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").

UniCredit Bank AG

Munich, Federal Republic of Germany

20 May 2011

TABLE OF CONTENTS

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 this 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 risks described below may arise individually or cumulatively with other risks and might have mutually reinforcing effects.

Risks relating to UniCredit Bank AG

Issuer risk

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

Risks related to the transfer of the Bank Austria Creditanstalt shares to UniCredit

The transfer at the beginning of 2007 of the investments in Bank Austria Creditanstalt (later on renamed as UniCredit Bank Austria AG) ("Bank Austria") and other units in Central and Eastern Europe to UniCredit S.p.A., Rome ("UniCredit", and together with its consolidated subsidiaries, the "UniCredit Group"), resulted in substantial sales proceeds, but if – contrary to the expectations of the Management Board of HVB – the transfer of the shares in the Bank Austria Group and the other units in Central and Eastern Europe sold by HVB must be reversed, so that HVB must repay the proceeds from the sale to the buyers of the units, this would likely have serious detrimental effects on the expansion strategy pursued by HVB Group because it would then no longer have the high capital base and liquidity needed for this strategy.

Moreover, as a result of the disposal of the Bank Austria Group and the operations in Central and Eastern Europe, HVB Group now has a stronger regional focus on Germany, which exposes it to developments on the German market and the German economy.

Risks from the financial markets crisis and global economic crisis

The financial market turbulence in 2008 and 2009 has affected the European financial markets and the global economy. Several countries and several industry segments are in severe economic difficulties since.

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. Growth prospects in Greece, Ireland, Portugal – which have now entered a EU/IMF financial assistance program – and Spain remain subdued, mostly due to the ongoing process of fiscal adjustment and deleveraging of the banking sector. Government bond and bank credit default swap spreads in peripheral euro area economies remain high, pointing to lingering vulnerabilities.

Since early 2011 the Middle East and North Africa region (MENA) in surprising developments has been shaken by popular unrest. Developments will remain fluid with a high degree of uncertainty.

A severe earthquake followed by a devastating tsunami hit Japan in March 2011. The combined effect of the two natural disasters damaged nuclear power plants on Japan's coast in Fukushima. In a worst-case scenario of a deteriorating situation in Fukushima, however, a severe recession could result in Japan, which would also entail significantly lower economic growth in the United States, peripheral EU countries and in emerging markets. While Germany's trade links with Japan are less close, also the German economy could suffer - from broken supply linkages - in such a scenario.

In general terms, there is a risk that the economic recovery that began in the second half of 2009 and continued in 2010 will not continue at the same pace in 2011and that economic conditions will remain difficult both worldwide and in Germany. Such a "double-dip" scenario, e.g. a weakening trend in important sectors such as the automotive and automotive supply industry, engineering and commercial real estate coupled with a rising unemployment rate could have a detrimental effect on loan-loss provisions. Also, a return of higher market volatility due to a renewed confidence crisis e.g. triggered by sovereign debt worries could have a detrimental effect on the overall market environment for banks. Decreasing central bank liquidity and a flat yield curve could negatively impact the capital markets and thus, indirectly, HVB's total revenues. Also, overall low interest rates could continue for a longer time, negatively affecting HVB’s net interest income.

In general, the overall economic environment will be subject to numerous sources of uncertainty in 2011 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.

Tax implications – loss carry forwards

The use of the substantial tax loss carry forwards (in particular in HVB) depends on certain conditions, which have to be fulfilled after the transfer of shares in HVB to UniCredit took place. If these conditions would not be fulfilled the tax loss carry forwards at the time of the transfer of shares to UniCredit would get lost retroactively.

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 will be 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.

Risks relating to HVB Group's Business

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

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 might as well lead to a 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, UniCredit 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 Instruments to be issued.

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 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.

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'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.

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.

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.

Non-traditional banking activities add to credit risks

Like other banks, HVB Group is exposed to the risk that third parties who owe HVB Group money, securities and other assets will not perform their obligations. Many of HVB Group's businesses activities beyond the traditional banking business of lending and deposit-taking also expose it to credit risk.

Non-traditional credit risk can, for example, arise from: holding securities of third parties; entering into derivative contracts under which counterparties have obligations to make payments to HVB Group entities; executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries and extending credit through other arrangements.

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.

IT risks

The calculation of the German Withholding Tax (Abgeltungssteuer) involves many IT systems, some of them transferred to HVB's outsourcing partner. The overall processes are managed by UniCredit Bank AG 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 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 UniCredit Bank AG – EuroSIG - was implemented in 2010. For ensuring a fast change over period the bank accepted some internal restrictions (workarounds) mainly for credit processing topics. During 2011 these restrictions are continuously remediated.

A reputational risk caused by increased processing times might occur.

HVB Group is exposed to German economy

Given the situation with Germany as the regional core market, HVB is more heavily exposed to economic and political developments in Germany. HVB Group is one of the largest lenders to the German *Mittelstand* and one of the leading providers of personal and business loans in Germany.

If the economy performs below expectations, HVB cannot preclude the possibility that the customers of HVB Group will also feel the effects of the crisis, and that loan-loss provisions could increase above the expected level.

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

Within the UniCredit Group, 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 gradual 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.

HVB Group's income can be volatile related to trading activities and currency exchange

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. Furthermore, the take over of UniCredit CAIB AG (CAIB), including most of Bank Austria’s markets activities and the London based brokerage subsidiary CAIB Securities Ltd.UK, in 2010, led to further concentration of the corporate & investment banking business of UniCredit Group in HVB and could increase HVB Group’s trading income 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.

Litigation risks

The HVB Group is involved in various legal proceedings (litigation and investigatory measures). HVB 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.

Regulatory risks

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.

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.

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.

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.

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", and together with its consolidated subsidiaries, the "UniCredit Group"). since November 2005 and hence a major part of the UniCredit Group from that date as a sub-group. UniCredit 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 Lower 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 the HVB has changed its legal name from "Bayerische Hypo- und Vereinsbank AG" to "UniCredit Bank AG". The brand name "HypoVereinsbank" has not changed.

As a result of the integration into the UniCredit Group, the activities of UniCredit Bank have been restructured in the following divisions: Corporate & Investment Banking, Family & SME[1] (until end of 2010: Retail) and Private Banking.

Since 2006, HVB strategy was refocused. Thus, in 2007, the completion of the sale of shares held by HVB in today's UniCredit Bank Austria AG ("Bank Austria") was an important step. Similarly, UniCredit Bank sold its Russian, Lithuanian, Latvian, and Estonian business to Bank Austria as well as its participation in today's Joint Stock Commercial Bank Ukraine to Bank Pekao, a subsidiary of UniCredit. With its new alignment, UniCredit Bank focuses on the financial services market in Germany and on the investment banking business worldwide.

In 2007, HVB took on most of the markets and investment banking activities of UniCredit Banca Mobiliare S.p.A. ("UBM"), the investment banking subsidiary of UniCredit, and acquired in 2008 the investment banking activities of Capitalia S.p.A. and its subsidiary, Banca di Roma S.p.A., purchased by UniCredit in the year 2007.As part of pooling the investment banking activities of UniCredit Group into HVB Group, HVB acquired UniCredit CAIB AG, Vienna, including its subsidiary UniCredit CAIB Securities UK Ltd., London, from Bank Austria. Both companies were included in the group of fully consolidated companies of HVB Group as of 1 June 2010. Upon entry into the Commercial Register, UniCredit CAIB AG was absorbed by HVB and will be continued with a different structure as the Vienna branch of HVB.

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 2010 and 2009 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

Unless otherwise specified in the applicable final terms, 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"):

Type of Instruments	Fitch	Moody's	S&P
Public Sector Pfandbriefe	AAA	Aaa	AAA
Mortgage Pfandbriefe	AAA*	Aa1	---
Long-term Senior Notes	A+	A1	A
Subordinated Notes	A	Baa2	BBB+
Short-term Notes	F1+	P-1	A-1

* on Rating Watch Negative since 10 August 2010

Instruments to be issued under the Programme may be rated or unrated. Where an issue of Instruments is rated, its rating may not be the same as the rating applicable to the Programme.

[1] Small and medium enterprises

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-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 applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

S&P is not established in the European Union but a European Union affiliate has applied for registration under Regulation (EC) No. 1060/2009 indicating an intention to endorse its ratings, although notification of the corresponding registration decision (including its ability to endorse the HVB's ratings) has not yet been provided by the relevant competent authority.

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 consolidation.

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 criterion for allocating tied equity capital HVB uses risk-weighted assets compliant with Basel II. The interest rate used to assess the equity capital allocated to companies assigned to several divisions (HVB, UniCredit Luxembourg) was 4.09% in 2010. This interest rate was re-determined for 2011 and has been 4.08% since 1 January 2011.

In the 2010 financial year, HVB started to implement the UniCredit-wide One4C initiative , which provides for the resegmentation of affluent private customers as well as small and medium-sized companies. By doing so, HVB's aim is to achieve a consistent orientation of the Bank towards a sustainable customer business model, using it to achieve closer and more targeted relationship management for the customers and to combine local proximity with international expertise as the main pillars of UniCredit. In the course of this resegmentation, customers with free assets of at least €500,000 were moved in 2010 from the Retail division to the Private Banking division, and customers with assets of less than €500,000 were transferred in the opposite direction. As the next step in the One4C initiative, small and medium-sized corporate customers (revenues up to €50 million) were moved from the Corporate & Investment Banking division to the Family & SME division at the beginning of 2011. The resegmentation has therefore been completed. A service model for retail customers and small and medium-sized corporate customers, which benefits from one of the largest banking networks in Europe, UniCredit, has thus been created within HVB Group.

Corporate & Investment Banking division

In 2009, the Corporates & Commercial Real Estate Financing and Markets & Investment Banking divisions have been reorganised and consolidated to form a combined division known as Corporate & Investment Banking ("CIB"). This move was intended to help HVB evolve into an integrated corporate and investment bank and can also be viewed as a consequence of the financial and economic crisis. The investment banking products have been revised to make them more accessible for customers and the customer relationship is more fully emphasised. The formation of CIB serves to secure a standardised business logic, a stricter, more uniform process and management environment, and an increase in efficiency.

In the current organisational structure, after the UniCredit-wide implementation of the One4C initiative, three independent product units act as suppliers of specialised products for the regional distribution network in corporate banking and for the other divisions. These are: Markets, Financing & Advisory ("F&A") and Global Transaction Banking ("GTB"). At the same time, Markets and F&A represent the centres of competence within UniCredit Bank AG.

HVB serves its approx. 54,000 CIB clients through its distribution network, concentrating on their needs in areas such as financial growth and cross-border expansion. The corporate banking business provides various relationship models based on different customer requirements.

CIB covers a broad range of banking services to corporate customers. Lending is, and is set to remain, HVB's core business, associated with an appropriate proportion of its customers' other financial activities. HVB aims to build stable, strategic business partnerships by leveraging physical and logical proximity, and providing advice and solutions in both commercial and investment banking. HVB aims at actively driving and shaping strategic issues with its customer as part of a dialogue. This also includes HVB's expertise in sector-specific underlying conditions and developments.

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

HVB's Markets activities focus on the oversight of IPOs and capital increases, and the syndication of equities, bond products and structured products. These operations are conducted primarily by the Equity Capital Markets unit for equity products and structured products based on equities, and the Debt Capital Markets unit for debt instruments such as corporate bonds, Pfandbriefs and debentures, and the associated risk transfer. The Corporate Treasury Sales unit provides financial risk management involving a wide range of advisory services and products covering the hedging of entrepreneurial risks, such as liquidity management (including asset management, deposits and investments), foreign exchange and innovative derivatives.

F&A combines financing and advisory expertise in an integrated product platform. The broad range of structured transactions in financing activities includes advising the customer on corporate strategy and, in M&A situations, on acquisition and project loans, more complex transactions, syndications and subordinated capital. HVB's shipping activities are also included in F&A.

GTB bundels HVB's competencies (product development and services) in e-business, cash management and foreign trade financing.

Major subsidiaries assigned to this division include UniCredit Luxembourg S.A., which is assigned to several divisions, HVB Global Assets Company L.P., HVB Capital Asia Ltd., and HVB Capital Partners AG.

Family & SME (until end of 2010: Retail) 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 different possibilities for online securities activities. Planet Home has two pillars: real estate brokerage and mortgages financing via an online platform, which distributes the mortgage financing needs of the customers.

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 43,000 of HVB's customers with assets under management of more than EUR 25 billion. Its about 470 employees offer to customers and customer groups with liquid assets in excess of EUR 0.5 million individual personal advice at 42 locations throughout Germany. The Family Office 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 145,000 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 2,800 customers with an investment volume of more than EUR 10 billion and employs approx. 26 people.

Other/consolidation division

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

Global Banking Services

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 and IT application development and IT operation have been outsourced. The Special Credit Portfolio ("SCP") is also included.

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.

Principal Markets

UniCredit Bank 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. HVB is traditionally particularly strong in Bavaria and northern Germany with market shares of around 15% in Bavaria, and around 10% in Hamburg and Lower Saxony.

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.

Since the cross-border absorption of UniCredit CAIB AG, Vienna, by UniCredit Bank AG, Munich, became effective by being entered in the Commercial Register of UniCredit Bank AG, Munich, on 1 July 2010, the provisions of the German Co-determination Act no longer apply to the composition of the Supervisory Board. The composition of the Bank's Supervisory Board is now based on Section 24 (1) sent. 2 of the German Act on the Co-determination of Employees in Connection with a Cross-border Merger of 21 December 2006 (MgVG) in conjunction with Section 95 sent. 1 and 3 and Section 96 of the German Stock Corporation Act. Against this backdrop, an Extraordinary Shareholders' Meeting of UniCredit Bank AG on 29 July 2010 resolved that the Supervisory Board should consist of 12 members in future. There will be an equal number of employee and shareholder representatives. New elections for the employee representatives on the Supervisory Board were held in accordance with the MgVG provisions on 24 August 2010. The shareholder representatives were appointed in a Shareholders' Meeting on 22 September 2010. 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, formerly Retail	-
Lutz Diederichs	Corporate & Investment Banking division	Deutsche Schiffsbank AG, Bremen/Hamburg (Member of the Supervisory Board), Köhler & Krenzer Fashion AG, Ehrenberg (Member of the Supervisory Board), 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), Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck, Austria (Member of the Supervisory Board), Public Joint Stock Company "UKRSOTSBANK", Kiev, Ukraine (Member 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), UniCredit Business Partner Società Consortile per Azioni, Cologno Monzese, Italy (Member of the Board of Directors), UniCredit Global Information Services Società Consortile per Azioni, Milan, Italy (Member of the Board of Directors)
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)
Andreas Wölfer	Private Banking division	Schoellerbank Aktiengesellschaft, Vienna, Austria (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 Lower Court (*Amtsgericht*) in Munich on 15 September 2008, UniCredit is the sole shareholder of HVB.

Selected Consolidated Financial Information

The selected consolidated financial data presented below are derived from and should be read in conjunction with, the unaudited Interim HVB Group Financial Statements as of 31 March 2011.

Publication of the Interim Report as at 31 March 2011 (unaudited)

On 13 May 2011, HVB published its unaudited interim report as of 31 March 2011. The following statements are taken from this report.

General comments on the business situation in the first quarter of 2011

Underlying conditions and general comments on the business situation

The global economy continued to perform well in the first quarter of 2011, even if growth did slow somewhat in individual countries like China and the United States. The disastrous earthquake in Japan and its consequences did not have a noticeable effect on global output, although the impact on the Japanese economy certainly was painful. Despite the persistently high budget and foreign trade deficits, the labour market in the United States advanced well. The Federal Reserve (Fed) left its key interest rates unchanged in the first quarter of 2011 and purchased further government bonds.

The economic recovery continued from last year in the eurozone, albeit with core and peripheral countries expanding at different speeds. The debt crisis in a number of states led to persistently high budget deficits; to provide support, the European Central Bank continued to buy government bonds issued by the countries concerned, although to a lesser extent than in 2010. At the same time, the business climate in the eurozone also improved in countries like Spain and Ireland. Among the core countries, Germany performed particularly strongly. Its economy continued to expand, driven by both domestic demand and exports. The employment trend remained positive and private consumption increased constantly.

The European capital markets started very strongly in 2011 across all asset classes. There was a sharp correction in mid-March following the natural disaster in Japan, but the lost ground was regained by a sharp rebound within a few days. As of the end of March, Germany's benchmark index, the DAX30, had risen 2% over its year-end total and the eurozone's benchmark index, the EuroStoxx50, had climbed 4%. The rise in yields on ten-year German government bonds continued following a short pause in mid-March; an increase of 38 basis points to 3.35% was recorded over the first quarter as a whole. Short-term interest rates similarly continued to rise. The European Central Bank raised its key interest rate by 25 basis points in March to 1.25%. In parallel to the rise in interest rates, the euro appreciated - considerably at times - against the US dollar, the British pound, the Swiss franc and the Japanese yen. The credit market was characterised by a period of rapidly narrowing spreads in January, with the level reached being largely maintained through February and March. The only countries to see their spreads remain at year-end levels were Greece, Ireland and Portugal. So far in the second quarter, a good start has given way to a period of weakness caused by concerns on the market about the creditworthiness of the United States and a restructuring of European sovereign debt.

In this still challenging capital market environment, HVB Group achieved a very good profit before tax of €995 million in the first quarter of 2011, exceeding the total for the equivalent period last year by a large €301 million or 43.4%. We generated a consolidated profit of €681 million after tax, which is around 48% higher than the year-ago figure of €460 million. This sharp rise in profits can also be attributed in part to the strong performance of our commercial operations, with operating income increasing by 5.6% to €2,010 million. The higher revenues were generated primarily in net trading income which, at €514 million, was around 17% higher than the total at the same point last year. We also achieved higher contributions to profits than last year in net interest (up €23 million or 2.3%) and dividends (up €50 million). We almost matched the good figure recorded for net fees and commissions in the first quarter of 2010 (down 1.6% year-on-year). Despite the 3.4% rise in operating costs to €888 million, the cost-income ratio improved to 44.2% in the first quarter of 2011 (first quarter of 2010: 45.1%), which is an excellent level by both national and international standards. With the decline of around 66% year-on-year in net write-downs of loans and provisions for guarantees and commitments to €127 million, the net operating profit rose a strong 48.1% to €995 million, despite the charges from the bank levy included in the total.

All the operating divisions contributed higher profits before tax to HVB Group's pleasing performance. The Corporate & Investment Banking division (CIB) improved its profit before tax by €329 million to €885 million, partly thanks to a significant increase in the operating profit as well as much lower net write-downs of loans and provisions for guarantees and commitments. The Family & SME division (F&SME; formerly known as the Retail division) also increased its profit before tax on the back of a good operating performance and lower net write-downs of loans and provisions for guarantees and commitments. With a pleasing contribution of €43 million to profits, the total represents a turnaround compared with the loss of €14 million recorded in the first quarter of last year. The final phase of our One for Clients programme (One4C) was implemented at the start of 2011. This involved the transfer of small and medium-sized customers with revenues of up to €50 million from the Corporate & Investment Banking division to the Retail division, which was renamed Family & SME at the start of 2011 to coincide with the expansion of the customer base. With this Group-wide programme, we aim to achieve an even more consistent orientation of the Bank towards a sustainable customer business model, using it to achieve even closer and more targeted relationship management for the benefit of the customers. The Private Banking division (PB) increased its profit before tax by 14.8% to €31 million, similarly as a result of a higher operating profit.

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 risks and equivalent risk-weighted assets for market risk and operational risk) amounted to 16.6% at 31 March 2011 after 15.9% at year-end 2010, which is still an excellent level by both national and international standards. The shareholders' equity shown in the balance sheet totalled €24.3 billion at 31 March 2011. With total assets down by 6% compared with year-end 2010 to €350.5 billion, the leverage ratio (calculated as the ratio of total assets to shareholders' equity shown in the balance sheet) improved from 15.7 at the end of December 2010 to 14.4 at 31 March 2011.

HVB Group enjoyed an adequate liquidity base and a solid financing structure at all times during the first quarter of 2011. 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.

Consolidated Income Statement and Earnings per share from 1 January to 31 March 2011 (unaudited)

Income/Expenses	NOTES	1/1–31/3/2011 € millions	1/1–31/3/2010 € millions	CHANGE € millions	CHANGE in %
Interest income		2,105	2,153	(48)	(2.2)
Interest expense		(1,072)	(1,143)	+ 71	(6.2)
Net interest	4	1,033	1,010	+ 23	+ 2.3
Dividends and other income from equity investments	5	65	15	+ 50	>+ 100.0
Net fees and commissions	6	367	373	(6)	(1.6)
Net trading, hedging and fair value income	7	514	440	+ 74	+ 16.8
Net other expenses/income	8	31	65	(34)	(52.3)
OPERATING INCOME		**2,010**	**1,903**	**+ 107**	**+ 5.6**
Payroll costs		(456)	(452)	(4)	+ 0.9
Other administrative expenses		(380)	(353)	(27)	+ 7.6
Amortisation, depreciation and impairment losses					
on intangible and tangible assets		(52)	(54)	+ 2	(3.7)
Operating costs		**(888)**	**(859)**	**(29)**	**+ 3.4**
OPERATING PROFIT		**1,122**	**1,044**	**+ 78**	**+ 7.5**
Net write-downs of loans and provisions					
for guarantees and commitments	9	(127)	(372)	+ 245	(65.9)
NET OPERATING PROFIT		**995**	**672**	**+ 323**	**(48.1)**
Provisions for risks and charges		(58)	(5)	(53)	>+ 100.0
Restructuring costs		—	—	—	—
Net income from investments	10	58	27	+ 31	>+ 100.0
PROFIT BEFORE TAX		**995**	**694**	**+ 301**	**+ 43.4**
Income tax for the period		(314)	(234)	(80)	+ 34.2
CONSOLIDATED PROFIT		**681**	**460**	**+ 221**	**+ 48.0**
attributable to shareholder of UniCredit Bank AG		651	468	+ 183	+ 39.1
attributable to minorities		30	(8)	+ 38	

Earnings per share

(in €)

	NOTES	1/1–31/3/2011	1/1–31/3/2010
Earnings per share (undiluted and diluted)	11	0.81	0.58

Statement of total comprehensive income

(€ millions)

	1/1–31/3/2011	1/1–31/3/2010
Consolidated profit recognised in the income statement	**681**	**460**
Components of income and expenses recognised in other comprehensive income		
Changes from foreign currency translation and other changes	(53)	42
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)	22	52
Change in valuation of financial instruments (hedge reserve)	(5)	(55)
Taxes on income and expenses recognised in equity	23	13
Total income and expenses recognised in equity under other comprehensive income	**(13)**	**52**
Total comprehensive income	**668**	**512**
of which:		
attributable to shareholder of UniCredit Bank AG	681	473
attributable to minorities	(13)	39

Balance Sheet at 31 March 2011 (unaudited)

Assets

	NOTES	31/3/2011 € millions	31/12/2010 € millions	CHANGE € millions	in %
Cash and cash balances		5,700	3,065	+ 2,635	+ 86.0
Financial assets held for trading	12	117,029	133,389	(16,360)	(12.3)
Financial assets at fair value through profit or loss	13	27,357	26,631	+ 726	+ 2.7
Available-for-sale financial assets	14	6,230	5,915	+ 315	+ 5.3
Shares in associates accounted for using the equity method					
and joint ventures accounted for using the equity method	15	96	94	+ 2	+ 2.1
Held-to-maturity investments	16	2,536	2,600	(64)	(2.5)
Loans and receivables with banks	17	41,886	46,332	(4,446)	(9.6)
Loans and receivables with customers	18	136,507	139,351	(2,844)	(2.0)
Hedging derivatives		3,019	4,205	(1,186)	(28.2)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		37	100	(63)	(63.0)
Property, plant and equipment		3,045	3,053	(8)	(0.3)
Investment properties		1,892	1,879	+ 13	+ 0.7
Intangible assets		593	608	(15)	(2.5)
of which: goodwill		424	424	—	—
Tax assets		2,989	3,257	(268)	(8.2)
Current tax assets		431	406	+ 25	+ 6.2
Deferred tax assets		2,558	2,851	(293)	(10.3)
Non-current assets or disposal groups held for sale	19	8	28	(20)	(71.4)
Other assets		1,558	1,402	+ 156	+ 11.1
Total assets		**350,482**	**371,909**	**(21,427)**	**(5.8)**

Liabilities

	NOTES	31/3/2011 € millions	31/12/2010 € millions	CHANGE € millions	in %
Deposits from banks	22	53,419	51,887	+ 1,532	+ 3.0
Deposits from customers	23	107,958	108,494	(536)	(0.5)
Debt securities in issue	24	47,704	48,676	(972)	(2.0)
Financial liabilities held for trading		106,876	127,096	(20,220)	(15.9)
Hedging derivatives		1,608	2,091	(483)	(23.1)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		706	1,471	(765)	(52.0)
Tax liabilities		2,079	2,203	(124)	(5.6)
Current tax liabilities		880	840	+ 40	+ 4.8
Deferred tax liabilities		1,199	1,363	(164)	(12.0)
Liabilities of disposal groups held for sale	25	—	598	(598)	(100.0)
Other liabilities		3,866	3,822	+ 44	+ 1.2
Provisions	26	1,937	1,901	+ 36	+ 1.9
Shareholders' equity		24,329	23,670	+ 659	+ 2.8
Shareholders' equity attributable to					
shareholder of UniCredit Bank AG		23,545	22,866	+ 679	+ 3.0
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		9,470	9,485	(15)	(0.2)
Change in valuation of financial instruments	27	(44)	(87)	+ 43	+ 49.4
AfS reserve		(95)	(141)	+ 46	+ 32.6
Hedge reserve		51	54	(3)	(5.6)
Consolidated profit 2010		1,270	1,270	—	—
Net profit 1/1 – 31/3/2011[1]		651	—	+ 651	
Minority interest		784	804	(20)	(2.5)
Total shareholders' equity and liabilities		**350,482**	**371,909**	**(21,427)**	**(5.8)**

1 attributable to shareholder of UniCredit Bank AG

The 2010 profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (= consolidated profit of HVB Group), amounts to €1,270 million. We will propose to the Annual General Meeting of Shareholders that a dividend of €1,270 million be paid to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy.

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 2010 financial year (see the HVB Group Annual Report for 2010).

General economic outlook and sector development in 2011

For 2011, we anticipate global GDP growth of 4.2% and assume that the strong recovery in the global economy will continue, albeit at a slightly slower pace. The rapid economic expansion and particularly the additional demand from emerging countries will contribute to a persistently high level of commodity prices, which will probably be reflected in higher production costs as well as in rising consumer prices. We believe that there is a tangible improvement in the economic prospects of the United States due to the extension of the tax incentives and as a result of other fiscal stimulus. This will, however, cause the fiscal situation to deteriorate further and require large-scale consolidation in the medium term. We assume that the United States will record GDP growth of just under 3%. In Japan, the earthquake already led to a massive decline in both industrial production and consumption in March. This will serve to slow the Japanese economy hugely in the first half of the year. Provided the situation in the nuclear power plants in Fukushima does not worsen, a strong catch-up trend is likely to take hold in the second half of the year, although uncertainties do remain in this context.

We anticipate decent economic growth in the eurozone, despite the sovereign debt crisis. The upswing should continue to originate from the core countries where the strong global recovery has enhanced industrial capacity utilisation. Companies are increasingly planning to make higher investments, which will further stabilise labour markets and progressively boost domestic economies. We expect eurozone GDP to grow by 1.7% in 2011. Despite the persistent structural weaknesses in several member states, the ECB started to raise interest rates again in April. Further cautious interest rate rises can be expected later in the year. At the same time, the central bank is persisting with full allocation in money market transactions at this stage until a solution has been found for supplying liquidity in the tarnished banking systems in some peripheral countries. Provided that the debt crisis does not worsen in the peripheral countries of the eurozone, we believe that the euro will continue to appreciate against the US dollar.

We project growth of 2.8% in the German economy in the 2011 financial year. A solid expansion can be expected on the back of a strengthening domestic economy coupled with rising exports. Furthermore, unemployment is likely to continue its downward trend, reinforced by demographic developments. The healthy good situation on the labour market together with the higher volume of work will tangibly boost real incomes, meaning that private consumption can be expected to increase by up to 2%, even if the strong economy and high commodity prices will cause inflation to rise tangibly, to around 2.3%, which could have an increasing impact on the purchasing power of consumers.

The banks will continue to face challenges throughout the rest of 2011. In particular, the uncertainty surrounding the yield curve, declining central bank liquidity and possibly also more volatile exchange rates resulting from a potential race to devalue the currencies of major economies are aggravating factors in this respect. In addition to this, the reduced credit standing of individual states may have a negative effect. The final effects of additional regulation cannot be clearly foreseen, even if some signs of future developments are already visible: the liquidity requirements are likely to be tightened and the requirements regarding the qualitative and quantity of equity capital will rise. This will give rise to a battle for capital among those banks that do not yet meet the new requirements regarding the higher capital base. Furthermore, the new liquidity and capital rules coupled with the fundamental challenges outlined above will further depress the profitability of the banking sector, which will additionally be reduced by the bank levies being charged in some countries as of 2011. Key questions remain regarding how the shape of relations between the financial world and the real economy will evolve and what global restrictions can be expected in the regulatory and political sphere.

Development of HVB Group

HVB Group continues to presume for 2011 as a whole that operating income will increase in a generally positive economic environment compared with 2010 and can more than compensate the increase in operating costs. The volatile net trading income will continue to be the crucial driver of the trend in operating income. We continue to expect that net write-downs of loans and provisions for guarantees and commitments will not significantly exceed the 2010 level in the 2011 financial year.

HVB Group's performance through the rest of the year will again crucially depend upon the operating performance of the CIB division, in particular its earnings and net write-downs of loans and provisions for guarantees and commitments. For 2011, we expect higher operating income and a moderate rise in operating costs.

It still remains unclear whether the financial markets will continue to be affected by the debt crisis in some European countries in particular and by risks arising from changes in interest and exchange rates. Consequently, our performance over 2011 as a whole still remains dependent 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 its risk strategy derived from this on a regular basis. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to 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

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 made based on the circumstances and consistent with IAS accounting principles applied by HVB.

The following is a summary of pending cases against HVB which have a value exceeding € 50 million or for other reasons are of significance for HVB.

Medienfonds lawsuit

Numerous investors who invested in VIP Medienfonds 4 GmbH & Co. KG have filed complaints and lawsuits against UniCredit Bank AG. The main reason for these actions is the fact that the tax deferrals, which were originally part of the benefits achieved by the investment, will no longer apply according to the current position of the tax authorities. UniCredit Bank AG did not market the fund, but it did grant investment finance loans to all investors for a portion of the investment amount. Moreover, to collateralise the fund, UniCredit Bank AG assumed various payment obligations of film distribution companies vis-à-vis the fund.

At the end of 2010 suits were pending against UniCredit Bank AG for a total value in dispute in the low triple-digit million euro range.

The complaints and suits against HVB are based on the allegation that HVB culpably violated its obligations to provide information prior to signing the contracts as it was aware that the fund's structure and execution allegedly made it highly risky in tax respects. Moreover, the lawsuits are based on alleged errors in the prospectus, for which the plaintiffs say HVB is responsible along with the initiator and other persons. A few first- and second-instance rulings have been issued. In some cases, courts have ruled against HVB because of alleged violations of obligations to inform the investors whereas some suits have been dismissed. So far, none of the rulings on these matters are final. Munich Higher Regional Court (*Oberlandesgericht*) has started a test case procedure pursuant to the Capital Markets Test Case Act (*Kapitalanleger-Musterverfahrensgesetz - KapMuG*) that - among other matters - is intended to clarify the question of responsibility for the prospectus, also on the part of UniCredit Bank AG, with regard to the banking services it provided.

Some investors based their claims on formal deficiencies regarding the investment finance loans granted to investors in order to be able to unwind their whole investment vis-à-vis HVB.

In order to amicably settle the alleged claims and to bring the complex lawsuits to a reasonable end, UniCredit Bank AG recently made a settlement offer to the investors jointly with another German bank involved that marketed the predominant part of the fund share.

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

UniCredit Bank AG 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 Supreme Court'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 customary market rates, 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 Supreme Court 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, the Bank assumes that legal risks will not arise from these cases.

Judgements from the German Supreme Court recently also confirmed the already narrow conditions for a possible obligation on the part of HVB to give information and advice. The German Supreme Court 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 UniCredit Bank AG 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.

Securities and Derivative Litigations

Because of unmodified unstable conditions of the financial markets, the number of complaints of customers invested in securities that have been negatively affected by the financial crisis remains unchanged on a high level. Comparably few 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.

Complaints and lawsuits of German customers, whose derivates transactions have caused losses or currently have a negative market value, also have increased. Generally, there is a tendency to investor friendly judgments with respect to derivate related lawsuits. The latest German Federal Supreme Court (Bundesgerichtshof - BGH) judgment as of 22 March 2011 concerning a "CMS spread ladder swap contract" (XI ZR 33/10) confirms this tendency but also demonstrates that the characteristics of the relevant product and the individual circumstances of each case are decisive.

Three class actions were raised in the Unites States against our American brokerage subsidiary, UniCredit Capital Markets, Inc., along with numerous other defendants. The reason behind these actions is that both Lehman Brothers Holding and Merrill Lynch issued securities. Although UniCredit Capital Markets was part of the underwriting consortium for some of the securities in dispute, it neither received nor sold the securities specified in the claims.

At the beginning of January 2011, Milan branch of UniCredit Bank AG together with more than ten other banks was sued by the Region of Lazio for alleged damages suffered by the Region of Lazio in connection with several derivative transactions. The total amount claimed from all banks as joint and several debtors amounts to €82.9 million. The legal predecessor of UniCredit Bank AG - Milan branch was not a party to derivative transactions with the Region of Lazio. The bank has been sued for an assumed contractual responsibility – without an amount specified in relation to the Bank - in connection with advisory activity it allegedly performed in favour of the Region of Lazio in relation to its debt restructuring but not for any relevant transaction involved. UniCredit Bank AG together with UniCredit as one of the defendant banks will duly evaluate the case. At this stage, it is not possible to reliably estimate the outcome of the proceedings.

Lawsuit in connection with Primeo notes

UniCredit Bank AG had 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 UniCredit Bank AG was around €27 million for the Primeo-referenced notes. Legal proceedings have been commenced in Germany in connection with the issuance of said Primeo linked notes, which also named UniCredit Bank AG as a defendant. From today's perspective, the outcome of the proceedings is open.

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 UniCredit Bank AG. After settlement of the legal challenges to this move, UniCredit Bank AG 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 2 March 2006, the Regional Court (Landgericht) of Hamburg increased the cash settlement to €37.20 per share on the basis of its own assessment. HVB has appealed against this decision. The Bank assumes that, at most, a much smaller payment in addition to the €26.65 settlement will have to be made to the squeezed-out shareholders of Vereins- und Westbank AG.

Court proceedings of UniCredit Bank AG shareholders

Numerous (former) shareholders of UniCredit Bank AG 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 UniCredit Bank AG 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 of 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 Business Combination Agreement ("BCA") entered into by the Bank 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 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.

UniCredit Bank AG 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 UniCredit Bank AG'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 UniCredit Bank AG 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 UniCredit Bank AG 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 UniCredit Bank AG 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. A final decision has not yet been passed.

Special representative

The Annual General Meeting of Shareholders of UniCredit Bank AG 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 the Bank 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 Dr Thomas Heidel, a solicitor, as a special representative. HVB's now sole shareholder, UniCredit S.p.A., filed a lawsuit challenging this resolution. In its ruling of 27 August 2008, Munich Higher Regional Court stated that the resolution adopted during UniCredit Bank AG's Annual General Meeting on 26 and 27 June 2007 on the assertion of claims for damages due to damage caused to HVB's assets and on the appointment of the special representative was partly invalid, especially insofar as the special representative is not entitled to assert claims for damages in connection with the conclusion of the BCA (lit. d of item 10 of the agenda of the Annual General

Meeting in 2007). The special representative and other former minority shareholders of HVB have filed an appeal against this decision and the denial of leave to appeal with the German Supreme Court, a step also taken by UniCredit, HVB’s sole shareholder since 15 September 2008. A final ruling has not yet been passed.

An Extraordinary Shareholders’ Meeting of UniCredit Bank AG on 10 November 2008 revoked the resolution dated 26/27 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. Munich Higher Regional Court on 3 March 2010 dismissed the claims raised against the revocation of the resolutions to assert alleged claims for damages and to dismiss the special representative from office. The special representative has filed an appeal against this decision and the denial of leave to appeal with the German Supreme Court. A final ruling has not yet been passed.

In letters dated 27 and 28 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 UniCredit Bank AG 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 sale of the shares in Bank Austria to UniCredit S.p.A. were sold 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 UniCredit Bank AG 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 alleged claims are unfounded.

In a ruling dated 2 June 2009, the stay of said proceedings was ordered until a final decision has been pased with respect to the resolutions of assertion and appointment dated 26/27 June 2007 as well as the resolutions of revocation and dismissal dated 10 November 2008.

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 2010 and 2009 of HVB, the consolidated interim report as at 31 March 2011 of HVB as well as the unconsolidated annual financial statements of HVB prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) in respect of the fiscal year ended 31 December 2010 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 2011, and (ii) no material adverse change in the prospects of the HVB Group since the date of its last published audited financial statements of 2010 (Annual Report 2010).

HVB Group expects economic conditions both worldwide and in Germany to remain difficult, marked by considerable uncertainty. To cite one example, the high level of public debt in some European countries represents a serious risk to growth and the development of interest and exchange rates.

This all means that the financial industry will again face major challenges in the 2011 financial year.

It still remains unclear whether the financial markets will continue returning to normal, notably against the backdrop of the debt crisis currently looming in some European states. Consequently, HVB's performance in the 2011 financial year still remains dependent in part on the further development of the financial markets and the real economy.

Information incorporated by reference

The information "Audited consolidated financial statements 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 and the information "Audited consolidated financial statements of HVB as at 31 December 2009 (IFRS)" set out on pages F-1 to F-88 of the Registration Document of HVB dated 20 May 2010 are incorporated by reference into this prospectus (see "General Information – Documtens 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 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 Prospectus on the following pages:**
- Consolidated Income Statement	- p. F-1 to F-2	- p. 25
- Balance Sheet	- p. F-3 to F-4	- p. 25
- Statement of Changes in Shareholders' Equity	- p. F-5 to F-6	- p. 25
- Cash Flow Statement	- p. F-7 to F-8	- p. 25
- Notes to the Consolidated Financial Statements	- p. F-9 to F-109	- p. 25
- Auditor's Certificate	- p. F-110	- p. 25
Audited consolidated financial statements of HVB as at 31 December 2009 (IFRS)	**Extracted from the Registration Document dated 20 May 2010**	**Inserted in this Prospectus on the following pages:**

-	Consolidated Income Statement	-	p. F-1 to F-2	-	p. 25
-	Balance Sheet	-	p. F-3 to F-4	-	p. 25
-	Statement of Changes in Shareholders' Equity	-	p. F-5 to F-6	-	p. 25
-	Cash Flow Statement	-	p. F-7 to F-8	-	p. 25
-	Notes to the Consolidated Financial Statements	-	p. F-9 to F-87	-	p. 25
-	Auditor's Report	-	F-88	-	p. 25

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 2010

Expenses (€ millions)

				2010	2009
1	**Interest payable**			4,982	6,403
2	**Fees and commissions payable**			782	919
3	**Net expense from the held-for-trading portfolio**			—	—
4	**General administrative expense**				
	a) payroll costs				
	aa) wages and salaries	1,377			1,544
	ab) social security costs and expenses for				
	pensions and other employee benefits	224			720
			1,601		2,264
	including: for pensions				
	€24 million				(530)
	b) other administrative expenses		1,470		1,472
				3,071	3,736
5	**Amortisation, depreciation and impairment losses**				
	on intangible and tangible assets			102	106
6	**Other operating expenses**			634	203
7	**Write-downs and impairments for receivables and**				
	certain securities as well as additions to provisions				
	for losses on guarantees and indemnities			1,670	2,302
8	**Write-downs and impairments on participating**				
	interests, shares in affiliated companies				
	and investment securities			110	220
9	**Expenses from absorbed losses**			39	223
10	**Extraordinary expenses**			22	—
11	**Taxes on income**			393	322
12	**Other taxes, unless shown under**				
	"Other operating expenses"			3	2
13	**Net income**			1,270	1,633
Total expenses				**13,078**	**16,069**

Income

(€ millions)

		2010	2009
1 Interest income from			
a) loans and money market operations	6,534		8,217
b) fixed-income securities and government-inscribed debt	1,549		2,213
		8,083	10,430
2 Current income from			
a) equity securities and other variable-yield securities	507		426
b) participating interests	105		21
c) shares in affiliated companies	388		340
		1,000	787
3 Income earned under profit-pooling			
and profit-and-loss transfer			
agreements		59	18
4 Fees and commissions receivable		2,128	2,014
5 Net income from the held-for-trading portfolio		206	1,209
6 Write-ups on bad and doubtful debts and on certain			
securities as well as release of provisions for losses on			
guarantees and indemnities		1,265	1,244
7 Write-ups on participating interests,			
shares in affiliated companies and			
investment securities		—	—
8 Other operating income		337	367
9 Net loss		—	—
Total income		**13,078**	**16,069**
1 Net income		1,270	1,633
2 Withdrawal from retained earnings			
a) from legal reserve	—		—
b) from the reserve for shares in a controlling			
or majority interest-holding company	—		3
c) from other retained earnings	—		—
		—	3
3 Transfer to retained earnings			
a) to legal reserve	—		—
b) from the reserve for shares in a controlling			
or majority interest-holding company	—		—
c) to other retained earnings	—		3
		—	3
4 Profit available for distribution		1,270	1,633

Balance Sheet of UniCredit Bank AG

at 31 December 2010

Assets (€ millions)

		31/12/2010	31/12/2009
1 Cash and cash balances			
a) cash on hand	480		495
b) balances with central banks	2,453		5,780
including: with Deutsche Bundesbank			
€1,191 million			(4,707)
		2,933	6,275
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	—		153
including: eligible for refinancing with			
Deutsche Bundesbank			
€— million			(152)
b) bills of exchange	—		—
including: eligible for refinancing with			
Deutsche Bundesbank			
€— million			(—)
		—	153
3 Loans and receivables with banks			
a) repayable on demand	17,164		23,845
b) other loans and receivables	41,244		39,607
		58,408	63,452
including: mortgage loans			
€— million			(—)
municipal loans			
€474 million			(752)
against pledged securities			
€104 million			(—)
4 Loans and receivables with customers		108,276	118,781
including: mortgage loans			
€47,903 million			(53,428)
municipal loans			
€13,270 million			(13,673)
against pledged securities			
€140 million			(—)
Amount carried forward:		169,617	188,661

Liabilities

(€ millions)

			31/12/2010	31/12/2009
1 Deposits from banks				
a) repayable on demand		17,541		16,910
b) with agreed maturity dates or periods of notice		37,795		46,379
			55,336	63,289
including: registered mortgage bonds in issue				
€1,380 million				(1,344)
registered public-sector bonds in issue				
€439 million				(450)
bonds given to lender as				
collateral for funds borrowed:				
registered mortgage bonds				
€1 million				(1)
and registered public-sector bonds				
€— million				(5)
2 Deposits from customers				
a) Savings deposits				
aa) with agreed period of notice of three months	14,523			13,016
ab) with agreed period of notice				
of more than three months	215			72
		14,738		13,088
b) registered mortgage bonds in issue		8,409		9,962
c) registered public-sector bonds in issue		3,876		4,020
d) other debts				
da) repayable on demand	55,268			40,173
db) with agreed maturity dates or periods of notice	36,419			57,321
including: bonds given to lender as				
collateral for funds borrowed:				
registered mortgage bonds				
€5 million				(40)
and registered public-sector bonds				
€34 million				(34)
		91,687		97,494
			118,710	124,564
Amount carried forward:			174,046	187,853

Assets (€ millions)

			31/12/2010	31/12/2009
Amount brought forward:			169,617	188,661
5 Bonds and other				
fixed-income securities				
a) money market paper				
aa) issued by public authorities	1,604			3
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€1,601 million				(—)
ab) issued by other borrowers	2,062			6,835
including: those eligible for collateral for				
Deutschen Bundesbank advances				
€352 million				(2,298)
		3,666		6,838
b) bonds and notes				
ba) issued by public authorities	14,586			24,173
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€14,037 million				(23,573)
bb) issued by other borrowers	32,573			47,842
including: those eligible for collateral for				
Deutsche Bundesbank advances				
€22,094 million				(26,995)
		47,159		72,015
c) own bonds		—		13,169
nominal value €— million				(14,907)
			50,825	92,022
6 Equity securities and other variable-yield securities			1,549	10,044
6a Held-for-trading portfolio			150,906	—
7 Participating interests			1,262	1,053
including: in banks				
€100 million				(21)
in financial service institutions				
€— million				(—)
8 Shares in affiliated companies			2,737	2,915
including: in banks				
€1,125 million				(1,123)
in financial service institutions				
€241 million				(240)
Amount carried forward:			376,896	294,695

Liabilities

(€ millions)

			31/12/2010	31/12/2009
Amount brought forward:			174,046	187,853
3 Debt securities in issue				
a) bonds				
aa) mortgage bonds	17,647			19,256
ab) public-sector bonds	1,732			2,691
ac) other bonds	7,068			38,094
		26,447		60,041
b) other debt securities in issue		—		—
including: money market paper				
€— million				(—)
acceptances and promissory notes				
€— million				(—)
			26,447	60,041
3a Held-for-trading portfolio			140,061	—
4 Trust liabilities			1,969	232
including: loans taken out on a trust basis				
€200 million				(232)
5 Other liabilities			10,841	30,559
6 Deferred income				
a) from issuing and lending operations		50		62
b) other		475		225
			525	287
6a Deferred tax liabilities			—	—
7 Provisions				
a) provisions for pensions				
and similar commitments		—		590
b) tax provisions		723		663
c) other provisions		2,588		2,195
			3,311	3,448
8 Subordinated liabilities			3,264	5,193
9 Participating certificates outstanding			205	205
including: those due in less than two years				
€205 million				(50)
10 Fund for general banking risks			314	291
Amount carried forward:			360,983	288,109

Assets (€ millions)

		31/12/2010	31/12/2009
Amount brought forward:		376,896	294,695
9 Trust assets		1,969	232
including: loans granted on a trust basis			
€200 million			(232)
10 Intangible assets			189
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	117		
c) Goodwill	132		
d) Advance payments	21		
		270	189
11 Property, plant and equipment		269	287
12 Own shares		—	—
nominal value €— million			(—)
13 Other assets		1,516	13,497
14 Prepaid expenses			
a) from issuing and lending operations	74		93
b) other	106		83
		180	176
15 Deferred tax assets		—	—
16 Excess of plan assets over pension liabilities		507	—
Total assets		**381,607**	**309,076**

Liabilities

(€ millions)

			31/12/2010	31/12/2009
Amount brought forward:			360,983	288,109
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	—			—
cc) statutory reserve	—			—
cd) other retained earnings	7,156			7,136
		7,156		7,136
d) profit available for distribution		1,270		1,633
			20,624	20,967
Total liabilities and shareholders' equity			**381,607**	**309,076**
1 Contingent liabilities				
a) contingent liabilities on rediscounted				
bills of exchange credited to borrowers		—		—
b) liabilities under guarantees and				
indemnity agreements		32,015		32,070
c) contingent liabilities on assets pledged				
as collateral for third-party debts		—		—
			32,015	32,070
2 Other commitments				
a) commitments from the sale of assets				
subject to repurchase agreements		—		—
b) placing and underwriting commitments		—		—
c) irrevocable lending commitments		32,724		31,373
			32,724	31,373

Notes

Legal basis

The annual financial statements of UniCredit Bank AG ("HVB") for the 2010 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

HVB applied the German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG), which came into force at the end of May 2009 and was the subject of compulsory application as of 1 January 2010, complete with its changes to the accounting, valuation and disclosure rules for the first time in the 2010 financial year. Where the accounting, valuation and disclosure rules are modified on account of the BilMoG, the principle of consistency no longer applies (Section 67 (8) 1 Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB). According to the transitional provisions contained in the BilMoG, it is not necessary to adjust the previous year's figures to reflect the new accounting rules (Section 67 (8) 2 EGHGB). HVB has made use of this option.

Changes in accounting and valuation methods as well as disclosure modifications are indicated for the respective items.

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

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

Loans and receivables with banks and customers (asset items 3 and 4) are always stated at the nominal amount plus any accrued interest. In accordance with the BilMoG, the promissory notes and registered bonds held for trading purposes previously carried here are now included in a new, separate balance sheet item for held-for-trading portfolios. 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 lending risk. 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.

HVB creates general provisions for losses on specific loans or sets aside provisions for loans in countries with acute transfer risk or guarantees with comparable risk. Country-specific risk provisions are created to cover renegotiated loans and other finance facilities (due in more than one year). Sound assets pledged to HVB as security reduce HVB's exposure to loan-loss risk. The group of countries with acute transfer risk and the corresponding write-down rate are updated regularly to take account of the current risk situation.

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.

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.

As a result of the new, separate disclosure of held-for-trading portfolios in the balance sheet required by the BilMoG, only securities that are 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 such securities at the balance sheet date consisted of 48.6% held for trading purposes, 34.8% held for liquidity purposes and 16.6% 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) 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 €24,763 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. There is also a valuation unit that serves to hedge interest rate risks in bonds denominated in US dollars (with a carrying amount of €495 million) using interest rate swaps (micro hedge); the securities involved are funded in foreign currency. 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 requirements of Section 254 HGB for valuation units newly codified by the BilMoG 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 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.

The BilMoG requires banks to measure financial instruments held for trading purposes at fair value less a risk discount, and recognise them in the balance sheet compliant with Section 340e (3) HGB. 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, 10% of the net income from the held-for-trading portfolio has been 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. Compliant with the BilMoG, the assets and liabilities held for trading purposes 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).

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.

Notes (Continued)

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). For the first time, 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, as a result of the BilMoG, are disclosed for the first time 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 €92,281 million (within asset item 6a) and negative market values of €93,174 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 13), other liabilities (liability item 5) and deferred income or prepaid expenses (asset item 14 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.

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.

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.

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 newly created by the BilMoG for internally generated intangible assets classified as non-current.

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.

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.

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.

The changeover to the provisions set out in the BilMoG has led to changes to the valuation of provisions. While the effect from the inclusion of future price and cost increases has increased the provisions to be recognised, the discounting of the anticipated payments has a contrary effect. Compliant with Section 67 (1) 2 EGHGB, it is possible to omit a reversal of provisions based on the new valuation provisions if the amounts are to be added again by 31 December 2024 at the latest. HVB is using this option. As a result, provisions in the amount of €36 million are not reversed which would have otherwise been necessary.

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 2010 published by the Deutsche Bundesbank for a residual maturity of 15 years at 5.15% and a pension trend of 1.70% were applied in the actuarial calculation of the amount payable at 31 December 2010. A figure of 2.00% has been included in the calculation for the anticipated wage and salary increases. Life expectancies are based on the standard Heubeck 2005 G tables.

Notes (Continued)

Up until 31 December 2009, provisions for pensions were set aside in the highest amount permitted under the relevant tax legislation, in accordance with actuarial principles, by applying an assumed interest rate of 6.00% on the future pension commitment as provided for in Section 6a EStG, in conjunction with Regulation 6a, German Income Tax Regulations (Einkommensteuer-Richtlinien – EStR).

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 sample 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 2010 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 BilMoG. HVB makes use of the option compliant with Article 67 (1) 1 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.

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 (liability item 16).

The income of €75 million arising from the change in fair value of the plan assets during the course of the 2010 financial year is shown in net income from investments.

The offsetting regulations specified in the BilMoG cause the asset items to be reduced by €1,146 million [loans and receivables with customers (asset item 4) by €29 million, equity securities and other variable-yield securities (asset item 6) by €1,113 million and participating interests (asset item 7) by €4 million] and liability items by €639 million [provisions for pensions and similar commitments (liability item 7a) by €639 million]. Offsetting has no impact on extraordinary income/expenses.

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.

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 carryforwards and tax credits. 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 provisions for loss on guarantees and indemnities as well as tax loss carryforwards.

Foreign currencies

Amounts in foreign currency are translated in accordance with the principles set forth in Section 340h and Section 256a HGB. The BilMoG has modified Section 340h HGB, which is applicable for banks, and for the first time codified Section 256a HGB, which is applicable for all companies. 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 on the market 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.

Earnings arising from the translation of items affecting the balance sheet and from the valuation of forward contracts at year-end are included in the income statement, taking into account any special cover in the banking book compliant with Section 340h HGB. Unrealised earnings from outstanding positions in money transfer operations in the banking book are recognised in the period they arise via the FX trading position. This does not give rise to any significant deferments of earnings.

Notes to the Balance Sheet

Breakdown by maturity of selected asset items

(€ millions)

			2010	2009
A 3 b)	Other loans and receivables with banks			
	with residual maturity of	less than 3 months	29,378	28,761
		at least 3 months but less than 1 year	4,847	4,888
		at least 1 year but less than 5 years	3,843	3,030
		5 years or more	3,176	2,928
A 4)	Loans and receivables with customers			
	with residual maturity of	less than 3 months	4,437	9,553
		at least 3 months but less than 1 year	7,232	10,084
		at least 1 year but less than 5 years	34,680	32,614
		5 years or more	49,412	55,239
		No fixed maturity	12,515	11,291
A 5)	Bonds and other fixed-income securities amounts due in the following year		8,557	26,929

Breakdown by maturity of selected liability items

(€ millions)

			2010	2009
L 1 b)	Deposits from banks			
	with agreed maturity dates or periods of notice			
	with residual maturity of	less than 3 months	16,780	27,012
		at least 3 months but less than 1 year	4,991	3,412
		at least 1 year but less than 5 years	5,494	8,215
		5 years or more	10,530	7,740
	Deposits from customers			
L 2 ab)	Savings deposits with agreed maturity dates or periods of notice			
	with residual maturity of	less than 3 months	12	3
		at least 3 months but less than 1 year	24	5
		at least 1 year but less than 5 years	137	24
		5 years or more	42	40
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	20,812	37,204
		at least 3 months but less than 1 year	6,374	10,821
		at least 1 year but less than 5 years	9,177	9,940
		5 years or more	12,340	13,338
	Debt securities in issue			
L 3 a)	Bonds amounts due in following year		5,926	23,367
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)

Amounts receivable from and payable to affiliates and companies in which participating interests are held (€ millions)

	AFFILIATES 2010	AFFILIATES 2009	PARTICIPATING INTERESTS 2010	PARTICIPATING INTERESTS 2009
Loans and receivables with banks	27,894	21,608	710	395
Loans and receivables with customers	1,849	1,770	2,705	4,708
Bonds and other fixed-income securities	3,591	2,764	9,079	11,846
Deposits from banks	11,156	9,189	446	215
Deposits from customers	2,935	2,398	450	20,031
Debt securities in issue	2,334	1,956	—	—
Subordinated liabilities	1,408	1,599	—	—

Trust business

Trust business assets and liabilities break down as follows: (€ millions)

	2010	2009
Loans and receivables with banks	—	87
Loans and receivables with customers	201	145
Equity securities and other variable-yield securities	1,768	—
Trust assets	**1,969**	**232**
Deposits from banks	5	5
Deposits from customers	196	227
Debt securities in issue	1,768	—
Trust liabilities	**1,969**	**232**

The significantly higher 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.

Foreign-currency assets and liabilities

61.4% of HVB's foreign-currency holdings consist of US dollars, 14.6% of pounds sterling, 7.9% of Japanese yen and 4.6% of Swiss francs. (€ millions)

	2010	2009
Cash and cash balances	1,241	942
Treasury bills and other bills eligible for refinancing with central banks	—	1
Loans and receivables with banks	4,904	3,592
Loans and receivables with customers	22,373	21,990
Bonds and other fixed-income securities	3,202	7,913
Equity securities and other variable-yield securities	53	1,961
Held-for-trading portfolio (assets held for trading purposes)	17,848	—
Participating interests	336	287
Shares in affiliated companies	331	328
Trust assets	1,963	226
Intangible assets	1	—
Property, plant and equipment	9	10
Other assets	256	717
Prepaid expenses	13	16
Assets	**52,530**	**37,983**
Deposits from banks	12,408	13,048
Deposits from customers	9,789	8,191
Debt securities in issue	1,538	7,462
Held-for-trading portfolio (liabilities held for trading purposes)	15,347	—
Trust liabilities	1,963	226
Other liabilities	202	2,384
Deferred income	38	35
Provisions	115	114
Subordinated liabilities	724	998
Liabilities	**42,124**	**32,458**

The amounts shown represent the euro equivalents of all currencies. The differences in amount between assets and liabilities are generally offset by off-balance-sheet transactions.

Notes to the Balance Sheet (Continued)

Subordinated asset items

The following balance sheet items contain subordinated assets:

(€ millions)

	2010	2009
Loans and receivables with banks	1,396	1,478
Loans and receivables with customers	580	600
Bonds and other fixed-income securities	3,262	3,623
Equity securities and other variable-yield securities	8	5
thereof: own participating certificates in market-smoothing portfolio	—	—
Held-for-trading portfolio	510	—

Marketable debt and equity securities

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

(€ millions)

	TOTAL MARKET-ABLE SECURITIES 2010	TOTAL MARKET-ABLE SECURITIES 2009	OF WHICH: LISTED 2010	OF WHICH: LISTED 2009	OF WHICH: UNLISTED 2010	OF WHICH: UNLISTED 2009
Bonds and other fixed-income securities	50,825	92,022	30,985	64,157	19,840	27,864
Equity securities and other						
variable-yield securities	75	6,700	15	6,509	60	191
Held-for-trading portfolio	48,524	—	32,785	—	15,739	—
Participating interests	104	102	104	102	—	—
Shares in affiliated companies	265	264	265	264	—	—

Non-current securities contain financial instruments carried at an amount higher than their fair value. The carrying amount of these securities is €16,908 million and the fair value €16,228 million (fair value of marketable securities €16,228 million, of which €16,222 million relates to bonds and other fixed-income securities and €6 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.

Held-for-trading portfolio

The following table shows the breakdown of assets held for trading purposes (asset item 6a) by financial instrument totalling €150,906 million:

(€ millions)

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

The following table shows the breakdown of liabilities held for trading purposes (liability item 3a) by financial instrument totalling €140,061 million:

(€ millions)

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

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)

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

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)

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	720	168	14	2
thereof: Goodwill	—	141	—	—
Software	692	27	14	2
Other intangible assets	28	—	—	—
Property, plant and equipment	597	5	21	4
thereof: Land and buildings used by HVB in				
its operations	292	—	—	—
Furniture and office equipment	305	5	21	4
Other non-current assets	21	—	—	—
	ACQUISITION COST			**CHANGES +/–[1]**
Participating interests	1,053			209
Shares in affiliated companies	2,915			(178)
Investment securities	21,647			(4,739)

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

Intangible assets

The disclosed goodwill of €132 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.

Other assets

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

(€ millions)

	2010	2009
Claims to tax reimbursements	422	409
Claims to dividends	298	352
Variation margin DTB	166	408
Collection paper, such as cheques, matured debentures, interest and dividend coupons	151	143
Proportion of income from commission / interest not yet received	50	33
Proportion of interest from portfolio fees	43	42
Trade debtors	39	40
Fixed assets (works of art)	21	21
Capital investments with life insurers	18	198
KG shares intended for re-sale	6	6
Premiums paid on options pending	2	7,625
Purchase price receivables	2	2
Offsetting valuation item from held-for-trading portfolios	—	3,725
Equalisation item for revaluation of tied currency positions	—	74

(€ 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 31/12/2010 9	NET BOOK VALUE 31/12/2009 10
	—	606	75	—	270	189
	—	9	9	—	132	—
	—	579	51	—	128	165
	—	18	15	—	10	24
	—	316	6	—	269	287
	—	93	9	—	199	207
	—	223	(3)	—	70	80
	—	—	—	—	21	21
					NET BOOK VALUE 31/12/2010	**NET BOOK VALUE 31/12/2009**
					1,262	1,053
					2,737	2,915
					16,908	21,647

The changes brought about by the BilMoG mean that derivatives in the held-for-trading portfolio are disclosed at their fair value in the new balance sheet item for the held-for-trading portfolio on both the assets and liabilities side of the balance sheet. Consequently, the offsetting valuation item from assets held for trading purposes is no longer carried in other assets. There is a corresponding reduction in the amount disclosed for premiums paid for options that are not allocated to the trading book.

Prepaid expenses

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

(€ millions)

	2010	2009
Discounts on funds borrowed	74	93
Premiums on amounts receivable	—	—

Excess of plan assets over pension liabilities

An amount payable of €639 million arising from liabilities due to pension and similar commitments was set against offsetting plan assets with a fair value of €1,146 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 2010 financial year. The omitted transitional allocation in the year under review totalled €310 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 (€507 million). The acquisition cost of the offsetting plan assets totalled €1,070 million. The assets involved are essentially fund shares, investments, and cash and cash equivalents.

(€ millions)

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

Notes to the Balance Sheet (Continued)

Assets assigned or pledged as security for own liabilities

Assets totalling €54,436 million were assigned or pledged as security for the following liabilities:

(€ millions)

	2010	2009
Deposits from banks	30,745	39,019
Deposits from customers	23,691	18,729
Provisions for pensions and similar commitments	—	590

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 €47,785 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 €17,492 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.

Other liabilities

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

(€ millions)

	2010	2009
Amounts owed to SPV	8,554	9,947
Obligations arising from debts assumed	1,353	1,341
Other amounts owed to employees	121	127
Taxes payable	120	131
Variation margin DTB	102	188
Banking book valuation reserves	52	55
Liabilities from allowances paid to and losses absorbed from subsidiaries	39	223
Offsetting item for swap transactions	17	—
Amounts yet to be distributed from outplacements, etc.	7	17
Accrued interest on participating certificates outstanding	7	5
Premiums received on options pending	2	9,630
Liabilities from short securities positions	—	8,476

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 changes brought about by the BilMoG mean that derivatives in the held-for-trading portfolio are disclosed at their fair value in the new balance sheet item for the held-for-trading portfolio on both the asset and liability side of the balance sheet. There is a corresponding reduction in the amount disclosed for premiums paid for options that are not allocated to the trading book. Compliant with the BilMoG, the liabilities arising from short securities positions are similarly disclosed as liabilities held for trading purposes, as they were entered into with a view to achieving a trading profit.

Deferred income
Discounts on amounts receivable shown at nominal value totalled €28 million.

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)

	2010	2009
Provisions for losses on guarantees and indemnities	341	304
Anticipated losses on pending transactions	529	532
Provisions for uncertain liabilities	1,658	1,243
of which:		
Bonuses on savings plans	19	19
Anniversary bonus payments	48	72
Payments for early retirement, semi-retirement, etc.	6	18
Payments to employees	344	334
Restructuring provisions	60	116
Total other provisions	**2,588**	**2,195**

Subordinated liabilities
This item includes accrued interest of €60 million. HVB incurred interest expenses of €236 million in 2010.

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%.

Notes to the Balance Sheet (Continued)

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	HV0CLA	2004	Bearer participating certificates	10	6.78	31/12/2010
2 UniCredit Bank AG	HV0CLL	2004	Bearer participating certificates	10	7.08	31/12/2010
3 UniCredit Bank AG	HV0CLP	2004	Bearer participating certificates	10	7.20	31/12/2010
4 UniCredit Bank AG	HV0CLQ	2004	Bearer participating certificates	10	7.20	31/12/2010
5 UniCredit Bank AG	HV0CLM	2004	Bearer participating certificates	5	7.08	31/12/2010
6 UniCredit Bank AG	HV0CLN	2004	Bearer participating certificates	5	7.08	31/12/2010
7 UniCredit Bank AG	788119	2001	Bearer participating certificates	100	6.30	2011
8 UniCredit Bank AG	HV0CLB	2004	Bearer participating certificates	10	6.90	2011
9 UniCredit Bank AG	HV0CLC	2004	Bearer participating certificates	8	6.90	2011
10 UniCredit Bank AG	HV0CLD	2004	Bearer participating certificates	6	6.90	2011
11 UniCredit Bank AG	HV0CLF	2004	Bearer participating certificates	5	6.90	2011
12 UniCredit Bank AG	HV0CLG	2004	Bearer participating certificates	5	6.90	2011
13 UniCredit Bank AG	HV0CLH	2004	Bearer participating certificates	5	6.93	2011
14 UniCredit Bank AG	HV0CLJ	2004	Bearer participating certificates	5	6.93	2011
15 UniCredit Bank AG	HV0CLK	2004	Bearer participating certificates	5	6.98	2011
16 UniCredit Bank AG	HV0CLR	2004	Bearer participating certificates	5	6.93	2011
17 UniCredit Bank AG	HV0CLE	2004	Bearer participating certificates	1	6.90	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 2010 financial year were made in full.

Fund for general banking risks

As required by Section 340e (4) 1 HGB, we transferred 10% of the net income from the held-for-trading portfolio of €23 million to a separate position in the fund for general banking risks compliant with Section 340g HGB.

Shareholders' Equity

Analysis of shareholders' equity shown in the balance sheet

(€ millions)

Subscribed capital		
Balance at 1 January 2010	2,407	
Balance at 31 December 2010		2,407
Additional paid-in capital		
Balance at 1 January 2010	9,791	
Balance at 31 December 2010		9,791
Retained earnings		
Legal reserve		
Balance at 1 January 2010	—	
Balance at 31 December 2010		—
Reserve for shares in a controlling or majority interest-holding company		
Balance at 1 January 2010	—	
Withdrawal from the reserve for shares in a controlling or		
majority interest-holding company	—	
Balance at 31 December 2010		—
Other retained earnings		
Balance at 1 January 2010	7,136	
Effect of the initial application of the BilMoG not affecting reported net income	20	
Transfer from the reserve for shares in a controlling or		
majority interest-holding company	—	
Balance at 31 December 2010		7,156
Profit available for distribution		
Balance at 1 January 2010	1,633	
Dividend payout of HVB for 2009	(1,633)	
Net profit 2010	1,270	
Balance at 31 December 2010		1,270
Shareholders' equity at 31 December 2010		20,624

Shareholders’ Equity (Continued)

Holdings of UniCredit Bank AG stock in excess of 5%

(in %)

	2010	2009
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.

Development of subscribed capital

The capital stock of UniCredit Bank AG had been divided into shares of common bearer stock with voting rights and shares of registered preferred stock without voting rights. However, given the change in the shareholder structure, there was no need to maintain this distinction. Consequently, the shares of registered preferred stock without voting rights were converted into shares of common bearer stock with voting rights and the Articles of Association amended accordingly in line with a resolution adopted at the Extraordinary Shareholders’ Meeting held on 22 September 2010. This amendment to the Articles of Association was entered in the Commercial Register on 27 September 2010, at which date it took effect.

Other retained earnings

The initial application of the new provisions set forth in the BilMoG at 1 January 2010 entailed recognising the following reclassification items totalling €20 million in retained earnings in accordance with the transitional provisions set forth in the EGHGB: provisions for service anniversary awards, early retirement, partial retirement and pension leave.

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 €75 million.

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.

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)

	2010	2009
Germany	9,037	11,616
Rest of Europe	2,394	2,671
Americas	270	323
Asia	113	215

Net interest income

(€ millions)

	2010	2009
Interest income from		
lending and money market transactions	6,534	8,217
fixed-income securities	1,549	2,213
Current income from equity securities and other variable-yield securities,		
participating interests and shares in affiliated companies	1,000	787
Income from profit-pooling and profit-and-loss-transfer agreements	59	18
Interest expenses	4,982	6,403
Net interest income	**4,160**	**4,832**

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)

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

The interest expense arising from the compounding of provisions is included in net interest income. As a result of exercising the option not to release provisions when switching to the BilMoG, the need to compound no longer applies for the main non-current provisions. Consequently, the compounding expense recorded in 2010 is negligible.

Notes to the Income Statement (Continued)

Services performed for third parties
HVB performed significant services for third parties notably in portfolio and asset management, and in the brokerage of insurance, savings and loan contracts and investment funds.

Net income from the held-for-trading portfolio
The net income from the held-for-trading portfolio (net trading income) of €206 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. HVB recorded net income of €17 million from FX trading in 2010. The total already includes as an expense the risk discount to be applied to the held-for-trading portfolios measured at fair value. The allocation required by Section 340e (4) HGB of 10% of the net income from the held-for-trading portfolio to the fund for general banking risks compliant with Section 340g HGB has been recognised as an expense of €23 million in net trading income. 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.

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 (€123 million) and payroll costs and cost of materials passed on (€80 million).

Other operating expenses include the following:
– compensation and ex gratia payments (€34 million)
– additions to provisions other than provisions for lending and securities operations (€555 million).

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

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

Net profit
HVB generated a net profit of €1,270 million in 2010. We will propose to the Annual General Meeting of Shareholders that a dividend of €1,270 million be paid to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €1.58 per share.

Other Information

Contingent liabilities and other financial commitments

The following table shows the breakdown of contingent liabilities arising from guarantees and indemnity agreements totalling €32,015 million: (€ millions)

	2010	2009
Loan guarantees	11,889	11,918
Guarantees and indemnities	18,406	18,893
Documentary credits	1,720	1,259

Irrevocable lending commitments totalling €32,724 million break down as follows: (€ millions)

	2010	2009
Book credits	30,791	29,882
Mortgage and municipal loans	1,163	951
Guarantees	759	510
Bills of exchange	11	30

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 €306 million (2009: €317 million). A large part of the total relates to contracts with subsidiaries (€209 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 €3,052 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 €489 million at year-end 2010, and similar obligations for shares in cooperatives totalled €1 million. Under Section 22 (3) and Section 24 of the German Private Limited Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG), HVB was also liable for defaults on such calls in respect of one company for an aggregate of €1 million.

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 2010. 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.

Other Information (Continued)

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 nor 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 by fully consolidated special purpose entities of HVB at 31 December 2010:

(€ millions)

		31/12/2010				
CARRYING AMOUNTS		EUROPE	USA	ASIA	OTHER REGIONS	TOTAL
Residential mortgage loans /						
residential mortgage-backed securities (RMBS)		1,499	1	222	—	1,722
Commercial mortgage loans /						
commercial mortgage-backed securities (CMBS)		887	105	—	—	992
Collateralised debt obligations (CDO)		—	3	—	—	3
Collateralised loan obligations (CLO) /						
collateralised bond obligations (CBO)		—	95	—	—	95
Consumer loans		599	—	—	—	599
Credit cards		—	—	—	—	—
Leases		540	13	—	—	553
Other (including hedge fund investments)		687	753	26	260	1,726
Total	**31/12/2010**	**4,212**	**970**	**248**	**260**	**5,690**
	31/12/2009	**4,502**	**1,022**	**—**	**422**	**5,946**

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.

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 Global Information Services S.C.p.A., a company that is affiliated with the Bank. The goal is to exploit synergies and enable HVB to offer fast, high-quality IT services.

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, Sofortkredit instant-approval loans and credit cards to UniCredit Family Financing S.p.A., a company affiliated with the Bank that was absorbed by UniCredit S.p.A. during 2010. This company 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. In return, HVB receives the respective agency fees.

Finally, HVB has transferred certain back office activities to UniCredit Business Partner S.C.p.A., 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.

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 ensured for the outsourced activities listed.

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

(€ millions)

	2010[1]	2009[2]
Fees for		
Auditing of the financial statements	4	6
Other auditing services	3	4
Tax consulting services	—	—
Other services	4	5

1 excluding value-added tax
2 including value-added tax

Other Information (Continued)

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
HVB Singapore Limited, Singapore
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.

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 €22,936 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 €22,776 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.

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	2010	2009	2010	2009	2010	2009
Interest rate derivatives	**1,167,491**	**1,158,234**	**896,590**	**3,222,315**	**2,876,999**	**64,809**	**61,019**	**63,496**	**60,013**
OTC products									
Forward rate agreements	210,417	12,334	—	222,751	161,291	132	269	105	123
Interest rate swaps	813,594	888,692	739,097	2,441,383	2,177,428	60,071	56,371	57,700	54,451
Interest rate options									
– purchased	39,100	126,568	71,643	237,311	222,170	4,499	4,345	6	—
– written	38,396	105,287	84,492	228,175	224,203	64	28	5,541	5,429
Other interest rate derivatives	324	186	—	510	425	43	6	144	10
Exchange-traded products									
Interest rate futures	65,660	25,102	1,296	92,058	83,188	—	—	—	—
Interest rate options	—	65	62	127	8,294	—	—	—	—
Foreign exchange derivatives	**407,254**	**165,649**	**69,907**	**642,810**	**466,309**	**14,347**	**9,508**	**14,172**	**9,581**
OTC products									
Foreign exchange forwards	267,808	25,127	332	293,267	232,264	4,562	3,407	4,247	3,278
Cross-currency swaps	56,461	123,855	68,123	248,439	173,147	8,036	5,070	8,135	5,176
Foreign exchange options									
– purchased	40,905	8,585	717	50,207	30,386	1,744	1,030	—	—
– written	42,048	8,082	735	50,865	30,509	5	1	1,790	1,127
Other foreign exchange derivatives	—	—	—	—	—	—	—	—	—
Exchange-traded products									
Foreign exchange futures	32	—	—	32	3	—	—	—	—
Foreign exchange options	—	—	—	—	—	—	—	—	—
Equity/index derivatives	**59,868**	**78,313**	**5,937**	**144,118**	**186,805**	**9,322**	**9,214**	**11,875**	**11,745**
OTC products									
Equity/index swaps	10,933	8,294	443	19,670	20,053	281	787	288	495
Equity/index options									
– purchased	7,926	16,929	1,126	25,981	32,143	6,934	4,164	1	—
– written	14,858	31,740	3,535	50,133	68,133	37	38	7,788	5,507
Other equity/index derivatives	5	1	—	6	2,378	5	219	1	2
Exchange-traded products									
Equity/index futures	4,265	202	11	4,478	204	—	9	—	5
Equity/index options	21,881	21,147	822	43,850	63,894	2,065	3,997	3,797	5,736
Credit derivatives	**38,468**	**198,707**	**34,386**	**271,561**	**326,438**	**4,103**	**4,318**	**4,515**	**4,684**
Other transactions	**4,803**	**4,851**	**498**	**10,152**	**7,313**	**403**	**786**	**718**	**1,104**
Total	**1,677,884**	**1,605,754**	**1,007,318**	**4,290,956**	**3,863,864**	**92,984**	**84,845**	**94,776**	**87,127**

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 €1.6 billion.

Other Information (Continued)

Employees

The average number of staff employed was as follows:

	2010	2009
Staff (excluding trainees)	16,314	17,396
of whom: full-time	12,558	13,500
part-time	3,756	3,896
Trainees	993	1,046

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

	WOMEN	MEN	2010	2009
	(EXCLUDING TRAINEES)		TOTAL	
Staff's length of service				
25 years or more	19.0	16.5	17.7	17.2
15 to 25 years	25.2	36.5	31.3	31.7
10 to 15 years	13.8	14.7	14.3	13.7
5 to 10 years	21.1	21.7	21.4	23.1
less than 5 years	20.9	10.6	15.3	14.3

Emoluments

(€ millions)

	2010	2009
Members of the Management Board	6	6
Members of the Supervisory Board	3	1
Former members of the Management Board and their surviving dependants	2	10

At 31 December 2010, there were pension provisions in the amount of €33 million (2009: €23 million) payable to former members of the Management Board 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.

Loans to executive board members

The total amount of loans and advances made and liabilities assumed at the balance sheet date was as follows: (€ millions)

	2010	2009
Members of the Management Board	2	1
Members of the Supervisory Board	4	5

Executive boards

Supervisory Board

Chairman

Sergio Ermotti
until 1 March 2011
Federico Ghizzoni
since 2 March 2011
Chairman since 4 March 2011

Deputy Chairman

Peter König
Dr Wolfgang Sprissler

Members

Gerhard Bayreuther
until 22 September 2010
Aldo Bulgarelli
Beate Dura-Kempf
Paolo Fiorentino
until 22 September 2010
Giulio Gambino
until 22 September 2010
Klaus Grünewald
Karl Guha
until 22 September 2010
Werner Habich
since 16 January 2011
Beate Mensch
until 22 September 2010
Dr Lothar Meyer
Marina Natale
Roberto Nicastro
until 22 September 2010
Klaus-Peter Prinz
since 22 September 2010
Panagiotis Sfeliniotis
until 22 September 2010
Professor Hans-Werner Sinn
until 22 September 2010
Jutta Streit
until 15 January 2011
Michael Voss
until 22 September 2010
Jens-Uwe Wächter
Dr Susanne Weiss

Management Board

Peter Buschbeck	**Family & SME division[1]**
Lutz Diederichs	**Corporate & Investment Banking division**
Rolf Friedhofen until 31 May 2010 Peter Hofbauer since 1 November 2010	**Chief Financial Officer (CFO)**
Heinz Laber	**Human Resources Management, Global Banking Services**
Andrea Umberto Varese	**Chief Risk Officer (CRO)**
Dr Theodor Weimer	**Board Spokesman** **Chief Financial Officer (CFO)[2]**
Andreas Wölfer	**Private Banking division[3]**

1 formerly Retail division;
the division was renamed Family & SME on 1 January 2011 after resegmentation
2 from 1 June 2010 until 31 October 2010, provisionally
3 formerly Wealth Management division; renamed Private Banking division on 1 April 2010

List of Executives and Outside Directorships[1]

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[2] London Stock Exchange Group Plc, London Bank Pekao, Poland[2] Darwin Airline SA (Chairman), Lugano Enterra SA, Lugano Hotel Residence Principe Leopoldo SA (Chairman), Lugano Leopoldo Hotels & Restaurants SA, Lugano Tessal SA, Lugano Fidinam Group Holding SA, Lugano Kurhaus Cademario SA, Cademario Immo Heudorf, Silvaplana
Federico Ghizzoni Chief Executive Officer of UniCredit S.p.A., Milan since 2 March 2011 Chairman since 4 March 2011		
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)
Gerhard Bayreuther Employee, UniCredit Bank AG, Neubeuern until 22 September 2010		Pensionskasse der HypoVereinsbank (Deputy Chairman) BayBG Bayerische Beteiligungsgesellschaft mbH (Deputy Chairman)
Aldo Bulgarelli Attorney and partner in law office NCTM, Verona		ARAG ASSICURAZIONI S.p.A., Verona (President of the Collegio Sindacale) Amman Italy S.p.A. (President of the Collegio Sindacale)
Beate Dura-Kempf Employee, UniCredit Bank AG, Litzendorf		
Paolo Fiorentino Deputy General Manager of UniCredit S.p.A., COO, Head of Global Banking Services Strategic Business Area, member of the Executive Management Committee of UniCredit S.p.A., Milan until 22 September 2010		UniCredit Bank Austria AG, Vienna[2] (Chairman) UniCredit Credit Management Bank, Verona[2]
Giulio Gambino Employee, UniCredit Bank AG, Unterschleissheim until 22 September 2010		
Klaus Grünewald FB1 unit manager in the Bavarian division of Vereinte Dienstleistungsgewerkschaft, Gröbenzell	Fiducia IT AG, Karlsruhe	
Karl Guha Chief Risk Officer, member of the Executive Management Committee of UniCredit S.p.A., Milan until 22 September 2010		

1 as of 31 December 2010
2 Group directorship

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
Werner Habich Employee, UniCredit Bank AG, Mindelheim since 16 January 2011		
Beate Mensch Trade union secretary in the North Rhine-Westphalian division of ver.di-Vereinte Dienstleistungsgewerkschaft, unit 10, Cologne until 22 September 2010	DHL Freight GmbH, Bonn	
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		
Roberto Nicastro General Manager of UniCredit S.p.A., Head of F&SME, PB & CEE Strategic Business Area, member of the Executive Management Committee of UniCredit S.p.A., Milan until 22 September 2010		Zao UniCredit Bank[2] ABI – Italian Banking Association[2] UniCredit Bank Austria AG, Vienna[2] EFMA SARL (European Financial Management & Marketing Association), Paris (Chairman) Bank Pekao, Poland[2] Banco di Sicilia[2], until 31 October 2010
Klaus-Peter Prinz Employee, UniCredit Luxembourg S. A., Trier since 22 September 2010		
Panagiotis Sfeliniotis Employee, UniCredit Direct Services GmbH, Munich until 22 September 2010	UniCredit Direct Services GmbH, Munich	
Professor Hans-Werner Sinn President of the ifo Institute for Economic Research, Gauting until 22 September 2010	Thüga AG, Munich	
Jutta Streit Employee, UniCredit Bank AG, Augsburg until 15 January 2011		
Michael Voss Employee, UniCredit Bank AG, Gröbenzell until 22 September 2010		
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 (Chairman), Kolbermoor Strenesse AG, Nördlingen Wacker Chemie AG, Munich	

1 as of 31 December 2010
2 Group directorship

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

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], since 20 May 2010 PlanetHome AG, Unterföhring near Munich (Deputy Chairman)[2] UniCredit Direct Services GmbH, Munich (Chairman)[2]	Wealth Management Capital Holding GmbH, Munich[2]
Lutz Diederichs	Deutsche Schiffsbank AG, Bremen/Hamburg Köhler & Krenzer Fashion AG, Ehrenberg	UniCredit Leasing S.p.A, Bologna (Italy)
Rolf Friedhofen until 31 May 2010	HVB Immobilien AG, Munich (Deputy Chairman)[2], until 31 May 2010 HVB Trust Pensionsfonds AG, Munich[2], until 31 May 2010	Wealth Management Capital Holding GmbH, Munich (Deputy Chairman)[2], until 31 May 2010
Peter Hofbauer since 1 November 2010	HVB Immobilien AG, Munich (Deputy Chairman)[2], since 1 June 2010 HVB Trust Pensionsfonds AG, Munich (Deputy Chairman), since 7 June 2010	Bank für Tirol und Vorarlberg AG, Innsbruck CA-Immo International AG, Vienna, until 16 November 2010 Public Joint Stock Company "UKRSOTSBANK", Kiev (Ukraine) Wealth Management Capital Holding GmbH, Munich, since 15 June 2010 (Deputy Chairman since 28 June 2010)[2] Wietersdorfer Industrie-Beteiligungs-GmbH, Klagenfurt Wietersdorfer Rohrbeteiligungs GmbH, Klagenfurt
Heinz Laber	Internationales Immobilien-Institut GmbH, Munich[2] HVB Immobilien AG, Munich (Chairman)[2] HVB Trust Pensionsfonds AG, Munich[2] (Chairman)	BVV Versicherungsverein des Bankgewerbes a. G., Berlin (Chairman) HVB Secur GmbH, Munich (Deputy Chairman)[2], since 1 January 2011 UniCredit Business Partner Società Consortile per Azioni, Cologno Monzese (Italy) UniCredit Global Information Services Società Consortile per Azioni, Milan (Italy)
Andrea Umberto Varese	HVB Immobilien AG, Munich[2]	Wealth Management Capital Holding GmbH, Munich[2] UniCredit Credit Management Bank S.p.A., Verona, since 1 August 2010
Dr Theodor Weimer Spokesman	Bayerische Börse AG, Munich, since 1 July 2010 DAB Bank AG, Munich (Chairman)[2] ERGO Versicherungsgruppe AG, Düsseldorf, since 12 May 2010	UniCredit Luxembourg S.A., Luxembourg (Deputy Chairman)[2] UniCredit CAIB AG, Vienna (Chairman), until 1 July 2010
Andreas Wölfer		Schoellerbank AG, Vienna (Chairman) UniCredit Luxembourg S.A., Luxembourg (Chairman)[2] UniCredit Private Banking S.p.A., Turin (Italy), until 1 November 2010 Wealth Management Capital Holding GmbH, Munich (Deputy Chairman)[2]

1 as of 31 December 2010
2 Group directorship

List of employees and outside directorships

NAME	POSITIONS ON STATUTORY SUPERVISORY BOARDS OF OTHER COMPANIES
Matthias Biebl	Wacker Chemie AG, Munich
Carsten Dieck	UniCredit Leasing GmbH, Hamburg[2]
Matthias Glückert	Oechsler AG, Ansbach
Klaus Greger	Bankhaus Neelmeyer AG, Bremen (Deputy Chairman)[2] MHM Holding GmbH, Kirchheim-Heimstetten UniCredit Leasing GmbH, Hamburg (Chairman)[2]
Gertraud Helena Grupp-Bolzen	ComputerLinks AG, Munich (Deputy Chairman)
Jens Hagen	UniCredit Leasing GmbH, Hamburg[2]
Dr Martin Hebertinger	UniCredit Direct Services GmbH, Munich[2] UniCredit Leasing GmbH, Hamburg[2]
Klaus Holzmann	Yorma's AG, Deggendorf (Deputy Chairman)
Sven Loeckel	ConCardis GmbH, Frankfurt am Main
Martin Marsmann	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main (Deputy Chairman)
Jörg Pietzner	Bankhaus Neelmeyer AG, Bremen[2]
Dr Guido Schacht	AVAG Holding AG, Augsburg
Joachim Scheuenpflug	Bankhaus Neelmeyer AG, Bremen[2] PlanetHome AG, Unterföhring near Munich[2]
Stefan Sonnenberg	Bankhaus Neelmeyer AG, Bremen[2]
Gabriela Vetter	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main
Heike Wagner	WABCO GmbH, Hanover WABCO Holding GmbH, Hanover

1 as of 31 December 2010
2 Group directorship

List of Holdings

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

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
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	77.5		EUR	147,227	15,682
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	25,547	6,112
UniCredit Luxembourg S.A.	Luxembourg	100.0		EUR	1,291,206	236,106
1.1.2 Other consolidated subsidiaries						
AB Immobilienverwaltungs-GmbH	Munich	100.0	100.0	EUR	40	0
Acis Immobilien- und Projektentwicklungs GmbH & Co. Oberbaum City KG[3]	Munich	100.0	100.0	EUR	31	1,468
Acis Immobilien- und Projektentwicklungs GmbH & Co. Parkkolonnaden KG[3]	Munich	100.0	100.0	EUR	32	1,790
Acis Immobilien- und Projektentwicklungs GmbH & Co. Stuttgart Kronprinzstraße KG[3]	Munich	100.0	100.0	EUR	30	195
Active Asset Management GmbH	Grünwald	100.0	100.0	EUR	192	23
AGROB Immobilien AG (share of voting rights: 75.0%)[4]	Ismaning	52.7	52.7	EUR	18,972	1,331
Argentaurus Immobilien-Vermietungs- und Verwaltungs GmbH[3]	Munich	100.0	100.0	EUR	793	[2]
ARRONDA Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(47,402)	975
Atlanterra Immobilienverwaltungs GmbH	Munich	90.0	90.0	EUR	(40,187)	975
A&T-Projektentwicklungs GmbH & Co. Potsdamer Platz Berlin KG[3]	Munich	66.7	66.7	EUR	(37,265)	950
Aufbau Dresden GmbH	Munich	100.0	100.0	EUR	(23,944)	0
BaLea Soft GmbH & Co. KG	Hamburg	100.0	100.0	EUR	5,666	855
BaLea Soft Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0	EUR	81	2
Bank Austria ImmobilienService GmbH	Vienna	100.0	100.0	EUR	71	(380)
B.I. International Limited	George Town	100.0	100.0	EUR	(750)	(107)
BIL Leasing-Fonds GmbH & Co VELUM KG (share of voting rights 66.7% total, of which 33.3% held indirectly)	Munich	100.0	0.0	EUR	0	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	1	(1)
Blue Capital Equity GmbH	Hamburg	100.0	100.0	EUR	(2,309)	3,360
Blue Capital Equity Management GmbH	Hamburg	100.0	100.0	EUR	3,704	1,424
Blue Capital Europa Immobilien GmbH & Co. Achte Objekte Großbritannien KG	Hamburg	100.0	100.0	EUR	3,874	(960)
Blue Capital Fonds GmbH	Hamburg	100.0	100.0	EUR	649	137
Blue Capital USA Immobilien Verwaltungs GmbH	Hamburg	100.0	100.0	EUR	220	170
BV Grundstücksentwicklungs-GmbH[3]	Munich	100.0	100.0	EUR	511	[2]
Cameron Granville Asset Management (SPV-AMC), Inc.	Global City, Taguig	100.0	100.0	PHP	(808,055)	(149,169)
Cameron Granville 2 Asset Management Inc.	Global City, Taguig	100.0	100.0	PHP	(637,417)	(451,376)
Cameron Granville 3 Asset Management Inc.	Global City, Taguig	100.0	100.0	PHP	(747,133)	(191,246)
Central European Confectionery Holdings B.V.	Amsterdam	100.0		USD	(13,280)	(8,026)
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Alpha Management KG[3]	Munich	100.0	100.0	EUR	(23,855)	975
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Beta Management KG[3]	Munich	100.0	100.0	EUR	(54,452)	975
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Gamma Management KG[3]	Munich	100.0	100.0	EUR	(60,468)	975
Enderlein & Co. GmbH	Bielefeld	100.0	100.0	EUR	114	[2]
Food & more GmbH	Munich	100.0		EUR	100	[1.2]

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
GIMMO Immobilien-Vermietungs- und Verwaltungs GmbH	Munich	100.0	100.0	EUR	20	2
Golf- und Country Club Seddiner See Immobilien GmbH	Berlin	94.0	94.0	EUR	(15,507)	975
Grand Central Re Limited	Hamilton	92.5		USD	46,628	4,216
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	1,324
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	7	2
HVB Alternative Advisors LLC	Wilmington	100.0		USD	12,869	8,147
HVB Asia Limited	Singapore	100.0		EUR	11,699	6,538
HVB Asset Leasing Limited	London	100.0	100.0	USD	0	11,159
HVB Asset Management Holding GmbH	Munich	100.0	100.0	EUR	25	2
HVB Capital Asia Limited	Hong Kong	100.0		JPY	8,812,654	13,630
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	261	7
HVB Capital LLC VIII	Wilmington	100.0		EUR	0	0
HVB Capital Partners AG	Munich	100.0		EUR	12,671	1.3
HVB Export Leasing GmbH	Munich	100.0		EUR	40	(1)
HVB Finance London Limited	London	100.0		EUR	567	216
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	41	2
HVB Gesellschaft für Gebäude mbH & Co KG[3]	Munich	100.0		EUR	871,401	14,897
HVB Global Assets Company (GP), LLC	City of Dover	100.0		USD	139	3
HVB Global Assets Company, L.P.[5]	City of Dover	5.0		USD	1,027,931	4,611
HVB Hong Kong Limited	Hong Kong	100.0		USD	3,923	53
HVB Immobilien AG[3]	Munich	100.0		EUR	86,644	1.4
HVB International Asset Leasing GmbH	Munich	100.0		EUR	760	(18)
HVB Investments (UK) Limited	George Town	100.0		GBP	200,510	758
HVB London Investments (AVON) Limited	London	100.0		GBP	2,536	1
HVB London Investments (CAM) Limited	London	100.0		GBP	120	0
HVB Principal Equity GmbH	Munich	100.0		EUR	34	1.5
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		EUR	97	(3)
HVB Tecta GmbH[3]	Munich	100.0	94.0	EUR	1,751	2
HVB Verwa 1 GmbH	Munich	100.0		EUR	41	0
HVB Verwa 4 GmbH	Munich	100.0		EUR	132	1.6
HVB Verwa 4.4 GmbH	Munich	100.0	100.0	EUR	25	2
HVBFF International Greece GmbH[4]	Munich	100.0	100.0	EUR	(477)	631
HVBFF Internationale Leasing GmbH	Munich	100.0	100.0	EUR	12	0
HVBFF Objekt Beteiligungs GmbH	Munich	100.0	100.0	EUR	28	12
HVBFF Produktionshalle GmbH in liquidation	Munich	100.0	100.0	EUR	22	(1)
HVZ GmbH & Co. Objekt KG[3]	Munich	100.0	100.0	EUR	148,091	1,481
Hypo-Bank Verwaltungszentrum GmbH	Munich	100.0	100.0	EUR	48	(23)
Hypo-Bank Verwaltungszentrum GmbH & Co. KG						
Objekt Arabellastraße[3]	Munich	100.0	100.0	EUR	26	(1,625)
HypoVereinsFinance N.V.	Amsterdam	100.0		EUR	2,141	747
Internationales Immobilien-Institut GmbH	Munich	94.0		EUR	8,609	2,438
Interra Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	51	2
Kinabalu Financial Products LLP	London	100.0		GBP	859	262

List of Holdings (Continued)

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
Kinabalu Financial Solutions Limited	London	100.0		GBP	3,614	2,430
Life Management Erste GmbH	Munich	100.0	100.0	EUR	24	[2]
Life Management Zweite GmbH	Grünwald	100.0	100.0	EUR	26	[2]
MERKURHOF Grundstücksgesellschaft mit beschränkter Haftung	Hamburg	100.0		EUR	16,692	318
Mobility Concept GmbH	Oberhaching	60.0	60.0	EUR	6,072	2,318
Movie Market Beteiligungs GmbH	Munich	100.0	100.0	EUR	19	(1)
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	11,831	10,211
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	(18,942)	0
Othmarschen Park Hamburg GmbH & Co. Gewerbepark KG[3]	Munich	100.0	100.0	EUR	(44,083)	975
PlanetHome AG	Unterföhring	100.0		EUR	29,406	3,043
PlanetHome GmbH	Mannheim	100.0	100.0	EUR	1,480	920
Portia Grundstücks-Verwaltungsgesellschaft mbH & Co. Objekt KG[3]	Munich	100.0	100.0	EUR	500,014	8,338
"Portia" Grundstücksverwaltungs-Gesellschaft mit beschränkter Haftung	Munich	100.0	100.0	EUR	30	4
RHOTERRA Gesellschaft für Immobilienverwaltung mbH[3]	Munich	100.0	93.8	EUR	26	[2]
Roncasa Immobilien-Verwaltungs GmbH	Munich	90.0	90.0	EUR	(41,945)	400
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	163
Salvatorplatz-Grundstücksgesellschaft mbH & Co. OHG Verwaltungszentrum[3]	Munich	100.0	100.0	EUR	2,301	2,934
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	(37,624)	74
SRQ FinanzPartner AG	Berlin	82.2	82.2	EUR	892	(33)
Status Vermögensverwaltung GmbH	Schwerin	100.0		EUR	1,647	131
Structured Invest Société Anonyme	Luxembourg-Kirchberg	100.0		EUR	6,426	1,437
Structured Lease GmbH	Hamburg	100.0	100.0	EUR	750	[2]
T & P Frankfurt Development B.V.	Amsterdam	100.0	100.0	EUR	(6,970)	19
T & P Vastgoed Stuttgart B.V.	Amsterdam	87.5	87.5	EUR	(15,415)	28
TERRENO Grundstücksverwaltung GmbH & Co. Entwicklungs- und Finanzierungsvermittlungs-KG[3]	Munich	75.0	75,0	EUR	(268,579)	975
Terronda Development B.V.	Amsterdam	100.0	100.0	EUR	(370)	(14)
TIVOLI Grundstücks-Aktiengesellschaft	Munich	99.7	99.7	EUR	11,260	3,744
TRICASA Grundbesitz Gesellschaft mbH & Co. 1. Vermietungs KG[3]	Munich	100.0	100.0	EUR	3,454	1,055
TRICASA Grundbesitzgesellschaft des bürgerlichen Rechts Nr. 1	Munich	100.0	100.0	EUR	940	930
Trinitrade Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung	Munich	100.0		EUR	1,318	1
UniCredit Beteiligungs GmbH	Munich	100.0		EUR	1,147	[1,7]
UniCredit CAIB Securities UK Ltd.	London	100.0		GBP	448	111,999
UniCredit Capital Markets LLC	New York	100.0	100.0	USD	24,616	(3,566)
UniCredit (China) Advisory Limited	Beijing	100.0		CNY	(177)	(1,048)
UniCredit Direct Services GmbH[3]	Munich	100.0		EUR	860	[1,8]
UniCredit Leasing Aviation GmbH	Hamburg	100.0	100.0	EUR	971	(1,129)
UniCredit Leasing GmbH	Hamburg	100.0		EUR	162,026	[1,9]
UniCredit London Investments Limited	London	100.0		GBP	0	0
UniCredit U.S. Finance LLC	Wilmington	100.0		USD	38,421	68
US Property Investments Inc.	Dallas	100.0		USD	669	52

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
Verba Verwaltungsgesellschaft mbH	Munich	100.0		EUR	767	2
Verwaltungsgesellschaft Katharinenhof mbH[3]	Hamburg	100.0		EUR	708	[1,10]
V.M.G. Vermietungsgesellschaft mbH	Munich	100.0	100.0	EUR	26	[2]
Wealth Management Capital Holding GmbH	Munich	100.0		EUR	20,475	[1,11]
WealthCap Initiatoren GmbH	Hamburg	100.0	100.0	EUR	3,277	1,743
WealthCap Investorenbetreuung GmbH	Munich	100.0	100.0	EUR	155	[2]
WealthCap PEIA Komplementär GmbH	Munich	100.0	100.0	EUR	24	(17)
WealthCap PEIA Management GmbH	Munich	100.0	94.0	EUR	270	(776)
WealthCap Real Estate Management GmbH	Munich	100.0	100.0	EUR	108	[2]
WealthCap Stiftungstreuhand GmbH	Hamburg	100.0	100.0	EUR	30	6
1.2 Non-consolidated subsidiaries of HVB Group[6]						
1.2.1 Banks and financial institutions						
HVB Singapore Limited	Singapore	100.0	100.0	EUR	6,733	(68)
1.2.2 Other non-consolidated subsidiaries						
Acis Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0			
AGRUND Grundstücks-GmbH	Munich	90.0	90.0			
Alexandersson Real Estate I B.V.	Apeldoorn	100.0	100.0			
Allcasa Immobilien-Verwaltungs GmbH	Munich	100.0	100.0			
ALLTERRA Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(6,200)	1
“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	262	255
Antus Immobilien- und Projektentwicklungs GmbH	Munich	90.0	90.0	EUR	(16,872)	0
ANWA Gesellschaft für Anlagenverwaltung mbH	Munich	95.0	93.8			
Apir Verwaltungsgesellschaft mbH & Co. Immobilien- und Vermietungs KG	Munich	100.0	100.0	EUR	(19,269)	968
Arena Stadion Beteiligungsverwaltungs-GmbH	Munich	100.0				
Argentum Media GmbH & Co. KG	Hamburg	100.0				
Asset Management Bremen GmbH	Bremen	100.0	100.0	EUR	83	[2]
A&T-Projektentwicklungs-Verwaltungs GmbH	Munich	66.7	66.7			
Bavaria Servicos de Representacao Comercial Ltda.	Sao Paulo	100.0				
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			
BIL Immobilien Fonds GmbH & Co Objekt Perlach KG	Munich	100.0	100.0	EUR	2,953	(133)
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	Munich	100.0	100.0	EUR	403	(362)
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]

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
BV Grundstücksentwicklungs-GmbH & Co. Schloßberg-Projektentwicklungs-KG	Munich	100.0	100.0			
BV Grundstücksentwicklungs-GmbH & Co. Verwaltungs-KG	Munich	100.0		EUR	511	460
CL Dritte Car Leasing GmbH & Co. KG	Hamburg	100.0	100.0			
CL Dritte Car Leasing Verwaltungsgesellschaft mbH	Hamburg	100.0	100.0			
CUMTERRA Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	93.8	EUR	26	2
Deltaterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	93.8	EUR	26	2
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Mose KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5			
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Grefrath KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5			
Erste Onshore Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Krähenberg KG (share of voting rights: 68.3%)	Oldenburg	68.5	68.5	EUR	(1,488)	(98)
Euro-Bond Blue Capital Management GmbH	Bad Soden	100.0	100.0			
Euro-Bond Blue Capital Verwaltungs GmbH	Bad Soden	100.0	100.0			
Ferra Immobilien- und Projektentwicklungs GmbH & Co. Projekt Großenhainer Straße KG	Munich	100.0	100.0	EUR	(13,133)	1,000
FGB Grund und Boden GmbH & Co. KG	Munich	94.0	94.0	EUR	(4,002)	1
GCCS Golfanlagen Errichtungs- und Verwaltungs GmbH	Berlin	100.0	100.0	EUR	26	2
GE Immobilienverwaltungs-GmbH & Co. Grundstücks-KG	Munich	100.0	100.0	EUR	256	(314)
Großkugel Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	(3,354)	2
H & B Immobilien GmbH & Co. Objekte KG	Munich	100.0	100.0	EUR	5	(1,581)
HAWA Grundstücks GmbH & Co. OHG Hotelverwaltung	Munich	100.0	100.0	EUR	276	(723)
HAWA Grundstücks GmbH & Co. OHG Immobilienverwaltung	Munich	100.0	100.0			
Hekla Immobilien- und Projektentwicklungs GmbH & Co. Vermietungs KG	Munich	100.0	100.0	EUR	(6,308)	(3)
H.F.S. Immobilienfonds Deutschland 19 GmbH & Co. KG	Munich	100.0	100.0			
H.F.S. Immobilienfonds Europa 1 Beteiligungs GmbH	Munich	100.0	100.0			
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	(49,103)	(34)
Hotel Seddiner See GmbH	Berlin	94.0	94.0			
HVB Beteiligungsgesellschaft mbH	Munich	100.0		EUR	376	(564)
HVB Expertise GmbH	Munich	100.0		EUR	1,066	192
HVB Life Science GmbH	Munich	100.0				
HVB Life Science GmbH & Co. Beteiligungs-KG	Munich	100.0				
HVB London Trading Ltd.	London	100.0				
HVB Mortgage Capital Corp.	Wilmington	100.0	100.0			
HVB Profil Gesellschaft für Personalmanagement mbH	Munich	100.0		EUR	28	1.12
HVB Projekt Emilienhof GmbH & Co. KG	Munich	100.0	100.0			
HVB Services South Africa (Proprietary) Limited	Johannesburg	100.0				
HVB Verwa 3 GmbH	Munich	100.0		EUR	767	1.13
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
HVB Verwa 7 GmbH	Munich	100.0		EUR	22	1.14
HVB Verwa 8 GmbH	Munich	100.0		EUR	25	1.15
HVBFF Baumanagement GmbH	Munich	100.0	100.0	EUR	50	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
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
HYPO-REAL Haus- und Grundbesitz Gesellschaft mbH & Co. Immobilien-Vermietungs KG	Munich	80.0	80.0	EUR	(1,800)	1,000
Keller Crossing L.P.	Wilmington	100.0	100.0	USD	(278)	(154)
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße I KG	Munich	100.0	100.0	EUR	(5,342)	971
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße II KG	Munich	100.0	100.0	EUR	(3,285)	974
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße III KG	Munich	100.0	100.0	EUR	(3,478)	(1)
KHR Projektentwicklungsgesellschaft mbH & Co. Objekt Bornitzstraße KG	Munich	100.0	100.0	EUR	(19,799)	985
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	EUR	45	188
Life Science I Beteiligungs GmbH	Munich	100.0	100.0	EUR	(1,613)	85
Life Verwaltungs Erste GmbH	Munich	100.0	100.0			
Life Verwaltungs Zweite GmbH	Grünwald	100.0	100.0			
Marienplatz Großgarage GmbH	Munich	66.7	66.7	EUR	749	405
MILLETERRA Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	25	2
Motion Picture Production GmbH	Grünwald	51.2	51.2			
Mutnegra Beteiligungs- und Verwaltungs-GmbH	Hamburg	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 Eggenfeldener Straße KG	Munich	100.0	94.0			
Omnia Grundstücks-GmbH & Co. Objekt Haidenauplatz KG	Munich	100.0	94.0	EUR	26	(159)
Omnia Grundstücks-GmbH & Co. Objekt Ostragehege KG	Munich	100.0	94.0			
Othmarschen Park Hamburg Wohn- und Gewerbepark GmbH	Munich	100.0	100.0			
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	0	975
Prunus Immobilien- und Vermietungs GmbH	Munich	100.0	100.0	EUR	(3,410)	950
Quinterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	26	2
Randus Beteiligungs GmbH	Munich	100.0	100.0	EUR	26	2
Rolin Grundstücksplanungs- und -verwaltungsgesellschaft mbH	Munich	100.0	100.0	EUR		
Rotus Immobilien-Verwaltungs GmbH	Munich	100.0	100.0	EUR	26	2
Rotus Immobilien-Verwaltungs GmbH & Co. Objekt Eggenfeldener Straße KG in liquidation	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			
Schönefeld Wohn- und Gewerbebau GmbH & Co. Dorfanger KG	Munich	100.0	100.0			
Selfoss Beteiligungsgesellschaft mbH	Grünwald	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
Simon Verwaltungs-Aktiengesellschaft in liquidation	Munich	100.0		EUR	3,131	0
Spree Galerie Hotelbetriebsgesellschaft mbH	Munich	100.0	100.0	EUR	249	[2]
STARS Geschäftsführungs- und Verwaltungs-GmbH	Munich	100.0				
STARS GmbH & Co. KGaA	Munich	100.0				
TERRA MAGNA Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	25	[2]
TERRENO Grundstücksverwaltung GmbH	Munich	75.0	75.0			
TERRENO Grundstücksverwaltung GmbH & Co.						
Objektgesellschaft Grillparzerstraße KG	Munich	75.0		EUR	(8,652)	914
The St. Margarets Limited Partnership	George Town	99.0	99.0	USD	60,790	2,617
Tishman Speyer Berlin Friedrichstraße KG in liquidation (share of						
voting rights: 93.4% total, of which 6.9% held indirectly)	Berlin	94.4	5.8	EUR	(265)	517
Transterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	93.8	EUR	26	[2]
UniCredit Advisory Limited						
(liquidated on 25 February 2011)	Hong Kong	100.0				
VCI Volta Center Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(19,080)	897
Vereinsbank Leasing International Verwaltungsgesellschaft mbH						
in liquidation	Hamburg	100.0	100.0			
VereinWest Overseas Finance (Jersey) Limited	St. Helier	100.0				
Vintners London Investments (Nile) Limited	George Town	100.0	100.0			
VuWB Investments Inc.	Atlanta	100.0	100.0	USD	1,172	753
WCREM Canadian Investments Inc.	Toronto	100.0	100.0	CAD	264	225
WCREM Canadian Management Inc.	Toronto	100.0	100.0			
WealthCap Aircraft 25 GmbH & Co. KG	Munich	100.0	100.0			
WealthCap Geothermie 1 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Immobilienfonds Deutschland 33 GmbH & Co. KG						
(share of voting rights: 75%)	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 Private Equity 13 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Private Equity 14 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Private Equity 15 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap Real Estate Komplementär GmbH	Munich	100.0	100.0			
WealthCap Real Estate Sekundär GmbH	Munich	100.0	100.0			
WealthCap SachWerte Portfolio 1 GmbH & Co. KG	Grünwald	100.0	100.0			
WealthCap US Life Dritte Management GmbH	Munich	100.0	100.0			
Wealth Capital Investments, Inc.	Wilmington	100.0	100.0	USD	3,238	92
Wealth Capital Management, Inc.	Wilmington	100.0	100.0	USD	585	(56)
2 Joint ventures[6]						
Minor joint ventures						
Other companies						
Global Life Science Limited Partnership	St. Peter Port	23.8		EUR	7	(176)
Heizkraftwerk Cottbus Verwaltungs GmbH	Munich	33.3		EUR	344	613
Heizkraftwerke-Pool Verwaltungs-GmbH	Munich	33.3		EUR	107	741
N665UA Offshore GP, LLC	Wilmington	33.3	33.3			
N665UA Offshore OP, L.P. (share of voting rights: 0%)	Wilmington	33.2	33.2	USD	(2,901)	1,143
Wertweiser GmbH	Munich	50.0	50.0	EUR	949	310

		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
3 Associated companies						
3.1 Associated companies valued at equity						
Other companies						
UniCredit Global Information Services Società						
Consortile per Azioni	Milan	24.7		EUR	378,608	23,317
3.2 Minor associated companies[6]						
Other companies						
Adler Funding LLC	Dover	32.8				
BIL Leasing GmbH & Co Hotel Ulm KG	Munich	29.0	29.0	EUR	(2,205)	468
CMP Fonds I GmbH (share of voting rights: 25%)	Berlin	32.7		EUR	19,616	(847)
DFA Deggendorfer Freihafen Ansiedlungs-GmbH	Deggendorf	50.0	50.0			
DFA Deggendorfer Freihafen Ansiedlungs-GmbH & Co.						
Grundstücks-KG	Deggendorf	50.0	50.0			
MOC Verwaltungs GmbH	Munich	23.0	23.0			
MOC Verwaltungs GmbH & Co. Immobilien KG[7]	Munich	23.0	23.0	EUR	206	162
SK BV Grundstücksentwicklung GmbH & Co. KG	Cologne	25.0	25.0	EUR	(850)	99
SK BV Grundstücksentwicklung Verwaltung GmbH	Cologne	50.0	50.0			
4 Holdings in excess of 20%						
without significant influence[6]						
Other companies						
AS Alta Property & Construction	Riga	20.0		LVL	(11,262)	(24,952)
BayBG Bayerische Beteiligungsgesellschaft mbH	Munich	22.5		EUR	152,229	5,222
Bayerischer BankenFonds GbR	Munich	25.6				
BC European Capital VII-12 L.P. (share of voting rights: 0%)	St. Peter Port	34.1		EUR	84,826	39,229
B.I.I. Creditanstalt International Ltd. (share of voting rights: 0%)	George Town	40.2				
BioM Venture Capital GmbH & Co. Fonds KG						
(share of voting rights: 20.4%)	Planegg/Martinsried	23.5		EUR	2,177	(8)
BWF Beteiligungsgesellschaft Wirtschaftsförderung mbH	Hamburg	50.0				
Comtrade Group B.V.	Amsterdam	21.1	21.1	EUR	21,532	(2,965)
Deutsche Structured Finance & Leasing GmbH & Co.						
Mira KG (share of voting rights: 39.8% total,						
of which 4% held indirectly)	Frankfurt am Main	39.9	4.0	EUR	(2,295)	694
Doughty Hanson & Co. Technology Limited Partnership						
Number 3 (share of voting rights: 0%)	London	22.3		USD	35,714	0
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	31,984	5,745
Felicitas GmbH in liquidation	Munich	20.8		EUR	1,741	229
Fondo Nord Ovest (share of voting rights: 0%)	Turin	26.7		EUR	15,580	(1,814)
GermanIncubator Erste Beteiligungs GmbH						
(share of voting rights: 9.9%)	Munich	39.6		EUR	2,091	(274)
HVB Trust Pensionsfonds AG (share of voting rights: 0%)[8]	Munich	100.0	100.0	EUR	3,500	0
InfrAm One Corporation	City of Lewes	37.5	37.5	USD	2,595	(2,114)
IPE Euro Wagon L.P. (share of voting rights: 0%)	St. Helier	37.9	379	EUR	23,449	7,835
Köhler & Krenzer Fashion AG	Ehrenberg	<50.0		EUR	38,959	1,067
Lauro Ventidue S.p.A.	Milan	24.2	24.2	USD	164,875	(56)
LNC Investments Holdings Inc. (share of voting rights: 40%)	Global City, Taguig	98.5	98.5	PHP	769	616
LNC (SPV-AMC) Corp.	Global City, Taguig	40.0	40.0	PHP	495,691	129,208
LNC3 Asset Management Inc.	Global City, Taguig	40.0	40.0	PHP	(666,503)	257,669
Martur Sünger ve Koltuk Tesisleri Ticaret ve Sanayi A.S.	Istanbul	20.0	20.0	TRY	96,332	24,625
Motion Picture Markets Holding GmbH in liquidation	Grünwald	33.3	33.3			

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
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	3,692	2,839
REF IV Associates (Caymans) L.P. Acqua CIV S.C.S. (share of voting rights: 0%)	Luxembourg	38.3	38.3			
Rolo Impresa Fondo Comune di Investimento Mobiliare Chiuso (share of voting rights: 0%)	Milan	73.1		EUR	52,939	(3,329)
Sentient Global Resources Fund I, L.P. (share of voting rights: 0%)	George Town	24.4		USD	167,819	62,396
Sticky Pitch Corporation (share of voting rights: 4.9%)	Wilmington	20.0	20.0			
TP Co-Investment Partners L.P. (share of voting rights: 0%)	Wilmington	100.0	100.0	USD	11,568	1,066
US Retail Income Fund VII L.P. (share of voting rights: 0.5%)	Wilmington	26.3	26.3	USD	15,955	659
WCG-NSL Holding LLC (share of voting rights: 0%)	Wilmington	22.1	22.1			

NAME	REGISTERED OFFICE	SHARE OF CAPITAL 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	13.1
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	8.9	8.4
Bürgschaftsbank Schleswig-Holstein GmbH	Kiel	6.0	3.6
Bürgschaftsbank Thüringen GmbH	Erfurt	8.7	12.9
Bürgschaftsgemeinschaft Hamburg GmbH	Hamburg	10.5	10.9
Deutsche Schiffsbank AG	Bremen/Hamburg	7.9	147.0
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	69.2
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	10.4
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	0.0	EUR	40
Arabella Finance Ltd.	Dublin	0.0	EUR	<1
Bandon Leasing Ltd.	Dublin	0.0	USD	<1
Bavaria Universal Funding Corporation	Delaware	0.0	USD	10
Black Forest Funding LLC	Delaware	0.0	USD	10
Cosima Purchase No. 13 Ltd.	St. Helier	0.0	EUR	<1
Cosima Purchase No. 14 Ltd.	Dublin	0.0	EUR	<1
Cosima Purchase No. 15 Ltd.	Dublin	0.0	EUR	<1
Cosima Purchase No. 6 S.A. – Compartment 3	Luxembourg	0.0	EUR	0
Elektra Purchase No. 1 Ltd.	St. Helier	0.0	EUR	<1
Elektra Purchase No. 17 S.A. – Compartment 2	Luxembourg	0.0	EUR	0
Elektra Purchase No. 18 Ltd.	Dublin	0.0	EUR	<1
Elektra Purchase No. 23 Ltd.	Dublin	0.0	EUR	<1
Elektra Purchase No. 26 Ltd.	Dublin	0.0	EUR	<1
European-Office-Fonds	Munich	0.0	EUR	0
GELDILUX-TS-2007 S.A.	Luxembourg	0.0	EUR	31
GELDILUX-TS-2008 S.A.	Luxembourg	0.0	EUR	31
GELDILUX-TS-2010 S.A.	Luxembourg	0.0	EUR	31
Grand Central Funding Corporation	New York	0.0	USD	1
HVB Funding Trust	Wilmington	0.0	USD	0
HVB Funding Trust III	Wilmington	0.0	USD	0
Merrill Lynch Series PT-3364	New York	0.0	USD	0
Merrill Lynch Series PT-3951	St. Antonio	0.0	USD	0
Merrill Lynch Series PT-3989	Boston	0.0	USD	0
Merrill Lynch Series PT-4140	Boston	0.0	USD	0
Merrill Lynch Series PT-4155	Sacramento	0.0	USD	0
Merrill Lynch Series PT-4163	Clearwater	0.0	USD	0
Morgan Stanley Series 2006-1654	Dallas	0.0	USD	0
Morgan Stanley Series 2006-1678	Chicago	0.0	USD	0
Morgan Stanley Series 2008-2933	New York	0.0	USD	0
Morgan Stanley Series 2008-2934	Washington	0.0	USD	0
Morgan Stanley Series 2008-2935	Chicago	0.0	USD	0
Ocean Breeze Energy GmbH & Co. KG	Munich	0.0	EUR	27
Ocean Breeze Finance S.A. – Compartment 1	Luxembourg	0.0	EUR	0
Redstone Mortgages Ltd.	London	0.0	GBP	100
Rosenkavalier 2008 GmbH	Frankfurt am Main	0.0	EUR	25
Salome Funding Plc	Dublin	0.0	EUR	38
Sofimmocentrale S.A.[9]	Brussels	100.0	EUR	44,514
The Trans Value Trust Company Ltd.	Tokyo	0.0	JPY	0

List of Holdings (Continued)

Exchanges rates for 1 euro at 31 December 2010
Currency abbreviation according to the International Organisation for Standardisation (ISO) code.

Canada	1 euro =	1.3322	CAD
China	1 euro =	8.822	CNY
Japan	1 euro =	108.65	JPY
Latvia	1 euro =	0.7094	LVL
Philippines	1 euro =	58.3	PHP
Turkey	1 euro =	2.0694	TRY
UK	1 euro =	0.86075	GBP
USA	1 euro =	1.3362	USD

Notes and comments

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

1 UniCredit Bank AG has concluded profit-and-loss transfer agreements with the following companies:

	COMPANY	PROFIT/(LOSS) TRANSFERRED €'000
1.1	Bankhaus Neelmeyer AG, Bremen	351
1.2	Food & more GmbH, Munich	(198)
1.3	HVB Capital Partners AG, Munich	22,239
1.4	HVB Immobilien AG, Munich	(38,023)
1.5	HVB Principal Equity GmbH, Munich	68
1.6	HVB Verwa 4 GmbH, Munich	2,024
1.7	UniCredit Beteiligungs GmbH, Munich	(38)
1.8	UniCredit Direct Services GmbH, Munich	461
1.9	UniCredit Leasing GmbH, Hamburg	19,100
1.10	Verwaltungsgesellschaft Katharinenhof mbH, Hamburg	293
1.11	Wealth Management Capital Holding GmbH, Munich	14,194
1.12	HVB Profil Gesellschaft für Personalmanagement mbH, Munich	784
1.13	HVB Verwa 3 GmbH, Munich	(2)
1.14	HVB Verwa 7 GmbH, Munich	(3)
1.15	HVB Verwa 8 GmbH, Munich	(3)

2 Profit and loss transfer to shareholders and partners.

3 Compliant with Sections 264b and 264 (3) HGB, the company is exempt from the obligation to publish annual financial statements in accordance with the provisions applicable to corporations.

4 Figures of the 2009 annual accounts are indicated for this consolidated company.

5 Subsidiary since UniCredit Bank AG 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 HGB. This information is omitted for companies compliant with Section 285 No. 11a HGB, 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 UniCredit Bank AG.

9 Share of capital held by European-Office-Fonds, another special purpose entity consolidated pursuant to SIC 12.

Mortgage Banking

Coverage

(€ millions)

	2010	2009
A. Mortgage bonds		
Standard coverage		
1. Loans and receivables with banks		
Mortgage loans	—	—
2. Loans and receivables with customers		
Mortgage loans	29,306	32,055
Other eligible cover[1]		
1. Other lending to banks	—	—
2. Bonds and other fixed-income securities	2,743	2,313
3. Equalisation claims on government authorities	—	—
Subtotal	**32,049**	**34,368**
Total mortgage bonds requiring cover	26,833	29,874
Excess coverage	**5,216**	**4,494**
B. Public-sector bonds		
Standard coverage		
1. Loans and receivables with banks	679	906
Mortgage loans	—	—
Municipal loans	679	906
2. Loans and receivables with customers	8,024	8,184
including:		
Mortgage loans	45	282
Municipal loans	7,979	7,902
3. Bonds and other fixed-income securities	657	672
Other eligible cover[2]		
Other lending to banks	—	—
Subtotal	**9,360**	**9,762**
Total public-sector bonds requiring cover	5,948	7,056
Excess coverage	**3,412**	**2,706**

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

Mortgage bonds outstanding and covering assets used

(€ millions)

	NOMINAL 2010	NOMINAL 2009	PRESENT VALUE 2010	PRESENT VALUE 2009	RISK PRESENT VALUE 2010	RISK PRESENT VALUE 2009
1. Mortgage bonds						
Covering assets[1]	32,049	34,368	34,219	36,737	35,307	38,063
thereof: derivatives	—	—	—	—	—	—
Mortgage bonds	26,833	29,874	28,750	32,045	29,929	33,512
Excess coverage	**5,216**	**4,494**	**5,469**	**4,692**	**5,378**	**4,551**
2. Public-sector bonds						
Covering assets[2]	9,360	9,762	9,977	10,395	9,583	10,019
thereof: derivatives	—	—	—	—	—	—
Mortgage bonds	5,948	7,056	6,487	7,602	6,154	7,245
Excess coverage	**3,412**	**2,706**	**3,490**	**2,793**	**3,429**	**2,774**

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

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

(€ millions)

	COVERING ASSETS 2010	COVERING ASSETS 2009	MORTGAGE BONDS 2010	MORTGAGE BONDS 2009
1. Mortgage bonds[1]				
less than 1 year	11,605	11,226	4,948	4,300
at least 1 year but less than 5 years	13,391	14,821	14,180	15,748
thereof: at least 1 year but less than 2 years[3]	3,882	4,643	5,675	4,943
at least 2 years but less than 3 years[3]	3,598	4,271	2,986	5,564
at least 3 years but less than 4 years[3]	2,816	3,113	2,608	2,846
at least 4 years but less than 5 years[3]	3,095	2,794	2,911	2,395
at least 5 years but less than 10 years	6,147	7,335	5,120	7,184
10 years or more	906	986	2,585	2,642
	32,049	**34,368**	**26,833**	**29,874**
2. Public-sector bonds[2]				
less than 1 year	3,594	3,745	659	1,670
at least 1 year but less than 5 years	2,777	3,329	2,317	2,036
thereof: at least 1 year but less than 2 years[3]	794	1,250	695	654
at least 2 years but less than 3 years[3]	672	740	455	414
at least 3 years but less than 4 years[3]	769	620	608	375
at least 4 years but less than 5 years[3]	542	719	559	593
at least 5 years but less than 10 years	2,158	1,982	1,649	2,012
10 years or more	831	706	1,323	1,338
	9,360	**9,762**	**5,948**	**7,056**

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

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

(€ millions)

	2010	2009
Mortgage covering assets		
up to and including €300,000	16,531	18,724
over €300,000 up to and including €5,000,000	8,312	8,966
more than €5,000,000	4,463	4,366
	29,306	**32,056**

Mortgage Banking (Continued)

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	
	2010	2009	2010	2009
1. Germany				
Apartments	6,111	7,010	—	—
Single-family houses	7,085	7,956	—	—
Multi-family houses	7,115	7,560	—	—
Office buildings	—	—	3,589	3,756
Commercial buildings	—	—	2,871	3,012
Industrial buildings	—	—	606	609
Other commercially used buildings	—	—	726	745
Buildings under construction	679	791	440	522
Building sites	26	30	47	53
	21,016	**23,347**	**8,279**	**8,697**
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**
5. Austria				
Office buildings	—	—	—	5
	—	**—**	**—**	**5**
6. Spain				
Single-family houses	—	1	—	—
	—	**1**	**—**	**—**
	21,019	**23,351**	**8,279**	**8,705**

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

(€ millions)

	COVERING ASSETS	
	2010	2009
1. Germany		
Central government	7	10
Regional authorities	2,953	3,053
Public-sector authorities	4,436	4,429
Other	1,610	1,884
	9,006	**9,376**
2. Greece		
Central government	113	136
Other	—	—
	113	**136**
3. Austria		
Central government	200	200
	200	**200**
4. Spain		
Public-sector authorities	41	50
	41	**50**
	9,360	**9,762**

Mortgage Banking (Continued)

Payments in arrears

Payments in arrears on mortgages and public-sector loans and receivables due between 1 October 2009 and 30 September 2010 break down as follows:

(€ millions)

	COVERING ASSETS	
	2010	2009
1. Payments in arrears on mortgages		
Germany	4	7
	4	**7**
2. Payments in arrears on public-sector loans and receivables		
Germany		
Regional authorities[1]	—	—
Other[1]	—	1
	—	**1**

1 officially guaranteed loans and receivables

Foreclosures and sequestrations

		OF WHICH:	
		COMMERCIAL PROPERTY 2010	RESIDENTIAL PROPERTY 2010
1. Foreclosures and sequestrations			
	NUMBER OF PROCEEDINGS		
a) Pending at 31 December 2010			
Foreclosure proceedings	526	156	370
Sequestration proceedings	24	10	14
Foreclosure and sequestration proceedings	401	108	293
(comparative figures from 2009	618	28	590)
b) Foreclosures finalised in 2010	**61**	**28**	**33**
(comparative figures from 2009	123	6	117)
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.			

Interest in arrears

Interest in arrears on mortgage-covering assets due between 1 October 2009 and 30 September 2010 break down as follows:

(€ millions)

	2010	2009
Commercial property	—	1
Residential property	—	2

The present annual financial statements were prepared on 11 March 2011.

UniCredit Bank AG
The Management Board

Buschbeck	Diederichs	Hofbauer	Laber
Varese	Dr Weimer	Wölfer	

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, 11 March 2011

UniCredit Bank AG
The Management Board

Buschbeck	Diederichs	Hofbauer	Laber
Varese	Dr Weimer	Wölfer	

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 2010. 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, 14 March 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski	Pfeiffer
Wirtschaftsprüfer	Wirtschaftsprüfer

Business Performance of HVB Group

Underlying conditions and general comments on the business situation

The global economy continued to perform well in the first quarter of 2011, even if growth did slow somewhat in individual countries like China and the United States. The disastrous earthquake in Japan and its consequences did not have a noticeable effect on global output, although the impact on the Japanese economy certainly was painful. Despite the persistently high budget and foreign trade deficits, the labour market in the United States advanced well. The Federal Reserve (Fed) left its key interest rates unchanged in the first quarter of 2011 and purchased further government bonds.

The economic recovery continued from last year in the eurozone, albeit with core and peripheral countries expanding at different speeds. The debt crisis in a number of states led to persistently high budget deficits; to provide support, the European Central Bank continued to buy government bonds issued by the countries concerned, although to a lesser extent than in 2010. At the same time, the business climate in the eurozone also improved in countries like Spain and Ireland. Among the core countries, Germany performed particularly strongly. Its economy continued to expand, driven by both domestic demand and exports. The employment trend remained positive and private consumption increased constantly.

The European capital markets started very strongly in 2011 across all asset classes. There was a sharp correction in mid-March following the natural disaster in Japan, but the lost ground was regained by a sharp rebound within a few days. As of the end of March, Germany's benchmark index, the DAX30, had risen 2% over its year-end total and the eurozone's benchmark index, the EuroStoxx50, had climbed 4%. The rise in yields on ten-year German government bonds continued following a short pause in mid-March; an increase of 38 basis points to 3.35% was recorded over the first quarter as a whole. Short-term interest rates similarly continued to rise. The European Central Bank raised its key interest rate by 25 basis points in March to 1.25%. In parallel to the rise in interest rates, the euro appreciated – considerably at times – against the US dollar, the British pound, the Swiss franc and the Japanese yen. The credit market was characterised by a period of rapidly narrowing spreads in January, with the level reached being largely maintained through February and March. The only countries to see their spreads remain at year-end levels were Greece, Ireland and Portugal. So far in the second quarter, a good start has given way to a period of weakness caused by concerns on the market about the creditworthiness of the United States and a restructuring of European sovereign debt.

In this still challenging capital market environment, HVB Group achieved a very good profit before tax of €995 million in the first quarter of 2011, exceeding the total for the equivalent period last year by a large €301 million or 43.4%. We generated a consolidated profit of €681 million after tax, which is around 48% higher than the year-ago figure of €460 million. This sharp rise in profits can be attributed in part to the strong performance of our commercial operations, with operating income increasing by 5.6% to €2,010 million. The higher revenues were generated primarily in net trading income which, at €514 million, was around 17% higher than the total at the same point last year. We also achieved higher contributions to profits than last year in net interest (up €23 million or 2.3%) and dividends (up €50 million). We almost matched the good figure recorded for net fees and commissions in the first quarter of 2010 (down 1.6% year-on-year). Despite the 3.4% rise in operating costs to €888 million, the cost-income ratio improved to 44.2% in the first quarter of 2011 (first quarter of 2010: 45.1%), which is an excellent level by both national and international standards. With the decline of around 66% year-on-year in net write-downs of loans and provisions for guarantees and commitments to €127 million, the net operating profit rose a strong 48.1% to €995 million, despite the charges from the bank levy included in the total.

All the operating divisions contributed higher profits before tax to HVB Group's pleasing performance. The Corporate & Investment Banking division (CIB) improved its profit before tax by €329 million to €885 million, partly thanks to a significant increase in the operating profit as well as much lower net write-downs of loans and provisions for guarantees and commitments. The Family & SME division (F&SME; formerly known as the Retail division) also increased its profit before tax on the back of a good operating performance and lower net write-downs of loans and provisions for guarantees and commitments. With a pleasing contribution of €43 million to profits, the total represents a turnaround compared with the loss of €14 million recorded in the first quarter of last year. The final phase of our One for Clients programme (One4C) was implemented at the start of 2011. This involved the transfer of small and medium-sized customers with revenues of up to €50 million from the Corporate & Investment Banking division to the Retail division, which was renamed Family & SME at the start of 2011 to coincide with the expansion of the customer base. With this Group-wide programme, we aim to achieve an even more consistent orientation of the Bank towards a sustainable customer business model, using it to achieve even closer and more targeted relationship management for the benefit of the customers. The Private Banking division (PB) increased its profit before tax by 14.8% to €31 million, similarly as a result of a higher operating profit.

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 risks and equivalent risk-weighted assets for market risk and operational risk) amounted to 16.6% at 31 March 2011 after 15.9% at year-end 2010, which is still an excellent level by both national and international standards. The shareholders' equity shown in the balance sheet totalled €24.3 billion at 31 March 2011. With total assets down by 6% compared with year-end 2010 to €350.5 billion, the leverage ratio (calculated as the ratio of total assets to shareholders' equity shown in the balance sheet) improved from 15.7 at the end of December 2010 to 14.4 at 31 March 2011.

HVB Group enjoyed an adequate liquidity base and a solid financing structure at all times during the first quarter of 2011. 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 a good market position in our core business areas, we remain a reliable partner for our customers and investors. As an integral part of one of the biggest and strongest banking groups in Europe – 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.

Operating performance of HVB Group

The operating performance of HVB Group is described in detail below.

Net interest

Compared with the result for the same period last year, net interest increased by €23 million, or 2.3%, to €1,033 million in the first quarter of 2011. This development can be attributed in part to increases in interest margins in deposit-taking operations in the F&SME and PB divisions, rising deposits in the CIB division and higher interest from trading operations.

Dividends and other income from equity investments

Compared with last year, there was a substantial increase of €50 million, to €65 million, in income generated from dividends and other income from equity investments. This is mainly due to higher dividends paid by private equity funds.

Net fees and commissions

At €367 million, net fees and commissions was unable to quite match the previous year's total (€373 million). In the process, the fee and commission income from management, brokerage and consultancy services fell by €26 million, to €181 million, and from payment services by €3 million, to €44 million. This development was only partly offset by the rise in fee and commission income from lending operations (up €17 million to €131 million) and by a higher contribution to earnings from other service operations (up €6 million to €11 million).

Net trading, hedging and fair value income

In the first quarter of 2011, HVB Group generated a very pleasing net trading income of €514 million, which significantly surpassed the excellent year-ago figure of €440 million by €74 million, or 16.8%. This was due to the increase of €149 million, to €488 million, in the contribution to profits from held-for-trading financial instruments. This result was generated primarily by the Rates and FX (interest- and currency-related products) and Equities (equity and index products) units. In addition, the effects on net trading income from hedge accounting increased compared with last year by €26 million, to €38 million, while the gains on fair-value-option holdings including the derivatives concluded for the purpose of hedging them declined by €20 million, to a loss of €12 million. The other net trading income still included in the previous year (€81 million) resulted from a profit from the buy-back of hybrid capital, which did not recur in 2011.

Business Performance of HVB Group (Continued)

Operating costs
Operating costs rose slightly year-on-year by €29 million, or 3.4%, to €888 million, which is mainly due to the 7.6% rise in other administrative expenses to €380 million, while payroll costs rose only slightly by 0.9%, to €456 million, and the depreciation and impairment losses on property, plant and equipment declined by 3.7% to €52 million. Within payroll costs (up 0.9% compared with last year) there was a slight increase in performance-related expenses, on account of the good performance, which were largely compensated by lower expenses for the pension guarantee association.

Operating profit (before net write-downs of loans and provisions for guarantees and commitments)
Due to the increase in operating income, there was a 7.5% rise in operating profit to €1,122 million in spite of the charges contained in this figure from the expenses for the bank levies to be paid in Germany and Austria (pro-rata for the first quarter of 2011: €35 million). In the first quarter of 2011, the cost-income ratio (ratio of operating expenses to operating income) improved to 44.2% (2010: 45.1%) and is still at an excellent 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 declined by a significant €245 million, or 65.9%, to €127 million, in the first three months of 2011 in a much healthier lending environment than last year. This sharp decline is particularly due to the development in the CIB (down by €190 million compared with last year) and F&SME divisions (down by €51 million compared with last year). At €995 million, the net operating profit was thus a substantial €323 million higher than in the equivalent period last year after the first three months of 2011.

Net income from investments
In the first quarter of 2011, the net profit from investments amounted to €58 million after €27 million in the year-earlier period. Like last year, net income from investments is primarily due to gains realised on the sale and valuation of available-for-sale financial instruments, including realisation gains from private equity funds.

Profit before tax, income tax for the period and consolidated profit
In the first quarter of 2011, HVB Group generated a very good profit before tax of €995 million, which is 43%, or €301 million, higher than the figure recorded for the first quarter last year. As a result of the good performance, income tax rose by €80 million, to €314 million.

After deducting taxes, HVB Group generated a consolidated profit of €681 million in the first quarter of 2011, significantly surpassing the equivalent figure for the same period last year (€460 million).

Segment results by division
The divisions contributed the following amounts to the very good profit before tax of €995 million of HVB Group:

Corporate & Investment Banking	€885 million
Family & SME	€43 million
Private Banking	€31 million
Other/consolidation	€36 million

Income statements for each division and comments on the economic performance of the individual divisions 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 2010 Annual Report, “Notes to segment reporting by division”.

We have described the change in tasks of the segments compared with the previous quarters in 2010, in particular the reclassification of customers between CIB and F&SME due to the implementation of the One for Clients programme (One4C) in Note 1, “Accounting and valuation principles”, of this Interim Report. The quarterly figures of last year have been adjusted accordingly.

Financial situation

Total assets
The total assets of HVB Group amounted to €350.5 billion at the end of March 2011, representing a decline of €21.4 billion, or around 6%, compared with year-end 2010 (€371.9 billion).

On the assets side, there was a decline of €16.4 billion in financial assets held for trading, caused primarily by lower positive fair values from derivative financial instruments, reflecting the interest environment. In addition, there was a decline of €4.4 billion in loans and receivables with banks. Loans and receivables with customers also fell by €2.8 billion, to €136.5 billion, compared with year-end 2010. Above all, this decline is attributable to lower volumes of mortgage loans, the reduction of reclassified securities, the decrease in impaired assets as well as lower other loans and receivables. There was a rise of €2.6 billion in the cash and cash balances compared with year-end 2010.

On the liabilities side, the financial liabilities held for trading fell by €20.2 billion, to €106.9 billion, compared with year-end 2010 in line with the development on the assets side due to the decline in negative fair values from derivative financial instruments. Debt securities decreased by €1.0 billion, to €47.7 billion, on account of issues due. There was a slight decline of €0.5 billion, to €108.0 billion, in deposits from customers due to declining credit balances on current accounts, which were partially offset by the higher volumes of repurchase agreements. As a result of the transfer of liabilities under the sale of parts of the private banking business of UniCredit Luxembourg S.A. to DZ Privatbank S.A. at the beginning of the year, there was a decline of €0.6 billion in the balance sheet item "Liabilities of disposal groups held for sale". At 31 March 2011, shareholders' equity totalled €24.3 billion and had thus increased by €0.7 billion compared with the 2010 year-end total. This development is primarily due to the consolidated profit generated in the first quarter of 2011.

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

The risk-weighted assets for credit risks of HVB Group determined on the basis of Basel II (German Banking Act/Solvency Regulation – KWG/SolvV) by applying partial use amounted to €104.7 billion at 31 March 2011 (including counterparty default risk in the trading book). At 31 December 2010, these risk-weighted assets amounted to €111.8 billion. This total includes the holdings reclassified compliant with IAS from the trading book to the banking book. The total risk-weighted assets, including market risk and operational risk, amounted to €119.4 billion at 31 March 2011 (31 December 2010: €124.5 billion).

The total risk-weighted assets of HVB Group decreased by €5.1 billion compared with year-end 2010. This decline is due to the decrease of €7.1 billion in risk-weighted assets for credit risk and €0.6 billion for market risk while the risk-weighted assets for operational risk increased by €2.6 billion.

The reduction of €7.1 billion in risk-weighted assets for credit risk is chiefly attributable to the decline in risk-weighted assets at subsidiaries, particularly at UniCredit Luxembourg S.A., on account of the change in method applied to partial use. In addition, a lower counterparty risk as well as currency effects resulted in a reduction in risk-weighted assets for credit risk.

The risk-weighted asset equivalents for operational risk rose by €2.6 billion. This is primarily due to an increase at subsidiaries which calculate using the Advanced Measurement Approach (AMA).

The total lending volume of all the current securitisation transactions of HVB Group serving to reduce risk-weighted assets amounted to €9.3 billion at 31 March 2011 compliant with Basel II (31 December 2010: €12.0 billion). We have therefore reduced our risk-weighted assets by €3.5 billion and have optimised our capital allocation by doing so. The decline compared with year-end 2010 is mainly due to the expiry of the Provide A 2005 securitisation transaction.

At 31 March 2011, the core capital of HVB Group compliant with KWG still totalled €20.6 billion compared with year-end 2010 and the equity capital €23.5 billion (31 December 2010: €23.7 billion). Under Basel II, the core capital ratio (Tier 1 ratio, including market risk and operational risk) thus rose to 17.3% (31 December 2010: 16.6%). 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 the market risk and the operational risk) amounted to 16.6% at 31 March 2011 (31 December 2010: 15.9%). The equity funds ratio was 19.7% at the end of March 2011 (31 December 2010: 19.1%).

A bank's liquidity is evaluated using the liquidity ratio defined in KWG/German Liquidity Regulation (Liquiditätsverordnung – 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 2011 after 1.41 at year-end 2010.

Corporate acquisitions and sales

In the period under review, there were no major corporate acquisitions and sales in HVB Group.

Other changes in the group of companies included in this Interim Report are listed in Note 2, "Companies included in consolidation".

Business Performance of HVB Group (Continued)

Corporate structure

Legal corporate structure

UniCredit Bank AG (HVB) was formed in 1998 through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechselbank 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 on 15 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 directly responsible for managing the Bank. The Management Board provides regular, timely and comprehensive reports to the Supervisory Board 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. At the beginning of 2011, there were changes in the composition of the Supervisory Board. Jutta Streit resigned from the Supervisory Board with effect from 15 January 2011. Werner Habich, who had been elected as a deputy member in the place of Ms Streit compliant with the provisions of the German Act on the Co-determination of Employees in Cross Border Mergers (Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung – MgVG), replaced her on the Supervisory Board for the remaining term of office. Furthermore, Sergio Ermotti resigned as Chairman of the Supervisory Board and as a member of the Supervisory Board on 1 March 2011. Federico Ghizzoni was elected to take his place on the Supervisory Board for the remaining term of office with effect from 2 March 2011 by an Extraordinary Shareholders' Meeting and was elected Chairman of the Supervisory Board on 4 March 2011.

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 30, "Members of the Supervisory Board and Management Board".

Events after 31 March 2011

As part of the harmonisation of IT platforms for the Markets product unit within the CIB division (EuroMIB project), the first phase in the migration of interest rate products for HVB's Trading unit in Munich was carried out successfully in April 2011. The work involved migrating a total of around 60,000 transactions with a present value of around €100 billion. The result of the migration and the stability of the platform have met our high expectations in full across the entire process chain. The successful completion of this migration represents a milestone in the implementation of a new internal market risk model within UniCredit.

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 2010 financial year (see the HVB Group Annual Report for 2010).

General economic outlook and sector development in 2011

For 2011, we anticipate global GDP growth of 4.2% and assume that the strong recovery in the global economy will continue, albeit at a slightly slower pace. The rapid economic expansion and particularly the additional demand from emerging countries will contribute to a persistently high level of commodity prices, which will probably be reflected in higher production costs as well as rising consumer prices. We believe that there is a tangible improvement in the economic prospects of the United States due to the extension of the tax incentives and as a result of other fiscal stimulus. This will, however, cause the fiscal situation to deteriorate further and require large-scale consolidation in the medium term. We assume that the United States will record GDP growth of just under 3%. In Japan, the earthquake already led to a massive decline in both industrial production and consumption in March. This will serve to slow the Japanese economy hugely in the first half of the year. Provided the situation in the nuclear power plants in Fukushima does not worsen, a strong catch-up trend is likely to take hold in the second half of the year, although uncertainties do remain in this context.

We anticipate decent economic growth in the eurozone, despite the sovereign debt crisis. The upswing should continue to originate from the core countries where the strong global recovery has enhanced industrial capacity utilisation. Companies are increasingly planning to make higher investments, which will further stabilise labour markets and progressively boost domestic economies. We expect eurozone GDP to grow by 1.7% in 2011. Despite the persistent structural weaknesses in several member states, the ECB started to raise interest rates again in April. Further cautious interest rate rises can be expected later in the year. At the same time, the central bank is persisting with full allocation in money market transactions at this stage until a solution has been found for supplying liquidity in the tarnished banking systems in some peripheral countries. Provided that the debt crisis does not worsen in the peripheral countries of the eurozone, we believe that the euro will continue to appreciate against the US dollar.

We project growth of 2.8% in the German economy in the 2011 financial year. A solid expansion can be expected on the back of a strengthening domestic economy coupled with rising exports. Furthermore, unemployment is likely to continue its downward trend, reinforced by demographic developments. The healthy situation on the labour market together with the higher volume of work will tangibly boost real incomes, meaning that private consumption can be expected to increase by up to 2%, even if the strong economy and high commodity prices will cause inflation to rise tangibly, to around 2.3%, which could have an increasing impact on the purchasing power of consumers.

The banks will continue to face challenges throughout the rest of 2011. In particular, the uncertainty surrounding the yield curve, declining central bank liquidity and possibly also more volatile exchange rates resulting from a potential race to devalue the currencies of major economies are aggravating factors in this respect. In addition to this, the reduced credit standing of individual states may have a negative effect. The final effects of additional regulation cannot be clearly foreseen, even if some signs of future developments are already visible: the liquidity requirements are likely to be tightened and the requirements regarding the qualitative and quantity of equity capital will rise. This will give rise to a battle for capital among those banks that do not yet meet the new requirements regarding the higher capital base. Furthermore, the new liquidity and capital rules coupled with the fundamental challenges outlined above will further depress the profitability of the banking sector, which will additionally be reduced by the bank levies being charged in some countries as of 2011. Key questions remain regarding how the shape of relations between the financial world and the real economy will evolve and what global restrictions can be expected in the regulatory and political sphere.

Development of HVB Group

HVB Group continues to presume for 2011 as a whole that operating income will increase in a generally positive economic environment compared with 2010 and can more than compensate the increase in operating costs. The volatile net trading income will continue to be the crucial driver of the trend in operating income. We continue to expect that net write-downs of loans and provisions for guarantees and commitments will not significantly exceed the 2010 level in the 2011 financial year.

HVB Group's performance through the rest of the year will again crucially depend upon the operating performance of the CIB division, in particular its earnings and net write-downs of loans and provisions for guarantees and commitments. For 2011, we expect higher operating income and a moderate rise in operating costs.

It still remains unclear whether the financial markets will continue to be affected by the debt crisis in some European countries in particular and by risks arising from changes in interest and exchange rates. Consequently, our performance over 2011 as a whole still remains dependent 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 its risk strategy derived from this on a regular basis. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to 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 2010 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 2011, we have been using new macroeconomic factor model parameters in our internal credit risk calculations that reflect the experience gained in the financial and economic crises in recent years. As expected, this update has caused the credit value at risk to rise significantly.

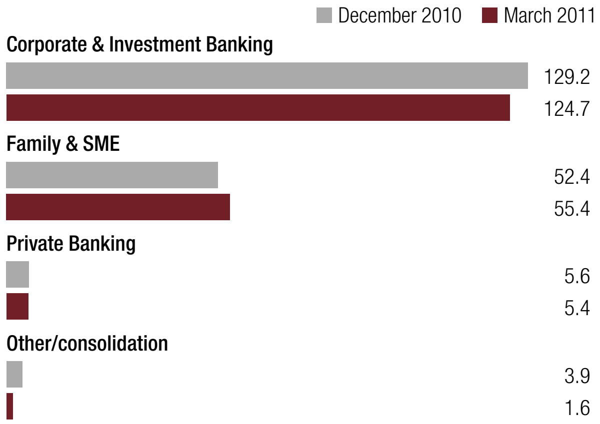
Furthermore, no essential methodological changes were made to risk management nor to the monitoring of individual risk types, or to the internal control and risk management systems. The following sections describe the development of selected risks.

Credit exposure and counterparty exposure

Breakdown of credit exposure and counterparty exposure by industry sector (€ billions)

Industry sector	MARCH 2011	DECEMBER 2010
Banking and insurance	32.0	33.9
Construction	30.5	31.2
Retail customers	25.2	25.9
Food, consumer goods, services	20.3	21.0
Public sector	14.5	12.4
Other	11.3	8.8
Transportation	10.8	11.7
Chemicals, health, pharmaceuticals	9.8	10.5
Utilities	8.6	9.4
Mechanical engineering, steel	7.6	8.3
Automotive	6.5	7.1
Mineral oil	4.5	5.0
Electrical, IT, communications	4.2	4.4
Media, printing, paper	3.3	3.6
HVB Group	**189.1**	**193.2**

Breakdown of credit exposure and counterparty exposure by division – core portfolio (€ billions)



The figures at December 2010 have been adjusted to reflect the changes to segment allocations described in the Notes in the present Interim Report.

Breakdown of credit exposure and counterparty exposure by rating class – core portfolio

Rating class	MARCH 2011 € billions	MARCH 2011 in %	DECEMBER 2010 € billions	DECEMBER 2010 in %
Not rated	6.2	3.3	8.4	4.4
Rating classes 1–4	96.2	51.4	95.9	50.2
Rating classes 5–8	78.2	41.8	79.9	41.8
Rating classes 9–10	6.5	3.5	6.9	3.6
HVB Group	**187.1**	**100.0**	**191.1**	**100.0**

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	31/3/2011	31/12/2010	31/3/2011	31/12/2010	31/3/2011	31/12/2010
Interest rate derivatives	**1,312,890**	**1,211,247**	**928,090**	**3,452,227**	**3,222,556**	**50,045**	**64,696**	**48,362**	**63,319**
Foreign exchange derivatives	**381,412**	**168,588**	**69,266**	**619,266**	**639,439**	**14,004**	**14,268**	**12,987**	**14,162**
Equity/index derivatives	**63,872**	**75,762**	**6,138**	**145,772**	**144,118**	**8,674**	**9,321**	**10,843**	**11,868**
Credit derivatives	**39,399**	**187,157**	**33,175**	**259,731**	**271,561**	**3,485**	**4,103**	**3,841**	**4,515**
– Protection buyer	19,021	90,916	15,995	125,932	131,046	2,246	2,913	1,381	1,275
– Protection seller	20,378	96,241	17,180	133,799	140,515	1,239	1,190	2,460	3,240
Other transactions	**5,055**	**4,892**	**490**	**10,437**	**10,152**	**414**	**403**	**720**	**718**
HVB Group	**1,802,628**	**1,647,646**	**1,037,159**	**4,487,433**	**4,287,826**	**76,622**	**92,791**	**76,753**	**94,582**

Development of Selected Risks (Continued)

Derivative transactions by counterparty type (€ millions)

	FAIR VALUE			
	POSITIVE		NEGATIVE	
	31/3/2011	31/12/2010	31/3/2011	31/12/2010
Central governments and central banks	1,232	1,378	566	724
Banks	57,810	72,245	57,541	74,848
Financial institutions	14,594	15,479	16,935	17,433
Other companies and private individuals	2,986	3,689	1,711	1,577
HVB Group	**76,622**	**92,791**	**76,753**	**94,582**

In accordance with the banking supervision regulations under Basel II (German Banking Act/Solvency Regulation), with so-called partial use based on individual risk weightings and the risk-reducing effects of existing, legally enforceable, bilateral netting agreements as well as the collateral provided by borrowers, risk-weighted assets for HVB Group amounted to €13.5 billion at 31 March 2011 (31 December 2010: €14.9 billion).

Market risk

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

	31/3/2011	AVERAGE 2010[1]	31/12/2010	30/9/2010	30/6/2010		31/3/2010
	NEW MODEL	NEW MODEL	NEW MODEL	NEW MODEL	NEW MODEL	PREVIOUS MODEL	PREVIOUS MODEL
Interest rate positions							
(incl. credit spread risks)	17	43	29	37	62	45	19
Foreign exchange derivatives	4	4	4	7	1	4	3
Equity/index positions[2]	6	9	8	7	12	6	2
Diversification effect[3]	(5)	(9)	(8)	(10)	(9)	(10)	(5)
HVB Group	**22**	**47**	**33**	**41**	**66**	**45**	**19**

The asset classes are broken down by business unit
1 arithmetic mean of the last three quarter-end figures
2 including commodity risk
3 because of the diversification effect between the risk categories, the total risk is less than the sum of the individual risks

Starting in 2011, the reclassified holdings have also been included in the market risk limits, and the overall limit has been increased to €173 million at the same time.

The comparison figure for market risk at 31 March 2011 without the reclassified holdings totals €42 million.

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

		31/3/2011	AVERAGE 2010[1]	31/12/2010	30/9/2010	30/6/2010	31/3/2010
HVB Group previous model	Market risk	—	—	—	—	81	54
	Limit	—	—	—	—	113	93
HVB Group new model	Market risk	48	72	62	66	93	67
	Limit	173	138	143	143	143	123

1 arithmetic mean of the four quarter-end figures

Liquidity risk

HVB Group put in a solid performance in the still challenging market environment of the first quarter of 2011, thanks to a good liquidity situation, a solid financing structure and the liquidity management measures it undertook. Based on the analyses we have carried out so far, we expect our overall liquidity to remain adequate. However, it will be important to monitor the possible effects on the funding of HVB Group that may result from the expiration of the global support measures by central banks and governments.

Short-term liquidity

Within the framework of our limit system, which operates under conservative assumptions, we showed an overall positive balance of short-term liquidity of €19.7 billion in HVB Group for the next banking day at the end of March 2011 (31 March 2010: €28.6 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 €23.9 billion at 31 March 2011 (31 March 2010: €24.7 billion).

The stress tests we conduct on a regular basis showed that liquidity reserves also at the end of the first quarter of 2011 were sufficient to cover liquidity requirements resulting from the defined scenarios.

The requirements of the German Liquidity Regulation (Liquiditätsverordnung – LiqV) were met at all times by the affected units of HVB Group during the period under review. The funds available exceeded the payment obligations for the following month by €33.1 billion at 31 March 2011 (31 March 2010: €46.0 billion).

Funding risk

The funding risk of HVB Group was again quite low in the first quarter of 2011 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 at all times. 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 2011

Income/Expenses	NOTES	1/1–31/3/2011 € millions	1/1–31/3/2010 € millions	CHANGE € millions	CHANGE in %
Interest income		2,105	2,153	(48)	(2.2)
Interest expense		(1,072)	(1,143)	+ 71	(6.2)
Net interest	4	1,033	1,010	+ 23	+ 2.3
Dividends and other income from equity investments	5	65	15	+ 50	>+ 100.0
Net fees and commissions	6	367	373	(6)	(1.6)
Net trading, hedging and fair value income	7	514	440	+ 74	+ 16.8
Net other expenses/income	8	31	65	(34)	(52.3)
OPERATING INCOME		**2,010**	**1,903**	**+ 107**	**+ 5.6**
Payroll costs		(456)	(452)	(4)	+ 0.9
Other administrative expenses		(380)	(353)	(27)	+ 7.6
Amortisation, depreciation and impairment losses					
on intangible and tangible assets		(52)	(54)	+ 2	(3.7)
Operating costs		**(888)**	**(859)**	**(29)**	**+ 3.4**
OPERATING PROFIT		**1,122**	**1,044**	**+ 78**	**+ 7.5**
Net write-downs of loans and provisions					
for guarantees and commitments	9	(127)	(372)	+ 245	(65.9)
NET OPERATING PROFIT		**995**	**672**	**+ 323**	**(48.1)**
Provisions for risks and charges		(58)	(5)	(53)	>+ 100.0
Restructuring costs		—	—	—	—
Net income from investments	10	58	27	+ 31	>+ 100.0
PROFIT BEFORE TAX		**995**	**694**	**+ 301**	**+ 43.4**
Income tax for the period		(314)	(234)	(80)	+ 34.2
CONSOLIDATED PROFIT		**681**	**460**	**+ 221**	**+ 48.0**
attributable to shareholder of UniCredit Bank AG		651	468	+ 183	+ 39.1
attributable to minorities		30	(8)	+ 38	

Earnings per share

(in €)

	NOTES	1/1–31/3/2011	1/1–31/3/2010
Earnings per share (undiluted and diluted)	11	0.81	0.58

Statement of total comprehensive income

(€ millions)

	1/1–31/3/2011	1/1–31/3/2010
Consolidated profit recognised in the income statement	**681**	**460**
Components of income and expenses recognised in other comprehensive income		
Changes from foreign currency translation and other changes	(53)	42
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)	22	52
Change in valuation of financial instruments (hedge reserve)	(5)	(55)
Taxes on income and expenses recognised in equity	23	13
Total income and expenses recognised in equity under other comprehensive income	**(13)**	**52**
Total comprehensive income	**668**	**512**
of which:		
attributable to shareholder of UniCredit Bank AG	681	473
attributable to minorities	(13)	39

Balance Sheet

at 31 March 2011

Assets

	NOTES	31/3/2011 € millions	31/12/2010 € millions	CHANGE € millions	in %
Cash and cash balances		5,700	3,065	+ 2,635	+ 86.0
Financial assets held for trading	12	117,029	133,389	(16,360)	(12.3)
Financial assets at fair value through profit or loss	13	27,357	26,631	+ 726	+ 2.7
Available-for-sale financial assets	14	6,230	5,915	+ 315	+ 5.3
Shares in associates accounted for using the equity method					
and joint ventures accounted for using the equity method	15	96	94	+ 2	+ 2.1
Held-to-maturity investments	16	2,536	2,600	(64)	(2.5)
Loans and receivables with banks	17	41,886	46,332	(4,446)	(9.6)
Loans and receivables with customers	18	136,507	139,351	(2,844)	(2.0)
Hedging derivatives		3,019	4,205	(1,186)	(28.2)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		37	100	(63)	(63.0)
Property, plant and equipment		3,045	3,053	(8)	(0.3)
Investment properties		1,892	1,879	+ 13	+ 0.7
Intangible assets		593	608	(15)	(2.5)
of which: goodwill		424	424	—	—
Tax assets		2,989	3,257	(268)	(8.2)
Current tax assets		431	406	+ 25	+ 6.2
Deferred tax assets		2,558	2,851	(293)	(10.3)
Non-current assets or disposal groups held for sale	19	8	28	(20)	(71.4)
Other assets		1,558	1,402	+ 156	+ 11.1
Total assets		**350,482**	**371,909**	**(21,427)**	**(5.8)**

Liabilities

	NOTES	31/3/2011	31/12/2010	CHANGE	
		€ millions	€ millions	€ millions	in %
Deposits from banks	22	53,419	51,887	+ 1,532	+ 3.0
Deposits from customers	23	107,958	108,494	(536)	(0.5)
Debt securities in issue	24	47,704	48,676	(972)	(2.0)
Financial liabilities held for trading		106,876	127,096	(20,220)	(15.9)
Hedging derivatives		1,608	2,091	(483)	(23.1)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		706	1,471	(765)	(52.0)
Tax liabilities		2,079	2,203	(124)	(5.6)
Current tax liabilities		880	840	+ 40	+ 4.8
Deferred tax liabilities		1,199	1,363	(164)	(12.0)
Liabilities of disposal groups held for sale	25	—	598	(598)	(100.0)
Other liabilities		3,866	3,822	+ 44	+ 1.2
Provisions	26	1,937	1,901	+ 36	+ 1.9
Shareholders' equity		24,329	23,670	+ 659	+ 2.8
Shareholders' equity attributable to					
shareholder of UniCredit Bank AG		23,545	22,866	+ 679	+ 3.0
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		9,470	9,485	(15)	(0.2)
Change in valuation of financial instruments	27	(44)	(87)	+ 43	+ 49.4
AfS reserve		(95)	(141)	+ 46	+ 32.6
Hedge reserve		51	54	(3)	(5.6)
Consolidated profit 2010		1,270	1,270	—	—
Net profit 1/1 – 31/3/2011[1]		651	—	+ 651	
Minority interest		784	804	(20)	(2.5)
Total shareholders' equity and liabilities		**350,482**	**371,909**	**(21,427)**	**(5.8)**

1 attributable to shareholder of UniCredit Bank AG

The 2010 profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (= consolidated profit of HVB Group), amounts to €1,270 million. We will propose to the Annual General Meeting of Shareholders that a dividend of €1,270 million be paid to our sole shareholder, UniCredit S.p.A. (UniCredit), Rome, Italy.

Statement of Changes in Shareholders' Equity

at 31 March 2011

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES TOTAL	OTHER RESERVES OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at 1 January 2010	**2,407**	**9,791**	**9,034**	**(223)**
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	—	—	—	—
Reserve arising from foreign currency translation and other changes	—	—	5	—
Total income and expenses recognised in equity				
under other comprehensive income[3]	**—**	**—**	**5**	**—**
Total income and expenses recognised	**—**	**—**	**5**	**—**
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 2010	**2,407**	**9,791**	**9,037**	**(223)**
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	—	—	—	—
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)**

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
	(190)	195	1,633	—	22,870	768	23,638
	—	—	—	468	468	(8)	460
	46	(9)	—	—	37	1	38
	1	(29)	—	—	(28)	—	(28)
	(9)	—	—	—	(4)	46	42
	38	(38)	—	—	5	47	52
	38	(38)	—	468	473	39	512
	—	—	—	—	—	(7)	(7)
	—	—	—	—	(2)	—	(2)
	—	—	—	—	(2)	(7)	(9)
	(152)	157	1,633	468	23,341	800	24,141
	(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

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 2011 as in the consolidated financial statements for 2010 (please refer to the HVB Group Annual Report for 2010, starting on page 104).

The following standards and interpretations newly released or revised by the IASB are applicable for the first time in the 2011 financial year:
– Annual Improvements Project 2010 “Improvements to IFRSs”
– Amendments to IAS 24 “Related Party Disclosures”
– Amendments to IAS 32 “Classification of Right Issues”
– IFRIC 19 “Extinguishing Financial Liabilities with Equity Investments”
– Amendments to IFRIC “Prepayments of a Minimum Funding Requirement”.

The new regulations have not had any material impact.

We have made minor structural adjustments to our income statement in the present Interim Report. The aggregate items “Net interest income” and “Net non-interest income” within operating income are no longer shown. The items “Net interest” and “Dividends and other income from equity investments” included in the old aggregate item “Net interest income” continue to be shown separately. Furthermore, we have added a new aggregate item “Net operating profit”, which reflects the balance of the aggregate item “Operating profit” and the income statement item “Net write-downs of loans and provisions for guarantees and commitments”. No changes have been made to the composition of the individual income statement items.

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 2011 financial year as were used at year-end 2010. 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 4.09% in 2010. This interest rate was redetermined for 2011 and has been 4.08% since 1 January 2011.

The following changes were made to the segment assignments in the first quarter of 2011:
– The final phase of our 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 Retail division, which was renamed Family & SME 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 PB division and customers with assets of less than €500,000 transferred from the PB division to what at that time was the Retail division.
– The autonomous "Leasing" product unit, which was previously allocated to the CIB division, was transferred to F&SME.
– In order to ensure that the performance of the Private Banking division in 2011 can be compared with previous periods, the contribution to profits generated by the parts of the private banking business of UniCredit Luxembourg S.A. sold at year-end 2010, were assigned to the Other/consolidation segment together with the resulting gain on disposal and the associated restructuring costs.

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, especially in operating costs.

2 Companies included in consolidation
The following companies were added to the group of companies included in consolidation in the first three months of 2011:
– BIL Immobilien Fonds GmbH & Co Objekt Perlach KG, Munich
– Elektra Purchase No. 25 Limited, Dublin
– Elektra Purchase No. 28 Limited, Dublin
– Elektra Purchase No. 50 Limited, Dublin
– HAWA Grundstücks GmbH & Co. OHG Hotelverwaltung, Munich
– H & B Immobilien GmbH & Co. Objekte KG, Munich
– MILLETERRA Gesellschaft für Immobilienverwaltung mbH, Munich
– Omnia Grundstücks-GmbH & Co. Objekt Eggenfeldener Straße KG, Munich
– Wealth Capital Investments, Inc., Wilmington, Delaware.

The following company has left the group of companies included in consolidation:
– Morgan Stanley Series 2008-2933, New York.

Notes to the Income Statement

3 Segment reporting

Income statement broken down by division for the period from 1 January to 31 March 2011 (€ millions)

	CORPORATE & INVESTMENT BANKING	FAMILY & SME	PRIVATE BANKING	OTHER/ CONSOLIDATION	HVB GROUP
OPERATING INCOME					
1/1 – 31/3/2011	1,365	465	69	111	2,010
1/1 – 31/3/2010	1,185	446	70	202	1,903
Operating costs					
1/1 – 31/3/2011	(391)	(397)	(39)	(61)	(888)
1/1 – 31/3/2010	(379)	(386)	(42)	(52)	(859)
Net write-downs of loans					
and provisions for guarantees					
and commitments					
1/1 – 31/3/2011	(90)	(24)	—	(13)	(127)
1/1 – 31/3/2010	(280)	(75)	(1)	(16)	(372)
NET OPERATING PROFIT					
1/1 – 31/3/2011	884	44	30	37	995
1/1 – 31/3/2010	526	(15)	27	134	672
Restructuring costs					
1/1 – 31/3/2011	—	—	—	—	—
1/1 – 31/3/2010	—	—	—	—	—
Net income from					
investments and other items[1]					
1/1 – 31/3/2011	1	(1)	1	(1)	—
1/1 – 31/3/2010	30	1	—	(9)	22
PROFIT/(LOSS) BEFORE TAX					
1/1 – 31/3/2011	885	43	31	36	995
1/1 – 31/3/2010	556	(14)	27	125	694

1 contains the following income statement items: provisions for risks and charges and net income from investments

Income statement of the Corporate & Investment Banking division (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2011	1/1 – 31/3/2010	Q4 2010	Q3 2010	Q2 2010
Net interest	629	608	710	610	657
Dividends and other income from equity investments	60	12	38	14	47
Net fees and commissions	166	167	154	116	108
Net trading, hedging and fair value income	507	373	16	242	29
Net other expenses/income	3	25	(11)	7	17
OPERATING INCOME	**1,365**	**1,185**	**907**	**989**	**858**
Payroll costs	(157)	(155)	(94)	(151)	(181)
Other administrative expenses	(231)	(220)	(234)	(231)	(242)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(3)	(4)	(7)	(5)	(6)
Operating costs	**(391)**	**(379)**	**(335)**	**(387)**	**(429)**
OPERATING PROFIT	**974**	**806**	**572**	**602**	**429**
Net write-downs of loans and provisions					
for guarantees and commitments	(90)	(280)	11	(177)	(46)
NET OPERATING PROFIT	**884**	**526**	**583**	**425**	**383**
Restructuring costs	—	—	3	—	—
Net income from investments and other items[1]	1	30	(522)	(1)	10
PROFIT BEFORE TAX	**885**	**556**	**64**	**424**	**393**
Cost-income ratio in %	28.6	32.0	36.9	39.1	50.0

1 contains the following income statement items: provisions for risks and charges and net income from investments

Development of the Corporate & Investment Banking division

The Corporate & Investment Banking division generated an operating income of €1,365 million in the first quarter of 2011, which is €180 million more than the €1,185 million recorded in the equivalent period last year. With operating costs rising €12 million, the operating profit increased to €974 million in the first quarter of 2011 after €806 million in the same quarter last year.

The €21 million increase in net interest to €629 million results among other things from greater volumes of deposits and higher trading-related interest income. Dividends and other income from equity investments include dividend payments of nearly €60 million from private equity funds, an increase of €48 million on the year-ago figure. The total recorded for net fees and commissions matched the amount for the equivalent quarter last year.

Net trading, hedging and fair value income improved greatly over the same quarter last year, rising by €134 million to €507 million in the first quarter of 2011. The Rates and FX (fixed-income and exchange-rate products) and Equities (equity and index products) units made a major contribution to this pleasing development. At the same time, the net income arising from holdings classified as fair value option declined compared with the equivalent period last year. Despite the rise of €12 million in operating costs to €391 million (up 3.2%), the division's cost-income ratio improved by 3.4 percentage points compared with the first quarter of 2010 to the very good figure of 28.6% during the reporting period as a result of the strong increase in operating income.

Net write-downs of loans and provisions for guarantees and commitments declined by €190 million to €90 million in the first quarter of 2011 on account of the vastly improved lending environment. All in all, the division generated a very good profit before tax of €885 million in the first quarter of 2011 (first quarter of 2010: €556 million).

Notes to the Income Statement (Continued)

Income statement of the Family & SME division

(€ millions)

INCOME/EXPENSES	1/1 – 31/3/2011	1/1 – 31/3/2010	Q4 2010	Q3 2010	Q2 2010
Net interest	304	290	301	290	288
Dividends and other income from equity investments	—	—	1	—	4
Net fees and commissions	155	151	142	128	150
Net trading, hedging and fair value income	1	4	6	1	3
Net other expenses/income	5	1	(3)	—	(1)
OPERATING INCOME	**465**	**446**	**447**	**419**	**444**
Payroll costs	(150)	(147)	(147)	(147)	(140)
Other administrative expenses	(243)	(235)	(249)	(231)	(239)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(4)	(4)	(7)	(4)	(3)
Operating costs	**(397)**	**(386)**	**(403)**	**(382)**	**(382)**
OPERATING PROFIT	**68**	**60**	**44**	**37**	**62**
Net write-downs of loans and provisions for guarantees and commitments	(24)	(75)	23	20	(50)
NET OPERATING PROFIT	**44**	**(15)**	**67**	**57**	**12**
Restructuring costs	—	—	—	—	—
Net income from investments and other items[1]	(1)	1	(13)	(2)	7
PROFIT BEFORE TAX	**43**	**(14)**	**54**	**55**	**19**
Cost-income ratio in %	85.4	86.5	90.2	91.2	86.0

1 contains the following income statement items: provisions for risks and charges and net income from investments

Development of the Family & SME division
As part of the complete implementation of our One for Clients programme (One4C), at the start of 2011 small and medium-sized corporate customers with revenues of up to €50 million were transferred from the Corporate & Investment Banking division to the Retail division, which was renamed Family & SME at the same time to coincide with the expansion of the customer base.

The F&SME division generated a profit before tax of €43 million in the first quarter of 2011 after recording a loss of €14 million in the equivalent period of 2010 essentially on account of higher net write-downs of loans and provisions for guarantees and commitments. However, the positive development on the operating side also made a major contribution to the rise in profit before tax.

The operating income of the F&SME division increased by around 4.3% to €465 million in the first quarter of 2011. Net interest rose by around 4.8% to €304 million as a result of higher interest margins in deposit-taking operations. This more than offset the lower net interest in lending activities, caused primarily by a decline in the volume of real estate financing activities. Net fees and commissions also performed well, increasing by 2.6% over the already high year-ago total to €155 million. This increase results from better securities operations together with higher income from the brokerage of services relating to real estate.

The rise in operating income was partially offset by a slight increase (2.8%) in operating costs. Within operating costs, payroll costs rose by 2.0% due mainly to the effects of initial consolidation (inclusion of UniCredit Direct Services for the first time at year-end 2010) that were only partially offset by effects from the lower headcount serving to reduce expenses. The 3.4% increase in other administrative expenses can similarly be attributed in part to the effect of initial consolidation mentioned above. With an operating income rising faster than operating costs, operating profit rose by 13.3% to €68 million while the cost-income ratio improved by 1.1 percentage points to 85.4%.

As a result of the good operating performance together with significantly lower net write-downs of loans and provisions for guarantees and commitments (€24 million after €75 million in the first quarter of 2010), the F&SME division generated a strong profit before tax of €43 million in the first quarter of 2011 (2010: loss of €14 million).

Income statement of the Private Banking division (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2011	1/1 – 31/3/2010	Q4 2010	Q3 2010	Q2 2010
Net interest	25	24	27	24	22
Dividends and other income from equity investments	1	—	6	1	2
Net fees and commissions	43	46	35	35	41
Net trading, hedging and fair value income	—	—	—	—	—
Net other expenses/income	—	—	1	2	(1)
OPERATING INCOME	**69**	**70**	**69**	**62**	**64**
Payroll costs	(18)	(19)	(18)	(19)	(16)
Other administrative expenses	(20)	(23)	(20)	(22)	(23)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(1)	—	(1)	—	(1)
Operating costs	**(39)**	**(42)**	**(39)**	**(41)**	**(40)**
OPERATING PROFIT	**30**	**28**	**30**	**21**	**24**
Net write-downs of loans and provisions					
for guarantees and commitments	—	(1)	—	(1)	—
NET OPERATING PROFIT	**30**	**27**	**30**	**20**	**24**
Restructuring costs	—	—	(18)	—	—
Net income from investments and other items[1]	1	—	1	(2)	—
PROFIT BEFORE TAX	**31**	**27**	**13**	**18**	**24**
Cost-income ratio in %	56.5	60.0	56.5	66.1	62.5

1 contains the following income statement items: provisions for risks and charges and net income from investments

Development of the Private Banking division

Starting in the first quarter of 2011, the Private Banking division is being shown without the contributions to profits provided by the private banking activities of UniCredit Luxembourg that were sold at year-end 2010. The year-ago figures have been adjusted accordingly. In the first three months of 2011, the division generated a profit before tax of €31 million, which is higher than the figure reported at the equivalent point last year.

Within operating income, a year-on-year increase of 4.2% was generated in net interest as a result of higher interest margins in the deposit-taking business. By contrast, the €43 million recorded for net fees and commissions failed to match the year-ago total essentially on account of declining demand for long-term bonds. This led to a slight reduction of 1.4% in operating income to €69 million. As a result of the 7.1% decline in operating costs achieved by applying strict cost management, the cost-income ratio improved by 3.5 percentage points to 56.5%. The operating profit rose at the same time by 7.1% to €30 million.

Notes to the Income Statement (Continued)

Income statement of the Other/consolidation segment (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2011	1/1 – 31/3/2010	Q4 2010	Q3 2010	Q2 2010
OPERATING INCOME	**111**	**202**	**138**	**176**	**82**
Operating costs	**(61)**	**(52)**	**(43)**	**(52)**	**(41)**
OPERATING PROFIT	**50**	**150**	**95**	**124**	**41**
Net write-downs of loans and provisions					
for guarantees and commitments	(13)	(16)	(2)	3	(41)
NET OPERATING PROFIT	**37**	**134**	**93**	**127**	**—**
Restructuring costs	—	—	(22)	—	—
Net income from investments and other items[1]	(1)	(9)	(6)	(34)	(34)
PROFIT/(LOSS) BEFORE TAX	**36**	**125**	**65**	**93**	**(34)**

1 contains the following income statement items: provisions for risks and charges and net income from investments

Development of the Other/consolidation segment

The operating income of this segment declined by €91 million in the first quarter of 2011 (first quarter of 2010: €202 million). This strong decrease can be attributed primarily to gains realised on the buy-back of hybrid capital in the equivalent period last year. These have not recurred in the reporting period.

Operating costs rose by a total of €9 million, giving rise to an operating profit of €50 million (first quarter of 2010: €150 million). The operating profit was depressed by the bank levies payable for the first time in Germany and Austria, which gave rise to pro rata expenses of €35 million in the first quarter of 2011.

Net write-downs of loans and provisions for guarantees and commitments amounted to €13 million in the first quarter of 2011, which represents a slight decline of €3 million compared with the equivalent period last year. With net income from investments and other items showing a net loss of €1 million, the profit before tax totalled €36 million (first quarter of 2010: €125 million).

4 Net interest

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Interest income from	**2,105**	**2,153**
lending and money market transactions	1,481	1,513
other interest income	624	640
Interest expense from	**(1,072)**	**(1,143)**
deposits	(350)	(282)
debt securities in issue and other interest expenses	(722)	(861)
Total	**1,033**	**1,010**

5 Dividends and other income from equity investments

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Dividends and other similar income	63	14
Companies accounted for using the equity method	2	1
Total	**65**	**15**

6 Net fees and commissions

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Management, brokerage and consultancy services	181	207
Collection and payment services	44	47
Lending operations	131	114
Other service operations	11	5
Total	**367**	**373**

This item comprises the balance of fee and commission income of €502 million (2010: €615 million) and fee and commission expenses of €135 million (2010: €242 million).

7 Net trading, hedging and fair value income

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Net gains on financial assets held for trading[1]	488	339
Effects arising from hedge accounting	38	12
Changes in fair value of hedged items	649	(614)
Changes in fair value of hedging derivatives	(611)	626
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option)[2]	(12)	8
Other net trading income	—	81
Total	**514**	**440**

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 to profits is disclosed, the interest cash flows are only carried in net trading, hedging and fair value income for the interest rate swap trading book, which exclusively contains interest rate derivatives.

8 Net other expenses/income

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Other income	82	89
Other expenses	(51)	(24)
Total	**31**	**65**

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

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Additions/releases	**(138)**	**(382)**
Allowances for losses on loans and receivables	(138)	(363)
Allowances for losses on guarantees and indemnities	—	(19)
Recoveries from write-offs of loans and receivables	**11**	**10**
Gains on the disposal of impaired loans and receivables	**—**	**—**
Total	**(127)**	**(372)**

Notes to the Income Statement (Continued)

10 Net income from investments

(€ millions)

	1/1 – 31/3/2011	1/1 – 31/3/2010
Available-for-sale financial assets	57	27
Shares in affiliated companies	—	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	—	—
Land and buildings	—	—
Investment properties[1]	1	—
Other	—	—
Total	**58**	**27**

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 – 31/3/2011	1/1 – 31/3/2010
Gains on the disposal of	**46**	**20**
available-for-sale financial assets	46	20
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
land and buildings	—	—
other	—	—
Write-downs, value adjustments and write-ups on	**12**	**7**
available-for-sale financial assets	11	7
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties[1]	1	—
Total	**58**	**27**

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

11 Earnings per share

	1/1 – 31/3/2011	1/1 – 31/3/2010
Consolidated profit attributable to shareholder (€ millions)	651	468
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	0.81	0.58

Notes to the Balance Sheet

12 Financial assets held for trading

(€ millions)

	31/3/2011	31/12/2010
Balance sheet assets		
Fixed-income securities	24,218	26,952
Equity instruments	7,229	6,422
Other financial assets held for trading	12,016	11,529
Positive fair value from derivative financial instruments	**73,566**	**88,486**
Total	**117,029**	**133,389**

The financial assets held for trading include €451 million (31 December 2010: €392 million) in subordinated assets at 31 March 2011.

13 Financial assets at fair value through profit or loss

(€ millions)

	31/3/2011	31/12/2010
Fixed-income securities	25,371	24,555
Equity instruments	—	—
Investment certificates	1	1
Promissory notes	1,985	2,075
Other financial assets at fair value through profit or loss	—	—
Total	**27,357**	**26,631**

The financial assets at fair value through profit or loss include €280 million (31 December 2010: €297 million) in subordinated assets at 31 March 2011.

14 Available-for-sale financial assets

(€ millions)

	31/3/2011	31/12/2010
Fixed-income securities	4,293	3,974
Equity instruments	771	778
Other available-for-sale financial assets	430	448
Impaired assets	736	715
Total	**6,230**	**5,915**

At 31 March 2011, available-for-sale financial assets include financial instruments of €1,412 million (31 December 2010: €1,416 million) valued at cost compliant with IAS 39.46.

The available-for-sale financial assets contain a total of €736 million (31 December 2010: €715 million) in impaired assets at 31 March 2011 for which impairments of €3 million (31 March 2010: €2 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 €537 million (31 December 2010: €493 million) in subordinated assets at 31 March 2011.

Notes to the Income Statement (Continued)

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

(€ millions)

	31/3/2011	31/12/2010
Associated companies accounted for using the equity method	96	94
of which: goodwill	—	—
Joint ventures accounted for using the equity method	—	—
Total	**96**	**94**

16 Held-to-maturity investments

(€ millions)

	31/3/2011	31/12/2010
Fixed-income securities	2,532	2,596
Impaired assets	4	4
Total	**2,536**	**2,600**

Held-to-maturity investments include a total of €4 million (31 December 2010: €4 million) in impaired assets. None of the non-impaired debt instruments are financial instruments past due.

The held-to-maturity investments include a total of €15 million (31 December 2010: €15 million) in subordinated assets at 31 March 2011.

17 Loans and receivables with banks

(€ millions)

	31/3/2011	31/12/2010
Current accounts and demand deposits	12,406	16,222
Repos[1]	8,066	12,343
Reclassified securities	3,991	4,983
Other loans to banks	17,423	12,784
Total	**41,886**	**46,332**

1 repurchase agreements

The loans and receivables with banks include €668 million (31 December 2010: €784 million) in subordinated assets at 31 March 2011.

18 Loans and receivables with customers

(€ millions)

	31/3/2011	31/12/2010
Current accounts	9,202	8,923
Repos[1]	820	484
Mortgage loans	49,433	50,062
Finance leases	2,537	2,600
Reclassified securities	5,842	6,068
Non-performing loans and receivables	4,453	5,095
Other loans and receivables	64,220	66,119
Total	**136,507**	**139,351**

1 repurchase agreements

The loans and receivables with customers include €1,905 million (31 December 2010: €2,006 million) in subordinated assets at 31 March 2011.

19 Non-current assets and disposal groups held for sale

(€ millions)

	31/3/2011	31/12/2010
Loans and receivables with customers	—	25
Investment properties	8	3
Total	**8**	**28**

20 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 2011. 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 31/3/2011	5.9	5.4	6.3
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 31/3/2011	4.0	4.0	4.0
Balance of reclassified assets at 31/3/2011	**9.9**	**9.4**	**10.3**

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 €9.4 billion at 31 March 2011. 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 €167 million in net trading, hedging and fair value income in the first quarter of 2011. A net gain of €416 million (2010) and €1,159 million (2009) would have arisen in net trading, hedging and fair value income in the financial years 2010 and 2009 while a net loss of €1,792 million would have accrued in net trading, hedging and fair value 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 took write-downs of loans of €4 million on the reclassified assets in the first three months of 2011 (whole of 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 €28 million (whole of 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A loss of €3 million (whole of 2010: gain of €19 million, 2009: gain of €83 million) on reclassified securities that had been sold was recognised in the income statement in the first quarter of 2011.

In the first three months of 2011, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €146 million too low. 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 €517 million before tax (Q1/2011: minus €146 million, whole of 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

Notes to the Balance Sheet (Continued)

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

Analysis of loans and receivables

(€ millions)

Balance at 1 January 2010	**5,222**
Changes affecting income	363
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	(28)
Effects of currency translation and other changes not affecting income	15
Non-current assets or disposal groups held for sale	—
Balance at 31 March 2010	**5,572**

Balance at 1 January 2011	**5,059**
Changes affecting income	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**

22 Deposits from banks

(€ millions)

	31/3/2011	31/12/2010
Deposits from central banks	**5,679**	**4,396**
Deposits from banks	**47,740**	**47,491**
Current accounts and demand deposits	12,001	12,815
Reverse repos[1]	10,900	8,071
Other liabilities	24,839	26,605
Total	**53,419**	**51,887**

1 repurchase agreements

23 Deposits from customers

(€ millions)

	31/3/2011	31/12/2010
Current accounts and demand deposits	45,143	47,893
Savings deposits	14,892	14,893
Reverse repos[1]	12,343	10,010
Other liabilities	35,580	35,698
Total	**107,958**	**108,494**

1 repurchase agreements

24 Debt securities in issue

(€ millions)

	31/3/2011	31/12/2010
Bonds	45,013	46,142
Other securities	2,691	2,534
Total	**47,704**	**48,676**

Notes to the Balance Sheet (Continued)

25 Liabilities of disposal groups held for sale

(€ millions)

	31/3/2011	31/12/2010
Deposits from customers	—	597
Financial liabilities held for trading	—	1
Total	**—**	**598**

The liabilities of disposal groups held for sale disclosed at year-end 2010 relate to the sale of parts of the private banking activities of UniCredit Luxembourg S.A. to DZ Privatbank S.A. that took effect in December 2010. These have been carried forward to the start of January 2011.

26 Provisions

(€ millions)

	31/3/2011	31/12/2010
Provisions for pensions and similar commitments	50	51
Allowances for losses on guarantees and commitments	284	283
Restructuring provisions	79	87
Actuarial provisions	33	35
Other provisions	1,491	1,445
Total	**1,937**	**1,901**

27 Change in valuation of financial instruments

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled minus €44 million at 31 March 2011 (31 December 2010: minus €87 million). Whereas the hedge reserve narrowed by a minor €3 million to €51 million compared with year-end 2010, this positive development can be attributed exclusively to the €46 million increase in the AfS reserve to minus €95 million. This results primarily from positive fair value fluctuations of fixed-income securities classified as available for sale. In the first quarter of 2011, there was a market-related increase in the value of ABS holdings in the available-for-sale portfolio, for which there were no impairment criteria as defined in IAS 39.59 and hence no impairment losses needed to be recognised.

28 Subordinated capital

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

	31/3/2011	31/12/2010
Subordinated liabilities	2,564	2,628
Participating certificates outstanding	155	205
Hybrid capital instruments	1,240	1,299
Total	**3,959**	**4,132**

Other Information

29 Contingent liabilities and other commitments

(€ millions)

	31/3/2011	31/12/2010
Contingent liabilities[1]	**19,855**	**19,170**
Guarantees and indemnities	19,855	19,170
Other commitments	**63,710**	**65,015**
Irrevocable credit commitments	41,128	39,721
Other commitments	22,582	25,294
Total	**83,565**	**84,185**

1 contingent liabilities are offset by contingent assets to the same amount

Other Information (Continued)

30 Members of the Supervisory Board and Management Board

Supervisory Board

Federico Ghizzoni since 2 March 2011 Chairman since 4 March 2011	**Chairman**
Sergio Ermotti until 1 March 2011	**Chairman**
Peter König	**Deputy Chairman**
Dr Wolfgang Sprissler	**Deputy Chairman**
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[1]
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	Private Banking division

1 formerly Retail division; the division was renamed Family & SME on 1 January 2011 after resegmentation

Munich, 11 May 2011

UniCredit Bank AG
The Management Board

Buschbeck   Diederichs   Hofbauer   Laber

Varese   Dr Weimer   Wölfer

UniCredit Bank AG
Kardinal-Faulhaber-Strasse 1
80333 Munich

Signed by

Michael Furmans Michaela Karg