



UCG Corporate & Investment Banking

Sustainable Value Creation Leveraging on a Unique Client Franchise

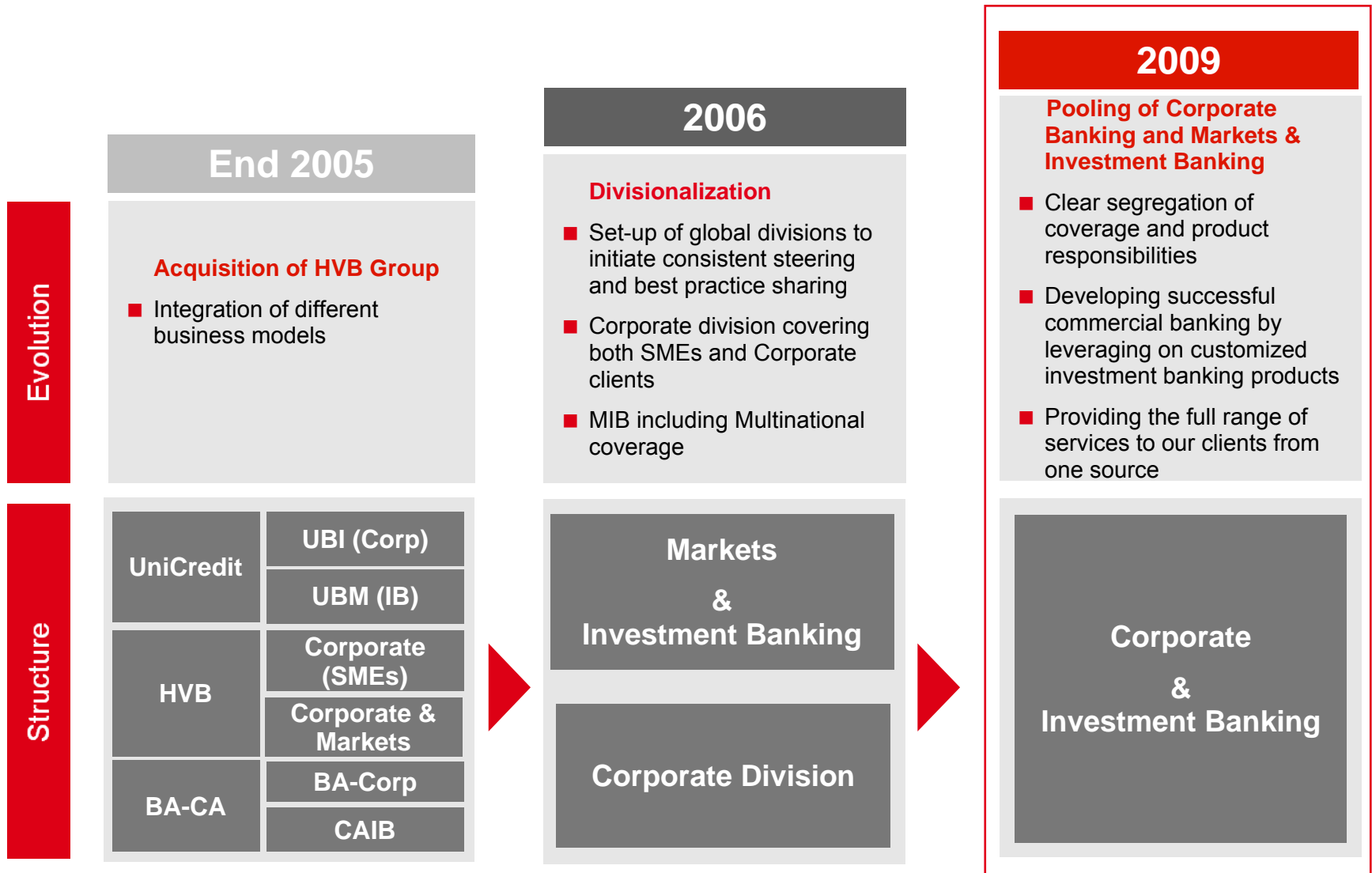
Sergio Ermotti – Group Deputy CEO

London, March 25th 2010

AGENDA

- **Introduction to UCG Corporate & Investment Banking**
 - Achievements and Positioning
 - Industry Trends, Opportunities and Strategy

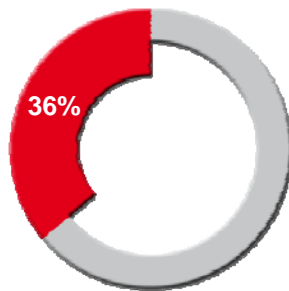
UCG Corporate & Investment Banking (CIB): The Natural Evolution in a Process Started at the End of 2005



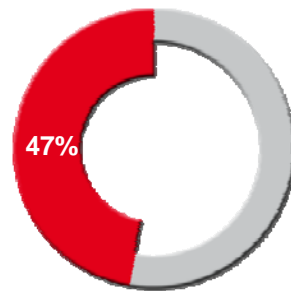
CIB is a Key Pillar in UCG Value Proposition...

Revenues and PBT^(*)

(CIB as % of Total UCG - FY09)



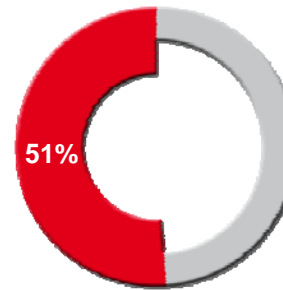
Revenues
(Eur 10 bn)



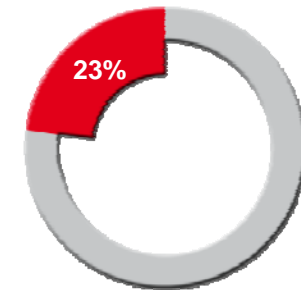
Profit before Tax
(Eur 1.5 bn)

Loans and Deposits^(*)

(CIB as % of Total UCG - FY09)



Loans to Customers
(Eur 290.5 bn)



Deposits from Customers &
Securities in issue (Eur 139.7 bn)

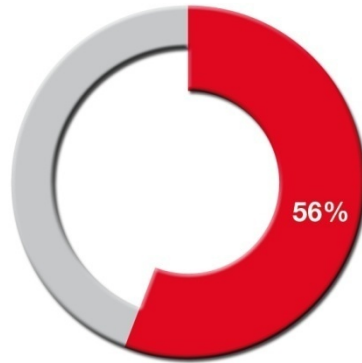
- Significant **contribution** to the Group **over-the-cycle**
- Natural ownership of Corporate Clients relationships with **untapped potential**
- Well **diversified** and **balanced portfolio** of businesses
- Well positioned to combine **capital-intensive business** with **fee-based products**
- Provider of **direct access to capital markets** for the Group

^(*) Figures do not include CIB business booked in Poland and CEE Division (see slide 30)

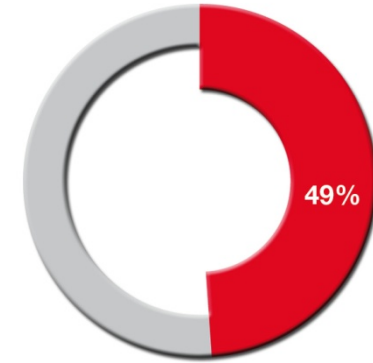
...and to Allow Fairer Comparison with Most Competitors its Perimeter Should Be Re-Casted

CIB as % of 2009 Group Total RWA

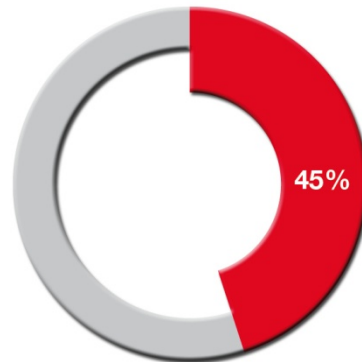
Current > Eur 3 mln (turnover)



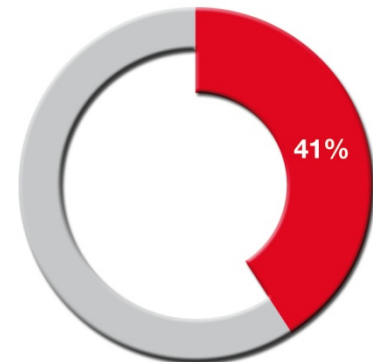
CIB with > Eur 50 mln



CIB with > Eur 150 mln



CIB with > Eur 500 mln



Organizational Model Exploits CIB Strengths

Product Lines



Client Coverage Network



- Coverage networks fully accountable for managing client relationship
- Product offer tailored to satisfy client needs
- Full alignments of incentives between Coverage Networks and Product Lines
- Centralized Marketing function to ensure a 360° commercial strategy

Full joint P&L accountability between Product Lines and Networks

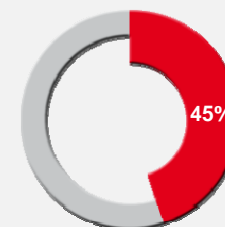
⁽¹⁾ Poland: reporting line to the Head of CIB & PB effective from January 1, 2010; CEE: reporting line to the Head of CIB & PB and Head of the CEE Divisionalization Program based on the CEE CIB cooperation model

Four Product Lines to Focus on Excellence...

Revenues FY09

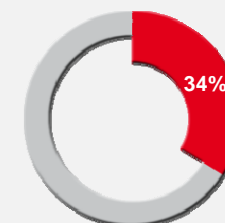
Financing & Advisory

- **Manage and coordinate all financing and advisory services**
 - ⇒ **centrally originate, structure and execute highly customized financing solutions** in the areas of Project & Commodity Finance, Leveraged Finance, Structured Asset & Real Estate Finance, Corporate Acquisition Finance, Principal Investments, and offer advisory services for M&A
 - ⇒ **locally set pricing guidelines, supervise and support standardized F&A activities** in coordination with Network



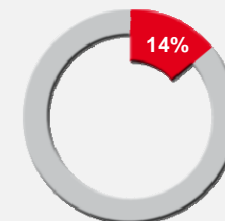
Markets

- **Manage and coordinate all activities related to financial markets** including value added solutions for clients, with main business areas in
 - ⇒ **Rates, Credit & Currencies**
 - ⇒ **Equities**
 - ⇒ **Debt and Equity Capital Markets**



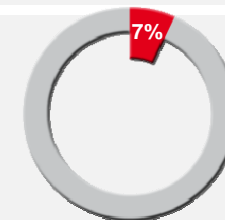
Global Transaction Banking

- **Manage and coordinate all transaction banking and securities services activities**, including custody in CEE
- Deliver comprehensive and innovative **Cash Management and Trade Finance** solutions for local and cross border client needs
- Advise on complex **Structured Trade & Export Finance** deals

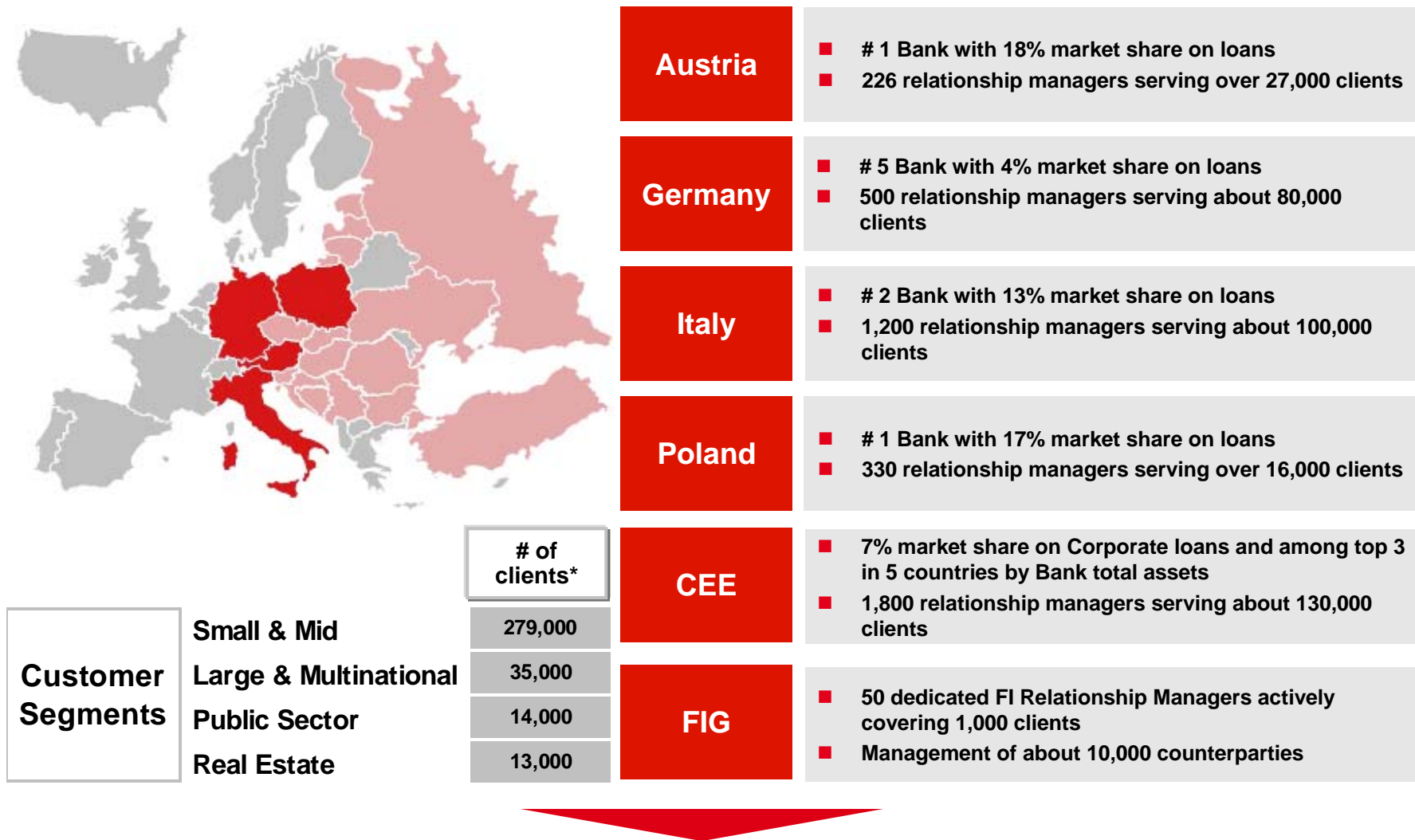


Leasing

- Structure, price and distribute **all Group's Leasing operations**



...Leveraging on an Unique Network and Client Franchise



Local banks in 22 countries, 350,000 corporate clients, 9% market share of loans

* Clients in AT, DE, IT, Poland and CEE

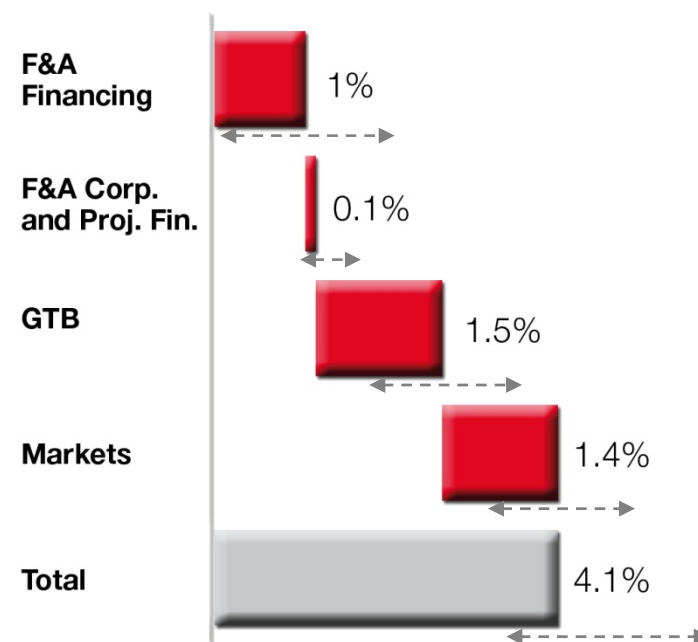
CIB Model Allows for a Flexible and Holistic Approach to Client Relationship

Client Example: Multinational Client with Subsidiaries in > 10 Countries

Client Revenues, 2009 Eur Ths

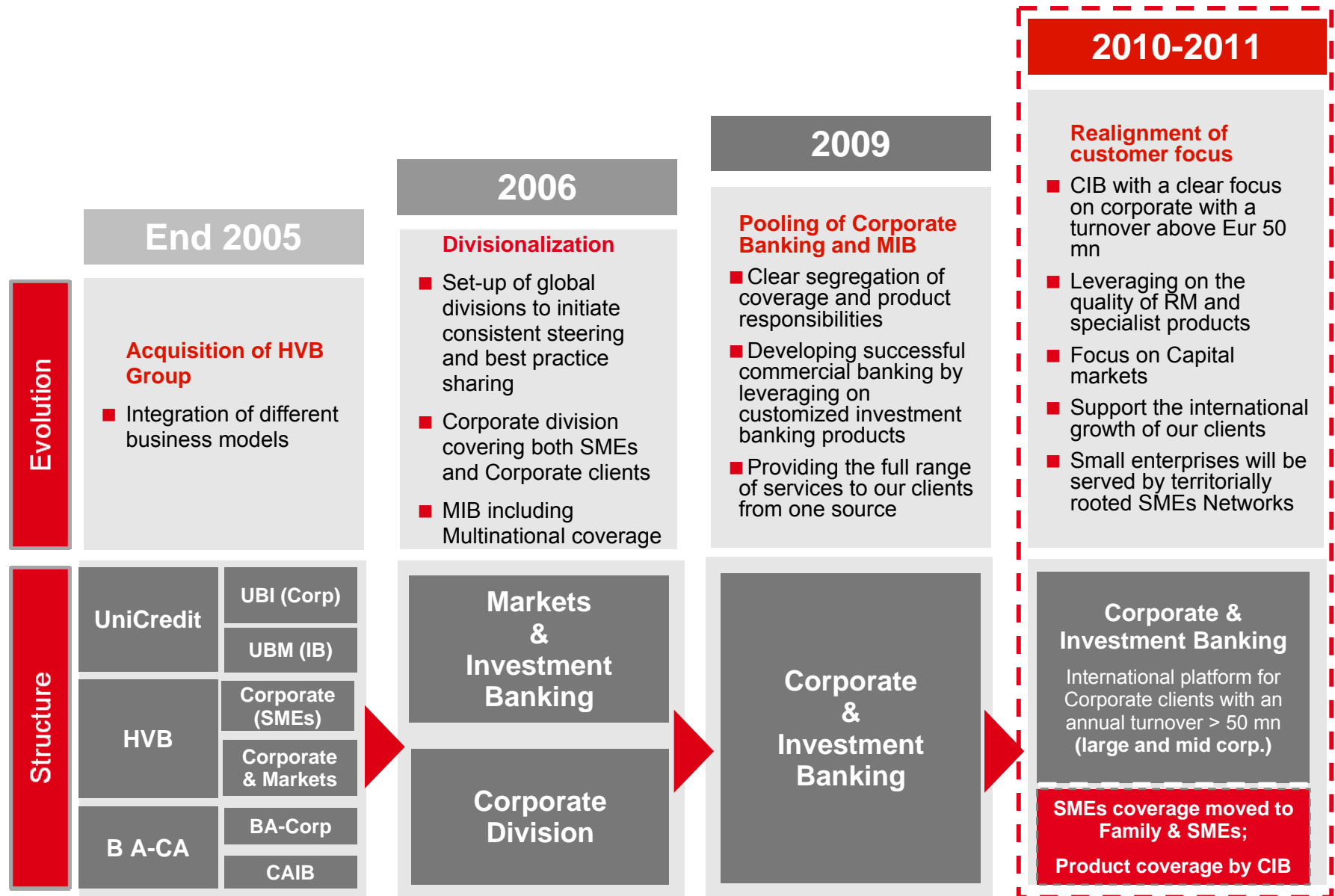
Product Line	Product	AT, DE and IT	CEE 5 Countries	Total
F&A	Financing	554	34	588
	Corp and Proj. Fin.	76		76
	Total	629	34	663
GTB	Deposits	19	62	81
	Cash Mgmt	195	94	290
	Custody	2		2
	Trade Finance	1,381		1,381
	Str. Trade Exp. Fin.	890		890
	Total	2,487	156	2,643
Markets	Capital Markets	1,602		1,602
	Forex	3		3
	Corp. Deriv & Other	107	23	129
	Total	1,712	23	1,734
Client Total Revenues		4,828	213	5,041

Client Revenues / RWA, (Cumulative)



- Significant cross-selling both across products as well as countries
- Diversified product portfolio reduces volatility of revenue streams
- Value creation through GTB, Markets and non-loan F&A products

The Next Step: a New Service Model to Fully Exploit Our Product Capabilities and Better Serve Clients



AGENDA

- Introduction to UCG Corporate & Investment Banking
- **Achievements and Positioning**
- Industry Trends, Opportunities and Strategy

2008-2009 Key Strategic Priorities and Achievements

Priorities

Complete integration...

..re-positioning through the crisis...

...and set the basis for future growth and sustainable performance

Achievements

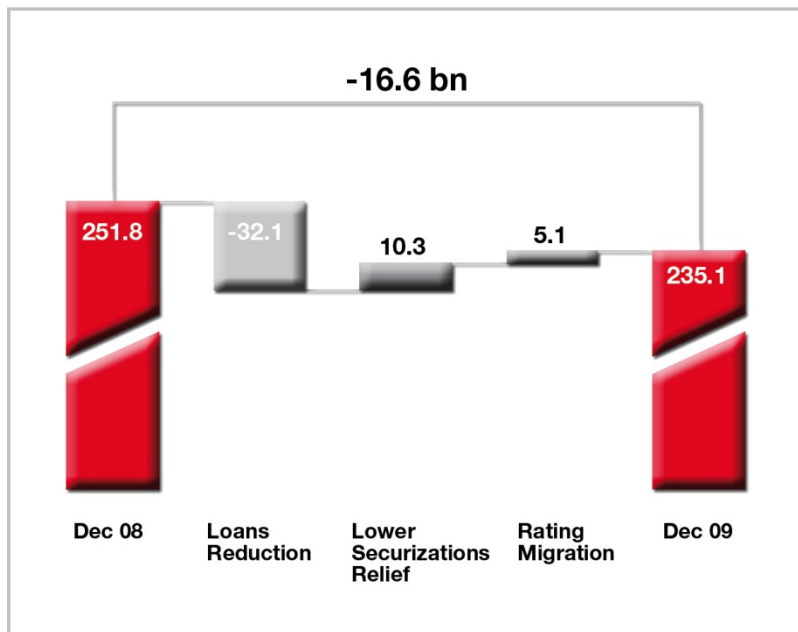
- 1 Significant de-leveraging and re-pricing
- 2 De-risking
- 3 Re-focusing of Markets
- 4 Effective cost management and restructuring
- 5 Strengthened and consolidated CIB product lines' positioning



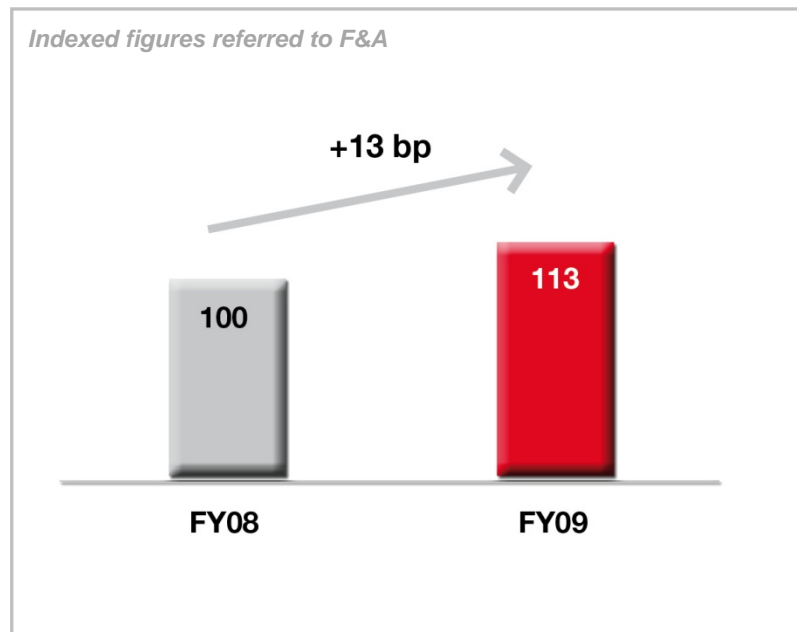
Setting the Basis for Future Growth

De-leveraging and Higher Asset Profitability through Re-pricing

CIB Credit RWAs, EoP Eur Bn



Margin on Loans



- **Deleveraging**

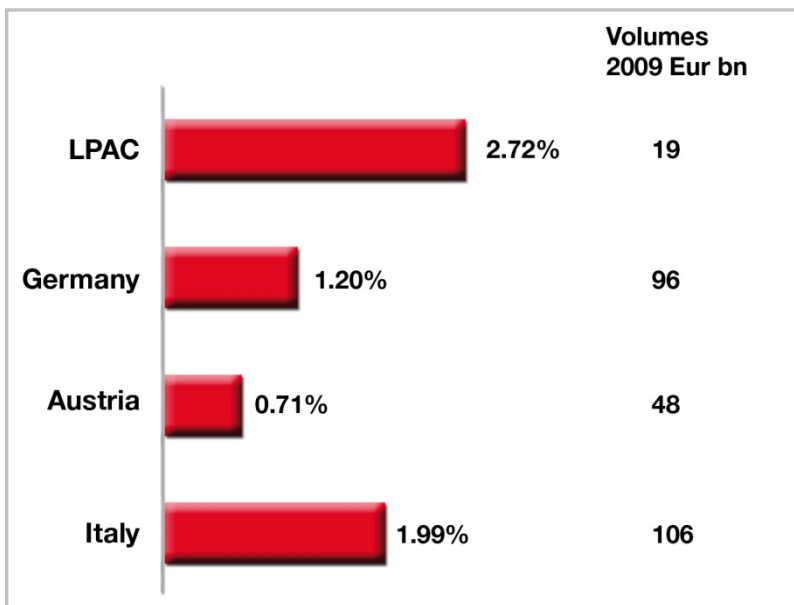
- ⇒ Selected reduction in lending exposure by focusing on core clients, while maintaining adequate credit supply to long-term relationships

- **Re-pricing**

- ⇒ Effective re-pricing action, especially in 1H 09, to reflect external credit and funding conditions

The Cyclical Downturn Severely Affecting F&A Cost of Risk ...

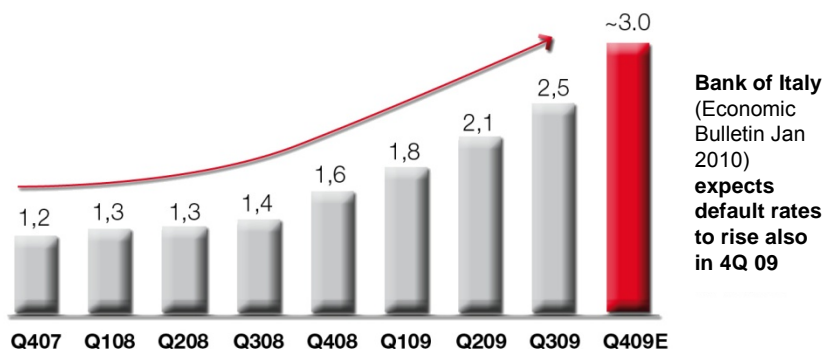
F&A FY09 Cost of Risk



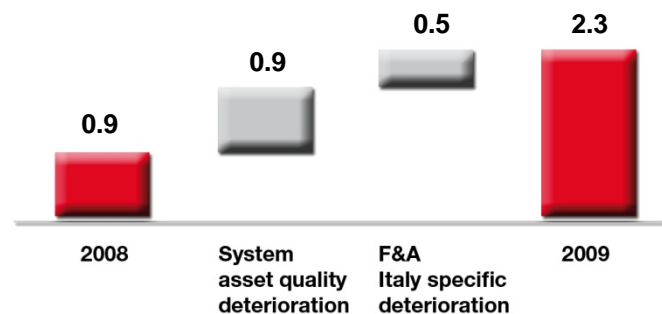
- **LPAC** cost of risk confirms sound quality of the portfolio in a tough credit environment and taking into account prudent provisioning policy
- Cost of risk well under control in **Germany** and **Austria** reflecting an overall good underlying quality of the loan portfolio
- **Italy** suffering the most from the tough credit environment
 - ➔ LLPs increase consistent with high default rates recorded in Italy especially in SMEs and export-related sectors
 - ➔ Early signs of levelling off in default inflows

Italy Corporate Default Rate and F&A Italy LLPs

Italy Corporate Default Rate - System %



F&A Italy LLPs, Eur bn



Source: Bank of Italy, UCG Managerial figures

... but Several Actions Put in Place to Mitigate Its Impact

Performing portfolio

- ✓ Detailed industry/country specific underwriting strategies with pre-defined characteristics of new business
- ✓ Early identification of the weakest counterparties in industries considered most impacted by the crisis
- ✓ Pro-actively managed exposures to counterparties showing signs of deterioration

Non-Performing portfolio

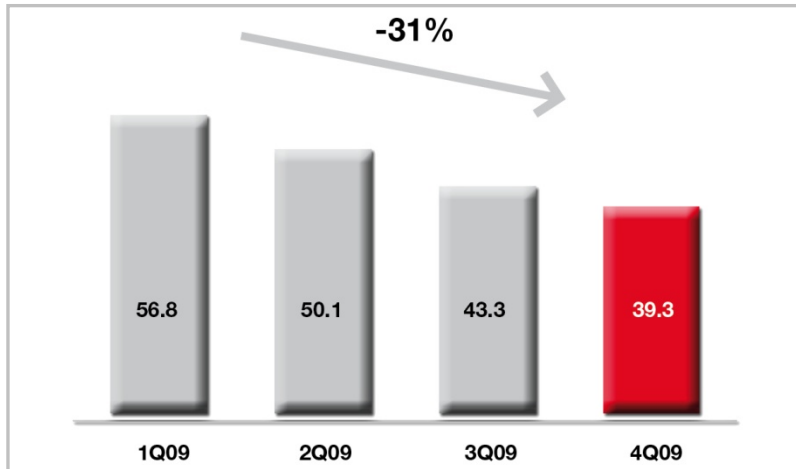
- ✓ Strengthening of restructuring team within Risk Management
- ✓ Restructuring efforts started to show positive results

Gradual Improvement of Cost of Risk and Predictability

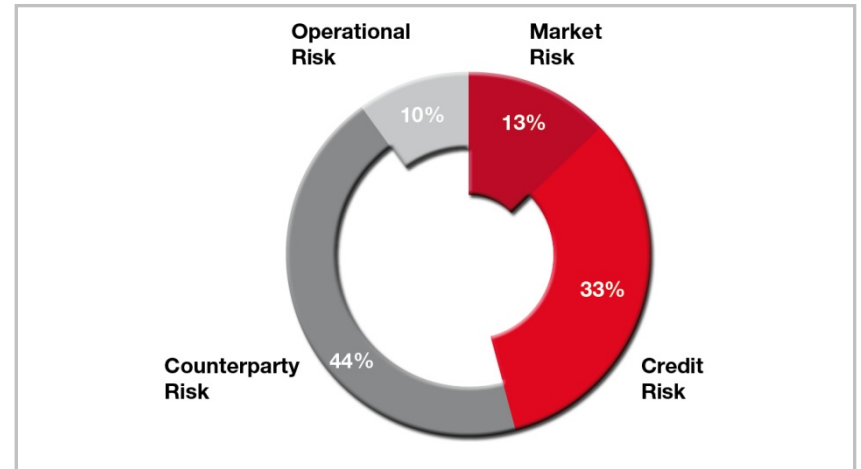
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Markets: Successful De-Leveraging and De-Risking while Preserving Portfolio Quality...

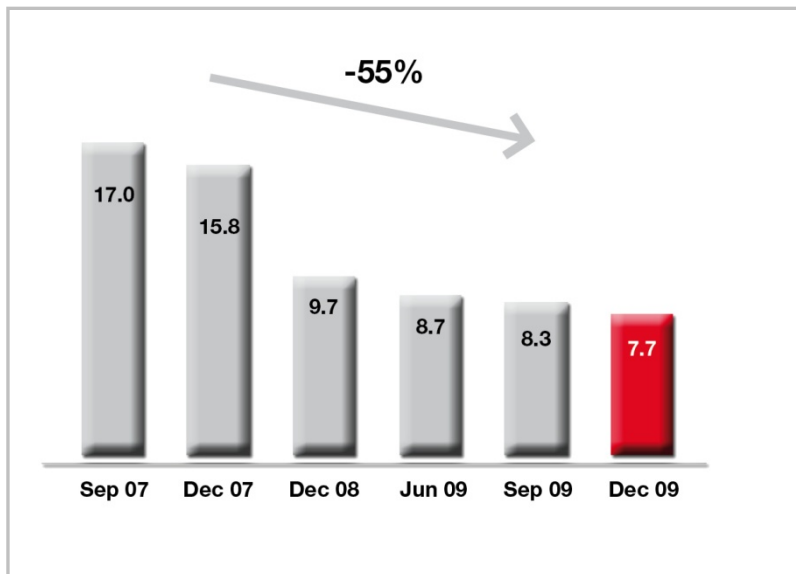
Evolution of Markets (Product Line) RWA (Eur Bn)



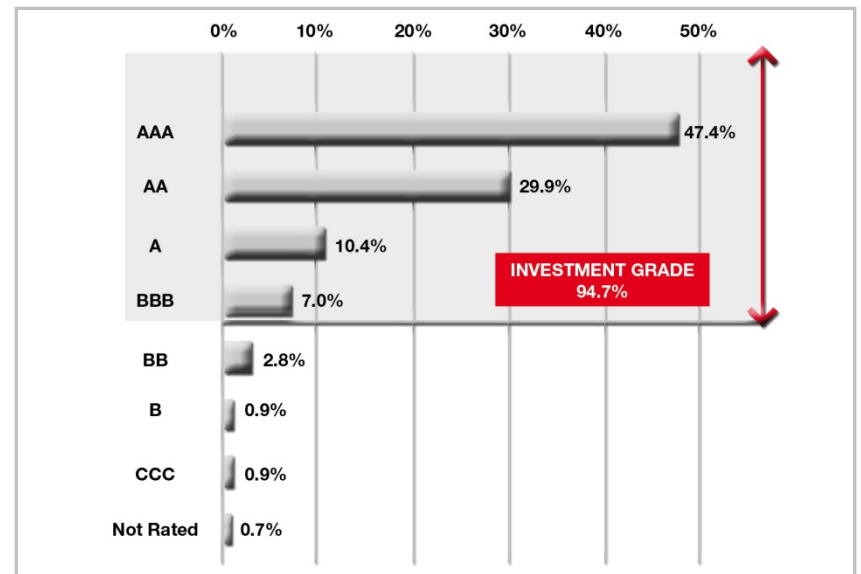
Markets (Product Line) RWA by Risk Type (Dec09)



ABS Book Value (Eur Bn)



ABS Breakdown by Rating (Dec09)



...along with an Increased Focus on Diversified Client Base

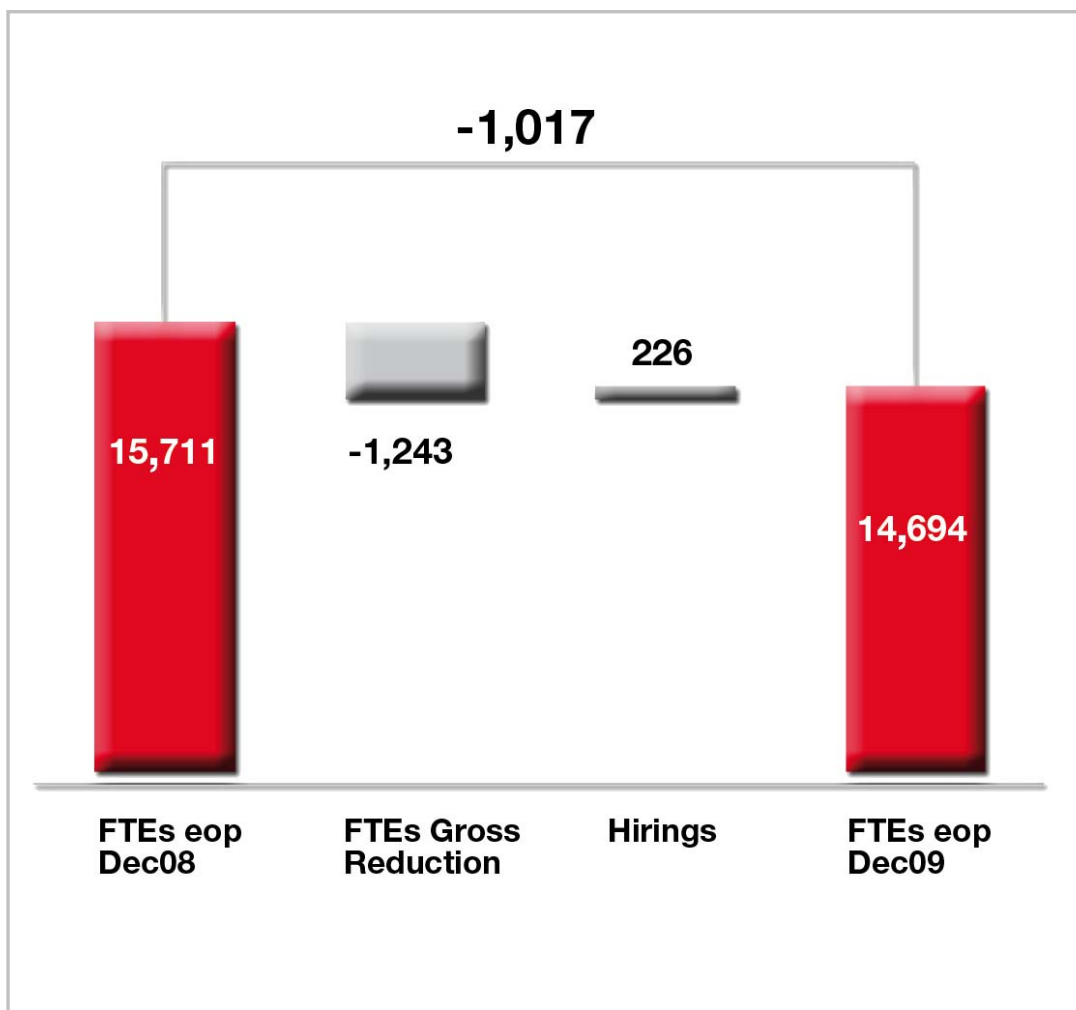
Breakdown of Markets Product Line Client Revenues



- A sustainable business model based on solid clients flows geared towards servicing well-identified needs
- More than half of client revenues stemming from Group Clients in areas such as FX, Rates, Equities, Structured Investments, Capital Markets and Value Added Client-Driven Solutions
- Recent strategic investments to strengthen institutional distribution and research capabilities

Effective Restructuring Coupled with Selected Strategic Investments

CIB FTEs Trend in FY09

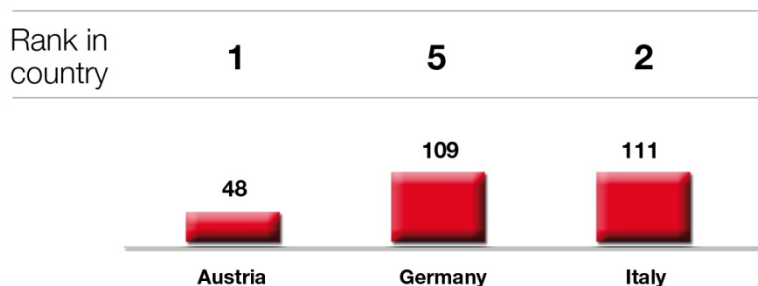


- Former MIB restructuring completed
- Staff optimization
 - ✓ Total FTEs reduction (~-1,000 employees in FY09)
 - ✓ Selective hiring of highly skilled employees in low capital absorption areas, to complete product offer and distribution as well as research capacity
- Structural cost savings to improve efficiency (staff costs -3.4% y/y in FY09)

Financing & Advisory: Strong Positioning and Product Capabilities as Basis to Improve Asset Profitability ...

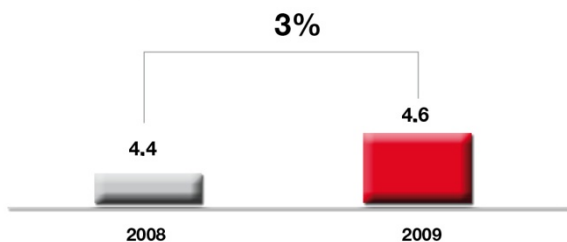
A Strong Financing Powerhouse...

LOANS, 2009 eop Eur bn



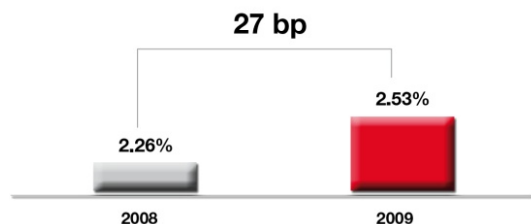
Solid Revenues...

Revenues, Eur bn



...and Potential to Further Improve Asset Profitability

Revenues / RWA



...with recognized Product Capabilities

UCG Ranking & Mkt share in 2009 MLA league tables

	Home Markets		All Europe	
	Rank #	Mkt share %	Rank #	Mkt share %
Syndicated loans	1	9	9	3
LBO	1	11	3	5
Project Finance	1	10	3	4

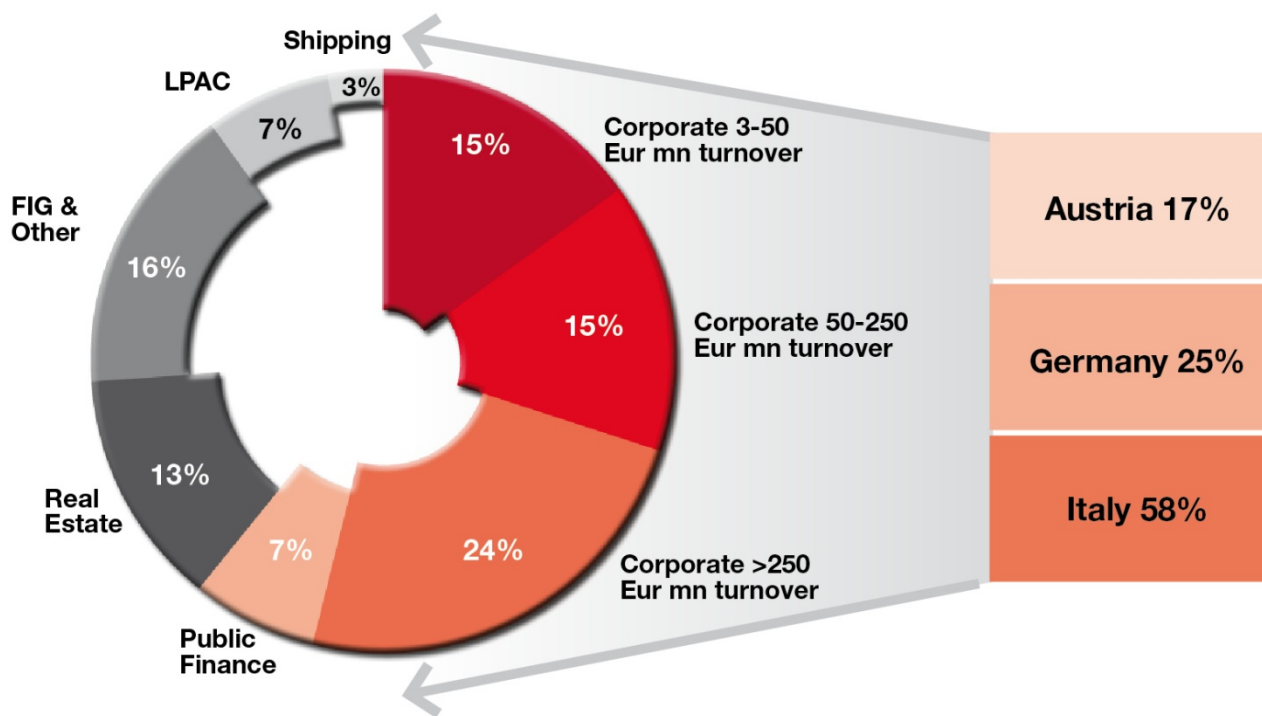
<p>Schaeffler Group</p> <p>EUR 22,991,000,000 Advisor to Schaeffler on the public take-over offer of Continental AG Germany 2009</p>	<p>TUI AG</p> <p>EUR 4,150,000,000 Advisor to TUI on the Acquisition Facility Hapaq-Lloyd AG Germany 2009</p>	<p>ESCADA AG</p> <p>Undisclosed Advisor to Escada on the disposal of Primera Group to Mutares AG Germany 2009</p>	<p>Alliance Boots</p> <p>Undisclosed Advisor to Alliance Boots in the merger between Boots Opticians and Dollond & Aitchison UK 2009</p>
<p>Albanian Mobile</p> <p>EUR 48,000,000 Advisor to the Government of Albania on the sale of 12.6% in AMC Albania 2009</p>	<p>RWE</p> <p>The energy to lead EUR 9,000,000,000 Acquisition Facility MLA & Bookrunner Germany 2009</p>	<p>K+S</p> <p>EUR 1,550,000,000 Acquisition Facilities MLA & Bookrunner Germany 2009</p>	<p>ENEL</p> <p>EUR 8,000,000,000 Facility C Increase and Rollover Facility MLA & Bookrunner Italy 2009</p>
<p>Tatneft/Tavit R.V.</p> <p>USD 1,500,000,000 Pre Export Facility Coordinating MLA, Bookrunner & Facility Agent Russia 2009</p>	<p>R1 Expressway Slovakia</p> <p>EUR 1,017,000,000 Project Finance Coordinating MLA Slovakia 2009</p>	<p>F2I/AXA, Enel Rete Gas</p> <p>EUR 1,680,000,000 Advisor to F2I/Axa PE EUR 1,050,000,000 Senior Facilities MLA & Hedging Bk. Italy 2009</p>	<p>Nord Stream Pipeline</p> <p>EUR 3,873,000,000 Project Finance Financial Advisor (UFK) & MLA CEE 2009</p>

— Mergers & Acquisitions — Financing

...Leveraging a Well Diversified Portfolio and a Unique Network Franchise

F&A Loan Book Breakdown by Segment

Dec 09 managerial figures; 100% = Eur 268 bn



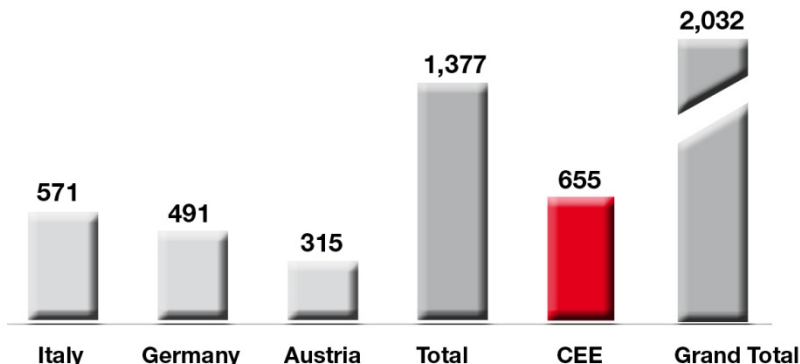
- Portfolio concentrated in wealthy / resilient economic areas
- Relevant weight of Small & Mid due to low threshold in customer segmentation (>3 mln turnover)

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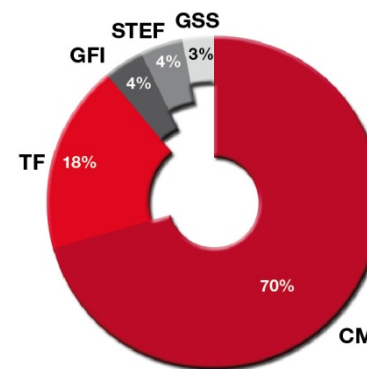
Global Transaction Banking: A Leading Player with Strong Growth Potential Particularly in CEE

Eur ~1.4 Bn Revenues even in an Unfavourable Macro Environment, Eur 2 Bn with CEE...

Revenues by country, 2009 Eur mn



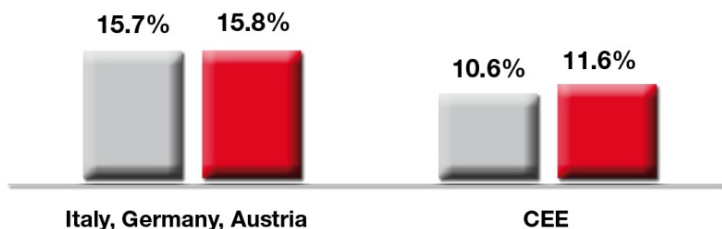
Revenues mix by product, 2009



...along with Strong Positioning in WE and CEE

Trade Flows Market Share

■ 2008 ■ 2009



Source: SWIFT on DocCredit and Guarantees

(*) **CM**: Cash Mgmt; **TF**: Trade Finance; **GFI**: Global Financial Institutions; **STEF**: Struct. Trade & Export Finance; **GSS**: Securities Services



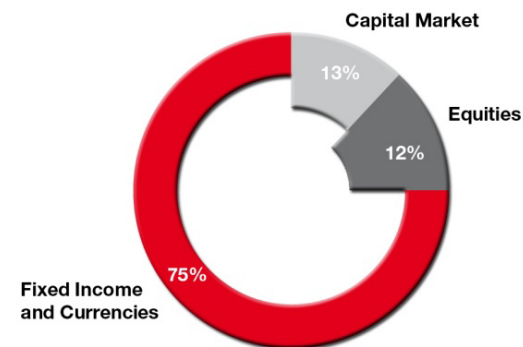
Markets: Stronger After the Crisis, Focusing on Achieving Natural Share of Wallet with Clients

Strong Recovery in Revenues and Asset Profitability ...

Revenues, Eur mn



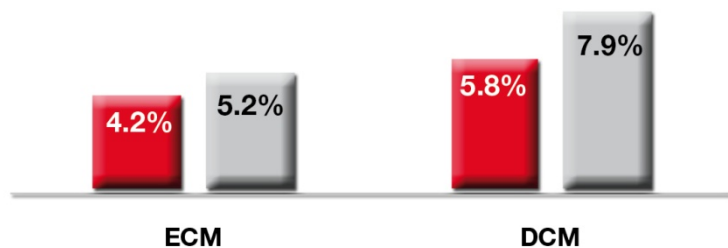
Revenues by products (2009)



...coupled with Ability to Win Market Shares through the Crisis

UCG Capital markets mkt share

■ Avg. 2007/2008 ■ Avg. 2009



<p>Polska Grupa Energetyczna</p> <p>EUR 1,415,800,000 IPO</p> <p>Joint Bookrunner Poland 2009</p>	<p>Metro AG</p> <p>EUR 595,000,000 ABB Secondary</p> <p>Sole Bookrunner Germany 2009</p>	<p>MNV/ Gedeon Richter</p> <p>EUR 833,300,000 Exchangeable Bond</p> <p>Joint Bookrunner Hungary 2009</p>	<p>PKO Bank Polski</p> <p>EUR 1,204,400,000 Rights Issue</p> <p>Joint Bookrunner Poland 2009</p>	<p>Premiere AG</p> <p>EUR 450,000,000 Rights Issue (Dual Tranche)</p> <p>Joint Bookrunner Germany 2009</p>
<p>Roche</p> <p>USD 42,500,000,000 Multi-tranche Senior Bonds</p> <p>Issue Rating Aa1/AA</p> <p>Joint Bookrunner Switzerland 2009</p>	<p>Evonik</p> <p>EUR 750,000,000 Inaugural Senior Bond</p> <p>7% due 2014</p> <p>Non-rated</p> <p>Joint Bookrunner Germany 2009</p>	<p>Fiat</p> <p>EUR 1,500,000,000 Senior Bond</p> <p>6.875% due 2015</p> <p>Issue Rating Ba1/BB+</p> <p>Joint Bookrunner Italy 2009</p>	<p>Agrokor</p> <p>EUR 400,000,000 Senior Bond</p> <p>10% due 2016 NC 2013</p> <p>Issue Rating B2/B</p> <p>Joint Bookrunner Croatia 2009</p>	<p>European Investment Bank</p> <p>EUR 5,000,000,000 4.50% due 2025 Senior Bond</p> <p>Joint Bookrunner EU 2009</p>
<p>Deutsche Postbank</p> <p>EUR 1,500,000,000 3.125% due 2014 Öffentlicher Pfandbrief</p> <p>Joint Bookrunner Germany 2009</p>	<p>European Community</p> <p>EUR 2,700,000,000 3.125% due 2015 Senior Bond</p> <p>Joint Bookrunner EU 2009</p>	<p>UniCredit</p> <p>EUR 2,500,000,000 4.25% due 2016 Covered Bond</p> <p>Joint Bookrunner Italy 2009</p>	<p>Nordea Bank AB</p> <p>EUR 2,000,000,000 3.00% due 2012 Senior Bond</p> <p>Joint Bookrunner Sweden 2009</p>	<p>Republic of Italy</p> <p>EUR 6,000,000,000 5.00% due 2040 Government Bond</p> <p>Joint Bookrunner Italy 2009</p>

Source: Thomson Reuters, Mkt shares in Home Markets, ie Austria, Germany, Italy, Poland and CEE

5

Leasing: Leading Position in Europe to Be Fully Exploited to Increase Profitability

A Leading Player in Western Europe and CEE ...

New Business by country, 2009 Eur bn



- # 1 player in Europe by new business and Lessor of the year
- Top 3 positions in 11 out of 17 countries, with top cross-border execution capability

Source: LeaseEurope (October 2009), LeasingLife

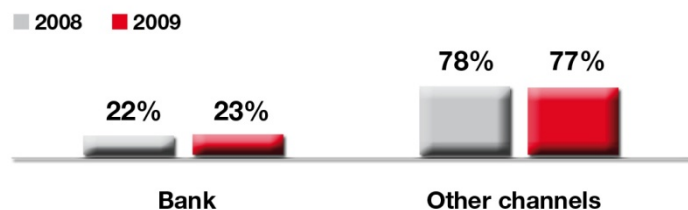
...with a Tight Pricing Discipline in Place

Spread on new business, index, 2008 = 100



...and Room to Improve Profitability by Increasing UCG Bank Channel Usage

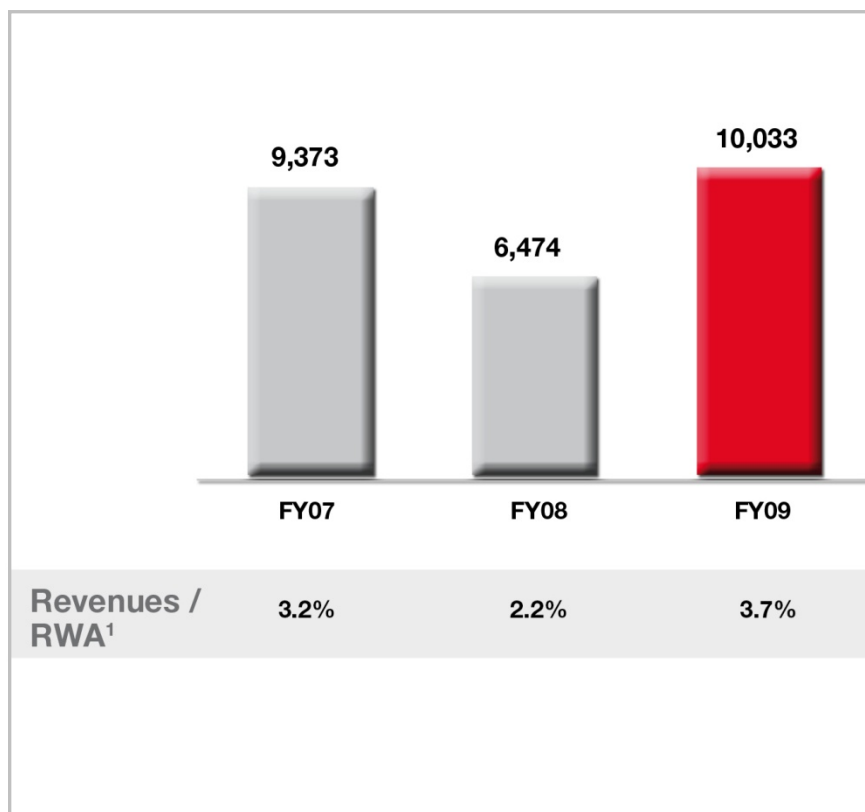
New business by channel, 2008 and 2009 %



<p>Ferrexpo Poltava GOK Corporation</p> <p>Asset-based financing of railcars</p> <p>Ukraine 2009</p>	<p>ARS Altmann Rail System GmbH</p> <p>EUR 70,000,000 Asset-based financing of railcars</p> <p>Germany 2009</p>	<p>Leitwind SpA</p> <p>EUR 12,000,000 Renewables: Wind generator turbines for a windpark in Bulgaria 2009</p>
<p>Schoemer-Baumax Group</p> <p>Over EUR 40,000,000 Real estate projects in Romania, Czech Republic, Hungary, Bulgaria 2009</p>	<p>Mercator Group</p> <p>Over EUR 30,000,000 Real estate projects</p> <p>Croatia 2009</p>	<p>City of Debrecen</p> <p>EUR 16,000,000 Public transportation fleet financing</p> <p>Hungary 2009</p>

CIB Delivering Solid Operating Results through the Crisis...

Total Revenues (Eur Mln)



P&L (Eur mln)	FY07	FY08	FY09
Total Revenues	9,373	6,474	10,033
Operating Costs	-3,759	-3,484	-3,309
Operating Profit	5,613	2,991	6,724
Net write-downs on loans	-903	-2,144	-4,464
Profit before taxes	4,962	690	1,555

KPIs	FY07	FY08	FY09
PBT/Avg. RWAs,%	170 bp	24 bp	58 bp
Cost/Income Ratio, %	40.1%	53.8%	33.0%
Loans, bn eop	300.4	330.1	290.5
RWAs, bn eop	296.9	278.4	253.1
Cost of risk, bp (on loans)	32 bp	68 bp	142 bp

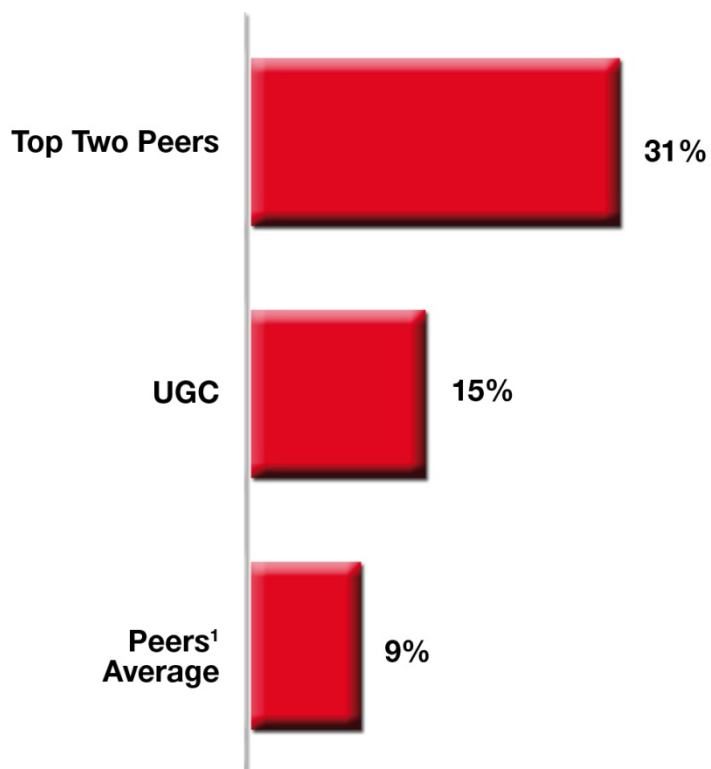
Revenues and GOP above Pre-crisis Levels with Greater Sustainability and Setting the Basis for Future Growth

FY07 as former Corporate + Markets & Investment Banking Divisions, pro-forma including Capitalia; data do not include CIB Poland

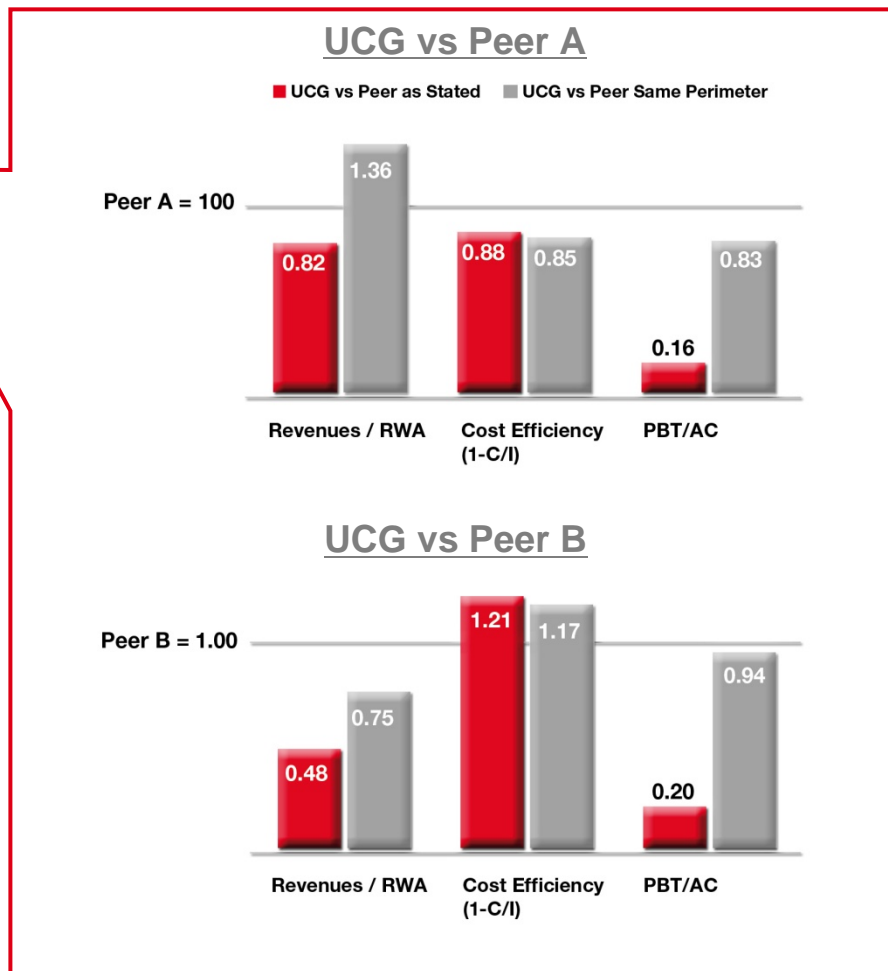
(1) Total RWA monthly average

...and Achieving a Profitability Across-the-Cycle Better than Peers Average, Comparable to Best-in-Class on a Like-for-Like Basis

UCG CIB Profitability Positioning PBT / Allocated Capital (2005-2009)*



UCG CIB Profitability with Business Perimeter Re-casted to that of Top Two Peers (2009 indexed peers = 1.00)**



Source: Companies' accounts. (1) Peers sample: UCG, BBVA, SCH, BNP, SocGen, Credit Agricole, RBS, UBS, Credit Suisse, DB, Commerz, Erste, Barclays, Intesa-Sanpaolo. (*) PBT/AC: pro-forma on a year-by-year basis; if N/A, allocated capital is estimated based on RWA. Data excludes PBT effects of accounting reclassification, gains from acquisition/disposals and extraordinary items. UCG 2005-2007 refer to Corporate + MIB. (**) RWA as of Dec-09. Re-casted perimeters are based on products and client segments as stated by peers.

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- Introduction to UCG Corporate & Investment Banking
- Achievements and Positioning
- **Industry Trends, Opportunities and Strategy**

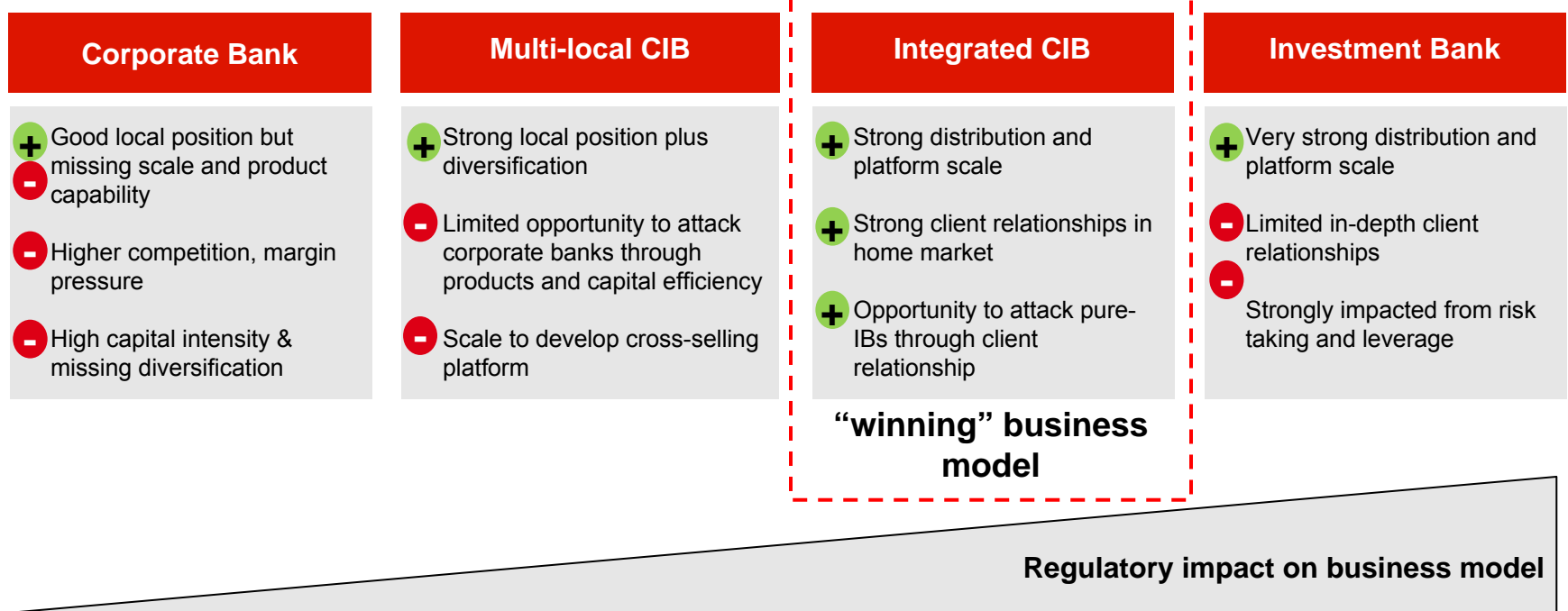
Banks with Stronger Client Franchise Best Positioned to Benefit from Macroeconomic and Industry Scenario

Expected developments in the macro & banking scenario and in the competitive landscape

Impact on CIB

Macroeconomic environment	<ul style="list-style-type: none"> ▪ Stabilized macroeconomic environment ▪ Global economic growth driven by emerging markets, WE with slow recovery ▪ Slow pick up in market reference rates 	<ul style="list-style-type: none"> + Lower cost of risk in F&A + GTB revenues spurred by GDP and trade flows recovery
Banking volumes and margins	<ul style="list-style-type: none"> ▪ Lending growth in WE and CEE countries in line with GDP ▪ Lending margins to remain stable 	<ul style="list-style-type: none"> - Subdued loan volumes in WE... + ...but stronger recovery gives more potential in CEE
Financial and Capital Markets	<ul style="list-style-type: none"> ▪ Exceptional 2009 in financial markets difficult to repeat ▪ Moderate increase in risk appetite ▪ Past growth in corporate debt may sustain further activity in capital markets and advisory 	<ul style="list-style-type: none"> - Markets revenues to decline vs exceptional 2009 + Upside potential from renewed market access
Industry / Regulation	<ul style="list-style-type: none"> ▪ Regulation to limit risk-taking by e.g. increasing capital requirements for market risk ▪ Universal banks' model to prevail, drive towards combining relationships with product expertise 	<ul style="list-style-type: none"> - Manageable increase in RWA + Opportunity for CIB to gain market shares vs other players

UCG Already Taking Advantage of the New Competitive Landscape

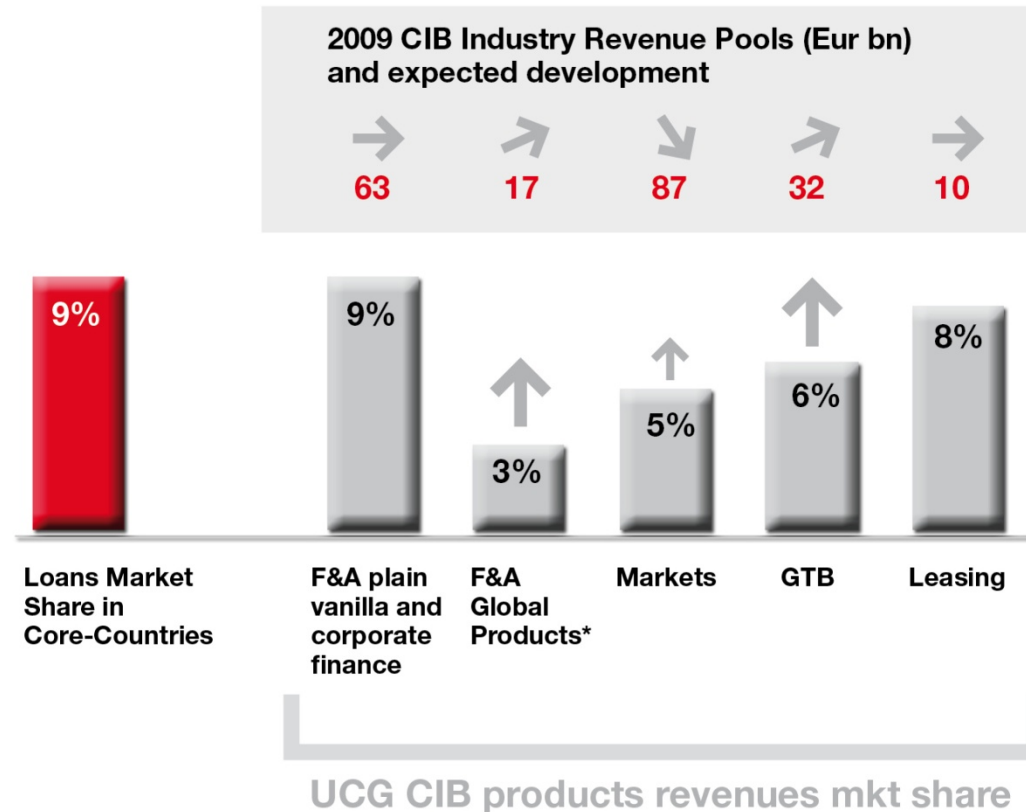


Mkt shares in Home Markets	DCM			ECM			LBO			Project & Commodity Fin.			M&A		
	2007-08	2009	Var.	2007-08	2009	Var.	2007-08	2009	Var.	2007-08	2009	Var.	2007-08	2009	Var.
UniCredit Group	5,8%	7,9%	▲	4,2%	5,2%	▲	9,5%	11,0%	▲	7,0%	7,8%	▲	1,0%	3,0%	▲
European Banks	40,2%	46,5%	▲	13,0%	17,1%	▲	55,7%	54,5%	▼	53,0%	34,7%	▼	6,5%	18,5%	▲
Global IB	44,3%	34,1%	▼	64,2%	43,4%	▼	21,1%	8,1%	▼	5,6%	2,1%	▼	39,3%	47,6%	▲
Local banks	15,5%	19,4%	▲	22,8%	39,5%	▲	23,2%	37,4%	▲	41,4%	63,2%	▲	54,2%	33,9%	▼

Source: Thomson Reuters. The geographic allocation of deals is based on country of target company for M&A, country of issuer for ECM/DCM/LBO/PCF

UCG with the Potential to Increase its Share in CIB Revenue Pool...

2009 UCG¹ CIB Loans and Revenues Market Share vs CIB Revenue Pool



Significant gap to fill in terms of revenues and product diversification by optimizing current deployed capital

¹ CIB current perimeter plus Poland and CEE perimeter under CIB managerial supervision
 Source: McKinsey, national central banks, CIB Strategy estimates and UCG Internal data
 *F&A Global Products: LBO, Project Commodity Finance, Asset Finance

...and to Enable the CEE Region to Capture Growth Opportunities in the Area

Leveraging UCG leading Position in CEE...

Selected CEE Region CIB¹ KPIs, 2009

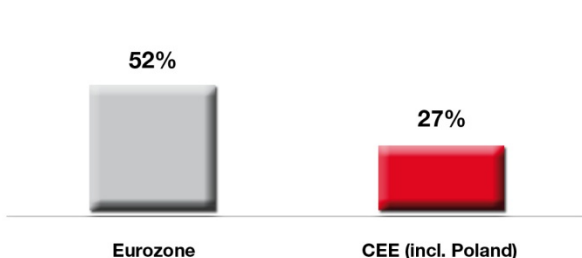
Revenues	2.5
GOP	1.9
Profit before tax	1.3
Loans	45
Deposits	31
Revenues / RWA	5.0%
Cost / Income	23.2%

Selected awards in CEE

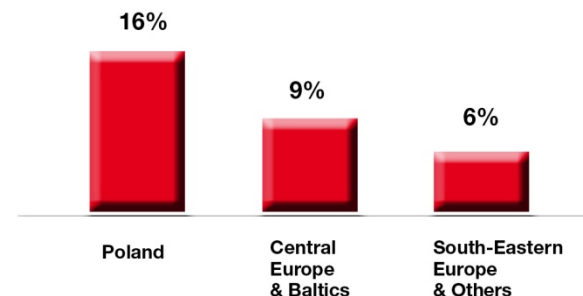
	→ Best Trade Finance Provider in CEE 2009
	→ Best FX Bank in CEE 2009
	→ CEE, Best at Cash Management
	→ CEE, Best at Investors Services
	→ Fixed Income Research Poll 2009 – #1 Emerging Markets Sovereigns
	→ Best Investment Bank from Central and Eastern Europe 2009

...to benefit from stronger macroeconomic growth and catch-up in financial & banking penetration

Corporate Loans / GDP, 2009



UCG Corporate Loan Market Shares, Dec 2009



Summing up

What we have done so far

- ✓ **CIB integration and restructuring**
- ✓ **New business model implementation**
- ✓ **De-leveraging, de-risking and re-pricing**
- ✓ **Repositioning to take advantage of the new competitive landscape**

Next steps

- ⇒ **Exploit UCG client franchise to reach a natural share of wallet through an holistic and integrated product offer**
- ⇒ **Completion of the new segmentation**
- ⇒ **Maximize capital efficiency**
- ⇒ **Enable the Group to fully capture the growth opportunities in CEE**



Sustainable Value Creation Leveraging on a Unique Client Franchise