

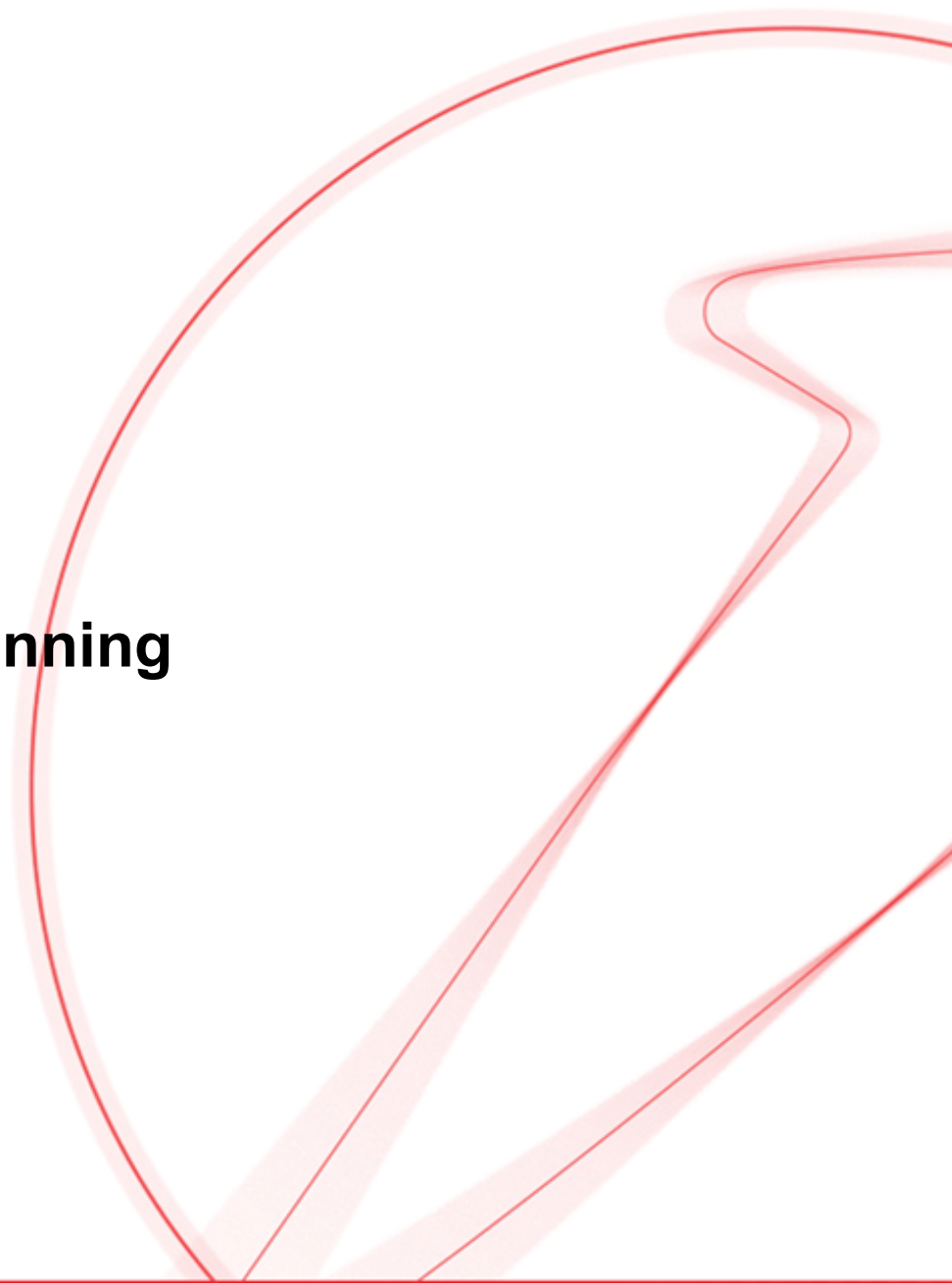


UniCredit Group Group Treasury and Financial Planning

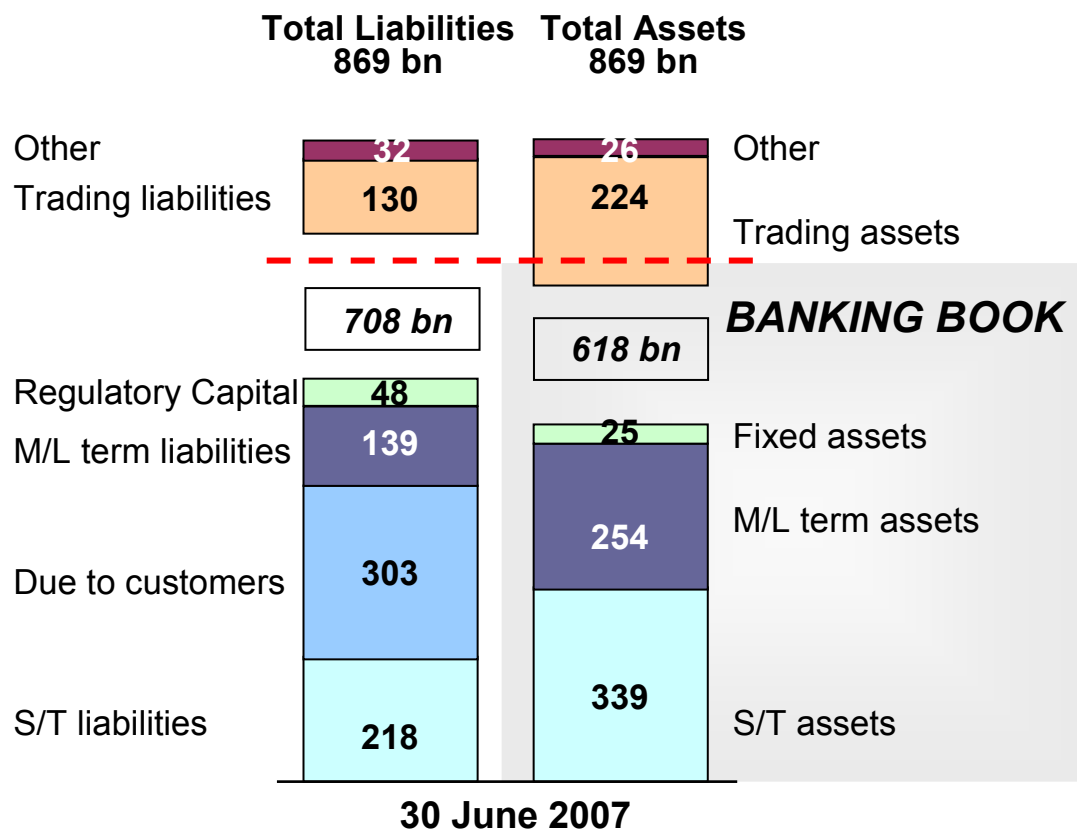
Excerpt from:

Ranieri de Marchis
Chief Financial Officer

Meeting with analysts - Munich, 24 September 2007



WELL BALANCED GROUP ASSET & LIABILITY STRUCTURE



- $\frac{\text{Customer Loans (454 bn)}}{\text{Customer Deposits (303 bn)}} = 150\%$
- **Financial Equilibrium ratio⁽¹⁾: from 15.3% in 2003 to 56.4% as of June 07**
- **Former Bank of Italy Rule 2⁽²⁾ +31.9 bn**

**Strong discipline provided by internal rule:
Liquidity ratio limit above 0.90**

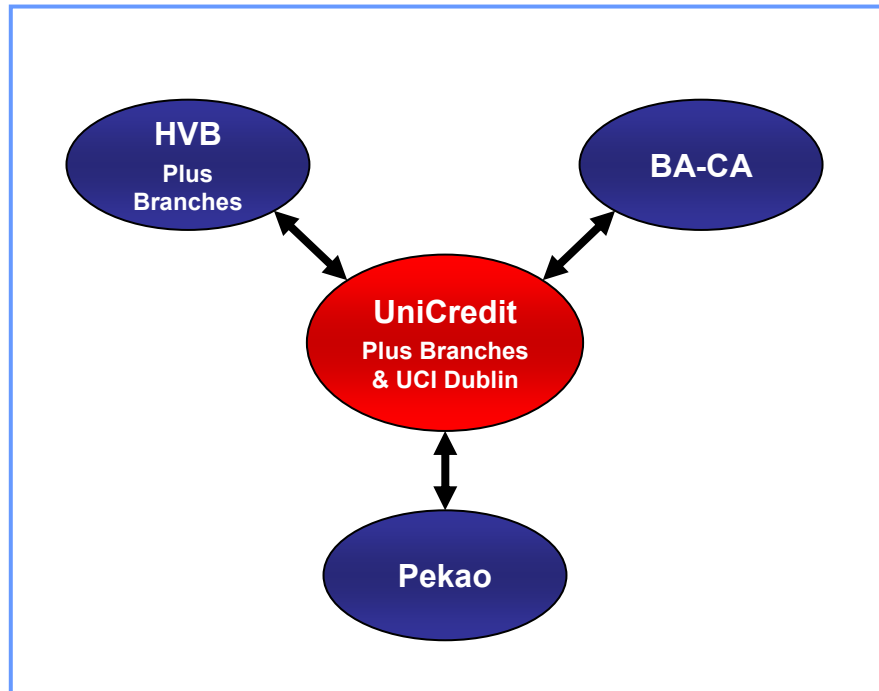
⁽¹⁾ Medium-long term funding, 139 mln (above 1 year - capital instruments and funds not included) / Medium to long term commercial Banking book assets (254 mln)

⁽²⁾ Ex Bank of Italy structural liquidity Rule 2 aimed to ensure a structural equilibrium between assets and liabilities by a specific weighting system



UNICREDIT: A PAN-EUROPEAN FUNDING NETWORK

UNICREDIT FUNDING MODEL



- **Four regional liquidity centres**
- **Comprehensive liquidity metrics**
- **Daily Group exposure monitoring**
- Regular **stress testing** performed
- ALM function with **Group-wide access to data**
- Robust work flow around intra-group liquidity flow management
- **Intra-Group** liquidity management trading platform

Co-ordinated, decentralised funding model with clear liquidity governance

THREE PILLARS OF FUNDING & LIQUIDITY MANAGEMENT

MANAGING INTRA-GROUP LIQUIDITY

- **Extensive sharing of liquidity between all regional liquidity centres ... cash pooling**
- **Trading with Market Place, UCI's digitalized trading and accounting platform**
 - ✓ Active since March 07, live in all Italian entities, HVB, BA-CA, Pekao, Capitalia
- **Third party funding needs reduced by a further 3.2 bn in 2007**

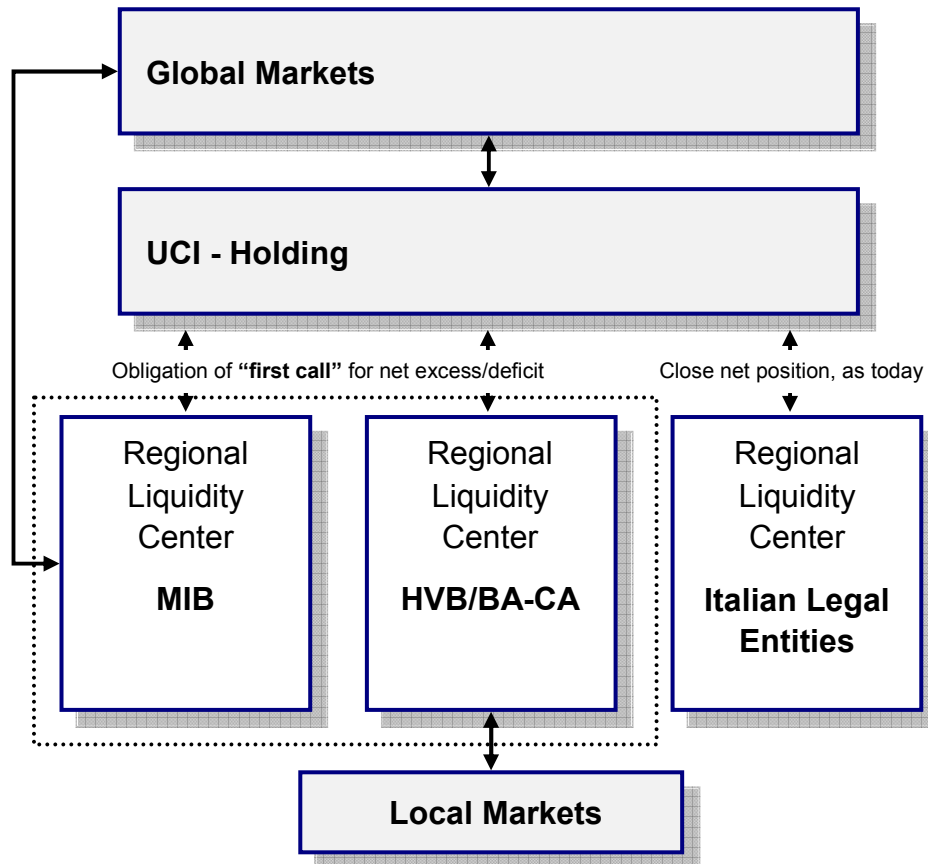
FUNDING

- **Diversification of geography and instruments for both S/T and M/L term**
 - ✓ Depos, CD's, CP, Private Placements, Pfandbriefe, Retail
 - ✓ Leveraging on the historical funding reach of HVB & BA-CA
- **Centralised co-ordination of pricing**
 - ✓ Minimise cost of funds
 - ✓ Avoid internal competition

RAISING LIQUIDITY WITH ASSETS

- **Maintaining eligible and marketable collateral**
 - ✓ >56 bn of collateral available within 1 month
- **Increasing access to secured funding with new asset classes**
 - ✓ 200 mln of new collateral through the Italian "ABACO" initiative, rising to 2.2 bn by YE
 - ✓ Projects in place to monetise existing assets through ECB and other Central Bank facilities

CO-ORDINATED AND DECENTRALIZED MARKET ACCESS: UCI CASH POOLING SYSTEM



■ **Regional Liquidity Centers** acting as first level netting for each Legal Entity under their perimeter

■ **UCI Holding**

- ✓ acting as the second level netting center (**obligation of "first call"** for each Legal Entity) and monitoring and steering the Group's position
- ✓ **coordinating and accessing** the medium/long term debt capital markets
- ✓ accessing the unsecured Money Market and issuing CD/CPs to fund the open position of the Group

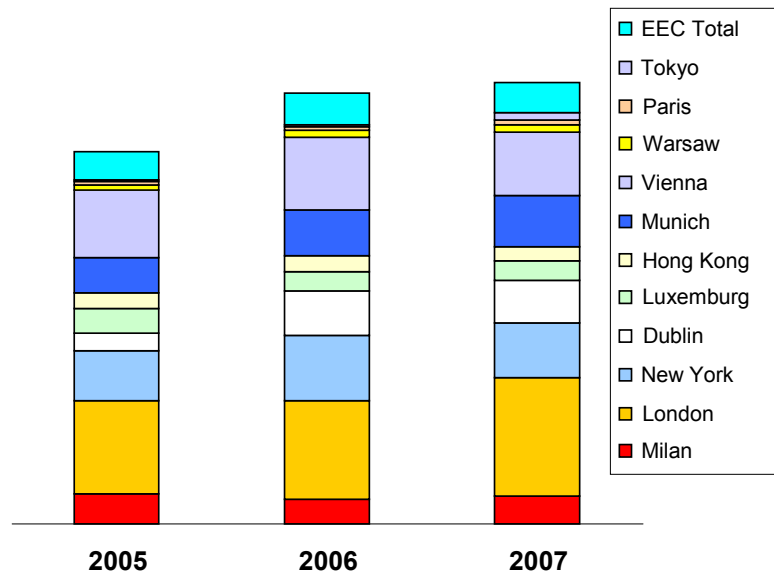
■ **MIB**

- ✓ acting on the trading market for all the Group
- ✓ accessing the market for Repos, derivatives and unsecured Money Market for its own needs

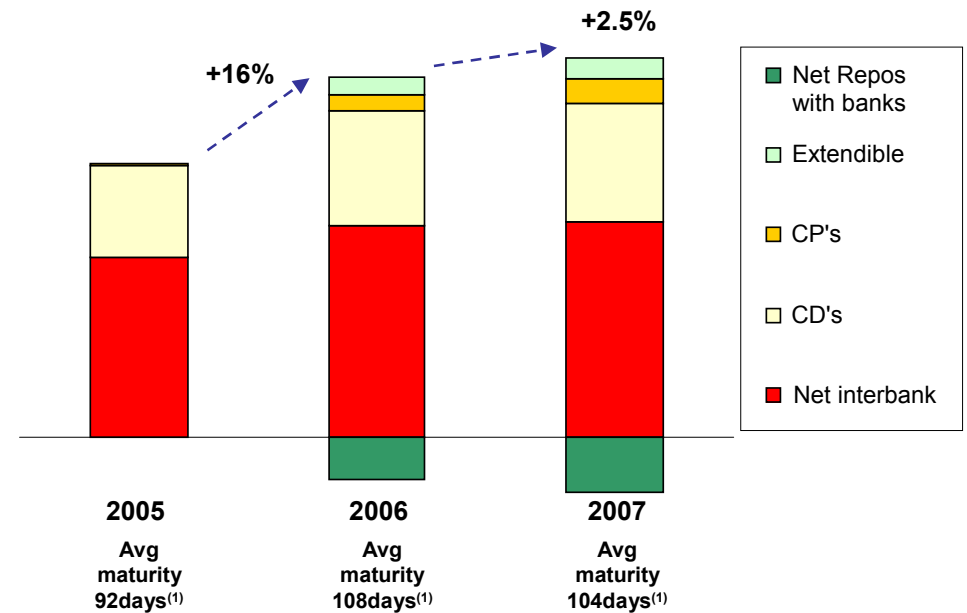
Cash pooling to optimize cost of funding and unnecessary access to the market

IN RECENT YEARS UNICREDIT HAS SUCCESSFULLY DIVERSIFIED SOURCES OF S/T FUNDING & LIQUIDITY...

GEOGRAPHICAL DIVERSIFICATION



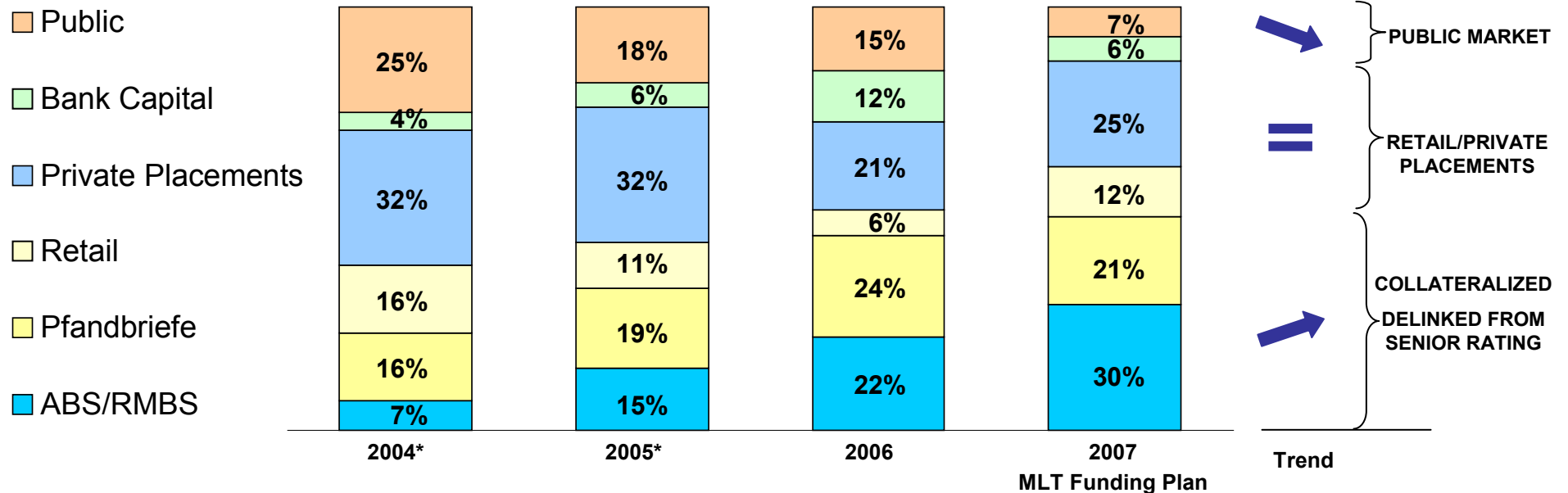
INSTRUMENTS DIVERSIFICATION



**Stable and diversified Funding with three key accesses to the market:
London, Vienna and New York**

(1) Calculated using gross inter-bank data

... AS WELL AS OF MEDIUM/LONG TERM FUNDING

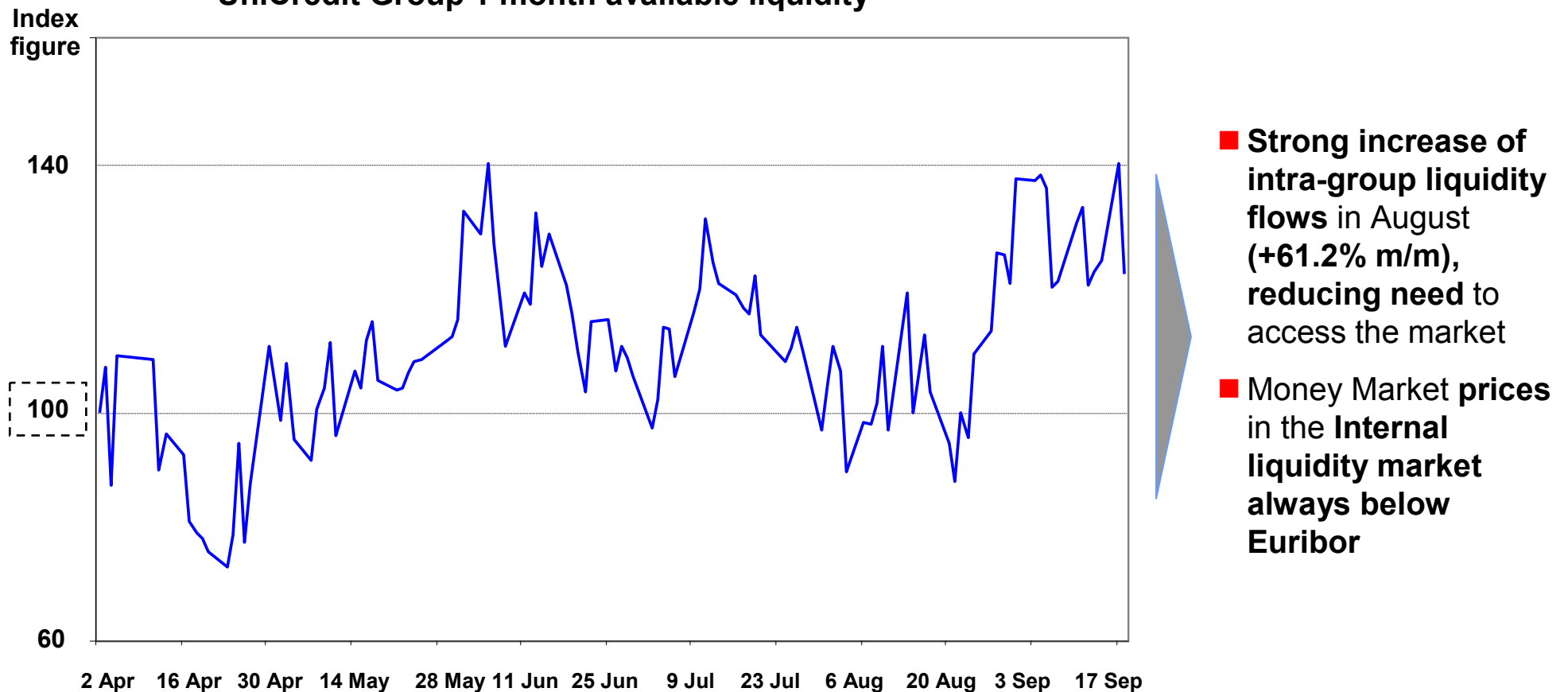


- Diversified medium/long term funding in large liquid markets
- Pursuing niche funding opportunities
- Funding increasingly de-linked from senior credit rating using asset backed products and covered bonds. **Parallel to Pfandbriefe, entering the new Italian covered bond market in 2008**

Well established presence in the key liquid markets across different products

THE MARKET CRISIS DID NOT AFFECT UCI STRONG LIQUIDITY POSITION IN AUGUST AND SEPTEMBER

UniCredit Group 1 month available liquidity⁽¹⁾

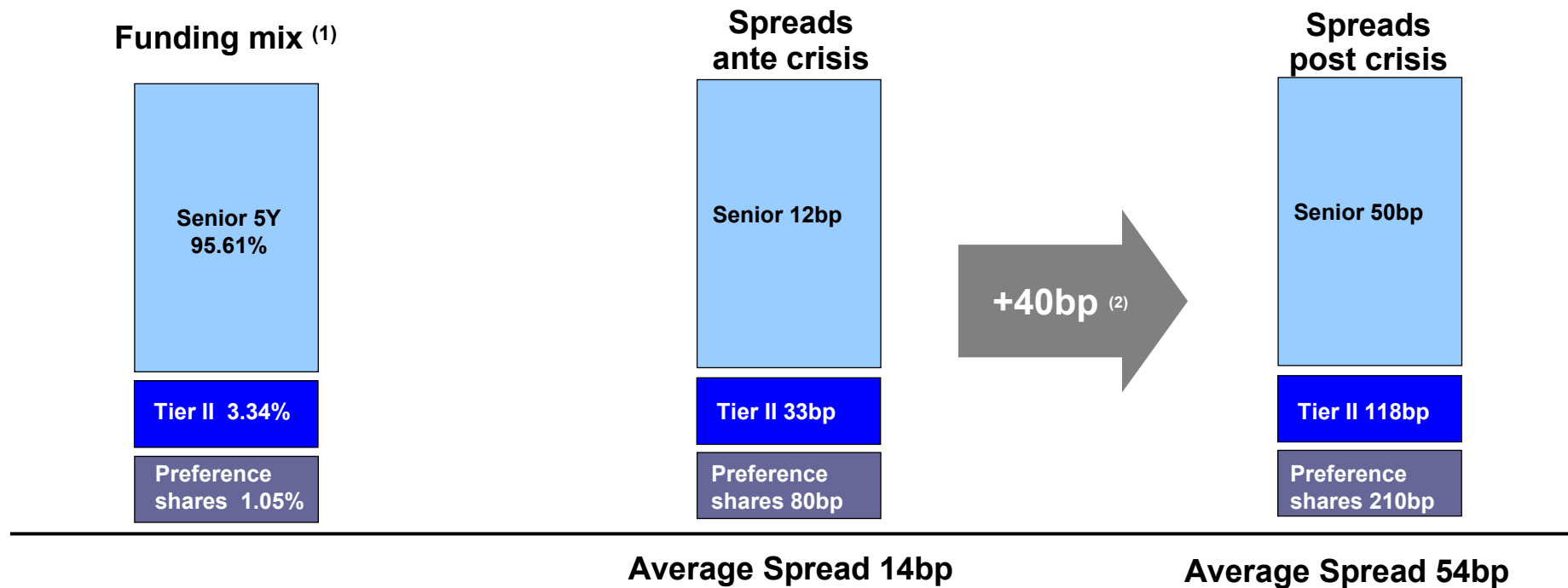


Sound and comfortable positive liquidity gap, even after August 07 crisis

⁽¹⁾ Calculated as: (sum of net liquidity inflows in the timeframe) + (securities eligible for discount to the ECB, marketable repoable securities)

AS A RESULT OF MARKET TURMOIL BANKING FUNDING COST HAS GONE UP

FOR ILLUSTRATIVE PURPOSES ONLY



1) Funding mix does not consider the Core Tier I because its cost is not directly affected by the liquidity crisis

2) Spreads are derived from secondary market. Because of current market high volatility they could change substantially from day to day



UNICREDIT ANSWER TO CURRENT MARKET CONDITIONS: KEY INITIATIVES

■ Focus of Funding Strategy:

- ✓ Concentrate on collateralized funding sources like Pfandbriefe (Eur Jumbo) and Italian covered bond
- ✓ Strengthen/continue diversification of funding sources
- ✓ Manage higher funding cost going forward

■ Manage actively our assets base and re-price

■ Push to ensure “easy” liquidity transfer across the Group

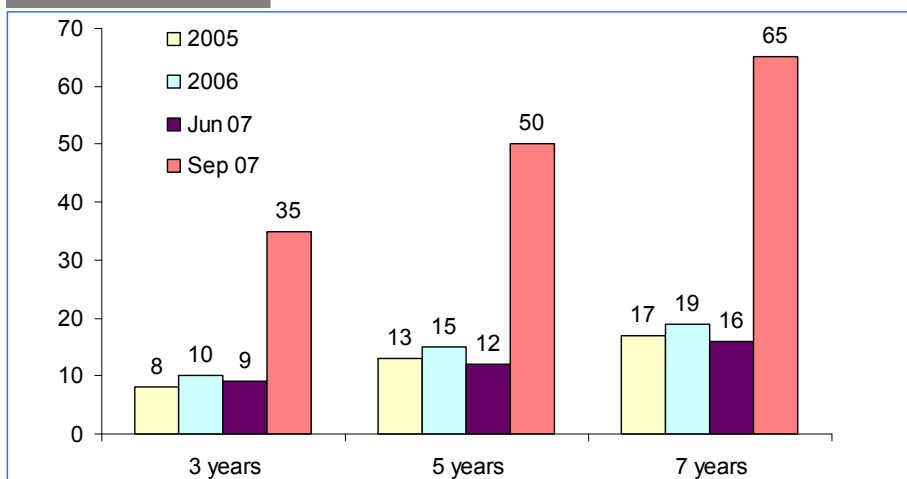
■ Increased value of retail deposit base



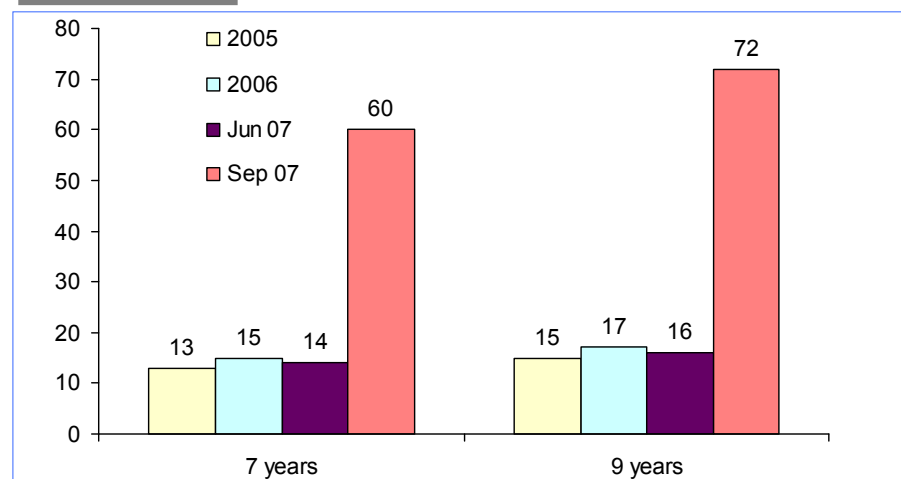
ANNEX

RECENT MARKET DEVELOPMENT TRIGGERED A SUBSTANTIAL WIDENING OF UCI CREDIT SPREADS ACROSS ALL PRODUCT CLASSES

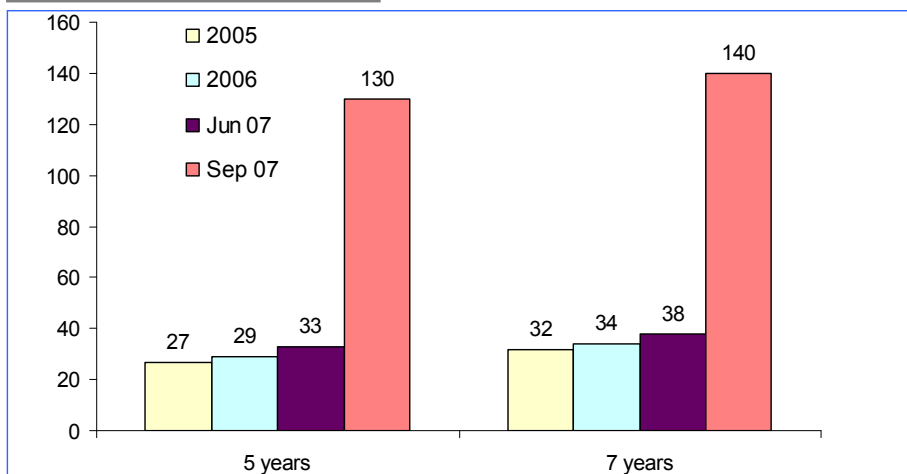
SENIOR



RMBS(*)



LOWER TIER 2



- **UCI credit spreads have widened in line with peers across all product types**
- **New issue spreads are even wider:**
 - ✓ Deutsche B. eur 1.75 bn (Aa1/AA-) 10 year Senior + 65bp vs. 18bp
 - ✓ BNP eur 1 bn (Aa2/AA) 10 year Lower Tier II + 80bp vs. 30bp
 - ✓ BNP gbp 425 mln (Aa2/AA) 10nc5 Lower Tier II + 68bp vs. 25bp
 - ✓ Credit Suisse eur 1.0 bln (Aa1/AA-) 10 year Senior + 75bp vs. 18bp
- **Also under stabilized market conditions spreads will remain substantially above average levels within FY 2007**