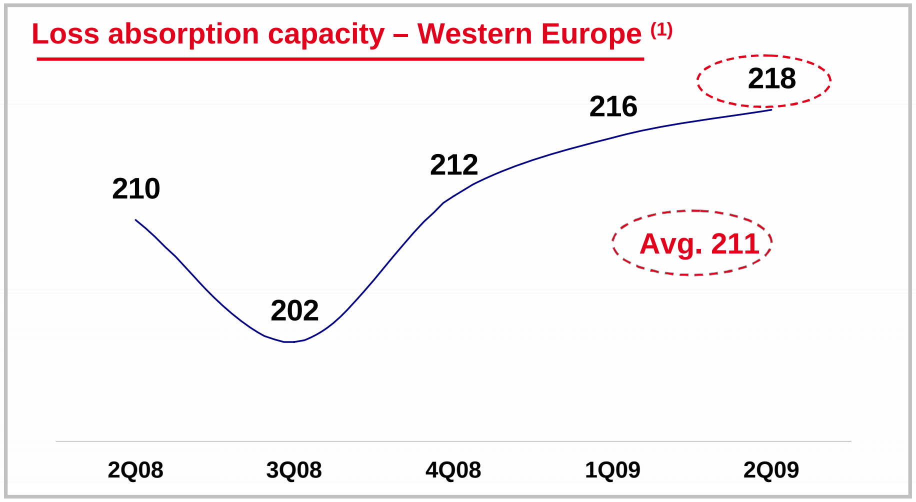
MIB

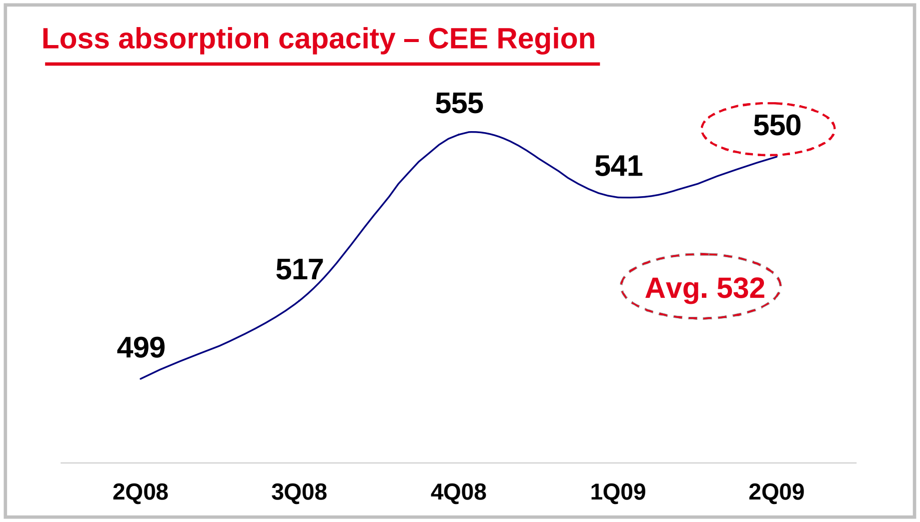


(1) Retail, Corporate, Private Banking and CEE Region. 4Q08 adjusted for 77 mln one–offs in Retail

… PROVIDING A CONSTANT BUFFER TO ABSORB CREDIT CYCLE DETERIORATION







NOTE: buffer defined as ((operating income of the last two quarters annualized + generic provisions) / Eop Customer loans), indicating the capacity to absorb loan provisions without losses at pre-tax level

Historical figures re-stated

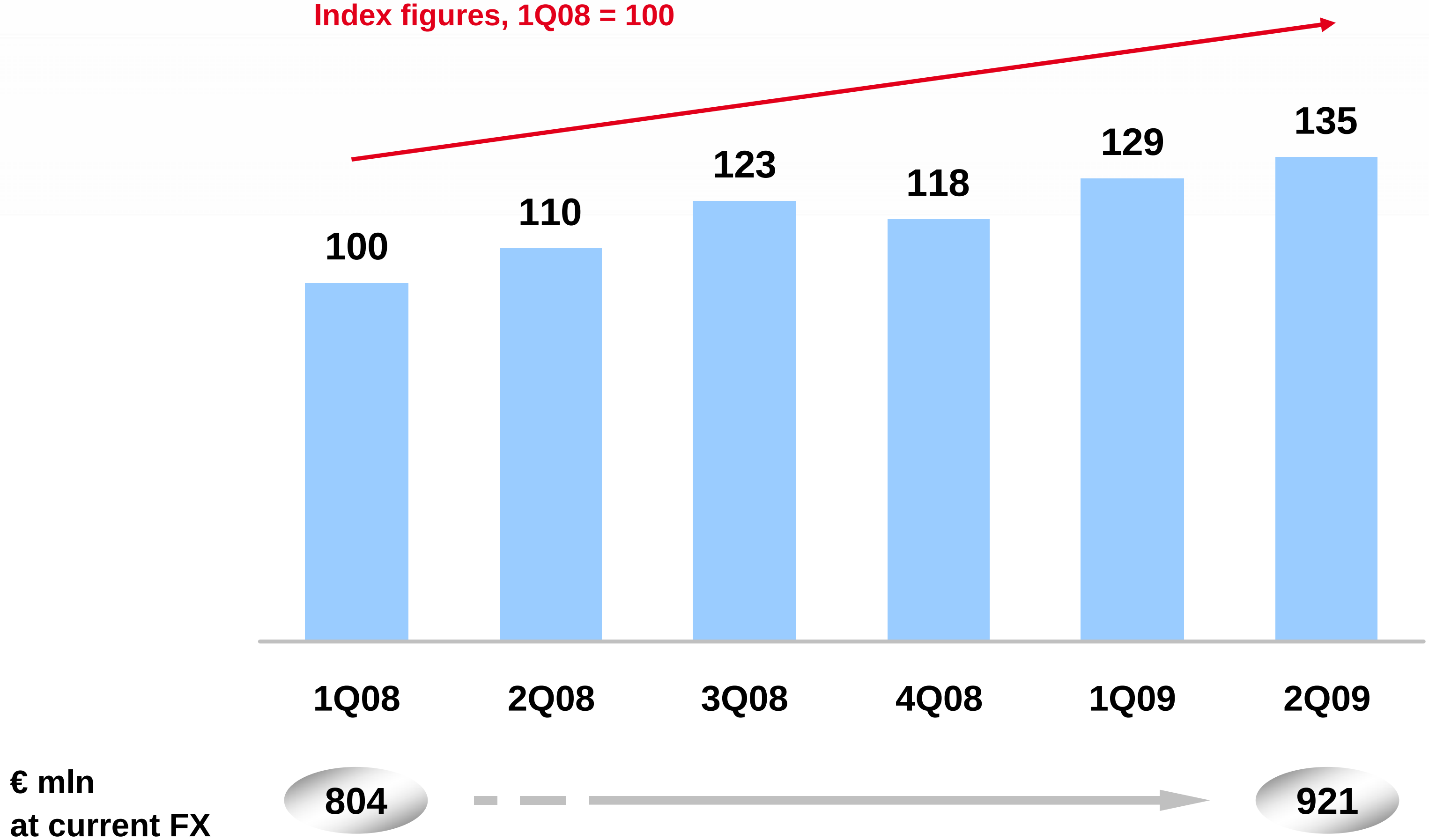
(1) Excl. Trading income of Western Europe

CEE KEPT POSTING OPERATING GROWTH

FRANCHISE: CEE

- Despite the near panic by investors, which in early 2009 considered CEE virtually bankrupt, the region kept delivering constant and solid growth in the last difficult quarters

CEE REGION: OPERATING PROFIT AT CONSTANT FX
Index figures, 1Q08 = 100



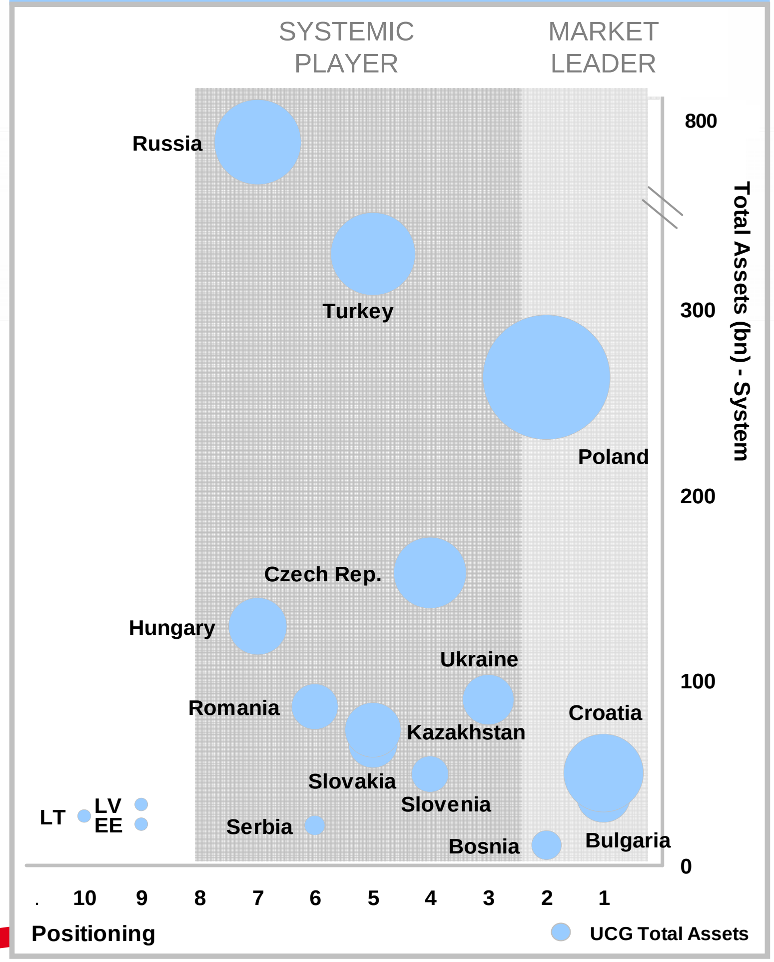
UCG HAS A CLEAR COMPETITIVE ADVANTAGE IN CEE, …

FRANCHISE: CEE

UCG has long-dated experience in the CEE region[1] …

1990	1995	2000	2005	
Hungary Bulgaria Slovenia	Poland Czech Rep Russia Slovakia	Baltics Croatia Romania Ukraine	Serbia Bosnia Turkey	Kazakhstan

… with a solid presence in 19 countries …



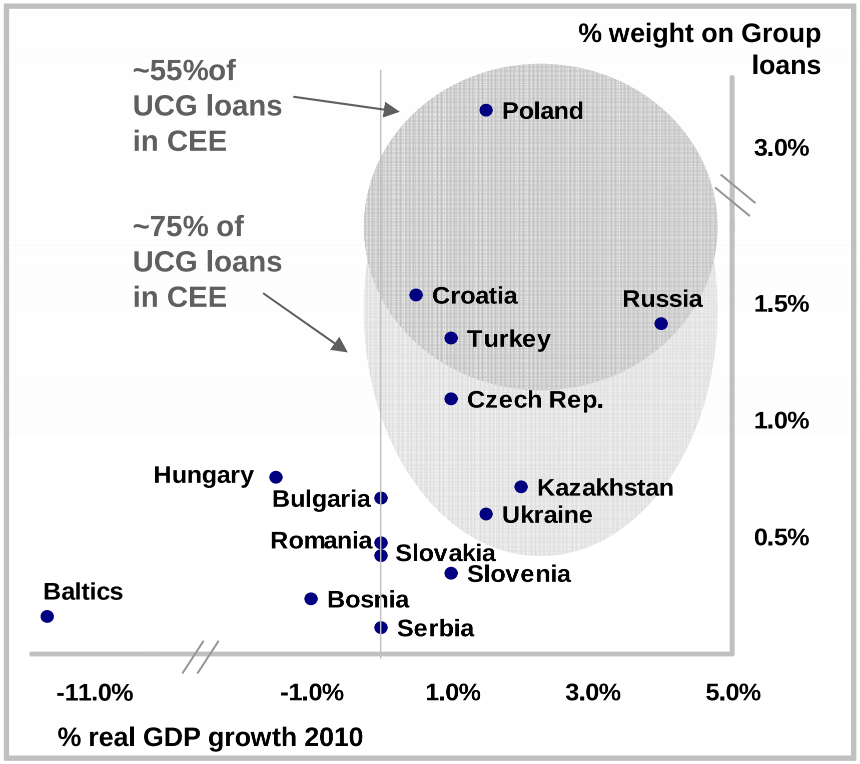
… and a widespread franchise

- Over 4,000 branches
- A single identity towards a sole brand

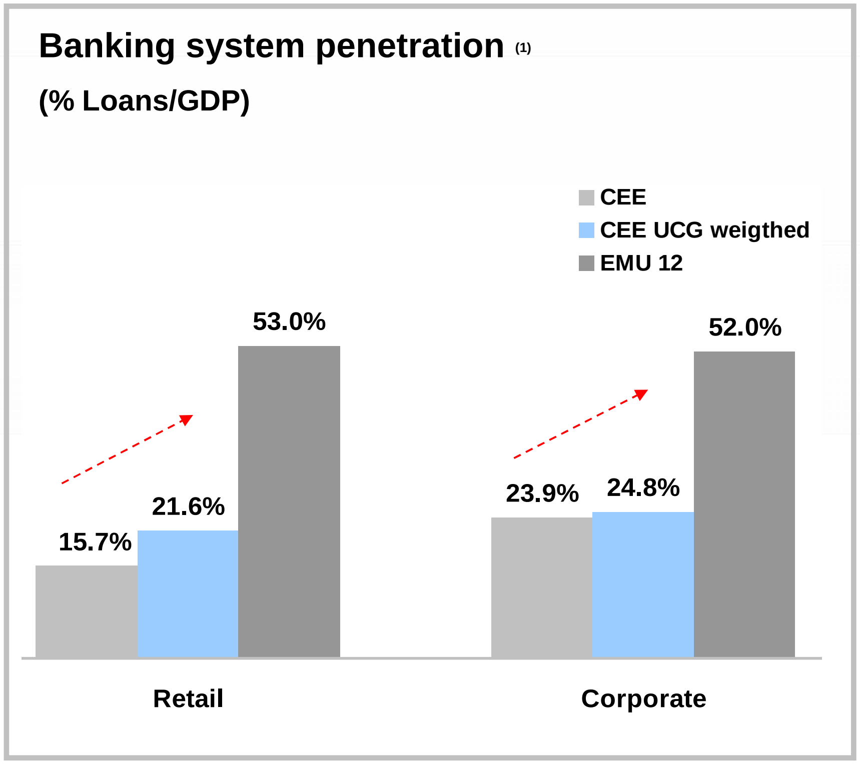
(1) Acquisitions done by BACA, HVB and UniCredit

… A REGION WITH BOTH EXPECTATIONS OF COMING MACRO RECOVERY AND UNDISPUTED LONG TERM POTENTIAL

SHORT TERM: RECOVERY EXPECTATIONS



LONG TERM: HIGH GROWTH POTENTIAL



- ~75% of total UCG loans exposure in the CEE countries with higher recovery expected in 2010 (~90% in countries for which no GDP decline is expected)

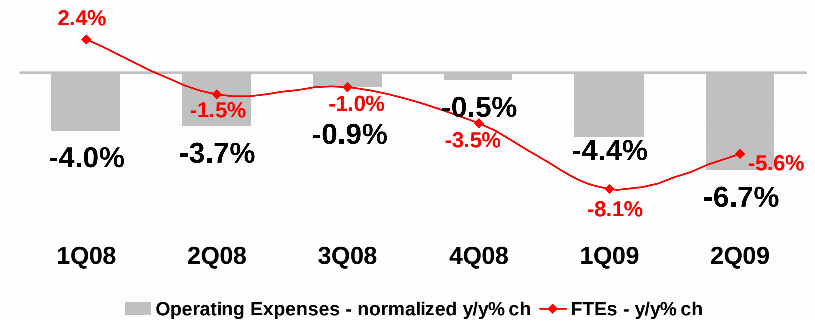
- Undisputable long term potential of the Region:
  - ✓ High penetration gap to Western Europe in both Retail and Corporate
  - ✓ Key role as the “manufacturing arm” of Old Europe

Note: Real GDP growth source – WIIW (the Vienna Institute for International Economic Studies), data as of July 2009

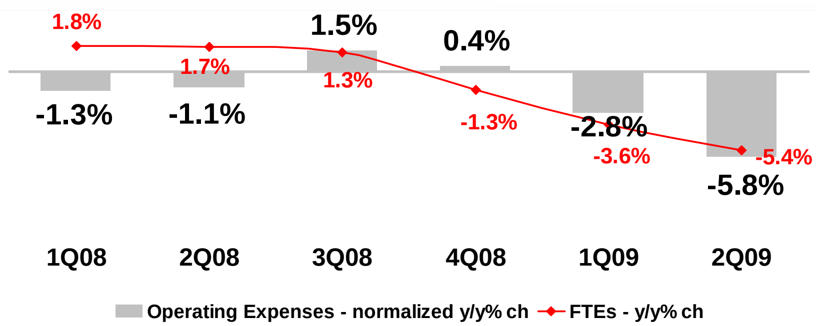
(1) Source: UniCredit Group CEE Strategic Analysis, data as of Dec 08

INCREASED FOCUS ON COST DISCLIPLINE DURING THE CRISIS, BOTH IN WESTERN EUROPE AND CEE

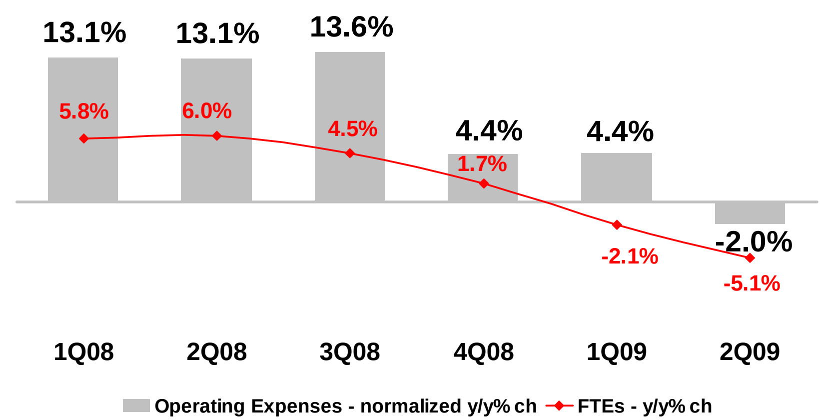
■ Cost decrease trend spanned many quarters in Western Europe …



■ Constant FTE reduction is the structural driver of cost reduction



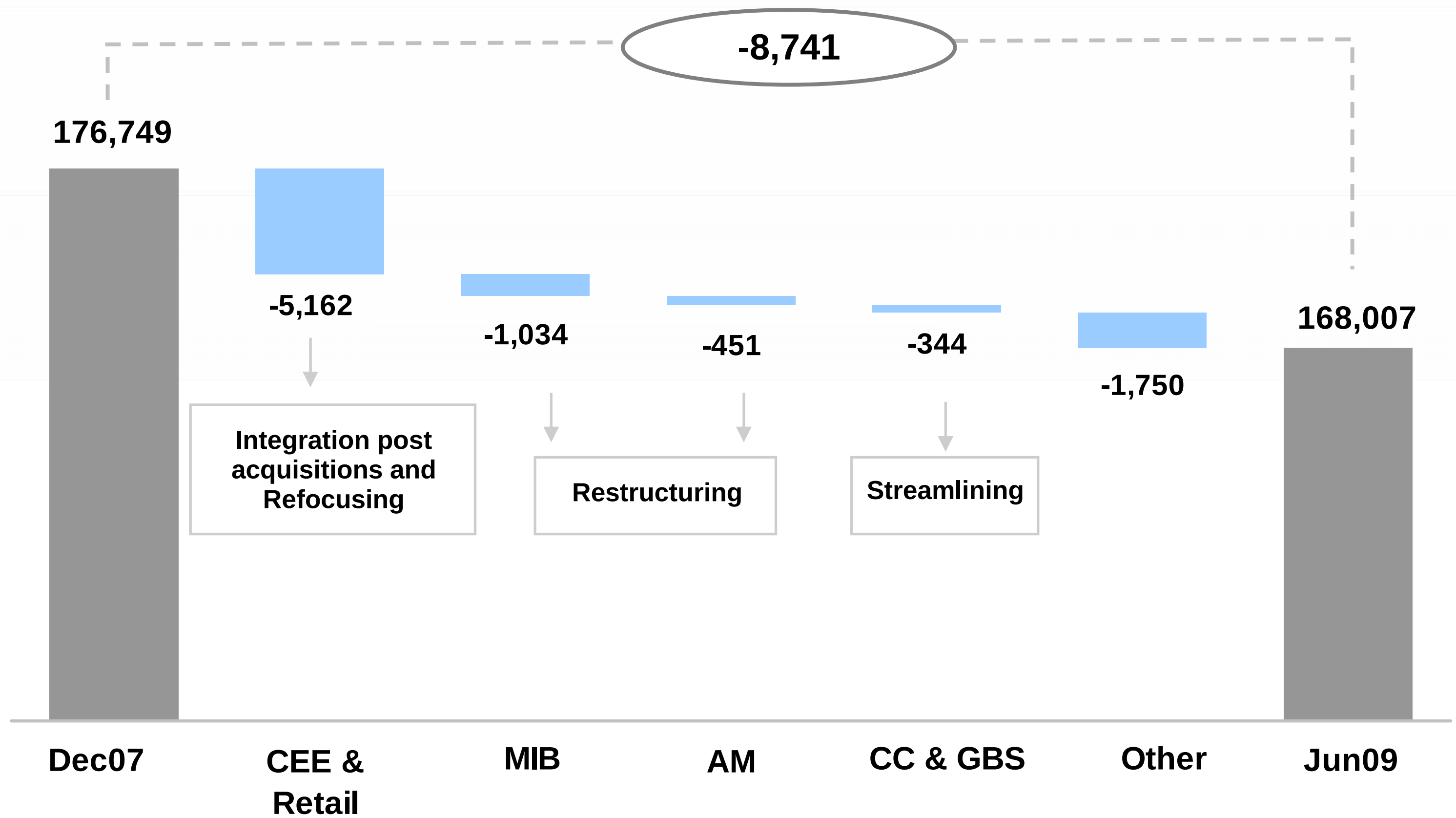
■ … but since the crisis accelerated, CEE showed a sharp turnaround of the cost trend



Normalized: at constant FX and perimeter

STAFF RIGHTSIZING DELIVERED ACROSS THE ENTIRE GROUP, WITH SIGNIFICANT REDUCTION IN RETAIL AND CEE

GROUP FTEs[1]



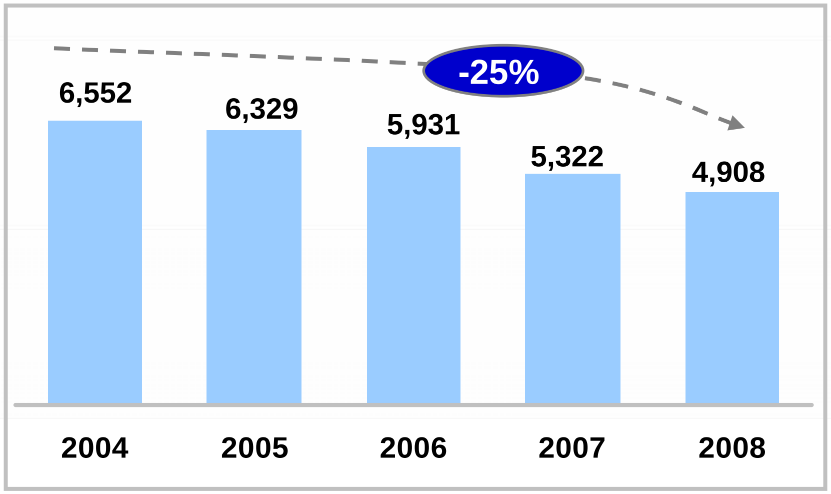
~ 8,700 FTEs REDUCTION IN 18 MONTHS

FURTHER FTEs RIGHTSIZING TO COME BY 2011, ALREADY CHARGED TO P&L

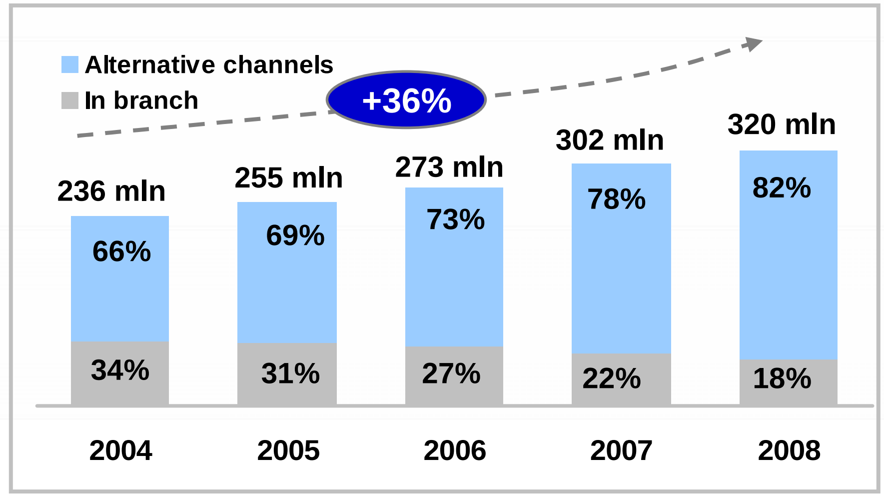
[1] Yapi Group at 100%. Dec07 figures restated for changes in perimeter (main ones: Ukrsotsbank included and BPH 200 excluded)

RETAIL: PUSH TOWARDS ALTERNATIVE CHANNELS DELIVERING SIGNIFICANT EFFICIENCY GAINS

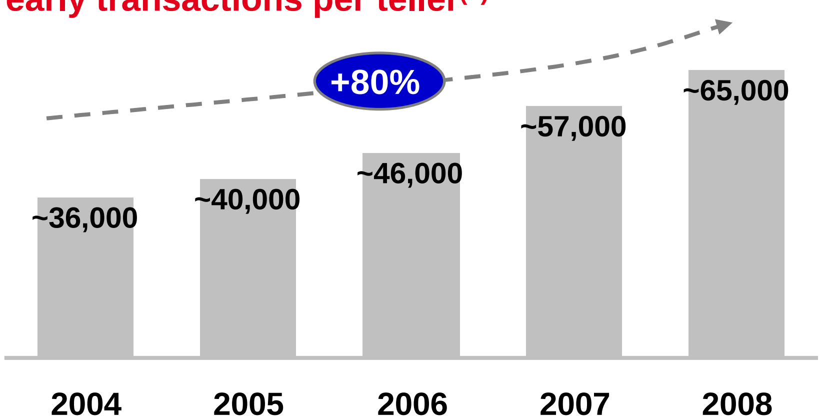
Tellers headcount[1]



Current account transactions
 # operations per year (mln) and channel mix[1]



Yearly transactions per teller[1]



- Strong **rise in branches' productivity**, coupled with **cost base reduction**
- **Further gains in 2009**: almost 600 reduction of tellers by year end[1]

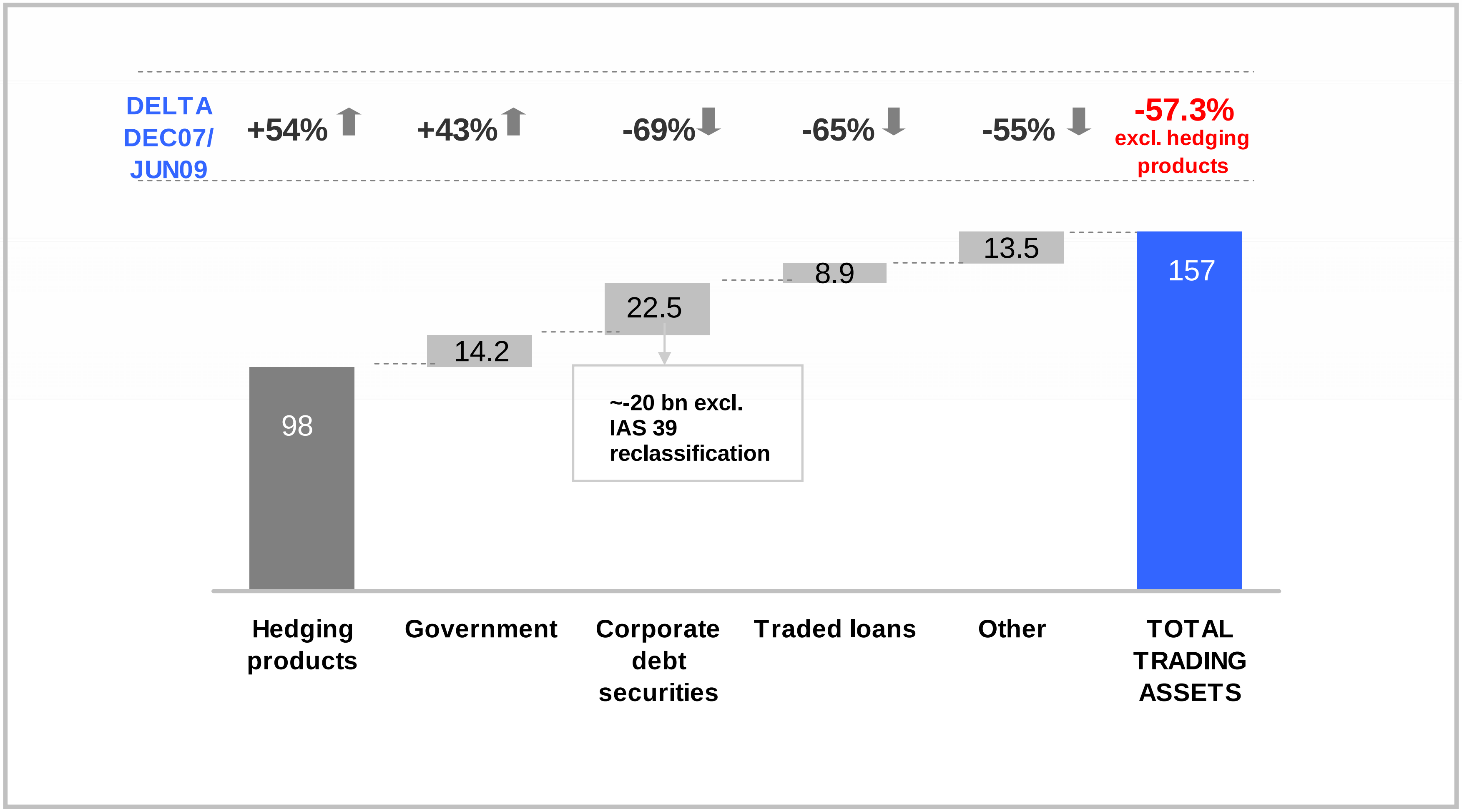
[1] Based on sample of ~2,500 branches, accounting for ~70% of Retail Italy Network operations

RISK MANAGEMENT BROUGHT TO THE CENTRE: STRATEGIC IMPORTANCE CLEARLY RECOGNIZED

ROLE OF CRO FUNCTION ENHANCED. NEW CRO (FROM JAN09) BRINGING ADDITIONAL EXPERTISE

RISK APPETITE AND LOSS ABSORPTION CAPACITY	■ Risk appetite, quantified and defined at Group level, guiding all decisions ■ Change in risk appetite only possible through board approval ■ Loss Absorption Capacity embedded in the budget process
RISK DEFINITION	■ Aggregation of all risk types and translation into limits coherent with Risk Appetite and Loss Absorption Capacity ■ Specific limits for different risks (market, liquidity, operational etc.)
RISK GOVERNANCE	■ CRO permanent member of the Executive Management Committee ■ Fully centralized approach strengthened
RISK MONITORING	■ Investments in risk infrastructures ■ Improvement of risk culture via training

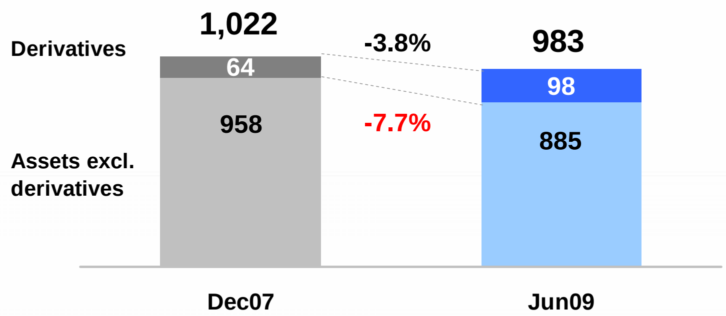
DE-RISKING ONGOING: TRADING ASSETS MORE THAN HALVED SINCE DEC07 NET OF HEDGING PRODUCTS



DE-RISKING IS NOT JUST A GENERIC COMMITMENT

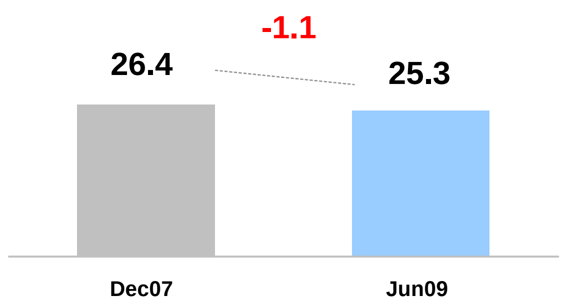
DE-LEVERAGING VISIBLE: TOTAL ASSETS DECREASE + RESILIENT TANGIBLE EQUITY = BETTER LEVERAGE

Total assets, bn



- **A different balance sheet, with strong reduction of:**
  - ✓ trading assets, -57.3% net of hedging instruments
  - ✓ net interbank position, ~ -11 bn (-17.8%)

Tangible assets/Tangible equity, excl. netting



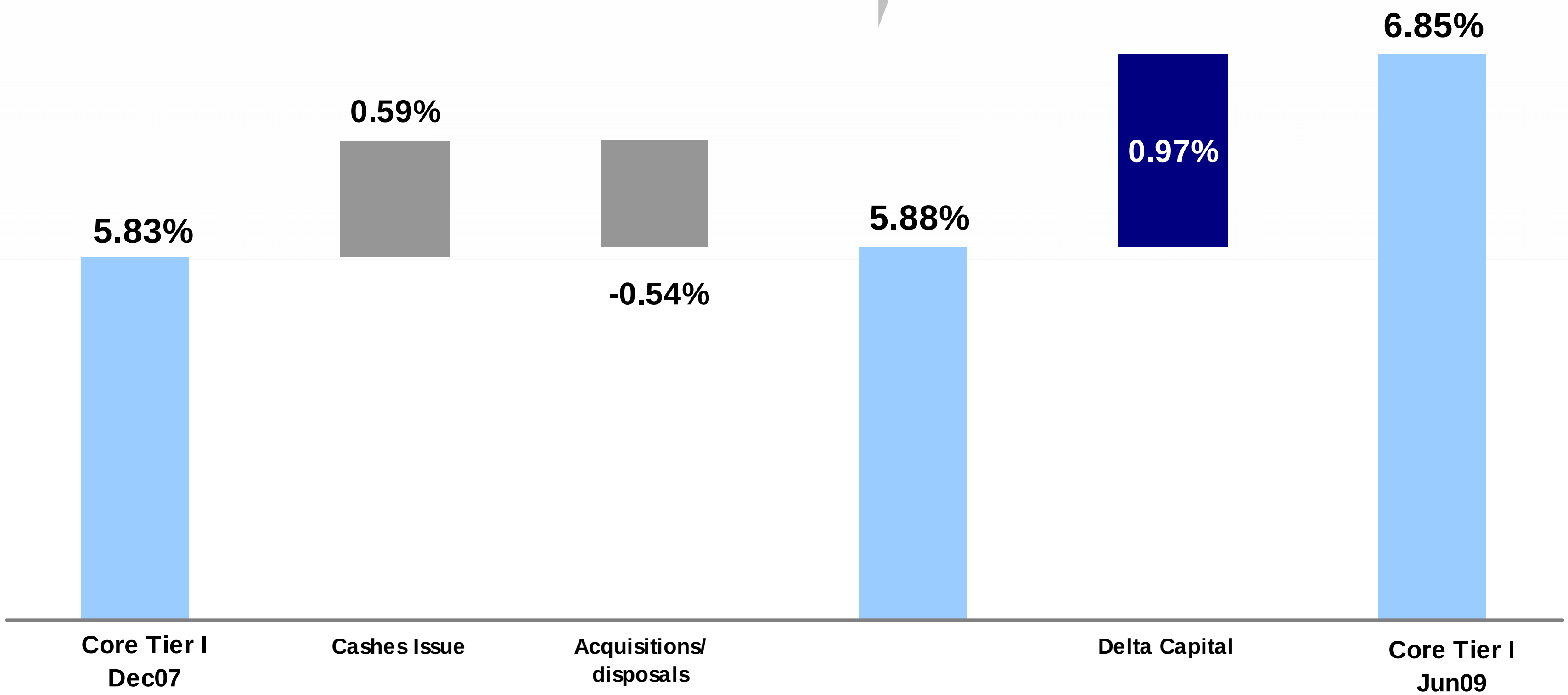
- **Tangible assets/Tangible equity adjusted for netting agreements reduced by 1.1 to 25.3**

CONSISTENT DE-LEVERAGING

CAPITAL GENERATION CONTINUED ALSO DURING THE CRISIS

- **Dec07-Jun09:** The combined effect of capital increase and completion of acquisitions/ disposals is +5 bp...

- …net of that **Core Tier I increased by 97 bp in 18 months**



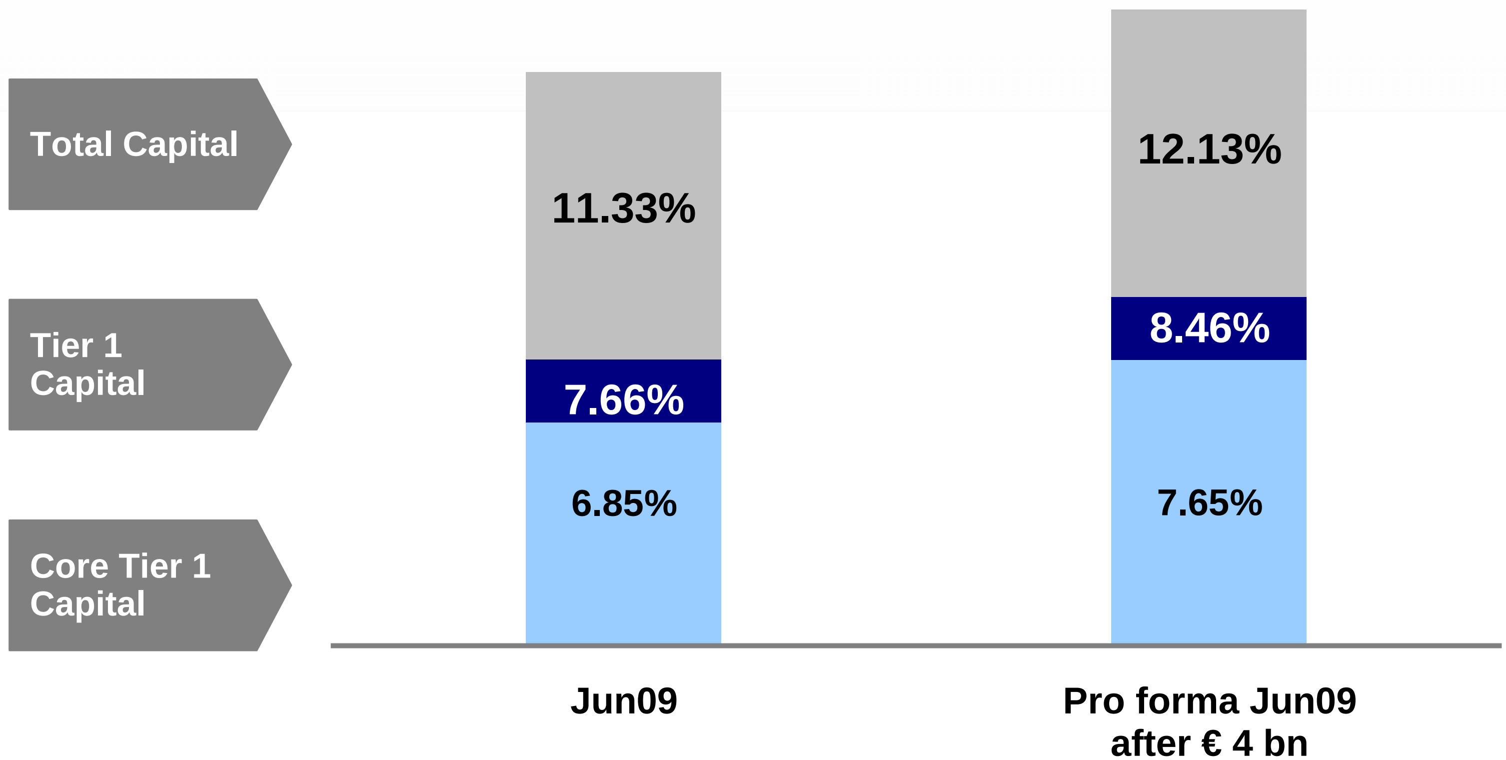
DESPITE THE CRISIS WE GENERATED, NOT DESTROYED, CAPITAL

AGENDA

- Strong franchise
- **Capital strengthened**
- Conclusions

MOVING TO A STRONGER CAPITAL STRUCTURE

- €4 billion Rights Issue will have an additional positive impact of 80 bp:
  - Core Tier I Ratio ⇒ from 6.85% to 7.65%
  - Tier I Ratio ⇒ from 7.66% to 8.46%
  - Total Capital Ratio ⇒ from 11.33% to 12.13%
  - Leverage Ratio[1] ⇒ from 25.3 to 22.8



[1] Adjusted for netting agreements

TERMS OF THE RIGHTS ISSUE (PROPOSAL TO THE EGM)

Offering Structure	■ € 4 billion ■ Issuance of new ordinary shares with pre-emptive rights to all current shareholders ■ Also saving shareholders will be entitled to subscribe new ordinary shares
Pricing	■ Final terms to be decided according to market conditions at the time of launch of the offering
Underwriting	■ Full commitment to underwrite the entire amount of the Rights Issue, subject to standard terms and conditions for this type of transaction ■ UniCredit Corporate and Investment Banking and Bank of America Merrill Lynch as Joint Global Coordinators and Joint Bookrunners; Credit Suisse, Goldman Sachs, Mediobanca and UBS as Joint Bookrunners
Timing of the Offering	■ UniCredit EGM expected in mid-November 2009 to approve the Rights Issue ■ Launch of the Offering expected in January 2010, subject to regulatory approval ■ Completion expected by 1Q2010

CAPITAL INCREASE RATIONALE

WHAT WILL CHANGE

- **Permanent strengthening of Core Capital**, **removing uncertainty**
  - ✓ **anticipating new regulatory** environment
  - ✓ **fully accounted by Rating Agencies**
  - ✓ in line with **market's changed expectations**
  - ✓ further **improvement of Balance Sheet** structure
- **Flexible capital allocation** to capture **opportunities from recovery**
- **Opportunity for a sustainable dividend** policy

WHAT WILL NOT CHANGE

- **UCG business model,** rooted in a **unique franchise in Western, Central and Eastern Europe**
- **Value creation** driven by **focus on core business** and **organic growth**
- **Disciplined capital and risk management**

REINFORCING THE GROUP WITH A MARKET SOLUTION, CONFIRMING UCG'S STRATEGY

AGENDA

- Strong franchise
- Capital strengthened
- **Conclusions**

COMPETING IN THE NEW NORMAL: A STRONG CAPITAL IS A CALL ON FRANCHISE

"OLD" WORLD	FINANCIAL CRISIS	"NEW NORMAL"
MARKET	GOVERNMENT	MARKET WITH ENHANCED REGULATION
RISK & PROFITABILITY	EXTREME RISK AVERSION	ACCEPTABLE RISK & SUSTAINABLE PROFITABILITY
LONG TERM VALUE CREATION & FRANCHISE	SHORT TERM MOMENTUM	LONG TERM VALUE CREATION THROUGH CUSTOMER CENTRICITY AND FRANCHISE
PREMIUM TO GROWTH	PREMIUM TO LOW RISK PROFILE	BALANCE OF GROWTH AND RISKS
CAPITAL PROVIDED BY THE MARKET	THE GOVERNMENT HAS TO PROVIDE CAPITAL	CAPITAL PROVIDED BY THE MARKET

SOME THINGS WILL CHANGE, OTHERS WILL COME BACK:

A SOLID FRANCHISE AND STRONG CAPITAL WILL PROVE A COMPETIVE ADVANTAGE

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