

Consolidated Income Statement and Appropriation of Net Income

for the year ended December 31, 2008

Income/Expenses

	NOTES	2008	2007	CHANGE	
		€ millions	€ millions	€ millions	in %
Net interest		4,059	3,753	+ 306	+ 8.2
Dividends and other income from equity investments		200	376	(176)	(46.8)
Net interest income	32	4,259	4,129	+ 130	+ 3.1
Net fees and commissions	33	1,453	1,721	(268)	(15.6)
Net trading income	34	(1,911)	592	(2,503)	—
Net other expenses/income	35	147	169	(22)	(13.0)
Net non-interest income		(311)	2,482	(2,793)	—
TOTAL REVENUES		3,948	6,611	(2,663)	(40.3)
Payroll costs		(1,961)	(2,067)	+ 106	(5.1)
Other administrative expenses		(1,281)	(1,250)	(31)	+ 2.5
Amortisation, depreciation and impairment losses on intangible and tangible assets		(253)	(259)	+ 6	(2.3)
Operating costs	36	(3,495)	(3,576)	+ 81	(2.3)
OPERATING PROFIT		453	3,035	(2,582)	(85.1)
Provisions for risks and charges	37	(6)	(161)	+ 155	(96.3)
Write-down on goodwill		—	—	—	—
Restructuring costs	38	(26)	13	(39)	—
Net write-downs of loans and provisions for guarantees and commitments	39	(760)	(536)	(224)	+ 41.8
Net income from investments	40	(256)	611	(867)	—
PROFIT/(LOSS) BEFORE TAX		(595)	2,962	(3,557)	—
Income tax for the period	41	(54)	(794)	+ 740	(93.2)
NET PROFIT/(LOSS)		(649)	2,168	(2,817)	—
Minorities		(22)	(118)	+ 96	(81.4)
NET PROFIT/(LOSS) OF HVB GROUP		(671)	2,050	(2,721)	—

Earnings per Share

Earnings per share

		€	
	Notes	2008	2007
Earnings per share of HVB Group	43	(0.84)	2.60
Earnings per share of HVB Group (adjusted) ¹	43	(0.84)	2.03

¹ 2007 adjusted for the effect arising from interest payable on the purchase price relating to the disposal of discontinued operations, the gain on disposal of Indexchange, Munich Re and FMS Bank, restructuring costs and non-recurring tax charges arising from German tax reforms

Reconciliation with the consolidated income statement for 2008, including the results of discontinued operations and appropriation of net income:

Income/Expenses	2008 € millions	2007 € millions
NET PROFIT/(LOSS) OF HVB GROUP	(671)	2,050
Net profit after tax of discontinued operations	—	3,698
Minority interest in the net profit of discontinued operations	—	—
NET PROFIT/(LOSS) OF HVB GROUP, including discontinued operations	(671)	5,748
Change in reserves	(671)	1,674
CONSOLIDATED PROFIT	—	4,074

HVB AG did not record a profit available for distribution in 2008, so no dividend is being paid for that financial year.

Earnings per share, including discontinued operations:

	€
	2007
Earnings per share of HVB Group, including discontinued operations	7.28

Since no conversion rights or option rights on conditional capital existed at the closing date for 2008, there is no calculation of diluted earnings per share.