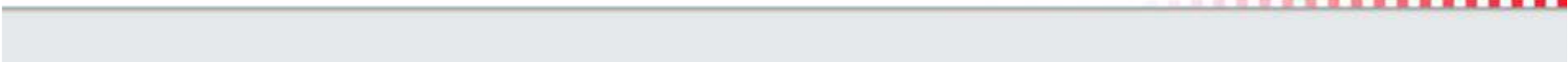
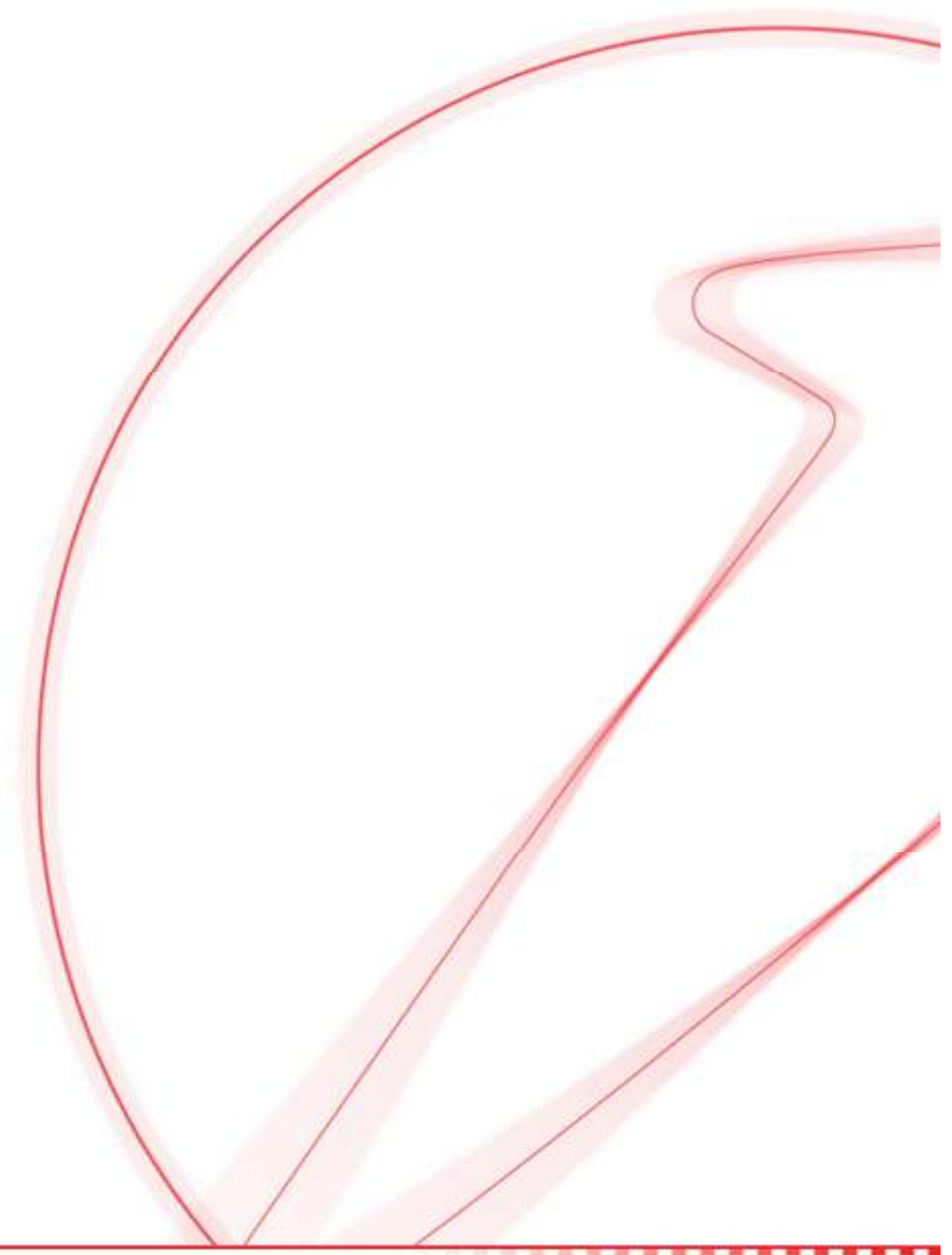




# UNICREDIT GROUP PROFILE

Presentation for Students of Katolicki Uniwersytet Lubelski,  
Faculty of Economics, April the 19th, 2007.

Lecture by Mr. Paolo Iannone, Member of the Management  
Board of Pekao S.A. Bank, responsible for Retail Banking  
Division



# UNICREDIT GROUP PROFILE





# AGENDA

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## UNICREDIT GROUP IN THE WORLD

- ✓ **First Truly European Bank**
- ✓ Key factors of worldwide success

## POLAND MARKETS DIVISION

- ✓ **New Pekao – undisputed leader in Poland**
- ✓ Key factors of region-wide success

## SUMMARY

# UniCredit is the First Truly European Bank



**14<sup>th</sup> bank world-wide in terms of  
Market Capitalization<sup>4</sup>**

## MAIN STRUCTURAL FIGURES<sup>1</sup>

- Employees<sup>2</sup>: ~ 142,000
- Customers: 35 mn
- Branches<sup>3</sup>: over 7,200
- Deposits and debt securities in issue: € 495 bn
- Loans: € 449 bn
- Banking operations in 20 countries
- Global player in  
Asset Management: € 246 bn AuM  
(with coverage in 5 continents)

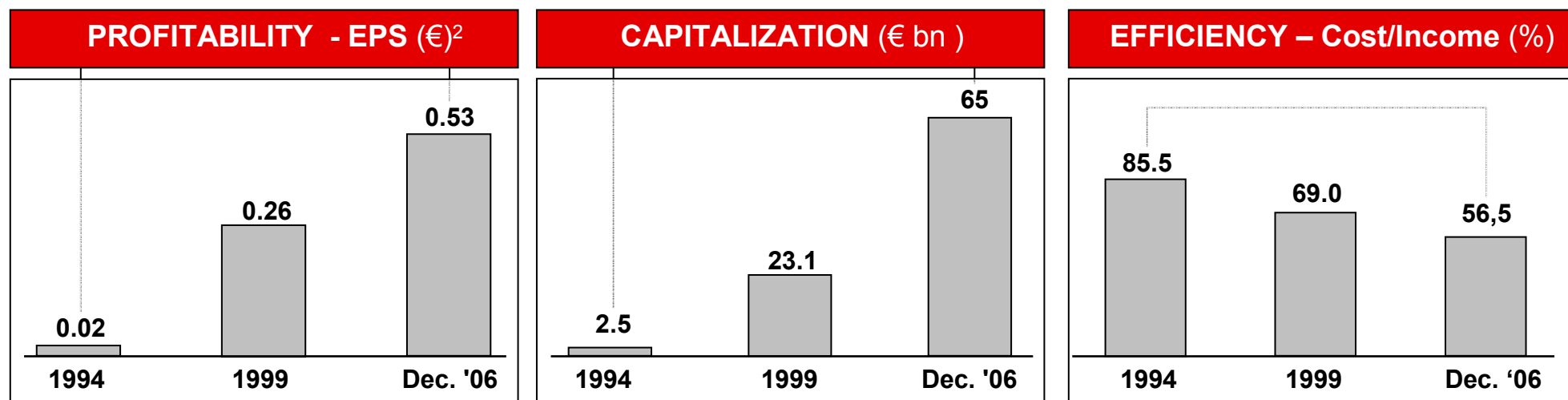
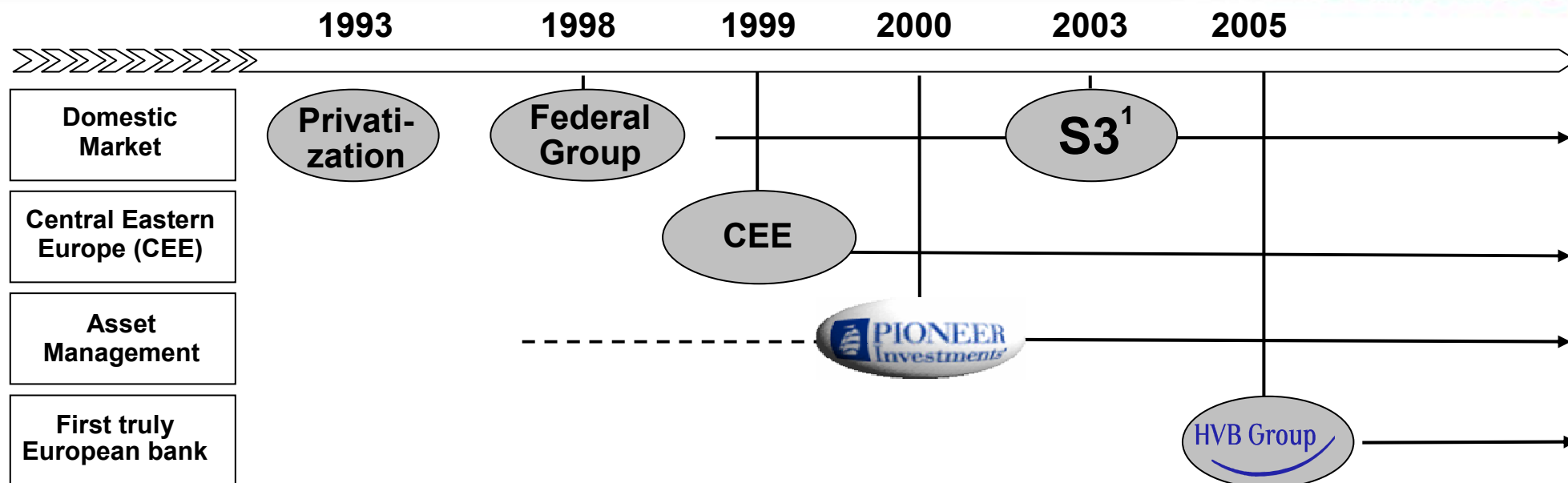
(1) Data as at 31 December 2006

(2) "Full time equivalent" and KFS considered at 100%

(3) KFS considered at 100%

(4) Data as at 31 December 2006

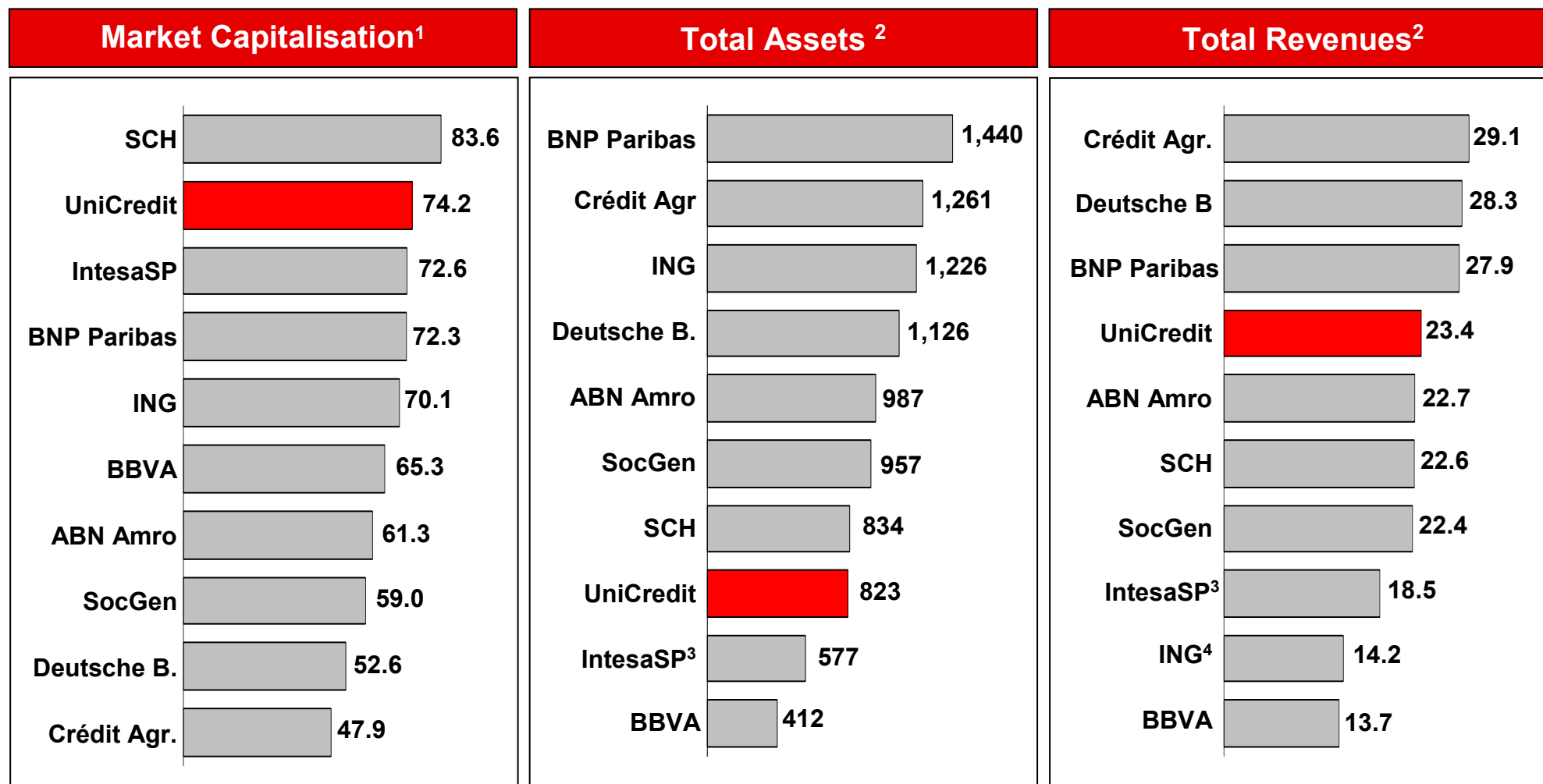
# UniCredit has systematically opted for breakthroughs, which have assured excellent economic and financial results



(1) Project that led to the creation of three specialized banks by customer segment in Italy: UniCredit Banca in the retail segment, UniCredit Banca d'Impresa in the corporate one and UniCredit Private Banking in the private one

(2) Earning per share

... firmly set in the top ranks of the Eurozone banking industry ...



Source: individual companies' financial statements, Bankscope and Financial Times database

(1) Figures in € bn as at 31 Dec. 2006

(2) Figures in € bn as at 31 Dec. 2006

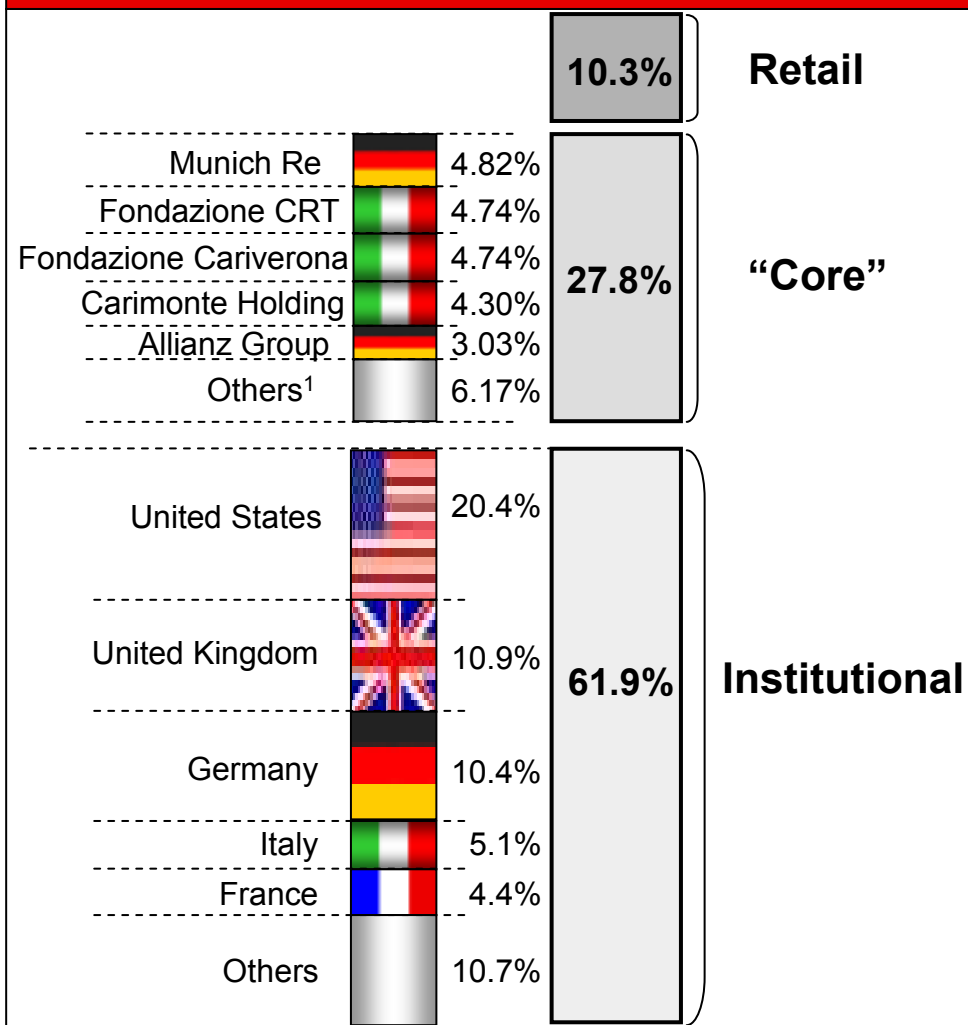
(3) Figures of Banca Intesa and SanPaolo-IMI are pro-forma

(4) Banking Division only

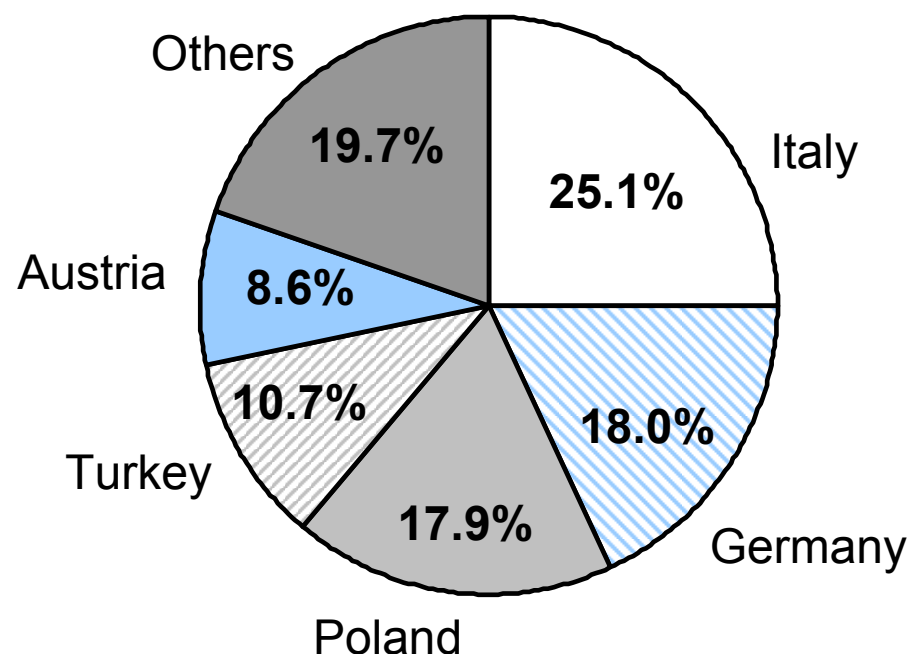


... with a clear international profile confirmed by shareholder structure and by employees distribution ...

## UniCredit shareholder structure



## UniCredit employees distribution<sup>2</sup>



Source: Internal data as at 31 December 2006

(2) For employees nationality

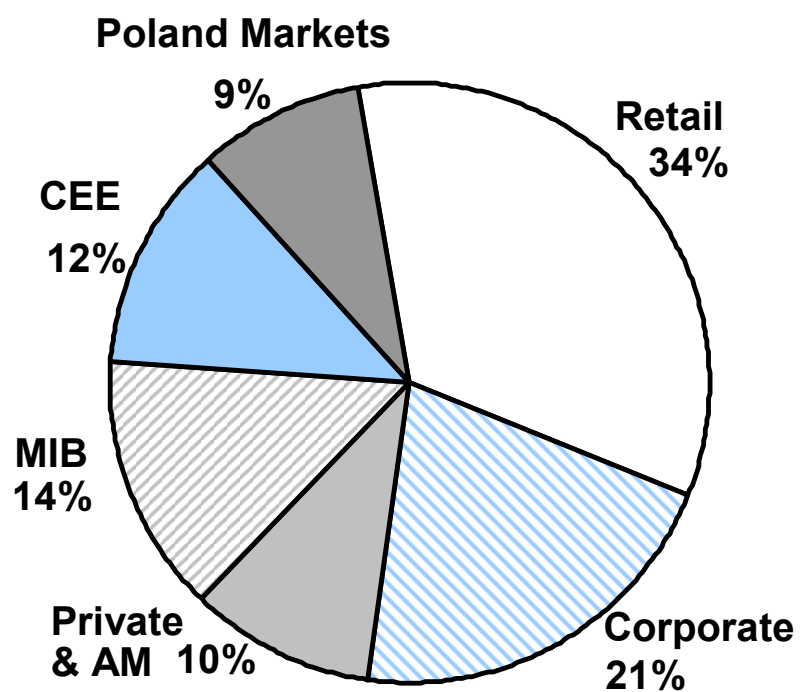
Source: Consob, DF King and JP Morgan - data as at 11 January 2006

(1) Other core shareholders (with a stake under 2%) are: Aviva Group (1.69%), AVZ Stiftung (1.63%), Cassamarca Foundation (1.52%) and Land Bayern (1.34%)

... as well as by a well diversified revenue structure

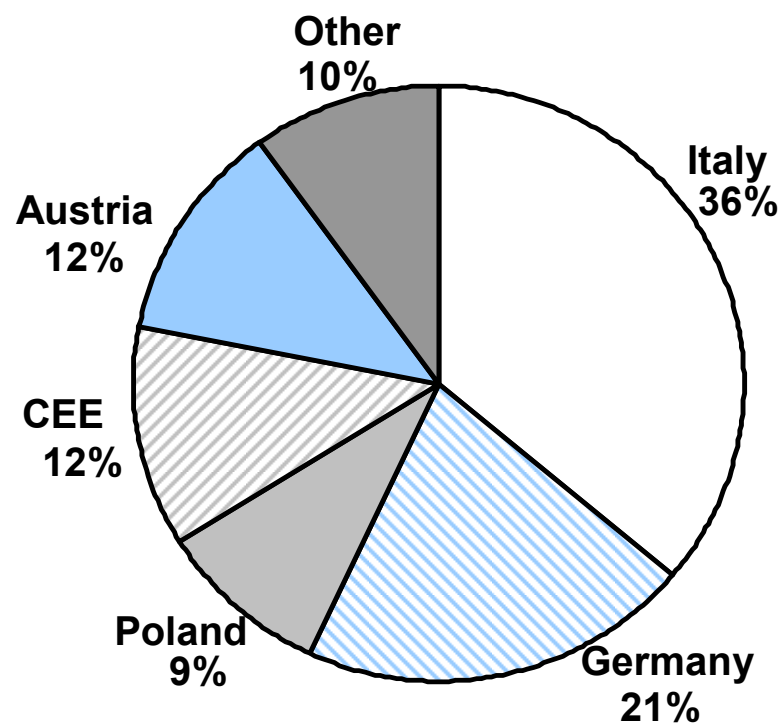
## 2006 Consolidated Total Revenues – € 23,464 bn

By business lines<sup>1</sup>



Commercial banking still the bulk of our business

By geographies<sup>2</sup>



Group's operations are strongly focused on international markets

(1) The pie chart is on total group revenues

(2) The pie chart is on total group revenues excluding Global Banking Services, Corporate Centre and consolidation adjustments





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# Group competitive advantage is based on a strong presence in one of the wealthiest European areas ...

## Germany

- Population of 82.6 mn (21.4% of EU15)
- 21.9% of EU15 GDP
- Exports to Italy and Austria: 12.3% of Total

## Austria

- Population of 8.2 mn (2.1% of EU15)
- 2.4% of EU15 GDP
- Exports to Germany and Italy: 39.8% of Total

## Italy

- Population of 58.5 mn (15.2% of EU15)
- 13.8% of EU15 GDP
- Exports to Austria and Germany: 15.5% of Total

## Trading Exchange

Aggregate exports and imports of Germany plus Austria and of Italy vs. CEE account for 14% of total



## HVB in Bavaria

HVB: no. 1 with 394 branches  
(57% of total HVB German branches)

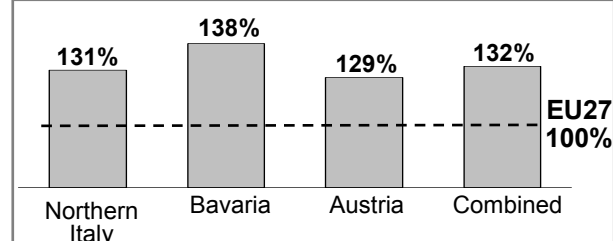
## Bank Austria in Austria

Bank Austria: no.1 with some 401 branches and 18% market share

## UniCredit in Northern Italy<sup>1</sup>

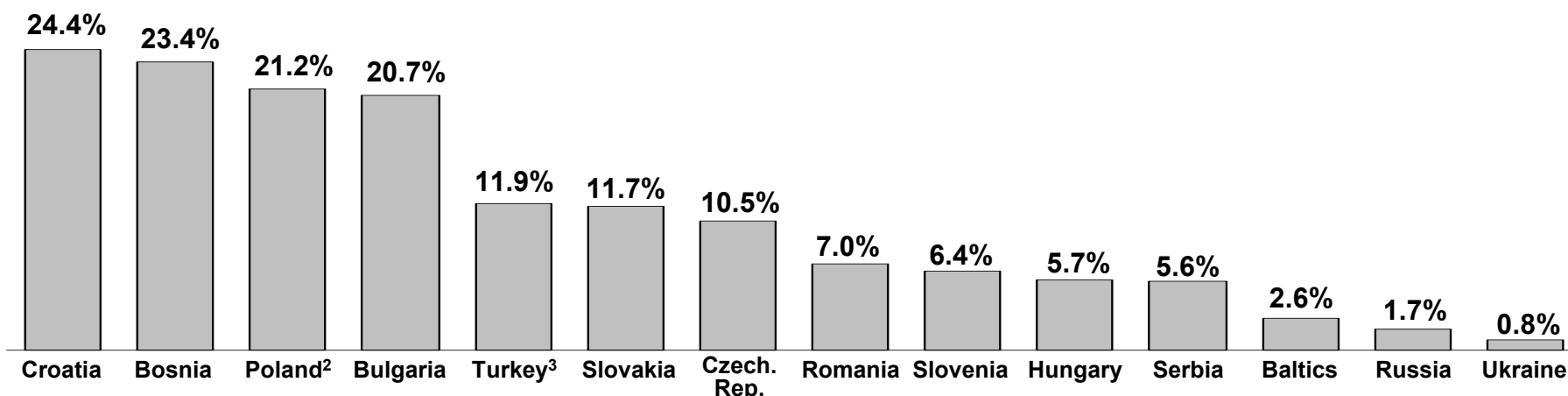
UCI: 2,281 branches (73% of total UniCredit Italian branches)

## Per capita GDP<sup>2</sup>

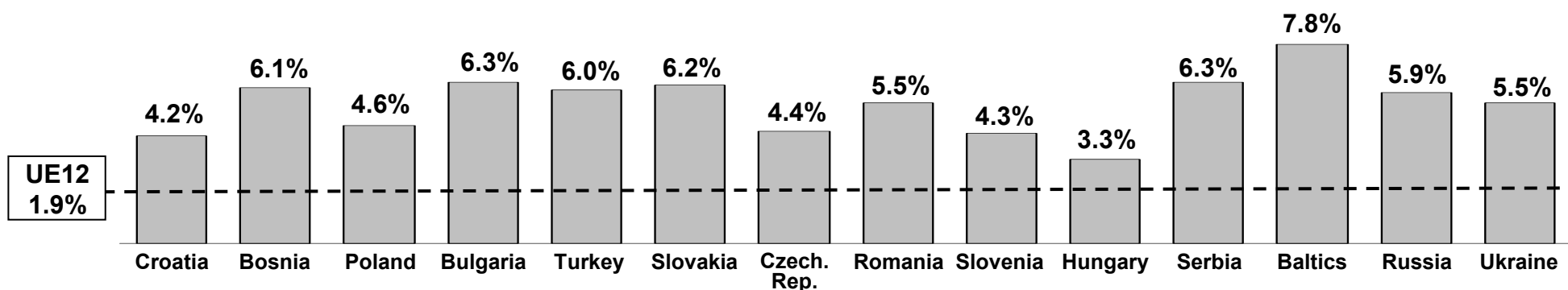


... as well as in the fastest growing markets ...

### UniCredit market share in CEE countries<sup>1</sup>



### Average GDP growth<sup>4</sup> 2007-09



(1) End of 2005

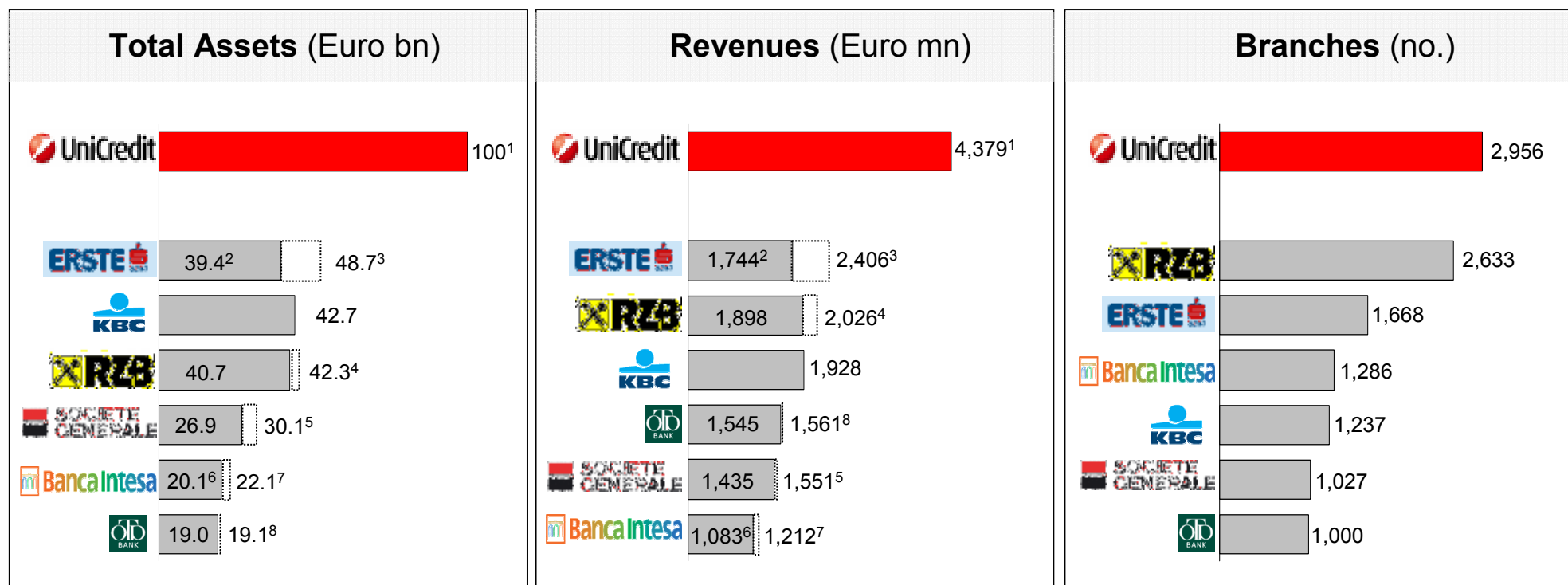
(2) Including 200 branches still to be sold, according to the deal signed with the Polish Treasury Ministry

(3) Including 100% of Yapi Kredi assets and branches

(4) Source: Central Banks, National Statistical Offices, UniCredit New Europe Research Network, UniCredit Research & Strategy and Thomson Financial Datastream

... where it operates as the undisputed leader

## Central & Eastern Europe – Top Financial Groups



**UniCredit Group has a particularly strong competitive advantage in CEE as demonstrated by its size in terms of revenues, total assets and active branches compared with other competitors**

(1) Including proforma and acquisitions in 2006 (2) Including proforma Erste Serbia (3) Including proforma BCR (4) Including proforma Impexbank and Bank Aval fully consolidated since Oct. 2005 (5) Including proforma Splitska Banka (6) Including proforma KMB and Intesa Beograd (7) Including proforma Ukrspotsbank and UPI Banka (8) Including proforma Niska Banka and Zepter Banka

Source: UniCredit New Europe Research Network – As at end of 2005  
Note: 100% of total assets and revenues for controlled companies (stake>50%) and share owned for non controlled companies – 100% of branches (excluding representative offices)

## The adoption of a business model based on specialization is also a key element ...

### **GROWTH & EXCELLENCE IN CUSTOMER SERVICE THROUGH DIVISIONALIZATION**

- Increasing knowledge of customer needs
- Tailoring service models
- Developing full management focus and accountability

### **MULTI-LOCAL APPROACH (Retail, Corporate and Private)**

- Maintaining the main existing local legal entities (i.e. HVB and BA-CA)
- Leveraging on highly recognized brands
- Adapting to each market's specifics

### **GLOBAL BUSINESSES (Investment Banking, Asset Management & Global Product Lines<sup>1</sup>)**

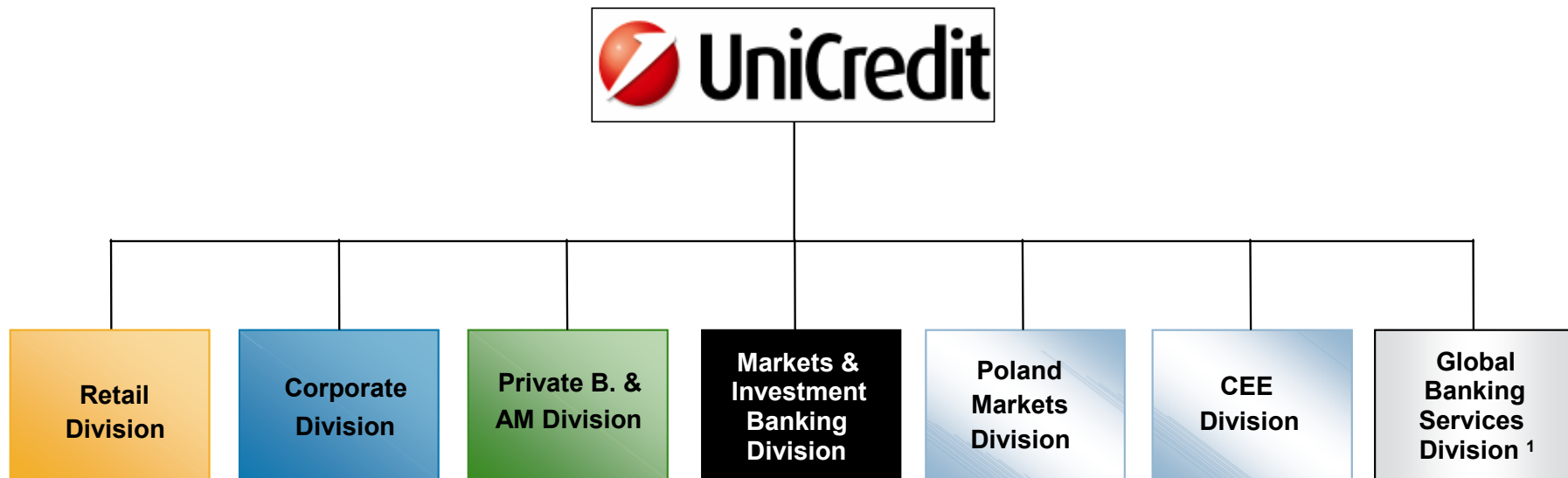
- Economies of scale
- Centers of excellence in selected product areas that can be leveraged at pan-European level
- Global reach for Asset Management

### **GLOBAL BANKING SERVICES DIVISION AS GROUP EXECUTION FACILITATOR**

- Achieving superior quality in shared services
- Ensuring cost efficiency
- Centralizing and ensuring proper IT governance and support services

**SPECIALIZATION  
AS KEY SUCCESS  
AND  
DIFFERENTIATION  
FACTOR TO BUILD  
COMPETITIVE  
ADVANTAGE IN  
THE EUROPEAN  
MARKET**

... enhanced by a consistent organizational approach ...



**The adoption of a divisional model aims to better answering to the needs of different market segments giving full responsibility to each Division for the definition of strategies, objectives and operational guidelines**



## ... and by a strong set of values

**Our set of values is based on integrity as condition of sustainability ...**

### **Strong set of values**

**Fairness**

**Transparency**

**Respect**

**Trust**

**Freedom**

**Reciprocity**

**... to transform profit into value ...**

For UniCredit  
**the pursuit of profit is a positive value**  
because it assures continuity and independence,  
building - via integrity – our reputation vis-à-vis all stakeholders

Integrity assures sustainability, which makes it possible to **transform profit into value**

**... for all our stakeholders**

**Colleagues**

**Customers and suppliers**

**Investors**

**Local Communities**



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## SUMMARY

# After a deep economic transformation Poland is ready to face competition of other European Countries

**The largest market in the CE Europe**

**The 6th largest economy in the European Union:**

■ **Human resources are the main advantage of the Polish economy**

- **The highest percentage of population with University Degree**
- **One of the youngest populations in Europe**
- **However a risk of economic emigration is high (estimated from 600 K up to 2 mn of people)**



**The main macroeconomic figures:**

■ **2005 (forecast for 2006)**

- **GDP – 1.000 bn PLN, +3,4%(+5,2%)**
- **GDP per capita - 25,3 K PLN**
- **Population – 38,2 mn**
- **Unemployment – 17,6% (15,1%)**

**Comparison with other economies of the CEE Region:**

■ **GDP change dynamics in '89-'05:**

- **Poland – 148%**
- **Czech Rep. And Slovakia – 121%**
- **Latvia and Lithuania – 98%**
- **Russia – 88%**

■ **Inflation**

- **Poland – 2,1%**
- **Hungary – 3,6%**
- **Russia – 11.3%**
- **Ukraine – 13,5%**

## **Bank Pekao SA serves already three generations of Poles...**

- ...established in March 1929 (78 years of continuous activity)



- ...enforced by 3 other Banks in 1996 (Grupa Bankowa Pekao S.A.)

- ...privatised in 1998 (IPO on WSE in June 1998)

- ...merged in one bank (Bank Pekao SA) in January 1<sup>st</sup> 1999

- ...long-term investment of Unicredito and Allianz in August 3<sup>rd</sup> 1999

**...in this time always improving its financial achievements**



	2006	2005	Change	1999
Net profit (PLN mln)	1 790	1 535	+16.6%	172
ROE (%)	21.1%	19.2%	1.9 p.p.	4.38%
Total assets (PLN mln)	67 703	61 972	+9.2%	172
Equity (PLN mln)	8 876	8 408	+5,9%	3 910
Savings	51 744 <sup>1</sup>	45 848	+10.6%	44 959
Loans	31 778 <sup>2</sup>	28 224	+12,6%	26 678

**...Bank Pekao is already a giant on the Polish banking market!**

1) additionally also PLN mln 23 263 of mutual funds

2) including for instance: PLN mln 2 338 of consumer loans and PLN mln 5 475 of mortgage loans

## Now Bank Pekao SA enters into the integration process with Bank BPH SA – the third biggest Polish bank

- ☐ The Integration preparative process has been concluded
- ☐ The Spin-Off Plan has been approved by Supervisory Boards of both Banks and signed by Management Boards of both Banks
- ☐ Legal and operational merger process in line with action plan



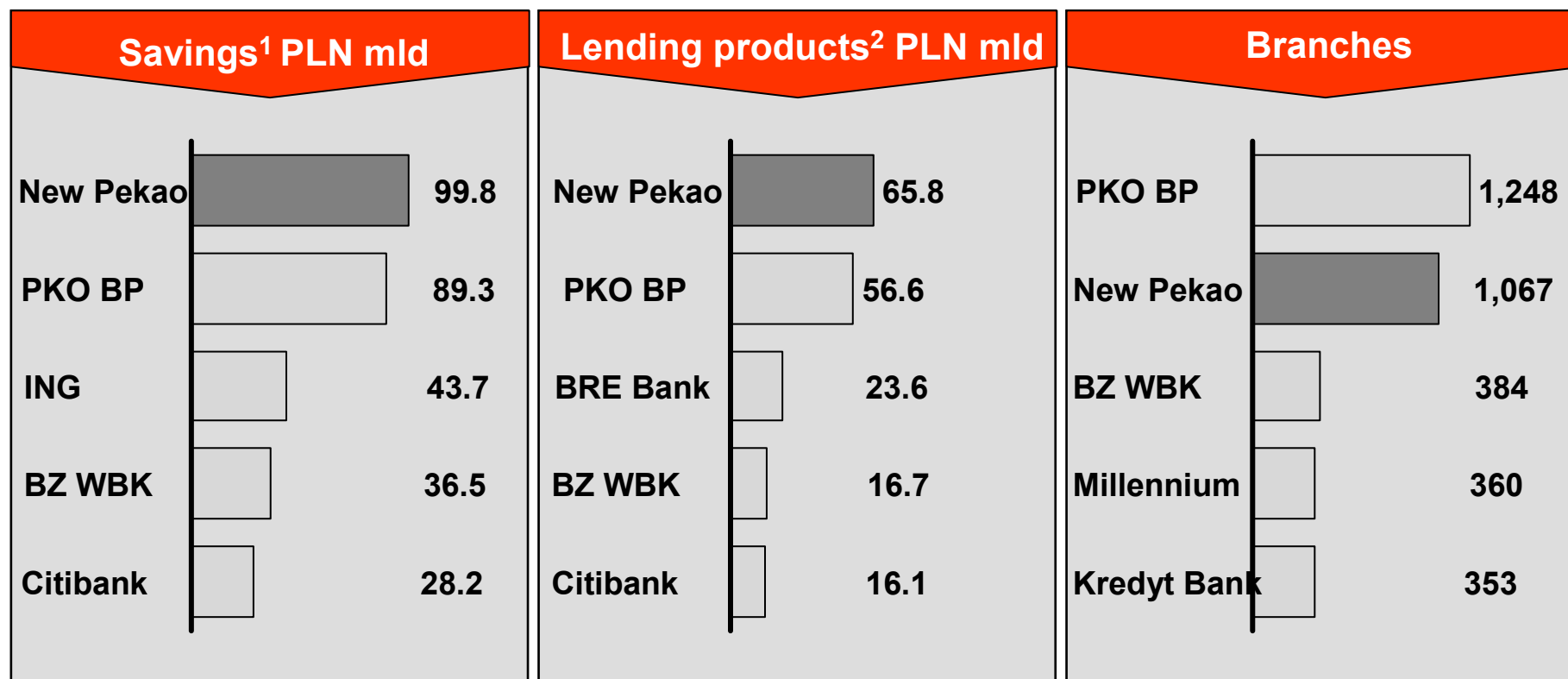
Bank BPH

Creation of New Pekao, the clear leader in the Polish banking landscape

BPH to remain an independent entity as a strong platform for growth



# The New Pekao will become undisputed leader in the key banking areas

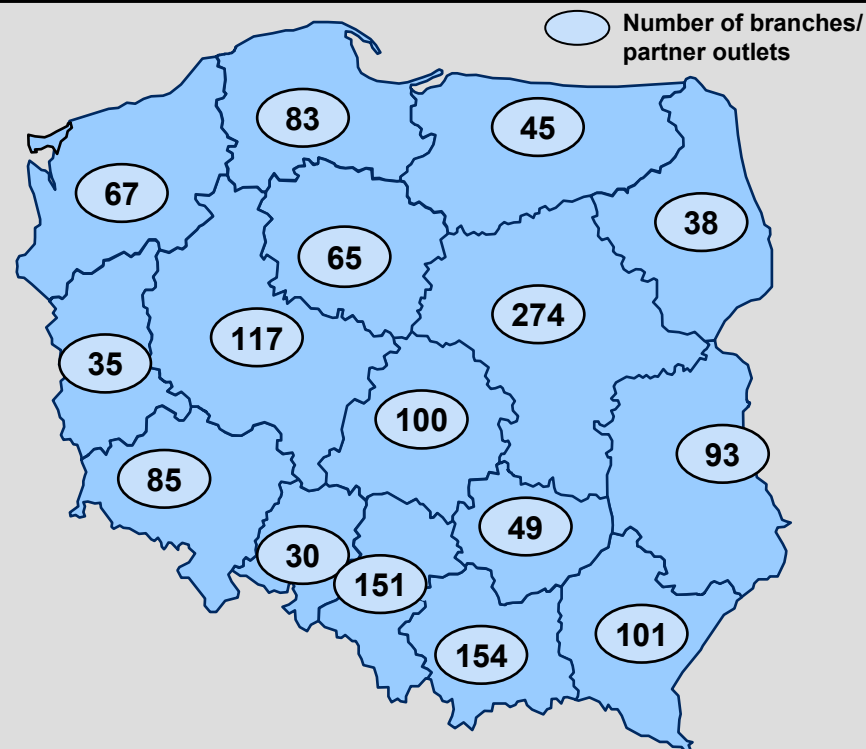


## The New Pekao will extend its Network even more on the territory of the whole Poland

### Number of Branches

Current Pekao outlets	782
Outlets from BPH	285
Partner outlets from BPH	420
<hr/>	
Total	1487

### Geographic presence



Thanks to its 2651\* ATMs, New Pekao will represent the biggest ATM region-wide network



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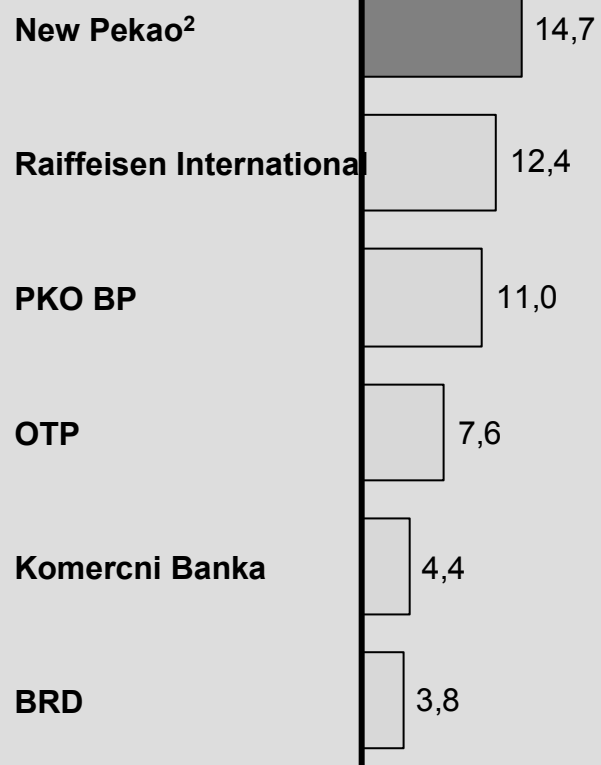
- ✓ New Pekao – undisputed leader in Poland
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## SUMMARY

# The New Pekao will make its regional leading position in terms of values creation even stronger

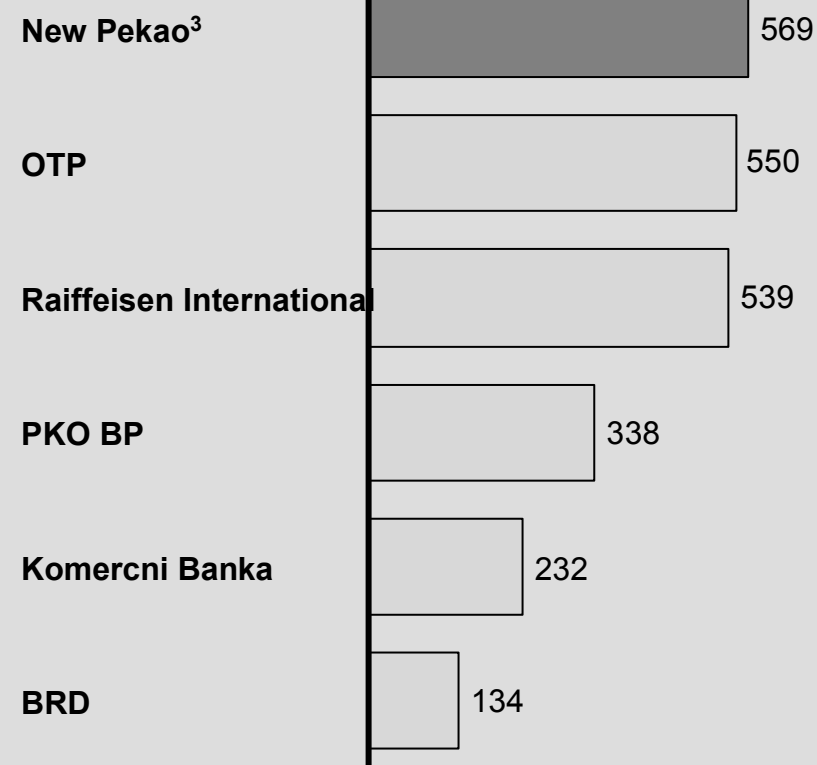
## Market capitalization <sup>1</sup>

EUR mld



## Net profit, 3 Q 2006

EUR mln



(1) Market capitalization as on the 14.11.2006

(2) Estimations based on Shares Assignment Proportion 3.3

(3) Estimations

# The New Pekao is facing some very ambitious challenges

**To go in the position of  
an undisputed leader in terms  
of stable incomes growths and profitability  
as well as creation of a new clear example in the CEE**

## **Retail Banking**

- ☐ A leading bank offering to Polish families the highest quality service, taking advantage of the best practices of Pekao (i.e. Mutual funds) and of BPH (i.e. experience in new Customer acquirement)

## **SME/VIP/Broker services**

- ☐ Undisputed leader of the market thanks to a full offer of lending products, advisor service model and modern methods of credit scoring

## **Corporate banking**

- ☐ The best recognizable Bank for companies, fulfilling all the needs of its Clients (360° offer), with key account managers supported by dedicated product managers

## **Risk management**

- ☐ Perfection in risk management within the credit portfolio quality and ability to give fast answers to the market requirements

## The very first advantages resulting from the integration are already visible for Customers

**Extending  
The network of free  
ATMs**

- ❑ **Fee of charge access to the largest ATM network in Poland (2855 ATM)**

**Pioneer Mutual  
Founds in BPH**

- ❑ **Access to a large offer of Pioneer Mutual Founds for BPH customers**

**New lending products**

- ❑ **Extending the offer addressed to the segment of small and middles business entities – self-repaying loan and credit card**





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**Unicredit Group is one of the most aggressive/active players on Banking market in Europe**

### **UNICREDIT GROUP – always looking for innovations**

- ☐ **Breakthroughs strategy**
- ☐ **Clear international profile (shareholders and employees)**
- ☐ **Diversified revenues structure**
- ☐ **Presence in the most dynamic geographical areas**
- ☐ **Specialisation (divisionalisation)**
- ☐ **Strong set of values**



## **Pekao is already a leader and will enhance its strong position on Polish and CEE banking market**

### **New Pekao – undisputable leader**

- ☐ **Undisputable leader in terms of scale and efficiency**
- ☐ **Regional leader in terms of capitalization and profitability**
- ☐ **Excellent service quality**
  - **Network of 1067 Branches and 2 651 ATMs**
  - **Using the best practices of both organizations**
- ☐ **Attractive Employer for the best Employees**

**THANK YOU FOR ATTENTION!**

