HypoVereinsbank Member of UniCredit

Clear answers for real benefits.

Interim Report at 31 March 2013

Contents

Financial Highlights

Key performance indicators

	1/1–31/3/2013	1/1–31/3/2012
Net operating profit	€554m	€1,100m
Cost-income ratio (based on operating income)	57.9%	43.1%
Profit before tax	€613m	€1,121m
Consolidated profit	€403m	€730m
Return on equity before tax[1]	11.8%	20.0%
Return on equity after tax[1]	8.1%	13.1%
Earnings per share	€0.51	€0.88

Balance sheet figures

	31/3/2013	31/12/2012
Total assets	€345.3bn	€348.3bn
Shareholders' equity	€23.7bn	€23.3bn
Leverage ratio[2]	14.6x	15.0x

Key capital ratios compliant with Basel II

	31/3/2013	31/12/2012
Core capital without hybrid capital (core Tier 1 capital)	€19.2bn	€19.1bn
Core capital (Tier 1 capital)	€19.3bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€106.6bn	€109.8bn
Core capital ratio without hybrid capital (core Tier 1 ratio)[3]	18.0%	17.4%
Core capital ratio (Tier 1 ratio)[3]	18.1%	17.8%

	31/3/2013	31/12/2012
Employees (in full-time equivalents, FTEs)	19,024	19,247
Branch offices	937	941

1 return on equity calculated on the basis of average shareholders' equity according to IFRS and projected profit before tax at 31 March 2013 for the year as a whole
2 ratio of total assets to shareholders' equity compliant with IFRS
3 calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk

Ratings

	LONG-TERM	SHORT-TERM	OUTLOOK	FINANCIAL STRENGTH	CHANGED/ CONFIRMED	PFANDBRIEFS		CHANGED/ CONFIRMED
						PUBLIC	MORTGAGE	
Moody's	A3	P-2	negative	C–	6/6/2012	Aaa	Aa1	8/6/2012
Standard & Poor's	A	A-1	negative	bbb+	8/8/2012	AAA	—	4/3/2013
Fitch Ratings	A+	F1+	stable	a-*	24/4/2013	AAA	AAA	11/3/2013/ 21/12/2012

* as of 20 July 2011 Fitch uses the Viability Rating, thus replacing the previous Individual Rating

Business performance of HVB Group

Underlying conditions and general comments on the business situation

The global economy stabilised in the first quarter of 2013 after losing much of its momentum during the course of 2012, and especially in the last quarter of the year, with countries on the eurozone periphery remaining mired in recession. By contrast, the US economy expanded by 2.5% on an annualised basis in the first quarter of 2013, driven by consumption levels that seemed unperturbed by austerity measures, after enjoying only weak growth of 0.4% in the final quarter of 2012. The recovery in China was somewhat weaker than expected in the first quarter, although the expansionary trend remained robust.

In particular, the situation of the countries on the eurozone's southern periphery remained bleak on account of the in part drastic austerity measures and rising unemployment. The huge burdens arising from budgetary consolidation caused the economies in the heavily indebted countries of the eurozone to contract sharply last year. The main reason for this was weaker domestic demand due to austerity measures. Alongside Greece, Ireland and Portugal, Cyprus is now also reliant upon financial assistance from the European Stability Mechanism (ESM) to cope with the massive imbalances in its bloated financial sector. Unlike in previous rescue packages, the creditors of the financial institutions are being called to contribute more this time round and the depositors as well. Even though the economies of the core eurozone countries also slowed considerably during the course of the year, and especially in the final quarter, the growth differences between core and peripheral countries remain in place. Industrial output in Germany has stabilised of late in Germany in particular. Following a weak end to 2012, GDP is expected to have grown again moderately in the first quarter of 2013, with sustained support from domestic demand. Eurozone GDP is anticipated to have stagnated in the first quarter of 2013.

The European Central Bank (ECB) continues to supply European banks with unlimited liquidity, although the funding required by banks again fell tangibly overall at the start of the year in the countries affected by the sovereign debt crisis, apart from Cyprus. The negative TARGET2 balance of the crisis-hit countries – Spain, Italy, Greece, Ireland and Portugal – had fallen from a peak value of nearly €1 trillion in August 2012 to less than €770 billion by February 2013. The easing stems mainly from the announcement made by the ECB in the third quarter of 2012 that is willing, under certain conditions, to buy unlimited volumes of government bonds issued by crisis-hit states with a maturity of up to three years on the secondary market (Outright Monetary Transactions or OMT). For such an intervention under the European Stability Mechanism (ESM), the member state in question must agree to a set of conditions and also continue to have access to the capital market.

The European capital markets performed well in the first quarter of 2013. The mood remained buoyed by the announcement of government bond purchases by the ECB and the approval of the ESM by the German Federal Constitutional Court (Bundesverfassungsgericht). As of the end of March 2013, Germany's benchmark index, the DAX30, had gained 2.4% since year-end 2012, while the EUROSTOXX50, its eurozone equivalent, had lost 0.5%. The yield on ten-year German government bonds continued to fall. After 1.32% at year-end 2012, yields of 1.29% were recorded at the end of March 2013, after a high of 1.71% had been reached during the course of the quarter.

The ECB kept its benchmark rate at 0.75% in the first quarter of the year before reducing it to 0.50% on 2 May 2013. The deposit facility made available by the ECB does not currently attract any interest. As a result of the very low level of interest rates, the banking sector is faced with falling earnings in interest-driven activities on account of greater downward pressure on margins especially in deposit-taking. In addition, the measures taken by the financial industry to reduce risk-weighted assets together with the weak demand for credit observable in Germany in particular served to depress interest income. The euro remained stable overall against the US dollar, British pound, Swiss franc and Japanese yen in the first three months of the year (especially against the US dollar in terms of volatility). The spreads on the credit markets narrowed further, especially for sovereigns and banks, despite the crisis in Cyprus.

In this persistently challenging capital market environment, HVB Group generated a good profit before tax of €613 million in the first quarter of 2013. This total is €508 million lower than the €1,121 million recorded for profit before tax in the equivalent quarter last year. It should be taken into account in this context that the year-ago total benefited from a non-recurring item of €395 million in net trading income resulting from the reversal of credit value adjustments. This decline in profit can be attributed mainly to the decline of €432 million in net trading income caused by the non-recurrence of the one-off income item together with the €160 million fall in net interest combined with persistently low interest rates. At the same time, net fees and commissions developed extremely well, rising by 3.8%, or €12 million, over the equivalent period last year to €327 million, despite the ongoing restraint on the part of customers, who turned increasingly to products with lower margins. Furthermore, net other expenses/income increased by €21 million to €49 million. We succeeded in reducing operating costs by a pleasing 1.9%, to €883 million, compared with the first quarter of 2012, despite an inflation rate of 1.8% and higher regulatory costs. The cost-income ratio of 57.9% for the first quarter of 2013 (first quarter of 2012 including non-recurring effects in net trading income: 43.1%) remained at a very good level for a universal bank by both national and international standards. At €89 million, net write-downs of loans and provisions for guarantees and commitments were almost unchanged from the €90 million recorded last year.

We described the changes made to our business model and our organisational structure in detail in Management's Discussion and Analysis in the HVB Group Annual Report for 2012 (see also page 45 and following in the HVB Group Annual Report for 2012). A wide-ranging resegmentation was undertaken within the framework of these adjustments. The new segmentation is more closely aligned with usual international practice and is employed in similar form by our parent company across the UniCredit corporate group. Starting in the first quarter of 2013, HVB Group has been divided into the following new segments: Commercial Banking, Corporate & Investment Banking, Asset Gathering, Global Banking Services, and Other/consolidation. The income and expenses shown in the present Interim Report and the year-ago-figures for the new segments have been determined in accordance with the new segment contents. The tasks and objectives of each segment are described in Note 1, Accounting and valuation principles.

All the segments contributed to the good profit before tax of HVB Group. The Commercial Banking (CB) segment recorded a profit before tax of €115 million, down €24 million on the year-ago figure. Within this total, the rise of €7 million in operating profit was more than offset by an increase of €14 million in net write-downs of loans and provisions for guarantees and commitments reflecting the start of a return to more normal levels and income from the reversal of provisions that no longer accrued in the reporting period. The Corporate & Investment Banking (CIB) segment recorded a profit before tax of €282 million (first quarter of 2012: €893 million). The year-on-year decline results mainly from the non-recurring income of €395 million from credit value adjustments in the reporting period mentioned above, which led to a decline of €533 million in net trading income, coupled with a decrease of €134 million in net interest. The Asset Gathering segment generated a profit before tax of €5 million, although this failed to fully match the pre-tax profit of €8 million recorded in 2012 due mainly to lower net interest.

HVB Group continues to have an excellent capital base. The core Tier 1 ratio in accordance with Basel II (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) increased again to 18.0% at 31 March 2013 (year-end 2012: 17.4%), which is an excellent level by both national and international standards. The shareholders' equity shown in the balance sheet rose by €0.4 billion compared with year-end 2012 to €23.7 billion as a result of the consolidated profit of €403 million generated in the first quarter of 2013. With total assets down by 0.9% compared with year-end 2012 to €345.3 billion, the leverage ratio (ratio of total assets to shareholders' equity shown in the balance sheet) amounted to 14.6x at 31 March 2013 after 15.0x at year-end 2012.

HVB Group again enjoyed a very comfortable liquidity base and a solid financing structure at all times in the reporting period. In this context, it is worth mentioning that HVB Group has placed a large part of its excess liquidity with Deutsche Bundesbank. The funding risk remained low on account of the diversification in our products, markets and investor groups, meaning that adequate funding of our lending activities was ensured at all times. Our Pfandbriefs continued to represent an important source of funding thanks to their very good credit rating and liquidity.

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

Business performance of HVB Group (Continued)

its regional strengths in the international network of UniCredit for the benefit of its customers. UniCredit Bank AG (HVB) is building on these advantages by adjusting its business model as implemented in the first quarter of 2013 to reflect the rapidly changing economic and regulatory environment and push further growth through a regional organisational structure and a stronger entrepreneurial focus.

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

Operating performance of HVB Group

All the statements regarding the operating performance of HVB Group in this Interim Report relate to the structure of our segmented income statement (see Note 3, Segment reporting) which we set out below. By doing so, we are following the Management Approach incorporated into our segment reporting.

	1/1–31/3/2013	1/1–31/3/2012	CHANGE	
Income/Expenses	€ millions	€ millions	€ millions	in %
Net interest	758	918	(160)	(17.4)
Dividends and other income from equity investments	17	22	(5)	(22.7)
Net fees and commissions	327	315	12	3.8
Net trading income	375	807	(432)	(53.5)
Net other expenses/income	49	28	21	75.0
OPERATING INCOME	**1,526**	**2,090**	**(564)**	**(27.0)**
Payroll costs	(472)	(472)	—	—
Other administrative expenses	(363)	(382)	19	(5.0)
Amortisation, depreciation and impairment losses				
on intangible and tangible assets	(48)	(46)	(2)	4.3
Operating costs	**(883)**	**(900)**	**17**	**(1.9)**
OPERATING PROFIT	**643**	**1,190**	**(547)**	**(46.0)**
Net write-downs of loans and provisions				
for guarantees and commitments	(89)	(90)	1	(1.1)
NET OPERATING PROFIT	**554**	**1,100**	**(546)**	**(49.6)**
Provisions for risks and charges	(9)	1	(10)	
Restructuring costs	—	—	—	—
Net income from investments	68	20	48	>+ 100.0
PROFIT BEFORE TAX	**613**	**1,121**	**(508)**	**(45.3)**
Income tax for the period	(210)	(391)	181	(46.3)
CONSOLIDATED PROFIT	**403**	**730**	**(327)**	**(44.8)**

Net interest

Net interest fell by €160 million, or 17.4%, in the first quarter of 2013 compared with the equivalent period last year to €758 million. This can be attributed mainly to the decrease of €134 million in net interest in the CIB segment to €304 million, while the €405 million recorded by the CB segment for net interest almost matched the year-ago figure of €411 million.

The decline in net interest results mainly from two developments. First, trading-induced interest fell by a sharp €66 million due in part to reduced volumes of financial assets held for trading. Second, net interest decreased primarily in lending operations on account of both contracting volumes and further declines in margins, especially in activities involving our corporate customers.

Dividends and other income from equity investments

The income generated from dividends and other income from equity investments, which results mainly from dividends paid by private equity funds, declined by €5 million compared with last year to total €17 million in the reporting period.

Net fees and commissions

Net fees and commissions in the first quarter of 2013 were up €12 million, or 3.8%, to €327 million compared with the year-ago total. This figure contains a decline of €27 million, to €127 million, in fee and commission income from management, brokerage and consultancy services. This trend is due mainly to a weaker securities business and can be attributed in part to investors' general restraint in connection with the difficult financial market environment and customers turning to products with lower margins. By contrast, net fees and commissions from lending operations increased by €35 million to €135 million, stemming in part from individual larger commitments in business involving our corporate customers. The fee and commission income from collection and payment services increased by a slight €2 million to €56 million on the back of higher account-management income. In addition, earnings from other service operations improved by €2 million to €9 million.

Net trading income

HVB Group recorded net trading income of €375 million in the first quarter of 2013; this represents a decline of €432 million, or 53.5%, compared with the equivalent period last year. It is important to note in this regard that the year-ago total benefited from a non-recurring effect of €395 million arising from the reversal of credit value adjustments in the first quarter of 2012. Adjusted for this effect, the decline compared with the equivalent quarter last year would total only €37 million.

The CIB segment generated net trading income of €250 million in the reporting period compared with €783 million in the first quarter of 2012, which benefited from the effect described above (adjusted for this effect, the decrease totalled €138 million). All the operating trading units contributed positive results to the business segment's net trading income, despite persistently difficult market conditions; these notably include the Rates (interest-related products), Integrated Credit Trading (trading with structured credit products) and Equity Derivatives Trading units. The year-on-year decline stems primarily from the Rates unit.

In order to enhance the capital structure of HVB Group, further buy-backs of hybrid capital instruments were carried out in the first quarter of 2013. The resulting gains have been allocated to the Other/consolidation segment, for which we have recorded net trading income of €114 million (first quarter of 2012: €25 million).

Net other expenses/income

Net other expenses/income increased by a sharp €21 million to €49 million in the first quarter of 2013. This rise can be attributed primarily to the recognition of income from the billing of structuring and advisory services relating to project loans for earlier years and lower expenses for the bank levy in Germany, while the total in connection with disposals of loans and receivables fell compared with the first quarter of 2012.

Business performance of HVB Group (Continued)

Operating costs

Operating costs declined a slight €17 million, or 1.9%, compared with the equivalent period last year to €883 million during the reporting period (first quarter of 2012: €900 million). Within this total, payroll costs were at the same level as last year, at €472 million, despite the increases in standard-rate and non-standard-rate wages and salaries. By contrast, other administrative expenses fell by a significant €19 million, or 5.0%, to €363 million on account of the continued application of strict cost management. The main declines within this total related to expenses for consulting services, the cost of external service providers and rental expenses. Amortisation, depreciation and impairment losses on intangible and tangible assets increased by €2 million to €48 million.

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

The operating profit fell by a significant €547 million, or 46.0%, to €643 million in the reporting period due to the declines in net trading income and net interest. Consequently, the cost-income ratio (ratio of operating costs to operating income) rose by 14.8 percentage points to 57.9% in the reporting period (first quarter of 2012: 43.1%), which is still a very good level for a universal bank despite the rise.

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

At €89 million, net write-downs of loans and provisions for guarantees and commitments in the reporting period were at the same level as in the first quarter of 2012 (€90 million). This results in a net operating profit of €554 million in the first quarter of 2013, which is €546 million, or 49.6%, lower than the figure recorded in the first quarter of last year (first quarter of 2012 inflated by the non-recurring income included in net trading income: €1,100 million).

Provisions for risks and charges

There were net additions of €9 million to provisions for risks and charges during the reporting period, essentially accruing in connection with legal risks.

In 2012, a net gain of €1 million was recorded from net reversals/net additions to provisions for risks and charges.

Net income from investments

Net income from investments amounted to €68 million after the first three months of 2013 compared with €20 million in 2012. The net income from investments in the reporting period resulted mostly from gains of €82 million on disposal, which were partially offset by write-downs and value adjustments totalling €14 million. Of the total gains on disposal, €28 million relate to available-for-sale financial assets, essentially stemming from the sale of private equity funds, and €54 million to the disposal of property.

The year-ago total of €20 million resulted mostly from gains on the disposal of available-for-sale financial assets.

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

HVB Group generated a good profit before tax of €613 million in a persistently challenging market environment in the reporting period. This total was lower than the figure recorded for the first quarter of 2012 (€1,121 million), mainly on account of the non-recurring effect of €395 million included in net trading income last year. Income tax for the reporting period totalled €210 million due in part to the lower profit, down €181 million on the income tax reported for the equivalent period last year. After deducting income tax, HVB Group generated a consolidated profit of €403 million in the first quarter of 2013 (first quarter of 2012: €730 million).

Segment results

The segments contributed the following amounts to the profit before tax of €613 million of HVB Group:

Commercial Banking	€115 million
Corporate & Investment Banking	€282 million
Asset Gathering	€5 million
Global Banking Services	€63 million
Other/consolidation	€148 million

The income statements for each segment and comments on the economic performance of the individual segments are provided in Note 3, Segment reporting, in this Interim Report. The tasks and objectives of each segment are described in Note 1, Accounting and valuation principles.

Financial situation

Total assets

The total assets of HVB Group decreased by €3.0 billion, or 0.9%, to €345.3 billion at 31 March 2013 compared with year-end 2012.

On the assets side, financial assets held for trading fell by €12.0 billion to €119.0 billion, resulting from a decline in the positive fair values of derivative financial instruments (down €12.3 billion) and a smaller holding of equity instruments (down €1.1 billion); by contrast, fixed-income securities and other financial assets held for trading both rose by €0.7 billion. Loans and receivables with customers declined by €2.2 billion to €120.0 billion, due mostly to decreases of €0.6 billion in the volume of mortgage loans and €1.2 billion in other receivables. By contrast, loans and receivables with banks rose by €8.2 billion to €44.5 billion on account of a sharp increase of €8.6 billion in repurchase agreements and of €1.0 billion in other receivables together with lower balances on current accounts (down €1.2 billion). Furthermore, cash and cash equivalents increased by €3.0 billion over year-end 2012 to €18.6 billion. This rise took place notably in deposits with central banks, reflecting our very comfortable liquidity base and the placement of our high liquidity reserves with Deutsche Bundesbank. Partly as a result of this high liquidity reserve, we continue to see ourselves more than adequately prepared to face the difficult situation on the capital and financial markets which is likely to persist over the rest of 2013.

On the liabilities side, financial liabilities held for trading fell by €10.2 billion year-on-year to €111.3 billion due to lower negative fair values of derivative financial instruments (down €12.5 billion). There was a net decline of €3.3 billion, to €32.6 billion, in debt securities on account of issues due. By contrast, deposits from banks rose by €9.8 billion to €55.0 billion compared with year-end 2012, caused essentially by increases of €8.4 billion in reverse repos and €1.1 billion in deposits from central banks. Deposits from customer rose by a slight €0.3 billion to €110.5 billion. Within this total, there were increases of €0.9 billion in credit balances on current accounts, €0.5 billion in term deposits and €0.2 billion in savings deposits, whereas the reverse repos fell by €0.6 billion and other liabilities by €0.8 billion. The shareholders' equity shown in the balance sheet increased by €0.4 billion over year-end 2012 to €23.7 billion as a result of the consolidated profit of €0.4 billion generated in the first quarter of 2013.

The contingent liabilities and other commitments not included in the balance sheet amounted to €56.0 billion at the end of the first quarter of 2013, almost unchanged from the year-end 2012 figure of €55.9 billion. This figure includes contingent liabilities in the form of financial guarantees of €19.8 billion (2012: €19.9 billion); these contingent liabilities are offset by contingent assets at the same amount. Other commitments of €36.1 billion (2012: €36.0 billion) primarily consist of irrevocable credit commitments which rose by €0.1 billion year-on-year to €35.8 billion.

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

The total risk-weighted assets of HVB Group (including market risk and operational risk) determined on the basis of Basel II (German Banking Act/Solvency Regulation – KWG/SolvV) amounted to €106.6 billion at 31 March 2013 (31 December 2012: €109.8 billion), which represents a decrease of €3.2 billion compared with year-end 2012.

Business performance of HVB Group (Continued)

In the process, the risk-weighted assets for credit risks (including counterparty default risk) determined by applying partial use decreased by €3.4 billion to €79.7 billion. The decline results primarily from a reduction of €3.1 billion in risk-weighted assets at HVB and of €0.2 billion at UniCredit Luxembourg S.A. HVB's credit risk fell by €1.5 billion as a result of improved risk weightings caused by the annual adjustment of the loss given default parameters (LGD – indicates what proportion of the underlying portfolio of receivables would almost certainly be lost in the event of a default) and a fall of €1.5 billion in counterparty risk caused by declines in exposures in the derivatives business.

The risk-weighted assets for market risk increased by €0.7 billion to €13.6 billion. This development is mainly due to an increase in holdings in the field of credit indices and structured equity products.

The risk-weighted equivalents for operational risk fell by a total of €0.5 billion to €13.3 billion, mainly at companies subject to the Advanced Measurement Approach (AMA). The decrease is essentially caused by greater insurance cover for the whole of UniCredit which is included in the AMA in such a way as to reduce risk.

At 31 March 2013, the core capital of HVB Group compliant with the German Banking Act excluding hybrid capital (core Tier 1 capital) had increased by a slight €0.1 billion to €19.2 billion compared with year-end 2012. As a result of the decline in total risk-weighted assets in particular, the core Tier 1 ratio (ratio of core capital excluding hybrid capital instruments to the total amount of credit risk-weighted assets and risk-weighted asset equivalents for market risk and operational risk) rose to 18.0% at 31 March 2013 (31 December 2012: 17.4%). The core capital of HVB Group (Tier 1 capital) amounted to €19.3 billion at 31 March 2013 (31 December 2012: €19.5 billion). Due to the decline in total risk-weighted assets, the core capital ratio under Basel II (Tier 1 ratio; including market risk and operational risk) rose to 18.1% (31 December 2012: 17.8%). The equity capital amounted to €20.9 billion at 31 March 2013 (31 December 2012: €21.2 billion). The equity funds ratio was 19.6% at the end of March 2013 (31 December 2012: 19.3%).

A bank's liquidity is evaluated using the liquidity ratio defined in the German Banking Act/German Liquidity Regulation (KWG/LiqV). This figure is the ratio of cash and cash equivalents available within a month to the payment obligations falling due in this period. Liquidity is considered adequate if this ratio is at least 1.00. At HVB, this figure was 1.30 at the end of March 2013 after 1.38 at year-end 2012.

Corporate acquisitions and sales

There were no significant acquisitions or sales in the first quarter of 2013.

See Note 2, Companies included in consolidation, for details on further changes in the group of companies included in consolidation.

Corporate structure

Legal corporate structure

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

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

Organisation of management and control

The Management Board is the management body of HVB and consists of eight members. It is directly responsible for managing the Bank. It is obliged to act in the interests of the company and to increase its sustainable value. Within the framework of its leadership function, it is responsible for corporate planning and strategic orientation, and for ensuring adequate risk management and control. The Management Board provides the Supervisory Board with regular, timely and comprehensive reports on all issues relevant to corporate planning and strategic development, the course of business and the state of the Bank and its subsidiaries, including the risk situation and significant compliance issues. The members of the Management Board are jointly responsible for managing the Bank.

The Supervisory Board of the Bank has 12 members and has an equal number of employee and shareholder representatives. The task of the Supervisory Board is to monitor and regularly advise the Management Board as it conducts its business.

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 2013

The consumer lending business, which is a central element of the business model for retail operations in the Commercial Banking segment, is to be operated by HVB Group again in the future. To achieve this, UniCredit Family Financing Bank a German branch of UniCredit S.p.A., is to be integrated into HVB. The move will substantially strengthen the Commercial Banking segment. Implementation is expected to take place at the start of 2014.

Outlook

The following comments on the outlook are to be viewed in connection with the comments on the outlook in the Financial Review and Risk Report in the consolidated financial statements for the 2012 financial year (see the HVB Group Annual Report for 2012).

General economic outlook and sector development in 2013

The global economy and the international financial markets are again facing a high degree of uncertainty in 2013. However, we believe there is a good chance of a moderate recovery in the global economy in the course of 2013 for the following three reasons:

First, despite disappointing growth figures for the first quarter, the Chinese economy should gain some momentum over the rest of the year in view of the moderate stimulus initiated by monetary and fiscal policy moves and the major structural deficiencies that still remain to be overcome.

Second, the additional fiscal austerity measures in the majority of crisis-ridden eurozone countries will gradually ease, as significant progress has already been made in cutting deficits in many jurisdictions. Furthermore, the pressure to consolidate has been eased of late in light of cyclical deficit overshoots.

Third, fears of a eurozone break-up have greatly abated since the ECB announced its OMT programme.

The fiscal cliff in the United States was avoided at the turn of the year. Although a lasting solution to the huge public financing gap was for the most part put off, the politicians still have to reach agreement in the coming months on raising the debt ceiling and massive, long-term spending cuts. Nevertheless, initial steps were taken to reduce the public deficit without choking the strengthening economic recovery.

Business performance of HVB Group (Continued)

Buoyed above all by the continuing recovery on the labour market and the upward trend in the housing market, growth is expected to total 2.2% in 2013.

A final easing of the sovereign debt crisis in eurozone countries is not on the horizon yet, as amply illustrated by the latest developments in Cyprus. The weak economy is necessitating further cost-cutting measures in most countries. This will continue to weigh down the domestic economy in the coming quarters. As a result, the probability has increased of late that the recession in the peripheral countries will only gradually bottom out later in the year. The ECB lowered its benchmark rate by a further 0.25 percentage points to 0.50% on 2 May 2013 accordingly. Following the weakness in core eurozone countries at the end of 2012, we expect the growth trend to gradually return in early 2013 on the back of an improved outlook for the global economy. Eurozone GDP is anticipated to have stagnated in the first quarter, and for 2013 as a whole, we continue to project GDP to decrease by a slight 0.1% year-on-year in real terms.

As for the German economy, we believe that it can achieve GDP growth of 0.8% in 2013. Exports will gradually return to an upward trend, while domestic demand should remain stable. The activities of German exporters will receive a boost from the emerging Asian economies, a gradual improvement in the eurozone and a stable US economy. This should ensure that the investment backlog that has built up in companies will increasingly ease following the sharp correction last year. Domestic demand should prove relatively robust. In view of the wage increases already agreed for 2013, consumer spending will be backed by increases in income. Companies' hiring plans have remained stable of late, signalling a slight upward curve for this year. The residential property market remains a second source of support for robust domestic demand, fuelled by low unemployment, record-low interest rates and partially also prevailing fears of inflation. A renewed flair-up of the eurozone crisis could put heavy pressure on German exports and investment activity. Exports to eurozone countries remain the bread and butter of German companies, accounting for around 38% of the total. A waning appetite for risk could have a further negative impact on investment activity, as companies could shy away from long-term commitments due to the high level of uncertainty.

The announcement of unlimited purchases of government bonds by the ECB, subject to certain conditions, and the favourable ruling on the European Stability Mechanism (ESM) by the German Constitutional Court in the third quarter of quarter of 2012 had a very positive impact on the general funding options available to banks. This situation can be expected to continue, although the risk of occasional volatility, triggered by political events, is far from negligible. Despite this improvement in the funding environment, reinforced by the ECB's long-term tenders, the banking sector still faces significant challenges, from both the overall economic environment and pending regulatory initiatives by banking supervisors.

The plentiful liquidity made available to the banking sector only addresses the symptoms and not the causes of the structural problems in the financial markets. Efforts to fight those causes have since been launched, but will need time before fully taking effect. Until then, the level of debt will probably increase in many countries in the short term. Moreover, the austerity measures have negatively affected economic growth and led to rating downgrades, so that rising risk provisions and decreases in income can be expected. At the same time, the structural transformation in the banking sector will lead to adaptive measures that will generally result in additional restructuring expenses.

The effects of the new regulations, such as the required adjustments arising from Basel III, are not yet entirely foreseeable, although the main outlines are in place. Equity capital will be subject to stricter standards in terms of both quality and quantity, which is likely to lead to lower profitability. Moreover, banks classified as systemically important will be required to hold more equity capital. In addition, banks face the permanent burden of banking levies. Questions remain regarding the final form of the EU Crisis Management Directive, which will regulate the share of creditors in bank losses at the European level, the Markets in Financial Instruments Directive (MiFID), the EU Directive on Deposit Guarantee Schemes and the future EU financial transactions tax, which could have a major impact in its currently planned form.

In February 2013, the federal cabinet in Germany approved draft legislation on banking regulation, including plans to segregate certain trading activities (segregation of commercial and investment banking), regulations requiring banks to submit their own recovery and resolution plans and stricter liability rules for managers. This draft legislation was discussed and approved by the cabinet at the beginning of February 2013 with the next step being the parliamentary legislation process. At present, it is not possible to assess the effects of this bill on the assets, liabilities, financial position, and profit or loss of HVB. In addition, it is not sufficiently clear for us – or for the financial industry as a whole – whether and to what extent the recommendations in the Liikanen Report, in particular on the mandatory separation of proprietary trading activities to a separate legal entity, will be implemented in the European Union.

Equally difficult to assess at present are the effects on the European banking sector of the single supervisory mechanism in the eurozone, which was agreed by European leaders in December 2012. This will take effect as of March 2014, applying to banks in the eurozone with assets in excess of €30 billion or 20% of domestic GDP.

Development of HVB Group

With the difficult market conditions forecast to persist in 2013, HVB Group continues to expect that it will fail to match the very good result of the previous year over 2013 as a whole, in particular because the 2012 figures included the positive effect arising from credit value adjustments. Due to the persistently high level of uncertainty entailed in the macropolitical environment in Europe and the resulting high structural volatility of financial and capital markets, forward-looking statements on performance are fairly unreliable. Based on our business model and the assumption that the political and macroeconomic environment will remain relatively stable, we assume that we will again be able to generate a good profit before tax in 2013. In this "stable scenario", we expect to generate a pre-tax profit for 2013 roughly equalling the result in 2012 (adjusted for one-off effects).

HVB Group expects a year-on-year decline in operating income in 2013, in particular due to a significant decrease in net trading income. It should be noted, however, that the good figure posted for net trading income in 2012 benefited from the non-recurrent effect from the reversal of credit value adjustments mentioned above. Operating costs should remain close to their 2012 level, despite the anticipated inflation rate of 1.8%, as a result of the strict cost management that we have been practising for several years now. We expect net write-downs of loans and provisions for guarantees and commitments in 2013 to be slightly higher than the 2012 total of €440 million adjusted for technical effects (see the section of Management's Discussion and Analysis in the HVB Group Annual Report for 2012 entitled "Net write-downs of loans and provisions for guarantees and commitments, and net operating profit"), but still at a moderate level.

The financial markets will continue to be affected by the unresolved sovereign debt crisis in particular. Consequently, the performance of HVB Group will depend on the future development of the financial markets and the real economy as well as on other remaining imponderables. In this environment, HVB Group will continually adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis. With its strategic orientation and excellent capital resources, HVB Group is in a good overall position to effectively exploit the opportunities that may arise from the new operating environment, the further volatility that can still be expected on the financial markets and an expanding real economy.

Development of Selected Risks

HVB Group introduced a new business model in the first quarter of 2013 and restructured the Bank's operations. Within the framework of the new structure, HVB Group set up the following segments:
– Commercial Banking (CB)
– Corporate & Investment Banking (CIB)
– Asset Gathering
– Global Banking Services (GBS)
– Other/consolidation

The income statement of each individual segment together with comments on the economic performance of the individual segments is provided in Note 3, "Segment reporting", in the present Interim Report. The functions and objectives of each segment are described in detail in Note 1, "Accounting and valuation principles".

In the 2012 Annual Report, we presented a comprehensive description of the management and monitoring of risks in HVB Group, overall bank management, and risk types in detail.

No essential methodological changes have been made to risk management or to the monitoring of the individual risk types quantified in the present Interim Report since then. The following sections describe the development of selected risks.

Credit risk

Credit default, counterparty and issuer risk

The following tables and charts for credit default risk and counterparty risk in the Bank as a whole and issuer risk in the banking book show the aggregate exposure values excluding the remaining exposures assigned to the former Real Estate Restructuring segment. The aggregate credit default, counterparty and issuer risk exposure is called credit default risk exposure or simply exposure below.

Breakdown of credit default risk exposure by industry group (€ billions)

Industry group	31/3/2013	31/12/2012
Banks, Insurance Companies	65.4	58.1
Public sector	30.4	30.0
Real estate	24.4	24.0
Energy	12.7	12.5
Chemicals, Pharmaceuticals, Health	9.4	9.3
Machinery, Metals	9.1	9.4
Shipping	7.9	8.1
Automotive Industry	6.4	6.6
Construction, Wood	5.6	5.6
Services	5.5	5.5
Consumer goods	5.3	5.3
Special products	5.0	9.9
Transport, Travel	4.9	4.8
Food, beverages	4.8	4.8
Telecom, IT	2.8	3.2
Media, Paper	2.5	2.5
Agriculture, Forestry	2.0	2.0
Electronics	1.7	1.8
Tourism	1.5	1.6
Textile Industry	1.4	1.5
Retail	21.1	21.5
HVB Group	**229.8**	**228.0**

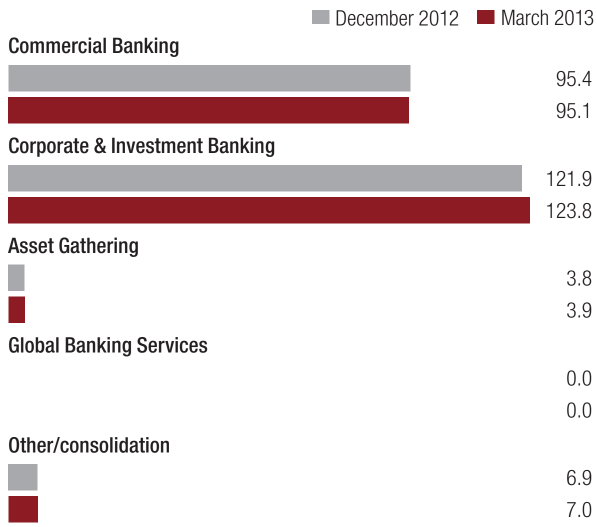
The portfolio has a balanced structure and is diversified across the various industries.

The exposure in the Banks, Insurance Companies portfolio rose by €7.3 billion in the first quarter of 2013. This portfolio is dominated by the liquidity placed with Deutsche Bundesbank, which rose by a further €2.8 billion in the first quarter of 2013. In addition, the exposure to the European Financial Stability Facility (EFSF) increased by €1.1 billion. Furthermore, business with top-rated counterparties in the banking sector was expanded.

The €4.9 billion decline in the Special products portfolio was caused by both a decline in business and reclassifications within the industry sectors.

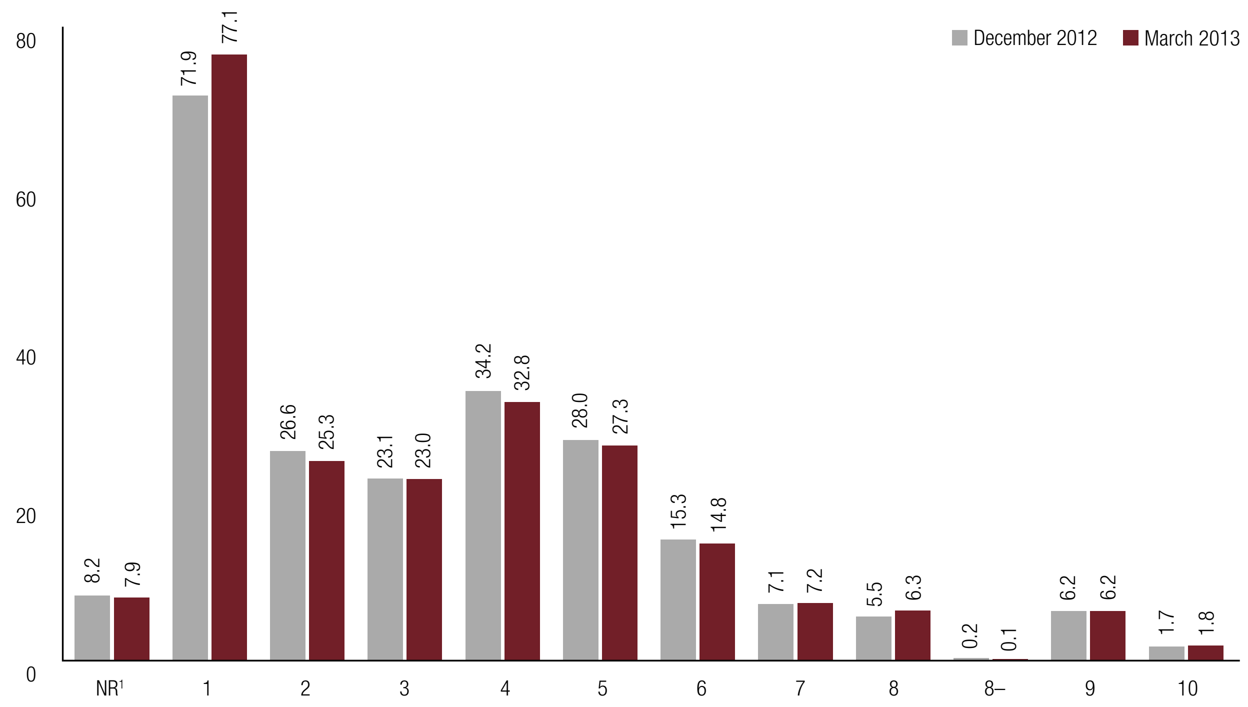
There was a slight rise of €1.9 billion in the exposure in the Corporate & Investment Banking segment. This can be attributed to the liquidity placed with Deutsche Bundesbank together with the rise in exposure to the EFSF and other banks.

Breakdown of credit default risk exposure by segment (€ billions)



Development of Selected Risks (Continued)

Breakdown of credit default risk exposure by rating class (€ billions)



1 not rated

The rating classes are shown broken down into non-rated partners (NR), the rating classes 1–7 for performing loans and the rating classes 8–10 for non-performing loans, with the rating classes 8–, 9 and 10 representing default classes.

The rating structure at HVB Group has improved further overall. In particular, a sharp rise of €5.2 billion in exposure can be noted in rating class 1. This primarily reflects increases in exposure to Deutsche Bundesbank, the EFSF and other banks.

The exposure in rating class 8 similarly has risen by a slight €0.8 billion, driven mainly by the shipping sector, which continues to be affected by a very challenging economic environment.

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	31/3/2013	31/12/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Interest rate derivatives	**1,087,241**	**1,133,056**	**899,095**	**3,119,392**	**3,134,770**	**83,633**	**96,352**	**82,674**	**95,934**
Foreign exchange derivatives	**190,335**	**29,209**	**539**	**220,083**	**231,944**	**3,126**	**2,995**	**3,227**	**2,816**
Cross-currency swaps	**36,926**	**139,590**	**79,219**	**255,735**	**250,601**	**5,043**	**5,077**	**5,765**	**5,649**
Equity/index derivatives	**82,993**	**45,433**	**16,239**	**144,665**	**114,528**	**3,286**	**3,211**	**3,656**	**3,608**
Credit derivatives	**46,588**	**89,880**	**8,862**	**145,330**	**145,027**	**1,585**	**1,592**	**1,495**	**1,486**
– purchased	25,685	44,992	4,329	75,006	74,694	1,082	1,001	536	652
– written	20,903	44,888	4,533	70,324	70,333	503	591	959	834
Other transactions	**3,067**	**3,045**	**885**	**6,997**	**7,373**	**243**	**211**	**296**	**264**
HVB Group	**1,447,150**	**1,440,213**	**1,004,839**	**3,892,202**	**3,884,243**	**96,916**	**109,438**	**97,113**	**109,757**

Derivative transactions by counterparty type

(€ millions)

	FAIR VALUE			
	POSITIVE		NEGATIVE	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Central governments and central banks	4,160	4,489	2,231	2,474
Banks	79,404	90,770	82,067	93,584
Financial institutions	9,963	10,748	11,427	12,310
Other companies and private individuals	3,389	3,431	1,388	1,389
HVB Group	**96,916**	**109,438**	**97,113**	**109,757**

In accordance with the banking supervision regulations under Basel II (German Banking Act/Solvency Regulation), risk-weighted assets for HVB Group arising from counterparty risk amounted to €12.8 billion at 31 March 2013 (31 December 2012: €12.9 billion) 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 collateral provided for derivative transactions.

Development of Selected Risks (Continued)

Market risk

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

	31/3/2013	AVERAGE 2012[1]	31/12/2012	30/9/2012	30/6/2012	31/3/2012
Interest rate positions (incl. credit spread risks)	26	24	17	23	23	33
Foreign exchange derivatives	1	2	2	1	1	2
Equity/index positions[2]	5	7	4	5	6	11
Diversification effect[3]	(6)	(13)	(7)	(12)	(12)	(19)
HVB Group	**26**	**20**	**16**	**17**	**18**	**27**

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

Banking book positions are included in the market risk limits in addition to trading book positions. In accordance with the 2013 risk strategy, the value-at-risk warning level serving to limit all market risk exposures has been reduced from €130 million to €120 million.

New regulatory metrics[1] at HVB (CRD III figures) (€ millions)

	31/3/2013	31/12/2012	30/9/2012	30/6/2012	31/3/2012
Stressed value-at-risk	35	22	24	24	38
Incremental risk charge	313	201	436	521	511
Comprehensive risk measure	—	—	21	26	165
Market risk Standard Approach	16	22	32	38	107

1 risk values based on internal reporting

Liquidity risk

The banking industry again felt the effects of the European sovereign debt crisis in the first quarter of 2013. Various measures taken by the European Union in particular only partially calmed the markets. It is not yet possible to predict for how long and to what extent the financial markets will be impacted by the debt crisis in some European countries together with risks arising from changes in interest and exchange rates.

HVB Group put in a solid performance in the first quarter of 2013 in this challenging market environment, thanks to a good liquidity situation, a solid financing structure and the liquidity management measures it undertook. Based on our forward-looking risk quantification and scenario analysis, we expect our overall liquidity to remain adequate.

Short-term liquidity risk

Within the framework of our limit system, we showed an overall positive balance of short-term liquidity risk of €36.9 billion in HVB Group for the next banking day at the end of March 2013 (31 March 2012: €27.7 billion). The portfolio of highly liquid securities included in this total and available at short notice to compensate for unexpected outflows of liquidity amounted to €24.7 billion at the end of the first quarter of 2013 (31 March 2012: €24.1 billion).

Our stress tests showed that the liquidity reserves available at the end of the first quarter of 2013 were sufficient to cover funding requirements from Bank-specific, market-wide and combined scenarios for a period of up to two months.

The requirements of the German Liquidity Regulation (Liquiditätsverordnung – LiqV) were met at all times by the affected units of HVB Group during the reporting period. The funds available to HVB exceeded its payment obligations for the following month by an average of €32.3 billion for HVB Group in the first quarter of 2013 (first quarter of 2012: €30.2 billion) and €29.8 billion at reference day 31 March 2013. This means that we are comfortably above the internally defined trigger.

Funding risk

The funding risk of HVB Group was again quite low in the first quarter of 2013 due to our broad funding base with regard to products, markets and investor groups. This ensured that we were able to obtain adequate funding for our lending operations in terms of volume and maturity within the framework of our limit system at all times. HVB Group obtained longer-term funding with a volume of €1.4 billion on the capital market during the first quarter of 2013 (first quarter of 2012: €1.8 billion). At the end of March 2013, 98.6% (first quarter of 2012: 97.6%) of assets with an economic maturity of more than one year were covered by liabilities with an economic maturity of more than one year. Consequently we do not expect to face any significant liquidity risk in the future. With their high credit quality and liquidity our Pfandbrief covered bonds still remain an important funding instrument.

Consolidated Income Statement

for the period from 1 January to 31 March 2013

		1/1–31/3/2013	1/1–31/3/2012	CHANGE	
Income/Expenses	NOTES	€ millions	€ millions	€ millions	in %
Interest income		1,499	1,951	(452)	(23.2)
Interest expense		(741)	(1,033)	+ 292	(28.3)
Net interest	4	758	918	(160)	(17.4)
Dividends and other income from equity investments	5	17	22	(5)	(22.7)
Net fees and commissions	6	327	315	+ 12	+ 3.8
Net trading income	7	375	807	(432)	(53.5)
Net other expenses/income	8	49	28	+ 21	+ 75.0
Payroll costs		(472)	(472)	—	—
Other administrative expenses		(363)	(382)	+ 19	(5.0)
Amortisation, depreciation and impairment losses					
on intangible and tangible assets		(48)	(46)	(2)	+ 4.3
Operating costs		(883)	(900)	+ 17	(1.9)
Net write-downs of loans and provisions					
for guarantees and commitments	9	(89)	(90)	+ 1	(1.1)
Provisions for risks and charges	10	(9)	1	(10)	
Restructuring costs		—	—	—	—
Net income from investments	11	68	20	+ 48	>+ 100.0
PROFIT BEFORE TAX		**613**	**1,121**	**(508)**	**(45.3)**
Income tax for the period		(210)	(391)	+ 181	(46.3)
CONSOLIDATED PROFIT		**403**	**730**	**(327)**	**(44.8)**
attributable to shareholder of UniCredit Bank AG		406	707	(301)	(42.6)
attributable to minorities		(3)	23	(26)	

Earnings per share

(in €)

	NOTES	1/1–31/3/2013	1/1–31/3/2012
Earnings per share (undiluted and diluted)	12	0.51	0.88

Consolidated statement of total comprehensive income for the period from 1 January to 31 March 2013

(€ millions)

	1/1–31/3/2013	1/1–31/3/2012
Consolidated profit recognised in the income statement	**403**	**730**
Income and expenses recognised in other comprehensive income		
Income and expenses not to be reclassified to the income statement in future periods		
Actuarial profit on defined benefit plans (pension commitments)	—	—
Taxes on income and expenses not to be reclassified to the income statement in future periods	—	—
Income and expenses to be reclassified to the income statement in future periods		
Changes from foreign currency translation	32	(31)
Change in valuation of financial instruments (AfS reserve)	16	119
Unrealised gains	16	121
Gains/(losses) reclassified to the income statement	—	(2)
Change in valuation of financial instruments (hedge reserve)	1	1
Unrealised gains	—	—
Gains/(losses) reclassified to the income statement	1	1
Taxes on income and expenses to be reclassified to the income statement in future periods	(6)	(34)
Total income and expenses recognised in equity under other comprehensive income	**43**	**55**
Total comprehensive income	**446**	**785**
of which:		
attributable to shareholder of UniCredit Bank AG	424	781
attributable to minorities	22	4

Consolidated Balance Sheet

at 31 March 2013

Assets

	NOTES	31/3/2013 € millions	31/12/2012 € millions	CHANGE € millions	in %
Cash and cash balances		18,619	15,655	+ 2,964	+ 18.9
Financial assets held for trading	13	119,007	131,017	(12,010)	(9.2)
Financial assets at fair value through profit or loss	14	24,759	24,282	+ 477	+ 2.0
Available-for-sale financial assets	15	5,372	5,482	(110)	(2.0)
Shares in associates accounted for using the equity method					
and joint ventures accounted for using the equity method	16	69	65	+ 4	+ 6.2
Held-to-maturity investments	17	235	261	(26)	(10.0)
Loans and receivables with banks	18	44,541	36,320	+ 8,221	+ 22.6
Loans and receivables with customers	19	120,014	122,212	(2,198)	(1.8)
Hedging derivatives		2,900	3,262	(362)	(11.1)
Hedge adjustment of hedged items					
in the fair value hedge portfolio		331	193	+ 138	+ 71.5
Property, plant and equipment		3,002	3,013	(11)	(0.4)
Investment properties		1,549	1,557	(8)	(0.5)
Intangible assets		533	540	(7)	(1.3)
of which: goodwill		418	418	—	—
Tax assets		2,920	3,113	(193)	(6.2)
Current tax assets		377	370	+ 7	+ 1.9
Deferred tax assets		2,543	2,743	(200)	(7.3)
Non-current assets or disposal groups held for sale		22	70	(48)	(68.6)
Other assets		1,402	1,258	+ 144	+ 11.4
Total assets		**345,275**	**348,300**	**(3,025)**	**(0.9)**

Liabilities

	NOTES	31/3/2013 € millions	31/12/2012 € millions	CHANGE € millions	in %
Deposits from banks	22	55,040	45,216	+ 9,824	+ 21.7
Deposits from customers	23	110,536	110,268	+ 268	+ 0.2
Debt securities in issue	24	32,558	35,863	(3,305)	(9.2)
Financial liabilities held for trading	25	111,307	121,501	(10,194)	(8.4)
Hedging derivatives		1,493	1,386	+ 107	+ 7.7
Hedge adjustment of hedged items					
in the fair value hedge portfolio		2,610	2,858	(248)	(8.7)
Tax liabilities		2,542	2,596	(54)	(2.1)
Current tax liabilities		898	893	+ 5	+ 0.6
Deferred tax liabilities		1,644	1,703	(59)	(3.5)
Liabilities of disposal groups held for sale		19	20	(1)	(5.0)
Other liabilities		3,532	3,375	+ 157	+ 4.7
Provisions	26	1,932	1,948	(16)	(0.8)
Shareholders' equity		23,706	23,269	+ 437	+ 1.9
Shareholders' equity attributable to					
shareholder of UniCredit Bank AG		22,896	22,475	+ 421	+ 1.9
Subscribed capital		2,407	2,407	—	—
Additional paid-in capital		9,791	9,791	—	—
Other reserves		7,766	7,759	+ 7	+ 0.1
Change in valuation of financial instruments	27	64	56	+ 8	+ 14.3
AfS reserve		37	30	+ 7	+ 23.3
Hedge reserve		27	26	+ 1	+ 3.8
Consolidated profit 2012		2,462	2,462	—	—
Net profit 1/1 – 31/3/2013[1]		406	—	+ 406	
Minority interest		810	794	+ 16	+ 2.0
Total shareholders' equity and liabilities		**345,275**	**348,300**	**(3,025)**	**(0.9)**

1 attributable to shareholder of UniCredit Bank AG

The profit available for distribution disclosed in the separate financial statements of UniCredit Bank AG (= consolidated profit of HVB Group) for the 2012 financial year, which forms the basis for the appropriation of profit, amounts to €2,462 million. This comprises the net profit of €1,462 million generated by UniCredit Bank AG in 2012 and a withdrawal of €1,000 million from other retained earnings. On 7 May 2013, the Shareholders' Meeting adopted a resolution to pay the consolidated profit of €2,462 million as a dividend to UniCredit S.p.A. (UniCredit), Rome, Italy. This represents a dividend of around €3.07 per share.

Statement of Changes in Shareholders' Equity

at 31 March 2013

	SUBSCRIBED CAPITAL	ADDITIONAL PAID-IN CAPITAL	OTHER RESERVES TOTAL	OTHER RESERVES OF WHICH: PENSIONS AND SIMILAR OBLIGATIONS (IAS 19)
Shareholders' equity at 1 January 2012	**2,407**	**9,791**	**9,389**	**(197)**
Consolidated profit recognised in the consolidated income statement	**—**	**—**	**—**	**—**
Total income and expenses recognised in equity under other				
comprehensive income[3]	**—**	**—**	**(6)**	**—**
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation	—	—	(6)	—
Total other changes in equity	**—**	**—**	**—**	**—**
Dividend payouts	—	—	—	—
Transfers to consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	—	—
Shareholders' equity at 31 March 2012	**2,407**	**9,791**	**9,383**	**(197)**
Shareholders' equity at 1 January 2013	**2,407**	**9,791**	**7,759**	**(599)**
Consolidated profit recognised in the consolidated income statement	**—**	**—**	**—**	**—**
Total income and expenses recognised in equity under other				
comprehensive income[3]	**—**	**—**	**10**	**—**
Change in valuation of financial instruments not affecting income	—	—	—	—
Change in valuation of financial instruments affecting income	—	—	—	—
Actuarial losses on defined benefit plans	—	—	—	—
Reserve arising from foreign currency translation	—	—	10	—
Total other changes in equity	**—**	**—**	**(3)**	**—**
Dividend payouts	—	—	—	—
Transfers to consolidated profit	—	—	—	—
Changes in group of consolidated companies	—	—	(3)	—
Shareholders' equity at 31 March 2013	**2,407**	**9,791**	**7,766**	**(599)**

1 attributable to shareholder of UniCredit Bank AG
2 UniCredit Bank AG (HVB)
3 see Consolidated 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
	(134)	**22**	**1,017**	**—**	**22,492**	**826**	**23,318**
	—	**—**	**—**	**707**	**707**	**23**	**730**
	79	**1**	**—**	**—**	**74**	**(19)**	**55**
	81	—	—	—	81	6	87
	(2)	1	—	—	(1)	—	(1)
	—	—	—	—	—	—	—
	—	—	—	—	(6)	(25)	(31)
	—	**—**	**—**	**—**	**—**	**(9)**	**(9)**
	—	—	—	—	—	(9)	(9)
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	(55)	**23**	**1,017**	**707**	**23,273**	**821**	**24,094**
	30	**26**	**2,462**	**—**	**22,475**	**794**	**23,269**
	—	**—**	**—**	**406**	**406**	**(3)**	**403**
	7	**1**	**—**	**—**	**18**	**25**	**43**
	7	—	—	—	7	3	10
	—	1	—	—	1	—	1
	—	—	—	—	—	—	—
	—	—	—	—	10	22	32
	—	**—**	**—**	**—**	**(3)**	**(6)**	**(9)**
	—	—	—	—	—	(9)	(9)
	—	—	—	—	—	—	—
	—	—	—	—	(3)	3	—
	37	**27**	**2,462**	**406**	**22,896**	**810**	**23,706**

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 2013 as in the consolidated financial statements for 2012 (please refer to the HVB Group Annual Report for 2012, starting on page 126).

The new IFRS 13 "Fair Value Measurement", which consolidates the rules for determining fair value within IFRS, and the following standards revised by the IASB are applicable for the first time in the 2013 financial year:
– Amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities"
– Amendments to IAS 1 "Presentation of Financial Statements – Other Comprehensive Income"
– Amendments to IAS 12 "Deferred Tax: Recovery of Underlying Assets"
– Amendments to IAS 19 "Employee Benefits"
– "Annual Improvements to IFRSs 2009–2011"

Implementation of these standards will have no material effect on the consolidated financial statements of HVB Group. Necessary additional disclosures in the notes to the financial statements will be included in the consolidated financial statements at 31 December 2013.

Segment reporting

As already announced in the 2012 Annual Report, the business model was adjusted at the outset of 2013 to cater for the changed market environment which entailed a restructuring of global and regional responsibilities and thus the segments of HVB Group.

This means that HVB Group is divided into the following segments as of the first quarter of 2013:
– Commercial Banking
– Corporate & Investment Banking
– Asset Gathering
– Global Banking Services
– Other/consolidation

The adjustment of the business model also entailed the formation of the new Commercial Banking segment, which encompasses oversight for all activities involving retail customers and entrepreneurs in Germany.

The Corporate & Investment Banking (CIB) segment is continuing to benefit from its global business focus but, in contrast to its existing structure, the Corporates Germany and Real Estate customer care models have been transferred to the newly formed Commercial Banking segment. The Unternehmer Bank integrated in the Commercial Banking segment stands for the comprehensive care of entrepreneurs in Germany. To achieve this, all business activities involving small and medium-sized enterprises and the public-sector customers have been transferred from the former Family & SME (F&SME) division to the Unternehmer Bank. Furthermore, the former Private Banking division has been integrated in the newly formed Private Clients Bank business unit and the Family Office transferred to the Unternehmer Bank business unit. The Private Clients Bank business unit similarly forms part of the new Commercial Banking segment.

The business activities of DAB Bank AG and direktanlage.at AG which were previously assigned to the F&SME division are to be shown as a separate segment known as Asset Gathering following the reorganisation of the segments.

Furthermore, the Global Banking Services operations which were previously included in the Other/consolidation segment, are now shown as a separate segment. The Other/consolidation segment now only encompasses the Group Corporate Center activities and the effects of consolidation.

Components of the segments of HVB Group

Commercial Banking segment

The Commercial Banking segment covers all customers in Germany requiring standardised or individual service and advice across a wide range of banking services in the Private Clients Bank and Unternehmer Bank business units. Different service models are applied in Commercial Banking in line with the needs of its various customer groups: retail customers, private banking customers, business and corporate customers, commercial real estate customers, and Wealth Management customers.

Commercial Banking builds on the strong HypoVereinsbank brand, with a regional sales structure facilitating market-compliant customer care by anchoring a high level of responsibility for results in the region.

The Unternehmer Bank employs a different Mittelstand bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany. All of the business involving the German Mittelstand and commercial real estate is pooled in the Unternehmer Bank business unit, with the exception of the companies and subsidiaries served by the Multinational Corporates unit. These are allocated to the Corporate & Investment Banking segment in light of their regular demand for capital market products and complex advisory services.

The scope of business services offered is based on the complexity of the customer's needs, ranging from simple commercial banking products all the way through to the provision of capital market solutions. At the same time, access to the UniCredit corporate network in western, central and eastern Europe adds considerable value for export-oriented German Mittelstand firms in the support they receive for their international business activities.

The range of services for personal banking is determined by the needs of the entrepreneurs, running from standard products through to Family Office functionality.

The Private Clients Bank serves retail customers and private banking customers with banking and insurance solutions across all areas of demand.

The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering. The competence of the global corporate group and prestigious international product vendors are called upon for high-end product offerings.

Alongside personal service "on the ground" locally, our retail customers also have access to a wide range of specialist know-how at all times and, if required, the services of an online branch with extended opening hours in a modern multichannel offering.

Thus, Commercial Banking customers benefit from the strong set of product solutions of a universal bank, ranging from simple banking products, expertise in subsidy advice and leasing through to usage of the global product competence in Corporate & Investment Banking and Global Transaction Banking.

Corporate & Investment Banking segment

The Corporate & Investment Banking segment aims to be the first port of call for large corporates and institutional customers in terms of advisory expertise, product and process quality, and value creation. In this context, we seek to build a sustainable, stable and strategic business partnership and position ourselves as core bank with the customer for both commercial and investment banking. The customer focus concept includes professional, active relationship management that acts in a way that is competent, advice-based, fast and transparent. Added to this is a thorough understanding of the customer's business model and industry. CIB supports corporate customers – including those served by the Unternehmer Bank – in their positioning, growth and internationalisation by acting as an intermediary with the capital market.

The three global product lines – Markets, Financing & Advisory and Global Transaction Banking – form part of the integrated CIB value chain. They assist the customer with strategic, transaction-oriented activities, solutions and products. In light of changing markets and rising market risk, we aim to accompany the customer and cover issues like restructuring, growth and internationalisation alongside all corporate customer needs from their bank. Among other things, this includes the very latest intelligence about specific industries and markets that also satisfy the growing expectations of a financing partner.

Notes (Continued)

Our CIB America and CIB Asia branches enable us to provide the best possible service to the subsidiaries of our corporate customers located in the Americas and Asia and offer American and Asian companies with commercial activities in our domestic markets the network they need to operate successfully.

Asset Gathering segment
The activities of our DAB Bank subsidiary are reflected in the Asset Gathering segment. DAB Bank offers financial services for retail and business customers. Besides its activities in Germany, DAB Bank also serves the Austrian market through direktanlage.at, its Austria-based subsidiary.

DAB Bank's core products are online brokerage services coupled with an independent range of investment and online banking solutions. DAB Bank provides its customers with direct, inexpensive access to the capital market.

In addition, DAB Bank helps its customers to implement long-term investment strategies by means of advisory services relating to product selection and portfolio structuring, among other things.

DAB Bank offers its customer a wide range of payment and financing services. By concentrating on the internet as a distribution channel, DAB Bank is able to provide its products and services at attractive terms and conditions.

DAB Bank acts as custodian and manager of securities and conducts securities transactions for its business customers. Furthermore, DAB Bank offers these customers wide-ranging services in the fields of IT and reporting and provides marketing and sales support.

Global Banking Services segment
Global Banking Services views itself as a central internal service provider for both customers and employees. Its activities encompass purchasing, organisation, corporate security, logistics and facility management, cost management, back-office functions for credit, accounts, foreign exchange, money market and derivatives, and in-house consulting. Payments, securities settlement, IT application development and IT operation have been outsourced.

Other/consolidation segment
The Other/consolidation activities include profit contributions that do not fall within the jurisdiction of the individual segments. 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 segments, 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. This includes contributions to earnings from securities and money trading activities involving UniCredit S.p.A. and its subsidiaries. The Other/consolidation segment also includes the Real Estate Restructuring customer portfolio (RER).

Method of segment reporting
Apart from the reorganisation of the segment contents, the same principles are being applied in the 2013 financial year as were used at year-end 2012. 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 3.70% in 2012. This interest rate was redetermined for 2013 and has been 3.17% since 1 January 2013. At the same time, we have made a minor adjustment in net interest as of the first quarter of 2013. The cost of foreign currency swaps concluded as part of asset/liability management that was previously included in the net interest of the Corporate & Investment Banking segment is now included in the net interest of the Other/consolidation segment.

Last year's figures and those of previous quarters have been adjusted accordingly to reflect the new corporate structure and the reorganisation described above.

2 Companies included in consolidation
The following company was added to the group of companies included in consolidation in the first three months of 2013:
– Elektra Purchase No. 911 Ltd., Dublin.

The following company left the group of companies included in consolidation in the first three months of 2013 due to liquidation:
– GELDILUX-TS-2007 S.A., Luxembourg.

Notes to the Income Statement

3 Segment reporting

Income statement broken down by segment for the period from 1 January to 31 March 2013 (€ millions)

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	GLOBAL BANKING SERVICES	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	405	304	9	(4)	44	758
Dividends and other income from						
equity investments	—	17	—	—	—	17
Net fees and commissions	233	71	21	—	2	327
Net trading income	11	250	—	—	114	375
Net other expenses/income	1	12	(1)	71	(34)	49
OPERATING INCOME	**650**	**654**	**29**	**67**	**126**	**1,526**
Payroll costs	(197)	(120)	(10)	(38)	(107)	(472)
Other administrative expenses	(304)	(196)	(13)	5	145	(363)
Amortisation, depreciation and impairment						
losses on intangible and tangible assets	(3)	(2)	(3)	(25)	(15)	(48)
Operating costs	**(504)**	**(318)**	**(26)**	**(58)**	**23**	**(883)**
OPERATING PROFIT	**146**	**336**	**3**	**9**	**149**	**643**
Net write-downs of loans and provisions						
for guarantees and commitments	(32)	(56)	—	—	(1)	(89)
NET OPERATING PROFIT	**114**	**280**	**3**	**9**	**148**	**554**
Provisions for risks and charges	1	(10)	—	—	—	(9)
Restructuring costs	—	—	—	—	—	—
Net income from investments	—	12	2	54	—	68
PROFIT BEFORE TAX	**115**	**282**	**5**	**63**	**148**	**613**

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

INCOME/EXPENSES	COMMERCIAL BANKING	CORPORATE & INVESTMENT BANKING	ASSET GATHERING	GLOBAL BANKING SERVICES	OTHER/ CONSOLIDATION	HVB GROUP
Net interest	411	438	14	(6)	61	918
Dividends and other income from						
equity investments	1	21	—	—	—	22
Net fees and commissions	220	73	21	—	1	315
Net trading income	(1)	783	—	—	25	807
Net other expenses/income	(2)	(6)	—	80	(44)	28
OPERATING INCOME	**629**	**1,309**	**35**	**74**	**43**	**2,090**
Payroll costs	(187)	(139)	(10)	(38)	(98)	(472)
Other administrative expenses	(301)	(196)	(16)	(5)	136	(382)
Amortisation, depreciation and impairment						
losses on intangible and tangible assets	(2)	(2)	(3)	(26)	(13)	(46)
Operating costs	**(490)**	**(337)**	**(29)**	**(69)**	**25**	**(900)**
OPERATING PROFIT	**139**	**972**	**6**	**5**	**68**	**1,190**
Net write-downs of loans and provisions						
for guarantees and commitments	(18)	(67)	—	—	(5)	(90)
NET OPERATING PROFIT	**121**	**905**	**6**	**5**	**63**	**1,100**
Provisions for risks and charges	18	(26)	—	—	9	1
Restructuring costs	—	—	—	—	—	—
Net income from investments	—	14	2	—	4	20
PROFIT BEFORE TAX	**139**	**893**	**8**	**5**	**76**	**1,121**

Notes to the Income Statement (Continued)

Income statement of the Commercial Banking segment (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2013	1/1 – 31/3/2012	Q4 2012	Q3 2012	Q2 2012
Net interest	405	411	408	424	411
Dividends and other income from equity investments	—	1	6	5	5
Net fees and commissions	233	220	230	220	235
Net trading income	11	(1)	(14)	1	5
Net other expenses/income	1	(2)	(10)	1	(1)
OPERATING INCOME	**650**	**629**	**620**	**651**	**655**
Payroll costs	(197)	(187)	(193)	(194)	(201)
Other administrative expenses	(304)	(301)	(302)	(291)	(289)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(3)	(2)	(3)	(2)	(2)
Operating costs	**(504)**	**(490)**	**(498)**	**(487)**	**(492)**
OPERATING PROFIT	**146**	**139**	**122**	**164**	**163**
Net write-downs of loans and provisions for guarantees and commitments	(32)	(18)	40	(42)	(18)
NET OPERATING PROFIT	**114**	**121**	**162**	**122**	**145**
Provisions for risks and charges	1	18	(11)	30	(5)
Restructuring costs	—	—	(86)	—	—
Net income from investments	—	—	(4)	—	—
PROFIT BEFORE TAX	**115**	**139**	**61**	**152**	**140**
Cost-income ratio in %	77.5	77.9	80.3	74.8	75.1

Development of the Commercial Banking segment
In the first three months of 2013, the Commercial Banking segment increased its operating income by 3.3%, or €21 million, over the equivalent year-ago figure to €650 million.

Within this total, net interest declined by €6 million to €405 million due to depressed margins in deposit-taking operations on account of the sharp drop in interest rates coupled with declining volumes in lending activities.

Net fees and commissions developed strongly, rising by 5.9% over the year-ago figure of €220 million to €233 million, despite the persistent reticence on the part of investors. The main factors contributing to this increase were the roll-out of our new account models together with higher commission income from lending activities. Net trading income of €11 million essentially comprises the reversal of credit value adjustments. Thanks to the increase in operating income, the cost-income ratio improved by a slight 0.4 percentage points to 77.5% after 77.9% in the equivalent period last year.

The 2.9% increase in operating costs to €504 million can essentially be attributed to pay rises under collective bargaining agreements.

The €14 million rise in net write-downs of loans and provisions for guarantees and commitments to €32 million reflects a beginning return to normal levels following on from the very low figure of just €18 million recorded in the equivalent period last year.

Once the positive effect of €1 million arising from the reversal of provisions (2012: €18 million) is included, the Commercial Banking segment generated profit before tax totalling €115 million (2012: €139 million) in the first three months of 2013.

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

INCOME/EXPENSES	1/1 – 31/3/2013	1/1 – 31/3/2012	Q4 2012	Q3 2012	Q2 2012
Net interest	304	438	375	449	426
Dividends and other income from equity investments	17	21	42	30	33
Net fees and commissions	71	73	36	43	23
Net trading income	250	783	76	159	48
Net other expenses/income	12	(6)	10	—	(2)
OPERATING INCOME	**654**	**1,309**	**539**	**681**	**528**
Payroll costs	(120)	(139)	(78)	(141)	(115)
Other administrative expenses	(196)	(196)	(194)	(194)	(203)
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(2)	(2)	(4)	(3)	(3)
Operating costs	**(318)**	**(337)**	**(276)**	**(338)**	**(321)**
OPERATING PROFIT	**336**	**972**	**263**	**343**	**207**
Net write-downs of loans and provisions					
for guarantees and commitments	(56)	(67)	(439)	(132)	(296)
NET OPERATING PROFIT/(LOSS)	**280**	**905**	**(176)**	**211**	**(89)**
Provisions for risks and charges	(10)	(26)	102	—	81
Restructuring costs	—	—	(9)	—	—
Net income from investments	12	14	(24)	98	—
PROFIT/(LOSS) BEFORE TAX	**282**	**893**	**(107)**	**309**	**(8)**
Cost-income ratio in %	48.6	25.7	51.2	49.6	60.8

Development of the Corporate & Investment Banking segment

The Corporate & Investment Banking segment generated operating income of €654 million in the difficult market environment of the first three months of 2013. The total was €655 million below the amount recorded for the equivalent period last year (first quarter of 2012: €1,309 million), although this figure benefited from non-recurring income of €395 million arising from the reversal of credit value adjustments. After operating costs down 5.6% to €318 million are deducted (first quarter of 2012: €337 million), the operating profit amounts to €336 million (2012: €972 million).

The decline in operating income is due mainly to a decrease of €533 million in net trading income to €250 million (first quarter of 2012: €783 million), the vast majority of which can be attributed to the non-recurrence of one-time income of €395 million from the reversal of credit value adjustments recorded in the previous year. After adjustment for this non-recurring effect, the decline totals only €138 million. All the operating trading units contributed positive results to the segment's net trading income, despite persistently difficult market conditions; these notably include the Rates (interest-related products), Integrated Credit Trading (trading with structured credit products) and Equity Derivatives Trading units. The year-on-year decline stems primarily from the Rates unit.

Net interest declined by €134 million to €304 million in the first quarter of 2013 compared with the equivalent period last year. This development can be attributed to a decrease of €66 million in trading-induced interest together with lower income from lending operations due to contracting credit volumes and margins. The dividend income fell by a total of €4 million to €17 million on account of lower dividend payments by private equity funds. At €71 million, net fees and commissions were at around the same level as in the equivalent period last year (first quarter of 2012: €73 million); the decline in income from payment transactions was offset by higher income in credit-related business. The rise of €18 million in net other expenses/income is essentially attributable to the recognition of income from the billing of structuring and advisory services relating to project finance.

Notes to the Income Statement (Continued)

Operating costs declined by €19 million, or 5.6%, compared with the first quarter of 2012 to €318 million in the reporting period (first quarter of 2012: €337 million), despite an inflation rate of 1.8%. This pleasing development can be attributed to a fall of €19 million in payroll costs to €120 million, while other administrative expenses and amortisation, depreciation and write-downs on intangible and tangible assets totalled €198 million, the same level as last year. The segment's cost-income ratio rose sharply by 22.9 percentage points to 48.6% (first quarter of 2012: 25.7%), on account of the decline in income.

At €56 million in the first quarter of 2013, net write-downs of loans and provisions for guarantees and commitments were €11 million below the figure for the first quarter of 2012 (€67 million) and hence still at a moderate level. Provisions of €10 million for risks and charges were recognised in the first quarter of 2013 (first quarter of 2012: €26 million), resulting primarily from legal risks. Once net income from investments of €12 million is factored in (first quarter of 2012: €14 million), the CIB segment generated a profit before tax of €282 million in the first three months of 2013 (first quarter of 2012: €893 million).

Income statement of the Asset Gathering segment (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2013	1/1 – 31/3/2012	Q4 2012	Q3 2012	Q2 2012
Net interest	9	14	11	10	14
Dividends and other income from equity investments	—	—	—	—	—
Net fees and commissions	21	21	17	20	17
Net trading income	—	—	1	—	—
Net other expenses/income	(1)	—	(1)	—	—
OPERATING INCOME	**29**	**35**	**28**	**30**	**31**
Payroll costs	(10)	(10)	(11)	(11)	(10)
Other administrative expenses	(13)	(16)	(12)	(14)	(15)
Amortisation, depreciation and impairment losses on intangible and tangible assets	(3)	(3)	(5)	(3)	(3)
Operating costs	**(26)**	**(29)**	**(28)**	**(28)**	**(28)**
OPERATING PROFIT	**3**	**6**	**—**	**2**	**3**
Net write-downs of loans and provisions for guarantees and commitments	—	—	—	—	—
NET OPERATING PROFIT	**3**	**6**	**—**	**2**	**3**
Provisions for risks and charges	—	—	—	—	—
Restructuring costs	—	—	—	—	—
Net income from investments	2	2	6	2	4
PROFIT BEFORE TAX	**5**	**8**	**6**	**4**	**7**
Cost-income ratio in %	89.7	82.9	100.0	93.3	90.3

Development of the Asset Gathering segment

The operating income of the Asset Gathering segment amounted to €29 million in the first three months of 2013, down by €6 million on the €35 million recorded for the same period last year. This decline results notably from the €5 million decrease in net interest to €9 million. The historically low level of interest rates has greatly reduced the margins that can be gained in deposit-taking operations. Net fees and commissions remained at the year-ago level of €21 million, reflecting the unchanged customer demand.

Operating costs were reduced by a total of 10.3% to €26 million, with payroll costs remaining constant year-on-year, thanks mainly to active cost management.

Together with net income from investments unchanged at €2 million (2012: €2 million), the Asset Gathering segment generated a profit before tax of €5 million in the first three months of 2013 (2012: €8 million).

Income statement of the Global Banking Services segment (€ millions)

INCOME/EXPENSES	1/1 – 31/3/2013	1/1 – 31/3/2012	Q4 2012	Q3 2012	Q2 2012
Net interest	(4)	(6)	(11)	(2)	(3)
Dividends and other income from equity investments	—	—	—	—	1
Net fees and commissions	—	—	—	—	1
Net trading income	—	—	—	—	(1)
Net other expenses/income	71	80	68	72	69
OPERATING INCOME	**67**	**74**	**57**	**70**	**67**
Payroll costs	(38)	(38)	(35)	(37)	(41)
Other administrative expenses	5	(5)	4	(5)	7
Amortisation, depreciation and impairment					
losses on intangible and tangible assets	(25)	(26)	(14)	(27)	(24)
Operating costs	**(58)**	**(69)**	**(45)**	**(69)**	**(58)**
OPERATING PROFIT	**9**	**5**	**12**	**1**	**9**
Net write-downs of loans and provisions					
for guarantees and commitments	—	—	—	—	—
NET OPERATING PROFIT	**9**	**5**	**12**	**1**	**9**
Provisions for risks and charges	—	—	5	—	—
Restructuring costs	—	—	—	—	—
Net income from investments	54	—	1	—	49
PROFIT BEFORE TAX	**63**	**5**	**18**	**1**	**58**
Cost-income ratio in %	86.6	93.2	78.9	98.6	86.6

Development of the Global Banking Services segment

The profit before tax of the Global Banking Services segment improved by €58 million over the year-ago total to €63 million in the first quarter of 2013. This strong rise essentially results from net income from investments, which includes the gains on the disposal of property. By contrast, operating income declined by a total of €7 million, from €74 million to €67 million. This development can be attributed to the decrease of €9 million in net other expenses/income to €71 million. At the same time, operating costs fell by a total of €11 million to €58 million thanks to an improvement of €10 million in other administrative expenses with payroll costs remaining the same.

Notes to the Income Statement (Continued)

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

INCOME/EXPENSES	1/1 – 31/3/2013	1/1 – 31/3/2012	Q4 2012	Q3 2012	Q2 2012
Net interest	44	61	(49)	(2)	30
Dividends and other income from equity investments	—	—	2	—	1
Net fees and commissions	2	1	(3)	4	5
Net trading income	114	25	4	17	87
Net other expenses/income	(34)	(44)	(36)	(22)	(35)
OPERATING INCOME	**126**	**43**	**(82)**	**(3)**	**88**
Payroll costs	(107)	(98)	(98)	(101)	(101)
Other administrative expenses	145	136	133	128	130
Amortisation, depreciation and impairment losses on intangible and tangible assets	(15)	(13)	(13)	(13)	(13)
Operating costs	**23**	**25**	**22**	**14**	**16**
OPERATING PROFIT/(LOSS)	**149**	**68**	**(60)**	**11**	**104**
Net write-downs of loans and provisions for guarantees and commitments	(1)	(5)	96	15	139
NET OPERATING PROFIT	**148**	**63**	**36**	**26**	**243**
Provisions for risks and charges	—	9	(3)	(4)	(1)
Restructuring costs	—	—	(7)	—	—
Net income from investments	—	4	4	5	(3)
PROFIT BEFORE TAX	**148**	**76**	**30**	**27**	**239**
Cost-income ratio in %	(18.3)	(58.1)	26.8	466.7	(18.2)

Development of the Other/consolidation segment

The operating income of this segment amounted to €126 million in the first three months of 2013 after €43 million in the equivalent quarter last year. This rise of €83 million essentially results from net trading income, which improved significantly to €114 million (first quarter of 2012: €25 million) mainly on account of the gains generated in connection with the buy-back of hybrid capital instruments. At the same time, net interest declined by €17 million to €44 million due primarily to lower income from asset/liability management and decreasing volumes of securities and money trading activities involving UniCredit S.p.A. and its subsidiaries.

With operating costs down by €2 million, the operating profit was up by €81 million during the reporting period to €149 million (first quarter of 2012: €68 million).

Once net write-downs of loans and provisions for guarantees and commitments of €1 million (first quarter of 2012: €5 million) have been deducted, there remains a profit before tax of €148 million for this segment in the first quarter of 2013 (first quarter of 2012: €76 million).

4 Net interest

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Interest income from	**1,499**	**1,951**
lending and money market transactions	1,026	1,372
other interest income	473	579
Interest expense from	**(741)**	**(1,033)**
deposits	(185)	(356)
debt securities in issue and other interest expenses	(556)	(677)
Total	**758**	**918**

5 Dividends and other income from equity investments

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Dividends and other similar income	15	19
Companies accounted for using the equity method	2	3
Total	**17**	**22**

6 Net fees and commissions

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Management, brokerage and consultancy services	127	154
Collection and payment services[1]	56	54
Lending operations[1]	135	100
Other service operations	9	7
Total	**327**	**315**

1 at 30 September 2012, guarantee and documentary-credit fees were reclassified from lending operations to collection and payment services. The year-ago figures have been adjusted accordingly

This item comprises the balance of fee and commission income of €452 million (2012: €439 million) and fee and commission expenses of €125 million (2012: €124 million).

7 Net trading income

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Net gains on financial assets held for trading[1]	160	848
Effects arising from hedge accounting	19	(34)
Changes in fair value of hedged items	201	(297)
Changes in fair value of hedging derivatives	(182)	263
Net gains/(losses) on financial assets at fair value through profit or loss (fair value option)[2]	65	(37)
Other net trading income	131	30
Total	**375**	**807**

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

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

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

Notes to the Income Statement (Continued)

8 Net other expenses/income

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Other income	92	84
Other expenses	(43)	(56)
Total	**49**	**28**

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

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Additions/releases	**(101)**	**(102)**
Allowances for losses on loans and receivables	(102)	(100)
Allowances for losses on guarantees and indemnities	1	(2)
Recoveries from write-offs of loans and receivables	**12**	**15**
Gains/(losses) on the disposal of impaired loans and receivables	**—**	**(3)**
Total	**(89)**	**(90)**

10 Provisions for risks and charges

Net additions to provisions for risks and charges amounted to €9 million during the reporting period, essentially in connection with legal risks.

11 Net income from investments

(€ millions)

	1/1 – 31/3/2013	1/1 – 31/3/2012
Available-for-sale financial assets	14	11
Shares in affiliated companies	—	—
Companies accounted for using the equity method	—	—
Held-to-maturity investments	—	5
Land and buildings	54	—
Investment properties[1]	—	4
Total	**68**	**20**

1 gains on disposal, 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 – 31/3/2013	1/1 – 31/3/2012
Gains on the disposal of	**82**	**24**
available-for-sale financial assets	28	12
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	5
land and buildings	54	—
investment properties	—	7
Write-downs, value adjustments and write-ups on	**(14)**	**(4)**
available-for-sale financial assets	(14)	(1)
shares in affiliated companies	—	—
companies accounted for using the equity method	—	—
held-to-maturity investments	—	—
investment properties	—	(3)
Total	**68**	**20**

12 Earnings per share

	1/1 – 31/3/2013	1/1 – 31/3/2012
Consolidated profit attributable to shareholder (€ millions)	406	707
Average number of shares	802,383,672	802,383,672
Earnings per share (€)	0.51	0.88

Notes to the Balance Sheet

13 Financial assets held for trading

(€ millions)

	31/3/2013	31/12/2012
Balance sheet assets	**25,321**	**25,035**
Fixed-income securities	14,592	13,917
Equity instruments	2,766	3,843
Other financial assets held for trading	7,963	7,275
Positive fair value from derivative financial instruments	**93,686**	**105,982**
Total	**119,007**	**131,017**

The financial assets held for trading include €127 million (31 December 2012: €207 million) in subordinated assets at 31 March 2013.

14 Financial assets at fair value through profit or loss

(€ millions)

	31/3/2013	31/12/2012
Fixed-income securities	23,448	22,915
Equity instruments	—	—
Investment certificates	2	2
Promissory notes	1,309	1,365
Other financial assets at fair value through profit or loss	—	—
Total	**24,759**	**24,282**

The financial assets at fair value through profit or loss include €309 million (31 December 2012: €301 million) in subordinated assets at 31 March 2013.

15 Available-for-sale financial assets

(€ millions)

	31/3/2013	31/12/2012
Fixed-income securities	3,929	4,013
Equity instruments	415	418
Other available-for-sale financial assets	182	188
Impaired assets	846	863
Total	**5,372**	**5,482**

At 31 March 2013, available-for-sale financial assets include financial instruments of €1,181 million (31 December 2012: €1,082 million) valued at cost.

The available-for-sale financial assets contain a total of €846 million (31 December 2012: €863 million) in impaired assets at 31 March 2013 for which impairments of €18 million (31 March 2012: €4 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 €229 million (31 December 2012: €220 million) in subordinated assets at 31 March 2013.

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

(€ millions)

	31/3/2013	31/12/2012
Associated companies accounted for using the equity method	69	65
of which: goodwill	36	36
Joint ventures accounted for using the equity method	—	—
Total	**69**	**65**

17 Held-to-maturity investments

(€ millions)

	31/3/2013	31/12/2012
Fixed-income securities	235	261
Impaired assets	—	—
Total	**235**	**261**

The held-to-maturity investments include a total of €11 million (31 December 2012: €11 million) in subordinated assets at 31 March 2013.

Held-to-maturity investments at 31 March 2013 include no impaired assets, as was also the case at 31 December 2012.

18 Loans and receivables with banks

(€ millions)

	31/3/2013	31/12/2012
Current accounts	13,489	14,737
Repos[1]	15,623	6,975
Reclassified securities	2,028	2,171
Other loans to banks	13,401	12,437
Total	**44,541**	**36,320**

1 repurchase agreements

The other loans to banks consist mostly of term deposits and bonds.

The loans and receivables with banks include €606 million (31 December 2012: €641 million) in subordinated assets at 31 March 2013.

19 Loans and receivables with customers

(€ millions)

	31/3/2013	31/12/2012
Current accounts	10,586	10,754
Repos[1]	432	443
Mortgage loans	42,370	42,957
Finance leases	1,907	1,883
Reclassified securities	3,301	3,552
Non-performing loans and receivables	4,424	4,468
Other loans and receivables	56,994	58,155
Total	**120,014**	**122,212**

1 repurchase agreements

The loans and receivables with customers include €1,330 million (31 December 2012: €1,298 million) in subordinated assets at 31 March 2013.

Notes to the Balance Sheet (Continued)

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

No further reclassifications have been carried out since 2010. 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 (2008/09) through to the time of reclassification. Given the high quality of the assets concerned, HVB intends to retain the assets for a longer period. HVB has not reclassified any assets from the available-for-sale portfolio.

The following table shows the development of the reclassified holdings:

(€ billions)

RECLASSIFIED ASSET-BACKED SECURITIES AND OTHER DEBT SECURITIES	CARRYING AMOUNT OF ALL RECLASSIFIED ASSETS[1]	FAIR VALUE OF ALL RECLASSIFIED ASSETS	NOMINAL AMOUNT OF ALL RECLASSIFIED ASSETS
Reclassified in 2008			
Balance at 31/12/2008	13.7	11.8	14.6
Balance at 31/12/2009	9.0	8.0	9.7
Balance at 31/12/2010	6.5	5.9	7.0
Balance at 31/12/2011	4.7	4.0	5.0
Balance at 31/12/2012	3.4	3.0	3.6
Balance at 31/3/2013	3.3	2.9	3.5
Reclassified in 2009			
Balance at 31/12/2009	7.3	7.4	7.4
Balance at 31/12/2010	4.6	4.5	4.6
Balance at 31/12/2011	3.2	3.2	3.3
Balance at 31/12/2012	2.4	2.5	2.5
Balance at 31/3/2013	2.3	2.4	2.4
Balance of reclassified assets at 31/3/2013	**5.6**	**5.3**	**5.9**

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 €5.3 billion at 31 March 2013. 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 €131 million in net trading income in the first three months of 2013. A net gain of €498 million (2012), €96 million (2011), €416 million (2010) and €1,159 million (2009) would have arisen in net trading income in the financial years 2012, 2011, 2010 and 2009, while a net loss of €1,792 million would have accrued in net trading income from the reclassified holdings in 2008. These effects reflect a theoretical, pro forma calculation, as the assets are measured at amortised cost on account of the reclassification.

In the first three months of 2013, we reversed €4 million of the write-downs taken on reclassified holdings. Write-downs on reclassified holdings had been taken in the amount of €31 million in 2012, €3 million in 2011, €8 million in 2010, €80 million in 2009 and €63 million in 2008. 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 €7 million (whole of 2012: €66 million, 2011: €100 million, 2010: €160 million, 2009: €208 million, 2008: €127 million), which is recognised in net interest.

A gain of €2 million (whole of 2012: €21 million, 2011: €14 million, 2010: €19 million, 2009: €83 million) on reclassified securities that had been sold was recognised in the income statement in the first three months of 2013.

In the first three months of 2013, the reclassifications carried out in 2008 and 2009 resulted in a profit before tax that was €118 million lower. Between the date when the reclassifications took effect and the reporting date, the cumulative net impact on the income statement from the reclassifications already carried out totalled €118 million before tax (first three months of 2013: minus €118 million, whole of 2012: minus €442 million, 2011: plus €15 million, 2010: minus €245 million, 2009: minus €948 million, 2008: plus €1,856 million).

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

Analysis of loans and receivables (€ millions)

Balance at 1 January 2012	**4,743**
Changes affecting income[1]	97
Changes not affecting income	
Changes due to make-up of group of consolidated companies and	
reclassifications of disposal groups held for sale	—
Use of existing loan-loss allowances	(92)
Effects of currency translation and other changes not affecting income	(8)
Non-current assets or disposal groups held for sale	(15)
Balance at 31 March 2012	**4,725**
Balance at 1 January 2013	**4,448**
Changes affecting income[1]	102
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	(15)
Effects of currency translation and other changes not affecting income	(19)
Non-current assets or disposal groups held for sale	—
Balance at 31 March 2013	**4,516**

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

22 Deposits from banks

(€ millions)

	31/3/2013	31/12/2012
Deposits from central banks	**7,402**	**6,271**
Deposits from banks	**47,638**	**38,945**
Current accounts	13,330	12,959
Reverse repos[1]	16,738	8,378
Term deposits	8,459	7,883
Other liabilities	9,111	9,725
Total	**55,040**	**45,216**

1 repurchase agreements

23 Deposits from customers

(€ millions)

	31/3/2013	31/12/2012
Current accounts	60,705	59,768
Savings deposits	15,002	14,779
Reverse repos[1]	8,000	8,550
Term deposits	18,307	17,820
Other liabilities	8,522	9,351
Total	**110,536**	**110,268**

1 repurchase agreements

Notes to the Balance Sheet (Continued)

24 Debt securities in issue

(€ millions)

	31/3/2013	31/12/2012
Bonds	31,070	34,467
Other securities	1,488	1,396
Total	**32,558**	**35,863**

25 Financial liabilities held for trading

(€ millions)

	31/3/2013	31/12/2012
Negative fair values arising from derivative financial instruments	93,009	105,513
Other financial liabilities held for trading	18,298	15,988
Total	**111,307**	**121,501**

The negative fair values arising from derivative financial instruments are carried as financial liabilities held for trading purposes. Also included under other financial liabilities held for trading purposes are warrants, certificates and bonds issued by our trading department as well as delivery obligations arising from short sales of securities not held for trading purposes.

26 Provisions

(€ millions)

	31/3/2013	31/12/2012
Provisions for pensions and similar commitments	136	133
Allowances for losses on guarantees and commitments and irrevocable credit commitments	530	527
Restructuring provisions	183	184
Actuarial provisions	27	27
Other provisions	1,056	1,077
Total	**1,932**	**1,948**

27 Change in valuation of financial instruments

The reserves arising from changes in the valuation of financial instruments recognised in equity totalled €64 million at 31 March 2013 (31 December 2012: €56 million). This rise of €8 million compared with year-end 2012 can be attributed almost exclusively to the €7 million increase in the AfS reserve to €37 million, resulting primarily from positive fair value fluctuations of fixed-income securities classified as available for sale. The hedge reserve similarly included in the reserves arising from changes in the value of financial instruments recognised in equity increased a slight €1 million compared with year-end 2012 to €27 million.

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)

	31/3/2013	31/12/2012
Subordinated liabilities	1,678	2,103
Hybrid capital instruments	54	358
Total	**1,732**	**2,461**

Other Information

29 Contingent liabilities and other commitments

(€ millions)

	31/3/2013	31/12/2012
Contingent liabilities[1]	**19,835**	**19,909**
Guarantees and indemnities	19,835	19,909
Other commitments	**36,119**	**35,984**
Irrevocable credit commitments	35,781	35,646
Other commitments[2]	338	338
Total	**55,954**	**55,893**

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

Other Information (Continued)

30 Members of the Supervisory Board and Management Board

Supervisory Board

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

Management Board

Dr Andreas Bohn since 1 January 2013	**Corporate & Investment Banking**
Peter Buschbeck	**Private Clients Bank**
Jürgen Danzmayr	**Private Clients Bank (Private Banking)**
Lutz Diederichs	**Unternehmer Bank**
Peter Hofbauer	**Chief Financial Officer (CFO)**
Heinz Laber	**Human Resources Management, Global Banking Services**
Andrea Umberto Varese	**Chief Risk Officer (CRO)**
Dr Theodor Weimer	**Board Spokesman**

Munich, 7 May 2013

UniCredit Bank AG
The Management Board


Dr Bohn


Buschbeck


Danzmayr


Diederichs


Hofbauer


Laber


Varese


Dr Weimer

Summary of Quarterly Financial Data

(€ millions)

OPERATING PERFORMANCE	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net interest	758	734	879	878	918
Dividends and other income from equity investments	17	50	35	40	22
Net fees and commissions	327	280	287	281	315
Net trading income	375	67	177	139	807
Net other expenses/income	49	31	51	31	28
OPERATING INCOME	**1,526**	**1,162**	**1,429**	**1,369**	**2,090**
Operating costs	(883)	(825)	(908)	(883)	(900)
OPERATING PROFIT	**643**	**337**	**521**	**486**	**1,190**
Net write-downs of loans and provisions					
for guarantees and commitments	(89)	(303)	(159)	(175)	(90)
NET OPERATING PROFIT	**554**	**34**	**362**	**311**	**1,100**
Provisions for risks and charges	(9)	93	26	75	1
Restructuring costs	—	(102)	—	—	—
Net income from investments	68	(17)	105	50	20
PROFIT BEFORE TAX	**613**	**8**	**493**	**436**	**1,121**
Income tax for the period	(210)	59	(185)	(254)	(391)
CONSOLIDATED PROFIT	**403**	**67**	**308**	**182**	**730**
attributable to shareholder of UniCredit Bank AG	406	65	287	187	707
attributable to minorities	(3)	2	21	(5)	23
Earnings per share (€)	**0.51**	**0.08**	**0.36**	**0.23**	**0.88**

Financial Calendar

Important Dates 2013*

Interim Report at 31 March 2013	13 May 2013
Half-yearly Financial Report at 30 June 2013	6 August 2013
Interim Report at 30 September 2013	11 November 2013

* dates planned

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