

BA-CA Investor Relations Release

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BA-CA signs agreement to acquire majority shareholding in Ukrsotsbank in Ukraine

Bank Austria Creditanstalt AG (BA-CA), responsible within the UniCredit Group for commercial banking activities in CEE, has signed an agreement to acquire approximately 95 percent of the share capital of Ukrsotsbank (USB) from the group of investors represented by Interpipe Group.

The acquisition of USB will reinforce the Group's presence in Ukraine, one of the fastest growing markets in the region, where the UniCredit Group is already present through its subsidiaries HVB Ukraine and UniCredit Bank Ltd.

Following the recent announcement of the acquisition of ATF Bank in Kazakhstan, this transaction represents a further step by the UniCredit Group to strengthen its leadership in the CEE/CIS area.

The purchase price for the entire outstanding share capital of USB is USD 2,070 million (EUR 1,520 million at current exchange rates), plus an amount equal to the capital increase (currently estimated at around USD 130 million or ca. EUR 95 million) to be subscribed for by USB's existing shareholders before completion of the transaction. The transaction is expected to be completed in the last quarter of 2007, and the purchase price will comprise a post-closing price adjustment based on USB's net asset value at closing. The transaction will be financed entirely from BA-CA's existing cash resources. Completion of the transaction is subject to the satisfaction of a number of conditions including, inter alia, receipt of all necessary regulatory authorizations and consents.

Credit Suisse and UniCredit Markets & Investment Banking acted as financial advisors to UniCredit and BA-CA, with Allen&Overy acting as legal advisor.

About USB

USB was established in 1991 and is currently listed on the Ukrainian stock exchange. Historically, USB has concentrated its activities into the corporate and SME sectors. The bank shifted its activity towards retail banking following the acquisition by a Group of investors represented by Interpipe, one of the largest industrial groups in Ukraine. At present, the bank is considering to diversify its activities into asset management, financial consulting and pension funds.

As of 31 December 2006, USB was the 6th largest bank in Ukraine by net customer loans (EUR 1.9 billion, +78 percent over 2005 at historic Euro exchange rate, representing a market share of 5.3 percent) and 4th by customer deposits (EUR 1.6 billion, +30 percent over 2005, 5.8 percent market share). At the same date, the bank had total assets for approximately EUR 2.6 billion.

USB's business model is primarily oriented towards retail banking (55 percent of the loan portfolio and 8.9 percent market share as of 31 December 2006) coupled with a solid presence in the corporate and SME sector, accounting for the residual 45 percent of the loan portfolio (3.4 percent market share). As of December 2006, USB's network consisted of 497 branches, 7th largest network in Ukraine.