This document constitutes a registration document (the "Registration Document") of UniCredit Bank AG within the meaning of section 12 (1) of the German Securities Prospectus Act (Wertpapierprospektgesetz – "WpPG") in connection with Art. 14 and Annex XI of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "Regulation").

HypoVereinsbank Member of UniCredit

UniCredit Bank AG

Munich, Federal Republic of Germany

16 May 2012

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RISK FACTORS

The following is a disclosure of risk factors (the "Risk Factors") that are material with respect to the ability of UniCredit Bank AG ("HVB", and together with its consolidated subsidiaries, the "HVB Group") to fulfill its obligations under securities issued by it. Prospective investors should consider these Risk Factors before deciding to purchase securities issued by HVB, especially since in certain cases the investor may lose his entire investment or (substantial) parts of it.

Prospective investors should consider all information provided in the Registration Document and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, prospective investors should be aware that the risk described below may arise individually or cumulatively with other risks and might have mutually reinforcing effects.

Risks relating to HVB Group

General Notice

In 2011 and also in the first half of the year2012 the sovereign debt crisis continued to affect the European financial markets and the global economy. Several countries and industry segments are in severe economic difficulties. At the summit on 8 and 9 December 2011, France and Germany together proposed structural changes in the European Union, which were accepted by 17 euro countries and a further six EU countries with the exception of the UK. In March 2012 the federal government has decided the necessary laws for the amendments to the Treaty. The heads of state and government of the Eurozone and six further EU countries have thus paved the way towards a more stable future of the European Monetary Union. In the next few months, the primary tasks will be to flesh out the details and continue along the path indicated in terms of the resolutions. In spite of this development, the sovereign debt crisis of the European states will continue to accompany the bank for some time.

The recovery at euro wide level is getting increasingly entrenched, but the pace of growth remains uneven across countries, with peripheral countries lagging significantly behind the core group. The debt crisis in Greece remains to be an important topic in 2012. With the successful historical haircut of debt (obligation conversion of Government loans) in March 2012, Greece achieved the requirements for the new auxiliary package from the European Financial Stability Facility ("EFSF"). The possibility of an unordered national bankruptcy of Greece was eliminated for the moment. In addition, the economic situation in Spain and Italy becomes more and more strained which now also effects the stock market. The European Stability Mechanism ("ESM") was set up to secure the stability of the Eurozone starting from mid 2012 and prevent the bankruptcy of countries in the Eurozone due to the insolvency of individual member states and their negative consequences for the European common currency.

In general, the overall economic environment will be subject to numerous sources of uncertainty in 2012 and the financial sector will continue to face major challenges during the year. For example, if HVB Group experiences renewed turmoil on the financial markets, such as insolvencies in the financial sector or sovereign defaults, this could have a negative effect on the assets, liabilities, financial position and profit or loss of HVB Group.

1. Credit Risk

By purchasing the financial instruments issued by HVB Group, investors are financing the latter. As a result investors are subject to the risk that HVB Group is not able to honour its obligations relating to financial instruments where its financial condition will become negative.

1.1. Risks connected to an economic slowdown and volatility of the financial markets

The banking and financial services market in which the HVB Group operates is affected by unpredictable factors, including overall economic developments, fiscal and monetary policies, liquidity and expectations within capital markets and consumers' behaviour in terms of investment and saving. In particular, the demand for financial products in traditional lending operations could lessen during periods of economic downturn. Overall economic development can furthermore negatively impact the solvency of mortgage debtors and other borrowers of HVB Group such as to affect their overall financial condition. Such developments could negatively affect the recovery of loans and amounts due by counterparties of the Group companies, which, together with an increase in the level of insolvent clients compared to outstanding loans and obligations, will have an impact on the levels of credit risk.

The Group is exposed to potential losses linked to such credit risk, in connection with the granting of financing, commitments, credit letters, derivative instruments, currency transactions and other kinds of transactions. This credit risk derives from the potential inability or refusal by customers to honour their contractual obligations under these transactions and the HVB Group's consequent exposure to the risk that receivables from third parties owing money, securities or other assets to it will not be collected when due and must be written off (in whole or in part) due to the deterioration of such third parties' respective financial standing (counterparty risk). This risk is present in both the traditional on-balance sheet uncollateralised and collateralised lending business and off-balance sheet business, for example when extending credit by means of a bank guarantee. Credit risks have historically been aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults. HVB Group's future earnings could also be adversely affected by depressed asset valuations resulting from a deterioration in market conditions in any of the markets in which the HVB Group companies operate. The above factors could also have a significant impact in terms of capital market volatility. As a result, volumes, revenues and net profits in banking and financial services business could vary significantly over time.

The HVB Group monitors credit quality and manages the specific risk of each counterparty and the overall risk of the respective loan portfolios, and the HVB Group will continue to do so, but there can be no assurance that such monitoring and risk management will suffice to keep the Group's exposure to credit risk at acceptable levels. Any deterioration of the creditworthiness of significant individual customers or counterparties, or of the performance of loans and other receivables, as well as wrong assessments of creditworthiness or country risks may have a material adverse effect on the Group's business, financial condition and results of operations.

1.2. Deteriorating asset valuations resulting from poor market conditions may adversely affect the HVB Group's future earnings

The global economic slowdown and economic crisis in certain countries of the Eurozone have exerted, and may continue to exert, downward pressure on asset prices, which has an impact on the credit quality of the HVB Group's customers and counterparties. This may cause the Group to incur losses or to experience reductions in business activity, increases in non-performing loans, decreased asset values, additional write-downs and impairment charges, resulting in significant changes in the fair values of the Group's exposures.

A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, ships, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, it is highly exposed to developments in real estate markets.

Continued decline in the general economy of the countries in which the Group operates, or a general deterioration of economic conditions in any industries in which its borrowers operate or in other markets in which the collateral is located, may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may require the Group to reclassify the relevant loans, establish additional provisions for loan losses and increase reserve requirements. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Group to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could impair the Group's ability to value certain of its assets and exposures or result in significant changes in the fair values of these assets and exposures, which may be materially different from the current or estimated fair value. Any of these factors could require the Group to recognise write-downs or realise impairment charges, any of which may adversely affect its financial condition and results of operations.

1.3. The economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition

While the Group operates in many countries, Germany is the primary country in which it operates. Thus, the Group's business is particularly linked to the macroeconomic situation existing in Germany and could be materially adversely affected by any changes thereto, particularly with regard to recoverability of loans. Recently, economic forecasts have suggested considerable uncertainty over the future growth of the German economy.

In addition to other factors that may arise in the future, rising unemployment and unfavourable conditions in the financial and capital markets in Germany could result in declining consumer confidence and investment in the German financial system, increases in the number of impaired loans and/or loan defaults, leading to an overall reduction in demand for the products and services offered by the Group.

Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Germany compared with other Organisation for Economic Co-operation and Development ("OECD") countries could materially adversely affect the Group's results of operations, business and financial condition.

Furthermore, the uncertainties surrounding Western European economies, could adversely affect the Group's achievement of its strategic goals.

1.4. Non-traditional banking activities expose the Group to additional credit risks

In addition to traditional banking activities such as lending and deposit-taking, the Group carries out non-traditional banking activities, which may expose the Group to additional credit and/or counterparty risk. Such additional risk may originate, for example, from: executing securities, futures, currency or commodity trades that fail to settle timely due to non-delivery by the counterparty or to system failures by clearing agents, exchanges, clearing houses or other financial intermediaries (including the Group); owning securities of third parties; and extending credit through other arrangements.

Parties to these transactions, such as trading counterparties or counterparties issuing securities held by entities of the Group, may default on their obligations due to insolvency, political and economic events, lack of liquidity, operational failure or other reasons. Defaults by counterparties with respect to a significant number of transactions or one or more transactions that involve significant volumes would have a material adverse effect on the Group's results of operations, business and financial condition.

The Group has made a series of significant investments in other companies, including those resulting from the conversion of debt into equity in the context of restructuring processes. Any losses or risks, operational or financial, to which the invested companies may be exposed may restrict the Group's ability to dispose of the above mentioned investments, and may cause considerable reductions in their value, with possible adverse effects to the Group's results of operations, business and financial condition.

In addition, the Group, as a result of executing guarantees and/or signing agreements to restructure debt, holds, and could acquire in the future, control or minority stakes in companies operating in industries other than those in which the Group currently operates, including, for example, real estate, oil, transport and consumer goods. These industries require specific skills in terms of knowledge and management that are not among those skills currently held by the Group. Nevertheless, in the course of any disposals, the Group may have to deal with such companies. This exposes the Group to the risks inherent in the activities of an individual company or subsidiary and to the risks arising from the inefficient management of such shareholdings, which could have adverse effects on the Group's results of operations, business and financial condition.

1.5. The HVB Group's risk management policies could leave the HVB Group exposed to unidentified or unanticipated risks

Banks belonging to the Group are subject to the risks inherent to banking and financial activities. The Group has structures, processes and human resources aimed at developing risk management policies, procedures and assessment methods for its activities in line with best market practices in the industry.

The HVB Group's Risk Management Division provides strategic direction and defines the risk management policies implemented. Some of the methods used to monitor and manage these risks involve observations of historic market conditions and the use of statistical models for identifying, monitoring, controlling and managing risk.

However, these methods and strategies may be inadequate for the monitoring and management of certain risks, such as the risks attached to financial products that are traded on unregulated markets (e.g., OTC derivatives), and, as a result, the Group could suffer greater losses than those contemplated by the methods or suffer losses not previously considered.

In addition, the occurrence of unforeseeable events, which have not been considered by the Risk Management Division and which may affect the performance of the markets in which the Group operates, could adversely affect the Group's results of operations, business and financial condition. These risks, and their effects, may be further aggravated by the complexities of integrating risk management policies into the Group's acquired entities.

At the date of this Registration Document, some of the relevant supervisory authorities are carrying out procedures to validate internal risk measurements that will be used for regulatory purposes by HVB and other companies belonging to the HVB Group. These procedures apply to models awaiting initial authorisation as well as models already approved, but for which the HVB Group must demonstrate its maintenance of regulatory requirements.

Despite the adoption of these models, it is possible that, after investigation or verification by the supervisory authorities, the Group's internal models will no longer be adequate, which could adversely affect the Group, particularly with respect to its calculation of capital requirements.

Various regulators that exercise oversight of HVB's operations, including the German Central Bank, BaFin and the FSA, have conducted audits and/or reviews of HVB's risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external HVB audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements in Germany. As a result of discussions with BaFin regarding these matters, and after informing the Bank of

Italy, HVB Group has undertaken to maintain within HVB Group a minimum solvency ratio that exceeds the statutory minimum required in order to address BaFin’s concern that there be sufficient capital within HVB Group to absorb any losses that could result from shortcomings in its risk management policies, until such shortcomings are addressed to BaFin’s satisfaction.

Progress on actions undertaken have been, and will continue to be, regularly reported by HVB Group to both UniCredit and to the relevant regulators, including the Bank of Italy and BaFin.

Nevertheless, even if HVB Group’s plans, system improvements and robust monitoring process are acknowledged by BaFin, there can be no assurance that the actions taken, and planned to be taken, by HVB Group will be fully satisfactory to BaFin or the other regulators that have oversight of these matters. While HVB Group is in the process of addressing all the material concerns raised, there is a risk that BaFin and other regulators could take additional measures against HVB Group and its management, including issuing fines, imposing limitations on the conduct, outsourcing or the expansion of certain business activities, or seeking to require HVB Group to maintain a higher regulatory capital buffer.

1.6. HVB Group's income can be volatile related to trading activities and fluctuations in interest and exchange rates

HVB Group's trading income can be volatile and is dependent on numerous factors beyond HVB Group's control, such as the general market environment, overall trading activity, equity prices, interest rate and credit spread levels, fluctuations in exchange rates and general market volatility.

HVB Group generates a significant amount of its income and incurs a significant amount of its expenses outside the Eurozone, and therefore is exposed to currency risk.

Fluctuations in interest rates in Europe and in the other markets in which the Group operates may influence the Group’s performance. The results of the Group’s banking operations are affected, inter alia, by the Group’s management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-earning assets and interestbearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Group’s financial condition and results of operations.

Rising interest rates along the yield curve can increase the cost of the Group’s borrowed funds faster and at a higher rate than the yield on its assets, due to, for example, a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the Group’s assets at a rate which may not correspond to the decrease in the cost of funding.

Furthermore, a significant portion of the Group’s operations are conducted in currencies other than the Euro. Unfavourable movements in foreign exchange rates could, therefore, significantly influence the Group’s results of operations, business, financial condition and prospects. As a result, the Group is exposed to foreign currency exchange rates and foreign currency transaction risks.

The Group’s consolidated financial statements (including its interim financial statements) are prepared in Euro and carry out the necessary currency translations in accordance with applicable international accounting standards.

The Group employs a hedging policy with respect to the profits and dividends of its subsidiaries operating outside the Euro-Zone. The Group takes prevailing market conditions into account in implementing its hedging policy. Any negative change in exchange rates and/or a hedging policy that is ineffective at covering risk could significantly adversely affect the Group’s results of operations, business and financial condition.

1.7. Changes in the German and European regulatory framework could adversely affect the Group’s business

The HVB Group is subject to extensive regulation and supervision in all jurisdictions in which it operates, including but not limited to BaFin, the European Central Bank (ECB) and the European Banking Authority (EBA). The rules applicable to banks are aimed at preserving the stability and solidity of banks and limiting their risk exposure. The HVB Group is also subject to regulations applicable to financial services that govern, among other things, the sale, placement and marketing of financial instruments as well as to those applicable to its bank-assurance activities.

The supervisory authorities mentioned above govern various aspects of the Group, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, the Group has in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group’s results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Registration Document, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

In particular, in the wake of the global financial crisis that began in 2008, the Basel Committee approved, in the fourth quarter of 2010, revised global regulatory standards on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards (the so-called Basel III). The Basel III framework adopts a gradual approach, with the requirements to be implemented over the period from 1 January 2013 to 31 December 2019 (some of the new requirements which are still in the course of being defined will have to be adopted by individual member states).

Between the end of 2010 and the beginning of 2011, the Bank of Italy issued a series of measures which amended the New Provisions of Prudential Supervision of Banks for the purposes of implementing the CRD II Directives which may require the Group, after a transitional period, to replace its financial instruments no longer computable for such purposes. In November 2010, the CRD III Directive was issued and included additional capital requirements relating to the trading portfolio and repackaging securitisations as well as a review of the remuneration policies.

On 20 July 2011, the European Commission published a legislative proposal to implement the Basel III rules at the European level. The proposal is currently being analysed by the European Parliament and European Council for final approval over the course of 2012. During this phase of review, the proposal of the European Commission may be modified, by, for example, including more stringent capital and liquidity requirements.

The impact of these regulations could, therefore, have an adverse effect on the Group's results of operations, business and financial condition.

The various requirements may affect the activities of the Group, including its ability to grant funding, or result in the need for further capital injections in order to meet capital requirements as well as require other sources of funding to satisfy liquidity requirements, which could result in adverse effects to the Group's results of operations, business, assets, cash flows and financial condition, the products and services offered by the Group as well as the Group's ability to pay dividends.

In addition, consistent with the exercise carried out by the Committee of European Banking Supervisors ("CEBS") in 2010, the European Banking Authority in 2011 commenced a stress test over a sample of 90 European banks. The Group passed the stress test. Furthermore, in October 2011, the EBA in collaboration with other competent authorities, initiated a regulatory capital exercise with respect to 71 banks throughout Europe, including HVB Group.

Due to the uncertainties connected with the above laws and regulations, there can be no assurance that their application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on the products and services offered by the Group. In carrying out its activities, the Group is subject to numerous regulations of general application such as those concerning taxation, social security, pensions, occupational safety and privacy. Any changes to the above laws and regulations and/or changes in their interpretation and/or their application by the supervisory authorities could adversely affect the Group's results of operations, business and financial condition.

In addition, the Group follows international accounting standards in preparing its financial statements and interim financial statements. Due to the fact that some of these accounting standards are in the process of being amended and the fact that applications have been made to introduce new standards, the Group may need to restate figures in its financial statements that have already been published for prior financial years and/or periods. Moreover, the Group may also need to revise its accounting treatment of certain transactions and the related income and expense, which could have potentially negative effects on the estimates contained in the Group's financial plans for future years.

In this regard, the Group has taken into account the amendments to IFRS 7 and IAS 1 introduced by the IASB in preparing its financial statements for the year ended 31 December 2011. Furthermore, the Group will, in the future, have to take into account the amendments to IAS 19 and the new IFRS 10, IFRS 11, IFRS 12 and IFRS 13 standards, which are in the process of being approved by the European Union and will enter into force on 1 January 2013. The new IFRS 9 standard that is currently being prepared to replace IAS 39 will introduce significant changes to the classification, measurement, impairment and hedge accounting of certain instruments. The new IFRS 9 standard is currently expected to enter into force on 1 January 2015, pending final publication and European Union approval.

1.8. Loan losses may exceed anticipated levels

HVB Group is a major lender to several large corporate customers that have filed for the initiation of insolvency proceedings in the past years or are undergoing restructuring. There is the risk that HVB Group may require provisions for losses on loans and advances or incur loan losses in excess of HVB Group's expectations.

HVB Group is a major lender to large corporate customers, banks and financial institutions in Germany and other countries. The number of insolvencies to be expected in the future among HVB Group customers is unpredictable. If such number exceeds the anticipated levels, HVB Group may require provisions for losses on loans and advances or incur loan losses in excess of the budgeted amounts.

In such scenarios, loan losses may exceed anticipated levels.

1.9. Risks related to market implementations

Investors are relying upon the creditworthiness of the HVB Group and the results of the HVB Group are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of HVB Group's customers may default on their loans or other obligations. Higher interest rates may also have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates in Europe and in the other markets in which the HVB Group operates influence HVB Group's performance.

1.10. Systemic risk could adversely affect the Group’s business

In light of the relative shortage of liquidity and relatively high funding costs that have prevailed in the interbank lending market since the onset of the global financial crisis, the Group is exposed to the risk that the financial viability (actual or perceived) of the financial institutions with whom, and of the countries in which, it carries out its activities could deteriorate. The Group routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutional clients. Financial services institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships; concerns about the stability of any one or more of these institutions or the countries in which they operate could lead to significant constraints on the availability of liquidity (including completely frozen interbank funding markets), losses or other institutional failures. In addition, should one of the counterparties of a certain financial institution suffer losses due to the actual or perceived threat of default of a sovereign country, that counterparty may be unable to satisfy its obligations to the above financial institution. The above risks, commonly referred to as “systemic” risks, could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with whom the Group interacts on a daily basis, which in turn could adversely affect the Group’s ability to raise new funding. The occurrence of any “systemic” risks could adversely affect the Group’s results of operations, business and financial condition.

In addition, in each of the countries in which the Group operates, it could be required to participate in deposit guarantee and investor protection schemes. As a result, the insolvency of one or more of the participants in these schemes could result in HVB Group , or one of its banking subsidiaries’, obligation to settle guaranteed customer claims against such insolvent participant(s) or to pay increased or additional contributions, which could materially adversely affect the Group’s results of operations, business and financial condition.

2. Market Risk

Difficult market situations can add to volatility in HVB Group's income

HVB Group is responsible for the regional management of the German market and is also the centre of competence for the markets and investment banking operations. This gives rise to a balanced, solid business model built around several pillars. Depending on developments on external markets, it is possible that imbalances in earnings contributions may arise.

The strategic objective of HVB's Corporate & Investment Banking division is to be a leading, integrated European corporate and investment bank, offering its customers added value through specific relationship models geared to customer individual needs.

Despite the customer-oriented approach of its investment banking activities and the elimination of proprietary trading, income naturally remains relatively volatile. Although investment banking is very profitable in a normal market environment, it is subject to increased income risks in difficult market situations.

3. Liquidity Risk

The HVB Group is subject to liquidity risk, i.e., the risk that it will be unable to meet its obligations, including funding commitments and deposit withdrawals, as they fall due. In this context, the procurement of liquidity for business activities and the ability to access long-term financing are necessary to enable the

Group to meet its payment obligations in cash, scheduled or unscheduled, and avoid prejudice to its current activities and financial situation.

3.1. Risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due

The global financial crisis and resulting financial instability have significantly reduced the levels and availability of liquidity and term funding. In particular, the perception of counterparty credit risk between banks has increased significantly, resulting in further reductions in interbank lending and the level of confidence from banks' customers, together with pressures on bond markets as a result of speculation.

In addition, the Group's access to liquidity could be further prejudiced through its inability to access bond markets, issue securities or secure other forms of wholesale funding. In this context, the Group has announced, as part of its Strategic Plan, its intention to decrease the proportion of wholesale funding in favour of retail funding. Therefore, reduced customer confidence could result in the Group's difficulty in accessing retail funding and to increased deposit outflows, which in turn could further limit the Group's ability to fund its operations and meet its minimum liquidity requirements. Furthermore, the differing tax treatment of securities issued by HVB group and those issued by the German Government has resulted in the securities issued by HVB Group being comparatively less favourable to investors, which could lead to higher funding costs.

Therefore, further increases in the cost of interbank funding, reductions in the availability of such funding, increases in the costs of, together with decreases in the availability of, similar or other forms of funding and/or the inability of the Group to dispose of its assets or liquidate its investments could affect the Group's business and materially adversely affect its results of operations and financial condition.

HVB Group also borrows from the European Central Bank (the "ECB"). Thus, any adverse change to the ECB's lending policy or any changes to the funding requirements set by the ECB, including changes to collateral requirements (particularly those with retroactive effect), could significantly affect the Group's results of operations, business and financial condition.

In addition, supervisory authorities are increasingly monitoring the transfer of liquidity between HVB Group entities as well as requiring Group subsidiaries to reduce their respective exposures to other Group companies. This increased oversight could affect the Group's ability to support the liquidity requirements of its parent company and subsidiaries through inter-group transfers of capital, which in turn could adversely affect the Group's results of operations, business and financial condition.

3.2. The HVB Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions

The Group's performance is influenced by the condition of financial markets and the macroeconomic situations of the countries in which it operates. In recent years, the global financial system has been subject to considerable turmoil and uncertainty and, as of the date of this Registration Document, short to medium term expectations of global economic performance remain uncertain. The global financial system began showing signs of disruption in August 2007 and its condition worsened significantly thereafter following the bankruptcies of several major international financial institutions beginning in September 2008. Such continued deterioration has led to significant distortions in global financial markets, including critically low levels of liquidity and of the availability of financing (with consequentially high funding costs), historically high credit spreads, volatile and unstable capital markets and declining asset values. In addition, the international banking system has been imperilled with unprecedented issues, which have led to sharp reductions in and, in some cases, the suspension of interbank lending.

The businesses of many leading commercial banks, investment banks and insurance companies have been particularly subject to significant pressure. Some of these institutions have failed or have become insolvent, have been integrated with other financial institutions, or have required capital injections from governmental authorities, central banks and/or the International Monetary Fund (the "IMF"). These governmental and quasi-governmental institutions have also provided needed capital and liquidity to the global financial system in addition to, in certain cases, requiring and/or participating in the recapitalisation of financial institutions.

Additional adverse effects of the global financial crisis include the deterioration of loan portfolios, decreased consumer confidence in financial institutions, high levels of unemployment and a general decline in the demand for financial services.

Furthermore, the general economic decline in the countries in which HVB Group operates has had, and could continue to have, adverse effects on its operations, financing costs, share price and the value of its assets and has led, and could continue to lead, to additional costs relating to such devaluations and decreases in value.

All of the above could be further impacted by any measures taken with respect to the currencies of such countries as well as by political instability in such countries and/or the inability of the governments thereof to take prompt action to confront the financial crisis.

3.3. The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition

The continued deterioration of the sovereign credit ratings of various countries, including, among others, Greece, Italy, Ireland, Spain and Portugal, together with the potential for contagion to spread to other countries in Europe, mainly France and Germany, has exacerbated the severity of the global financial crisis. Such developments have lead to credible doubts being raised over the stability and status quo of the European Monetary Union.

On 5 December 2011, Standard & Poor's placed Italy and 14 other countries in the Euro-Zone, including France and Germany, under credit watch negative amid rising concern over the capacity of those countries to manage their sovereign debt, as a consequence of the continued deterioration of the political, financial and monetary environment throughout the Eurozone. On 16 December 2011, Fitch placed Italy on "Rating Watch Negative". Subsequently, on 13 January 2012, among other Euro-zone sovereign downgrades, Standard & Poor's lowered Italy's long-term rating to BBB+ with negative outlook, citing their assessment that the policy initiatives taken by European policymakers in previous weeks may be insufficient to fully address ongoing systemic stresses in the Eurozone.

Any further deterioration of the German economy would have a material adverse effect on the HVB Group's business, in light of the Group's significant exposure to the German economy. In addition, if any of the countries in which the Group operates enter recession again, the Group's results of operations, business and financial condition would be materially and adversely affected.

Furthermore, the increasing risk that other Eurozone countries will become subject to rising borrowing costs and will therefore have to confront the economic crisis in a manner similar to Italy, Greece, Spain and Portugal, together with the risk that member countries, even small countries in terms of Gross Domestic Product ("GDP"), will exit the European Monetary Union (voluntarily or involuntarily), would likely have an adverse effect on the Group's business across Europe, as well as the impact of such events on Europe and the global financial system could be severe.

In an effort to reduce such unrest and avoid further acceleration of the crisis, the European Central Bank and the International Monetary Fund ("IMF") allocated €440 billion to the EFSF to assist ailing European economies and to avoid the crisis from spreading throughout the Eurozone. In the Autumn of 2011, European leaders discussed additional austerity measures, including, among others, a substantial increase of the EFSF. In the first quarter of 2012 the Greek sovereign debt has been restructured (obligation conversion of Government loans).. Furthermore, some countries have adopted, and may adopt in the future, restrictive fiscal policies, which have impacted, or could impact, disposable incomes and corporate profits and the Group's results of operations, business and financial condition.

Despite the various measures taken at the European level to manage the accelerating European sovereign debt crisis, including most recently the ECB having lent approximately €500 billion in low cost, three year loans to more than 500 banks across the region as part of a single liquidity operation to help ease liquidity constraints, high levels of volatility and uncertainty persist in markets worldwide. This is in part due to the lack of agreement among the leading European governments on the appropriate use of the EFSF and other financial levers to support ailing Eurozone economies. Any further acceleration of the European sovereign debt crisis would likely significantly impact, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities. The occurrence of any of the above events could have a material adverse effect on the Group's results of operations, business and financial condition.

Furthermore, concerns over the European sovereign debt crisis could lead to the reintroduction of one or more Eurozone countries' national currencies. In a worst case scenario, the same concerns could result in the Euro being abandoned altogether. The occurrence of either of the above scenarios could adversely affect certain contractual relationships to which the Group is a party, both in terms of the Group's ability to satisfy its obligations to counterparties and in terms of counterparties' abilities to satisfy their obligations to the Group, which would materially adversely affect the Group's results of operations, business and financial condition.

With regard to Greece, any worsening of its socio-economic and political situation and any voluntary participation of HVB Group in the restructuring of Greece's debt (e.g., through maturity extensions or discounts to nominal value) may negatively impact the Group's profitability, leading to even more significant losses.

In addition, should the ECB suspend, or revise the methods for making, its open market purchases of the sovereign debt securities of European countries and/or should the ongoing initiatives of supranational institutions aimed at resolving the European sovereign debt crisis ultimately fail, the value of sovereign debt securities could be negatively impacted and the Group's results of operations, business and financial condition could be adversely affected.

3.4. The Group has significant exposure to European sovereign debt

In carrying out its activities, the Group has significant financial exposure to the major European countries and municipal corporations of those countries, as well as to other countries outside the Eurozone (so-called "sovereign exposure").

In addition to HVB Group's exposure to sovereign debt securities, the Group is also exposed to sovereign debt through loans made to central and local governments and other governmental bodies.

Furthermore, any future downgrades to the credit ratings of the countries referred to above could result in HVB Group having to revise the weighting criteria it uses for calculating risk weighted assets ("RWAs"), which could adversely affect HVB Group's capital ratios.

Thus, any negative developments in the Group's "sovereign exposure" could adversely affect its results of operations, business and financial condition.

Financial regulators have requested that HVB Group companies reduce their credit exposure to other Group entities, particularly their upstream exposure to UniCredit, which could have a material adverse effect on the way in which the HVB Group funds its operations and provides liquidity to members of the Group.

In common with other multi-jurisdictional banking groups, the Group companies have historically provided funding to other members of the Group, resulting in the transfer of excess cash liquidity from one member of the Group to another. Currently, one of the largest such outstanding exposures is from HVB to UniCredit, although HVB also has exposures to other Group companies. In addition, as the UniCredit Group's investment banking activities are centralised within HVB, significant non-cash intra-group credit exposures exist on a day-to-day basis between HVB and other Group companies resulting from, among other things, HVB acting as an intermediary between such Group companies, on the one hand, and external counterparties, on the other hand, in connection with various financial risk hedging transactions. Due to the nature of this business, the intra-group credit exposure of HVB is volatile and can change significantly on a daily basis.

As a result of the ongoing global financial crisis, banking regulators in many of the jurisdictions in which the Group operates have sought, and continue to seek, to reduce the exposure of banks operating within their jurisdictions to other affiliated banks operating in jurisdictions over which they have no legal and/or regulatory control. This could have a material adverse effect on the way in which the Group funds its operations and provides liquidity to other Group companies.

Furthermore, under applicable German regulations, credit institutions may be exempted from including intra-group exposures in their overall limit for large exposures if certain conditions are met. HVB relies on this exemption with respect to the intra-group exposures described above. If such exemption is no longer available due to changes in applicable regulations or otherwise, HVB could have to either reduce or balance its risk-weighted assets by allocating additional qualifying regulatory capital to remain in compliance with its statutory minimum solvency ratio, as well as the higher ratio it has agreed with the German Federal Financial Supervisory Authority ("BaFin") to maintain.

In Germany, as a result of the level of HVB's intra-group cash and non-cash exposures and consequent discussions between UniCredit, HVB and BaFin, UniCredit and HVB Group have undertaken to reduce HVB's net intra-group exposure to the UniCredit Group, including through the use of collateral, based on ongoing discussions with BaFin and the Bank of Italy.

The implementation of the measures described above, the inability of the Group to provide additional collateral to support these arrangements were it required to do so, a request by BaFin to further reduce HVB's intra-group exposure because of a perceived or actual deterioration in the credit outlook of its counterparties or any other reason could have a material adverse effect on the Group's liquidity and the liquidity of certain of its subsidiaries. Any of these events could have a material adverse effect on the way the Group funds itself internally, on the cost of such funding (particularly if it must be obtained externally) as well as on the results of operations, business and financial condition of HVB and the Group.

3.5. A deterioration of HVB Group's ratings may pose significant risks for HVB Group's business

On 14. October 2011 Fitch Ratings has affirmed HVB's Long-term Issuer Default Rating (IDR) at 'A+' with Stable Outlook.

The recognition of impairment losses, unforeseen defaults of large borrowers, financial results or capital ratios below expectations and a deterioration of the macro-economic environment in HVB Group's core markets may result in a lowering of HVB Group's credit ratings. Also any deterioration of the credit ratings of UniCredit Group and its subsidiaries has led and might as well lead to a further lowering of HVB Group's credit ratings. In view of the continuing turbulence on financial markets and the further worsening of the global economic condition, the financial sector ratings could be adjusted downwards in general. Should this development arise, this may well mean that the ratings of HVB Group and their subsidiaries are affected. Any deterioration of the credit ratings of HVB and related subsidiaries that are rated, for any reason, will result not only in increased funding costs, but will also limit HVB Group's funding sources and impact its liquidity.

In addition, rating downgrades may limit HVB Group's ability to conduct certain businesses, including strategically productive ones, and may have a considerable negative impact on the HVB Group. Such a change in the rating could make it harder to tap the capital markets, with higher funding costs having a negative effect on the assets, liabilities, financial position and profit or loss of HVB Group.

Moreover, the lowering of HVB Group's credit ratings may also affect the liquidity and the price of the financial instruments to be issued.

3.6. Disruptions on financial markets potentially impact the liquidity situation of HVB Group

As market participant with global activities HVB Group is exposed to the general risk of disruptions on financial markets. As a consequence there might be the situation that HVB Group has to refinance assets at significantly increased funding costs. Longer lasting market tension might lead to an elevated liquidity risk situation caused by a lack of available funding sources.

4. Operational Risk

The Group is exposed to operational risks and losses that can result from, among other things, internal and external fraud, unauthorised activities in the capital markets, inadequate or faulty systems and controls, telecommunications and other equipment failures, data security system failures, errors, omissions or delays of employees, including with respect to the products and services offered, unsuitable Group policies and procedures, including those related to risk management, customer complaints, natural disasters, terrorist attacks, computer viruses and violations of law.

4.1. HVB Group's risk management strategies and techniques may leave HVB Group exposed to unidentified or unanticipated risks

Risk management strategies and techniques may fail under some circumstances, particularly if HVB Group is confronted with risks that it has not identified or anticipated. Some of HVB Group's methods for managing risk are based upon observations of historical market behavior and on statistical models. HVB Group may experience material unexpected losses if the measures used to assess and mitigate risk proved insufficient.

4.2. IT risks

The calculation of the German Withholding Tax (*Abgeltungssteuer*) involves many IT systems, some of them transferred to HVB Group's outsourcing partner. The overall processes are managed by HVB Group and processes and IT systems are continuously developed together with its outsourcing partner. The calculation of some special tax cases can currently not be fully covered by IT resources. A dedicated team of tax specialists supports the handling of these cases.

As HVB Group is in general liable for a correct tax payment towards the fiscal authorities a minor risk of interest for delayed payments might occur.

The new IT platform of HVB Group – EuroSIG - was implemented in 2010. For ensuring a fast change over period the bank accepted some internal restrictions (workarounds) mainly for credit processing topics. These restrictions are continuously remediated or integrated in the target processes.

While the Group actively employs procedures to contain and mitigate operational risk and related adverse effects, the occurrence of certain unforeseeable events, wholly or partly out of the Group’s control, could substantially limit their effectiveness. As a result, there can be no assurance that the Group will not suffer future material losses due to the inadequacy or failure of the above procedures. The occurrence of one or more of above risks could adversely affect the Group’s results of operations, business and financial position.

Although the Group believes that its resources are sufficient, complications and/or unexpected problems have arisen in the past and may arise in the future, which could delay or result in the inability of the Group to successfully integrate the above systems.

4.3. Risks in connection with outsourcing

Outsourcing involves the transfer of activities to external service providers. This also involves a transfer of some of the operational risk while contractual risks arising from the outsourcing arrangement remain in the Bank.

HVB has set up a standardised risk assessment process to ensure that the regulatory requirements regarding the outsourcing of business processes are met. In conjunction with relevant functional departments, such as Legal Affairs, Compliance, Internal Audit, IT Security and so on, The Outsourcing Tracking Office and the OpRisk Manager responsible for the outsourcing unit analyse all new outsourcing arrangements with regard to their materiality.

Where an outsourcing arrangement is classified as material, in-depth risk assessments are performed to analyse outsourcing-specific risk (essentially operational risk) and also non-quantifiable risks like reputational risk and strategic risk. The office responsible for each individual outsourcing arrangement (retained organisation – RTO) manages the identified risks using the processes specified at HVB and defines risk-reducing measures.

Failures in the risk assessment process or in defining risk reducing measures could lead to a negative impact on HVB Group´s results of operations, business and financial position.

4.4. Risks arising from fraud in trading

There is no information currently to hand regarding instances of fraud in HVB Group´s trading activities. Investigations were initiated when suspicions arose. Nevertheless such fraud in trading might arise in the future and could lead to financial losses as well as a negative perception of HVB Group.

4.5. Risks in connection with legal proceedings

As at the date of this Registration Document, there are certain legal proceedings pending against HVB Group and other companies belonging to the Group.

In many cases there is significant uncertainty as to the possible outcome of the proceedings and the amount of possible losses. These cases include criminal proceedings and administrative proceedings brought by supervising authorities as well as civil litigation where damages have not been specified.

The Group must also comply with various legal and regulatory requirements concerning, among others, conflicts of interest, ethical issues, anti-money laundering, sanctions imposed by the United States or international bodies, privacy rights and information security.

HVB Group believes that such proceedings have been properly analysed by the HVB Group in order to decide whether any increase in provisions for litigation is necessary or appropriate under the current circumstances. However, it cannot be excluded that the existing provisions may not be sufficient.

4.6. The Group is involved in pending tax proceedings

At the date of the Registration Document, there are different tax proceedings pending against HVB Group and other companies belonging to the HVB Group.

There can be no assurance that HVB Group will not be subject to an adverse outcome of one or more of the tax proceedings to which it is subject or may be subject in the future. Such an adverse outcome could have a material adverse effect on the Group’s results of operations, business and financial condition. In addition, should a member of the Group breach or allegedly breach tax legislation in one or more of the countries in which the Group operates, the Group could be exposed to increased tax risks, which in turn could increase the likelihood of further tax litigation and result in reputational damage.

5. Strategic Risk

5.1. Risk from overall economic trends and risk from external market changes

The strategy of HVB Group is described in the Financial Review. The Bank provides customer-oriented products in its key business areas Corporate & Investment Banking (CIB), Family & Small and mid-sized enterprises (Family & SME) and Private Banking (PB), concentrating on its core market of Germany. Against this backdrop, HVB Group views itself as a universal bank with excellent customer relationships, putting it in a good position to continue operating successfully on the German market. However, should the measures aimed at stemming the euro crisis fail to success or further turmoil roil the financial markets on account of insolvencies in the financial sector or a default by individual sovereign borrowers (such as Greece), this could have a negative effect on the assets, liabilities, financial position and profit or loss of HVB Group.

5.2. Risks from the strategic positioning of HVB Group´s business model

HVB Group is responsible for the regional management of the German market and is also the centre of competence for the markets and investment banking operations of the whole of UniCredit. This gives rise to a balanced and solid business model built upon several pillars. However, depending on developments on external markets, it cannot always be ruled out that imbalances in earnings contributions could arise.

The strategic objective of our CIB division is to be a leading, integrated European corporate and investment bank, offering our customers added value through specific relationship models geared to individual customers' needs. Despite the customer-oriented approach of our investment banking activities and the discontinuation of proprietary trading, income naturally remains relatively volatile. Although investment banking is very profitable in a normal market environment, it is subject to increased income risks in difficult market situations.

5.3.Risks from the consolidation of the banking market

Consolidation on the German and international banking and financial markets is continuing apace. As a result of the uncertainty surrounding the consolidation and concentration in the German banking sector, it remains unclear how potential earnings will be divided among competitors in the future and at what cost market share can be won. HVB Group does have a well-functioning and recognised business model, which proved its worth in the crisis, a strong capital base and adequate liquid funds that will enable it to actively exploit suitable opportunities quickly and flexibly. Nevertheless, the assets, liabilities, financial position, and profit or loss of HVB Group could be affected negatively by an associated increase in the market power of its competitors.

5.4. Competition risk

Both investment banking and the financial services market in Germany represent highly competitive environments. In its core German market, the corporate group competes with public-sector banks, cooperative banks and other German and international private banks; certain of the public-sector banks can still call upon state guarantees for some of their operations. This may possibly have a negative impact on the assets, liabilities, financial position and profit or loss of the corporate group.

In the international financial and securities markets, in particular cyclical effects and unexpected fluctuations have a stronger impact in this environment. If the developments in these markets run counter to the expectations of HVB Group, this would impose a heavier burden on HVB's results than in previous years. This means that such swings could be reflected more visibly in the assets, liabilities, financial position and profit or loss of the corporate group.

HVB Group may not be able to further successfully implement its pricing strategy and improve interest margins in the current competitive environment. Failure to improve interest margins or maintain them at current level may have a significant negative impact on the HVB Group's results of operations and financial condition.

5.5. Uncertainty about macro-economic developments and risks from increasingly stringent regulatory requirements

The international discussion about the future regulatory environment for banks has many facets and the outcome is hard to assess at present in terms of complexity and cumulative effect. The regulatory environment will be tightened up across the board as a consequence of the financial crisis. It is possible, for instance, that the required core capital ratio will be raised and further regulatory ratios introduced. Besides increasing funding costs, the cost of implementing regulatory requirements and for updating IT systems accordingly will also rise in this context. At worst, this could weaken HVB Group's strong capital base.

5.6. The introduction of Basel III may have a material impact on the capital resources and requirements of HVB Group

Changes in existing, or new, government laws or regulations in the countries in which the Issuer operates may materially impact the Issuer. In December 2009, the Basel Committee on Banking Supervision issued a consultative document (also referred to as "Basel III") that outlined proposed changes to the definition of regulatory capital as well as the introduction of two new ratios for liquidity requirements: a short-term liquidity funding ratio and a long-term net stable funding ratio.

These proposals are going through a period of consultation and are expected to be introduced by the beginning of 2013, with substantial transitional arrangements.

Such proposals may significantly impact the capital resources and requirements of HVB Group and, therefore, could have a material adverse effect on the HVB Group's business, results of operations and financial condition, thereby potentially affecting HVB Group by requiring it to enter into business transactions which are not otherwise part of its current group strategy, restricting the type or volume of transactions HVB Group may enter into, set limits on or require the modification of rates or fees that HVB Group charges on loans or other financial products, HVB Group may also be faced with increased compliance costs and material limitations on its ability to pursue business opportunities.

5.7. Tax implications – new types of tax to make banks contribute to the cost of the financial crisis

Several ways of making banks contribute to the cost of the financial crisis are currently being discussed internationally. Besides a general levy on financial institutions which was implemented in several European countries in 2011, taxes on proprietary trading activities, taxes on financial transactions and taxes on variable elements of remuneration paid to bank employees with comparatively high incomes are being cited. The major industrialised nations are currently discussing all possible measures to agree upon a coordinated approach. Besides extracting a contribution to the costs, these measures also have a political purpose. HVB Group could face additional costs, should any of these issues currently under discussions actually be transformed into new tax laws.

5.8. Risks related to Ratings of HVB Group

HVB Group is rated by Fitch, by Moody’s and by Standard & Poor’s. In determining the rating assigned to HVB, these rating agencies consider and will continue to review various indicators of the Group’s performance, HVB Group’s profitability and its ability to maintain its consolidated capital ratios within certain target levels. If HVB Group fails to achieve or maintain any or a combination of more than one of the indicators, including if HVB Group is unable to maintain its consolidated capital ratios within certain target levels, this may result in a downgrade of HVB Group’s rating by Fitch, Moody’s or Standard & Poor’s.

Any rating downgrades of HVB or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations.

5.9. The regulatory environment for HVB Group may change; non-compliance with regulatory requirements may result in enforcement measures

HVB Group's operations are regulated and supervised by the central banks and regulatory authorities in each of the jurisdictions where it conducts business. The bank regulatory regimes in the various local jurisdictions are subject to change.

Changes in the regulatory requirements in a relevant jurisdiction may impose additional obligations on HVB Group companies. In addition, compliance with the revised regulatory requirements may result in a significant increase in administrative expenses which may have an adverse impact on HVB Group's financial condition and results of operations.

The Bank's international operations expose it to increasing requirements and scrutiny under a range of both domestic and international regulatory regimes. As a result, the Bank is and may become involved in regulatory inquiries covering various areas including economic sanctions and anti-money-laundering regulations. Such inquiries may continue over significant periods of time before being closed and may result in sanctions, fines or other judicial or regulatory actions.There is a risk that in the case of a repeated violation of the regulatory requirements in any relevant jurisdiction, the banking license granted to a company of the HVB Group in such jurisdiction will be revoked or limited.

In Germany, HVB Group is regulated by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "BaFin"). BaFin has a wide range of enforcement powers in the event it discovers any irregularities.

Among other things, if HVB's or HVB Group's own funds or liquidity requirements do not meet the statutory minimum requirements, BaFin may prohibit HVB Group from extending further credits.

Should there be a risk that a bank may not be able to perform its obligations vis-à-vis its creditors, BaFin may, for the purpose of avoiding such risk, impose a so-called moratorium on the German banking subsidiaries of HVB Group in accordance with section 46a of the German Banking Act (Gesetz über das Kreditwesen), i.e. prohibit the disposal of assets and the making of payments, impose the closing down of a bank's business with customers and prohibit the acceptance of payments not intended for the discharge of debts owed to the bank.

Should the HVB Group or one of its subsidiaries not comply fully with the regulatory demands of the supervisory authorities, this could lead to sanctioning measures, in particular by BaFin. At worst, the business capabilities of the HVB Group and its subsidiaries could be restricted as a result.

6. Additional Risks

6.1. Business risk

HVB Group defines business risk as adverse, unexpected changes in business volume and/or margins that cannot be attributed to other risk types. It can result above all from a serious deterioration in the market environment, changes in the competitive situation or customer behaviour, and changes in the cost structure. The business risk strategy of HVB Group is based on the direction of business over the medium term and is reflected in planning. As part of its cost and income responsibility, each business unit is responsible for the operational management of business risk. Nevertheless, there can be no approval that there couldn´t arise serious losses in earnings, thereby diminishing the market value of HVB Group.

6.2. Risks arising from HVB´s real estate portfolio

HVB´s real estate portfolio invludes the portfolio of the property ownership companies of HVB and its special-purpose companies and shareholding companies as well as the portfolios of HVB Group subsidiaries. Despite the favouable economic developments forecasted, the basic conditions for 2012 will remain difficult both worldwide and in Germany and will be marked by several sources of uncertainty. This may have an adverse impact on HVB Group's financial condition and results of operations.

The situation in the real estate markets depends on economic trends. If growth decreases, demand for rental space will deteriorate.

6.3. Risks arising from HVB Group´s shareholdings/financial investments

The strategy for risks arising from our shareholdings/financial investments is based on the direction of business in the medium term and is reflected in planning. Fluctuations in market prices of HVB Group´s portfolio of listed and unlisted shareholdings, financial investments and corresponding fund shares could lead to potential losses.

RESPONSIBILITY STATEMENT

UniCredit Bank AG having its registered office at Kardinal-Faulhaber-Strasse 1, 80333 Munich ("HVB", acting through its head office or one of its foreign branches) accepts responsibility for the information contained in this Registration Document. UniCredit Bank AG declares that the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and that no material information has been omitted.

UNICREDIT BANK AG

Information about HVB, the parent company of HVB Group

UniCredit Bank AG, formerly Bayerische Hypo- und Vereinsbank Aktiengesellschaft ("HVB", and together with its consolidated subsidiaries, the "HVB Group") was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. It is the parent company of HVB Group, which is headquartered in Munich. HVB has been an affiliated company of UniCredit S.p.A., Rome ("UniCredit S.p.A." and together with its consolidated subsidiaries, "UniCredit") since November 2005 and hence a major part of the UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of HVB's share capital.

HVB has its registered office at Kardinal-Faulhaber-Strasse 1, 80333 Munich and is registered with the Commercial Register at the Local Court (*Amtsgericht*) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of the Federal Republic of Germany. It can be reached via telephone under +49-89-378-0 or via www.hvb.de.

With effect of 15 December 2009 HVB has changed its legal name from "Bayerische Hypo- und Vereinsbank Aktiengesellschaft" to "UniCredit Bank AG". The brand name "HypoVereinsbank" has not changed.

As a result of the integration into the UniCredit, the activities of UniCredit Bank AG have been organized in the following divisions: Corporate & Investment Banking, Family & SME[1] and Private Banking.

Auditors

KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), Ganghoferstrasse 29, 80339 Munich, the independent auditors (*Wirtschaftsprüfer*) of HVB have audited the consolidated financial statements of HVB Group and the unconsolidated financial statements of HVB as of and for the years ended 31 December 2011 and 2010 and have issued an unqualified audit opinion thereon. KPMG is a member of the Chamber of German Public Accountants, an institution incorporated under public law (*Wirtschaftsprüferkammer, Anstalt des Öffentlichen Rechts*), Rauchstrasse 26, 10787 Berlin.

Ratings

Securities currently issued by HVB have been rated as follows by Fitch Ratings Ltd. ("Fitch"), Moody's Investors Service Ltd. ("Moody's") and Standard & Poor's Ratings Services ("S&P"):

	Long-term Senior Notes	**Subordinated Notes**	**Short -term Notes**	**Outlook**	**Public Sector Pfandbriefe**	**Mortgage Pfandbriefe**
Moody's	A2	Baa2	P-1	on review for possible downngrade	*Aaa	*Aa1
S&P	A	BBB+	A-1	negative	AAA	-
Fitch	A+	A	F1+	stable	AAA	AAA

* The rating of Public Sector Pfandriefe and the Mortgage Pfandbriefe has been set on review for possible downgrade on 23 November 2011

The Instruments to be offered may be rated or unrated. Where an issue of Instruments is rated, its rating may not be the same as the rating as set out above and such rating may be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C down to D. Fitch uses the intermediate modifiers "+" and "-" for each category between AA and CCC to show the relative standing within the relevant rating categories. Fitch's short-term ratings indicate the potential level of default within a 12-month period at the levels F1+, F1, F2, F3, F4, B, C and D.

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-

[1] Small and medium enterprises

rating category. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP.

S&P assign long-term credit ratings on a scale from AAA to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral). S&P assigns short-term credit ratings for specific issues on a scale from A-1, A-2, A-3, B, C down to D. Within the A-1 category the rating can be designated with a "+".

HVB confirms that the information contained in this section "Ratings" has been accurately reproduced and that as far as HVB is aware and is able to ascertain from information published by Fitch, Moody's and S&P, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Fitch and Moody's are established in the European Union and have been registered under Regulation (EC) No. 1060/2009 (as amended from time to time) (the "CRA Regulation"). S&P is not established in the European Union but a European Union affiliate has been registered under the CRA Regulation. In accordance with the CRA Regulation, a list of registered credit rating agencies under the CRA Regulation is published by the European Securities and Markets Authority (ESMA) on its website.

BUSINESS OVERVIEW

Divisions of HVB Group

The market-related activities of HVB Group are divided into the following globally active divisions: Corporate & Investment Banking, Family & SME (until end of 2010: Retail) and Private Banking.

Also shown is an "Other/consolidation" segment that covers Global Banking Services ("GBS") and Group Corporate Centre activities and the effects of consolidations.

Segment reporting is based on the internal organisation and management structure together with internal financial reporting. The same principles are being applied in the 2011 financial year as were used at year-end 2010.

The final phase of UniCredit's One for Clients programme (One4C) was implemented at the start of 2011. This involved the transfer of small and medium-sized companies with revenues of up to €50 million from the Corporate & Investment Banking division to the Family & SME division to coincide with the expansion of the customer base. In the second quarter of 2010, retail customers with free assets of at least €500,000 had already been moved from the Retail division to the Private Banking division and customers with assets of less than €500,000 transferred from the Private Banking division to what at that time was the Retail division.

The autonomous "Leasing" product unit, which was previously allocated to the Corporate & Investment Banking division, was transferred to Family & SME.

As of 31 March 2012 HVB Group had 940 branches (31 December 2011: 934) and 19,243 employees (in full-time equivalents, FTEs) (31 December 2011: 19,442).

Corporate & Investment Banking division

HVB's Corporate & Investment Banking ("CIB") comprises the coverage of corporate and institutional clients and four product lines: Financing & Advisory ("F&A"), Markets, Corporate Treasury Sales ("CTS") and Global Transaction Banking ("GTB").

CIB supports the growth and internationalization of approx. 54,000 corporate, institutional and public sector clients, creating sustainable value for all stakeholders. Committed to long-term partnerships with clients across all sectors, our relationship managers and product specialists create tailor-made solutions in a strategic dialogue with our clients.

HVB supports its clients through its European network within the UniCredit Group. The CIB division also has a presence in the top financial centres in the world, including London, New York, Hong Kong, Singapore and Tokyo.

Financing & Advisory

F&A's diversified product range stretches from plain vanilla and core banking relationship products to highly sophisticated structured finance and capital markets solutions as well as M&A advisory services, typically targeting a broad client range (corporates, public sector and institutional clients as well as financial sponsors).

Markets

Markets comprises products and services with regard to: FX, Rates, Equity Derivatives, CEE Equities, Credit Markets and Research. With its Institutional and Wholesale Distribution, HVB services institutional investors and Wholesale clients. In cooperation with the product areas in Markets, Corporate Treasury Sales provides financial risk management products, covering the hedging of currency and interest rate risk, and offers deposits and investment solutions. Derivatives are a fully integrated component of solutions to customers, with reference to hedging of financing, structured financing and Capital Markets situations.

Global Transaction Banking

GTB bundles HVB's competencies (product development and services) in Cash Management & eBanking, Euro Clearing for Financial Institutions, supply chain finance and foreign trade financing.

Family & SME division

HVB's customers are divided into four strategic target groups: mass market, affluents and small and medium entreprises. In order to tie customers to the bank, HVB serves the four target groups with different service models that are aimed at reflecting their individual needs. The main aim in the mass-market target group is to increase product penetration by providing demand-based advice and expanding online banking. HVB is also looking to secure further growth in the target groups of affluents and small and medium enterprises. To do so, HVB is continuing to invest in systematic customer contact, refining both its needs-based approach and its products.

The Leasing unit covers a wide range of products from small contracts to special financing solutions for larger transactions. The two subsidiaries DAB bank and PlanetHome are supporting this strategy: DAB bank offers direct banking and online securities activities. Planet Home has two pillars: traditional real estate agency and mortgage brokerage and mortgages financing via an online platform. The subsidiary Bankhaus Neelmeyer covers the market place Bremen (with a tradition of more than 100 years) with an own brand name and full offer of products and services.

Private Banking division

The Private Banking division has set itself the goal of meeting the specific expectations of wealthy customers with regard to a bank and the services it offers in line with demand. The division serves customers with an aggregate investment volume of EUR 41 billion. The Private Banking division is divided into three subdivisions

HVB Private Banking (HVB PB)

This unit serves around 44 thousand of HVB's customers with assets under management of more than EUR 23 billion. Its about 560 employees offer to customers and customer groups with liquid assets in excess of EUR 500,000 individual personal advice at 46 locations throughout Germany. The Private Wealth Management serves family groups with complex assets of more than EUR 30 million.

HVB PB's strategic objectives are to serve high net worth individuals with a wide range of advisory services, products and customer relationships and to increase its market share in the competitive private banking management environment.

Wealth Management Capital Holding (WMC)

WMC structures and issues investment products that are tailored to the Private Banking customer group. Around 150,000 customers are served by 250 employees in this unit.

UniCredit Luxembourg

UniCredit Luxembourg provides access to the financial centre of Luxembourg for the customers of HVB Group. Together with the HVB Private Banking subdivision, UniCredit Luxembourg has devised solutions that enable its customers to benefit from the advantageous underlying conditions offered by Luxembourg as a financial centre. The private banking unit HVB Luxembourg Private Banking ("LUX") provides specialised portfolio solutions for 2,400 customers with an investment volume of more than EUR 12 billion and employs approx. 25 people.

Other/consolidation division

The "Other/consolidation" division encompasses Global Banking Services, Group Corporate Centre activities and consolidation effects.

Global Banking Services (GBS)

Global Banking Services activities encompass purchasing, organisation, logistics and facility management, cost management and back-office functions for credit, accounts, foreign exchange, money market and derivatives. Payments, securities settlement, IT application development and IT operation have been outsourced.

A strategic realignment of the Global Banking Services division is taking place in connection with UniCredit's objective of developing a uniform global business model. UniCredit has launched the All4Qualilty project with a view to enhancing the quality of the various services provided by GBS throughout the corporate group. This represents a systematic continuation of the measures that have already been implemented to globally pool activities for the GBS units. To achieve this goal, the structures within the GBS activities are to be better consolidated and simplified, and other measures carried to do things like improve workflows and processes. The structures are being streamlined at national level inter alia in Germany.

Within the framework of the All4Quality project, the units Facility Management, HR Service Centre, Purchasing and Operations for Markets & Treasury Products were transferred to the new service provider UniCredit Global Business Services GmbH (UGBS GmbH). *Group Corporate Centre*

The Group Corporate Centre activities include profit contributions that do not fall within the responsibility of the individual divisions. Among other items, this includes the profits and losses of consolidated subsidiaries for which HVB's strategic property management function is responsible, such as HVB Immobilien AG and its subsidiaries, and of non-consolidated holdings, provided they are not assigned to the divisions, together with the net income from securities holdings for which the Management Board is responsible. Also incorporated in this segment are the amounts arising from decisions taken by management with regard to asset/liability management.

The Group Corporate Centre also includes the Real Estate Restructuring customer portfolio (RER) and the Special Credit Portfolio (SCP).

Principal Markets

UniCredit Bank AG offers a comprehensive range of banking and financial products and services to private, corporate and public-sector customers, and international companies. Its range extends i.a., from mortgage loans, consumer loans and banking services for private customers, business loans and foreign trade financing for corporate customers through to funds products for all asset classes, advisory and brokerage services, securities transactions, liquidity and financial risk management, advisory services for affluent customers and investment banking products for corporate customers.

HVB Group has a developed network of branches in Germany via which it serves its customers. Based on the number of offices as set out in HVB's annual report 2011 HVB is traditionally particularly strong in Bavaria as well as in Hamburg and Schleswig-Holstein.

Management and Supervisory Bodies

Like all German stock corporations, UniCredit Bank AG has a two-tier board system. The Management Board (*Vorstand*) is responsible for management and the representation of HVB with respect to third parties. The Supervisory Board (*Aufsichtsrat*) appoints and removes the members of the Management Board and supervises the Management Board's activities.

In accordance with Section 24 (1) sent. 2 of the German Act on the Co-determination of Employees in Connection with a Cross-border Merger (MgVG) in conjunction with Section 95 sent. 1 and 3 and Section 96 of the German Stock Corporation Act (AktG) and Section 9 of the Articles of Association, the Supervisory Board consists of 12 members, comprising an equal number of employee and shareholder representatives in accordance with the co-determination provisions. When new members of the Supervisory Board are appointed, care is taken to ensure that they have the required knowledge and skills and do not serve on governing bodies or perform advisory functions for key competitors. The members of the Supervisory Board are obliged to act in the interests of the company. Under the Supervisory Board’s by-laws, any conflicts of interest must be disclosed to the Supervisory Board.

The Management Board is directly responsible for managing the company and works with the other bodies of the company and the employee representatives in the interests of the company. It develops the strategic orientation of the company, coordinates this with the Supervisory Board and is responsible for putting it into practice.

The members of the Management Board and the Supervisory Board of HVB may be reached at its business address (UniCredit Bank AG, Kardinal-Faulhaber-Strasse 1, 80333 Munich, Germany).

As of the date of this Registration Document, the composition of the Management Board and of the Supervisory Board of HVB and the functions and major activities performed by members of the Management Board outside HVB Group and the principal occupations of the members of its Supervisory Board are as follows:

Management Board

Name	**Areas of Responsibility**	**Major activities outside HVB Group**
Peter Buschbeck	Family & SME division	-
Jürgen Danzmayr	Private Banking division	Schoellerbank Aktiengesellschaft, Vienna, Austria (Second Deputy Chairman of the Supervisory Board)

Lutz Diederichs	Corporate & Investment Banking division	UniCredit Leasing S.p.A., Bologna, Italy (Member of the Board of Directors)
Peter Hofbauer	Chief Financial Officer	HVB Trust Pensionsfonds AG, Munich (Deputy Chairman of the Supervisory Board), Wietersdorfer Industrie-Beteiligungs GmbH, Klagenfurt, Austria (Member of the Supervisory Board), Wietersdorfer Rohrbeteiligungs GmbH, Klagenfurt, Austria (Member of the Supervisory Board)
Heinz Laber	Human Resources Management, Global Banking Services	HVB Trust Pensionsfonds AG, Munich (Chairman of the Supervisory Board), BVV Versicherungsverein des Bankgewerbes a.G., Berlin(Chairman of the Supervisory Board)
Andrea Umberto Varese	Chief Risk Officer	UniCredit Credit Management Bank S.p.A., Verona, Italy (Member of the Board of Directors)
Dr Theodor Weimer	Board Spokesman	ERGO Versicherungsgruppe AG, Düsseldorf (Member of the Supervisory Board), Bayerische Börse AG, Munich (Member of the Supervisory Board)

Supervisory Board

Name	Principal Occupation
Federico Ghizzoni, Milan, Chairman	Chief Executive Officer of UniCredit S.p.A., member of the Executive Management Committee of UniCredit S.p.A.
Peter König, Munich, Haar-Salmdorf, Deputy Chairman(1)	Employee of UniCredit Bank AG
Dr Wolfgang Sprissler, Sauerlach, Deputy Chairman	Former Board Spokesman of UniCredit Bank AG
Aldo Bulgarelli, Verona	Attorney and partner in law firm NCTM
Beate Dura-Kempf, Litzendorf(1)	Employee of UniCredit Bank AG
Klaus Grünewald, Gröbenzell(1)	FB1 unit manager in the Bavarian division of Vereinte Dienstleistungsgewerkschaft
Werner Habich, Mindelheim(1)	Employee of UniCredit Bank AG
Dr Lothar Meyer, Bergisch-Gladbach	Former Chairman of the Management Board of ERGO Versicherungsgruppe AG
Marina Natale, Uboldo	Chief Financial Officer of UniCredit S.p.A., member of the Executive Management Committee of UniCredit S.p.A.

Klaus-Peter Prinz, Trier[(1)]	Employee of UniCredit Luxembourg S.A.
Jens-Uwe Wächter, Himmelpforten[(1)]	Employee of UniCredit Bank AG
Dr Susanne Weiss, Munich	Attorney and partner in law firm Weiss, Walter, Fischer-Zernin

[(1)] Representative of Employees

As at the date of this Registration Document, there are no potential conflicts of interest between the duties to HVB of the above-mentioned members of the Management Board and members of the Supervisory Board of HVB and their private interests and/or other duties.

Major Shareholders

Following the completion of the squeeze-out, which took effect when entered in the Commercial Register at the Local Court (*Amtsgericht*) in Munich on 15 September 2008, UniCredit S.p.A. is the sole shareholder of HVB.

Financial Statements of HVB

The audited consolidated financial statement in respect of the fiscal years ended 31 December 2011 and 2010 of HVB are incorportated by reference into this Registration Document and the audited financial statements of HVB as at 31 December 2011 (*HBG*) and the unaudited consolidated interim financial statements as at 31 March 2012 of HVB are laid as F-Pages of this Registration Document.

Outlook

The following comments on the outlook are to be viewed in connection with the comments in the outlook in the Financial Review and Risk Report in the consolidated financial statements for the 2011 financial year (see the HVB Group Annual Report for 2011 which is also available on www.hvb.de).

The information below is derived from and should be read in conjunction with, HVB's unaudited interim report at 31 March 2012. The following statements are taken from this report.

General economic outlook and sector development in 2012

The global leading indicators continue to point towards a stabilisation of the world economy during the course of 2012. Inflation already passed its cyclical high at the end of 2011. Despite the high level of excess liquidity worldwide, the previous correction in commodity prices suggests a limited decline in inflation rates during the course of the year. The slowdown is showing signs of petering out, especially in the emerging markets, supported by a consolidation of most commodity prices and an easing of monetary policy. The economic recovery in the United States is continuing, even if at a moderate pace.

The highly indebted eurozone countries will continue to be heavily depressed by budget consolidation, as a result of which their economies are expected to shrink. In Germany, on the other hand, the economic expectations have improved again. We expect real gross domestic product (GDP) to grow by just under 1% this year. In spite of weaker demand from its European neighbours, the order books in German industry are likely to remain relatively stable. A recovery in other growth regions will also have a beneficial effect on German exports. The ongoing upturn on the labour market will serve to underpin consumption.

The financial industry will again face major challenges in 2012. As a result of the uncertainty on the markets surrounding the creditworthiness of specific sovereigns, the credit market will continue to be characterised by wide spreads and marked volatility. The liquidity made readily available to the banking sector merely combats the symptoms but not the underlying causes of the structural problems on the financial markets. The necessary reforms need to be implemented, even if they will lead to negative effects in the short term. The stipulations of Basel III and the European banking regulators with regard to the greater regulatory capital requirements will result in lower profitability. Added to this is the permanent burden of the bank levy.

Key questions remain regarding how the shape of relations between the financial world and real economy will evolve and what global restrictions can be expected in the regulatory and political sphere. These include the much-discussed financial transaction tax, the impact of the haircut applied to Greek sovereign bonds and the likely medium-term implementation of a Europe-wide regulation (in line with a number of national laws, including in Germany) with regard to the participation in losses of senior creditors even when there are no insolvency proceedings which is already today having a negative effect on funding costs. Generally, the situation on the financial markets will remain very unstable in spite of the intervention of central banks because, as long as the debt crisis is not resolved, even seemingly insignificant items of bad news can cause market distortions and possibly have long-lasting adverse effects on the markets and the real economy.

Development of HVB Group

In its assumptions for the 2012 financial year, HVB Group presumes that operating income will improve slightly on 2011 in a persistently difficult environment. This increase will be driven primarily by improved net trading income. It should be noted in this context that the very good net trading income recorded in the first quarter of 2012 benefited from the reversal of credit value adjustments as well as the benign market. We continue to expect net interest to decline in the 2012 financial year compared with 2011. There will be a slight decrease in operating costs over last year as a result of our strict cost management. In spite of the low level repeated in the first quarter of 2012 and the decline compared with the first quarter of 2011, net write-downs of loans and provisions for guarantees and commitments are expected to normalise in the 2012 financial year and thus increase to what is still a moderate level compared with the previous year. All in all, we believe that the very good earnings performance in the first quarter of 2012 will not continue to the same extent over the rest of the year. Nevertheless, we expect the profit before tax to improve slightly compared with the good result recorded in 2011 and thus return to a good level.

It remains unclear whether the financial markets will continue to be affected by the unresolved debt crisis in some European countries and by risks arising from changes in interest and exchange rates. Consequently, our performance in the 2012 financial year will depend on the further development of the financial markets and the real economy as well as on other imponderables that still exist. In this environment, HVB Group will continually adapt its business strategy to reflect changes in market conditions and carefully review the management stimulus derived from this on a regular basis. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to effectively exploit the opportunities that may arise from the new operating environment, the further volatility that can still be expected on the financial markets and an expanding real economy.

Legal Risks/Arbitration Proceedings

HVB and other companies belonging to the HVB subgroup are involved in various legal proceedings. The following is a summary of pending cases against HVB which have a value in dispute exceeding €50 million or are of significance for HVB for other reasons.

HVB is required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflict of interest, anti-money-laundering laws, privacy and data-protection rules. Failure to do so may lead to additional litigation and investigations and subject HVB to damage claims, regulatory fines or other penalties. In many cases, there is a substantial uncertainty regarding the outcome of the proceedings and the amount of possible losses. These cases include criminal or administrative proceedings by the relevant authority and claims in which the petitioner has not specifically quantified the amounts in dispute. In all legal cases where it is possible to reliably estimate the amount of possible losses, and the loss is considered likely, appropriate provisions have been set up based on the circumstances and consistent with IAS accounting principles applied by HVB.

Medienfonds lawsuit

Various investors in VIP Medienfonds 4 GmbH & Co. KG brought legal proceedings against HVB. HVB did not sell shares in the Medienfonds fund, but granted loans to all private investors for a part of the amount invested in the fund; HVB assumed specific payment obligations of certain film distributors with respect to the fund.

The investors in the Medienfonds fund initially enjoyed certain tax benefits which were later revoked by the tax authorities. The claimants argue that HVB did not disclose to them such particular tax risks and make HVB, together with other parties, responsible for presumed errors in the prospectus used to market the fund. Additionally some plaintiffs invoke rights under German consumer protection laws. The courts of first and second instance have passed various rulings, several of which were unfavourable for HVB.

On 30 December 2011, Munich Higher Regional Court (*Oberlandesgericht*) decided on the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz* - KapMuG). The court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast. The court further holds HVB liable along with the promoter of Medienfonds for such errors. HVB is currently analysing the ruling and the merits of an appeal to the German Federal Court of Justice (*Bundesgerichtshof*). However, any final decision in this proceeding will affect only a few pending cases since a general settlement has already been reached with the vast majority of the investors. Besides the civil proceedings, the fiscal courts have not yet published a final decision regarding whether the tax benefits were revoked rightfully. HVB and other German banks involved in said proceedings have proposed a settlement. HVB has set up provisions which are, at present, deemed to be appropriate.

Furthermore there are a number of separate lawsuits from investors pending regarding other closed-end funds (mainly media funds, but also other asset classes). The changed view of the fiscal authorities regarding tax benefits granted earlier often represents the economic background to the respective litigation. Among other things, the plaintiffs base their claims on alleged inadequate advice and/or on supposed errors in the prospectus. With their claims the investors demand restitution of their equity contribution and offer in return the transfer of the related fund share to the Bank.

Real estate finance/financing of purchases of shares in real estate funds

HVB will not suffer negative legal consequences if customers cancel their property loan agreements under the Doorstep Transactions Act (*Haustürwiderrufsgesetz*). According to the law and the opinion on this subject expressed in the German Federal Court of Justice's (*Bundesgerichtshof*) established practice, the customer, who is required to prove that the conditions for cancelling the contract have been met, must repay the loan amount to the bank, including interest at the rates determined in accordance with market customs, even after cancellation of the loan agreement.

Under a well-established body of court decisions, the bank would be required to assume the investment risk because of its failure to notify the customer of his right to cancel the contract only if the customer could prove that he would not have made the investment if he had been aware of this right; in addition, the German Federal Court of Justice has decided that the bank would only have to assume the investment risk in case of culpable actions. On the basis of court rulings issued so far, HVB does not expect any negative effects.

HVB's claim to repayment remains in effect even if the borrower issued an invalid power of attorney to a third party, and HVB relied on the validity of the power of attorney when entering into the loan agreement. Based on the experience gained to date, HVB assumes that legal risks will not arise from these cases.

Judgements from the German Federal Court of Justice also confirmed the already narrow conditions for a possible obligation on the part of HVB to give information and advice. The German Federal Court of Justice makes it easier for investors to provide evidence of violations of a bank's obligation to give information only in cases of institutionalised collaboration between the bank funding the acquisition of the property and the seller of the property. Recent judgements also indicate that a bank's liability cannot be ruled out completely if it has advised the customer on the acquisition of the property and received commission from the seller for selling the property. Based on its experience so far, HVB does not expect any negative effects for HVB in this respect either.

If a bank finances the purchase of shares in real estate funds for the borrower with a loan not secured by a real property lien, the borrower can – if the transaction is a so-called related transaction – contest the claim of the financing bank to repayment on the basis of objections which the borrower is entitled to assert against the seller or agent in the fund transaction on account of having received incorrect advice. Consequently, the bank has no claim against the customer to repayment of the loan if it utilised the sales organisation of the agent arranging the sale of shares in the fund, the loan was disbursed directly to the fund, and the investor was misled when purchasing the shares, or if the borrower has a right of rescission. The borrower in each individual case would have to demonstrate that these prerequisites were met. From today's standpoint, HVB expects these circumstances to apply, if at all, only in exceptional cases.

Lawsuits related to securities

On account of the persistently unstable conditions of the financial markets, the number of complaints from customers invested in securities that have been negatively affected by the financial crisis remains unchanged at a high level. Some customers have taken legal action with respect to losses from securities transactions based on information that was allegedly not suitable for the relevant investor or on investment advice that was allegedly inappropriate with respect to the relevant investment or alleged negative performance of securities of other transactions.

Complaints and lawsuits by German customers whose derivative transactions have suffered losses or currently have a negative market value have also substantially increased. Among other things, the arguments made are that the Bank allegedly did not sufficiently inform the customer with respect to the relevant investment and potential risks related to such transactions. Generally, there has been a trend for investor-friendly judgments with respect to derivative-related lawsuits. Latest rulings confirm this trend but also demonstrate that the characteristics of the relevant product and the individual circumstances of each case are decisive. HVB has set up provisions for those cases which are, at present, deemed to be appropriate.

Three class actions were raised in the Unites States against our American brokerage subsidiary, UniCredit Capital Markets, Inc. ("UCCM"), along with numerous other defendants. The reason behind these actions is that both Lehman Brothers Holding and Merrill Lynch issued securities. Although UCCM was part of the underwriting consortium for some of the securities in dispute, it neither received nor sold the securities specified in the claims. Based on the appraisals of our external lawyers, HVB has decided not to set up any provisions in this regard.

An additional class action has been filed against several members of an underwriting consortium, including UCCM. This class action is based on mortgage-backed securities issued by Bank of America. HVB is of the opinion that the claim is unfounded and UCCM will defend itself accordingly.

Lawsuit in connection with Primeo-linked notes

HVB issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by HVB is around €27 million. Legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which also named HVB as a defendant. One of the two lawsuits has been terminated due to withdrawal of the action by the plaintiff.

Securisation - financial guarantee

Another financial institution has filed suit against HVB with regard to a securitisation transaction. The parties dispute the validity of an early termination notice served by HVB on the financial institution in question. HVB believes the claim against it is without merit and is defending itself accordingly.

Insolvency of Landsbanki Islands

In 2008, HVB concluded money market deposit transactions with Iceland-based Landsbanki Islands, among others, which were duly settled. The Winding-up Board of Landsbanki has recently challenged in court the repayment at that time of the money borrowed and sued HVB for payment ofa middle double digit million euro sum. HVB has filed statements demanding the dismissal of the claims.

Repo-Transactions

Two customers belonging to the same group of companies have recently filed claims against HVB with a total amount in dispute of €491.4 million (plus interest). The dispute results from the termination of their repo-transactions with HVB. The claimants assert that the compensation paid by HVB to the clients following the clients' default was insufficient. The Bank intends to defend itself against said claims.

Proceeding relating to German tax credits

A client has filed suit against HVB with an amount in dispute of €124 million based on alleged incorrect advice and breach of duty relating to transactions in German equity securities. Such transactions were entered into by the client based on the expectation of receiving dividend withholding tax credits on dividends in relation to German equities which were traded around dividend dates. Pursuant to a tax audit of the client, the tax authorities have demanded repayment from the client, who is primarily liable vis-à-vis the tax authorities, of the withholding tax credit previously granted to the customer plus interest, summing up to the amount in dispute. HVB understands that the customer and his tax advisor are challenging the tax authorities' position. The client in his claim requests HVB to indemnify him against said and potential future payment obligations vis-à-vis the tax authorities with respect to the transactions. The client recently extended his claim asking for the release of collateral pledged to HVB.

The tax authorities served upon HVB a secondary liability notice requesting payment of the tax credits previously granted to the client, including interest, summing up to €124 million on the basis of alleged issuer liability for tax certificates. HVB challenged the notice. There is a risk that HVB could be held liable for damages to the customer in civil proceedings or to the tax authorities on the basis of the liability notice. In addition, HVB could be subject to interest claims in relation to this matter, as well as fines and profit claw backs, and/or criminal penalties. HVB meanwhile has taken certain legal steps under civil law which HVB and its advisers consider appropriate in order to protect its position in the context of the above-mentioned matters.

Arbitration proceedings on the cash settlement for Vereins- und Westbank AG

The Extraordinary Shareholders' Meeting of Vereins- und Westbank AG held on 24 June 2004 approved the transfer of shares of minority shareholders of Vereins- und Westbank AG to HVB. After settlement of the legal challenges to this move, HVB paid the minority shareholders of Vereins- und Westbank AG an increased cash settlement of €26.65 per share (the "€26.65 settlement"). Notwithstanding this arrangement, numerous minority shareholders have exercised their right to have the €26.65 settlement reviewed in special judicial proceedings pursuant to Section 1 (3) of the Act on the Procedure Regarding the Compensation of Minority Shareholders (*Spruchverfahrensgesetz*). In a ruling dated 22 February 2012, the Higher Regional Court (*Oberlandesgericht*) of Hamburg confirmed the fairness of the aformentioned compensation; the ruling if final and binding.

Court proceedings of HVB shareholders

Numerous (former) shareholders of HVB filed a suit challenging the resolutions adopted by the Annual General Meeting of the Bank on 12 May 2005. Munich Regional Court I (Landgericht) has dismissed the suit insofar as it challenges the election of Supervisory Board members and the auditor of the annual financial statements; the ruling is not yet final.

Legal proceedings relating to the restructuring of HVB

Numerous (former) minority shareholders filed suits challenging the resolutions of the Extraordinary Shareholders' Meeting of HVB on 25 October 2006 approving the sale and transfer of the shares held by the Bank in Bank Austria Creditanstalt AG ("Bank Austria") and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held in Closed Joint Stock Company International Moscow Bank ("IMB") (renamed as ZAO UniCredit Bank, Moscow in December 2007, but still referred to as IMB below) and in HVB Bank Latvia AS (later renamed as AS UniCredit Bank, Riga) to Bank Austria Creditanstalt AG, and the branches of the Bank in Vilnius and Tallinn to AS UniCredit Bank, Riga, asking the court to declare these resolutions null and void. The former minority shareholders filed their lawsuits on the basis of alleged deficiencies of formalities in connection with the invitation and conduct of the Extraordinary Shareholders' Meeting of 25 October 2006 and the allegedly inadequate, too low purchase price paid for the units sold.

In a ruling dated 31 January 2008, Munich Regional Court I declared the resolutions passed at the Extraordinary Shareholders' Meeting on 25 October 2006 null and void solely for formal reasons. The court was of the opinion that the (by now already expired) Business Combination Agreement ("BCA") entered into by HVB and UniCredit S.p.A. on 12 June 2005 was not described in sufficient detail in the invitation to the above meeting, particularly with regard to the provisions of the BCA on the court of arbitration and the choice of law. Moreover, the court stated that shareholders' questions regarding the hypothetical effects of specific alternative valuation parameters were not answered adequately. The court did not decide on the issue of the allegedly inadequate purchase price paid for the purchased units. At the same time, based on a petition filed by some minority shareholders, the court declared that the (by now already expired) BCA should have been submitted to a general shareholders' meeting of the company for approval to become valid because it represented a "hidden" domination agreement.

HVB believes that such ruling is not convincing since the provisions of the BCA considered by the court to be material were not material for the purchase agreements submitted to the Extraordinary Shareholders' Meeting on 25 October 2006, which contain their own arrangements anyway, and since answering the question regarding individual alternative valuation parameters – even if at all possible to do so correctly at the Extraordinary Shareholders' Meeting and without taking into account contrary effects induced by modified parameters – would have done nothing to change the specific purchase agreements submitted for approval. Consequently, HVB has appealed against this ruling.

As a precaution the resolutions passed by the Extraordinary Shareholders' Meeting of 25 October 2006 were confirmed at HVB's Annual General Meeting of Shareholders on 29 and 30 July 2008. Numerous suits were filed against said confirmatory resolutions some of which are based on formal errors. Most, however, claim that the purchase price for the sale of the participating interests and branches was too low and inadequate. As a precaution, the resolutions and the confirmatory resolutions were confirmed once again at the Extraordinary Shareholders' Meeting of HVB on 5 February 2009.

In a ruling dated 29 October 2008, Munich Higher Regional Court suspended the appeal against the suits challenging the resolutions of the Extraordinary Shareholders' Meeting of HVB of 25 October 2006 until such time as a final court decision is passed on the suits challenging the confirmatory resolutions adopted during the Annual General Meeting of HVB on 29 and 30 July 2008.

On 10 December 2009 Munich Regional Court I dismissed the suits against the resolutions adopted at the Annual General Meeting on 29 and 30 July 2008, including the suits against the confirmatory resolutions adopted at this meeting. The appeal raised by some shareholders against this ruling was rejected by Munich Higher Regional Court on 22 December 2010. Former minority shareholders of HVB appealed against said ruling and raised complaints against the denial of leave to appeal with the German Federal Court of Justice which has been granted by the court. A final decision has not yet been passed.

Special representative

The Annual General Meeting of Shareholders of HVB passed a resolution dated 26 and 27 June 2007 in favour of asserting alleged claims for damages against UniCredit S.p.A. and its legal representatives and against the governing bodies of HVB due to the alleged damage to HVB's assets as a result of the sale of the Bank Austria shares as well as due to the BCA concluded between HVB and UniCredit S.p.A. and appointed a special representative.

An Extraordinary Shareholders' Meeting of HVB on 10 November 2008 revoked the resolution dated 27 June 2007 regarding the appointment of the special representative to assert alleged claims for damages due to the sale of Bank Austria and the conclusion of the BCA (item 10 of the agenda of the Annual General Meeting of Shareholders in 2007) and resolved that the appointed special representative be dismissed from office with immediate effect.

In December 2007, the special representative demanded that UniCredit S.p.A. return the Bank Austria shares sold to it. After UniCredit S.p.A. rejected this request, the special representative, on 20 February 2008, filed a suit against UniCredit S.p.A., Alessandro Profumo, Dr Wolfgang Sprissler and Rolf Friedhofen as joint and severally liable for the return of the Bank Austria shares (and alternatively for claims for damages of at least €13.9 billion), and in addition to compensate any losses suffered by HVB through the sale and transfer of said shares ("Heidel action") referring to a damage claim raised by several Hedge Funds. In the suit the special representative argues that the shares in Bank Austria were sold to UniCredit S.p.A. at a price significantly below market value. On 10 July 2008, the special representative extended his suit and asserted additional alleged claims for damages amounting to at least €2.92 billion against the defendants named above. The special representative alleges that HVB suffered damages for at least the amount stated in connection with the contribution of the investment banking business of UniCredit Banca Mobiliare S.p.A. ("UBM"). The defendants are convinced that the asserted claims are unfounded.

His dismissal from office prevents the special representative from pursuing his claim for damages; moreover, these proceedings will not terminate automatically – this will not happen until the Supervisory Board of HVB (where suit has been filed against former members of the Bank's Management Board) and the Bank's Management Board have adopted appropriate resolutions. HVB's executive boards have initiated a review of this complex matter with the assistance of external consultants to enable them to adopt appropriate resolutions on the basis of their expert opinion.

Other proceedings

The Polish Financial Supervisory Authority (PFSA) conducted investigations against UniCredit CAIB Securities UK Limited (UniCredit CAIB), a subsidiary of HVB, regarding the publication of a research report forecasting a target price per share of zero for a company. In 2011, the PFSA issued a fine in an amount equivalent to around €125,000 against UniCredit CAIB. UniCredit CAIB has appealed the fine, but the ruling has been upheld.

Tax Proceedings

HVB has notified the Munich tax authorities that HVB may have conducted certain proprietary transactions close to dividend dates and claimed related withholding tax credits. In this context, the Supervisory Board of HVB has simultaneously commissioned external advisors to conduct an audit of such matters. This audit is fully supported by UniCredit. Given that HVB has proactively disclosed this matter to the Munich tax authorities, HVB expects that the German Central Federal Tax Authority (*Bundeszentralamt für Steuern*) and the Munich tax authorities are likely to examine such transactions. Although German tax authorities have recently denied withholding tax credits in certain types of trades undertaken near dividend dates, there is no clear guidance from the German Fiscal Court (*Bundesfinanzhof*) on the tax treatment of such transactions. At this time, the impact of any review by the Central Federal Tax Authority and Munich tax authorities is unknown. Because the audit commissioned by the Supervisory Board is at a very early stage, it is not possible at this time to predict the outcome, including timing for any findings.

HVB could be subject to substantial tax and interest claims in relation to the securities transactions mentioned above, as well as fines and profit claw backs, and/or criminal penalties. HVB is in communication with its relevant regulators regarding this matter.

GENERAL INFORMATION

Availability of Documents

Copies of the articles of association of HVB, the consolidated annual reports in respect of the fiscal years ended 31 December 2011 and 2010 of HVB, the unconsolidated annual financial statements of HVB in respect of the fiscal year ended 31 December 2011 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) and the consolidated interim report as at 31 March 2012 of HVB will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of HVB. For the life of this Registration Document, all documents incorporated by reference herein will be available for collection in the English language, free of charge, at the specified offices of HVB as set out on the last page of this Registration Document.

Significant Changes in HVB's Financial Position and Trend Information

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 31 March 2012, and (ii) no material adverse change in the prospects of the HVB Group since the date of its last published audited financial statements of 2011 (Annual Report 2011).

Information incorporated by reference

The information "Audited consolidated financial statements at 31 December 2011" set out on pages F-1 to F-122 of the Supplement dated 5 April 2012 relating to the Base Prospectus for the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG dated 20 May 2011 and the information "Audited consolidated financial statements of HVB as at 31 December 2010" set out on pages F-1 to F-110 of the Supplement dated 31 March 2011 relating to the Base Prospectus for the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG dated 20 May 2010 are incorporated by reference into this Registration Document (see "General Information – Documents incorporated by reference").

Documents incorporated by reference

The following documents with respect to HVB shall be deemed to be incorporated in, and to form part of, this Registration Document. Parts of such documents wich are not incorporated by express reference are not relevant for potential investors.

Audited financial statements at 31 December 2011	**Extracted from the Supplement dated 5 April 2012 relating to the Base Propectus for the Euro 50,000,000,000 Debt Issuance Programme of HVB dated 20 May 2011**	**Inserted in this Registration Document on the following pages:**
- Consolidated Income Statement	- p. F-1 to F-2	- p.- 24 -
- Consolidated Balance Sheet	- p. F-3 to F-4	- p. - 24 -
- Statement of Changes in Consolidatded Shareholders' Equity	- p. F-5 to F-6	- p. - 24 -
- Consolidated Cash Flow Statement	- p. F-7 to F-8	- p. - 24 -
- Notes to the Consolidated Financial Statements	- p. F-9 to F-121	- p. - 24 -
- Auditors'Report	- p. F-122	- p. - 24 -
Audited financial statements at 31 December 2010	**Extracted from the Supplement dated 31 March 2011 relating to the Base Propectus for the Euro 50,000,000,000 Debt Issuance Programme of HVB dated 20 May 2010**	**Inserted in this Registration Document on the following pages:**
- Consolidated Income Statement	- p. F-1 to F-2	- p. - 24 -
- Balance Sheet	- p. F-3 to F-4	- p. - 24 -

- Statement of Changes in Shareholders' Equity	- p. F-5 to F-6	- p. - 24 -
- Cash Flow Statement	- p. F-7 to F-8	- p. - 24 -
- Notes to the Consolidated Financial Statements	- p. F-9 to F-109	- p. - 24 -
- Auditors' Report	- p. F-110	- p. - 24 -

Copies of the documents which are (partly) incorporated herein by reference will be available free of charge from the specified offices of HVB set out at the end of this Registration Document.

Income Statement of UniCredit Bank AG

For the year ended 31 December 2011

Expenses (€ millions)

				2011	2010
1	**Interest payable**			4,935	4,982
2	**Fees and commissions payable**			514	782
3	**Net expense from the held-for-trading portfolio**			365	—
4	**General administrative expense**				
	a) payroll costs				
	aa) wages and salaries	1,402			1,377
	ab) social security costs and expenses for				
	pensions and other employee benefits	299			224
			1,701		1,601
	including: for pensions				
	€113 million				(24)
	b) other administrative expenses		1,699		1,470
				3,400	3,071
5	**Amortisation, depreciation and impairment losses**				
	on intangible and tangible assets			119	102
6	**Other operating expenses**			526	634
7	**Write-downs and impairments for receivables and**				
	certain securities as well as additions to provisions				
	for losses on guarantees and indemnities			2,289	1,670
8	**Write-downs and impairments on participating**				
	interests, shares in affiliated companies				
	and investment securities			—	110
9	**Expenses from absorbed losses**			21	39
10	**Extraordinary expenses**			22	22
11	**Taxes on income**			79	393
12	**Other taxes, unless shown under**				
	"Other operating expenses"			70	3
13	**Net income**			1,017	1,270
Total expenses				**13,357**	**13,078**

Income

(€ millions)

		2011	2010
1 Interest income from			
a) loans and money market operations	6,317		6,534
b) fixed-income securities and government-inscribed debt	1,840		1,549
		8,157	8,083
2 Current income from			
a) equity securities and other variable-yield securities	580		507
b) participating interests	127		105
c) shares in affiliated companies	295		388
		1,002	1,000
3 Income earned under profit-pooling			
and profit-and-loss transfer			
agreements		41	59
4 Fees and commissions receivable		1,887	2,128
5 Net income from the held-for-trading portfolio		—	206
6 Write-ups on bad and doubtful debts and on certain			
securities as well as release of provisions for losses on			
guarantees and indemnities		1,344	1,265
7 Write-ups on participating interests,			
shares in affiliated companies and			
investment securities		120	—
8 Other operating income		806	337
9 Net loss		—	—
Total income		**13,357**	**13,078**
1 Net income		1,017	1,270
2 Withdrawal from retained earnings			
a) from legal reserve	—		—
b) from the reserve for shares in a controlling			
or majority interest-holding company	—		—
c) from other retained earnings	10		—
		10	—
3 Transfer to retained earnings			
a) to legal reserve	—		—
b) from the reserve for shares in a controlling			
or majority interest-holding company	10		—
c) to other retained earnings	—		—
		10	—
4 Profit available for distribution		1,017	1,270

Balance Sheet of UniCredit Bank AG

at 31 December 2011

Assets (€ millions)

		31/12/2011	31/12/2010
1 Cash and cash balances			
a) cash on hand	477		480
b) balances with central banks	3,603		2,453
including: with Deutsche Bundesbank			
€2,860 million			(1,191)
		4,080	2,933
2 Treasury bills and other bills eligible			
for refinancing with central banks			
a) Treasury bills and zero-interest treasury notes and			
similar securities issued by public authorities	—		—
including: eligible for refinancing with			
Deutsche Bundesbank			
€— million			(—)
b) bills of exchange	—		—
including: eligible for refinancing with			
Deutsche Bundesbank			
€— million			(—)
		—	—
3 Loans and receivables with banks			
a) repayable on demand	19,474		17,164
b) other loans and receivables	31,458		41,244
		50,932	58,408
including: mortgage loans			
€— million			(—)
municipal loans			
€348 million			(474)
against pledged securities			
€132 million			(104)
4 Loans and receivables with customers		108,564	108,276
including: mortgage loans			
€44,031 million			(47,903)
municipal loans			
€18,098 million			(13,270)
against pledged securities			
€10 million			(140)
Amount carried forward:		163,576	169,617

Liabilities

(€ millions)

			31/12/2011	31/12/2010
1 Deposits from banks				
a) repayable on demand		13,632		17,541
b) with agreed maturity dates or periods of notice		48,388		37,795
			62,020	55,336
including: registered mortgage bonds in issue				
€719 million				(1,380)
registered public-sector bonds in issue				
€408 million				(439)
bonds given to lender as				
collateral for funds borrowed:				
registered mortgage bonds				
€1 million				(1)
and registered public-sector bonds				
€— million				(—)
2 Deposits from customers				
a) savings deposits				
aa) with agreed period of notice of three months	13,365			14,523
ab) with agreed period of notice				
of more than three months	203			215
		13,568		14,738
b) registered mortgage bonds in issue		8,168		8,409
c) registered public-sector bonds in issue		3,605		3,876
d) other debts				
da) repayable on demand	51,477			55,268
db) with agreed maturity dates or periods of notice	39,792			36,419
including: bonds given to lender as				
collateral for funds borrowed:				
registered mortgage bonds				
€5 million				(5)
and registered public-sector bonds				
€18 million				(34)
		91,269		91,687
			116,610	118,710
Amount carried forward:			178,630	174,046

Assets

(€ millions)

			31/12/2011	31/12/2010
Amount brought forward:			163,576	169,617
5 Bonds and other				
fixed-income securities				
a) money market paper				
aa) issued by public authorities	3			1,604
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€— million				(1,601)
ab) issued by other borrowers	3,260			2,062
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€— million				(352)
		3,263		3,666
b) bonds and notes				
ba) issued by public authorities	16,689			14,586
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€16,639 million				(14,037)
bb) issued by other borrowers	34,659			32,573
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€25,663 million				(22,094)
		51,348		47,159
c) own bonds		2,292		—
nominal value €2,277 million				(—)
			56,903	50,825
6 Equity securities and other variable-yield securities			1,227	1,549
6a Held-for-trading portfolio			167,239	150,906
7 Participating interests			1,112	1,262
including: in banks				
€22 million				(100)
in financial service institutions				
€— million				(—)
8 Shares in affiliated companies			2,960	2,737
including: in banks				
€1,148 million				(1,125)
in financial service institutions				
€426 million				(241)
Amount carried forward:			393,017	376,896

Liabilities

(€ millions)

			31/12/2011	31/12/2010
Amount brought forward:			178,630	174,046
3 Debt securities in issue				
a) bonds				
aa) mortgage bonds	17,067			17,647
ab) public-sector bonds	3,484			1,732
ac) other bonds	6,216			7,068
		26,767		26,447
b) other debt securities in issue		—		—
including: money market paper				
€— million				(—)
acceptances and promissory notes				
€— million				(—)
			26,767	26,447
3a Held-for-trading portfolio			152,843	140,061
4 Trust liabilities			168	1,969
including: loans taken out on a trust basis				
€168 million				(200)
5 Other liabilities			9,305	10,841
6 Deferred income				
a) from issuing and lending operations		37		50
b) other		389		475
			426	525
6a Deferred tax liabilities			—	—
7 Provisions				
a) provisions for pensions				
and similar commitments		—		—
b) tax provisions		521		723
c) other provisions		3,010		2,588
			3,531	3,311
8 Subordinated liabilities			3,207	3,264
9 Participating certificates outstanding			155	205
including: those due in less than two years				
€155 million				(205)
10 Fund for general banking risks			314	314
thereof: as per Sect. 340e				
€23 million				(23)
Amount carried forward:			375,346	360,983

Assets

(€ millions)

		31/12/2011	31/12/2010
Amount brought forward:		393,017	376,896
9 Trust assets		168	1,969
including: loans granted on a trust basis			
€168 million			(200)
10 Intangible assets			
a) internally generated intellectual property rights			
and similar rights and assets	—		—
b) purchased franchises, intellectual property rights, and similar			
rights and assets, as well as licences to such rights and assets	79		117
c) goodwill	113		132
d) advance payments	19		21
		211	270
11 Property, plant and equipment		238	269
12 Other assets		1,508	1,516
13 Prepaid expenses			
a) from issuing and lending operations	83		74
b) other	65		106
		148	180
14 Deferred tax assets		—	—
15 Excess of plan assets over pension liabilities		426	507
Total assets		**395,716**	**381,607**

Liabilities

(€ millions)

			31/12/2011	31/12/2010
Amount brought forward:			375,346	360,983
11 Shareholders' equity				
a) subscribed capital		2,407		2,407
divided into:				
802,383,672 shares of common				
bearer stock				
b) additional paid-in capital		9,791		9,791
c) retained earnings				
ca) legal reserve	—			—
cb) reserve for shares in a controlling				
or majority interest-holding company	10			—
cc) statutory reserve	—			—
cd) other retained earnings	7,145			7,156
		7,155		7,156
d) profit available for distribution		1,017		1,270
			20,370	20,624
Total liabilities and shareholders' equity			**395,716**	**381,607**
1 Contingent liabilities				
a) contingent liabilities on rediscounted				
bills of exchange credited to borrowers		—		—
b) liabilities under guarantees and				
indemnity agreements		32,051		32,015
c) contingent liabilities on assets pledged				
as collateral for third-party debts		—		—
			32,051	32,015
2 Other commitments				
a) commitments from the sale of assets				
subject to repurchase agreements		—		—
b) placing and underwriting commitments		—		—
c) irrevocable lending commitments		31,701		32,724
			31,701	32,724

Notes to the Annual Financial Statements

Legal basis

The annual financial statements of UniCredit Bank AG ("HVB") for the 2011 financial year are prepared in accordance with the accounting regulations in the German Commercial Code (Handelsgesetzbuch – HGB), the German Stock Corporation Act (Aktiengesetz – AktG), the German Pfandbrief Act (Pfandbriefgesetz – PfandBG) and the Regulations Governing Disclosures in the Financial Statements of Banks and Similar Financial Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV).

HVB is active in all of the sectors served by commercial and mortgage banks.

HVB has published the statement of compliance with the German Corporate Governance Code required by Section 161 AktG on its website at www.hvb.de/annualreport.

Accounting, valuation and disclosure

1 Consistency

The same accounting and valuation methods have essentially been applied as last year. Changes in accounting and valuation methods as well as disclosure modifications are indicated for the respective items.

2 Cash and cash balances

The cash and cash balances (asset item 1) are stated at nominal amounts.

3 Treasury bills and bills of exchange

Treasury bills and other bills (asset item 2) are shown at their cash value, less any discounted amounts.

4 Loans and receivables with banks and customers

Loans and receivables with banks and customers (asset items 3 and 4) are always stated at the nominal amount plus any accrued interest. Differences between acquisition cost and nominal amount (premiums/discounts) that are attributable to interest are allocated to prepaid expenses or deferred income and taken to the income statement under net interest income in the correct period over the term of the underlying items. Any necessary write-downs are deducted.

Loans and receivables are valued at the lower of cost or market as stipulated in Section 253 (4) 1 HGB. HVB creates specific loan-loss provisions and accruals to the amount of the anticipated loss for all identifiable exposure to acute counterparty default risk. As part of the improvements to the processes and methods used to determine the loan-loss provisions, the threshold below which loans are valued on a collective basis has been raised. In addition, the method used to estimate expected flow-backs has been defined more precisely for this portfolio. Specific loan-loss provisions and accruals are reversed as soon as the default risk has ceased, or used if the receivable is classified as irrecoverable and written off. The discounted amount of expected flow-backs was used when determining the level of write-downs compliant with Section 253 HGB.

Country risk will be covered by specific loan-loss provisions for loans at risk of default; a distinction will no longer be made between the default risk of the borrower (covered by specific loan-loss provisions until now) and the transfer risk from the borrower to the Bank (covered by country risk provisions until now). The existing country risk provision has been reversed and, where necessary, a specific loan-loss provision set up for loans exposed to acute default risk due to transfer risk.

Latent lending risks are covered by global provisions. When assessing domestic latent lending risks, HVB applies the principles of the German tax regulations allowing financial institutions to deduct global provisions. When assessing foreign latent lending risks, HVB similarly applies the principles of the German tax regulations allowing financial institutions to deduct global provisions. The only exception is the calculation of latent lending risks for the Athens branch, where the global provisions are set up on the basis of Greek law (1% of the average volume of loans and receivables with customer).

Like other loans and receivables, mortgage loans are shown at their nominal values. Differences between the nominal amount and the actual amount paid out are included under either prepaid expenses or deferred income, and amortised over the period to which they apply.

The purpose defined at the time of acquisition (Section 247 (1) and (2) HGB) determines the assignment of loans, receivables and securities to the held-for-trading portfolios, the liquidity reserve or investment assets.

5 Bonds and other fixed-income securities

Investment securities and securities held for liquidity purposes (securities treated neither as held for trading purposes nor as investment securities) are shown under bonds and other fixed-income securities (asset item 5) and equity securities and other variable-yield securities (asset item 6).

HVB's total holdings of securities at the reporting date consisted of 38.3% held for trading purposes, 38.0% held for liquidity purposes and 23.7% held as investment securities.

We measure investment securities in accordance with the modified lower of cost or market principle compliant with Section 253 (3) 3 HGB, under which impairments are only to be deducted from the acquisition cost if the loss of value is expected to be permanent. In the case of equity instruments, we recognise an impairment loss if the fair value is significantly lower than the carrying amount or if the fair value has exceeded the carrying amount for a long period of time. In the case of debt instruments, on the other hand, an impairment that is likely to be permanent occurs when the issuer of the securities defaults. In the event of a loss of value that is attributable to market prices, we assume that the impairment is only temporary, as these losses will be balanced out again by the due date at the latest. On the other hand, securities held for liquidity purposes are treated as current assets valued at the lower of cost or market (Section 253 (4) 1 HGB) and carried at their acquisition cost or market, or fair value, whichever is the lower. In the same way as in the held-for-trading portfolio, appropriate write-downs are taken on the market values determined (for more information about these fair value adjustments, please refer to the comments regarding the held-for-trading portfolio). Where the reasons for a write-down to the lower of cost or market no longer apply, the write-down is reversed compliant with Section 253 (5) HGB.

We have set up valuation units documented in advance for certain interest-bearing securities and promissory notes held for liquidity purposes (with a carrying amount of €26,649 million) hedged against interest rate risk by equivalent hedging derivatives (notably interest rate swaps). The hedge of the dynamic portfolio within the framework of the valuation unit is of unlimited duration; the hedging period of the individual hedging derivatives is always related to the residual maturity of the respective hedged items in the portfolio. The offset changes in the fair value of the interest-bearing securities amount to a increase of €617 million for these portfolios. There is also a valuation unit that serves to hedge interest rate risks in bonds denominated in US dollars (with a carrying amount of €503 million) using interest rate swaps; the securities involved are funded in foreign currency. The changes in the fair value of the interest-bearing securities are taken to the income statement in full for this valuation unit (decrease of €52 million). At the same time, both the interest rate risk and the foreign currency risk inherent in a bond denominated in US dollars is hedged in a further minor valuation unit (with a carrying amount of €367 million) using a cross-currency swap (micro hedge). The offset change in the value of interest-bearing securities totals a decrease of €61 million for this valuation unit. The requirements of Section 254 HGB regarding valuation units have been met. The effectiveness of the valuation units is demonstrated prospectively using risk management methods relevant for measuring effectiveness (interest rate risk sensitivity analyses based on basis point values). The interest rate risk sensitivities in the hedged items and hedging derivatives largely offset each other at year-end. The changes in value arising from the hedged items and hedges are set against each other and offset within the individual valuation units. Under the net hedge presentation method, no net valuation gain is taken to the income statement; provisions for anticipated losses on pending transactions are set up to cover any net loss on the ineffective portion of the changes in value.

6 Held-for-trading portfolio

Compliant with Section 340e (3) HGB, financial instruments held by banks for trading purposes are measured at fair value less a risk discount and recognised in the balance sheet. Any ensuing changes in value are recognised in the income statement under net income from the held-for-trading portfolio. In addition, compliant with Section 340e (4) HGB in the event of a net profit being recorded on financial operations, 10% of the net income from the held-for-trading portfolio is allocated to the "Fund for general banking risks" in accordance with Section 340g HGB, with a corresponding reduction in the dividend payout, and shown in the balance sheet separately. HVB assigns all financial instruments (bonds, equity securities, derivatives, loans and receivables, and liabilities, including delivery obligations arising from short sales of securities) to the held-for-trading portfolio that are acquired and sold with the intention of generating a short-term gain on proprietary trading. No changes have been made compared with last year regarding the criteria for assignment to the trading book (definition of the intention to trade). No financial instruments have been reclassified to or from the held-for-trading portfolio. The assets and liabilities that are held for trading are shown separately in the balance sheet (asset item 6a and liability item 3a).

We have determined the fair value of the financial instruments held for trading purposes in accordance with the valuation hierarchy specified in Section 255 (4) HGB. The fair value is normally defined as the amount at which the asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The market price is used for financial instruments for which there is an active market. Where there is no active market that can be used to determine the market price, the fair value is determined with the aid of generally recognised valuation methods (notably discounted cash flow models and option price models).

Notes to the Annual Financial Statements (Continued)

The fair values of securities and derivatives are calculated on the basis of either external price sources (such as stock exchanges or other price providers like Reuters) or market prices determined using internal valuation models (mark-to-model). For the most part, prices from external sources are used to calculate the fair value of securities. HVB's credit risk is included in the fair value of liabilities held for trading purposes. Derivatives are primarily measured on the basis of valuation models. The parameters for our internal valuation models (such as yield curves, volatilities and spreads) are taken from external sources, and checked for their validity and correctness by the Risk Control unit.

Appropriate adjustments (referred to as fair value adjustments) are made to the fair values calculated in this way in order to take account of further influences on the fair value (such as the liquidity of the financial instrument or model risks when the fair value is calculated using a valuation model). Counterparty default risk in trading-book derivatives is covered by applying counterparty valuation adjustments (CVAs).

The main conditions that can influence the amount, timing and certainty of future cash flows from derivatives essentially relate to the following features of derivatives:

– Where the cash flows under derivatives are linked to current market prices or rates, the respective market price or market rate at the payment date determines the amount payable (in the case of interest rate swaps, for instance, the payment of the variable interest rate on the payment date depends on the interest rate fixed on this date, such as Euribor).
– Where the derivatives allow for cash settlement at market value on the due date, the amount payable is calculated as the difference between the price set when the derivative was entered into and the current market price (in the case of a foreign exchange forward with cash settlement, for instance, the difference between the agreed forward price and the current price is payable).
– In the case of American options, unlike European options, the option buyer has the right to exercise the option at any time during the term of the option, meaning that the buyer of the option determines the date on which the payments are made.
– Where it is possible to terminate a derivative prior to maturity (as is the case with all exchange-traded derivatives, for instance), the derivative may be terminated at any time by paying the current fair value.
– The counterparty's credit rating and solvency are a further important consideration. If the counterparty becomes insolvent, it can no longer be expected that it will meet its obligations arising from the derivative.

These features may be included in the terms agreed for any type of derivative. Thus it is possible that foreign exchange, interest rate and equity options may be exercised at any time (American option) or only at maturity (European option). It is generally possible to determine the size of the derivative positions entered into from the respective nominal amounts. The Risk Report contains a detailed overview of the Bank's derivative transactions.

In order to obtain the final figures disclosed in the balance sheet for the held-for-trading portfolios, the risk discount required by Section 340e (3) 1 HGB is deducted from the fair values of the financial instruments held for trading purposes determined in this way. Including the risk discount in net trading income reflects the risk of possible price losses up until the earliest possible date of realisation of unrealised valuation gains or losses. In accordance with the relevant regulatory rules, the risk discount is determined on the basis of the internal risk management system using an accounting value-at-risk approach (holding period of ten days; confidence level: 99%; 2-year observation period). We have deducted the risk discount determined for the entire held-for-trading portfolio from the assets held for trading purposes in the balance sheet (asset item 6a) and recognised it in the net income from the held-for-trading portfolio.

HVB employs derivative financial instruments both for trading purposes and to hedge balance sheet items. The vast majority are trading derivatives which are disclosed at their fair value in the held-for-trading portfolio items on the assets side and liabilities side of the balance sheet and taken to the income statement. The hedging derivatives have positive market values of €123,501 million (within asset item 6a) and negative market values of €123,608 million (within liability item 3a).

Derivatives that are not associated with the held-for-trading portfolio continue to be treated in accordance with the principle of the non-recognition of pending transactions. Only cash flows that have started, such as option premiums and accrued upfront payments on unvalued banking book derivatives, are disclosed under other assets (asset item 12), other liabilities (liability item 5) and deferred income or prepaid expenses (asset item 13 and liability item 6). The valuation of hedging derivatives that form part of valuation units that have been set up is included in the provision for anticipated losses on pending transactions to be recognised in the event of an unrealised net valuation unit loss. The interest derivatives employed for asset/liability management of the general interest rate risk associated with receivables and liabilities in the banking book remain unvalued as part of the aggregate interest position within the framework of the recognised valuation convention in the banking book. Please refer to the Risk Report for a discussion of the management of the overall interest rate position. The few remaining standalone derivatives outside the trading book are valued in accordance with the imparity principle. A provision for anticipated losses on pending transactions is set up for unrealised valuation losses; unrealised valuation gains are not recognised.

An analysis of the question of loss-free valuation of interest-bearing transactions in the banking book assuming the net present value method indicated that there was no need to set up a provision for anticipated losses on pending transactions.

Extensive information about our derivative financial instruments, complete with detailed breakdowns by product and risk type, and showing the nominal amounts, market values and the counterparty structure, is included in the Risk Report.

7 Participating interests and shares in affiliated companies
Participating interests and shares in affiliated companies (asset items 7 and 8) are shown at the lower of acquisition cost or – if there is a permanent impairment – fair value prevailing at the balance sheet date.

Where HVB holds a controlling interest, profits and losses of partnerships as well as dividends paid by limited or incorporated companies are recognised in the year in which they arise.

When disclosing income from write-ups on participating interests, shares in affiliated companies and investment securities (income item 7) and write-downs on these investments (expense item 8), HVB has exercised the option allowed under Section 340c (2) 2 HGB. HVB nets out respective expense and income items which also contain the results from the disposal of financial assets.

8 Intangible assets
Essentially, goodwill and software are disclosed under intangible assets (asset item 10).

Purchased goodwill is calculated by setting the acquisition cost of a company against the value of the company's individual assets, less the liabilities at the time of acquisition. It is normally amortised over the standard useful life of five years assumed by law. In justified cases, the goodwill may be amortised over a longer period, provided the individual expected useful operating life exceeds five years. An impairment is recognised in the event of a permanent loss of value. Should the reasons for the impairment no longer apply, the lower amount recognised for derivative goodwill is retained.

Purchased intangible assets are capitalised at cost and amortised over their expected useful life of three to five years (software) or a longer contractual useful life of up to ten years (other intangible assets). Impairments are recognised where necessary. HVB has not made use of the capitalisation option for internally generated intangible assets classified as non-current.

9 Property, plant and equipment
Property, plant and equipment (asset item 11) is valued at acquisition or production cost, less – insofar as the assets are depreciable – depreciation using the straight-line method based on their expected useful life. In such cases, the useful lives are closely related to the depreciation rules specified in Section 7 of the German Income Tax Act (Einkommensteuergesetz – EStG) in conjunction with the depreciation tables for equipment. Minor fixed assets are fully expensed in the year of acquisition and shown as additions and disposals in the analysis of non-current assets. Pro rata depreciation is taken to the income statement for additions to furniture and office equipment in the year of acquisition.

10 Liabilities
Liabilities (liability items 1 to 3, 8 and 9) are stated at the amount repayable plus accrued interest. Differences between the amount repayable and the amount disbursed (premiums/discounts) that are attributable to interest are allocated to prepaid expenses or deferred income, and taken to the income statement under net interest income. Liabilities without current interest payments (zero-coupon bonds) are stated at their cash value.

11 Provisions
In accordance with the principles of sound commercial judgement, we assess provisions for taxes, uncertain liabilities and anticipated losses on pending transactions (liability item 7) at the amount repayable, taking into account anticipated future price and cost increases. Provisions falling due in more than one year are discounted using the average market rate of the past seven financial years determined and published by the Deutsche Bundesbank as appropriate for the respective maturities.

We measure payment obligations arising from pension commitments at the amount payable calculated using the projected unit credit method on the basis of biometric probabilities. Anticipated future salary and pension increases are taken into account when measuring the pension commitment. Insofar as the amount of the pension commitments is determined exclusively by the fair value of securities, we recognise provisions for this at the fair value of these securities where it exceeds a guaranteed minimum amount. HVB has made use of the option to employ the average market rate determined and published by the Deutsche Bundesbank as the discount rate for an assumed residual maturity of 15 years.

The discount rate for November 2011 published by the Deutsche Bundesbank for a residual maturity of 15 years at 5.14% p. a. (2010: 5.15% p.a.) and a pension trend of 1.70% p. a. (2010: 1.70% p.a.) were applied in the actuarial calculation of the amount payable at 31 December 2011. A figure of 2.00% p. a. (2010: 2.00% p. a.) has been included in the calculation for the anticipated wage and salary increases; a figure of 0–1.50% (2010: 0–1.50%) has been included in the calculation for the career trend. Life expectancies are based on the modified Heubeck 2005 G tables.

Notes to the Annual Financial Statements (Continued)

Whereas the income and expenses arising from the compounding and discounting of provisions for pensions are shown in net interest income, the current service cost accruing during the period and the effects arising from changed assumptions regarding the wage, salary and pension trend and biometric probabilities are disclosed under payroll costs. The same principles apply for the impact on earnings arising from the change in the group of beneficiaries and the change in provisions for pension in connection with company restructuring activities. Similarly, the impact on earnings of the change in the discount rate arising during the course of the 2011 financial year is allocated to payroll costs.

An allocation totalling €332 million is required as the recognised provision for pensions and similar commitments rises on account of the inclusion of future pay and pension increases and the change in the discount rate caused by the changeover to the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG). HVB makes use of the option compliant with Section 67 (1) 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB) to aggregate the amount allocable to the provisions for pensions in annual instalments of one-fifteenth in every financial year up to 31 December 2024. The annual allocation of €22 million is charged to extraordinary income/expenses in the income statement.

12 Employee benefits
Assets serving exclusively to settle pension commitments or similar long-term commitments, and to which all other creditors do not have recourse, are measured at fair value and offset against the underlying commitment. If the offsetting results in an excess of commitments over plan assets, we recognise a provision for pensions and similar commitments (liability item 7) to this amount. If the value of the assets exceeds the commitments, the amount is recognised under excess of plan assets over pension liabilities (asset item 15). The fair value of the assets to be offset are determined using generally accepted calculation methods based on external price sources.

Compliant with Section 8a of the German Semi-Retirement Act (Altersteilzeitgesetz – AltTZG), employee credits for semi-retirement are secured by pledging securities to the trustee.

13 Plan assets
Income and expenses arising from plan assets and from the compounding and discounting of the corresponding obligations are offset against each other and shown in net interest income.

14 Deferred tax assets and liabilities
Compliant with Section 274 HGB, deferred tax items are determined for temporary differences between the carrying amount of an asset, liability or deferred item shown in the commercial balance sheet and the corresponding amount disclosed for tax reporting purposes as well as for tax loss carry-forwards and tax credits. German corporations are normally charged a corporate income tax rate of 15%, irrespective of any dividend distribution. Deferred taxes are measured using the uniform corporate income tax rate of 15.8%, including the solidarity surcharge, and the municipal trade tax dependent upon the applicable municipal trade tax multiplier. At HVB, this results in an overall valuation rate for the domestic portion of deferred taxes of 31.4%. The respective local tax rates are applied analogously for the foreign units. Compliant with Section 274 (1) 2 HGB, the amounts involved have not been recognised on account of an aggregate future reduction in tax. This results mainly from tax valuation provisos regarding general provisions and risk provisions as well as tax loss carryforwards.

15 Foreign currencies
Amounts in foreign currency are translated in accordance with the principles set forth in Section 340h and Section 256a HGB. As a result, assets and liabilities denominated in foreign currency and spot transactions outstanding at the balance sheet date are always converted into euros using the mean spot rate applicable at the balance sheet date. On the other hand, investment securities denominated in foreign currency that are not specifically covered in the same currency are carried at their historical cost. Outstanding forward transactions are translated using the forward rate effective at the balance sheet date.

The foreign currency positions in the portfolio not held for trading that are concluded in each currency are classified as having special cover within the meaning of Section 340h HGB and transferred to the held-for-trading portfolio on a daily basis under a standard system of currency risk management that is applicable across the Bank as a whole. The translation gains on the foreign currency positions managed in the held-for-trading portfolio are recognised at fair value in the income statement in accordance with the valuation methods applicable to the held-for-trading portfolio (Section 340e (3) 1 HGB). Consequently, the entire net income from FX trading is disclosed under net income from the held-for-trading portfolio in the income statement.

Notes to the Balance Sheet

16 Breakdown by maturity of selected asset items

(€ millions)

			2011	2010
A 3 b)	Other loans and receivables with banks			
	with residual maturity of	less than 3 months	19,930	29,378
		at least 3 months but less than 1 year	2,840	4,847
		at least 1 year but less than 5 years	6,312	3,843
		5 years or more	2,376	3,176
A 4)	Loans and receivables with customers			
	with residual maturity of	less than 3 months	9,700	4,437
		at least 3 months but less than 1 year	7,726	7,232
		at least 1 year but less than 5 years	33,250	34,680
		5 years or more	45,465	49,412
		No fixed maturity	12,423	12,515
A 5)	Bonds and other fixed-income securities, amounts due in the following year		11,061	8,557

17 Breakdown by maturity of selected liability items

(€ millions)

			2011	2010
L 1 b)	Deposits from banks			
	with agreed maturity dates or periods of notice			
	with residual maturity of	less than 3 months	28,753	16,780
		at least 3 months but less than 1 year	3,634	4,991
		at least 1 year but less than 5 years	9,492	5,494
		5 years or more	6,509	10,530
	Deposits from customers			
L 2 ab)	Savings deposits with agreed maturity dates or periods of notice			
	with residual maturity of	less than 3 months	23	12
		at least 3 months but less than 1 year	47	24
		at least 1 year but less than 5 years	103	137
		5 years or more	30	42
L 2 b)	Registered mortgage bonds in issue,			
L 2 c)	registered public-sector bonds in issue,			
L 2 db)	other debts with agreed maturity dates or periods of notice			
	with residual maturity of	less than 3 months	24,692	20,812
		at least 3 months but less than 1 year	7,986	6,374
		at least 1 year but less than 5 years	6,924	9,177
		5 years or more	11,963	12,340
	Debt securities in issue			
L 3 a)	Bonds, amounts due in following year		6,743	5,926
L 3 b)	Other debt securities in issue			
	with residual maturity of	less than 3 months	—	—
		at least 3 months but less than 1 year	—	—
		at least 1 year but less than 5 years	—	—
		5 years or more	—	—

Notes to the Balance Sheet (Continued)

18 Amounts receivable from and payable to affiliates and companies in which participating interests are held

(€ millions)

	AFFILIATES 2011	AFFILIATES 2010	PARTICIPATING INTERESTS 2011	PARTICIPATING INTERESTS 2010
Loans and receivables with banks	26,269	27,894	470	710
of which: UniCredit S.p.A.	4,548	5,915	—	—
Loans and receivables with customers	3,687	1,849	1,204	2,705
Bonds and other fixed-income securities	10,342	3,591	9,058	9,079
of which: UniCredit S.p.A.	5,634	1,861	—	—
Deposits from banks	9,121	11,156	220	446
of which: UniCredit S.p.A.	2,110	2,417	—	—
Deposits from customers	2,266	2,935	473	450
Debt securities in issue	1,405	2,334	—	—
Subordinated liabilities	1,443	1,408	—	—

Besides the relationships with affiliated companies, there are a number of transactions involving UniCredit S.p.A. and other affiliated but not consolidated UniCredit companies as a result of the integration of HVB into the UniCredit group of companies.

In the course of the integration of HVB into the UniCredit group of companies, HVB has been assigned the role of centre of competence for markets and investment banking for the entire corporate group. Among other things, HVB acts as counterparty for derivative transactions conducted by UniCredit companies in this role. For the most part, this involves hedge derivatives that are externalised on the market by HVB.

Furthermore, HVB places excess liquidity efficiently with other UniCredit group companies. The section of the Risk Report entitled “Exposure to UniCredit S.p.A. and its subsidiaries” under “Risk types in detail” in this Annual Report contains further information regarding the exposure to UniCredit and its subsidiaries.

19 Trust business

Trust business assets and liabilities break down as follows:

(€ millions)

	2011	2010
Loans and receivables with banks	—	—
Loans and receivables with customers	168	201
Equity securities and other variable-yield securities	—	1,768
Participating interests	—	—
Trust assets	**168**	**1,969**
Deposits from banks	4	5
Deposits from customers	164	196
Debt securities in issue	—	1,768
Other liabilities	—	—
Trust liabilities	**168**	**1,969**

The significantly lower volume of trustee activities compared with last year can essentially be attributed to a transaction under which we acquired securities on behalf of and for account of a customer.

20 Foreign-currency assets and liabilities

67.8% of HVB's foreign-currency holdings consist of US dollars, 13.4% of pounds sterling, 7.2% of Japanese yen and 2.9% of Swiss francs.

(€ millions)

	2011	2010
Cash and cash balances	734	1,241
Treasury bills and other bills eligible for refinancing with central banks	—	—
Loans and receivables with banks	3,439	4,904
Loans and receivables with customers	21,446	22,373
Bonds and other fixed-income securities	2,970	3,202
Equity securities and other variable-yield securities	48	53
Held-for-trading portfolio (assets held for trading purposes)	7,779	17,848
Participating interests	324	336
Shares in affiliated companies	525	331
Trust assets	163	1,963
Intangible assets	1	1
Property, plant and equipment	7	9
Other assets	267	256
Prepaid expenses	7	13
Assets	**37,710**	**52,530**
Deposits from banks	11,112	12,408
Deposits from customers	6,084	9,789
Debt securities in issue	194	1,538
Held-for-trading portfolio (liabilities held for trading purposes)	6,842	15,347
Trust liabilities	163	1,963
Other liabilities	180	202
Deferred income	51	38
Provisions	41	115
Subordinated liabilities	776	724
Liabilities	**25,443**	**42,124**

The amounts shown represent the euro equivalents of all currencies. The Trading department actively monitors the foreign currency position, and differences between assets and liabilities are generally closed by taking out derivatives.

Notes to the Balance Sheet (Continued)

21 Subordinated asset items

The following balance sheet items contain subordinated assets:

(€ millions)

	2011	2010
Loans and receivables with banks	1,286	1,396
Loans and receivables with customers	436	580
Bonds and other fixed-income securities	3,166	3,262
Equity securities and other variable-yield securities	8	8
thereof: own participating certificates in market-smoothing portfolio	—	—
Held-for-trading portfolio	302	510

22 Marketable debt and investments

The listed and unlisted marketable securities included in the respective balance sheet items break down as follows:

(€ millions)

	TOTAL MARKETABLE SECURITIES 2011	TOTAL MARKETABLE SECURITIES 2010	OF WHICH: LISTED 2011	OF WHICH: LISTED 2010	OF WHICH: UNLISTED 2011	OF WHICH: UNLISTED 2010
Bonds and other fixed-income securities	56,877	50,825	44,884	30,985	11,993	19,840
Equity securities and other						
variable-yield securities	68	75	9	15	59	60
Held-for-trading portfolio	35,307	48,524	19,906	32,785	15,401	15,739
Participating interests	104	104	104	104	—	—
Shares in affiliated companies	288	265	288	265	—	—

Non-current securities contain financial instruments carried at an amount higher than their fair value. The carrying amount of these securities is €22,306 million and the fair value €21,279 million (fair value of marketable securities €22,306 million, of which €22,305 million relates to bonds and other fixed-income securities and €0.3 million to equity securities and other variable-yield securities). Given the development of interest and rating risks, we do not believe that these securities have suffered a permanent loss of value.

The marketable debt and investments, and loans and receivables (including promissory notes), at 31 December 2011 include Greek sovereign bonds with a carrying amount/market value of €8 million and a nominal volume of €21 million.

23 Held-for-trading portfolio

The following table shows the breakdown of assets held for trading purposes (asset item 6a) by financial instrument totalling €167,239 million:

(€ millions)

	2011	2010
Derivative financial instruments (positive market values)	123,501	92,281
Loans and receivables	7,666	9,126
Bonds and other fixed-income securities	31,346	41,043
Equity securities and other variable-yield securities	4,834	8,563
Other assets	—	—
Less risk discount (for entire portfolio of assets held for trading purposes)	(108)	(107)

The assets held for trading purposes at 31 December 2011 include Greek sovereign bonds with a carrying amount/market value of €1 million and a nominal volume of €6 million.

The following table shows the breakdown of liabilities held for trading purposes (liability item 3a) by financial instrument totalling €152,843 million:

(€ millions)

	2011	2010
Derivative financial instruments (negative market values)	123,608	93,174
Liabilities (including delivery obligations arising from short sales of securities)	29,235	46,887

24 Investment funds

The following table contains information regarding shares in investment funds for which the Bank's holding exceeds 10% of the total number of shares:

(€ millions)

	INFORMATION ON SHARES IN INVESTMENT FUNDS COMPLIANT WITH SECTION 286 (26) HGB					
	CARRYING AMOUNT		MARKET PRICE		DIVIDEND PAYMENTS	
FUND TYPE	31/12/2011	31/12/2010	31/12/2011	31/12/2010	2011	2010
Equity funds	55	98	56	98	—	—
Money market funds and near-money market funds	22	33	23	33	—	—
Mixed funds	72	119	72	120	—	—
Index funds	65	173	65	173	—	4
Bond funds	72	141	72	141	1	1
Total investment funds	**286**	**564**	**288**	**565**	**1**	**5**

In addition, the Bank holds all the shares in the "European Office Fonds" property special purpose entity, which is fully consolidated in the Bank's consolidated financial statements in accordance with SIC 12.

Under Section 246 (2) HGB, assets to which all other creditors do not have access and which serve exclusively to settle liabilities arising from pension commitments or similar long-term commitments must be offset against these liabilities. Where these assets represent shares in investment funds, they are not shown in this table.

The shares listed in this table are held in either the Bank's held-for-trading portfolio or its liquidity reserve. Where necessary, the holdings are always written down to the lower fair value.

In the case of the information regarding the dividend payments, it should be noted that the positions included in the table frequently represent investment funds that reinvest dividends in themselves. Consequently, the dividend payments shown in the table serve only as a limited indicator for the performance of the investment funds.

There are no indications of a restriction on daily return for most of the shares listed here.

Notes to the Balance Sheet (Continued)

25 Analysis of non-current assets

(€ millions)

	ACQUISITION/ PRODUCTION COST 1	ADDITIONS DURING FINANCIAL YEAR 2	DISPOSALS DURING FINANCIAL YEAR 3	RECLASSIFICATIONS DURING FINANCIAL YEAR[2] 4
Intangible assets	876	20	19	1
thereof: Goodwill	141	—	—	—
Software	707	20	19	1
Other intangible assets	28	—	—	—
Property, plant and equipment	586	11	12	1
thereof: Land and buildings used by HVB in				
its operations	292	—	—	—
Furniture and office equipment	294	11	12	1
Other non-current assets	21	—	—	—
	ACQUISITION COST			**CHANGES +/–[1]**
Participating interests	1,262			(150)
Shares in affiliated companies	2,737			223
Investment securities	16,908			5,398

1 use has been made of the possibility of combining amounts allowed by Section 34 (3) RechKredV
2 the “Reclassifications during financial year” column shows the changes in value as a result of currency translation, among other things

26 Intangible assets

The disclosed goodwill of €113 million results from the absorption of UniCredit CAIB Securities UK Ltd., London, by HVB in the 2010 financial year. This amount is amortised over a useful life of 7.5 years calculated individually for the company.

The leading market position of the acquired company in the markets where it is active is reflected in the goodwill. We assume that the acquired market position will exist for more than five years (ceiling on the normal useful life of goodwill assumed in the law).

Compliant with IDW RS HFA 11, system and application software is shown under intangible assets.

Non-scheduled amortisation is taken on unused software developments. There was no need to take non-scheduled amortisation during 2011.

27 Other assets

The following table shows the main items included in other assets:

(€ millions)

	2011	2010
Claims to tax reimbursements	630	422
Claims to dividends	325	298
Variation margin DTB	122	166
Proportion of income from portfolio fees	39	43
Proportion of income from commission/interest not yet received	28	50
Trade debtors	26	39
Fixed assets (works of art)	21	21
Capital investments with life insurers	18	18
Collection paper, such as cheques, matured debentures, interest and dividend coupons	6	151
KG shares intended for re-sale	4	6
Premiums paid on options pending	2	2
Purchase price receivables	1	2

The claims to tax reimbursements consist of claims of €550 million arising from income tax and of €80 million arising from non-income taxes. The claims to dividends include €213.8 million in prorated income from UniCredit Luxembourg.

(€ millions)

WRITE-UPS DURING FINANCIAL YEAR 5	DEPRECIATION/ AMORTISATION ACCUMULATED 6	SCHEDULED DEPRECIATION/ AMORTISATION DURING FINANCIAL YEAR 7	NON-SCHEDULED DEPRECIATION/ AMORTISATION DURING FINANCIAL YEAR 8	NET BOOK VALUE 31/12/2011 9	NET BOOK VALUE 31/12/2010 10
—	667	61	—	211	270
—	28	19	—	113	132
—	613	34	—	96	128
—	26	8	—	2	10
—	348	13	18	238	269
—	120	9	18	172	199
—	228	4	—	66	70
—	—	—	—	21	21
				NET BOOK VALUE 31/12/2011	**NET BOOK VALUE 31/12/2010**
				1,112	1,262
				2,960	2,737
				22,306	16,908

28 Prepaid expenses

The prepaid expenses arising from issuing and lending operations include the following:

(€ millions)

	2011	2010
Discounts on funds borrowed	83	74
Premiums on amounts receivable	—	—

29 Excess of plan assets over pension liabilities

An amount payable of €722 million arising from liabilities due to pension and similar commitments was set against offsetting plan assets with a fair value of €1,148 million. Under the initial application provisions of the BilMoG, use was made of the option to spread the amount allocable to pension provisions equally over a period of 15 years. One-fifteenth of the transitional amount was allocated to the provision for pensions in the 2011 financial year. The omitted transitional allocation in the year under review totalled €288 million. The excess of assets over commitments, taking into account the omitted transitional allocation, is disclosed in the balance sheet as the excess of plan assets over pension liabilities (€426 million). The acquisition cost of the offsetting plan assets totalled €1,068 million. The assets involved are essentially fund shares, investments, and cash and cash equivalents.

(€ millions)

	2011	2010
Amount payable for offset pension and similar commitments	722	639
Fair value of the offsetting plan assets	1,148	1,146
Omitted transitional allocation	288	310
Excess of plan assets over the commitments, including the shortfall	426	507
Acquisition cost of the offsetting plan assets	1,068	1,070

Notes to the Balance Sheet (Continued)

30 Assets assigned or pledged as security for own liabilities

Assets totalling €60,932 million were assigned or pledged as security for the following liabilities:

(€ millions)

	2011	2010
Deposits from banks	39,078	30,745
Deposits from customers	21,854	23,691
Provisions for pensions and similar commitments	—	—

The collateral provided for deposits from banks includes all collateral pledged to the ECB, irrespective of whether this is actually used to borrow funds or not. At 31 December 2011 and 2010, the volume of collateral pledged significantly exceeded the funds borrowed from the ECB.

Examples of own liabilities for which HVB provides collateral are special credit facilities provided by KfW and similar institutions, which the Bank has passed as loans in compliance with their conditions.

As a seller under repurchase agreements, HVB entered into sales and repurchase transactions for securities with a book value of €50,592 million. These securities continue to be shown under HVB's assets, and the consideration received in return is stated under liabilities. They comprise mainly open-market transactions with the Deutsche Bundesbank and international money market transactions.

At the same time, further assets totalling €16,594 million were pledged as security for securities lending transactions and exchange-traded derivatives.

In setting up a contractual trust arrangement (CTA), HVB transferred collateral to the asset administrator to hedge pension and semi-retirement obligations. Pursuant to Section 8a AltTZG, employers are required to hedge credit exceeding three times the amount of normal earnings, including the associated employer's contribution to the total social security charge, against the risk of insolvency. Recognised provisions and obligations to cover the costs of other group companies are not considered suitable means of security.

31 Other liabilities

The following table shows the main items included in other liabilities:

(€ millions)

	2011	2010
Amounts owed to SPV	7,135	8,554
Obligations arising from debts assumed	1,312	1,353
Taxes payable	129	120
Other amounts owed to employees	104	121
Banking book valuation reserves	49	52
Variation margin DTB	40	102
Offsetting item for swap transactions	32	17
Amounts yet to be distributed from outplacements, etc.	19	7
Accrued interest on participating certificates outstanding	10	7
Liabilities from allowances paid to and losses absorbed from subsidiaries	7	39
Premiums received on options pending	—	2

The true sale transaction Rosenkavalier 2008 was carried out with a view to using the securities generated as collateral for repurchase agreements with the ECB. The underlying receivables are still recognised by HVB. All tranches are retained by the Bank, meaning that there is no corresponding reduction in risk-weighted assets.

The obligations arising from debts assumed essentially reflect obligations arising from the liquidation of media funds.

32 Deferred income

Discounts on amounts receivable shown at nominal value totalled €19 million. Furthermore, other deferred income includes accrued commissions of €244 million arising from a transaction with the Republic of Italy.

33 Provisions

HVB offers its employees various types of company pension plans. To fund the company pension plans, HVB has covered its pension commitments largely with plan assets managed as external trustee assets with limited access. These plan assets are set against the liabilities arising from pension commitments or similar long-term commitments. If the plan assets of the pension funds, pension guarantee associations or retirement benefit corporations in question do not cover the amount of the equivalent pension commitments payable, HVB recognises a provision for pension funds and similar obligations in the amount of the shortfall. If the fair value of the plan assets exceeds the commitments, the difference is recognised as the excess of plan assets over pension liabilities. The associated income and expenses to be offset are recognised in net interest income.

Other provisions include the following items: **(€ millions)**

	2011	2010
Provisions for losses on guarantees and indemnities	665	341
Anticipated losses on pending transactions	672	529
Provisions for uncertain liabilities	1,533	1,658
of which:		
Bonuses on savings plans	20	19
Anniversary bonus payments	45	48
Payments for early retirement, semi-retirement, etc.	5	6
Payments to employees	307	344
Restructuring provisions	140	60
Total other provisions	**3,010**	**2,588**

34 Subordinated liabilities

This item includes accrued interest of €57 million. HVB incurred interest expenses of €193 million in 2011.

The borrower cannot be obliged to make early repayment in the case of subordinated liabilities. In the event of insolvency or liquidation, subordinated loans are only repaid after the claims of all primary creditors have been settled. For the purposes of a bank's liable funds as defined under banking supervisory regulations, subordinated liabilities are regarded as supplementary or Tier III capital.

On 5 February 2002, HVB issued a subordinated bond with a volume of €750 million. This subordinated bond matures on 5 February 2014. The coupon is 6% p. a.

Notes to the Balance Sheet (Continued)

35 Participating certificates outstanding

The following table shows the breakdown of participating certificates outstanding:

ISSUER	WKN	YEAR OF ISSUE	TYPE	NOMINAL AMOUNT € MILLIONS	INTEREST RATE	MATURITY
1 UniCredit Bank AG	788119	2001	Bearer participating certificates	100	6.30	31/12/2011
2 UniCredit Bank AG	HV0CLB	2004	Bearer participating certificates	10	6.90	31/12/2011
3 UniCredit Bank AG	HV0CLC	2004	Bearer participating certificates	8	6.90	31/12/2011
4 UniCredit Bank AG	HV0CLD	2004	Bearer participating certificates	6	6.90	31/12/2011
5 UniCredit Bank AG	HV0CLF	2004	Bearer participating certificates	5	6.90	31/12/2011
6 UniCredit Bank AG	HV0CLG	2004	Bearer participating certificates	5	6.90	31/12/2011
7 UniCredit Bank AG	HV0CLH	2004	Bearer participating certificates	5	6.93	31/12/2011
8 UniCredit Bank AG	HV0CLJ	2004	Bearer participating certificates	5	6.93	31/12/2011
9 UniCredit Bank AG	HV0CLK	2004	Bearer participating certificates	5	6.98	31/12/2011
10 UniCredit Bank AG	HV0CLR	2004	Bearer participating certificates	5	6.93	31/12/2011
11 UniCredit Bank AG	HV0CLE	2004	Bearer participating certificates	1	6.90	31/12/2011

Holders of participating certificates are subordinated creditors and are not entitled to a share of the proceeds on company liquidation.

In each case, the participating certificates grant holders an entitlement to an annual interest payment with priority over the entitlement of shareholders to dividend payments; the interest payments arising from the participating certificates are reduced if such payments would result in a net loss for the year. In the event of the interest payment being reduced, the shortfall is to be paid in the subsequent financial years, provided this does not result in a net loss for the year; a claim to such payment only exists, however, during the term of the participating certificates. Repayment is at the nominal amount; in the event of a net loss for the year or a reduction in the capital stock to cover losses, the redemption amount to which holders are entitled declines proportionately. Where net profits are generated in the subsequent financial years following a participation of the participating certificates in a net loss, the claims to repayment of the participating certificates are to be increased out of these profits before the net income is appropriated in any other way, once the legal reserves have been replenished; this obligation terminates when the participating certificates expire.

The interest payments for the 2011 financial year were made in full.

Shareholders' Equity

36 Analysis of shareholders' equity shown in the balance sheet

(€ millions)

Subscribed capital		
Balance at 1 January 2011	2,407	
Balance at 31 December 2011		2,407
Additional paid-in capital		
Balance at 1 January 2011	9,791	
Balance at 31 December 2011		9,791
Retained earnings		
Legal reserve		
Balance at 1 January 2011	—	
Balance at 31 December 2011		—
Reserve for shares in a controlling or majority interest-holding company		
Balance at 1 January 2011	—	
Transfer to the reserve for shares in a controlling or majority interest-holding company	10	
Balance at 31 December 2011		10
Other retained earnings		
Balance at 1 January 2011	7,156	
Withdrawal from other retained earnings	(10)	
Balance at 31 December 2011		7,145
Profit available for distribution		
Balance at 1 January 2011	1,270	
Dividend payout of HVB for 2010	(1,270)	
Net profit 2011	1,017	
Balance at 31 December 2011		1,017
Shareholders' equity at 31 December 2011		20,370

37 Holdings of HVB stock in excess of 5%

(in %)

	2011	2010
UniCredit S.p.A.	100.0	100.0

Compliant with Section 271 (2) HGB, HVB is an affiliated company of UniCredit S.p.A., Rome (UniCredit), and is included in the consolidated financial statements of UniCredit, which can be obtained from the Trade and Companies Register in Rome, Italy.

38 Amounts not available for distribution

The measurement at fair value of offsetting plan assets in connection with pension commitments and semi-retirement agreements gives rise to an amount of €80 million.

39 Holdings pursuant to Section 285 No. 11 and 11a HGB

The complete list of shareholdings as a constituent part of the notes to the financial statements is given in the section entitled "List of holdings" in this Annual Report.

Notes to the Income Statement

The condensed income statement is shown with the Management Report.

40 Breakdown of income by region

The following table shows a breakdown by region of
– interest receivable,
– current income from equity securities and other variable-yield securities, participating interests and shares in affiliated companies,
– income earned under profit-pooling and profit-and-loss transfer agreements,
– fees and commissions receivable,
– other operating income, and
– net profit on financial operations:

(€ millions)

	2011	2010
Germany	9,972	9,037
Rest of Europe	1,482	2,394
Americas	300	270
Asia	139	113

41 Net interest income

(€ millions)

	2011	2010
Interest income from		
lending and money market transactions	6,317	6,534
fixed-income securities	1,840	1,549
Current income from equity securities and other variable-yield securities,		
participating interests and shares in affiliated companies	1,002	1,000
Income from profit-pooling and profit-and-loss-transfer agreements	41	59
Interest expenses	4,935	4,982
Net interest income	**4,265**	**4,160**

The interest portion of the change in provisions for pensions and similar commitments is reported under net interest income and relates to the expenses and income from the compounding and discounting of commitments. However, we disclose any effects on net income from the change in discount rate as payroll costs.

(€ millions)

	2011	2010
Expense component of the change in provisions for pensions and similar commitments	47	48
Income from plan assets used to offset pension and similar commitments	11	1
Expenses from plan assets used to offset pension and similar commitments	3	—
Net interest income from pension commitments	**(39)**	**(47)**

The interest expense of €74 million arising from the compounding of provisions is included in net interest income.

42 Services performed for third parties

HVB performed significant services for third parties notably in portfolio, asset and trust-loan management, in the brokerage of insurance, savings and loan contracts and investments funds, in investment and securities commission activities, and in the handling of payments.

43 Net expense from the held-for-trading portfolio

The net expense from the held-for-trading portfolio (net trading income) of €365 million includes the offset income and expenses arising from transactions involving financial instruments held for trading purposes, complete with the full net income from FX operations. The total already includes as an expense the risk discount to be applied to the held-for-trading portfolios measured at fair value. In line with our internal management model, we show the current interest income/expenses and dividend income (interest income/expense from trading operations) associated with the held-for-trading portfolio in net interest income rather than in net trading income.

44 Breakdown of other operating income and expenses

This item primarily includes income from the reversal of provisions other than provisions for lending and securities operations (€632 million) and payroll costs and cost of materials passed on (€66 million).

Other operating expenses include the following:
– compensation and ex gratia payments (€37 million)
– additions to provisions other than provisions for lending and securities operations (€431 million).

45 Expenses from absorbed losses

An expense of €14 million relating to other reporting periods which had been capitalised in the 2010 financial year accrued in the 2011 financial year for losses of UniCredit Leasing GmbH absorbed.

46 Extraordinary income/expenses

The initial application of the new provisions set forth in the BilMoG at 1 January 2010 resulted in 2011 in expenses of €22 million arising from the revaluation of provisions for pensions to be disclosed under extraordinary income/expenses.

47 Taxes on income

All of the taxes on income relate to income from ordinary operations.

48 Net profit

HVB generated a net profit of €1,017 million in 2011. We will propose to the Annual General Meeting of Shareholders that a dividend of €1,017 million be paid to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.27 per share.

Other Information

49 Contingent liabilities and other financial commitments

The following table shows the breakdown of contingent liabilities arising from guarantees and indemnity agreements totalling €32,051 million: (€ millions)

	2011	2010
Loan guarantees	12,445	11,889
Guarantees and indemnities	17,017	18,406
Documentary credits	2,589	1,720
Total	**32,051**	**32,015**
thereof: to affiliated companies	13,019	12,905

Irrevocable lending commitments totalling €31,701 million break down as follows: (€ millions)

	2011	2010
Book credits	29,842	30,791
Mortgage and municipal loans	1,146	1,163
Guarantees	711	759
Bills of exchange	2	11
Total	**31,701**	**32,724**
thereof: to affiliated companies	506	277

Utilisation by the Bank on account of the contingent liabilities and other commitments that it has entered into is possible as part of its banking activities. Thus, every loan is fundamentally granted by utilising a previously made lending commitment that is shown under other commitments. Although utilisation by the Bank under contingent liabilities is not very probable in the case of guarantees it has issued, the possibility cannot be excluded. Utilisation is also the general case with regard to the documentary credits also shown here, as these are employed in the handling of foreign trade payments.

The key factor in this regard is that utilisation by the Bank under its contingent liabilities and other commitments does not generally lead to a loss. Instead, it results in the loan granted being recognised as is the case when a lending commitment is utilised. Provisions for anticipated losses on pending transactions that are required due to commitments to make payouts to defaulting borrowers are set up and deducted from the disclosed contingent liabilities and other commitments.

Other financial commitments arising from real estate and IT operations total €369 million (2010: €306 million). A large part of the total relates to contracts with subsidiaries (€152 million). The contracts run for standard market periods, and no charges have been put off to future years.

At the balance sheet date, HVB had pledged securities worth €1,795 million as collateral for transactions with Eurex Frankfurt AG, Frankfurt am Main.

As part of real estate financing and development operations, HVB assumes rental obligations or issues rental guarantees on a case-by-case basis to make fund constructions more marketable – in particular for lease funds and (closed) KG real estate funds offered by its H.F.S. Hypo-Fondsbeteiligungen für Sachwerte GmbH subsidiary. Provisions have been set aside in the income statement to cover identifiable risks arising from such guarantees.

Commitments for uncalled payments on shares not fully paid up amounted to €388 million at year-end 2011, and similar obligations for shares in cooperatives totalled €1 million. HVB was not liable for any defaults on such calls under Section 22 (3) and Section 24 GmbHG.

Under Section 26 GmbHG, we were liable for calls for additional capital of €5 million with regard to CMP Fonds I GmbH and of €57 million with regard to Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, at year-end 2011. In addition, under Article 5 (4) of the Articles of Association of Liquiditäts-Konsortialbank GmbH, we are jointly and severally liable for any defaults on such calls by members of the Association of German Banks, Berlin.

At the balance sheet date, HVB had unlimited personal liability arising from shares in three partnerships.

Under Section 5 (10) of the by-laws of the Deposit Guarantee Fund, we have undertaken to indemnify the Association of German Banks, Berlin, against any losses it might incur as a result of action taken on behalf of the banks in which we have a majority interest.

50 Off-balance-sheet transactions

Special purpose entities

HVB maintains business relations with a number of special purpose entities that pursue varying business models and hold various different types of assets. HVB's business relations with the special purpose entities are recognised in the financial statements either on or off the balance sheet.

The Bank uses special purpose entities to securitise both the Bank's own receivables and customer receivables. The latter involve commercial paper conduits for which the Bank provides guarantees and liquidity facilities.

In the case of the Bank's own receivables, the special purpose entities serve among other things to procure liquidity and reduce risk. These do not, however, result in the securitised receivables being taken off the books as they do not involve either synthetic securitisations aimed at reducing risk or securitisation transactions with all risks retained to create ABS paper eligible as collateral with central banks. The securitisation of customer receivables is generally accompanied by an improvement in the customer's liquidity situation and a broadening of the funding base, whereby the Bank generates income from the structuring service and the facilities provided. HVB may face economic disadvantages, in particular, should the facilities provided be drawn down.

In addition, there are special purpose entities for which HVB acts solely as an investor, for instance to purchase securities or grant loans. The ensuing risks may lead to write-downs being recognised on the positions involved.

Depending on the structure, the situation may exist where the majority of the risks and rewards of a given special purpose entity are attributable to HVB. In these cases, the special purpose entity is attributable to HVB for accounting purposes, which entails full consolidation of the special purpose entity in the consolidated financial statements of HVB. The following table shows the financial instruments held at 31 December 2011 by fully consolidated special purpose entities of HVB, all of the shares in one of which HVB acquired during the reporting period:

(€ millions)

		31/12/2011				
CARRYING AMOUNTS		EUROPE	USA	ASIA	OTHER REGIONS	TOTAL
Residential mortgage loans/						
residential mortgage-backed securities (RMBS)		1,414	—	233	—	1,647
Commercial mortgage loans/						
commercial mortgage-backed securities (CMBS)		628	—	—	—	628
Collateralised debt obligations (CDO)		—	—	—	—	—
Collateralised loan obligations (CLO) /						
collateralised bond obligations (CBO)		—	—	—	—	—
Consumer loans		692	—	—	—	692
Credit cards		—	—	—	—	—
Leases		905	—	—	—	905
Other (including hedge fund investments)		796	331	33	228	1,388
Total	**31/12/2011**	**4,435**	**331**	**266**	**228**	**5,260**
	31/12/2010	**4,212**	**970**	**248**	**260**	**5,690**

In addition, the Bank is financing a fully consolidated special purpose entity that is constructing an offshore wind farm, which it will also operate in the future. In this context, the Bank has committed itself to financing the wind farm through to completion.

Other Information (Continued)

Revocable credit commitments
HVB has granted its customers credit and liquidity facilities that are callable at any time and are not shown either on or off the balance sheet. The advantage for HVB from this customary, standardised product lies in the possibility of generating additional interest and commission income. This is set against the risk of a deterioration in the financial situation of those customers to whom these credit commitments were made.

Outsourcing of activities
Like other affiliated companies, HVB has outsourced IT activities to UniCredit Business Integrated Solutions S.C.p.A. (which was absorbed by the above-mentioned UniCredit Business Integrated Solutions S.C.p.A. with effect from 1 January 2012), a company that is affiliated with the Bank. The goal is to exploit synergies and enable HVB to offer fast, high-quality IT services.

Furthermore, HVB has transferred certain back office activities to UniCredit Business Partner S.C.p.A. (which was absorbed by the above-mentioned UniCredit Business Integrated Solutions S.C.p.A. with effect from 1 January 2012), a company affiliated with the Bank that provides settlement services for HVB and other affiliated companies in line with a standard business and operating model. The advantage for HVB lies in the generation of synergies.

HVB outsourced further back office activities and service units to a subsidiary of the Bank, UniCredit Global Business Services, GmbH, during the 2011 financial year. The purpose of this further outsourcing measure is to enhance the quality of the diverse services provided by the Global Banking Services division (GBS) and to systematically advance the measures previously initiated to pool GBS activities.

HVB has outsourced the handling of securities transactions in Germany to an external service provider. The purpose of this for HVB is to permanently reduce its operating costs.

HVB has transferred new business involving consumer loans, instant-approval loans and credit cards to a German branch office of UniCredit S.p.A. This office is more specialised in these fields, from which HVB also benefits accordingly. Thus, the transactions brokered by HVB in this regard are no longer recognised on or off the balance sheet.

Compliance with the provisions set forth in Section 25a of the German Banking Act (Kreditwesengesetz – KWG) with regard to the specific organisational obligations of institutions is fundamentally ensured for the outsourced activities listed.

51 Auditor's fees

The following table shows the breakdown of the total fees paid to the auditor KPMG AG Wirtschaftsprüfungsgesellschaft recognised as expense in the year under review:

(€ millions)

	2011	2010
Fees for		
Auditing of the financial statements	6	4
Other auditing services	2	3
Tax consulting services	—	—
Other services	8	4

52 Statement of Responsibility

HVB ensures that, to the extent of its shareholding, the companies set forth below are in a position to meet their contractual obligations except in the event of political risks:

1. Banks in Germany
Bankhaus Neelmeyer AG, Bremen
DAB Bank AG, Munich[1]
2. Banks in other regions
UniCredit Luxembourg S.A., Luxembourg
3. Financial companies
UniCredit Leasing GmbH, Hamburg
4. Companies with bank-related auxiliary services
HypoVereinsFinance N.V., Amsterdam

1 The company provides a Statement of Responsibility with the same wording for selected subsidiaries in its annual report.

HVB's commitment arising from the above Statement of Responsibility declines by the extent to which HVB's shareholding decreases in the future with regard to such commitments of the relevant company that did not arise until after HVB's shareholding decreased.

HVB no longer provides a Statement of Responsibility for companies which left HVB Group during an earlier financial year but for which a Statement of Responsibility had been provided in earlier annual reports. Liabilities of these companies arising after their departure from HVB Group are not covered by either the above Statement of Responsibility or by Statements of Responsibility provided earlier.

53 Key capital ratios

Pursuant to Section 10 (1d) KWG, equity capital for solvency purposes consists of the modified available capital and Tier III capital.

The modified available capital, consisting of core capital (Tier I) and supplementary capital (Tier II), totalled €22,594 million at year-end. There was no Tier III capital. We have not allocated any unrealised reserves to supplementary capital compliant with Section 10 (2b) 1 No. 6 and 7 KWG.

The liable funds totalling €22,454 million calculated in accordance with Section 10 (2) KWG are used primarily to determine thresholds for large exposures and loans to executive board members and for investment limits.

Other Information (Continued)

54 Derivative financial instruments

The following table provides detailed information on the nominal amounts and fair values of the overall derivative transactions and credit derivative transactions of HVB:

Derivative transactions

(€ millions)

	NOMINAL AMOUNT					FAIR VALUE			
	RESIDUAL MATURITY			TOTAL	TOTAL	POSITIVE		NEGATIVE	
	UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 5 YEARS	MORE THAN 5 YEARS	2011	2010	2011	2010	2011	2010
Interest rate derivatives	**1,064,471**	**1,240,271**	**1,026,401**	**3,331,143**	**3,222,315**	**101,279**	**64,809**	**100,297**	**63,496**
OTC products									
Forward rate agreements	142,414	3,071	—	145,485	222,751	68	132	33	105
Interest rate swaps	703,781	1,008,106	833,240	2,545,127	2,441,383	91,092	60,071	90,899	57,700
Interest rate options									
– purchased	47,940	120,648	96,484	265,072	237,311	9,852	4,499	103	6
– written	39,297	93,127	95,539	227,963	228,175	202	64	9,193	5,541
Other interest rate derivatives	24,429	1	—	24,430	510	64	43	69	144
Exchange-traded products									
Interest rate futures	47,046	15,201	884	63,131	92,058	—	—	—	—
Interest rate options	59,564	117	254	59,935	127	1	—	—	—
Foreign exchange derivatives	**289,109**	**33,481**	**1,296**	**323,886**	**394,371**	**5,472**	**6,311**	**6,007**	**6,037**
OTC products									
Foreign exchange forwards	198,135	21,486	161	219,782	293,267	4,058	4,562	4,599	4,247
Foreign exchange options									
– purchased	45,172	5,947	609	51,728	50,207	976	1,744	467	—
– written	45,768	6,048	526	52,342	50,865	438	5	941	1,790
Other foreign exchange derivatives	—	—	—	—	—	—	—	—	—
Exchange-traded products									
Foreign exchange futures	34	—	—	34	32	—	—	—	—
Foreign exchange options	—	—	—	—	—	—	—	—	—
Cross-currency swaps	**43,308**	**137,779**	**72,935**	**254,022**	**248,439**	**6,202**	**8,036**	**6,800**	**8,135**
Equity/index derivatives	**63,615**	**55,920**	**3,805**	**123,340**	**144,118**	**5,099**	**9,322**	**6,068**	**11,875**
OTC products									
Equity/index swaps	5,027	5,705	1,324	12,056	19,670	234	281	236	288
Equity/index options									
– purchased	9,892	13,563	297	23,752	25,981	2,581	6,934	4	1
– written	25,872	20,254	2,066	48,192	50,133	55	37	2,847	7,788
Other equity/index derivatives	1,029	1,324	—	2,353	6	192	5	2	1
Exchange-traded products									
Equity/index futures	4,736	443	—	5,179	4,478	—	—	—	—
Equity/index options	17,059	14,631	118	31,808	43,850	2,037	2,065	2,979	3,797
Credit derivatives	**69,578**	**134,491**	**18,846**	**222,915**	**271,561**	**5,384**	**4,103**	**5,434**	**4,515**
Other transactions	**4,073**	**3,883**	**1,213**	**9,169**	**10,152**	**1,161**	**403**	**1,408**	**718**
Total	**1,534,154**	**1,605,825**	**1,124,496**	**4,264,475**	**4,290,956**	**124,597**	**92,984**	**126,014**	**94,776**

Most of the derivatives are held for trading purposes. The proportion of derivatives concluded for hedging purposes is insignificant.

The banking book contains derivatives with positive market values of €0.7 billion and negative market values of €1.0 billion.

55 Employees

The average number of staff employed was as follows:

	2011	2010
Staff (excluding trainees)	15,947	16,314
of whom: full-time	12,283	12,558
part-time	3,664	3,756
Trainees	904	993

The staff's length of service was as follows: (in %)

	WOMEN	MEN	2011	2010
	(EXCLUDING TRAINEES)		TOTAL	
Staff's length of service				
25 years or more	20.0	18.0	19.0	17.7
15 to 25 years	24.1	35.7	30.3	31.3
10 to 15 years	12.9	13.4	13.1	14.3
5 to 10 years	22.9	21.6	22.2	21.4
less than 5 years	20.2	11.3	15.4	15.3

56 Emoluments

(€ millions)

	2011	2010
Members of the Management Board	7	6
Members of the Supervisory Board	1	3
Former members of the Management Board, and retired members of the Management Board and their surviving dependants	2	2

At 31 December 2011, there were pension provisions in the amount of €34 million (2010: €33 million) payable to former members of the Management Board, and retired members of the Management Board of HVB and their surviving dependants as calculated in accordance with actuarial principles using the projected unit credit method, taking into account anticipated future rises in salaries and pensions. Pension commitments for former executives of HVB were transferred to HVB Trust Pensionsfonds AG when it was set up.

Besides the direct remuneration shown in the table, Management Board members have received pension commitments. Seven members of the Management Board (one of whom left the Bank and one of whom joined the Bank during the year) took part in the employer-financed, fund-linked pension scheme for executives (known as AgfA) in 2011, which is also granted to the Bank's executives. The Bank will provide/has provided 35% of the fixed salary contributions (2011: €970,863). It has been agreed with the members of the Management Board that this amount of their pay would be converted, which means that, instead of a disbursed sum of money, the Management Board member receives a pension commitment to the same value from the Bank.

Share-based compensation was granted to the members of the Management Board in the reporting period in the form of stock options and performance shares. The stock options granted under the long-term incentive programme grant entitlement to purchase a UniCredit share at a price which was fixed before the option was issued. In the case of stock options issued during or after 2011, beneficiaries are only entitled to exercise their options in a range between 0% and 150% (depending on the level of target achievement) of the underlying total originally granted if the respective targets have been met after three years. A set number of UniCredit shares (performance shares) are transferred free of charge if, after a period of three years, the relevant targets have been met and the recipient is still working for UniCredit; otherwise, the performance shares are normally forfeited. Similarly in the case of performance shares issued during or after 2011, the actual number of shares transferred is in a range between 0% and 150% of the underlying total originally granted (depending on the level of target achievement).

Other Information (Continued)

Details of share-based compensation:

MEMBERS OF THE MANAGEMENT BOARD OF UNICREDIT BANK AG	Total
Options	
Stock options 2010	—
Stock options 2011	1,844,156[1]
Fair value per option on the grant date (€)	0.6019
Performance shares	
Performance shares 2010	—
Performance shares 2011	826,517[1]
Fair value per option on the grant date (€)	1.7120
Additional information: one member of the Management Board was granted 14,772 performance shares in the 2011 financial year at the end of the vesting period (equivalent to €26,338.48 at the time of granting). These performance shares were already disclosed in the full amount of 29,544 units in the 2007 Annual Report.	

1 long-term incentive: after no long-term incentive plan was set up for the 2010 financial year, this was carried out in 2011 with a performance period of 2011 to 2013.

57 Loans to executive board members

Loans and advances made to, and contingent liabilities and liabilities assumed for, related parties at the reporting date were as follows: Members of the Supervisory Board and Management Board at HVB and their respective immediate family members are considered related parties.

(€ millions)

	2011		2010	
	LOANS, RECEIVABLES AND CONTINGENT LIABILITIES	LIABILITIES	LOANS, RECEIVABLES AND CONTINGENT LIABILITIES	LIABILITIES
Members of the Management Board	1	5	2	5
Members of the Supervisory Board	3	5	4	3

Loans and advances were granted to members of the Management Board and their immediate family members in the form of mortgage loans with interest rates of between 2.5% and 3.96% and falling due in the period from 2013 to 2021.

Loans and advances were granted to members of the Supervisory Board and their immediate family members in the form of cash advances, special credit facilities and mortgage loans with interest rates of between 1.9% and 7% and with no fixed maturity or falling due by 2017.

All banking transactions involving the group of people listed were conducted at customary market terms with the usual collateral.

58 Executive Boards

Supervisory Board

Federico Ghizzoni since 2 March 2011 Chairman since 4 March 2011	Chairman
Sergio Ermotti Chairman until 1 March 2011	
Peter König	Deputy Chairman
Dr Wolfgang Sprissler	
Aldo Bulgarelli	Members
Beate Dura-Kempf	
Klaus Grünewald	
Werner Habich since 16 January 2011	
Dr Lothar Meyer	
Marina Natale	
Klaus-Peter Prinz	
Jutta Streit until 15 January 2011	
Jens-Uwe Wächter	
Dr Susanne Weiss	

Management Board

Peter Buschbeck	Family & SME division
Jürgen Danzmayr since 1 July 2011	Private Banking division
Lutz Diederichs	Corporate & Investment Banking division
Peter Hofbauer	Chief Financial Officer (CFO)
Heinz Laber	Human Resources Management, Global Banking Services
Andrea Umberto Varese	Chief Risk Officer (CRO)
Dr Theodor Weimer	Board Spokesman
Andreas Wölfer until 30 June 2011	Private Banking division

List of Executives and Outside Directorships[1]

59 Supervisory Board

NAME OCCUPATION PLACE OF RESIDENCE	POSITIONS ON STATUTORY SUPERVISORY BOARDS OF OTHER GERMAN COMPANIES	POSITIONS ON COMPARABLE BOARDS OF GERMAN AND FOREIGN COMPANIES
Sergio Ermotti Former Deputy CEO of UniCredit S.p.A. and Head of Corporate and Investment Banking & Private Banking Strategic Business Area, former member of the Executive Management Committee of UniCredit S.p.A., Collina d'Oro Chairman until 1 March 2011		UniCredit Bank Austria AG, Vienna, until 1 March 2011[2] London Stock Exchange Group Plc, London Bank Pekao, Poland, until 23 February 2011[2] Darwin Airline SA, Lugano (Chairman) Enterra SA, Lugano, until 15 December 2011 Hotel Residence Principe Leopoldo SA, Lugano (Chairman), until 15 December 2011 Leopoldo Hotels & Restaurants SA, Lugano, until 15 December 2011 Tessal SA, Lugano, until 15 December 2011 Fidinam Group Holding SA, Lugano, until 1 March 2011 Kurhaus Cademario SA, Cademario, until 15 December 2011 Immo Heudorf, Silvaplana, until 1 March 2011
Federico Ghizzoni Chief Executive Officer of UniCredit S.p.A., Milan since 2 March 2011 Chairman since 4 March 2011		Bank Pekao SA, Poland (Deputy Chairman), until 30 April 2011[2] JSC ATF Bank, Kazakhstan, until 25 April 2011[2] Public Joint Stock Company Ukrsotsbank, Ukraine (Deputy Chairman), until 7 April 2011[2] UniCredit Banka Slovenija D.D.,Slovenia (Chairman), until 31 March 2011[2] KOC Finansal Hizmetler AS, Turkey (Deputy Chairman), until 31 March 2011[2] Yapi Ve Kredi Bankasi AS, Turkey (Deputy Chairman), until 31 March 2011[2]
Peter König Employee, UniCredit Bank AG, Haar-Salmdorf Deputy Chairman	BVV Pensionsfonds des Bankgewerbes AG	BVV Versicherungsverein des Bankgewerbes a.G. Pensionskasse BVV Versorgungskasse des Bankgewerbes e.V.
Dr Wolfgang Sprissler Former Board Spokesman of UniCredit Bank AG, Sauerlach Deputy Chairman	HFI Hansische Vermögensverwaltungs Aktiengesellschaft, Hamburg (Deputy Chairman)	UniCredit Bank Austria AG, Vienna Dr. Robert Pfleger Chemische Fabrik GmbH, Bamberg Bankhaus Wölbern & Co. (AG & Co. KG), Hamburg (Chairman)

1 as of 31 December 2011
2 Group directorship

NAME OCCUPATION PLACE OF RESIDENCE	POSITIONS ON STATUTORY SUPERVISORY BOARDS OF OTHER GERMAN COMPANIES	POSITIONS ON COMPARABLE BOARDS OF GERMAN AND FOREIGN COMPANIES
Aldo Bulgarelli Attorney and partner in law office NCTM, Verona		ARAG ASSICURAZIONI S.p.A., Verona (President of the Collegio Sindacale) AMMANN Italy S.p.A. (President of the Collegio Sindacale)
Beate Dura-Kempf Employee, UniCredit Bank AG, Litzendorf		
Klaus Grünewald FB1 unit manager in the Bavarian division of Vereinte Dienstleistungsgewerkschaft, Gröbenzell	Fiducia IT AG, Karlsruhe	
Werner Habich Employee, UniCredit Bank AG, Mindelheim since 16 January 2011		
Dr Lothar Meyer Former Chairman of the Management Board of ERGO Versicherungsgruppe AG, Bergisch Gladbach	ERGO Versicherungsgruppe AG, Düsseldorf Jenoptik AG, Jena	
Marina Natale Chief Financial Officer of UniCredit S.p.A., member of the Executive Management Committee of UniCredit S.p.A., Uboldo		Pioneer Asset Global Management S.p.A., Italy[2]
Klaus-Peter Prinz Employee, UniCredit Luxembourg S. A., Trier		
Jutta Streit Employee, UniCredit Bank AG, Augsburg until 15 January 2011		
Jens-Uwe Wächter Employee, UniCredit Bank AG, Himmelpforten		
Dr Susanne Weiss Attorney and partner in law office Weiss, Walter, Fischer-Zernin, Munich	Giesecke & Devrient GmbH, Munich ROFA AG, Kolbermoor (Chairman) Strenesse AG, Nördlingen, until 11 November 2011 Wacker Chemie AG, Munich	

1 as of 31 December 2011
2 Group directorship

List of Executives and Outside Directorships[1] (Continued)

60 Management Board

NAME	POSITIONS ON STATUTORY SUPERVISORY BOARDS OF OTHER GERMAN COMPANIES	POSITIONS ON COMPARABLE BOARDS OF GERMAN AND FOREIGN COMPANIES
Peter Buschbeck	Bankhaus Neelmeyer AG, Bremen (Chairman)[2] DAB Bank AG, Munich[2] PlanetHome AG, Unterföhring near Munich (Chairman)[2] UniCredit Direct Services GmbH, Munich (Chairman)[2]	Wealth Management Capital Holding GmbH, Munich[2] UniCredit Global Business Services GmbH, Munich, since 28 July 2011[2]
Jürgen Danzmayr		Schoellerbank AG, Vienna (2nd Deputy Chairman) Wealth Management Capital Holding GmbH, Munich (Chairman), since 1 July 2011[2]
Lutz Diederichs	Deutsche Schiffsbank AG, Bremen/Hamburg, until 9 November 2011	UniCredit Leasing S.p.A, Bologna (Italy)
Peter Hofbauer	HVB Immobilien AG, Munich (Deputy Chairman)[2] HVB Trust Pensionsfonds AG, Munich (Deputy Chairman)	Bank für Tirol und Vorarlberg AG, Innsbruck, until 19 May 2011 Public Joint Stock Company "UKRSOTSBANK", Kiev, Ukraine, until 12 April 2011 UniCredit Global Business Services GmbH, Munich, since 28 July 2011[2] Wealth Management Capital Holding GmbH, Munich (Deputy Chairman)[2] Wietersdorfer Industrie-Beteiligungs-GmbH, Klagenfurt Wietersdorfer Rohrbeteiligungs GmbH, Klagenfurt
Heinz Laber	HVB Immobilien AG, Munich (Chairman)[2] HVB Trust Pensionsfonds AG, Munich (Chairman) Internationales Immobilien-Institut GmbH, Munich[2]	BVV Versicherungsverein des Bankgewerbes a.G., Berlin (Chairman) HVB Secur GmbH, Munich (Deputy Chairman), from 1 January to 31 May 2011[2] UniCredit Business Partner Società Consortile per Azioni, Cologno Monzese, Italy UniCredit Global Business Services GmbH, Munich (Chairman), since 28 July 2011[2] UniCredit Global Information Services Società Consortile per Azioni, Milan, Italy, until 16 December 2011
Andrea Umberto Varese	HVB Immobilien AG, Munich[2]	UniCredit Credit Management Bank S.p.A., Verona UniCredit Global Business Services GmbH, Munich, since 28 July 2011[2] UniCredit Luxembourg S.A., Luxembourg (Deputy Chairman), since 8 July 2011[2] Wealth Management Capital Holding GmbH, Munich[2]
Dr Theodor Weimer Board Spokesman	Bayerische Börse AG, Munich DAB Bank AG, Munich (Chairman)[2] ERGO Versicherungsgruppe AG, Düsseldorf	UniCredit Luxembourg S.A., Luxembourg (Chairman)[2]
Andreas Wölfer		Schoellerbank AG, Vienna (Chairman), until 1 June 2011 UniCredit Luxembourg S.A., Luxembourg (Chairman), until 1 June 2011[2] Wealth Management Capital Holding GmbH, Munich, until 1 June 2011[2]

1 as of 31 December 2011
2 Group directorship

61 List of employees and outside directorships

NAME	POSITIONS ON STATUTORY SUPERVISORY BOARDS OF OTHER COMPANIES
Matthias Biebl	Wacker Chemie AG, Munich
Dr Birgit Chorianopoulos	AGROB Immobilien AG, Ismaning[2]
Carsten Dieck	Bankhaus Neelmeyer AG, Bremen[2]
Dr Jochen Fischer	Bankhaus Neelmeyer AG, Bremen[2] PlanetHome AG, Unterföhring near Munich[2]
Matthias Glückert	Oechsler AG, Ansbach
Gertraud Helena Grupp-Bolzen	ComputerLinks AG, Munich (Deputy Chairman)
Wolfgang Hamann	Bankhaus Neelmeyer AG, Bremen[2]
Dr Martin Hebertinger	UniCredit Direct Services GmbH, Munich[2]
Christian Klatt	Bankhaus Neelmeyer AG, Bremen[2]
Jörg Pietzner	Bankhaus Neelmeyer AG, Bremen[2]
Dr Christian Reichmayr	UniCredit Direct Services GmbH, Munich[2]
Dr Guido Schacht	AVAG Holding SE, Augsburg
Heike Wagner	WABCO GmbH, Hanover WABCO Holding GmbH, Hanover

1 as of 31 December 2011
2 Group directorship

List of Holdings

Compliant with Section 313 (2) German Commercial Code for the consolidated financial statements and Section 285 No. 11 and 11a German Commercial Code for the annual financial statements of UniCredit Bank AG

62 List of Holdings

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
1 Subsidiaries of HVB Group						
1.1 Consolidated subsidiaries						
1.1.1 Banks						
1.1.1.1 Domestic banks and financial institutions						
Bankhaus Neelmeyer AG	Bremen	100.0		EUR	40,400	[1.1]
DAB Bank AG	Munich	79.5		EUR	172,740	16,791
UniCredit Leasing Finance GmbH	Hamburg	100.0	100.0	EUR	27,013	[2]
1.1.1.2 Foreign banks and financial institutions						
direktanlage.at AG	Salzburg	100.0	100.0	EUR	24,112	3,065
UniCredit Luxembourg S.A.	Luxembourg	100.0		EUR	1,286,216	213,836
1.1.2 Other consolidated companies						
Acis Immobilien- und Projektentwicklungs GmbH & Co.						
Oberbaum City KG[3]	Grünwald	100.0	100.0	EUR	27	(10,428)
Acis Immobilien- und Projektentwicklungs GmbH & Co.						
Parkkolonnaden KG[3]	Grünwald	100.0	100.0	EUR	28	(10,405)
Acis Immobilien- und Projektentwicklungs GmbH & Co.						
Stuttgart Kronprinzstraße KG[3]	Grünwald	100.0	100.0	EUR	27	(1,171)
Active Asset Management GmbH	Grünwald	100.0	100.0	EUR	217	25
AGROB Immobilien AG (share of voting rights: 75.0%)[4]	Ismaning	52.7	52.7	EUR	19,715	1,368
Antus Immobilien- und Projektentwicklungs GmbH	Munich	90.0	90.0	EUR	(16,872)	0
Argentaurus Immobilien-Vermietungs- und Verwaltungs GmbH[3]	Munich	100.0	100.0	EUR	793	[2]
ARRONDA Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(46,427)	975
Atlanterra Immobilienverwaltungs GmbH	Munich	90.0	90.0	EUR	(39,212)	975
A&T-Projektentwicklungs GmbH & Co.						
Potsdamer Platz Berlin KG[3]	Munich	66.7	66.7	EUR	(37,265)	0
Aufbau Dresden GmbH	Munich	100.0	100.0	EUR	(23,944)	0
BaLea Soft GmbH & Co. KG	Hamburg	100.0	100.0	EUR	6,010	344
BaLea Soft Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0	EUR	83	2
Bank Austria ImmobilienService GmbH	Vienna	100.0	100.0	EUR	71	202
B.I. International Limited	George Town	100.0	100.0	EUR	(848)	(98)
BIL Immobilien Fonds GmbH & Co Objekt Perlach KG[3]	Munich	100.0	100.0	EUR	3,322	221
BIL Leasing-Fonds GmbH & Co VELUM KG (share of						
voting rights: 66.7% total, of which 33.3% held indirectly)	Munich	100.0		EUR	(2)	0
BIL Leasing-Fonds Verwaltungs-GmbH	Munich	100.0	100.0	EUR	33	1
BIL V & V Vermietungs GmbH	Munich	100.0	100.0	EUR	(2)	(3)
Blue Capital Equity GmbH	Hamburg	100.0	100.0	EUR	(1,870)	667
Blue Capital Equity Management GmbH	Hamburg	100.0	100.0	EUR	6,016	2,312
Blue Capital Europa Immobilien GmbH & Co.						
Achte Objekte Großbritannien KG	Hamburg	100.0	100.0	EUR	1,384	(2,467)
Blue Capital USA Immobilien Verwaltungs GmbH	Hamburg	100.0	100.0	EUR	162	112
BV Grundstücksentwicklungs-GmbH[3]	Munich	100.0	100.0	EUR	511	[2]
BV Grundstücksentwicklungs-GmbH & Co. Verwaltungs-KG[3]	Munich	100.0		EUR	511	(40)
Cameron Granville Asset Management (SPV-AMC), Inc.	Global City, Taguig	100.0	100.0	PHP	(827,329)	(19,274)
Cameron Granville 2 Asset Management Inc.	Global City, Taguig	100.0	100.0	PHP	(994,583)	(357,166)
Cameron Granville 3 Asset Management Inc.	Global City, Taguig	100.0	100.0	PHP	(1,169,937)	(442,804)
CUMTERRA Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	26	[2]
Delpha Immobilien- und Projektentwicklungs GmbH & Co.						
Großkugel Bauabschnitt Alpha Management KG[3]	Munich	100.0	100.0	EUR	(22,880)	975
Delpha Immobilien- und Projektentwicklungs GmbH & Co.						
Großkugel Bauabschnitt Beta Management KG[3]	Munich	100.0	100.0	EUR	(53,477)	975
Delpha Immobilien- und Projektentwicklungs GmbH & Co.						
Großkugel Bauabschnitt Gamma Management KG[3]	Munich	100.0	100.0	EUR	(59,493)	975
Enderlein & Co. GmbH	Bielefeld	100.0	100.0	EUR	71	[2]

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co.						
Windpark Grefrath KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5	EUR	316	72
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co.						
Windpark Krähenberg KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5	EUR	(1,691)	(140)
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co.						
Windpark Mose KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5	EUR	231	30
Food & more GmbH	Munich	100.0		EUR	177	[1.2]
GIMMO Immobilien-Vermietungs- und Verwaltungs GmbH	Munich	100.0	100.0	EUR	20	[2]
Golf- und Country Club Seddiner See Immobilien GmbH	Munich	100.0	100.0	EUR	(15,507)	0
Grand Central Re Limited	Hamilton	92.5		USD	49,752	3,134
Grundstücksaktiengesellschaft am Potsdamer Platz						
(Haus Vaterland)	Munich	98.2	98.2	EUR	4,495	[2]
Grundstücksgesellschaft Simon						
beschränkt haftende Kommanditgesellschaft[3]	Munich	100.0	100.0	EUR	52	998
H & B Immobilien GmbH & Co. Objekte KG[3]	Munich	100.0	100.0	EUR	5	(15)
HAWA Grundstücks GmbH & Co. OHG Hotelverwaltung[3]	Munich	100.0	100.0	EUR	276	123
HAWA Grundstücks GmbH & Co. OHG Immobilienverwaltung[3]	Munich	100.0	100.0	EUR	54	325
H.F.S. Hypo-Fondsbeteiligungen für Sachwerte GmbH	Munich	100.0	90.0	EUR	5,101	[2]
H.F.S. Immobilienfonds GmbH	Ebersberg	100.0	100.0	EUR	26	[2]
HVB Alternative Advisors LLC	Wilmington	100.0		USD	7,170	(4,098)
HVB Asia Limited	Singapore	100.0		EUR	11,650	(20)
HVB Asset Leasing Limited	London	100.0	100.0	USD	109	(9)
HVB Asset Management Holding GmbH	Munich	100.0	100.0	EUR	25	[2]
HVB Capital LLC	Wilmington	100.0		USD	1,128	87
HVB Capital LLC II	Wilmington	100.0		GBP	2	0
HVB Capital LLC III	Wilmington	100.0		USD	1,107	90
HVB Capital LLC VI	Wilmington	100.0		JPY	268	7
HVB Capital LLC VIII	Wilmington	100.0		EUR	0	0
HVB Capital Partners AG	Munich	100.0		EUR	12,671	[1.3]
HVB Expertise GmbH	Munich	100.0		EUR	1,077	49
HVB Export Leasing GmbH	Munich	100.0		EUR	43	4
HVB Finance London Limited	London	100.0		EUR	953	148
HVB Funding Trust II	Wilmington	100.0		GBP	2	0
HVB Funding Trust VIII	Wilmington	100.0		EUR	0	0
HVB Gesellschaft für Gebäude Beteiligungs GmbH	Munich	100.0		EUR	27	2
HVB Gesellschaft für Gebäude mbH & Co KG[3]	Munich	100.0		EUR	871,401	55,837
HVB Global Assets Company (GP), LLC	City of Dover	100.0		USD	141	3
HVB Global Assets Company, L.P.[5]	City of Dover	5.0		USD	1,018,840	27,979
HVB Hong Kong Limited	Hong Kong	100.0		USD	4,355	63
HVB Immobilien AG[3]	Munich	100.0		EUR	86,644	[1.4]
HVB International Asset Leasing GmbH	Munich	100.0		EUR	252	(653)
HVB Investments (UK) Limited	George Town	100.0		GBP	200,670	164
HVB Life Science GmbH & Co. Beteiligungs-KG	Munich	100.0		EUR	778	(247)
HVB London Investments (AVON) Limited	London	100.0		GBP	2,540	3
HVB London Investments (CAM) Limited	London	100.0		GBP	120	0
HVB Principal Equity GmbH[3]	Munich	100.0		EUR	34	[1.5]
HVB Profil Gesellschaft für Personalmanagement mbH[3]	Munich	100.0		EUR	28	[1.6]
HVB Projekt GmbH[3]	Munich	100.0	94.0	EUR	72,151	[2]
HVB Realty Capital Inc.	New York	100.0	100.0	USD	0	0
HVB Secur GmbH	Munich	100.0	100.0	EUR	112	16
HVB Tecta GmbH[3]	Munich	100.0	94.0	EUR	1,751	[2]
HVB Verwa 1 GmbH	Munich	100.0		EUR	41	[1.7]
HVB Verwa 4 GmbH	Munich	100.0		EUR	5,132	[1.8]
HVB Verwa 4.4 GmbH[3]	Munich	100.0	100.0	EUR	5,025	[2]

List of Holdings (Continued)

		SHARE OF CAPITAL IN %			EQUITY CAPITAL	NET PROFIT
NAME	REGISTERED OFFICE	TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	in thousands of currency units	in thousands of currency units
HVBFF International Greece GmbH[4]	Munich	100.0	100.0	EUR	(442)	35
HVBFF Internationale Leasing GmbH	Munich	100.0	100.0	EUR	10	(1)
HVBFF Objekt Beteiligungs GmbH	Munich	100.0	100.0	EUR	39	11
HVBFF Produktionshalle GmbH i.L.	Munich	100.0	100.0	EUR	21	(2)
HVZ GmbH & Co. Objekt KG[3]	Munich	100.0	100.0	EUR	148,091	3,505
Hypo-Bank Verwaltungszentrum GmbH	Munich	100.0	100.0	EUR	9	(39)
Hypo-Bank Verwaltungszentrum GmbH & Co. KG						
Objekt Arabellastraße[3]	Munich	100.0	100.0	EUR	26	(1,154)
HYPO-REAL Haus- und Grundbesitz Gesellschaft mbH & Co.						
Immobilien-Vermietungs KG[3]	Munich	80.0	80.0	EUR	(850)	275
HypoVereinsFinance N.V.	Amsterdam	100.0		EUR	2,088	743
Internationales Immobilien-Institut GmbH	Munich	94.0		EUR	14,391	5,782
Interra Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	51	[2]
Keller Crossing L.P.	Wilmington	100.0	100.0	USD	1,473	245
Kinabalu Financial Products LLP	London	100.0		GBP	911	(38)
Kinabalu Financial Solutions Limited	London	100.0		GBP	3,823	(53)
Life Management Erste GmbH	Munich	100.0	100.0	EUR	24	[2]
Life Management Zweite GmbH	Grünwald	100.0	100.0	EUR	26	[2]
Life Science I Beteiligungs GmbH	Munich	100.0	100.0	EUR	(1,874)	(242)
MERKURHOF Grundstücksgesellschaft mit beschränkter Haftung[3]	Munich	100.0		EUR	16,692	[1,9]
MILLETERRA Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	100.0	EUR	25	[2]
Mobility Concept GmbH	Oberhaching	60.0	60.0	EUR	6,881	2,809
Movie Market Beteiligungs GmbH	Munich	100.0	100.0	EUR	11	(7)
NF Objekt FFM GmbH[3]	Munich	100.0	100.0	EUR	125	[2]
NF Objekt München GmbH[3]	Munich	100.0	100.0	EUR	75	[2]
NF Objekte Berlin GmbH[3]	Munich	100.0	100.0	EUR	15,725	[2]
NXP Co-Investment Partners VIII, L.P.	London	85.0	85.0	EUR	7,478	(1,809)
Omnia Grundstücks-GmbH & Co.						
Objekt Eggenfeldener Straße KG[3]	Munich	100.0	94.0	EUR	26	0
Omnia Grundstücks-GmbH & Co. Objekt Haidenauplatz KG[3]	Munich	100.0	94.0	EUR	26	(166)
Orestos Immobilien-Verwaltungs GmbH[3]	Munich	100.0	100.0	EUR	56,674	[2]
Othmarschen Park Hamburg GmbH & Co. Centerpark KG[3]	Munich	100.0	100.0	EUR	(18,878)	64
Othmarschen Park Hamburg GmbH & Co. Gewerbepark KG[3]	Munich	100.0	100.0	EUR	(44,083)	0
PlanetHome AG	Unterföhring	100.0		EUR	28,970	2,607
PlanetHome GmbH	Mannheim	100.0	100.0	EUR	1,117	557
Portia Grundstücks-Verwaltungsgesellschaft mbH & Co.						
Objekt KG[3]	Munich	100.0	100.0	EUR	500,014	12,032
"Portia" Grundstücksverwaltungs-Gesellschaft						
mit beschränkter Haftung	Munich	100.0	100.0	EUR	30	4
Redstone Mortgages Limited	London	100.0		GBP	(21,262)	15,184
RHOTERRA Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	26	[2]
Roncasa Immobilien-Verwaltungs GmbH	Munich	90.0	90.0	EUR	(40,970)	975
Salvatorplatz-Grundstücksgesellschaft mbH	Munich	100.0	100.0	EUR	711	[2]
Salvatorplatz-Grundstücksgesellschaft mbH & Co.						
OHG Saarland[3]	Munich	100.0	100.0	EUR	1,534	(161)
Salvatorplatz-Grundstücksgesellschaft mbH & Co.						
OHG Verwaltungszentrum[3]	Munich	100.0	100.0	EUR	2,301	3,628
Selfoss Beteiligungsgesellschaft mbH[3]	Grünwald	100.0	100.0	EUR	13	[2]
Simon Verwaltungs-Aktiengesellschaft i.L.[4]	Munich	<100.0		EUR	3,129	(2)
Sirius Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	(143,835)	[2]
SOLARIS Verwaltungsgesellschaft mbH & Co. Vermietungs KG[3]	Munich	94.9	94.9	EUR	0	0
Solos Immobilien- und Projektentwicklungs GmbH & Co.						
Sirius Beteiligungs KG[3]	Munich	100.0	100.0	EUR	(36,648)	976
Spree Galerie Hotelbetriebsgesellschaft mbH[3]	Munich	100.0	100.0	EUR	249	[2]
Status Vermögensverwaltung GmbH[3]	Schwerin	100.0		EUR	2,029	[1,10]

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN %		CURRENCY	EQUITY CAPITAL	NET PROFIT
		TOTAL	OF WHICH HELD INDIRECTLY		in thousands of currency units	in thousands of currency units
Structured Invest Société Anonyme	Luxembourg-Kirchberg	100.0		EUR	8,312	1,886
Structured Lease GmbH	Hamburg	100.0	100.0	EUR	750	[2]
T & P Frankfurt Development B.V.	Amsterdam	100.0	100.0	EUR	(6,986)	(16)
T & P Vastgoed Stuttgart B.V.	Amsterdam	87.5	87.5	EUR	(15,449)	(34)
TERRENO Grundstücksverwaltung GmbH & Co. Entwicklungs- und Finanzierungsvermittlungs-KG[3]	Munich	75.0	75.0	EUR	(268,579)	0
Terronda Development B.V.	Amsterdam	100.0	100.0	EUR	(388)	(17)
TIVOLI Grundstücks-Aktiengesellschaft	Munich	99.7	99.7	EUR	11,080	3,564
Transterra Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	26	[2]
TRICASA Grundbesitz Gesellschaft mbH & Co. 1. Vermietungs KG[3]	Munich	100.0	100.0	EUR	4,297	867
TRICASA Grundbesitzgesellschaft des bürgerlichen Rechts Nr. 1	Munich	100.0	100.0	EUR	17,187	16,246
Trinitrade Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Munich	100.0		EUR	1,322	4
UniCredit Beteiligungs GmbH	Munich	100.0		EUR	1,147	[1.11]
UniCredit CAIB Securities UK Ltd.	London	100.0		GBP	451	3
UniCredit Capital Markets LLC	New York	100.0	100.0	USD	320,883	(3,804)
UniCredit (China) Advisory Limited	Beijing	100.0		CNY	1,614	406
UniCredit Direct Services GmbH[3]	Munich	100.0		EUR	858	[1.12]
UniCredit Global Business Services GmbH	Munich	100.0		EUR	1,718	144
UniCredit Leasing Aviation GmbH	Hamburg	100.0	100.0	EUR	505	466
UniCredit Leasing GmbH	Hamburg	100.0		EUR	162,026	[1.13]
UniCredit London Investments Limited	London	100.0		EUR	3	0
UniCredit U.S. Finance LLC	Wilmington	100.0		USD	341,195	2,931
US Property Investments Inc.	Dallas	100.0		USD	636	(33)
Verba Verwaltungsgesellschaft mbH	Munich	100.0		EUR	699	(2)
Verwaltungsgesellschaft Katharinenhof mbH[3]	Munich	100.0		EUR	708	[1.14]
V.M.G. Vermietungsgesellschaft mbH	Munich	100.0	100.0	EUR	26	[2]
VuWB Investments Inc.	Atlanta	100.0	100.0	USD	1,454	1,154
Wealth Capital Investments, Inc.	Wilmington	100.0	100.0	USD	1,932	1,286
Wealth Management Capital Holding GmbH	Munich	100.0		EUR	20,475	[1.15]
WealthCap Fonds GmbH	Munich	100.0	100.0	EUR	903	391
WealthCap Initiatoren GmbH	Hamburg	100.0	100.0	EUR	2,499	965
WealthCap Investorenbetreuung GmbH	Munich	100.0	100.0	EUR	155	[2]
WealthCap PEIA Komplementär GmbH	Grünwald	100.0	100.0	EUR	47	23
WealthCap PEIA Management GmbH	Munich	100.0	94.0	EUR	1,607	1,338
WealthCap Real Estate Management GmbH	Munich	100.0	100.0	EUR	108	[2]
WealthCap Stiftungstreuhand GmbH	Hamburg	100.0	100.0	EUR	33	3
1.2 Non-consolidated subsidiaries of HVB Group[6]						
Other non-consolidated subsidiaries						
Acis Immobilien- und Projektentwicklungs GmbH	Grünwald	100.0	100.0	EUR	25	[2]
AGRUND Grundstücks-GmbH	Munich	90.0	90.0			
Alexandersson Real Estate I B.V.	Apeldoorn	100.0	100.0			
"Alte Schmelze" Projektentwicklungsgesellschaft mbH	Munich	100.0	100.0			
Altea Verwaltungsgesellschaft mbH & Co. Objekt I KG	Munich	100.0	100.0			
AMMS Ersatz-Komplementär GmbH	Ebersberg	100.0	100.0			
AMMS Komplementär GmbH	Ebersberg	98.8	98.8	EUR	258	231
ANWA Gesellschaft für Anlagenverwaltung mbH	Munich	95.0	93.8			
Apir Verwaltungsgesellschaft mbH & Co. Immobilien- und Vermietungs KG	Munich	100.0	100.0	EUR	(18,286)	982
Arena Stadion Beteiligungsverwaltungs-GmbH	Munich	100.0				
Argentum Media GmbH & Co. KG	Munich	100.0				
A&T-Projektentwicklungs-Verwaltungs GmbH	Munich	66.7	66.7			
Bavaria Servicos de Representacao Comercial Ltda.	Sao Paulo	100.0				

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
Bayerische Wohnungsgesellschaft für Handel und Industrie,						
Gesellschaft mit beschränkter Haftung	Munich	100.0	100.0	EUR	294	2
BD Industrie-Beteiligungsgesellschaft mbH	Munich	100.0				
BFL Beteiligungsgesellschaft für Flugzeug-Leasing mbH	Munich	100.0				
BIL Aircraftleasing GmbH	Grünwald	100.0	100.0			
BIL Immobilien Fonds GmbH	Munich	100.0	100.0			
Blue Capital Dritte Europa Immobilien						
Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0			
Blue Capital Equity Sekundär GmbH	Hamburg	100.0	100.0			
Blue Capital Erste Kanada Immobilien						
Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0			
Blue Capital Europa Erste Immobilien – Objekte Niederlande –						
Verwaltungs GmbH	Hamburg	100.0	100.0			
Blue Capital Europa Immobilien Verwaltungs GmbH	Hamburg	100.0	100.0			
Blue Capital Immobilien und Verwaltung Sekundär GmbH	Hamburg	100.0	100.0			
Blue Capital Metro Amerika Inc.	Atlanta	100.0	100.0			
Blue Capital Real Estate GmbH	Hamburg	100.0	100.0			
Blue Capital Zweite Europa Immobilien						
Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0			
Blue Capital Zweite USA Immobilien Verwaltungs GmbH	Hamburg	100.0	100.0			
Bonum Anlage- und Beteiligungsgesellschaft mbH	Bremen	100.0	100.0	EUR	60	2
BV Grundstücksentwicklungs-GmbH & Co.						
Schloßberg-Projektentwicklungs-KG	Munich	100.0	100.0	EUR	38	349
BWF Beteiligungsgesellschaft Wirtschaftsförderung mbH	Hamburg	100.0				
CL Dritte Car Leasing GmbH & Co. KG	Hamburg	100.0	100.0			
CL Dritte Car Leasing Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0			
Deltaterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	93.8	EUR	26	2
Euro-Bond Blue Capital Management GmbH i.L.	Bad Soden	100.0	100.0			
Euro-Bond Blue Capital Verwaltungs GmbH i.L.	Bad Soden	100.0	100.0			
Ferra Immobilien- und Projektentwicklungs GmbH & Co.						
Projekt Großenhainer Straße KG	Munich	100.0	100.0	EUR	(12,383)	750
FGB Grund und Boden GmbH & Co. KG	Munich	94.0	94.0	EUR	(4,002)	0
GCCS Golfanlagen Errichtungs- und Verwaltungs GmbH	Munich	100.0	100.0	EUR	26	2
Großkugel Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	(3,354)	2
H.F.S. Immobilienfonds Deutschland 19 GmbH & Co. KG	Munich	100.0	100.0	EUR	(1,392)	(1,354)
H.F.S. Immobilienfonds Europa 2 Beteiligungs GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Europa 3 Beteiligungs B.V.	The Hague	100.0	100.0			
H.F.S. Immobilienfonds GmbH & Co. Europa 4 KG	Munich	100.0	100.0			
H.F.S. Istanbul 1 Gayrimenkul Yönetimi Limited Sirketi	Istanbul	100.0	100.0			
H.F.S. Istanbul 2 Gayrimenkul Yönetimi Limited Sirketi	Istanbul	100.0	100.0			
H.F.S. Leasingfonds GmbH	Ebersberg	100.0	100.0			
H.F.S. Schiffs-Leasingfonds GmbH	Munich	100.0	100.0			
H.F.S. Value Management GmbH	Munich	100.0	100.0			
H.F.S. Zweitmarktfonds Deutschland 3 GmbH & Co. KG	Munich	100.0	100.0			
H.F.S. Zweitmarktfonds Deutschland 4 GmbH & Co. KG	Munich	100.0	100.0			
Hofgarten Real Estate B.V. (share of voting rights: 50.5%)	Amsterdam	47.2	47.2	EUR	(49,147)	(44)
Hotel Seddiner See GmbH	Munich	100.0	100.0			
HVB Beteiligungsgesellschaft mbH	Munich	100.0		EUR	157	(219)
HVB Life Science GmbH	Munich	100.0				
HVB London Trading Ltd.	London	100.0				
HVB Mortgage Capital Corp.	Wilmington	100.0	100.0			
HVB Services South Africa (Proprietary) Limited	Johannesburg	100.0				
HVB Verwa 3 GmbH	Munich	100.0		EUR	767	1.16
HVB Verwa 4.1 GmbH	Munich	100.0	100.0	EUR	25	2
HVB Verwa 4.6 GmbH	Munich	100.0	100.0	EUR	25	2

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	SHARE OF CAPITAL IN % OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
HVB Verwa 7 GmbH	Munich	100.0		EUR	22	[1.17]
HVB Verwa 8 GmbH	Munich	100.0		EUR	25	[1.18]
HVBFF Baumanagement GmbH	Munich	100.0	100.0	EUR	50	[2]
HVBFF Kapitalvermittlungs GmbH	Munich	100.0	100.0	EUR	19	[2]
HVBFF Leasing & Investition GmbH & Co Erste KG	Munich	100.0	100.0			
HVBFF Leasing Objekt GmbH	Munich	100.0	100.0			
HVBFF Leasing-Fonds Verwaltungs GmbH	Munich	100.0	100.0			
HVBFF Objekt Leipzig GmbH	Leipzig	70.0	70.0			
HVZ GmbH & Co. Objekt Unterföhring KG	Munich	100.0	100.0			
HYPO-REAL Haus- und Grundbesitz Gesellschaft mbH	Munich	100.0	100.0	EUR	128	[2]
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße I KG	Munich	100.0	100.0	EUR	96	5,438
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße II KG	Munich	100.0	100.0	EUR	(1,286)	1,999
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße III KG	Munich	100.0	100.0	EUR	(3,479)	(1)
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße KG	Munich	100.0	100.0	EUR	114	19,914
Laimberg 81. V V AG	Munich	100.0				
Landos Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0			
Life Britannia GP Limited	Edgware	100.0	100.0			
Life Britannia Management GmbH	Grünwald	100.0	100.0			
Life Verwaltungs Erste GmbH	Munich	100.0	100.0			
Life Verwaltungs Zweite GmbH	Grünwald	100.0	100.0			
Motion Picture Production GmbH	Grünwald	51.2	51.2			
Mutnegra Beteiligungs- und Verwaltungs-GmbH	Munich	100.0				
Olos Immobilien- und Projektentwicklungs GmbH & Co. Grundstücksentwicklungs KG	Munich	100.0	100.0			
Olos Immobilien- und Projektentwicklungs GmbH & Co. Vermietungs KG	Munich	100.0	100.0			
Omnia Grundstücks-GmbH	Munich	100.0	100.0	EUR	26	[2]
Omnia Grundstücks-GmbH & Co. Betriebs KG	Munich	100.0	94.0			
Omnia Grundstücks-GmbH & Co. Objekt Ostragehege KG	Munich	100.0	94.0			
Othmarschen Park Hamburg Wohn- und Gewerbepark GmbH	Munich	100.0	100.0	EUR	104	[2]
Pegasus Project Stadthaus Halle GmbH	Munich	100.0	93.8	EUR	26	[2]
Perterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	26	[2]
Projekt-GbR Kronstadter Straße München	Munich	75.0	75.0	EUR	(6,667)	4,455
Quinterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	26	[2]
Rolin Grundstücksplanungs- und -verwaltungsgesellschaft mbH	Munich	100.0	100.0			
Rotus Immobilien-Verwaltungs GmbH	Munich	100.0	100.0	EUR	26	[2]
Rotus Immobilien-Verwaltungs GmbH & Co. Objekt Eggenfeldener Straße KG i.L.	Munich	97.0	97.0			
Saphira Immobilien- und Projektentwicklungs GmbH & Co. Frankfurt City West Office Center und Wohnbau KG	Munich	100.0	100.0			
Schloßberg-Projektentwicklungs-GmbH & Co 683 KG	Munich	100.0	100.0	EUR	31	743
STARS Geschäftsführungs- und Verwaltungs-GmbH	Munich	100.0				
STARS GmbH & Co. KGaA	Munich	100.0				
TERRENO Grundstücksverwaltung GmbH	Munich	75.0	75.0			
TERRENO Grundstücksverwaltung GmbH & Co. Objektgesellschaft Grillparzerstraße KG	Munich	75.0		EUR	(3,777)	4,875
Tishman Speyer Berlin Friedrichstraße KG i.L. (share of voting rights: 96.6% total, of which 7.1% held indirectly)	Berlin	97.1	5.9			
VCI Volta Center Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(26,783)	933
VereinWest Overseas Finance (Jersey) Limited	St. Helier	100.0				
Vintners London Investments (Nile) Limited	George Town	100.0	100.0			

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
WCREM Canadian Investments Inc.	Toronto	100.0	100.0	CAD	548	284
WCREM Canadian Management Inc.	Toronto	100.0	100.0			
Wealth Capital Management, Inc.	Wilmington	100.0	100.0	USD	961	376
WealthCap Europa Immobilien						
Fünfte Objekte Österreich Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Europa Immobilien						
Siebte Objekte Österreich Komplementär GmbH	Munich	100.0	100.0			
WealthCap Flugzeug Portfolio 25 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Geothermie 1 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Immobilienfonds Deutschland 34 GmbH & Co. KG						
(share of voting rights: 75.0%)	Munich	50.0	50.0			
WealthCap Immobilienfonds Deutschland 35 GmbH & Co. KG						
(share of voting rights: 75.0%)	Munich	50.0	50.0			
WealthCap Immobilienfonds Europa 11 GmbH & Co. KG	Munich	100.0	100.0			
WealthCap Immobilienfonds USA 14 GmbH & Co. KG	Munich	100.0	100.0			
WealthCap LebensWert 3 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap PEIA Sekundär GmbH	Munich	100.0	100.0			
WealthCap Photovoltaik 2 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Photovoltaik 3 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Private Equity GmbH	Hamburg	100.0	100.0			
WealthCap Private Equity Sekundär GmbH	Hamburg	100.0	100.0			
WealthCap Real Estate Komplementär GmbH	Munich	100.0	100.0			
WealthCap Real Estate Sekundär GmbH	Munich	100.0	100.0			
2 Joint ventures[6]						
Minor joint ventures						
Other companies						
Heizkraftwerk Cottbus Verwaltungs GmbH	Munich	33.3		EUR	119	213
Heizkraftwerke-Pool Verwaltungs-GmbH	Munich	33.3		EUR	103	767
N665UA Offshore GP, LLC	Wilmington	33.3	33.3			
N665UA Offshore OP, L.P.						
(share of voting rights: 0%)	Wilmington	33.2	33.2	EUR	(1,089)	1,812
Wertweiser GmbH	Munich	50.0	50.0			
3 Associated companies						
3.1 Associated companies valued at equity						
Other companies						
Adler Funding LLC	Dover	32.8		USD	1,000	0
Comtrade Group B.V.	Amsterdam	21.1	21.1	EUR	13,571	706
Martur Sünger ve Koltuk Tesisleri Ticaret ve Sanayi A.S.	Istanbul	20.0	20.0	TRL	137,173	58,439
3.2 Minor associated companies[6]						
Other companies						
BIL Leasing GmbH & Co Hotel Ulm KG	Munich	29.0	29.0	EUR	(898)	419
BioM Venture Capital GmbH & Co. Fonds KG						
(share of voting rights: 20.4%)	Planegg/Martinsried	23.5		EUR	2,148	(10)
CMP Fonds I GmbH (share of voting rights: 25.0%)	Berlin	32.7		EUR	38,950	66,819
DFA Deggendorfer Freihafen Ansiedlungs-GmbH	Deggendorf	50.0	50.0			
DFA Deggendorfer Freihafen Ansiedlungs-GmbH & Co.						
Grundstücks-KG	Deggendorf	50.0	50.0			
InfrAm One Corporation	City of Lewes	37.5	37.5	USD	2,595	(2,114)
LNC Investments Holdings Inc. (share of voting rights: 40.0%)	Global City, Taguig	98.5	98.5	PHP	(352)	(504)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL IN % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL in thousands of currency units	NET PROFIT in thousands of currency units
LNC (SPV-AMC) Corp.	Global City, Taguig	40.0	40.0	PHP	650,466	8,419
LNC3 Asset Management Inc.	Global City, Taguig	40.0	40.0	PHP	(610,319)	(71,810)
MOC Verwaltungs GmbH	Munich	23.0	23.0			
MOC Verwaltungs GmbH & Co. Immobilien KG[7]	Munich	23.0	23.0	EUR	(16)	(221)
SK BV Grundstücksentwicklung GmbH & Co. KG	Cologne	25.0	25.0			
SK BV Grundstücksentwicklung Verwaltung GmbH i.L.	Cologne	50.0	50.0			
US Retail Income Fund VII L.P.	Wilmington	26.3	26.3	USD	14,610	348
US Retail Income Fund VIII-D L.P.	Wilmington	50.0	50.0	USD	(271)	1,586
4 Holdings in excess of 20%						
without significant influence[6]						
Other companies						
BayBG Bayerische Beteiligungsgesellschaft mbH	Munich	22.5		EUR	161,095	8,866
Bayerischer BankenFonds GbR	Munich	25.6				
BC European Capital VII-12 L.P. (share of voting rights: 0%)	St. Peter Port	34.1		EUR	35,101	15,224
B.I.I. Creditanstalt International Ltd. (share of voting rights: 0%)	George Town	40.2				
Deutsche Structured Finance & Leasing GmbH & Co.						
Mira KG i.L. (share of voting rights: 39.8% total,						
of which 4.0% held indirectly)	Frankfurt am Main	39.9	4.0	EUR	(692)	1,913
Doughty Hanson & Co. Technology Limited Partnership						
Number 3 (share of voting rights: 0%)	London	22.3		USD	19,919	(4,023)
Engelbert Rütten Verwaltungsgesellschaft						
Kommanditgesellschaft	Düsseldorf	30.2				
EQT III ISS Co-Investment L.P. (share of voting rights: 0%)	St. Peter Port	35.6	35.6	EUR	0	2,309
Felicitas GmbH i.L.	Munich	20.8		EUR	1,635	54
Fondo Nord Ovest (share of voting rights: 0%)	Turin	26.7		EUR	15,654	(990)
GermanIncubator Erste Beteiligungs GmbH						
(share of voting rights: 9.9%)	Munich	39.6		EUR	2,004	(88)
HVB Trust Pensionsfonds AG (share of voting rights: 0%)[8]	Munich	100.0	100.0	EUR	3,588	88
IPE Euro Wagon L.P. (share of voting rights: 0%)	St. Helier	37.5	37.5	EUR	31,499	7,726
Lauro Ventidue S.p.A. (share of voting rights: 0%)	Milan	24.2	24.2	EUR	164,783	(92)
Mozfund (Proprietary) Limited (share of voting rights: 12.5%)	Sandton	40.0				
Mühoga Münchner Hochgaragen Gesellschaft						
mit beschränkter Haftung	Munich	25.0	25.0	EUR	3,763	2,396
REF IV Associates (Caymans) L.P. Acqua CIV S.C.S.						
(share of voting rights: 0%)	Luxembourg	38.3	38.3	EUR	20,015	0
Rolo Impresa Fondo Comune di Investimento Mobiliare Chiuso						
(share of voting rights: 0%)	Milan	73.1		EUR	42,483	(10,456)
Sentient Global Resources Fund I, L.P.						
(share of voting rights: 0%)	George Town	24.4		USD	133,042	149,338
WCG-NSL Holding LLC (share of voting rights: 0%)	Wilmington	22.1	22.1			

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL OF HVB in %	SUBSCRIBED CAPITAL € MILLIONS
5 Other selected holdings below 20%			
5.1 Banks and financial institutions			
AKA Ausfuhrkredit-Gesellschaft mbH	Frankfurt am Main	15.4	20.5
BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin	4.3	3.2
BGG Bayerische Garantiegesellschaft mit beschränkter Haftung für mittelständische Beteiligungen	Munich	10.5	0.4
Bürgschaftsbank Brandenburg GmbH	Potsdam	7.8	7.4
Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin	9.1	8.1
Bürgschaftsbank Sachsen GmbH	Dresden	4.7	27.6
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	8.9	8.4
Bürgschaftsbank Schleswig-Holstein GmbH	Kiel	5.4	3.9
Bürgschaftsbank Thüringen GmbH	Erfurt	8.7	12.9
Bürgschaftsgemeinschaft Hamburg GmbH	Hamburg	10.5	10.9
Liquiditäts-Konsortialbank GmbH	Frankfurt am Main	5.7	200.0
Saarländische Investitionskreditbank AG	Saarbrücken	3.3	5.2
5.2 Other companies			
BioM Aktiengesellschaft Munich Bio Tech Development	Planegg	8.5	2.9
Börse Düsseldorf AG	Düsseldorf	3.0	5.0
BTG Beteiligungsgesellschaft Hamburg mbH	Hamburg	13.6	4.1
GEMMA Verwaltungsgesellschaft mbH & Co. Vermietungs KG (held indirectly)[7]	Pullach	6.1	68.8
H.F.S. Leasingfonds Deutschland 1 GmbH & Co. KG (Immobilienleasing) (held indirectly)[7]	Munich	<0.1	61.2
H.F.S. Leasingfonds Deutschland 7 GmbH & Co. KG (held indirectly)[7]	Munich	<0.1	56.6
MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg GmbH	Stuttgart	5.0	3.6
MBG Mittelständische Beteiligungsgesellschaft Rheinland-Pfalz mbH	Mainz	8.7	2.9
Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg mbH	Potsdam	11.6	5.7
Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern GmbH	Schwerin	15.4	5.1
Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mbH	Hanover	8.2	0.9
Mittelständische Beteiligungsgesellschaft Sachsen mbH	Dresden	11.8	29.0
Mittelständische Beteiligungsgesellschaft Sachsen-Anhalt mit beschränkter Haftung	Magdeburg	12.7	6.5
Mittelständische Beteiligungsgesellschaft Thüringen mbH	Erfurt	13.4	9.9
Saarländische Kapitalbeteiligungsgesellschaft mbH	Saarbrücken	8.7	0.8
Wüstenrot & Württembergische AG	Stuttgart	7.5	481.1

NAME		REGISTERED OFFICE	SHARE OF CAPITAL in %	CURRENCY	SUBSCRIBED CAPITAL in thousands of currency units
6	**Fully consolidated special purpose entities pursuant to IAS 27/SIC 12 without shareholding**				
Altus Alpha Plc		Dublin	0	EUR	40
Arabella Finance Ltd.		Dublin	0	EUR	<1
Bandon Leasing Ltd.		Dublin	0	USD	<1
Black Forest Funding LLC		Delaware	0	USD	10
Cosima Purchase No. 13 Ltd.		St. Helier	0	EUR	<1
Cosima Purchase No. 14 Ltd.		Dublin	0	EUR	<1
Cosima Purchase No. 15 Ltd.		Dublin	0	EUR	<1
Cosima Purchase No. 6 S.A. – Compartment 3		Luxembourg	0	EUR	0
Elektra Purchase No. 17 S.A. – Compartment 2		Luxembourg	0	EUR	0
Elektra Purchase No. 23 Ltd.		Dublin	0	EUR	<1
Elektra Purchase No. 24 Ltd.		Dublin	0	EUR	<1
Elektra Purchase No. 27 Ltd.		Dublin	0	EUR	<1
Elektra Purchase No. 28 Ltd.		Dublin	0	EUR	<1
Elektra Purchase No. 50 Ltd.		Dublin	0	EUR	<1
European-Office-Fonds		Munich	0	EUR	0
GELDILUX-TS-2007 S.A.		Luxembourg	0	EUR	31
GELDILUX-TS-2010 S.A.		Luxembourg	0	EUR	31
GELDILUX-TS-2011 S.A.		Luxembourg	0	EUR	31
GELDILUX-PP-2011 S.A.		Luxembourg	0	EUR	31
Grand Central Funding Corporation		New York	0	USD	1
HVB Funding Trust		Wilmington	0	USD	0
HVB Funding Trust III		Wilmington	0	USD	0
Ocean Breeze Energy GmbH & Co. KG		Munich	0	EUR	27
Ocean Breeze Finance S.A. – Compartment 1		Luxembourg	0	EUR	0
Rosenkavalier 2008 GmbH		Frankfurt am Main	0	EUR	25
Royston Leasing Ltd.		Grand Cayman	0	USD	1
Salome Funding Plc		Dublin	0	EUR	38
SKB VTMK International Issuer Ltd. – Series 2011-1		Dublin	0	EUR	0
The Trans Value Trust Company Ltd.		Tokyo	0	JPY	0

List of Holdings (Continued)

Exchanges rates for 1 euro at 31 December 2011
Currency abbreviation according to the International Organisation for Standardisation (ISO) code.

Canada	1 euro =	1.3215	CAD
China	1 euro =	8.1588	CNY
Japan	1 euro =	100.2	JPY
Philippines	1 euro =	56.754	PHP
Turkey	1 euro =	2.4432	TRY
UK	1 euro =	0.8353	GBP
USA	1 euro =	1.2939	USD

Notes and comments to the list of holdings

Percentages marked < or > are rounded up or down to one decimal place, e. g. < 100.0% = 99.99% or > 0.0% = 0.01%.

1 HVB has concluded profit and loss transfer agreements with the following companies:

	COMPANY	PROFIT/(LOSS) TRANSFERRED €'000
1.1	Bankhaus Neelmeyer AG, Bremen	(2,724)
1.2	Food & more GmbH, Munich	182
1.3	HVB Capital Partners AG, Munich	1,064
1.4	HVB Immobilien AG, Munich	(4,202)
1.5	HVB Principal Equity GmbH, Munich	558
1.6	HVB Profil Gesellschaft für Personal-management mbH, Munich	433
1.7	HVB Verwa 1 GmbH, Munich	(1)
1.8	HVB Verwa 4 GmbH, Munich	1,212
1.9	MERKURHOF Grundstücksgesellschaft mit beschränkter Haftung, Munich	1,337
1.10	Status Vermögensverwaltung GmbH, Schwerin	0
1.11	UniCredit Beteiligungs GmbH, Munich	4,971
1.12	UniCredit Direct Services GmbH, Munich	650
1.13	UniCredit Leasing GmbH, Hamburg	7,883
1.14	Verwaltungsgesellschaft Katharinenhof mbH, Munich	739
1.15	Wealth Management Capital Holding GmbH, Munich	8,183
1.16	HVB Verwa 3 GmbH, Munich	(2)
1.17	HVB Verwa 7 GmbH, Munich	(2)
1.18	HVB Verwa 8 GmbH, Munich	(2)

2 Profit and loss transfer to shareholders and partners.

3 Compliant with Sections 264b and 264 (3), German Commercial Code, the company is exempt from the obligation to make annual financial statements public in accordance with the provisions applicable to corporations.

4 Figures of the 2010 annual accounts are indicated for this consolidated company.

5 Subsidiary since HVB exercises a controlling influence through company management.

6 Where equity capital and net profit are not stated, the information is omitted due to minor importance compliant with Section 286 (3) 1 No. 1, German Commercial Code. This information is omitted for companies compliant with Section 285 No. 11a, German Commercial Code, for the same reason.

7 Compliant with SIC 12, the company is fully consolidated by HVB Group

8 The company is held by a trustee for HVB.

Mortgage Banking

63 Coverage

(€ millions)

	2011	2010
A. Mortgage bonds		
Standard coverage		
1. Loans and receivables with banks		
Mortgage loans	—	—
2. Loans and receivables with customers		
Mortgage loans	26,505	29,306
Other eligible cover[1]		
1. Other lending to banks	—	—
2. Bonds and other fixed-income securities	3,544	2,743
3. Equalisation claims on government authorities	—	—
Subtotal	**30,049**	**32,049**
Total mortgage bonds requiring cover	25,431	26,833
Excess coverage	**4,618**	**5,216**
B. Public-sector bonds		
Standard coverage		
1. Loans and receivables with banks	553	679
Mortgage loans	—	—
Municipal loans	553	679
2. Loans and receivables with customers	7,872	8,024
including:		
Mortgage loans	42	45
Municipal loans	7,830	7,979
3. Bonds and other fixed-income securities	367	657
Other eligible cover[2]		
Other lending to banks	—	—
Subtotal	**8,792**	**9,360**
Total public-sector bonds requiring cover	7,375	5,948
Excess coverage	**1,417**	**3,412**

1 compliant with Section 19 (1) of the German Pfandbrief Act
2 compliant with Section 20 (2) of the German Pfandbrief Act

64 Mortgage bonds outstanding and covering assets used

(€ millions)

	NOMINAL 2011	NOMINAL 2010	PRESENT VALUE 2011	PRESENT VALUE 2010	RISK PRESENT VALUE 2011	RISK PRESENT VALUE 2010
1. Mortgage bonds						
Covering assets[1]	30,049	32,049	32,503	34,219	33,567	35,307
thereof: derivatives	—	—	—	—	—	—
Mortgage bonds	25,431	26,833	27,545	28,750	28,741	29,929
Excess coverage	**4,618**	**5,216**	**4,958**	**5,469**	**4,826**	**5,378**
2. Public-sector bonds						
Covering assets[2]	8,792	9,360	9,632	9,977	9,202	9,583
thereof: derivatives	—	—	—	—	—	—
Mortgage bonds	7,375	5,948	8,129	6,487	7,747	6,154
Excess coverage	**1,417**	**3,412**	**1,503**	**3,490**	**1,455**	**3,429**

1 including further covering assets compliant with Section 19 (1) of the German Pfandbrief Act
2 including further covering assets compliant with Section 20 (2) of the German Pfandbrief Act

65 Maturity structure of mortgage bonds outstanding and fixed-interest periods of respective covering assets

(€ millions)

	COVERING ASSETS 2011	COVERING ASSETS 2010	MORTGAGE BONDS 2011	MORTGAGE BONDS 2010
1. Mortgage bonds[1]				
less than 1 year	5,466	11,605	5,678	4,948
at least 1 year but less than 5 years	15,924	13,391	13,193	14,180
thereof: at least 1 year but less than 2 years[3]	4,849	3,882	4,039	5,675
at least 2 years but less than 3 years[3]	3,766	3,598	2,607	2,986
at least 3 years but less than 4 years[3]	4,265	2,816	3,888	2,608
at least 4 years but less than 5 years[3]	3,044	3,095	2,659	2,911
at least 5 years but less than 10 years	7,547	6,147	4,075	5,120
10 years or more	1,112	906	2,485	2,585
	30,049	**32,049**	**25,431**	**26,833**
2. Public-sector bonds[2]				
less than 1 year	1,365	3,594	699	659
at least 1 year but less than 5 years	4,019	2,777	4,062	2,317
thereof: at least 1 year but less than 2 years[3]	1,200	794	1,535	695
at least 2 years but less than 3 years[3]	1,177	672	527	455
at least 3 years but less than 4 years[3]	811	769	550	608
at least 4 years but less than 5 years[3]	831	542	1,450	559
at least 5 years but less than 10 years	2,387	2,158	1,316	1,649
10 years or more	1,021	831	1,298	1,323
	8,792	**9,360**	**7,375**	**5,948**

1 including further covering assets compliant with Section 19 (1) of the German Pfandbrief Act; broken down by fixed-rate period or residual term for mortgage bonds
2 including further covering assets compliant with Section 20 (2) of the German Pfandbrief Act; broken down by fixed-rate period or residual term for mortgage bonds
3 breakdown as per amended German Pfandbrief Act 2009

66 Loans and receivables used to cover mortgage bonds, broken down by size

(€ millions)

	2011	2010
Mortgage covering assets		
up to and including €300,000	14,088	16,531
over €300,000 up to and including €5,000,000	7,315	8,312
more than €5,000,000	5,102	4,463
	26,505	**29,306**

Mortgage Banking (Continued)

67 Loans and receivables used to cover mortgage bonds, broken down by region in which the mortgaged properties are located and by type of occupancy

(€ millions)

	MORTGAGE COVERING ASSETS			
	RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
	2011	2010	2011	2010
1. Germany				
Apartments	5,249	6,111	—	—
Single-family houses	6,122	7,085	—	—
Multi-family houses	6,768	7,115	—	—
Office buildings	—	—	3,457	3,589
Commercial buildings	—	—	2,590	2,871
Industrial buildings	—	—	502	606
Other commercially used buildings	—	—	644	726
Buildings under construction	553	679	500	440
Building sites	19	26	90	47
	18,711	**21,016**	**7,783**	**8,279**
2. France/Monaco				
Single-family houses	2	2	—	—
Multi-family houses	—	—	—	—
	2	**2**	**—**	**—**
3. Italy/San Marino				
Single-family houses	1	1	—	—
	1	**1**	**—**	**—**
4. Luxembourg				
Office buildings	—	—	3	3
	—	**—**	**3**	**3**
5. Austria				
Office buildings	—	—	5	5
	—	**—**	**5**	**5**
6. Spain				
Single-family houses	—	—	—	—
	—	**—**	**—**	**—**
	18,714	**21,019**	**7,791**	**8,287**

68 Loans and receivables used to cover public-sector bonds, broken down by type of debtor or guarantor and its home country

(€ millions)

	COVERING ASSETS	
	2011	2010
1. Germany		
Central government	17	7
Regional authorities	2,894	2,953
Public-sector authorities	4,292	4,436
Other	1,356	1,610
	8,559	**9,006**
2. Greece		
Central government	—	113
Other	—	—
	—	**113**
3. Austria		
Central government	200	200
	200	**200**
4. Spain		
Public-sector authorities	33	41
	33	**41**
	8,792	**9,360**

Mortgage Banking (Continued)

69 Payments in arrears

Payments in arrears on mortgages and public-sector loans and receivables due between 1 October 2010 and 30 September 2011 break down as follows:

(€ millions)

	COVERING ASSETS	
	2011	2010
1. Payments in arrears on mortgages		
Germany	1	4
	1	**4**
2. Payments in arrears on public-sector loans and receivables		
Germany		
Regional authorities[1]	—	—
Other[1]	—	—
	—	**—**

1 officially guaranteed loans and receivables

70 Foreclosures and sequestrations

		OF WHICH:	
		COMMERCIAL PROPERTY 2011	RESIDENTIAL PROPERTY 2011
1. Foreclosures and sequestrations			
	NUMBER OF PROCEEDINGS		
a) Pending at 31 December 2011			
Foreclosure proceedings	455	94	361
Sequestration proceedings	20	7	13
Foreclosure and sequestration proceedings	345	68	277
	820	**169**	**651**
(comparative figures from 2010	951	274	677)
b) Foreclosures finalised in 2011	**207**	**79**	**128**
(comparative figures from 2010	61	28	33)
2. Properties auctioned or repossessed			
The Pfandbrief bank did not have to repossess any properties during the year			
under review to prevent losses on mortgage loans.			

71 Interest in arrears

Interest in arrears on mortgage-covering assets due between 1 October 2010 and 30 September 2011 break down as follows: (€ millions)

	2011	2010
Commercial property	—	—
Residential property	—	—

The present annual financial statements were prepared on 15 March 2012.

UniCredit Bank AG
The Management Board

Buschbeck Danzmayr Diederichs Hofbauer

Laber Varese Dr Weimer

Declaration by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of HVB, and the Management Report includes a fair review of the development and performance of the business and the position of HVB, together with a description of the principal opportunities and risks associated with the expected development of HVB.

Munich, 15 March 2012

UniCredit Bank AG
The Management Board

Buschbeck	Danzmayr	Diederichs	Hofbauer

Laber	Varese	Dr Weimer

Auditor’s Report

We have issued the following unqualified auditor´s report:

“Auditor´s Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of UniCredit Bank AG, Munich, for the business year from 1 January to 31 December 2011. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [Handelsgesetzbuch: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.”

Munich, 15 March 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski
Wirtschaftsprüfer

Pfeiffer
Wirtschaftsprüfer

Business performance of HVB Group

Underlying conditions and general comments on the business situation

After the global economy had lost much of its momentum during the second half of 2011, the situation improved over the course of the first quarter of 2012. The moderate recovery in the United States continued against the backdrop of a stabilisation on the property market and the deferral of fiscal austerity measures. In response to the persistently poor conditions on the labour market and the lessening of inflationary pressure, however, the Federal Reserve (Fed) retained its highly expansionary monetary policy. The previous fiscal and monetary tightening in emerging markets continued to dampen demand at the start of 2012.

The drastic austerity measures taken in the highly indebted eurozone countries again caused their economies to shrink. With its second long-term financing operation, the European Central Bank (ECB) again massively expanded liquidity in the banking sector with a view to countering the volatile situation on the money and capital markets and avoiding market-induced bottlenecks. Thus, a gross amount of a trillion euros was made available to banks in two, three-year tranches of long-term refinancing operations in December 2011 and February 2012. Despite the crisis that continued to smoulder in the eurozone even after the haircut was taken on Greek sovereign debt, the euro stabilised at slightly over 1.30 to the US dollar in the first quarter.

After industrial output had declined slightly in Germany in the final quarter of 2011, the mood improved among both companies and consumers in the first quarter of 2012. We expect GDP to grow by 0.2% quarter-on-quarter in the first quarter of 2012. Inflation remained above the 2% mark in the first quarter despite a gradual decline in price pressures.

The European capital markets largely performed well in the first quarter of 2012, which can be attributed in part to the ECB's two three-year refinancing operations. As of the end of March 2012, Germany's benchmark index, the DAX30, and its eurozone counterpart, the EURO STOXX 50, had gained 16.6% and 6.9% respectively since year-end 2011. The yield on ten-year German government bonds continued its downward trend after briefly jumping to over 2% at times: the rate was 1.794% at the end of March after 1.829% at year-end 2011. The ECB kept its benchmark rate at 1%. As is to be expected, the very low level of interest rates is leading to falling earnings for banks from interest-dependent activities on account of the stronger pressure on margins. The euro remained largely stable against the US dollar, British pound, Swiss franc and Japanese yen. The high level of liquidity on the market led to a considerable narrowing of spreads on the credit markets particularly in the first two months of 2012, especially for sovereigns and banks, although these did widen again in March 2012.

In a still challenging yet somewhat friendlier capital market environment in the first quarter of 2012 than in the fourth quarter of 2011, HVB Group generated a very good profit before tax of €1.1 billion, up €126 million, or 12.7%, thus exceeding the high total recorded last year. The consolidated profit after tax rose by 7.2% year-on-year to €730 million.

This pleasing development can be attributed to an increase of €105 million, or 10.6%, in operating profit to €1.1 billion. The decline of €37 million, or 29.1%, in net write-downs of loans and provisions for guarantees and commitments to €90 million in the persistently friendly lending environment and above all the sharp rise of €293 million, or 57%, in net trading income to €807 million had an impact on the total. In particular, the positive effects of €318 million arising from the reversal of the credit value adjustments that became necessary to take in 2011 led to the high net trading income. Although operating income rose by 4.0% overall to €2,090 million, its remaining components failed to match the high level reported last year. The cost-income ratio improved to 43.1% (2011: 44.2%) as a result of the good net trading income, with operating costs rising only a slight 1.4% to €900 million, putting it at a very good level by both national and international standards.

All the operating divisions contributed to the very good profit before tax of HVB Group. The Corporate & Investment Banking division (CIB) increased its profit before tax by €143 million to €1,013 million as a result of the rise in net trading income (up €273 million to €782 million). The Family & SME (F&SME) and Private Banking (PB) divisions failed to match the good results recorded in 2011 on account of lower operating income notably due to reticence on the part of investors. Profit before tax fell sharply in the Family & SME division, from €40 million in 2011 to €11 million, and in the Private Banking division from €31 million in 2011 to €18 million.

HVB Group continues to have an excellent capital base. The core Tier 1 ratio in accordance with Basel II (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and equivalent risk-weighted assets for market risk and operational risk) amounted to 15.7% after the first quarter of 2012, slightly higher than the 15.6% reported at year-end 2011. This remains an excellent level by both national and international standards. The shareholders' equity shown in the balance sheet rose by €0.8 billion to €24.1 billion compared with year-end 2011, notably on account of the consolidated profit of €0.7 billion generated in the first quarter of 2012. With total assets down by 0.9% compared with year-end 2011 to €382.2 billion, the leverage ratio (ratio of total assets to shareholders' equity shown in the balance sheet) amounted to 15.9x at 31 March 2012 after 16.5x at year-end 2011.

HVB Group again enjoyed an adequate liquidity base and a solid financing structure at all times during the first quarter of 2012. In this context, it is worth mentioning that HVB Group did not participate in the ECB's second long-term refinancing operation either and has also placed some of its excess liquidity with the ECB. The funding risk remained low on account of the diversification in our products, markets and investor groups, meaning that adequate funding of our lending operations was ensured at all times. Our Pfandbriefs continued to represent an important source of funding thanks to their very good credit rating and liquidity.

With our diversified business model, high capital base, solid funding foundation and good market position in our core business areas, we remain a reliable partner for our customers and investors. As an integral part of UniCredit, HVB Group is in a unique position to leverage its regional strengths in the international network of UniCredit for the benefit of its customers.

We would like to expressly thank our employees at this point. Their willingness to embrace change and at the same time to help secure our commercial success forms the basis for our good performance. We also thank the employee representatives for their constructive cooperation in spite of the difficult issues. This gives all of us the confidence we need to master the challenges of the future.

Operating performance of HVB Group

All the statements regarding the operating performance of HVB Group made in this report on corporate performance refer to the structure of our segmented income statement (see Note 3, "Segment reporting") and thus follow the Management Approach incorporated into segment reporting. The operating performance of HVB Group is set out in detail below:

Net interest

Net interest fell by €115 million, or 11.1%, to €918 million in the first quarter of 2012.

It was basically very difficult to achieve adequate interest margins in the lending business on account of the low absolute interest rates also in the first quarter of 2012. This resulted in a decline in interest margins compared with last year particularly in deposit-taking operations. Moreover, net interest fell also because the income from special effects generated in the Multinational Corporates unit included last year in the Corporates & Investment Banking division did not recur.

Dividends and other income from equity investments

Compared with last year, there was a decline of €43 million, to €22 million, in income generated from dividends and other income from equity investments resulting mainly from dividends paid by private equity funds.

Net fees and commissions

At €315 million, net fees and commissions were €52 million, or 14.2%, lower than the very good result posted in the first quarter of 2011. This figure contains a decline in the fee and commission income from management, brokerage and consultancy services particularly on account of investors' restraint in connection with the difficult financial market environment (down €27 million to €154 million). In addition, there was a decrease in fee and commission income from lending operations (down €21 million to €110 million) and contributions to earnings from other service operations (down €4 million to €7 million). At €44 million, income from payment services remained stable.

Net trading income

HVB Group generated a very good net trading income of €807 million in the first quarter of 2012, thus exceeding the high figure posted last year (€514 million) by €293 million. This significant increase was assisted particularly by the reversal of the credit value adjustments that it had become necessary to take in 2011; all in all, positive effects of €318 million from credit value adjustments arose in the first

Business performance of HVB Group (Continued)

quarter of 2012. In addition, all the trading units contributed to net trading income. While the Rates & FX unit (interest- and currency-related products) succeeded in increasing earnings compared with the same quarter last year, the Equities unit (equity and index products, certificates) generated the same level of earnings and the credit and capital market-related business lower earnings.

Net other expenses/income

Net other expenses/income in the first quarter of 2012 amounted to income of €28 million, thus almost matching last year's level. This figure includes the pro-rated expenses for the whole year for the bank levy to be paid in Germany (Q1 2012: €26 million pro rata, Q1 2011: €23 million pro rata).

Operating costs

Operating costs rose only a slight 1.4%, to €900 million, in the reporting period compared with last year. In the process, payroll costs increased by 3.5% to €472 million. At €382 million, other administrative expenses were about the same level as last year (€380 million), while amortisation, depreciation and impairment losses on intangible and tangible assets fell by 11.5% to €46 million. There was a decline of around 2% in the total operating costs in the first quarter of 2012 compared with the fourth quarter of 2011.

Operating profit (before net write-downs of loans and provisions for guarantees and commitments)

Operating profit increased by €68 million, or 6.1%, to €1,190 million in the first three months of 2012, mainly on account of the high net trading income. The cost-income ratio (ratio of operating expenses to operating income) improved in the reporting period to 43.1% after 44.2% in the previous year and is thus at a very good level.

Net write-downs of loans and provisions for guarantees and commitments and net operating profit

Net write-downs of loans and provisions for guarantees and commitments improved by €37 million, or 29.1%, to €90 million in the first quarter of 2012 compared with last year in a persistently benign credit environment.

All the segments benefited from the favourable development in net write-downs of loans and provisions for guarantees and commitments, particularly the Corporate & Investment Banking division (decline of €18 million compared with last year), the Family & SME division (decline of €10 million compared with last year) and the Other/consolidation segment (decline of €10 million compared with last year).

Thanks to the positive development in net write-downs of loans and provisions for guarantees and commitments and especially the increase in net trading income, net operating profit rose by €105 million, or 10.6%, to €1,100 million.

Net income from investments

Net income from investments amounted to €20 million in the first quarter of 2012 after €58 million in the previous year. In both years, net income from investments is chiefly attributable to gains on disposal which were largely generated with available-for-sale financial instruments.

Profit before tax, income tax for the period and consolidated profit

After the first three months of 2012, HVB Group posted a very good profit before tax of €1,121 million, which exceeds last year's high figure by €126 million, or 12.7%, in what are still challenging market conditions.

Thanks to the very good earnings performance, income tax amounted to €391 million in the reporting period, which was €77 million higher than last year's income tax (€314 million).

After deducting income tax (€391 million), HVB Group generated a consolidated profit of €730 million in the first quarter of 2012, exceeding last year's consolidated profit by €49 million or 7.2%.

Segment results by division

The segments contributed the following amounts to the very good profit before tax of €1,121 million of HVB Group:

Corporate & Investment Banking	€1,013 million
Family & SME	€11 million
Private Banking	€18 million
Other/consolidation	€79 million

Income statements for each segment and comments on the economic performance of the individual segments are provided in Note 3, "Segment reporting", in this Interim Report. The tasks and objectives of each division are described in detail in Note 27 of our 2011 Annual Report, "Notes to segment reporting by division".

Starting in the first quarter of 2012, the expenses for the bank levies allocated to the Group Corporate Centre to date will be allocated to the Corporate & Investment Banking, Family & SME and Private Banking divisions and the costs for the pension fund spread across all the segments. The figures for the prior year and the previous quarters have been adjusted accordingly to cater for the changes described above as well as other smaller reorganisation measures.

Financial situation

Total assets

The total assets of HVB Group amounted to €382.2 billion at 31 March 2012, which represents a decline of €3.3 billion, or 0.9%, compared with year-end 2011.

On the assets side, there was a decline of €11.5 billion, to €137.6 billion (down 7.7%), compared with year-end 2011 particularly in the financial assets held for trading, due primarily to the €9.0 billion decrease to €110.0 billion in the positive fair values from derivative financial instruments. In addition, the financial assets at fair value through profit or loss decreased largely in respect of the fixed-income securities by €3.3 billion, to €24.8 billion. The loans and receivables with customers declined over year-end 2011 by €4.5 billion, to €132.1 billion. This decline can be attributed mainly to a decrease of €2.7 billion in repurchase agreements, an around €1.0 billion decline in volumes of mortgage loans as well as a reduction in reclassified securities, impaired assets and other loans and receivables. By contrast, there was a sharp rise of €10.2 billion, to €14.5 billion, in the cash and cash balances, particularly in deposits with central banks, compared with year-end 2011. There was also an increase of €5.7 billion, to €50.0 billion, in loans and receivables with banks as a result of the substantial rise in repurchase agreements.

On the liabilities side, the financial liabilities held for trading declined by €6.3 billion, to €134.5 billion, compared with year-end 2011. In the process, the negative fair values from derivative financial instruments fell by €10.2 billion to €110.8 billion. In addition, debt securities decreased by €3.5 billion, to €39.2 billion, on account of issues due. Deposits from customers increased by €6.0 billion to €113.5 billion. Within deposits from customers, there was an increase of €4.8 billion in credit balances on current accounts and of €3.5 billion in repurchase agreements while time deposits declined by €2.0 billion. At €57.9 billion, deposits from banks remained unchanged compared with year-end 2011.

At €24.1 billion, shareholders' equity increased by €0.8 billion, or 3.3%, compared with year-end 2011, particularly on account of the consolidated profit of €0.7 billion generated in the first quarter of 2012.

Risk-weighted assets, key capital ratios and liquidity of HVB Group

The risk-weighted assets for credit risk of HVB Group determined on the basis of Basel II (German Banking Act/Solvency Regulation – KWG/SolvV) by applying partial use amounted to €90.8 billion at 31 March 2012 (including counterparty default risk in the trading book) after €92.4 billion at 31 December 2011. The total risk-weighted assets, including market risk and operational risk, amounted to €126.4 billion at 31 March 2012 (31 December 2011: €127.4 billion).

The total risk-weighted assets of HVB Group decreased by €1.0 billion compared with year-end 2011. In the process, there was a decline of €1.6 billion in risk-weighted assets for credit risk and of €2.0 billion for market risk, while the risk-weighted assets for operational risk increased by €2.6 billion.

The reduction of €1.6 billion in risk-weighted assets for credit risk is chiefly attributable to a decline in risk-weighted assets at UniCredit Bank AG. Within UniCredit Bank AG, the decline in the derivatives business in the trading book made a significant contribution to this development.

The risk-weighted asset equivalents for operational risk rose by €2.6 billion. This increase occurred mainly at companies subject to the Advanced Measurement Approach (AMA). Under the AMA, operational risk is allocated among other things using the ratio of gross earnings (3-year average) of the companies subject to the AMA. Consequently, the rise in risk-weighted asset equivalents for operational risk is caused by the higher share of gross earnings of HVB Group in the total gross earnings of the UniCredit group companies subject to the AMA.

The total lending volume of all the current securitisation transactions of HVB Group serving to reduce risk-weighted assets amounted to €3.0 billion at 31 March 2012 compliant with Basel II (31 December 2011: €5.1 billion). We have therefore reduced our risk-weighted assets by €1.1 billion gross and have optimised our capital allocation by doing so. The decline compared with year-end 2011 is mainly due to the repayment of the Geldilux TS 2007 securitisation transaction expiring in April.

Business performance of HVB Group (Continued)

At 31 March 2012, the core capital of HVB Group compliant with the German Banking Act totalled €20.3 billion (31 December 2011: €20.6 billion) and the equity capital €22.6 billion (31 December 2011: €23.4 billion). The core Tier 1 ratio (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) amounted to 15.7% at 31 March 2012 (31 December 2011: 15.6%). Under Basel II, the core capital ratio (Tier 1 ratio; including market risk and operational risk) fell to 16.0% (31 December 2011: 16.2%). The equity funds ratio was 17.9% at the end of March 2012 (31 December 2011: 18.4%).

A bank's liquidity is evaluated using the liquidity ratio defined in the German Banking Act/German Liquidity Regulation (KWG/LiqV). This figure is the ratio of cash and cash equivalents available within a month to the payment obligations falling due in this period. Liquidity is considered adequate if the ratio is at least 1.00. At HVB, this figure amounted to 1.29 at the end of March 2012 after 1.26 at year-end 2011.

Corporate acquisitions and sales

There were no significant changes in the companies included in consolidation in HVB Group in the first quarter of 2012 (see Note 2, "Companies included in consolidation" for details on changes in the consolidated companies).

Corporate structure

Legal corporate structure

UniCredit Bank AG (HVB) was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft. It is the parent company of HVB Group, which is headquartered in Munich. HVB has been an affiliated company of UniCredit S.p.A. (UniCredit), Rome, Italy, since November 2005 and hence a major part of the UniCredit corporate group from that date.

Since the shares held by minority shareholders of HVB were transferred to UniCredit compliant with Section 327a of the German Stock Corporation Act (Aktiengesetz – AktG), as resolved at the Annual General Meeting of Shareholders in June 2007 and entered in the Commercial Register in September 2008, UniCredit has held 100% of the capital stock of HVB. Thus, trading in HVB shares officially ceased. HVB does, however, remain listed on securities exchanges as an issuer of debt instruments such as Pfandbriefs, bonds and certificates.

Organisation of management and control and internal management

The Management Board of HVB is the management body of HVB Group. It is directly responsible for managing the Bank. It develops the strategic orientation of the company and is responsible for its implementation. The Management Board provides the Supervisory Board with regular, timely and comprehensive reports on all issues relevant to corporate planning and strategic development, the course of business and the state of HVB Group, including the risk situation as well as compliance issues.

The Supervisory Board of the Bank has 12 members and has an equal number of employee and shareholder representatives.

A list showing the names of all the members of the Management Board and the Supervisory Board of HVB is given in this Interim Report under Note 28, "Members of the Supervisory Board and Management Board".

Events after 31 March 2012

No significant events occurred at HVB Group after the reporting date.

Outlook

The following comments on the outlook are to be viewed in connection with the comments in the outlook in the Financial Review and Risk Report in the consolidated financial statements for the 2011 financial year (see the HVB Group Annual Report for 2011).

General economic outlook and sector development in 2012

The global leading indicators continue to point towards a stabilisation of the world economy during the course of 2012. Inflation already passed its cyclical high at the end of 2011. Despite the high level of excess liquidity worldwide, the previous correction in commodity prices suggests a limited decline in inflation rates during the course of the year. The slowdown is showing signs of petering out, especially in the emerging markets, supported by a consolidation of most commodity prices and an easing of monetary policy. The economic recovery in the United States is continuing, even if at a moderate pace.

The highly indebted eurozone countries will continue to be heavily depressed by budget consolidation, as a result of which their economies are expected to shrink. In Germany, on the other hand, the economic expectations have improved again. We expect real gross domestic product (GDP) to grow by just under 1% this year. In spite of weaker demand from its European neighbours, the order books in German industry are likely to remain relatively stable. A recovery in other growth regions will also have a beneficial effect on German exports. The ongoing upturn on the labour market will serve to underpin consumption.

The financial industry will again face major challenges in 2012. As a result of the uncertainty on the markets surrounding the creditworthiness of specific sovereigns, the credit market will continue to be characterised by wide spreads and marked volatility. The liquidity made readily available to the banking sector merely combats the symptoms but not the underlying causes of the structural problems on the financial markets. The necessary reforms need to be implemented, even if they will lead to negative effects in the short term. The stipulations of Basel III and the European banking regulators with regard to the greater regulatory capital requirements will result in lower profitability. Added to this is the permanent burden of the bank levy.

Key questions remain regarding how the shape of relations between the financial world and real economy will evolve and what global restrictions can be expected in the regulatory and political sphere. These include the much-discussed financial transaction tax, the impact of the haircut applied to Greek sovereign bonds and the likely medium-term implementation of a Europe-wide regulation (in line with a number of national laws, including in Germany) with regard to the participation in losses of senior creditors even when there are no insolvency proceedings which is already today having a negative effect on funding costs. Generally, the situation on the financial markets will remain very unstable in spite of the intervention of central banks because, as long as the debt crisis is not resolved, even seemingly insignificant items of bad news can cause market distortions and possibly have long-lasting adverse effects on the markets and the real economy.

Development of HVB Group

In its assumptions for the 2012 financial year, HVB Group presumes that operating income will improve slightly on 2011 in a persistently difficult environment. This increase will be driven primarily by improved net trading income. It should be noted in this context that the very good net trading income recorded in the first quarter of 2012 benefited from the reversal of credit value adjustments as well as the benign market. We continue to expect net interest to decline in the 2012 financial year compared with 2011. There will be a slight decrease in operating costs over last year as a result of our strict cost management. In spite of the low level repeated in the first quarter of 2012 and the decline compared with the first quarter of 2011, net write-downs of loans and provisions for guarantees and commitments are expected to normalise in the 2012 financial year and thus increase to what is still a moderate level compared with the previous year. All in all, we believe that the very good earnings performance in the first quarter of 2012 will not continue to the same extent over the rest of the year. Nevertheless, we expect the profit before tax to improve slightly compared with the good result recorded in 2011 and thus return to a good level.

It remains unclear whether the financial markets will continue to be affected by the unresolved debt crisis in some European countries and by risks arising from changes in interest and exchange rates. Consequently, our performance in the 2012 financial year will depend on the further development of the financial markets and the real economy as well as on other imponderables that still exist. In this environment, HVB Group will continually adapt its business strategy to reflect changes in market conditions and carefully review the management stimulus derived from this on a regular basis. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to effectively exploit the opportunities that may arise from the new operating environment, the further volatility that can still be expected on the financial markets and an expanding real economy.

Development of Selected Risks

In the 2011 Annual Report, we presented a comprehensive description of the management and monitoring of risks in HVB Group, the essential characteristics of the internal control and risk management systems with regard to the financial reporting process, risk types and risk measurement, overall bank management, and risk types in detail.

As of the first quarter of 2012, we have been using new macroeconomic factor model parameters and a new portfolio model in our internal credit risk calculations that reflect the experience gained in the financial and economic crises in recent years. Furthermore, no essential methodological changes were made to risk management nor to the monitoring of individual risk types, or to the internal control and risk management systems. The following sections describe the development of selected risks.

Credit exposure

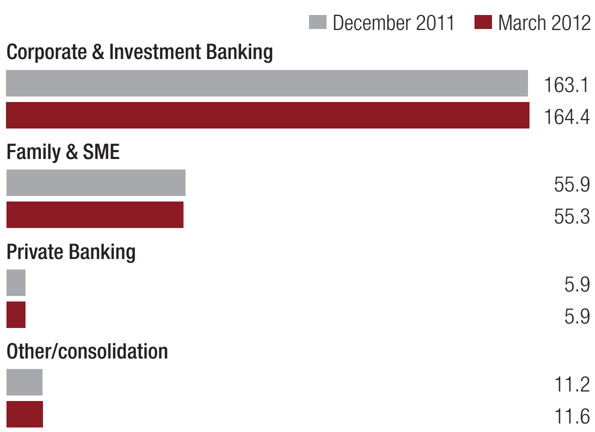
The credit exposure, counterparty exposure and issuer exposure in the banking book had been shown in aggregate form since the fourth quarter of 2011.

Breakdown of credit exposure by industry sector[1] (€ billions)

Industry sector	31/3/2012	31/12/2011
Public sector	54.2	42.8
Banking	42.6	50.0
Construction	30.4	30.1
Retail customers	22.0	23.1
Food, consumer goods, services	21.6	21.3
Transportation	11.6	11.8
Other	9.9	9.7
Utilities	9.6	9.7
Chemicals, health, pharmaceuticals	9.0	9.3
Mechanical engineering, steel	7.3	7.7
Automotive	5.7	6.4
Electrical, IT, communications	4.3	4.5
Mineral oil	4.3	4.7
Media, printing, paper	3.0	3.1
Insurance	1.8	1.9
HVB Group	**237.3**	**236.1**

1 without Real Estate Restructuring and intragroup transactions

Breakdown of credit exposure by segment (€ millions)[1]



1 without Real Estate Restructuring and intragroup transactions

Breakdown of credit exposure by rating class[1]

Rating	31/3/2012 € billions	31/3/2012 in %	31/12/2011 € billions	31/12/2011 in %
Not rated	9.9	4.2	11.4	4.8
Rating classes 1–4	152.4	64.2	147.2	62.4
Rating classes 5–8	67.5	28.4	70.1	29.7
Rating classes 9–10	7.5	3.2	7.4	3.1
HVB Group	**237.3**	**100.0**	**236.1**	**100.0**

1 without Real Estate Restructuring and intragroup transactions

Derivative transactions

Derivative transactions

(€ millions)

	NOMINAL AMOUNT					FAIR VALUE			
	RESIDUAL MATURITY			TOTAL	TOTAL	POSITIVE		NEGATIVE	
	UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 5 YEARS	MORE THAN 5 YEARS	31/3/2012	31/12/2011	31/3/2012	31/12/2011	31/3/2012	31/12/2011
Interest rate derivatives	**1,018,133**	**1,237,790**	**1,000,042**	**3,255,965**	**3,326,548**	**98,612**	**101,262**	**97,128**	**100,046**
Foreign exchange derivatives	**248,745**	**32,939**	**1,137**	**282,821**	**317,891**	**3,226**	**5,284**	**3,098**	**6,012**
Cross-currency swaps	**48,629**	**133,011**	**74,749**	**256,389**	**254,022**	**5,825**	**6,207**	**6,118**	**6,794**
Equity/index derivatives	**77,307**	**56,253**	**5,560**	**139,120**	**123,340**	**3,995**	**5,104**	**5,628**	**6,064**
Credit derivatives	**70,966**	**121,106**	**15,922**	**207,994**	**222,915**	**3,323**	**5,384**	**3,246**	**5,434**
– Protection buyer	30,052	63,532	7,244	100,828	107,605	2,732	5,031	648	378
– Protection seller	40,914	57,574	8,678	107,166	115,310	591	353	2,598	5,056
Other transactions	**4,242**	**3,001**	**1,111**	**8,354**	**9,169**	**200**	**1,161**	**285**	**1,407**
HVB Group	**1,468,022**	**1,584,100**	**1,098,521**	**4,150,643**	**4,253,885**	**115,181**	**124,402**	**115,503**	**125,757**

Derivative transactions by counterparty type

(€ millions)

	FAIR VALUE			
	POSITIVE		NEGATIVE	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
Central governments and central banks	3,494	3,564	1,609	1,712
Banks	84,460	90,633	87,376	95,154
Financial institutions	23,720	26,045	25,400	27,457
Other companies and private individuals	3,507	4,160	1,118	1,434
HVB Group	**115,181**	**124,402**	**115,503**	**125,757**

In accordance with the banking supervisory regulations under Basel II (German Banking Act/Solvency Regulation), risk-weighted assets from counterparty risk for HVB Group in its derivative transactions amounted to €13.3 billion at 31 March 2012 (31 December 2011: €14.2 billion) with so-called partial use based on individual risk weightings and taking into consideration existing, legally enforceable bilateral netting agreements as well as the collateral provided by borrowers.

Development of Selected Risks (Continued)

Market risk

Market risk from trading positions of HVB Group (value-at-risk, 99% confidence level, one-day holding period) (€ millions)

	31/3/2012	AVERAGE 2011[1]	31/12/2011	30/9/2011	30/6/2011	31/3/2011
Interest rate positions (incl. credit spread risks)	33	25	45	24	15	17
Foreign exchange derivatives	2	5	10	2	3	4
Equity/index positions[2]	11	9	7	14	8	6
Diversification effect[3]	(19)	(9)	(27)	(4)	—	(5)
HVB Group	**27**	**30**	**35**	**36**	**26**	**22**

1 arithmetic mean of the four quarter-end figures
2 including commodity risk
3 due to the diversification effect between the risk categories, the total risk is less than the sum of the individual risks

Banking book positions are included in the market risk limits in addition to trading book positions. In accordance with the 2012 risk strategy, the value-at-risk warning level serving to limit all market risk exposures has been reduced from €173 million to €130 million.

Limited market risk of HVB Group (value-at-risk, 99% confidence level, one-day holding period) (€ millions)

		31/3/2012	AVERAGE 2011[1]	31/12/2011	30/9/2011	30/6/2011	31/3/2011
HVB Group	Market risk	72	61	74	74	47	48
	Limit	130	173	173	173	173	173

1 arithmetic mean of the quarter-end figures

Liquidity risk

The banking industry again felt the effects of the European sovereign debt crisis in the first quarter of 2012. Various measures taken by the European Union in particular only partially calmed the markets. It is not yet possible to predict for how long and to what extent the financial markets will be impacted by the debt crisis in some European countries together with risks arising from changes in interest and exchange rates.

HVB Group put in a solid performance in the first quarter of 2012 in this challenging market environment, thanks to a good liquidity situation, a solid financing structure and the liquidity management measures it undertook. Based on our forward-looking risk quantification and scenario analysis, we expect our overall liquidity to remain adequate.

Short-term liquidity risk

Within the framework of our limit system, we showed an overall positive balance of short-term liquidity risk of €27.7 billion in HVB Group for the next banking day at the end of March 2012 (31 March 2011: €19.7 billion). The portfolio of highly liquid securities eligible at short notice as collateral for central bank borrowings and available at short notice to compensate for unexpected outflows of liquidity amounted to €24.1 billion at the end of the first quarter of 2012 (31 March 2011: €23.9 billion).

Our stress tests showed that the liquidity reserves available at the end of the first quarter of 2012 were sufficient to cover funding requirements from Bank-specific, market-wide and combined scenarios for a period of up to two months.

The requirements of the German Liquidity Regulation (Liquiditätsverordnung – LiqV) were met at all times by the affected units of HVB Group during the year to date. The funds available to HVB exceeded its payment obligations for the following month by an average of €30.2 billion for HVB in the first quarter (Q1 2011: €36.9 billion) and €31.1 billion at 31 March 2012. This means that we are comfortably above the internally defined trigger.

Funding risk

The funding risk of HVB Group was again quite low in the first quarter of 2012 due to our broad funding base with regard to products, markets and investor groups. This ensured that we were able to obtain adequate funding for our lending operations in terms of volume and maturity within the framework of our limit system. HVB Group obtained longer-term funding with a volume of €1.8 billion on the capital market during the first quarter of 2012. At the end of March 2012, 97.6% of assets with an economic maturity of more than one year were covered by liabilities with an economic maturity of more than one year. Consequently, we do not expect to face any significant liquidity risk in the future. With their high credit quality and liquidity our Pfandbrief covered bonds still remain an important funding instrument.

Consolidated Income Statement

for the period from 1 January to 31 March 2012

		1/1–31/3/2012	1/1–31/3/2011	CHANGE	
Income/Expenses	NOTES	€ millions	€ millions	€ millions	in %
Interest income		1,951	2,105	(154)	(7.3)
Interest expense		(1,033)	(1,072)	+ 39	(3.6)
Net interest	4	918	1,033	(115)	(11.1)
Dividends and other income from equity investments	5	22	65	(43)	(66.2)
Net fees and commissions	6	315	367	(52)	(14.2)
Net trading income	7	807	514	+ 293	+ 57.0
Net other expenses/income	8	28	31	(3)	(9.7)
Payroll costs		(472)	(456)	(16)	+ 3.5
Other administrative expenses		(382)	(380)	(2)	+ 0.5
Amortisation, depreciation and impairment losses on intangible and tangible assets		(46)	(52)	+ 6	(11.5)
Operating costs		(900)	(888)	(12)	+ 1.4
Net write-downs of loans and provisions for guarantees and commitments	9	(90)	(127)	+ 37	(29.1)
Provisions for risks and charges		1	(58)	+ 59	
Restructuring costs		—	—	—	—
Net income from investments	10	20	58	(38)	(65.5)
PROFIT BEFORE TAX		**1,121**	**995**	**+ 126**	**+ 12.7**
Income tax for the period		(391)	(314)	(77)	+ 24.5
CONSOLIDATED PROFIT		**730**	**681**	**+ 49**	**+ 7.2**
attributable to shareholder of UniCredit Bank AG		707	651	+ 56	+ 8.6
attributable to minorities		23	30	(7)	(23.3)

Earnings per share (in €)

	NOTES	1/1–31/3/2012	1/1–31/3/2011
Earnings per share (undiluted and diluted)	11	0.88	0.81

Consolidated statement of total comprehensive income

(€ millions)

	1/1–31/3/2012	1/1–31/3/2011
Consolidated profit recognised in the income statement	**730**	**681**
Components of income and expenses recognised in other comprehensive income		
Changes from foreign currency translation and other changes	(31)	(53)
Changes from companies accounted for using the equity method	—	—
Actuarial profit on defined benefit plans (pension commitments)	—	—
Assets held for sale	—	—
Change in valuation of financial instruments (AfS reserve)	119	22
Unrealised gains/(losses)	121	36
Gains/(losses) reclassified to the income statement	(2)	(14)
Change in valuation of financial instruments (hedge reserve)	1	(5)
Unrealised gains/(losses)	—	—
Gains/(losses) reclassified to the income statement	1	(5)
Taxes on income and expenses recognised in equity	(34)	23
Total income and expenses recognised in equity under other comprehensive income	**55**	**(13)**
Total comprehensive income	**785**	**668**
of which:		
attributable to shareholder of UniCredit Bank AG	781	681
attributable to minorities	4	(13)

Consolidated Balance Sheet

at 31 March 2012

Assets

	NOTES	31/3/2012 € millions	31/12/2011 € millions	CHANGE € millions	in %
Cash and cash balances		14,456	4,267	+ 10,189	>+ 100.0
Financial assets held for trading	12	137,598	149,056	(11,458)	(7.7)
Financial assets at fair value through profit or loss	13	24,785	28,045	(3,260)	(11.6)
Available-for-sale financial assets	14	5,746	5,476	+ 270	+ 4.9
Shares in associates accounted for using the equity method					
and joint ventures accounted for using the equity method	15	53	49	+ 4	+ 8.2
Held-to-maturity investments	16	2,427	2,463	(36)	(1.5)
Loans and receivables with banks	17	49,970	44,277	+ 5,693	+ 12.9
Loans and receivables with customers	18	132,094	136,561	(4,467)	(3.3)
Hedging derivatives		5,067	5,288	(221)	(4.2)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		161	160	+ 1	+ 0.6
Property, plant and equipment		2,907	2,906	+ 1	+ 0.0
Investment properties		1,657	1,678	(21)	(1.3)
Intangible assets		555	565	(10)	(1.8)
of which: goodwill		418	418	—	—
Tax assets		3,085	3,362	(277)	(8.2)
Current tax assets		534	551	(17)	(3.1)
Deferred tax assets		2,551	2,811	(260)	(9.2)
Non-current assets or disposal groups held for sale		167	131	+ 36	+ 27.5
Other assets		1,505	1,230	+ 275	+ 22.4
Total assets		**382,233**	**385,514**	**(3,281)**	**(0.9)**

Liabilities

	NOTES	31/3/2012 € millions	31/12/2011 € millions	CHANGE € millions		in %
Deposits from banks	21	57,912	57,858	+ 54	+	0.1
Deposits from customers	22	113,466	107,442	+ 6,024	+	5.6
Debt securities in issue	23	39,160	42,667	(3,507)		(8.2)
Financial liabilities held for trading		134,496	140,775	(6,279)		(4.5)
Hedging derivatives		2,253	2,324	(71)		(3.1)
Hedge adjustment of hedged items						
in the fair value hedge portfolio		2,429	2,417	+ 12	+	0.5
Tax liabilities		2,439	2,296	+ 143	+	6.2
Current tax liabilities		828	555	+ 273	+	49.2
Deferred tax liabilities		1,611	1,741	(130)		(7.5)
Liabilities of disposal groups held for sale		64	—	+ 64		
Other liabilities		3,892	4,304	(412)		(9.6)
Provisions	24	2,028	2,113	(85)		(4.0)
Shareholders' equity		24,094	23,318	+ 776	+	3.3
Shareholders' equity attributable to						
shareholder of UniCredit Bank AG		23,273	22,492	+ 781	+	3.5
Subscribed capital		2,407	2,407	—		—
Additional paid-in capital		9,791	9,791	—		—
Other reserves		9,383	9,389	(6)		(0.1)
Change in valuation of financial instruments	25	(32)	(112)	+ 80	+	71.4
AfS reserve		(55)	(134)	+ 79	+	59.0
Hedge reserve		23	22	+ 1	+	4.5
Consolidated profit 2011		1,017	1,017	—		—
Net profit 1/1 – 31/3/2012[1]		707	—	+ 707		
Minority interest		821	826	(5)		(0.6)
Total shareholders' equity and liabilities		**382,233**	**385,514**	**(3,281)**		**(0.9)**

1 attributable to shareholder of UniCredit Bank AG

The 2011 profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (= consolidated profit of HVB Group), amounts to €1,017 million. We will propose to the Annual General Meeting of Shareholders that a dividend of €1,107 million be paid to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.27 per share of common stock.

Statement of Changes in Shareholders' Equity

at 31 March 2012

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES TOTAL	OTHER RESERVES OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at 1 January 2011	**2,407**	**9,791**	**9,485**	**(189)**
Recognised income and expenses				
Consolidated profit recognised in the consolidated income statement	**—**	**—**	**—**	**—**
Income and expenses recognised in equity				
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation and other changes	—	—	(13)	—
Total income and expenses recognised in equity				
under other comprehensive income[3]	**—**	**—**	**(13)**	**—**
Total income and expenses recognised	**—**	**—**	**(13)**	**—**
Other changes recognised in equity				
Dividend payouts	—	—	—	—
Changes in group of consolidated companies	—	—	(2)	—
Total other changes in equity	**—**	**—**	**(2)**	**—**
Shareholders' equity at 31 March 2011	**2,407**	**9,791**	**9,470**	**(189)**
Shareholders' equity at 1 January 2012	**2,407**	**9,791**	**9,389**	**(197)**
Recognised income and expenses				
Consolidated profit recognised in the consolidated income statement	**—**	**—**	**—**	**—**
Income and expenses recognised in equity				
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation and other changes	—	—	(6)	—
Total income and expenses recognised in equity				
under other comprehensive income[3]	**—**	**—**	**(6)**	**—**
Total income and expenses recognised	**—**	**—**	**(6)**	**—**
Other changes recognised in equity				
Dividend payouts	—	—	—	—
Changes in group of consolidated companies	—	—	—	—
Total other changes in equity	**—**	**—**	**—**	**—**
Shareholders' equity at 31 March 2012	**2,407**	**9,791**	**9,383**	**(197)**

1 attributable to shareholder of UniCredit Bank AG
2 UniCredit Bank AG (HVB)
3 see Statement of Total Comprehensive Income

(€ millions)

CHANGE IN VALUATION OF FINANCIAL INSTRUMENTS						
AFS RESERVE	HEDGE RESERVE	CONSOLIDATED PROFIT	PROFIT 1/1 – 31/3[1]	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDER OF HVB[2]	MINORITY INTEREST	TOTAL SHAREHOLDERS' EQUITY
(141)	**54**	**1,270**	**—**	**22,866**	**804**	**23,670**
—	**—**	**—**	**651**	**651**	**30**	**681**
57	—	—	—	57	1	58
(15)	(3)	—	—	(18)	—	(18)
—	—	—	—	—	—	—
4	—	—	—	(9)	(44)	(53)
46	**(3)**	**—**	**—**	**30**	**(43)**	**(13)**
46	**(3)**	**—**	**651**	**681**	**(13)**	**668**
—	—	—	—	—	(7)	(7)
—	—	—	—	(2)	—	(2)
—	**—**	**—**	**—**	**(2)**	**(7)**	**(9)**
(95)	**51**	**1,270**	**651**	**23,545**	**784**	**24,329**
(134)	**22**	**1,017**	**—**	**22,492**	**826**	**23,318**
—	**—**	**—**	**707**	**707**	**23**	**730**
81	—	—	—	81	6	87
(2)	1	—	—	(1)	—	(1)
—	—	—	—	—	—	—
—	—	—	—	(6)	(25)	(31)
79	**1**	**—**	**—**	**74**	**(19)**	**55**
79	**1**	**—**	**707**	**781**	**4**	**785**
—	—	—	—	—	(9)	(9)
—	—	—	—	—	—	—
—	**—**	**—**	**—**	**—**	**(9)**	**(9)**
(55)	**23**	**1,017**	**707**	**23,273**	**821**	**24,094**

Selected Notes

1 Accounting and valuation principles

IFRS basis

After trading in HVB shares was officially discontinued during 2008 following the completion of the squeeze-out, we are no longer formally obliged to prepare quarterly financial statements at 31 March and 30 September. We have decided, however, to continue publishing interim reports with a view to retaining a high level of transparency on the market.

The income statement and balance sheet contained in the present Interim Report together with the associated notes have again been prepared in accordance with the regulations defined in the International Financial Reporting Standards (IFRS).

We have applied the same accounting, valuation and disclosure principles in 2012 as in the consolidated financial statements for 2011 (please refer to the HVB Group Annual Report for 2011, starting on page 116).

The following standards and interpretations revised by the IASB are applicable for the first time in the 2012 financial year:
– Amendments to IFRS 7 "Financial Instruments: Disclosures – Transfer of Financial Assets"
– Amendments to IAS 12 "Deferred Tax: Recovery of Underlying Assets".

These amendments have not had any material impact on HVB Group. The amendments to IFRS 7 give rise to disclosures regarding transfers of financial assets (such as collateralisations) that we will include in the consolidated financial statements.

We have made minor structural adjustments to our income statement in the present Interim Report. The income items "Operating income", "Operating profit" and "Net operating profit" are no longer shown. No changes have been made to the composition of the remaining individual income statement items. Compliant with IFRS 8.23, we continue to show the income items listed above in our segment reporting in accordance with the management approach.

Segment reporting
In segment reporting, the market-related activities of HVB Group are divided into the following globally active divisions: Corporate & Investment Banking (CIB), Family & SME (F&SME; formerly known as the Retail division), and Private Banking (PB).

Also shown is the "Other/consolidation" segment that covers Global Banking Services and Group Corporate Centre activities and the effects of consolidation.

The same principles are being applied in the 2012 financial year as were used at year-end 2011. We use risk-weighted assets compliant with Basel II as the criterion for allocating tied equity capital. The interest rate used to assess the equity capital allocated to companies assigned to several divisions (HVB, UniCredit Luxembourg) was 4.08% in 2011. This interest rate was redetermined for 2012 and has been 3.70% since 1 January 2012.

Starting in the first quarter of 2012, the expenses for the bank levies previously assigned to the Other/consolidated segment have been allocated to the operating divisions and the costs for the pension fund spread across all the segments.

The previous year's figures and those of the previous quarters have been adjusted accordingly to reflect the changes in segment allocations described above as well as further minor reorganisations.

2 Companies included in consolidation
The following company has left the group of companies included in consolidation:
– Elektra Purchase No. 50 Limited, Dublin.

Notes to the Income Statement

3 Segment reporting

Income statement broken down by segment for the period from 1 January to 31 March 2012

(€ millions)

INCOME/EXPENSES	CORPORATE & INVESTMENT BANKING	FAMILY & SME	PRIVATE BANKING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	554	278	25	61	918
Dividends and other income from					
equity investments	21	—	1	—	22
Net fees and commissions	145	134	34	2	315
Net trading income	782	—	—	25	807
Net other expenses/income	(10)	2	1	35	28
OPERATING INCOME	**1,492**	**414**	**61**	**123**	**2,090**
Payroll costs	(165)	(153)	(19)	(135)	(472)
Other administrative expenses	(229)	(252)	(22)	121	(382)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(2)	(4)	(1)	(39)	(46)
Operating costs	**(396)**	**(409)**	**(42)**	**(53)**	**(900)**
OPERATING PROFIT	**1,096**	**5**	**19**	**70**	**1,190**
Net write-downs of loans and provisions					
for guarantees and commitments	(71)	(14)	(1)	(4)	(90)
NET OPERATING PROFIT/(LOSS)	**1,025**	**(9)**	**18**	**66**	**1,100**
Provisions for risks and charges	(26)	18	—	9	1
Restructuring costs	—	—	—	—	—
Net income from investments	14	2	—	4	20
PROFIT BEFORE TAX	**1,013**	**11**	**18**	**79**	**1,121**

Income statement broken down by segment for the period from 1 January to 31 March 2011

(€ millions)

INCOME/EXPENSES	CORPORATE & INVESTMENT BANKING	FAMILY & SME	PRIVATE BANKING	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	636	304	24	69	1,033
Dividends and other income from					
equity investments	60	—	1	4	65
Net fees and commissions	167	155	43	2	367
Net trading income	509	1	—	4	514
Net other expenses/income	(23)	4	—	50	31
OPERATING INCOME	**1,349**	**464**	**68**	**129**	**2,010**
Payroll costs	(158)	(151)	(18)	(129)	(456)
Other administrative expenses	(230)	(244)	(20)	114	(380)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(4)	(4)	—	(44)	(52)
Operating costs	**(392)**	**(399)**	**(38)**	**(59)**	**(888)**
OPERATING PROFIT	**957**	**65**	**30**	**70**	**1,122**
Net write-downs of loans and provisions					
for guarantees and commitments	(89)	(24)	—	(14)	(127)
NET OPERATING PROFIT	**868**	**41**	**30**	**56**	**995**
Provisions for risks and charges	(55)	(1)	1	(3)	(58)
Restructuring costs	—	—	—	—	—
Net income from investments	57	—	—	1	58
PROFIT BEFORE TAX	**870**	**40**	**31**	**54**	**995**

Notes to the Income Statement (Continued)

Income statement of the Corporate & Investment Banking division

(€ millions)

INCOME/EXPENSES	1/1 – 31/3/2012	1/1 – 31/3/2011	Q4 2011	Q3 2011	Q2 2011
Net interest	554	636	552	581	668
Dividends and other income from equity investments	21	60	13	33	25
Net fees and commissions	145	167	131	157	142
Net trading income	782	509	(492)	(119)	271
Net other expenses/income	(10)	(23)	(23)	(16)	(21)
OPERATING INCOME	**1,492**	**1,349**	**181**	**636**	**1,085**
Payroll costs	(165)	(158)	(111)	(160)	(158)
Other administrative expenses	(229)	(230)	(283)	(232)	(240)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(2)	(4)	(3)	(4)	(3)
Operating costs	**(396)**	**(392)**	**(397)**	**(396)**	**(401)**
OPERATING PROFIT	**1,096**	**957**	**(216)**	**240**	**684**
Net write-downs of loans and provisions for guarantees and commitments	(71)	(89)	(227)	(97)	97
NET OPERATING PROFIT/(LOSS)	**1,025**	**868**	**(443)**	**143**	**781**
Provisions for risks and charges	(26)	(55)	30	(79)	(100)
Restructuring costs	—	—	(63)	—	—
Net income from investments	14	57	(48)	(1)	4
PROFIT/(LOSS) BEFORE TAX	**1,013**	**870**	**(524)**	**63**	**685**
Cost-income ratio in %	26.5	29.1	219.3	62.3	37.0

Development of the Corporate & Investment Banking division

The Corporate & Investment Banking division generated operating income of €1,492 million in the first quarter of 2012, which is €143 million more than the €1,349 million recorded in the equivalent period last year. With operating costs rising only slightly, the operating profit for the first quarter of 2012 increased to €1,096 million after €957 million in the same period of 2011.

The higher operating income can essentially be attributed to an improvement in net trading income (up €273 million over the same quarter last year to €782 million). This results primarily from the reversal of the credit value adjustments that it had become necessary to take in 2011 totalling €318 million and the market-induced good performance of the Rates & FX unit (interest- and currency-related products). The Equities unit (equity and index products, and certificates) remained constant while lending and capital-market-related operations generated lower earnings.

Both margin-related declines in income from deposit-taking operations and the positive special effect from the first quarter of 2011 had an impact on the development of net interest (decline of €82 million compared with the equivalent quarter last year to €554 million). Dividend income fell by a total of €39 million year-on-year to €21 million on account of lower dividend payments by private equity funds. In spite of successful transactions in the Global Capital Markets unit, net fees and commissions declined by €22 million from the very good year-ago figure to €145 million.

Operating costs rose a slight €4 million overall compared with last year to €396 million partly on account of higher expenses for performance-related bonuses. The division achieved a very good cost-income ratio of 26.5% on the back of the higher operating income in the reporting period, an improvement of 2.6 percentage points compared with the first quarter of 2011.

With net write-downs of loans and provisions for guarantees and commitments of €71 million (first quarter of 2011: €89 million), provisions of €26 million for risks and charges (first quarter of 2011: €55 million) and net income of €14 million from investments (first quarter of 2011: €57 million), the division generated a very good profit before tax of €1,013 million in the first quarter of 2012, thus exceeding the total of €870 million recorded for the equivalent period last year by €143 million.

Income statement of the Family & SME division

(€ millions)

INCOME/EXPENSES	1/1 – 31/3/2012	1/1 – 31/3/2011	Q4 2011	Q3 2011	Q2 2011
Net interest	278	304	314	316	307
Dividends and other income from equity investments	—	—	—	—	4
Net fees and commissions	134	155	124	138	135
Net trading income	—	1	(4)	(2)	1
Net other expenses/income	2	4	4	19	8
OPERATING INCOME	**414**	**464**	**438**	**471**	**455**
Payroll costs	(153)	(151)	(155)	(163)	(151)
Other administrative expenses	(252)	(244)	(248)	(245)	(247)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(4)	(4)	(5)	(4)	(5)
Operating costs	**(409)**	**(399)**	**(408)**	**(412)**	**(403)**
OPERATING PROFIT	**5**	**65**	**30**	**59**	**52**
Net write-downs of loans and provisions					
for guarantees and commitments	(14)	(24)	8	(18)	4
NET OPERATING PROFIT/(LOSS)	**(9)**	**41**	**38**	**41**	**56**
Provisions for risks and charges	18	(1)	(22)	1	(11)
Restructuring costs	—	—	(15)	—	—
Net income from investments	2	—	(1)	(1)	1
PROFIT BEFORE TAX	**11**	**40**	**—**	**41**	**46**
Cost-income ratio in %	98.8	86.0	93.2	87.5	88.6

Development of the Family & SME division

At €11 million, the profit before tax of the Family & SME division in the first quarter was down €29 million on the equivalent period last year. This decline can be attributed primarily to a decline of €50 million in operating income to €414 million. Net interest decreased by €26 million to €278 million as a result of lower interest margins in deposit-taking operations and declining volumes in real estate finance activities. Net fees and commissions declined by €21 million to €134 million compared with the same period in 2011. This total results mainly from weaker securities activities, notably as a result of the persistent restraint demonstrated by investors in light of the difficult financial market environment.

Operating costs rose slightly over last year, up around 2.5% to €409 million. Net write-downs of loans and provisions for guarantees and commitments declined by around 41.7% year-on-year to €14 million. After positive effects from provisions for legal risks and the net income from investments have been taken into account, the Family & SME division generated a profit before tax of €11 million in the first quarter of 2012 (2011: €40 million).

Notes to the Income Statement (Continued)

Income statement of the Private Banking division (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2012	1/1 – 31/3/2011	Q4 2011	Q3 2011	Q2 2011
Net interest	25	24	26	30	27
Dividends and other income from equity investments	1	1	1	1	1
Net fees and commissions	34	43	34	33	40
Net trading income	—	—	—	—	—
Net other expenses/income	1	—	1	—	1
OPERATING INCOME	**61**	**68**	**62**	**64**	**69**
Payroll costs	(19)	(18)	(19)	(20)	(18)
Other administrative expenses	(22)	(20)	(22)	(20)	(21)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(1)	—	(1)	(1)	—
Operating costs	**(42)**	**(38)**	**(42)**	**(41)**	**(39)**
OPERATING PROFIT	**19**	**30**	**20**	**23**	**30**
Net write-downs of loans and provisions for guarantees and commitments	(1)	—	1	1	(3)
NET OPERATING PROFIT	**18**	**30**	**21**	**24**	**27**
Provisions for risks and charges	—	1	(25)	(1)	—
Restructuring costs	—	—	—	(3)	—
Net income from investments	—	—	—	—	(1)
PROFIT/(LOSS) BEFORE TAX	**18**	**31**	**(4)**	**20**	**26**
Cost-income ratio in %	68.9	55.9	67.7	64.1	56.5

Development of the Private Banking division

The Private Banking division generated a profit before tax of €18 million in the first three months of 2012, failing to match the good total recorded in the equivalent period last year. The reasons for this are a decline of €7 million in operating income to €61 million coupled with an increase of €4 million in operating costs to €42 million. Within operating income, in particular the €34 million recorded for net fees and commissions failed to match the high figure in 2011 on account of the generally weak customer demand.

The increase in operating costs can be attributed to a year-on-year increase of around 5.6% in payroll costs resulting from the higher headcount and to higher other administrative expenses. The cost-income ratio increased by 13.0 percentage points to 68.9% in line with the lower operating income together with the higher costs.

Income statement of the Other/consolidation segment

(€ millions)

INCOME/EXPENSES	1/1 – 31/3/2012	1/1 – 31/3/2011	Q4 2011	Q3 2011	Q2 2011
Net interest	61	69	74	67	78
Dividends and other income from equity investments	—	4	(1)	2	6
Net fees and commissions	2	2	3	(2)	6
Net trading income	25	4	47	(27)	1
Net other expenses/income	35	50	26	38	23
OPERATING INCOME	**123**	**129**	**149**	**78**	**114**
Payroll costs	(135)	(129)	(135)	(139)	(134)
Other administrative expenses	121	114	101	119	125
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(39)	(44)	(37)	(41)	(43)
Operating costs	**(53)**	**(59)**	**(71)**	**(61)**	**(52)**
OPERATING PROFIT	**70**	**70**	**78**	**17**	**62**
Net write-downs of loans and provisions					
for guarantees and commitments	(4)	(14)	30	—	65
NET OPERATING PROFIT	**66**	**56**	**108**	**17**	**127**
Provisions for risks and charges	9	(3)	47	(28)	(5)
Restructuring costs	—	—	3	(30)	—
Net income from investments	4	1	(8)	(10)	46
PROFIT/(LOSS) BEFORE TAX	**79**	**54**	**150**	**(51)**	**168**
Cost-income ratio in %	43.1	45.7	47.7	78.2	45.6

Development of the Other/consolidation segment

The operating income of this segment amounted to €123 million in the first quarter of 2012 (first quarter of 2011: €129 million). Within this total, higher net trading income is largely offset by lower net other expenses/income. While gains on the buy-back of hybrid financial instruments led to a rise in net trading income in the first quarter of 2012 over the same period in 2011, net other expenses/income declined mainly due to a decrease in rental income. In addition, net interest fell by €8 million and dividends by a total of €4 million.

The operating costs declined by a total of €6 million, giving rise to an operating profit of €70 million in the first quarter of 2012 which is unchanged from the equivalent period last year (first quarter of 2011: €70 million).

Net write-downs of loans and provisions for guarantees and commitments of €4 million were recorded in the first quarter of 2012, which represents a decline of €10 million compared with the same period last year. The profit before tax totalled €79 million in the first quarter of 2012 (first quarter of 2011: €54 million).

Notes to the Income Statement (Continued)

4 Net interest

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Interest income from	**1,951**	**2,105**
lending and money market transactions	1,372	1,481
other interest income	579	624
Interest expense from	**(1,033)**	**(1,072)**
deposits	(356)	(350)
debt securities in issue and other interest expenses	(677)	(722)
Total	**918**	**1,033**

5 Dividends and other income from equity investments

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Dividends and other similar income	19	63
Companies accounted for using the equity method	3	2
Total	**22**	**65**

6 Net fees and commissions

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Management, brokerage and consultancy services	154	181
Collection and payment services	44	44
Lending operations	110	131
Other service operations	7	11
Total	**315**	**367**

This item comprises the balance of fee and commission income of €439 million (2011: €502 million) and fee and commission expenses of €124 million (2011: €135 million).

7 Net trading income

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Net gains on financial assets held for trading[1]	848	488
Effects arising from hedge accounting	(34)	38
Changes in fair value of hedged items	(297)	649
Changes in fair value of hedging derivatives	263	(611)
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option)[2]	(37)	(12)
Other net trading income	30	—
Total	**807**	**514**

1 including dividends on financial assets held for trading
2 also including the valuation results of derivatives concluded to hedge financial assets through fair value at profit or loss

The effects arising from hedge accounting include the hedge results of the fair value hedge portfolio and the individual micro fair value hedges as a net aggregate total.

The net gains on holdings at fair value through profit or loss (held-for-trading portfolio and fair value option) generally only contain the changes in fair value disclosed in the income statement. The interest income from held-for-trading portfolios is normally disclosed under net interest. To ensure that the full contribution of these activities to profits is disclosed, the interest cash flows are only carried in net trading income for the interest rate swap trading book, which exclusively contains interest rate derivatives.

8 Net other expenses/income

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Other income	84	82
Other expenses	(56)	(51)
Total	**28**	**31**

9 Net write-downs of loans and provisions for guarantees and commitments

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Additions/releases	**(102)**	**(138)**
Allowances for losses on loans and receivables	(100)	(138)
Allowances for losses on guarantees and indemnities	(2)	—
Recoveries from write-offs of loans and receivables	**15**	**11**
Gains on the disposal of impaired loans and receivables	**(3)**	**—**
Total	**(90)**	**(127)**

10 Net income from investments

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Available-for-sale financial assets	11	57
Shares in affiliated companies	—	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	5	—
Land and buildings	—	—
Investment properties[1]	4	1
Other	—	—
Total	**20**	**58**

1 impairments and write-ups together with fair value fluctuations for investment properties measured at market value

Net income from investments breaks down as follows:

(€ millions)

	1/1 – 31/3/2012	1/1 – 31/3/2011
Gains on the disposal of	**24**	**46**
available-for-sale financial assets	12	46
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	5	—
land and buildings	—	—
investment properties[1]	7	—
Write-downs, value adjustments and write-ups on	**(4)**	**12**
available-for-sale financial assets	(1)	11
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties[1]	(3)	1
Total	**20**	**58**

1 impairments and write-ups together with fair value fluctuations for investment properties measured at market value

11 Earnings per share

	1/1 – 31/3/2012	1/1 – 31/3/2011
Consolidated profit attributable to shareholder (€ millions)	707	651
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	0.88	0.81

Notes to the Balance Sheet

12 Financial assets held for trading

(€ millions)

	31/3/2012	31/12/2011
Balance sheet assets		
Fixed-income securities	17,556	17,444
Equity instruments	2,527	3,578
Other financial assets held for trading	7,561	9,081
Positive fair value from derivative financial instruments	**109,954**	**118,953**
Total	**137,598**	**149,056**

The financial assets held for trading include €209 million (31 December 2011: €228 million) in subordinated assets at 31 March 2012.

13 Financial assets at fair value through profit or loss

(€ millions)

	31/3/2012	31/12/2011
Fixed-income securities	23,076	26,103
Equity instruments	—	—
Investment certificates	1	2
Promissory notes	1,708	1,940
Other financial assets at fair value through profit or loss	—	—
Total	**24,785**	**28,045**

The financial assets at fair value through profit or loss include €299 million (31 December 2011: €308 million) in subordinated assets at 31 March 2012.

14 Available-for-sale financial assets

(€ millions)

	31/3/2012	31/12/2011
Fixed-income securities	3,995	3,727
Equity instruments	666	648
Other available-for-sale financial assets	276	299
Impaired assets	809	802
Total	**5,746**	**5,476**

At 31 March 2012, available-for-sale financial assets include financial instruments of €1,400 million (31 December 2011: €1,402 million) valued at cost.

The available-for-sale financial assets contain a total of €809 million (31 December 2011: €802 million) in impaired assets at 31 March 2012 for which impairments of €4 million (31 March 2011: €3 million) were taken to the income statement during the period under review. None of the non-impaired debt instruments are financial instruments past due.

The available-for-sale financial assets include €231 million (31 December 2011: €227 million) in subordinated assets at 31 March 2012.

15 Shares in associated companies accounted for using the equity method and joint ventures accounted for using the equity method

(€ millions)

	31/3/2012	31/12/2011
Associated companies accounted for using the equity method	53	49
of which: goodwill	36	35
Joint ventures accounted for using the equity method	—	—
Total	**53**	**49**

16 Held-to-maturity investments

(€ millions)

	31/3/2012	31/12/2011
Fixed-income securities	2,427	2,463
Impaired assets	—	—
Total	**2,427**	**2,463**

The held-to-maturity investments include a total of €11 million (31 December 2011: €11 million) in subordinated assets at 31 March 2012.

Held-to-maturity investments at 31 March 2012 include no impaired assets, neither did held-to-maturity investments at 31 December 2011 include any impaired assets.

17 Loans and receivables with banks

(€ millions)

	31/3/2012	31/12/2011
Current accounts	15,963	17,412
Repos[1]	13,118	5,738
Reclassified securities	2,656	3,154
Other loans to banks	18,233	17,973
Total	**49,970**	**44,277**

1 repurchase agreements

The loans and receivables with banks include €648 million (31 December 2011: €651 million) in subordinated assets at 31 March 2012.

18 Loans and receivables with customers

(€ millions)

	31/3/2012	31/12/2011
Current accounts	10,950	10,228
Repos[1]	3,018	5,728
Mortgage loans	45,105	46,097
Finance leases	1,940	1,982
Reclassified securities	4,507	4,737
Non-performing loans and receivables	3,877	4,216
Other loans and receivables	62,697	63,573
Total	**132,094**	**136,561**

1 repurchase agreements

The loans and receivables with customers include €1,594 million (31 December 2011: €1,753 million) in subordinated assets at 31 March 2012.

Notes to the Balance Sheet (Continued)

19 Application of reclassification rules defined in IAS 39.50 et seq.

No further assets held for trading have been reclassified as loans and receivables in 2012. The intention to trade no longer exists for the assets reclassified in 2008 and 2009, since the markets in these financial instruments had become illiquid as a result of the extraordinary circumstances created by the financial crisis through to the time of reclassification. Given the high quality of the assets concerned, HVB intends to retain the assets for a longer period. HVB has not reclassified any assets from the available-for-sale portfolio.

The following table shows the development of the reclassified holdings:

(€ billions)

RECLASSIFIED ASSET-BACKED SECURITIES AND OTHER DEBT SECURITIES	CARRYING AMOUNT OF ALL RECLASSIFIED ASSETS[1]	FAIR VALUE OF ALL RECLASSIFIED ASSETS	NOMINAL AMOUNT OF ALL RECLASSIFIED ASSETS
Reclassified in 2008			
Balance at 31/12/2008	13.7	11.8	14.6
Balance at 31/12/2009	9.0	8.0	9.7
Balance at 31/12/2010	6.5	5.9	7.0
Balance at 31/12/2011	4.7	4.0	5.0
Balance at 31/3/2012	4.4	3.9	4.7
Reclassified in 2009			
Balance at 31/12/2009	7.3	7.4	7.4
Balance at 31/12/2010	4.6	4.5	4.6
Balance at 31/12/2011	3.2	3.2	3.3
Balance at 31/3/2012	2.8	2.8	2.8
Balance of reclassified assets at 31/3/2012	**7.2**	**6.7**	**7.5**

1 before accrued interest

The fair value of the financial instruments reclassified as loans and receivables with banks and customers amounts to a total of €6.7 billion at 31 March 2012. If these reclassifications had not been carried out in 2008 and 2009, mark-to-market valuation (including realised disposals) would have given rise to a net gain of €204 million in net trading income in the first quarter of 2012. A net gain of €96 million (2011), €416 million (2010) and €1,159 million (2009) would have arisen in net trading income in the financial years 2011, 2010 and 2009 while a net loss of €1,792 million would have accrued in net trading income from the reclassified holdings in 2008. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification.

We did not take any write-downs of loans on the reclassified assets in the first three months of 2012 (whole of 2011: €3 million, 2010: €8 million, 2009: €80 million, 2008: €63 million). The fair value at the date when the reclassification takes effect represents the new acquisition cost, which in some cases is considerably less than the nominal value. Accordingly, this difference (discount) is to be amortised over the remaining term of the reclassified financial assets. This together with the reclassified securities that had matured or been partially repaid gives rise to an effect of €18 million (whole of 2011: €100 million, 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A gain of €4 million (whole of 2011: €14 million, 2010: €19 million, 2009: €83 million) on reclassified securities that had been sold was recognised in the income statement in the first quarter of 2012.

In the first three months of 2012, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €182 million lower. Between the date when the reclassifications took effect and the reporting date, the cumulative net impact on the income statement from the reclassifications already carried out totalled €496 million before tax (Q1/2012: minus €182 million, whole of 2011: plus €15 million, 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

20 Allowances for losses on loans and receivables with customers and banks

Analysis of loans and receivables

(€ millions)

Balance at 1 January 2011	**5,059**
Changes affecting income[1]	138
Changes not affecting income	
Changes due to make-up of group of consolidated companies and	
reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(79)
Effects of currency translation and other changes not affecting income	(33)
Non-current assets or disposal groups held for sale	—
Balance at 31 March 2011	**5,085**
Balance at 1 January 2012	**4,743**
Changes affecting income[1]	97
Changes not affecting income	
Changes due to make-up of group of consolidated companies and	
reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(92)
Effects of currency translation and other changes not affecting income	(8)
Non-current assets or disposal groups held for sale	(15)
Balance at 31 March 2012	**4,725**

1 the changes affecting income include the gains on the disposal of impaired receivables

21 Deposits from banks

(€ millions)

	31/3/2012	31/12/2011
Deposits from central banks	**6,097**	**5,507**
Deposits from banks	**51,815**	**52,351**
Current accounts and demand deposits	14,176	10,356
Reverse repos[1]	18,114	21,619
Term deposits	9,442	9,995
Other liabilities	10,083	10,381
Total	**57,912**	**57,858**

1 repurchase agreements

22 Deposits from customers

(€ millions)

	31/3/2012	31/12/2011
Current accounts	57,696	52,881
Savings deposits	13,939	13,797
Reverse repos[1]	12,519	8,989
Term deposits	20,827	22,916
Other liabilities	8,485	8,859
Total	**113,466**	**107,442**

1 repurchase agreements

Notes to the Balance Sheet (Continued)

23 Debt securities in issue

(€ millions)

	31/3/2012	31/12/2011
Bonds	38,383	42,174
Other securities	777	493
Total	**39,160**	**42,667**

24 Provisions

(€ millions)

	31/3/2012	31/12/2011
Provisions for pensions and similar commitments	48	47
Allowances for losses on guarantees and commitments	203	201
Restructuring provisions	142	156
Actuarial provisions	26	35
Other provisions	1,609	1,674
Total	**2,028**	**2,113**

25 Change in valuation of financial instruments

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled minus €32 million at 31 March 2012 (31 December 2011: minus €112 million). While the hedge reserve rose a slight €1 million to €23 million compared with year-end 2011, the positive development in the reserves arising from changes in the valuation of financial instruments recognised in equity can be attributed almost exclusively to the €79 million increase in the AfS reserve to minus €55 million. This results primarily from positive fair value fluctuations of fixed-income securities classified as available for sale.

26 Subordinated capital

The following table shows the breakdown of subordinated capital included in deposits from banks and customers and debt securities in issue: (€ millions)

	31/3/2012	31/12/2011
Subordinated liabilities	2,320	2,496
Participating certificates outstanding	—	155
Hybrid capital instruments	395	804
Total	**2,715**	**3,455**

Other Information

27 Contingent liabilities and other commitments

(€ millions)

	31/3/2012	31/12/2011
Contingent liabilities[1]	**19,924**	**21,050**
Guarantees and indemnities	19,924	21,050
Other commitments	**40,578**	**40,634**
Irrevocable credit commitments	40,124	40,180
Other commitments[2]	454	454
Total	**60,502**	**61,684**

1 contingent liabilities are offset by contingent assets to the same amount
2 without commitments arising from leases

Other Information (Continued)

28 Members of the Supervisory Board and Management Board

Supervisory Board

Federico Ghizzoni	**Chairman**
Peter König Dr Wolfgang Sprissler	**Deputy Chairmen**
Aldo Bulgarelli Beate Dura-Kempf Klaus Grünewald Werner Habich Dr Lothar Meyer Marina Natale Klaus-Peter Prinz Jens-Uwe Wächter Dr Susanne Weiss	**Members**

Management Board

Peter Buschbeck	Family & SME division
Jürgen Danzmayr	Private Banking division
Lutz Diederichs	Corporate & Investment Banking division
Peter Hofbauer	Chief Financial Officer (CFO)
Heinz Laber	Human Resources Management, Global Banking Services
Andrea Umberto Varese	Chief Risk Officer (CRO)
Dr Theodor Weimer	Board Spokesman

Munich, 7 May 2012

UniCredit Bank AG
The Management Board

Buschbeck Danzmayr Diederichs Hofbauer

Laber Varese Dr Weimer

UniCredit Bank AG
Kardinal-Faulhaber-Strasse 1
80333 Munich

Signed by

Michael Furmans Michaela Karg