

## BA-CA Investor Relations Release

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### **UniCredit Group concludes the reorganisation of Central Eastern European banking business: BA-CA is the competence centre for banking activities in CEE**

- **CEE Division of UniCredit Group comprises more than 3,000 branches**
- **Hampel: "The new CEE network broadens from Bludenz to Novosibirsk"**

UniCredit Group has, with the closing of the CEE transfers to BA-CA, completed the reorganisation of its Central Eastern European banking business. BA-CA is now the CEE competence centre within UniCredit Group for banking activities, acquiring the banking shareholdings in Bulgaria, Croatia, the Czech Republic, Estonia, Latvia (with branches in Estonia and Lithuania) Romania, Russia, Slovakia and Turkey.

In terms of total assets the business volume (as per 30 September 2006) of BA-CA in CEE increases from around EUR 40 billion to EUR around 70 billion. UniCredit Group's CEE Division, which is being run by BA-CA, is now responsible for a market of more than 300 million inhabitants, meaning BA-CA's radius of action has tripled.

"Our clients are the clear winners of this integration. Our new network stretches from Bosphorus in the Baltic States and from Bludenz to Novosibirsk", said Erich Hampel, Board Chairman of BA-CA and Head of the CEE Division of UniCredit Group.

BA-CA took over six banking shareholdings and related activities (CEE Business Unit) of UniCredit with approximately 1,100 branches in Bulgaria, Croatia, Romania, Slovakia, the Czech Republic and Turkey. Following the registration of BA-CA's capital increase (occurred on 16 March 2006), UniCredit has today received 55 million newly issued shares of BA-CA in exchange for the contributed CEE Business Unit. As a result, UniCredit Group has completed the reorganisation of its CEE banking activities and BA-CA is now the hub for such activities within the UniCredit Group. The UniCredit's shareholding in BA-CA increased from 94.98% to 96.35% of the registered capital.

The banking shareholdings transferred include:

- 50.00% of Koç Finansal Hizmetler A.S. in Turkey,
- 81.91% of Zagrebačka banka D.D. in Croatia,
- 86.13% of Bulbank A.D. in Bulgaria,
- 100.00% of Živnostenská banka, a.s. in Czech Republic,
- 97.11% of UniBanka a.s. in Slovakia, and
- 99.95% of UniCredit Romania S.A. in Romania.

In the months before BA-CA already acquired over the International Moscow Bank (IMB) in Russia from HypoVereinsbank and its operations in the Baltics.

In all these transactions BA-CA was advised by Citigroup.

### **Growth potential still high in Central Eastern Europe**

Central and Eastern Europe still basks in huge growth potential: the credit market grew 33 percent last year, with Russia recording a figure of 46 percent. Fast expansion in lending came on the back of strong economic performance with GDP increasing on average by 6% in the whole region. The level of intermediation as illustrated by total assets relative to GDP also indicates the massive ground that has to be made up: totalling 246 percent in the euro area this figure is a mere 78 percent in Central and Eastern Europe.