2023
UniCredit Bank GmbH
Annual Report

Unlocking **transformation,** together.

For our clients, our people,
and our communities.

Empowering
Communities to Progress.

UniCredit

Disclaimer
This edition of our annual report is prepared for the convenience of our English-speaking readers. It is based on the German original, which takes precedence in all legal respects.

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Contents

Business Situation and Trends

With effect from 15 December 2023, UniCredit Bank AG was transformed by way of a change of legal form pursuant to Sections 190ff German Transformation Act (Umwandlungsgesetz – UmwG) into UniCredit Bank GmbH (HVB).

UniCredit Bank GmbH has made use of the option provided in Section 315 (5) of the German Commercial Code (Handelsgesetzbuch – HGB) in conjunction with Section 298 (2) HGB and has combined UniCredit Bank GmbH's Management Report with the Group Management Report of HVB Group.

As the Group parent company, UniCredit Bank GmbH determines the business development of HVB Group. The management is carried out on the basis of IFRS results in line with the internal management of UniCredit S.p.A. Therefore, the statements made for HVB Group in this Group Management Report also apply to UniCredit Bank GmbH to a large extent. Due to the different accounting standards (HGB instead of IFRS), the operating performance and financial position of HVB is dealt with separately in the Combined Management Report in the section "Group parent company information (HGB)". Please see the notes to the annual financial statements of UniCredit Bank GmbH for further details.

Income Statement

EXPENSES

	€ millions			1/1-31/12/2023	1/1-31/12/2022
1	**Interest payable**			6,038	1,062
	including netted positive interest on borrowings				
	€5 million				(483)
2	**Fees and commissions payable**			366	341
3	**Net expense from the held-for-trading portfolio**			—	—
4	**General administrative expenses**				
	a) payroll costs				
	aa) wages and salaries	1,367			1,210
	ab) social security costs and expenses for				
	pensions and other employee benefits	206			597
			1,573		1,807
	including for pensions				
	€42million				(423)
	b) other administrative expenses		1,464		1,603
				3,037	3,410
5	**Amortisation, depreciation and impairment losses**				
	on intangible and tangible assets			291	10
6	**Other operating expenses**			68	491
7	**Write-downs and impairments of receivables and**				
	certain securities as well as allocations to provisions				
	for losses on guarantees and indemnities			148	—
8	**Write-downs and impairments of participating**				
	interests, shares in affiliates				
	and investment securities			71	—
9	**Expenses from absorbed losses**			119	3
10	**Extraordinary expenses**			—	14
11	**Taxes on income**			494	(533)
12	**Other taxes, unless shown under**				
	"Other operating expenses"			30	6
13	**Net income for the year**			2,133	2,350
	Total expenses			**12,795**	**7,154**

INCOME

€ millions		1/1-31/12/2023	1/1-31/12/2022
1 Interest income from			
a) loans and money market operations	6,986		3,427
including netted negative interest on investments			
€3 million			(223)
b) fixed-income securities and government-inscribed debt	1,454		359
		8,440	3,786
2 Current income from			
a) equity securities and other variable-yield securities	239		337
b) participating interests	2		5
c) shares in affiliates	4		372
		245	714
3 Income earned under profit-pooling			
and profit-and-loss transfer			
agreements		83	32
4 Fees and commissions receivable		1,758	1,513
5 Net income from the held-for-trading portfolio		1,231	609
including transfer as per Section 340e HGB			
€— million			(—)
6 Income from write-ups of receivables and certain			
securities as well as from the reversal of provisions for losses on			
guarantees and indemnities		—	29
7 Income from write-ups of participating interests,			
shares in affiliates and			
investment securities		—	13
8 Other operating income		388	457
9 Extraordinary income		650	1
10 Net loss for the year		—	—
Total income		**12,795**	**7,154**
1 Net income for the year		2,133	2,350
2 Withdrawal from retained earnings			
a) from the reserve for shares in a controlling			
or majority interest-holding company	—		9
b) from other retained earnings	33		—
		33	9
3 Transfer to retained earnings			
a) to the reserve for shares in a controlling			
or majority interest-holding company	33		—
b) to other retained earnings	408		1,199
		441	1,199
4 Profit available for distribution		**1,725**	**1,160**

Balance Sheet

ASSETS

	€ millions		31/12/2023	31/12/2022
1	**Cash and cash balances**			
	a) cash on hand	428		489
	b) balances with central banks	1,865		1,810
	including with Deutsche Bundesbank			
	€953 million			(981)
			2,293	2,299
2	**Treasury bills and other bills eligible**			
	for refinancing with central banks			
	a) Treasury bills and zero-interest treasury notes and			
	similar securities issued by public authorities	—		—
	including eligible for refinancing with Deutsche Bundesbank			
	€— million			(—)
	b) bills of exchange	—		—
			—	—
3	**Loans and receivables with banks**			
	a) repayable on demand	23,100		37,516
	b) other loans and receivables	8,179		11,784
			31,279	49,300
	including: mortgage loans			
	€— million			(—)
	municipal loans			
	€8 million			(8)
	against pledged securities			
	€— million			(—)
4	**Loans and receivables with customers**		121,327	127,570
	including: mortgage loans			
	€49,766 million			(48.960)
	municipal loans			
	€9,306 million			(9.421)
	against pledged securities			
	€3,129 million			(1.296)
	Amount carried forward:		**154,899**	**179,169**

LIABILITIES

	€ millions			31/12/2023	31/12/2022
1	**Deposits from banks**				
	a) repayable on demand		5,791		5,927
	b) with agreed maturity dates or periods of notice		24,889		40,915
				30,680	46,842
	including: registered Mortgage Pfandbriefe in issue				
	€410 million				(446)
	registered Public Pfandbriefe in issue				
	€85 million				(144)
	bonds given to lender as				
	collateral for funds borrowed:				
	registered Mortgage Pfandbriefe				
	€— million				(—)
	and registered Public Pfandbriefe				
	€— million				(—)
2	**Deposits from customers**				
	a) savings deposits				
	aa) with agreed period of notice of three months	5,708			10,703
	ab) with agreed period of notice				
	of more than three months	—			3
			5,708		10,706
	b) registered Mortgage Pfandbriefe in issue		2,688		2,960
	c) registered Public Pfandbriefe in issue		970		1,020
	d) other debts				
	da) repayable on demand	80,526			97,265
	db) with agreed maturity dates or periods of notice	54,712			39,728
	including: Pfandbriefe given to lender as				
	collateral for funds borrowed:				
	registered Mortgage Pfandbriefe				
	€— million				(—)
	and registered Public Pfandbriefe				
	€— million				(—)
			135,238		136,993
				144,604	151,679
	Amount carried forward:			**175,284**	**198,521**

ASSETS

	€ millions			31/12/2023	31/12/2022
	Amount brought forward:			**154,899**	**179,169**
5	**Bonds and other**				
	fixed-income securities				
	a) money market paper				
	aa) issued by public authorities	300			104
	including those eligible for collateral for				
	Deutsche Bundesbank advances				
	€201 million				(—)
	ab) issued by other borrowers	—			862
	including those eligible for collateral for				
	Deutsche Bundesbank advances				
	€— million				(—)
			300		966
	b) bonds and notes				
	ba) issued by public authorities	16,426			17,600
	including those eligible for collateral for				
	Deutsche Bundesbank advances				
	€13,600 million				(12.039)
	bb) issued by other borrowers	40,212			35,212
	including those eligible for collateral for				
	Deutsche Bundesbank advances				
	€28,887 million				(25.040)
			56,638		52,812
	c) own bonds		6,338		5,180
	nominal value €6,350 million				(5.200)
				63,276	58,958
6	**Equity securities and other variable-yield securities**			352	273
6a	**Held-for-trading portfolio**			49,429	68,720
7	**Participating interests**			105	105
	including: in banks				
	€8 million				(8)
	in financial service institutions				
	€— million				(—)
	in investment institutions				
	€28 million				(28)
8	**Shares in affiliates**			616	1,449
	including: in banks				
	€— million				(—)
	in financial service institutions				
	€337 million				(333)
	in investment institutions				
	€— million				(—)
	Amount carried forward:			**268,677**	**308,674**

LIABILITIES

	€ millions			31/12/2023	31/12/2022
	Amount brought forward:			**175,284**	**198,521**
3	**Debt securities in issue**				
	a) bonds				
	aa) Mortgage Pfandbriefe	22,971			21,799
	ab) Public Pfandbriefe	3,979			1,759
	ac) other bonds	7,981			7,709
			34,931		31,267
	b) other debt securities in issue		—		—
	including: money market paper				
	€— million				(—)
	acceptances and promissory notes				
	€— million				(—)
				34,931	31,267
3a	**Held-for-trading portfolio**			26,809	46,994
4	**Trust liabilities**			310	382
	including loans taken out on a trust basis				
	€310 million				(382)
5	**Other liabilities**			11,588	11,424
6	**Deferred income**				
	a) from issuing and lending operations		36		49
	b) other		189		189
				225	238
6a	**Deferred tax liabilities**			—	—
7	**Provisions**				
	a) provisions for pensions				
	and similar commitments		710		699
	b) tax provisions		1,129		1,137
	c) other provisions		1,899		2,026
				3,738	3,862
8	**Subordinated liabilities**			1,111	1,109
8 a	**Additional Tier 1 capital**			1,700	1,700
9	**Participating certificates outstanding**			—	—
	including those due in less than two years				
	€— million				(—)
10	**Fund for general banking risks**			638	638
	including special items as per Section 340e (4) HGB				
	€347 million				(347)
	Amount carried forward:			**256,334**	**296,135**

ASSETS

	€ millions		31/12/2023	31/12/2022
	Amount brought forward:		**268,677**	**308,674**
9	**Trust assets**		310	382
	including loans granted on a trust basis			
	€310 million			(382)
10	**Intangible assets**			
	a) internally generated intellectual property rights			
	and similar rights and assets	—		—
	b) purchased franchises, intellectual property rights,			
	and similar rights and assets,			
	as well as licences to such rights and assets	2		3
	c) goodwill	—		—
	d) advance payments	1		1
			3	4
11	**Property, plant and equipment**		1,635	128
12	**Other assets**		1,002	1,050
13	**Prepaid expenses**			
	a) from issuing and lending operations	96		94
	b) other	216		213
			312	307
14	**Deferred tax assets**		968	1,190
15	**Excess of plan assets over**			
	pension liabilities		—	0
	Total assets		**272,907**	**311,735**

LIABILITIES

€ millions			31/12/2023	31/12/2022
Amount brought forward:			**256,334**	**296,135**
11 Shareholders' equity				
a) called-up capital				
subscribed capital		2,407		2,407
divided into				
802,383,672 shares				
b) additional paid-in capital		9,791		9,791
c) retained earnings				
ca) legal reserve	—			—
cb) reserve for shares in a controlling				
or majority interest-holding company	43			10
cc) reserve provided for in the Articles of Association	—			—
cd) other retained earnings[1]	2,607			2,232
		2,650		2,241
d) profit available for distribution		1,725		1,160
			16,573	15,600
Total liabilities and shareholders' equity			**272,907**	**311,735**
1 Contingent liabilities				
a) contingent liabilities on rediscounted				
bills of exchange credited to borrowers		—		—
b) liabilities under guarantees and				
indemnity agreements		29,656		29,532
c) contingent liabilities on assets pledged				
as collateral for third-party debts		—		—
			29,656	29,532
2 Other commitments				
a) commitments from the sale of assets				
subject to repurchase agreements		—		—
b) placing and underwriting commitments		—		—
c) irrevocable lending commitments		69,360		68,603
			69,360	68,603

1 Due to rounding differences, the previous year was adjusted.

Legal Basis

With effect from 15 December 2023, UniCredit Bank AG was transformed into UniCredit Bank GmbH (HVB) by way of a change of legal form pursuant to Section 190 ff of the German Transformation Act (Umwandlungsgesetz – UmwG).

Company name	UniCredit Bank GmbH
Legal form of the company	Gesellschaft mit beschraenkter Haftung (limited liability company)
Company headquarters	Germany
Country in which the company is registered as a legal entity	Germany
Address of the registered office and principal place of business	Arabellastrasse 12, 81925 Munich, Germany
Commercial Register	Number HR B 289472, B section of the Commercial Register, Munich Local Court
Type of business activity of the company	Conducting all kinds of banking transactions and the business of a Pfandbrief Bank, providing financial services and performing all other principal and ancillary activities a credit institution or Pfandbrief bank may perform, both for its own account or for the account of a third party
Name of the parent company	UniCredit S.p.A.
Name of the ultimate parent company of the corporate group	UniCredit S.p.A.

The annual financial statements of UniCredit Bank GmbH (HVB) for the 2023 financial year were prepared in accordance with the accounting regulations in the German Commercial Code (Handelsgesetzbuch – HGB), the German Stock Corporation Act (Aktiengesetz – AktG), the German Act on Limited Liability Companies (Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG), the German Pfandbrief Act (Pfandbriefgesetz – PfandBG) and the Regulations Governing Disclosures in the Financial Statements of Banks and Similar Financial Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV).

Accounting, Valuation and Disclosure

1 Reporting date/period

The amounts shown in the tables and texts below relate to the reporting date of 31 December for disclosures regarding balance sheet items and totals and the period from 1 January to 31 December of the respective year for disclosures regarding the income statement.

2 Consistency

The same accounting and valuation methods have essentially been applied as last year.

3 First-time adoption of new accounting rules

Pillar Two – global minimum level of taxation

As of the 2024 financial year, the UniCredit corporate group and HVB will fall within the scope of the newly designed Pillar Two regulation as they will, as a multinational group, account for a consolidated turnover of more than €750 million. According to the current status regarding HVB, business units in twelve countries have been identified which all should be considered as potential states participating in Pillar Two. Ultimate parent entity is UniCredit S.p.A.

The Pillar Two regulation provides for an international framework of rules aimed at ensuring that the worldwide profits of multinational groups are subject to tax at a rate not lower than 15% in every jurisdiction in which the groups operate. The rules have been firstly designed by the Inclusive Framework of the OECD and then implemented in the European Union through the EU Council Directive 2022/2523 of 14 December 2022. For most of the EU countries, this Directive is expected to enter into force as of 2024. In Germany, the provisions of the Directive have been transposed into German law through the German Minimum Taxation Directive Implementation Act (Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – MindStG) of 27 December 2023. Certain non-EU Member States in which the UniCredit corporate group and HVB operate have announced that they will implement the Pillar Two rules as of 2024 (e.g. United Kingdom) while other jurisdictions have not yet communicated if and when they will implement such set of rules.

In a nutshell, the Pillar Two rules provide that if in certain jurisdictions where the UniCredit corporate group or HVB operates the effective tax rate (given by the ratio between adjusted accounting results and adjusted corporate income taxes paid in that jurisdiction) falls below 15%, then the UniCredit corporate group will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbour (“TSH”) that applies for the first three financial years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from Country-by-Country Reporting under BEPS action 13) and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction where the UniCredit corporate group or HVB operates the top-up tax due for such jurisdiction will be deemed to be zero.

A test is met for a jurisdiction where:

1. revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test)
2. the ETR equals or exceeds an agreed rate (the ETR test), or
3. the profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Accounting, Valuation and Disclosure (Continued)

Even if for the financial year 2023 the Pillar Two rules regarding the countries where the group is present have not entered into force yet and therefore it results in no impact on the tax position for the year 2023, the UniCredit corporate group and HVB have performed an analysis of their potential exposure for Pillar Two top-up taxes. This analysis is based on the most recent information available regarding the financial performance of the constituent entities in the UniCredit corporate group and HVB, according to the 2022 Country by Country Reporting and 2022 financial statements data.

Based on the analysis performed, most of the jurisdictions should benefit from the TSH. Regarding HVB, only one jurisdiction (Italy) might not benefit from the TSH. For Italy, the UniCredit corporate group has provisionally calculated the potential top-up tax exposure with the result that no top-up- tax should be due.

The above analysis has to be considered as an estimate exposure as it was based on the 2022 data, and differences in revenues, costs, local tax regimes etc. may affect the conclusions reached, the analysis performed including the calculation is based on complex regulations that have only recently been enacted with limited guidelines, and not all the relevant data required to perform the full Pillar Two calculation was available. The UniCredit corporate group und HVB are currently preparing their processes for the future usage of simplification regulations, examining potentially favourable option rights, observing the further legislation process and working on further implementation needs (e.g. Tax Compliance etc.).

HVB has determined that the global minimum top-up tax is an income tax. In accordance with Section 274 (3) of the German Commercial Code (Handelsgesetzbuch – HGB), differences arising from the application of the Minimum Taxation Directive Implementation Act (Mindestbesteuerungsrichtlinie-Umsetzungsgesetz – MindStG) and comparable foreign laws are not to be taken into account when determining deferred taxes.

4 Cash and cash balances

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

5 Treasury bills and bills of exchange

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

6 Loans and receivables with banks and customers

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

Loans and receivables are valued at the lower of cost or market as stipulated in Section 253 (4) 1 HGB. HVB creates specific loan loss provisions and accruals to the amount of the anticipated loss for all identifiable exposure to acute counterparty default risk.

The Bank’s units responsible for the restructuring or workout of non-performing exposures determine the future incoming payments for credit-impaired exposures which are significant in terms of amount based on the circumstances in each case. Consequently, specific allowances are recognised for these exposures while a collective allowance is recognised on a parameter basis for credit-impaired exposures that are insignificant in terms of amount in line with the method used in determining the expected credit losses.

If the creditworthiness of the borrower of a debt instrument has deteriorated, these are classified as credit impaired assets. For these assets, interest income is recognised only in the amount of the interest on the basis of the net carrying amount. Like in the past, a deterioration in creditworthiness has occurred when a material liability of the borrower is past due by more than 90 days or the Bank believes the borrower is unable to meet their payment obligations in full without steps to realise collateral being taken. This presupposes that there is objective evidence that the financial asset is impaired. Objective evidence of impairment refers to events that normally lead to an actual impairment. In the case of debt instruments, these are events that could result in the borrower not being able to settle their obligations in full or at the agreed date. Objective evidence is provided only by events that have already occurred, not by events expected in the future. The assessment of the borrower's creditworthiness using internal rating processes is relevant in this connection. This assessment is reviewed periodically and when negative events occur. If the borrower is 90 days in arrears, this is considered objective evidence of an impairment, similarly leading promptly to a review of the borrower's individual rating on account of the occurrence of a negative event involving the borrower. Based on internal procedures, the classification of the borrower is updated to "in default" or "not in default". As a result, the assessment of the borrower's creditworthiness is always assessed with regard to their ability to meet outstanding liabilities.

For exposures in default the impairment is calculated as the difference between the carrying amount and the present value of the expected future cash flow. These figures are estimated by the Bank and are generally discounted using the original effective interest rate. In the process, various realistic scenarios are now estimated whereby the loss in value resulting from the expected value of the credit default losses is weighted by the probability of occurrence for each scenario. The impairment loss calculated in this way likewise corresponds to the expected credit losses for the debt instrument, without taking the probability of default into account.

As the debt instrument is in default, it is put on a non-accrual basis, i.e. the contractual interest payments are no longer recognised in the income statement. Instead, the interest income is determined on the basis of the net carrying amount. For this purpose, the net carrying amount from the previous period is generally compounded at the original effective interest rate of the debt instrument over the reporting period. Furthermore, the amounts put on a non-accrual basis are recorded both in the gross carrying amount and in the impairment losses without affecting income. As, in doing so, the gross carrying amount and the impairment losses are increased by the same amount, the net carrying amount does not change.

In the case of financial guarantees and irrevocable credit commitments made to a borrower in default, a possible impairment is determined in the same way; the impairment loss is recognised as a provision.

If a receivable is considered uncollectible, the amount concerned is written off, which leads to the derecognition of the receivable. The amount is derecognised if the receivable in question is due, any available collateral has been realised and further attempts to collect the receivable have failed. Acute country-specific transfer risks are taken into account in the process. For the general treatment of transfer risks (country risk), please refer to the presentation of credit risk in the Risk Report.

Accounting, Valuation and Disclosure (Continued)

We take account of deferred credit risks by recognising general loan loss provisions in accordance with IFRS9. In accordance with the requirements of BFA 7, we recognise a general loan loss provision for “loans and receivables with banks and customers”, “liabilities under guarantees and indemnity agreements” and “irrevocable and revocable lending commitments”. The general loan loss provision is determined in accordance with the Bank’s risk measurement.

The expected credit losses are calculated by multiplying the risk parameters probability of default (PD), loss given default (LGD) and exposure at default (Egad).

Allocation to a stage
The expected credit losses take into account either the expected losses in the form of 1-year losses or the lifetime expected credit loss. Depending on the extent to which the credit risk has increased since initial recognition, the model distinguishes between three stages:
– Stage 1 contains all the financial instruments for which there has been no significant increase in credit risk at the reporting date compared with the date of initial recognition; the expected losses are determined for these in the amount of the 1-year losses.
– Stage 2 contains financial instruments which, although not yet in default, have undergone a significant increase in credit risk since initial recognition; the expected losses are calculated in the amount of the default probability-weighted credit losses of the borrower over the residual period (lifetime expected credit loss).
– Stage 3 contains credit-impaired financial instruments. The Bank defines the defaults that are allocated to Stage 3 in line with the definition of debtor default according to Article 178 CRR. In particular, the different treatment of multiple defaults in the internal PD, LGD and EAD models is retained in order to preserve internal consistency with IRB approaches as these provide important input data for the models for the determination of the expected credit loss. In this context, it should be noted that, in addition to quantitative criteria, qualitative criteria are also taken into account for determining a default.

An impairment loss is generally recognised at the amount of the expected 12-month credit losses for a financial instrument upon initial recognition (Stage 1). Financial assets already impaired upon initial recognition are an exception to this rule. The accounting for these instruments is described below in these notes under “Impairment losses on receivables in default (Stage 3)”.

Method for determining a significant increase in the credit risk (transfer to/from Stage 2)
To identify a significant increase in credit risk resulting in a transfer from stage 1 to stage 2, the Bank has chosen a statistical approach in which both quantitative and non-quantitative transfer criteria are applied. The aim is to define a trigger level for the maximum acceptable deviation between the PD measurement upon initial recognition of the financial instrument and the PD as at the reporting date. If the credit risk has significantly increased on the reporting date, the financial instrument is transferred to a different stage. As soon as the credit risk has decreased again, it is transferred from Stage 2 to Stage 1 taking account of a risk-based probation period. The defined trigger levels are determined for each homogeneous portfolio (for example retail, corporate customers). This represents a quantile in each case that determines the average expected portfolio deterioration that is calculated taking account of the default rate. The financial instruments classified at Stage 2 fluctuate around the quantile depending on the current economic environment and expectations about the future economic cycle, whereby the fluctuations might be greater if the macroeconomic information is specified by sector.

Quantitative criteria: transfer risk model
The intended quantitative transfer criterion is based on the idea that a credit risk is considered to have increased significantly if the ratio between the lifetime PD at the time of reporting and the lifetime PD at the time of acquisition (the granting of the loan) exceeds a predefined threshold that was determined on the basis of historical data. The most important influencing factors for the quantitative transfer criterion are the estimated probabilities of default of the debtor (PD) on initial recognition, the residual term and the age of the financial instrument as at the reporting date.

A statistical model based on quantile regression was introduced to implement the quantitative component for the allocation of assets to stages. The quantiles and how the individual influencing factors are taken into account (such as the PD on the date of the commitment, age and residual term) differ depending on the portfolio. Essentially, the historical default rate of the portfolio concerned is used as a basis to determine the quantile.

Qualitative criteria for allocation to Stage 2
In addition to the quantitative transfer criteria from the statistical transfer model, further criteria are defined that trigger a transfer in levels. For example, the payment default criterion (30 days past due) is taken into account as a qualitative Stage 2 criterion. Moreover, the qualitative criteria for a transfer to Stage 2 have been expanded and are based on both specific criteria and internal processes. This serves to ensure that changes indicating financial difficulties automatically and rapidly result in a transfer. This includes:

- Tripling of the lifetime PD at the reporting date: a transfer to Stage 2 is triggered if the lifetime PD at the reporting date is three times higher than the PD on initial recognition of the financial instrument, provided that the financial instrument is not classified as a financial instrument with a low credit risk as defined by IFRS 9.5.5.10. Such an approach is in line with the general expectation that was addressed to banks in the ECB's letter entitled "Identification and measurement of credit risk in the context of the coronavirus (Covid-19)" and is also contained in the ECB Asset Quality Review Manual.
- Application of a trigger level for the PD of at least 20% as a criterion for Stage 2: this trigger level serves to identify financial instruments that have a high risk of being migrated to Stage 2 or even to Stage 3. This trigger level is also described in the ECB Asset Quality Review Manual.
- Application of qualitative Stage 2 criteria to include results from internal credit risk monitoring processes: debtors subject to close, internal credit monitoring are allocated to Stage 2 as inclusion in closer internal credit monitoring is likewise seen as a significant increase in the credit risk.
- Another criterion for allocation to Stage 2: non-defaulting debtors to whom concessions were made due to current or expected financial problems to maintain principal payments and solvency are allocated at least to Stage 2 (forborne performing).
- Application of a three-month probation period for a transfer from Stage 2 to Stage 1 if quantitative and/or qualitative conditions underlying the significant increase in credit risk are not met. IFRS 9.B5.5.27 implies that a debtor must furnish proof of consistently good payment conduct over a specific period before the credit risk can be considered to be lower. In line with this, a probation period has been introduced, which means that after a debtor's creditworthiness has improved or after meeting the criterion for transfer to Stage 1, the debtor must generally meet the criteria for allocation to Stage 1 for a further three months before the transfer is actually made. A risk-based probation period is applied solely for non-defaulting forborne cases. This ensures that the transactions remain at Stage 2 for a minimum period that complies with the regulatory probation period/minimum duration before they are allocated to Stage 1 again. This serves to prevent a premature transfer to Stage 1 as the debtor still has an increased credit risk compared with the other financial instruments in Stage 1.

Accounting, Valuation and Disclosure (Continued)

Determining the Expected Credit Loss (ECL)
In addition to reliable information on past events, current conditions and forecasts of future economic conditions are also taken into account when determining the expected credit losses. The regulatory procedures for the determination of the PD, LGD and EaD represent the starting point in this connection. These parameters are then adjusted essentially as follows:

– Conservative elements arising purely from regulatory requirements were removed. This primarily applies to conservativity premiums, adjustments to phases of economic weakness, minimum regulatory requirements and indirect costs. Furthermore, all legally valid collateral has been taken into account.
– Parameters were adjusted in order to move from a regulatory calculation based on long-term averages (through the cycle) to a calculation related more to the reporting date (point in time) that takes greater account of the current macroeconomic situation.
– In addition, forward-looking information in scenario analyses is included and taken into account in the parameters.
– The credit risk parameters were adjusted to the multi-year horizon required in Stage 2.

The following adjustments were made to the individual parameters:

– To determine a multi-year probability of default, which covers the lifetime of a financial instrument, PD curves, which are based on long-term averages and calculated on the basis of the default rates of the corresponding portfolios, are determined as a first step. These PD curves are then adjusted to a perspective that relates more to the reference date using statistical methods. In addition, adjustments are made to integrate macroeconomic forecasts over the next three years.
– To calculate a multi-year probability of loss, the LGD used for regulatory purposes are adjusted for conservative elements arising purely from regulatory requirements. Furthermore, a check is conducted to determine whether it is necessary to adjust the figures calculated on the basis of long-term averages to current framework conditions and, where required, they are adjusted. In addition, the recovery rate is adjusted for the next three years on the basis of a macroeconomic forecast. For material collateral, macroeconomic forecasts are included in the forecast of the determination of the market value. Downturn adjustments required for regulatory purposes are not used. Nor are any internal costs of the Bank added to the loss ratio in the course of treating defaulting exposures. In the reporting year, the new LGD model developed according to the EBA “Guidelines on PD estimation, LGD estimation and the treatment of defaulted exposures” was introduced as an IRB model.
– To determine the multi-year exposure at default (EaD), the parameters used by the regulatory authorities are adjusted for conservative elements due purely to regulatory requirements. A parameter used from a regulatory perspective which covers drawdowns in excess of the existing credit line is not used under IFRS 9. An additional parameter was also introduced which reflects the expectations on average drawdowns of existing lines from the second year. Furthermore, a parameter representing an expected contractual term for loans without a fixed term is modelled which decisively determines the term over which an expected loss is calculated in Stage 2. For loans with existing repayment schedules, expected repayments are taken into account in determining the multi-year exposure at default.

Models from the Group's central stress test area are used to adjust the PD and LGD parameters in order to calculate the expected loss. These model the relationship between macroeconomic development and the resulting development of the PD and LGD. The parameters are adjusted on the basis of the baseline scenario by the respective differences determined for the three forecast years. The forward-looking information is updated twice a year to reflect the latest macroeconomic conditions.

In addition, the expected loss is adjusted by a factor that equalises the partial non-linearity that may be contained in the correlation between macroeconomic changes and the change in the expected loss. This means that from the three scenarios, taking account of the weighting, an adjustment factor is calculated which is applied directly to the expected loss.

Forward-looking macroeconomic scenarios
The process for incorporating macroeconomic scenarios into the ECL determination is consistent with other forecasting processes in risk management (e.g. as part of the EBA stress tests and the ICAAP framework) and benefits from UniCredit's independent research department.

Three expected future macroeconomic developments are determined. In addition to the probable scenario (baseline scenario), a positive scenario and an adverse scenario are also estimated. The baseline scenario represents the central scenario and is considered to be the most likely to occur. The positive and the adverse scenarios represent other possible occurrences, each depicting better or worse economic developments in the countries relevant for the Bank compared with the baseline scenario. The individual scenarios are attributed probabilities of occurrence.

At the end of 2023, the baseline scenario is assigned a probability of occurrence of 60%, the adverse scenario 40% and the favourable scenario 0%.

The multifaceted effects on the global economy in the wake of the COVID-19 pandemic, the invasion of Ukraine by Russian forces in February 2022 and the situation in the Middle East remain complex and severe. At year-end 2023, there is still uncertainty in assessing risks, some of which are interdependent. UniCredit Bank GmbH has used two main scenarios to present the forecasts for the continuation of these trends: firstly, a mild recession scenario (baseline scenario) and secondly, the severe recession scenario (adverse scenario).

Baseline scenario
The baseline scenario reflects the weak growth for the coming quarters that HVB Group expects as tighter financing conditions dampen activities. Deflation is progressing according to plan with a downward trend in consumer prices. It is assumed that most countries will not need to put gas rationing in place. The countermeasures already taken by countries (high storage levels, LNG terminals and reductions in the use of gas) are considered compensatory to counteract low (or even a complete breakdown in) Russian gas supplies. The scenario continues to be marked by high energy prices and weak global trade. In addition, it is assumed that the ECB's interest rate policy will continue to be restrictive. The ECB's interest rates should amount to 400 basis points in the fourth quarter of 2023, remain stable until mid-2023 and then decrease.
This scenario assumes deteriorating growth prospects along with subdued global growth in 2023 and the low growth continuing in 2024. The slow-down largely reflects the impact of tighter monetary policy with a time lag due to exhausted household savings buffers and less support from fiscal policy. Consumer price inflation has fallen considerably from its peak, mainly due to energy prices but core inflation is also declining as a result of lower pressure on input prices. The most recent increase in oil prices is unlikely to prevent further deflation as overall demand is slackening. Key interest rates in most advanced economies have probably reached their peak but interest rate cuts will most likely have to wait until data-dependent central banks see clear evidence that core inflation is moving towards their targets on a sustainable basis.

Accounting, Valuation and Disclosure (Continued)

USA
In the USA, GDP growth is expected to be close to 2% in 2023, with a slight recession expected at the turn of the year and a stable annual growth rate for 2024. The recent strength seen in private consumption is unlikely to be sustained in an environment with much tighter lending conditions, a shrinking labour market and reduced household savings buffers. Inflation is likely to fall to around 2% by the end of next year. In addition, it is assumed that the key interest rates of the FED in the USA have reached their peak and a downward trend is expected from March 2024.

Eurozone
Economic growth in the eurozone will stagnate at best in the second half of 2023. The growth forecast for 2023 remains at 0.5% and remains limited to 0.6% in 2024. In view of declining demand, the pressure on corporate profit margins has begun and is highly likely to continue. This will probably challenge the resilience of the labour market. Inflation will continue its downward trend and reach the ECB's target of 2% by the end of 2024. In terms of monetary policy, the ECB's tightening cycle appears to have ended; the current discount rate (DFR) of 400 basis points remains stable until mid-2024.

Germany
Within the eurozone, the German economy underperformed due to its large manufacturing sector and its considerable exposure to China. After the technical recession at the beginning of the year (fourth quarter of 2022: minus 0.4%; first quarter of 2023: minus 0.1%), economic activity stagnated in the second quarter of 2023. This is also adversely affecting growth in 2024 and is primarily due to the fact that weaker prospects for global trade, less construction activity (in an environment with rising interest rates, higher costs and uncertainty about energy) and weak consumer spending are assumed. Despite the expected decline in inflation and significant wage increases, the purchasing power of households is likely to remain stable without this leading to a sharp increase in expenditure.

Adverse scenario
The adverse scenario depicts the scenario of a "severe recession". In this scenario, it is assumed that there will be a complete halt in Russian gas supplies due to the escalation of the war in Ukraine. This has a stronger impact on the LNG market and other sources of supply in the form of negative shocks. The pressure spreads to the oil market. The sharp increase in energy and food prices as well as other goods drives up inflation. A high level of uncertainty, interruptions in supply chains and the erosion of real income leads to a recession in the European economy.

Inflation expectations increase for short maturities but it is assumed that expectations for medium to long-term maturities will remain firmly anchored and even decline if the effect of economic overcapacity unfolds, affecting wages and pricing. The ECB responds to the shock and lowers interest rates significantly in 2024 (sharp decline compared with the baseline scenario). GDP is expected to contract in the eurozone in 2024. A cautious recovery is anticipated for 2025 if the shock as a result of commodity prices subsides and supply chains return to normal.

In 2024, inflation in the eurozone will be higher than in the baseline scenario but return to the baseline scenario in the coming years as weak demand and a widening of the production gap mitigate the effects of supply disruptions. Inflation expectations, which remain firmly anchored for longer maturities, help to avoid secondary effects. In this scenario, inflation remains above than the ECB's target of 2% in 2024 and declines to 2% from 2025. The ECB's monetary policy is expected to be more cautious in this scenario than in the baseline scenario as central banks overlook the short-term inflation peak and focus more on the damage caused to economic growth and its impact on price stability in the relevant political horizon.

Scenarios (baseline and downturn scenario)

FACTORS	DETAILS	BASELINE SCENARIO 2023	2024	2025	2026	DOWNTURN SCENARIO 2023	2024	2025	2026
Real GDP	Eurozone	0.5	0.6	1.3	1.4	0.5	-2.0	0.4	1.4
Annual changes (%)	Germany	-0.6	0.4	1.4	1.5	-0.6	-2.0	0.2	1.5
Inflation	Eurozone (HVPI)	5.6	2.6	2.0	2.0	5.6	3.5	2.0	2.0
Annual index changes (%)	Germany (VPI)	6.2	3.1	2.3	2.0	6.2	4.0	2.2	2.3
Unemployment rate (%)	Eurozone	6.6	6.9	6.8	6.8	6.6	8.3	8.3	7.8
	Germany	5.7	5.9	5.7	5.4	5.7	6.3	6.1	5.55
Financial indicators	EURIBOR 3m (end of period)	4	3.25	2.55	2.55	4	2	2	2
	Brent crude oil price ($/b)	86.0	89.0	80.0	80.0	86.0	108.8	100.1	102.3
Disposable income Annual changes (%)	Germany	4.55	3.15	2.8	2.8	4.55	2.9	2.5	2.5
National debt (% of GDP)	Germany	65	64	63	62	65	70	71	69
Real estate market (residential)	House price index (HPI) Eurozone	-2	-1	1.5	1.5	-2	-0.2	2.3	1.5
Real estate market (residential)	House price index (HPI) Germany	-8	-2	3	3	-8	-1.5	3.8	3
Nominal income	Germany	4.55	3.15	2.8	2.8	4.55	2.9	2.5	2.5

Sensitivity of expected credit losses

The sensitivity of the expected credit loss in line with IFRS 9 was estimated for various economic factors (see table above) in the fourth quarter of 2023 in order to determine the expected credit losses. To interpret sensitivities simply, we thus describe these as a sensitivity to the downturn scenario as a whole explained above (which means the factors are changed simultaneously to the respective overall extent and not only by 1%). For this purpose the impairments at Stages 1 and 2 were individually calculated based on the baseline and downturn scenario. Compared with the baseline scenario, the impact of the downturn scenario is 6.4% of the impairments at Stages 1 and 2.

Geopolitical environment

The constantly deteriorating macro environment is taken into account across the entire UniCredit Bank GmbH portfolio by means of regular macro scenario adjustments based on internal forecasts issued by UniCredit Research. Since the introduction of IFRS 9, this has been the primary instrument used for taking forward-looking information - "FLI" - into account. The macroeconomic factors are translated into changes in credit risk parameters using the Group's macro dependency model ("satellite model"). The most recent macro adjustment was made in the fourth quarter of 2023 (see also below on this). In this connection the planned point-in-time calibrations and half-yearly adjustments to macro scenarios were carried out in 2023. The cumulative effect of these adjustments resulted in an increase in impairments for expected credit losses in the performing portfolio ("expected credit loss" – ECL) totalling €81 million. If the comparatively smaller impact of the half-year adjustment is taken into consideration (minus €24 million), the adjustments total €57 million (compared with €140 million in the 2022 financial year). In addition, there is a one-off effect from a recalibration of the satellite model, which resulted in a reduction of the ECL by €4 million in the fourth quarter.

Accounting, Valuation and Disclosure (Continued)

Due to the multifaceted effects on the global economy as a result of the increase in energy costs, inflation and interest rates, the risks have increased for companies and here particularly for energy-intensive companies and the real estate sector but also for private individuals. Uncertainty in assessing risks, some of which are interdependent, remains at the end of 2023. This prompted the Bank to review the overlays for geopolitical risks applied in 2022 and to take account of the change in the risk situation in the commercial real estate sector.

In UniCredit's terminology, "overlays" refer exclusively to adjustments relating to those temporary one-off effects aiming to ensure a fair extent of impairments with regard to industry-specific, exogenous situations. All remaining adjustments are generally referred to as "PMAs" (post model adjustments). These are usually associated with the anticipation of imminent changes to credit risk models or tactical corrections prior to full technical implementation in models and IT systems. In contrast to exogenously triggered overlays, the latter tend to be caused endogenously.

Overlays
Although the models used to determine impairments are generally able to depict a tense economic market environment, these were expanded to include what are known as overlays in order to adequately capture the effects of the numerous current industry-specific crises. The total overlay (geopolitical and CREF overlay) amounts to €188 million as at year-end 2023 (after €194 million as at 31 December 2022). The methodology of the overlays as well as all major adjustments are submitted to the local Financial and Credit Risk Committees for adoption. In keeping with the temporary nature of overlays, the Bank plans to transfer these to the models in the medium term if the overlay was not fully utilised or was not reversed as the original reason for setting up the overlay no longer applied.

Geopolitical overlays
Geopolitical overlays were applied in 2022 to take account of risks resulting from the Russia-Ukraine war that led to an increase in energy costs, inflation and interest rates for both companies and private individuals.

The geopolitical overlay is still required to ensure a fair extent of impairments at Level 1 and 2 for the specific segments at risk. This cannot be captured by the Group's macro dependency model ("satellite model") because industry-specific estimates cannot be derived from this. Although some effects of the Russia/Ukraine conflict have weakened somewhat compared with the previous year, for example energy availability, the current macroeconomic context is still subject to a high level of uncertainty – primarily due to geopolitical tensions in the Middle East. As a result of this, the situation on energy markets remains very uncertain. Furthermore, inflation is still high and domestic price pressure is as strong as before. A rapid and noticeable reduction in the level of interest rates by the ECB is not in sight either. In this environment, downturn risks remain high and the Bank has therefore applied a complementary geopolitical overlay of €64 million to sub-segments also for the fourth quarter 2023 in the expectation that it will be fully utilised. In the current review process for the overlays applied, customers were identified in 2023 that have developed from Level 2 to Level 3, meaning that a part of the overlay has been utilised.

The geopolitical overlay is based on the following components:

- Companies from energy-intensive sectors as these are more susceptible to the consequences of the Russia-Ukraine crisis, in particular in terms of energy supply and the related increase in prices
- Individual customers,
  - with a variable interest mortgage loan (without overdue instalments) as these are seen as being particularly susceptible to rising interest and inflation rates, or
  - that are overdue with one instalment payment on at least one loan, as these customers are seen as being particularly vulnerable in the light of the current situation.

Commercial real estate business overlay (CREF)
In addition, the persistently high level of interest rates is increasingly affecting the commercial real estate and construction industry, which is struggling with fewer orders, higher construction costs due to inflation, property prices falling in some cases and an increase in refinancing risks. In some areas, there is also a gap due to continued low rental income as long-term lease agreements cannot be adjusted in the short term to include the increase in costs. As this is a specific industry effect and no specific industry estimates can be derived from the Group's macro dependency model ("satellite model"), the Bank has decided to supplement the existing geopolitical overlay by a new commercial real estate finance – CREF– overlay. This covers the entire building construction and real estate sector in addition to CRE companies. There is no overlapping of the geopolitical and CREF overlay. The methodological approach in this regard functions in the same way as the geopolitical overlay. Based on the default rates of specific segments, an additional flow is expected in the non-performing portfolio. As a result, higher impairments are already being recognised in the performing portfolio. The additional impairments entered in this way amount to €124 million as at year-end.

Cross-border overlay
In 2022, impairments for companies directly affected by the war in Ukraine came to €16 million. These were reversed in 2023 for reasons of immateriality as some of the companies affected changed to a non-performing status, business relations were terminated with some of the companies and most of the remaining companies received a new rating.

Other materially relevant methodological adjustments to Level 1 and 2 impairments
The new IRB LGD model was implemented in the third quarter of 2022 for risk-weighted assets and expected loss purposes (one-year horizon). Subsequently, the technical preconditions were met for implementation for expected credit loss purposes. An LGD post model adjustment (PMA) was calculated with the aid of this simulation. As at year-end, this PMA totals €56 million. The replacement of the PMA in favour of implementation in the production environment is planned for the first half of 2024.

(Partly) bullet financing: In the course of 2022, the method for calculating the expected credit losses for credit products maturing at the end of the term was revised. Most of the principal repayments or the total principal repayment is made for these products shortly before the financing reaches maturity. There is no reduction of the risk over the course of time, which is reflected in the level of exposure. Instead, bullet financing is subject to a considerable refinancing risk on the part of the borrower. Therefore, this risk component is included when taking account of the classification at Stage 2 as well as in the respective PD lifetime definition. The revised method was finally technically implemented in the ECL models in 2023. At year-end 2022, post model adjustments of €178 million were applied which were fully reversed again at year-end 2023. On the one hand, the total amount declined due to the portfolio development and on the other hand, lower loan loss provisions were calculated through detailed implementation in the model.

Accounting, Valuation and Disclosure (Continued)

The following table provides an overview of the change in the main overlays and post model adjustments for UniCredit Bank GmbH:

In € millions		2023	2022	CHANGE
OVERLAYS	Geopolitical	62	191	-129
	Commercial Real Estate Finance (CREF)	124	0	124
	Cross border	0	16	-16
PMA	Bullet/balloon	0	177	-177
	Loss-given default (LGD)	56	0	56

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

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

The Bank has made use of the option permitted by Section 340f (3) HGB and has included the change in provisions compliant with Section 340f HGB in the off-set of the write-downs and impairments of receivables and certain securities as well as allocations to provisions for losses on guarantees and indemnities against the income from write-ups of receivables and certain securities as well as from the reversal of provisions for losses on guarantees and indemnities.

7 Bonds and other fixed-income securities, and equity securities and other variable-yield securities

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

Investment securities are measured in accordance with the modified lower of cost or market principle compliant with Section 253 (3) 5 HGB, under which impairments are only to be deducted from the acquisition cost if the loss of value is expected to be permanent. In the case of equity instruments, we recognise an impairment loss if the fair value at the reporting date is significantly lower than the carrying amount or if the fair value has fallen below the carrying amount for a long period of time. In the case of debt instruments, on the other hand, an impairment that is likely to be permanent occurs when the issuer of the securities defaults. This is the case if full repayment is unlikely without the possibility of realising collateral or if payment is more than 90 days in arrears. In the event of a loss of value that is attributable to market prices, we assume that the impairment is only temporary, as these losses will be balanced out again by the due date at the latest.

Securities held for liquidity purposes are measured at amortised cost, taking account of the lower of cost or market principle (Section 253 (4) 1 HGB) and if necessary, written down to the market value or fair value at the balance sheet date, whichever is lower. Premiums and discounts are amortised over the remaining term of the securities holdings upon addition.

In observance of the lower of cost or market principle, appropriate write-downs are made to take account of the creditworthiness of the issuer and the liquidity of the financial instrument. Where the reasons for a write-down to the lower of cost or market no longer apply, the write-down is reversed compliant with Section 253 (5) HGB.

The Bank sets up portfolio valuation units documented in advance for certain interest-bearing securities, promissory notes (with a carrying amount of €19,431 million (previous year: €20,359 million)) and certain interest rate derivatives hedged against interest rate risk by equivalent hedging derivatives (notably interest rate swaps). The hedge of the dynamic portfolio within the framework of the valuation unit is of unlimited duration; the hedging period of the individual hedging derivatives is always related to the residual maturity of the respective hedged items in the portfolio. The offset changes in the value of the interest-bearing securities amount to an increase of €443 million (previous year: €1,162 million) for the portfolios whose hedged items encompass securities and promissory notes. The change is largely attributable to the rise in the level of interest rates and a lower volume.

The Bank also forms a valuation unit to hedge equity risks. An equity forward derivative and compensatory equity holdings are balanced against each other in the valuation unit. The duration of the hedging is determined by the term of the equity forward derivative. The balanced changes in value amount to €24 million.

The requirements of Section 254 HGB regarding valuation units have been met. The prospective hedging efficiency is documented using the interest rate risk sensitivity analysis based on basis point values (BPV) or the critical term match method. The changes in value arising from the hedged items and hedges induced from the hedged risk are set against each other and offset within the individual valuation units. Under the net hedge presentation method, no net valuation gain is taken to the income statement; provisions are set up to cover any net loss on the ineffective portion of the changes in the value of the hedge. Any valuation loss arising from the unhedged risk is included in the respective hedged items and hedging derivatives in accordance with the imparity principle.

The Bank makes use of the option permitted by Section 340f (3) HGB to set off the write-downs and impairments of receivables and certain securities as well as allocations to provisions for losses on guarantees and indemnities against the income from write-ups of receivables and certain securities as well as from the reversal of provisions for losses on guarantees and indemnities.

8 Held-for-trading portfolio

Compliant with Section 340e (3) HGB, financial instruments held by banks for trading purposes are measured at fair value less a risk discount and recognised in the balance sheet. Any ensuing changes in value and provisions relating to trading transactions are recognised in the income statement under net income from the held-for-trading portfolio. In addition, compliant with Section 340e (4) HGB, an amount is allocated to the “Fund for general banking risks” in accordance with Section 340g HGB and shown in the balance sheet separately. HVB assigns all financial instruments (bonds, equity securities, derivatives, loans and receivables, and liabilities, including delivery obligations arising from short sales of securities) to the held-for-trading portfolio that are acquired and sold with the intention of generating a short-term gain on proprietary trading. This is done to exploit existing or anticipated differences between buying and selling prices or fluctuations in market rates, prices, values or interest rates to generate a trading gain or margin. No changes have been made compared with last year regarding the criteria for assignment to the trading portfolio (definition of the intention to trade). No financial instruments have been reclassified to or from the held-for-trading portfolio. The assets and liabilities that are held for trading are shown separately in the balance sheet (asset item 6a and liability item 3a).

Accounting, Valuation and Disclosure (Continued)

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

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

Appropriate adjustments (referred to as fair value adjustments) are made to the fair values calculated in this way in order to take account of further influences on the fair value (such as the liquidity of the financial instrument, closing out costs or model risks when the fair value is calculated using a valuation model). Rating-related default risk in trading-book derivatives is covered by applying suitable valuation adjustments (CVAs and DVAs). Furthermore, funding valuation adjustments (FVAs) were recognised in the income statement for the measurement at fair value of not fully secured derivatives. Apart from unsecured derivatives, this also affects derivatives for which collateral has been provided in favour of the counterparty only.

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

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

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

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

HVB employs derivative financial instruments both for trading purposes and to hedge balance sheet items. The vast majority are trading derivatives which are disclosed at their fair value in the held-for-trading portfolio items on the assets side and liabilities side of the balance sheet and taken to the income statement.

With interest rate swaps, the two opposing cash flows from interest are aggregated for each swap contract and disclosed net as interest income or interest payable. In the case of derivative portfolios purely held for trading, we disclose the netted interest payments in the net trading income.

Derivatives that are not associated with the held-for-trading portfolio continue to be treated in accordance with the principle of the non-recognition of pending transactions. Only cash flows that have started, such as option premiums and accrued upfront payments on unvalued banking book derivatives, are disclosed under other assets (asset item 12), other liabilities (liability item 5) and deferred income or prepaid expenses (asset item 13 and liability item 6). Irrespective of whether it results from the hedged item or the hedging derivative, any net loss arising from valuation units set up for the netting (compensation) of the change in value of the hedged item and hedging derivative associated with the hedged risk is to be taken to the income statement as a provision for valuation units. In accordance with German GAAP, any change in fair value arising from the unhedged risk in both the hedged item and the hedging instrument is recognised on a gross basis in compliance with individual valuation under the imparity principle.

The Bank takes out the credit derivatives not held for trading exclusively as a protection buyer. In this context, the credit derivatives serve to hedge the risk of default of other transactions entered into by the Bank. The credit derivatives not held for trading are therefore accounted for according to the principles relating to loan collateral.

The interest rate derivatives employed for asset/liability management of the general interest rate risk associated with receivables and liabilities in the banking book are measured as part of the aggregate interest position. Please refer to the Risk Report for a discussion of the management of the overall interest rate position.

The few remaining standalone derivatives outside the trading book are valued in accordance with the imparity principle. A provision for anticipated losses on pending transactions is set up for unrealised valuation losses; unrealised valuation gains are not recognised.

Derivatives held for trading purposes that were concluded under master agreements together with a credit support annex allowing for daily exchange of collateral are netted for each counterparty in the balance sheet. Such netting encompasses both the carrying amount of the derivatives and the collateral provided for each counterparty.

Accounting, Valuation and Disclosure (Continued)

Extensive information about HVB's derivative financial instruments, complete with detailed breakdowns by product and risk type, and showing the nominal amounts, fair values and the counterparty structure, is included in the note to the annual financial statements regarding derivative financial instruments.

The Risk Report contains a detailed overview of the Bank's derivative transactions.

9 Participating interests and shares in affiliates

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

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

Compliant with Section 340c (2) 1 HGB, HVB sets off income from write-ups of participating interests, shares in affiliates and investment securities against write-downs of these investments. In addition, the corresponding expense and income from the disposal of financial assets are included in this off-set in accordance with the option permitted by Section 340c (2) 2 HGB.

10 Intangible assets

Goodwill and software are disclosed under intangible assets (asset item 10).

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

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

11 Property, plant and equipment

Property, plant and equipment (asset item 11) is valued at acquisition or production cost, less – insofar as the assets are depreciable – subsequent straight-line depreciation over the expected useful life. In such cases HVB adheres closely to the depreciation rules for movable equipment specified in Section 7 of the German Income Tax Act (Einkommensteuergesetz – EStG) in conjunction with the depreciation tables for equipment. Additions to furniture and office equipment are depreciated on a pro rata basis in the year of acquisition.

Low-value assets with acquisition costs of up to €250 are fully expensed in the year of acquisition and shown as additions and disposals in the analysis of non-current assets. A collective item is set up for all items of property, plant and equipment with acquisition costs of between €250 and €1,000 (pool depreciation in accordance with Section 6 (2a) EStG, new version), one-fifth of which is reversed in the financial year of creation and each of the following four years in the income statement.

12 Liabilities

Liabilities (liability items 1 to 3, 8 and 9) are stated at the amount repayable plus accrued interest. Differences between the amount repayable and the amount disbursed (premiums/discounts) that are attributable to interest are allocated to prepaid expenses or deferred income and reversed under net interest income in the correct accounting period. Liabilities without current interest payments (zero-coupon bonds) are stated at their present value calculated using a constant discount rate over the relevant terms.

The Bank establishes portfolio valuation units for certain interest-bearing securities issues or promissory note liabilities (carrying amount €4,221 million) which are hedged by offsetting hedging derivatives (in particular interest rate swaps or credit default swaps and equity derivatives) with respect to interest rate risk and risks arising from embedded credit or equity risks. The duration of the hedging of the dynamic portfolio within the framework of the valuation unit is unlimited; the hedging period of the individual hedging derivatives relates essentially to the remaining term of the respective securities issues or promissory note liabilities. The offset changes in the value of the securities issues or promissory note liabilities amount to €59 million.

13 Provisions

In accordance with the principles of sound commercial judgement, we assess provisions for taxes, uncertain liabilities and anticipated losses on pending transactions (liability item 7) at the amount repayable, taking into account anticipated future price and cost increases. As a basic principle, provisions having a remaining term of more than one year are to be discounted at the market interest rate corresponding to their remaining term, averaged over the preceding seven financial years, which is determined and published by Deutsche Bundesbank.

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

Accounting, Valuation and Disclosure (Continued)

We measure payment obligations arising from pension commitments at the amount payable calculated using the projected unit credit method on the basis of biometric probabilities. Anticipated future salary and pension increases are taken into account when measuring the pension commitment. Insofar as the amount of the pension commitments is determined exclusively by the fair value of securities, we recognise provisions for this at the fair value of these securities where it exceeds a guaranteed minimum amount.

The Bank assumes a portfolio-specific, average duration in accordance with IFRS standards as at 31 December 2023 of 19 years as the remaining term for determining the provisions for pension obligations to be recognised in the balance sheet. The discount rate derived from this remaining term of the pension obligations was based on the interest rate information determined and published by Deutsche Bundesbank at the end of the year in accordance with the Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung - RückAbzinsV) on the basis of a ten-year average. Further information regarding the change in the valuation method is provided in the note “Consistency”.

The German Act Implementing the Directive on Credit Agreements Relating to Residential Immovable Property and Amending Provisions of Commercial Law enacted in 2016 changed the specified discount rate used in discounting provisions for pension obligations from a seven-year average to a ten-year average. The difference arising in every financial year between the valuation of the provision applying the corresponding market interest rate averaged over the preceding ten financial years and applying the corresponding market interest rate averaged over the preceding seven financial years is subject to a ban on distribution.

	2023	2022
Discount rate (10-year average)	1.90%	1.88%
Discount rate (7-year average)	1.79%	1.53%
Pension trend	2.25%	2.25%
Anticipated wage and salary increases	2.00%	1.50%
Career trend	0.50%	0.50%
Reduced probabilities based on the modified Heubeck 2018 G tables of		
Mortality		
Men	80%	80%
Women	95%	95%
Disability		
Men	80%	80%
Women	80%	80%

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

Furthermore, the revised version of IDW RS BFA 3 requires the Bank to check whether it has incurred a loss on the aggregate holding of interest-bearing transactions in the banking book. The Bank applies the net present value approach to ascertain whether there are any circumstances beyond the individual valuation that had already arisen in economic terms at the reporting date that would lead to losses in the future. In this instance, it would be necessary to set up a provision for anticipated losses on pending transactions to ensure loss-free valuation in the banking book. To do this, the cash flows from the interest-bearing transactions in the banking book are discounted on the basis of the market interest rates at the reporting date and set against their carrying amounts using the net present value approach. All on- and off-balance-sheet, interest-bearing financial instruments outside of the held-for-trading portfolio are included in this process. All costs to be incurred in connection with the interest-bearing transactions such as risk costs, administration costs for handling the transactions through to their maturity, funding costs and so on are taken into account for discounting. The contractual cash flows are normally used as the basis; appropriate assumptions regarding the anticipated utilisation are only made and hence an economic maturity used as the basis for financial instruments with no fixed maturity (such as demand and savings deposits) in compliance with the internal risk management rules. The present values calculated in this way are set against the carrying amounts; derivatives concluded to hedge interest rate risk in the banking book are recognised at their fair value and generally set against a carrying amount of zero as they are not carried as general hedging derivatives individually in the banking book. A provision for anticipated losses on pending transactions needs to be set up to cover any shortfall between the present value determined in this way and the carrying amount. In this context, positive differences on interest-bearing transactions may not be offset against negative differences unless the transactions concerned are controlled together in internal interest rate risk management.

14 Additional Tier 1 regulatory capital instruments

Included are HVB issued regulatory own funds in the form of two additional Tier 1 issues (AT1 bonds). The AT1 bonds are fully subscribed by UniCredit S.p.A. These are subordinated unsecured bonds.

These have a volume of €1,000 million and €700 million and an indefinite term, and the AT1 bonds can only be terminated by the issuer. As the issuer, HVB has the right to waive interest in whole or in part at its own discretion. Should HVB decide to pay interest for a given financial year, it is recognised as interest payable. The bond terms stipulate a temporary write-down in the event that the Bank's CET 1 ratio falls below the 5.125% mark on a stand-alone basis or consolidated basis pursuant to the CRR. Under certain conditions, a (re-)write-up is possible at HVB's discretion.

In addition, the issues have the following features:

The issue of €1,000 million can be called in for the first time after five years and initially bears 5.794% interest for five years; from 20 October 2025 the interest rate corresponds to the 5-year EUR mid-market swap rate of +6.250% p.a. until the next interest rate adjustment date after five years

The issue of €700 million can be called in for the first time after six years and initially bears 5.928% interest for six years; from 20 October 2026 the interest rate corresponds to the 5-year EUR mid-market swap rate of +6.350% p.a. until the next interest rate adjustment date after five years

The AT1 bonds are shown as additional Tier 1 capital (AT1) under regulatory own funds.

Interest in the amount of €99 million was paid on both instruments in October 2023. The interest payable is deductible for tax purposes.

Accounting, Valuation and Disclosure (Continued)

15 Plan assets
Assets serving exclusively to settle pension commitments or similar long-term commitments, and to which all other creditors do not have recourse (plan assets), are measured at fair value and offset against the underlying commitment.

If the offsetting results in an excess of commitments over plan assets, we recognise a provision for pensions and similar commitments (liability item 7) to this amount. If the value of the assets exceeds the commitments, the amount is recognised under excess of plan assets over pension liabilities (asset item 15).

The plan assets consist mainly of investment fund shares that are recognised at the current redemption price (fair value). Income and expenses arising from plan assets to be offset are shown in other operating income less other operating expenses.

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

16 Deferred tax assets and liabilities
Deferred tax items are determined for temporary differences between the carrying amount of an asset, liability or deferred item shown in the commercial balance sheet and the corresponding amount disclosed for tax purposes, which are expected to reverse in future financial years. This includes not only the temporary differences arising from HVB's own balance sheet items, but also those arising at subsidiaries or partnerships in which HVB is a shareholder or partner. In addition, tax loss carryforwards must be taken into account when calculating deferred tax assets.

Deferred tax assets and liabilities are measured on the basis of the combined income tax rate of the HVB tax group, which is currently 31.76%. The combined income tax rate includes corporation tax, trade tax and solidarity surcharge. Notwithstanding this, deferred taxes arising from the temporary differences in the accounting of German investments in commercial partnerships are measured on the basis of a combined income tax rate, which only includes corporation tax and the solidarity surcharge, which currently amounts to 15.83%.

The respective local tax rates, ranging from 16.5% to 33%, are applied for deferred tax assets and liabilities in foreign establishments. In the financial year, a total of €968 million (previous year: €1,190 million) in deferred tax assets was recognised. This was made up of €931 million (previous year: €1,100 million) from HVB "Inlandsbank" including tax group subsidiaries and €37 million (previous year: €90 million) from foreign establishments. As a result of an intragroup transaction in the financial year, the deferred tax asset surplus at HVB "Inlandsbank" was reduced by €78 million with no effect on income. Otherwise, the changes in deferred taxes were recognised in the income statement. The deferred taxes recognised are based almost exclusively on temporary differences in value, which mainly result from tax related differences in the risk provisioning for loans and receivables with customers, prepaid expenses and deferred income, property, plant and equipment, pension provisions, and other provisions.

17 Foreign currencies

Amounts in foreign currency are translated in accordance with the principles set forth in Section 340h and Section 256a HGB. As a result, assets and liabilities denominated in foreign currency and spot transactions outstanding at the balance sheet date are always converted into euros using the mean spot rate applicable at the balance sheet date. The foreign currency positions in the portfolio not held for trading that are concluded in each currency are transferred to the held-for-trading portfolio on a daily basis under a standard system of currency risk management that is applicable across the Bank as a whole. The translation gains on the foreign currency positions managed in the held-for-trading portfolio are recognised at fair value in the income statement in accordance with the valuation methods applicable to the held-for-trading portfolio (Section 340e (3) 1 HGB). Consequently, the entire net income from FX trading is disclosed under net income from the held-for-trading portfolio in the income statement. On the other hand, investment securities denominated in foreign currency that are not specifically covered in the same currency and are not transferred to the held-for-trading portfolio as part of currency risk management applicable throughout the Bank are carried at their historical cost. Outstanding forward transactions are translated using the forward rate effective at the balance sheet date.

Accounting, Valuation and Disclosure (Continued)

The condensed income statement is shown with the Combined Management Report.

18 Breakdown of income by region

The following table shows a breakdown by region of:
– interest income
– current income from equity securities and other variable-yield securities, participating interests and shares in affiliates
– fees and commissions receivable
– net income from the held-for-trading portfolio and
– other operating income

€ millions	2023	2022
Total income	**12,062**	**7,079**
Germany	10,009	6,020
Italy	1,224	242
United Kingdom	107	365
Rest of Europe	234	207
Americas	430	182
Asia	58	63

19 Net interest income

€ millions	2023	2022
Net interest income	**2,730**	**3,470**
Interest income from		
lending and money market transactions	6,986	3,247
including netted negative interest on investments	3	223
fixed-income securities and government-inscribed debt	1,454	359
Current income from equity securities and other variable-yield securities, participating interests and shares in affiliates	245	714
Income from profit-pooling and profit-and-loss-transfer agreements	83	32
Interest payable	6,038	1,062
including netted positive interest on borrowings	5	483

In the previous year current income from shares in affiliates includes income from the acquisition of (real estate) companies in the amount of €356 million.

The interest payable arising from the compounding of provisions amounts to €10 million (previous year: €3 million).

20 Services performed for third parties

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

Notes to the Income Statement

21 Net income from the held-for-trading portfolio

Net income from the held-for-trading portfolio (net trading income) of €1,231 million (previous year: €609 million) includes the netted income and expenses arising from transactions involving financial instruments held for trading purposes, complete with the full net income from FX operations. Key factors driving total income are rate derivatives transactions in the areas of fixed income, currencies & commodities as well as equities & credit trading based on stable customer demand for hedging transactions on a high level and rising, high market interest rates. A corresponding counter-effect can be seen in net interest income. Also carried here are certain fees and commissions in connection with transactions involving financial instruments held for proprietary trading purposes and trading with precious metals. We carry the current interest income/expense resulting from held-for-trading portfolios (referred to as trading-induced interest) as well as dividend income in net interest income and in current income rather than in net trading income in accordance with our internal management.

22 Breakdown of other operating income and expenses

Other operating income primarily includes the following:

– income from the reversal of provisions other than provisions for lending and securities operations (€170 million, previous year: €322 million),
– cross-charged payroll costs and cost of materials (€72 million, previous year: €86 million)
– the recognition of income from services performed in earlier years (€11 million, previous year: €10 million).

Other operating expenses primarily include the following:

– expenses related to other periods (€13 million, previous year: €3 million),
– compensation and ex gratia payments (€9 million, previous year: €7 million),
– expenses arising from the compounding and discounting of other provisions in the non-lending business (€1 million, previous year: €1 million)
– additions to provisions other than provisions for lending and securities operations (€0 million, previous year: €23 million).

23 Write-downs and impairments of receivables and certain securities as well as allocations to provisions for losses on guarantees and indemnities

The item “Write-downs and impairments of receivables and certain securities as well as allocations to provisions for losses on guarantees and indemnities” amounted to minus €148 million in the reporting year (previous year: positive balance of €29 million – reported under the item “Income from write-ups of receivables and certain securities as well as from the reversal of provisions for losses on guarantees and indemnities).

The net measurement loss on lending operations contained in provisions for losses on loans and receivables amounts to €166 million (previous year: net measurement gain of €322 million).

In the 2023 financial year, a net amount of €111 million in general loan loss provisions (GLLP) was reversed. There was a reversal also due to the adjustment made to the probability of default (PD) parameters of the acquisition and leveraged finance model stemming from a time series expansion. There was also an addition due to a post model adjustment to an imminent update to the loss-given default model. In view of the macroeconomic situation, updated forward-looking macroeconomic scenarios (marginally lower growth rates in the gross domestic product for 2024, 2025 and 2026 and the lower house price index) resulted in additions to general loan loss provisions.

Notes to the Income Statement (Continued)

As a component of general loan loss provisions, the item includes, among other things, the following post-model adjustments:
– Geopolitical overlay: €62 million (previous-year period: €191 million),
– CRE (commercial real estate and construction sector) overlay: €124 million (previous-year period €– million),
– Adjustment for (partial) bullet financing: €– million (previous-year period: €177 million),
– LGD post-model adjustment: €56 million (previous-year period €– million),
– Russia exposure: €– million (previous-year period: €16 million).

In the reporting period, net additions to specific loan loss provisions total €316 million after net additions of €59 million in the previous-year period. Additions to specific loan loss provisions on account of defaults were partially compensated by reversals of existing specific loan loss provisions. The specific loan loss provision requirement for the direct Russia exposure in connection with the Russia-Ukraine conflict remained on a relatively moderate level in the reporting year.

A net gain of €18 million was generated with securities held for liquidity purposes in the reporting year after a net loss of €293 million the previous year.

24 Expenses from absorbed losses
In the reporting period and in the previous year there was no expense from losses absorbed in other accounting periods.

25 Extraordinary income/expenses
The extraordinary income/expenses of €650 million in the reporting year resulted from gains following the merger of affiliated (real estate) companies with HVB. The extraordinary income/expenses amounted to minus €13 million in the previous year and was attributable to a merger loss.

26 Taxes on income
The expense from current taxes on income of €350 million includes net tax income from previous years of €315 million (in particular from the revaluation of tax risks). As a result of the capitalisation option for deferred tax assets exercised since the previous year, the total tax expense of €494 million for the reporting year also includes a deferred tax expense of €144 million, mainly from the change in temporary differences.

27 Net income for the year
In the 2023 financial year, the profit available for distribution disclosed in the annual financial statements of HVB, which forms the basis for the appropriation of profit, amounts to €1,725 million. This consists of the net income for year of €2,133 million generated in the reporting year less the amount of €408 million transferred to other retained earnings. We will propose to the Shareholders' Meeting that the profit available for distribution of €1,725 million be paid to UniCredit S.p.A. (UniCredit), Milan, Italy. This represents a profit distribution of around €2.15 per share after a dividend of around €1.45 per share for the 2022 financial year. The profit available for distribution of €1,160 million reported in the previous year was distributed to UniCredit S.p.A. on 30 March 2023 in accordance with a resolution adopted by the Shareholders' Meeting on 27 March 2023.

28 Breakdown by maturity of selected asset items

€ millions		2023	2022
A 3 b)	Other loans and receivables with banks		
	with residual maturity of less than 3 months	3,876	6,625
	at least 3 months but less than 1 year	2,642	2,800
	at least 1 year but less than 5 years	1,590	2,273
	5 years or more	71	86
A 4	Loans and receivables with customers		
	with residual maturity of less than 3 months	10,392	13,113
	at least 3 months but less than 1 year	9,100	11,125
	at least 1 year but less than 5 years	44,482	42,985
	5 years or more	43,857	43,638
	No fixed maturity	13,496	16,709
A 5	Bonds and other fixed-income securities, amounts due in the following year	4,369	9,676

29 Breakdown by maturity of selected liability items

€ millions		2023	2022
L 1	Deposits from banks		
L 1b)	with agreed maturity dates or periods of notice		
	with residual maturity of less than 3 months	10,278	5,368
	at least 3 months but less than 1 year	1,818	16,844
	at least 1 year but less than 5 years	7,211	13,002
	5 years or more	5,582	5,701
L 2	Deposits from customers		
L 2 ab)	savings deposits with agreed periods of notice of at least 3 months		
	with residual maturity of less than 3 months	5,708	10,703
	at least 3 months but less than 1 year	—	—
	at least 1 year but less than 5 years	—	—
	5 years or more	—	—
L 2 b)	registered Mortgage Pfandbriefe in issue		
L 2 c)	registered Public Pfandbriefe in issue		
L 2 db)	other debts with agreed maturity dates or periods of notice		
	with residual maturity of less than 3 months	37,645	21,922
	at least 3 months but less than 1 year	12,856	13,255
	at least 1 year but less than 5 years	2,502	3,154
	5 years or more	5,367	5,377
L 3	Debt securities in issue		
L 3 a)	bonds, amounts due in following year	2,516	2,124
L 3 b)	other debt securities in issue		
	with residual maturity of less than 3 months	11,584	12,866
	at least 3 months but less than 1 year	—	—
	at least 1 year but less than 5 years	—	—
	5 years or more	—	—

Notes to the Balance Sheet (Continued)

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

€ millions	2023		2022	
	AFFILIATES	PARTICIPATING INTERESTS	AFFILIATES	PARTICIPATING INTERESTS
Loans and receivables with banks	1,343	265	3,937	11
of which UniCredit S.p.A.	1,001	—	3,520	—
Loans and receivables with customers	432	1,731	649	1,632
Bonds and other fixed-income securities	—	10,840	—	11,632
of which UniCredit S.p.A.	—	—	—	—
Deposits from banks	1,720	134	3,684	142
of which UniCredit S.p.A.	1,268	—	3,237	—
Deposits from customers	155	420	477	462
Debt securities in issue	2,757	—	2,754	—
of which UniCredit S.p.A.	2,757	—	2,754	—
Subordinated liabilities	2,744	—	2,742	—
of which UniCredit S.p.A	2,514	—	2,514	—

There have been a number of transactions involving UniCredit S.p.A. and other UniCredit group companies since the integration of HVB into the UniCredit group of companies.

In its role as centre of competence for markets and investment banking for the entire UniCredit group, HVB acts as counterparty for derivative transactions conducted by UniCredit companies. This involves hedge derivatives of UniCredit group companies that are externalised on the market by HVB.

31 Trust business

€ millions	2023	2022
Trust assets	**310**	**382**
Loans and receivables with banks	—	—
Loans and receivables with customers	310	382
Equity securities and other variable-yield securities	—	—
Participating interests	—	—
Other assets	—	—
Trust liabilities	**310**	**382**
Deposits from banks	309	381
Deposits from customers	1	1
Debt securities in issue	—	—
Other liabilities	—	—

KfW Schnellkredit loans in the amount of €307 million (previous year: €379 million) are reported. KfW Schnellkredit loans were set up by the federal government during the reporting year as a special programme of KfW to secure liquidity for companies The Bank issues the KfW Schnellkredit loans in its own name at the expense of KfW. To this extent the KfW Schnellkredit loans are accounted for as loans taken out on a trust basis in accordance with Section 6 of the Ordinance Regarding Accounting for Banks (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV).

32 Foreign-currency assets and liabilities

€ millions	2023	2022
Assets	**23,341**	**31,960**
Cash and cash balances	914	831
Treasury bills and other bills eligible for refinancing with central banks	—	—
Loans and receivables with banks	691	1,380
Loans and receivables with customers	7,796	11,317
Bonds and other fixed-income securities	4,917	7,856
Equity securities and other variable-yield securities	—	—
Held-for-trading portfolio (assets held for trading purposes)	8,726	10,297
Participating interests	8	10
Shares in affiliates	79	82
Trust assets	—	—
Intangible assets	—	—
Property, plant and equipment	5	2
Other assets	204	182
Prepaid expenses	1	3
Liabilities	**16,223**	**25,604**
Deposits from banks	3,787	4,313
Deposits from customers	8,234	14,391
Debt securities in issue	597	651
Held-for-trading portfolio (liabilities held for trading purposes)	3,420	5,986
Trust liabilities	—	—
Other liabilities	89	150
Deferred income	36	44
Provisions	60	69
Subordinated liabilities	—	—

The amounts shown represent the euro equivalents of all currencies.

33 Subordinated asset items

€ millions	2023	2021
Subordinated asset items	**2,614**	**2,661**
Loans and receivables with banks	—	—
Loans and receivables with customers	—	—
Bonds and other fixed-income securities	2,612	2,661
Equity securities and other variable-yield securities	—	—
Held-for-trading portfolio	2	—

Notes to the Balance Sheet (Continued)

34 Marketable debt and investments

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

€ millions	2023			2022		
	TOTAL MARKETABLE SECURITIES	OF WHICH LISTED	OF WHICH UNLISTED	TOTAL MARKETABLE SECURITIES	OF WHICH LISTED	OF WHICH UNLISTED
Bonds and other fixed-income securities	63,276	47,146	16,130	58,958	43,628	15,330
Equity securities and other variable-yield securities	352	329	23	273	250	22
Held-for-trading portfolio	18,381	13,597	4,784	17,975	12,573	5,402
Participating interests	—	—	—	—	—	—
Shares in affiliates	—	—	—	—	—	—

Non-current marketable securities contain financial instruments carried at an amount higher than their fair value:

€ millions	2023		2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Non-current securities	13,656	12,912	16,716	15,462
Bonds and other fixed-income securities	13,656	12,912	16,716	15,462
Equity securities and other variable-yield securities	—	—	—	—

Given the development of interest and rating risks, we do not believe that these securities are permanently impaired.

35 Held-for-trading portfolio

The following table shows the breakdown of assets held for trading purposes (asset item 6a) by financial instrument:

€ millions	2023	2022
Assets held for trading	**49,429**	**68,720**
Derivative financial instruments (positive fair values)	26,146	31,502
Loans and receivables	1,585	1,644
Bonds and other fixed-income securities	10,051	11,100
Equity securities and other variable-yield securities	9,583	8,045
Other assets	2,082	16,524
Less risk discount (for entire portfolio of assets held for trading purposes)	(18)	(95)

The following table shows the breakdown of liabilities held for trading purposes (liability item 3a) by financial instrument:

€ millions	2023	2022
Liabilities held for trading	**26,809**	**46,994**
Derivative financial instruments (negative fair values)	17,584	22,672
Liabilities (including delivery obligations arising from short sales of securities)	9,225	24,322

Derivatives held for trading purposes that were concluded under master agreements together with a credit support annex allowing for daily exchange of collateral were netted for each counterparty in the balance sheet. The netting for each counterparty encompasses both the carrying amount of the derivatives and the collateral provided. This involved netting positive fair values of €210.8 billion (previous year: €280.0 billion) with negative fair values of €210.0 billion (previous year: €278.4 billion) on derivatives held for trading with the associated receivables (€5.2 billion, previous year: €7.5 billion) and liabilities (€6.0 billion, previous year: €9.2 billion) from collateral provided.

36 Investment funds

The following table contains information regarding shares in investment funds compliant with Section 285 no. 26 HGB for which the Bank's holding exceeds 10% of the total number of shares:

	2022				2021			
€ millions	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE CARRYING AMOUNT/ FAIR VALUE	DIVIDEND PAYMENTS	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE CARRYING AMOUNT/ FAIR VALUE	DIVIDEND PAYMENTS
Total investment funds	**488**	**488**	**—**	**2.8**	**584**	**584**	**—**	**6.0**
Equity funds	287	287	—	1.1	214	214	—	1.1
Mixed funds	94	94	—	0.5	69	69	—	0.9
Index funds	13	13	—	0.2	128	128	—	3.2
Bond funds	41	41	—	—	91	91	—	—
Funds of funds	53	53	—	1.0	82	82	—	0.8

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

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

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

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

Notes to the Balance Sheet (Continued)

37 Analysis of non-current assets

€ millions	INTANGIBLE ASSETS				PROPERTY, PLANT AND EQUIPMENT			OTHER NON-CURRENT ASSETS
	SOFTWARE	DOWN PAYMENTS	OTHER INTANGIBLE ASSETS	TOTAL	LAND AND BUILDINGS	FURNITURE AND OFFICE EQUIPMENT	TOTAL	
Acquisition/production costs								
Balance as at 1/1	514	1	—	515	225	216	441	21
Additions from merger	—	—	—	—	1,711	70	1,781	—
Additions	—	1	—	1	12	19	31	—
Disposals	17	—	—	17	48	99	147	—
Reclassifications[1]	1	(1)	—	—	—	(1)	(1)	—
Post-capitalisation	—	—	—	—	—	—	—	—
Balance as at 31/12	498	1	—	499	1,900	205	2,105	21
Depreciation/amortisation								
Balance as at 1/1	511	—	—	511	126	187	312	—
Additions from merger	—	—	—	—	—	—	—	—
Additions	2	—	—	2	261	28	289	—
of which non-scheduled	—	—	—	—	234	6	240	—
Disposals	17	—	—	17	21	98	119	—
Reclassifications[1]	—	—	—	—	—	(2)	(2)	—
Write-ups	—	—	—	—	9	2	11	—
Balance as at 31/12	496	—	—	496	357	113	470	—
Net book value								
Balance as at 1/1	3	1	—	4	99	29	128	21
Balance as at 31/12	2	1	—	3	1,543	92	1,635	21

Rounding differences

1 Including changes in value due to currency translation.

The carrying amount of the land and buildings used for the Bank's own purposes amounts to €1,528 million (previous year: €99 million) at 31 December 2023.

€ millions	ACQUISITION COST	CHANGES +/-[1]	NET BOOK VALUE 31/12/2023	NET BOOK VALUE 31/12/2022
Participating interests	165	(57)	108	105
Shares in affiliates	848	(232)	616	1,449
Investment securities	18,622	7,341	25,963	18,622

1 Use has been made of the possibility of combining amounts allowed by Section 34 (3) RechKredV.

38 Other assets

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

€ millions	2023	2022
Claims to dividends from affiliates	78	399
Claims to tax reimbursements	240	168
of which:		
claims from non-income tax	4	3
claims from income tax	237	165
Raw materials	218	—
Proportion of income from commission/interest not yet received	128	124
Precious metals portfolio	39	27
Trade debtors	32	27
Investments with life insurance companies	30	30
Works of art	21	21
Collateral for exchange-traded derivatives	20	43
Proportion of income from portfolio fees	13	13

39 Prepaid expenses

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

€ millions	2023	2022
Discounts on funds borrowed	95	93
Premiums on amounts receivable	1	—

40 Provisions for pensions and similar commitments

An amount payable of €2,177 million arising from liabilities due to pension and similar commitments was set against offset plan assets with a fair value of €1,467 million. The excess of the commitments over the plan assets is disclosed in the balance sheet as provisions for pensions and similar commitments (€710 million). The acquisition cost of the offset plan assets totalled €1,558 million. The assets involved are essentially fund shares, subordinated bonds, investments, and cash and cash equivalents.

€ millions	2023	2022
Amount payable for offset pension and similar commitments (average interest rate 7 years)	2,229	2,267
Amount payable for offset pension commitments (average interest rate 10 years)	2,177	2,096
Fair value of offset plan assets	1,467	1,397
Omitted transitional allocation	—	—
Excess of plan assets over the commitments, including the shortfall	—	—
Acquisition cost of the offset plan assets	1,558	1,557

The following table shows the excess of pension commitments contained in other operating income/expenses:

€ millions	2023	2022
Surplus from pension commitments	**(5)**	**(461)**
Income from plan assets used to offset pension and similar commitments	62	99
Expense component of the change in provisions for pensions and similar commitments	(38)	(42)
Expenses from plan assets used to offset pension and similar commitments	(29)	(517)

Notes to the Balance Sheet (Continued)

41 Assets assigned or pledged as security for own liabilities

Assets were assigned or pledged as security for the following liabilities:

€ millions	2023	2022
Assets assigned or pledged as security for own liabilities	**18,446**	**16,6085**
Deposits from banks	17,343	16,282
Deposits from customers	1,103	326

In addition, collateral is pledged to the ECB, irrespective of whether this is actually used to borrow funds or not. At the reporting date, the volume of pledged collateral amounted to €26,178 million (previous year: €24,545 million).

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

As a seller under repurchase agreements, HVB has transferred assets with a book value of €5,245 million (previous year: €3,112 million) to its funding partners. The total includes €1,980 million (previous year: €1,569 million) relating to own securities holdings. These securities continue to be disclosed as HVB's assets. The consideration received in return is stated under liabilities. They comprise mainly international money market transactions.

At the same time, further assets totalling €10,696 million (previous year: €12,295 million) were pledged as security for securities lending transactions and exchange-traded derivatives. In setting up a contractual trust arrangement (CTA), HVB transferred collateral to the asset administrator to secure pension and semi-retirement obligations. Pursuant to Section 8a AltTZG, employers are required to secure credit exceeding three times the amount of normal earnings, including the associated employer's contribution to the total social security charge, against the risk of insolvency. Recognised provisions and obligations to cover the costs of other group companies are not considered suitable means of security.

42 Other liabilities

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

€ millions	2023	2022
Amounts owed to special purpose entities	10,700	10,749
Liabilities from losses absorbed from subsidiaries	119	3
Taxes payable	80	34
Obligations arising from debts assumed	31	40
Other amounts owed to employees	27	31
Amounts yet to be distributed from outplacements, etc.	3	31
Trading book valuation reserves	—	—

The true sale transactions included under amounts owed to special purpose entities were carried out with a view to using the securities generated as collateral for repurchase agreements with the ECB. The underlying receivables are still recognised by HVB. All tranches are retained by the Bank, meaning that there is no corresponding reduction in risk-weighted assets.

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

The taxes payable include liabilities from other taxes of €79 million (previous year: €33 million).

43 Deferred income

Discounts on amounts receivable shown at nominal value totalled €5 million (previous year: €6 million). Furthermore, other deferred income includes processing fees of €156 million (previous year: €143 million), interest of €18 million (previous year: €24 million) collected in advance, and accrued commissions of €4 million (previous year: €14 million).

44 Provisions

Other provisions include the following items:

€ millions	2023	2021
Total other provisions	**1,899**	**2,026**
Restructuring	531	627
Provisions for losses on guarantees and indemnities	310	360
Payments to employees	250	263
Payments for early retirement, semi-retirement and similar	311	214
Legal risks	145	181
Valuation units	70	97
Anniversary bonus payments	21	23
Bonuses on saving plans	—	—
Other	261	261

The restructuring provisions are mainly provisions set up within the scope of UniCredit Unlocked group-wide strategic plan.

The provisions for legal risks shown under provisions for uncertain liabilities also contain provisions for litigation fees and payments of damages. Other provisions include provisions for dismantling obligations, among other things.

45 Subordinated liabilities

At the reporting date, interest payable on subordinated liabilities amounted to €140 million (previous year: €131 million). This item includes accrued interest of €14 million (previous year: €14 million).

The borrower cannot be obliged to make early repayment in the case of subordinated liabilities. In the event of insolvency or liquidation, subordinated loans are only repaid after the claims of all primary creditors have been settled. For the purposes of a bank's liable funds as defined under banking supervisory regulations, subordinated liabilities are regarded as supplementary (Tier 2) capital.

HVB issued regulatory own funds in the form of a Tier 2 bond at the end of June 2020, which was fully subscribed by UniCredit S.p.A. This is contained in the balance sheet item "Debt securities in issue". The Bank is optimising its capital structure with the issue, also against the backdrop of the changes in regulatory requirements by the European Banking Authority (EBA). The subordinated bond meets the criteria set out in the Capital Requirements Regulation (CRR II) as Tier 2 capital and can also be used to meet MREL requirements (SRMR II).

The subordinated bond has a volume of €800 million and a term of ten years with a repayment option for the issuer after five years. The bond has a fixed-interest rate of 3.469% for the first five years that is re-fixed after five years based on the then valid 5-year swap rate plus a spread of 380 basis points provided the bond is not repaid after five years. The conditions at the time of issuance (at arm's length) are in line with the market.

Shareholders' Equity

46 Analysis of shareholders' equity shown in the balance sheet

€ millions		
a) Called-up capital		
Subscribed capital		
Balance as at 1 January 2023	2,407	
Balance as at 31 December 2023		2,407
b) Additional paid-in capital		
Balance as at 1 January 2023	9,791	
Balance as at 31 December 2023		9,791
c) Retained earnings		
ca) Legal reserve		
Balance as at 1 January 2023	—	
Balance as at 31 December 2023		—
cb) Reserve for shares in a controlling or majority interest-holding company		
Balance as at 1 January 2023	10	
Withdrawal from reserve for shares in a controlling or majority interest-holding company	9	
Transfer to reserve for shares in a controlling or majority interest-holding company	33	
Balance as at 31 December 2023		43
cc) Reserve provided for in the Articles of Association		
Balance as at 1 January 2023	—	
Balance as at 31 December 2023		—
cd) Other retained earnings		
Balance as at 1 January 2023[1]	2,232	
Withdrawal from other retained earnings	33	
Transfer to other retained earnings	408	
Balance as at 31 December 2023		2,607
d) **Profit available for distribution**		
Balance as at 1 January 2023	1,160	
Dividend payout of HVB for 2022	1,160	
Withdrawal from other retained earnings	33	
Transfer to other retained earnings	408	
Net income for the year 2023	2,133	
Balance as at 31 December 2023	1,725	1,725
Shareholders' equity		
Balance as at 31 December 2023		16,573

1 Due to rounding differences, the previous year was adjusted

47 Holdings of HVB nominal capital in excess of 5%

in %	2023	2022
UniCredit S.p.A.	100.0	100.0

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

48 Amounts not available for distribution

The measurement at fair value of assets to be offset in connection with pension commitments and semi-retirement agreements gives rise to an amount not available for distribution of €23 million (previous year: €37 million). The amount not available for distribution arising from the difference between the value recognised for the provisions for pension commitments based on the corresponding market interest rate averaged over the preceding ten financial years and the value recognised for the provisions based on the corresponding market interest rated averaged over the preceding seven financial years totalled €52 million as at the reporting date (previous year: €170 million).

In addition, the deferred taxes assets of €968 million recognised as at 31 December 2023 are subject to a ban on distribution.

Freely disposable reserves are available to cover amounts that are not available for distribution.

49 List of shareholdings pursuant to Section 285 No. 11, 11a HGB, Section 340a (4) HGB

For a detailed list of shareholdings, reference is made to the section entitled “List of Holdings” in these annual financial statements.

Other Information

50 Report on subsequent events (events after the end of the reporting period)
No business events of particular significance occurred after 31 December 2023.

51 Contingent liabilities and other financial commitments
The following table shows the breakdown of contingent liabilities arising from guarantees and indemnity agreements totalling €29,656 million:

€ millions	2023	2022
Guarantees and indemnities	27,094	27,094
Loan guarantees	796	598
Documentary credits	1,766	1,840
Total	**29,656**	**29,532**
of which to:		
affiliates	2,084	1,729
associates	—	1

Irrevocable lending commitments totalling €69,360 million break down as follows:

€ millions	2023	2022
Book credits	61,922	61,958
Mortgage and municipal loans	2,773	2,405
Guarantees	4,665	4,240
Bills of exchange	—	—
Total	**69,360**	**68,603**
of which to:		
affiliates	98	100
associates	—	—

It is to be expected that the Bank will be called upon as a result of the contingent liabilities and other commitments that it has entered into as part of its banking activities. In principle, every loan is granted by calling on a loan commitment previously granted and shown as another commitment. Although it is not very likely that the Bank will be called upon under contingent liabilities in the case of guarantees issued, it cannot be ruled out. On the other hand, the Bank is normally called upon with regard to the letters of credit also reported here as they are used in the processing of foreign trade payments.

The decisive factor in this respect is that calling on the Bank under its contingent liabilities or other commitments does not generally lead to a loss, but rather, as is the case when a loan commitment is called on, to the recognition of the loan granted. Necessary provisions for contingent losses arising from obligations to pay out to defaulted borrowers are set up, and the reported contingent liabilities or other obligations are reduced by the provisions for contingent losses set up.

As a member of the deposit guarantee scheme in Germany, UniCredit Bank GmbH is liable in accordance with the current provisions.

In previous years, HVB made use of the option to provide up to 15% of the annual contribution to the bank restructuring fund in the form of fully secured payment claims (irrevocable payment commitments) in accordance with Section 12 of the German Bank Restructuring Fund Act (Restrukturierungsfondsgesetz – RStruktFG). As at the reporting date, these amounted to €104 million (previous year: €104 million). Cash collateral, which is reported as loans and receivables with customers, was provided for this purpose. No new irrevocable payment commitments were issued in the reporting period.

In previous years HVB made use of the option to provide up to 30% of the annual contribution to the deposit guarantee scheme of German banks in the form of fully secured payment claims (irrevocable payment commitments) in accordance with Section 5a (10) of the German Statute of the Deposit Guarantee Scheme (Statut des Einlagensicherungsfonds – SESF). As at the reporting date, these amounted to €22 million (previous year: €22 million). Financial collateral was provided for this purpose. No new irrevocable payment commitments were issued in the reporting period.

In previous years HVB made use of the option to provide up to 30% of the annual contribution to the compensation scheme of German banks in the form of fully secured payment claims (irrevocable payment commitments) in accordance with Section 19 of the Regulation on the Financing of the Compensation Scheme of German Banks (Entschädigungseinrichtungs-Finanzierungsverordnung – EntschFinV). These amount to €39 million at the reporting date (previous year: €39 million). Financial collateral was provided for this purpose. No new irrevocable payment commitments were issued in the reporting period.

Legal risks can give rise to losses for HVB, the occurrence of which is greater than improbable but less than probable, and for which no provisions have been set aside. Such legal risks may result from negative developments in proceedings under civil law and the tendency for rulings to be made in favour of consumers or customers. The assessment of the risk of loss may prove to be too low or too high, depending on the outcome of the proceedings. HVB assumes that it will not be necessary to utilise the vast majority of the contingent liabilities arising from legal risks, meaning that the amounts are not representative of actual future losses. Such contingent liabilities arising from significant legal risks for which an estimate is possible amounted to €58 million at year-end 2023 after €64 million at year-end 2022.

Other financial commitments arising in particular from real estate and IT operations total €316 million (previous year: €563 million). A large part of the total relates to contracts with subsidiaries (€125 million (previous year: €458 million)). The contracts run for standard market periods, and no charges have been put off to future years.

At the reporting date, HVB had pledged securities worth €2,102 million (previous year: €2,195 million) as collateral for transactions on the futures and options exchange Eurex Frankfurt AG, Frankfurt am Main.

As part of real estate financing and development operations, HVB has assumed rental obligations or issued rental guarantees to make fund constructions more marketable – in particular for lease funds and (closed-end) KG real estate funds. Provisions have been set aside to cover identifiable risks arising from such guarantees.

Commitments for uncalled payments on shares not fully paid up amounted to €5 million in the reporting year (previous year: €4 million), and similar obligations for shares in cooperatives totalled €1 thousand (previous year: €1 thousand). HVB was not liable for any defaults on such calls under Section 22 (3) and Section 24 Limited Liability Companies Act (Gesetz betreffend Gesellschaften mit beschränkter Haftung – GmbHG).

Other Information (Continued)

Where employees are granted a bonus that is disbursed over a period of several years under their variable compensation arrangements, the expense is to be taken to the income statement over the period on a pro rata basis accordingly. Hence, an expense accrued for the bonus commitments for the years 2018 to 2023 in the reporting period. Especially in the case of the group of employees identified as “risk-takers”, the German regulations governing institutions’ remuneration systems (Instituts-Vergütungsverordnung) requires the bonus in a financial year to be disbursed over a period of several years. The bonus is granted subject to the proviso that the beneficiaries satisfy specific criteria (in the case of bonuses granted in the form of shares, stock options or deferred cash payments) that comply with both the regulatory requirements and the Bank’s own rules. In addition, the bonus is linked to further conditions such as a malus arrangement that ensures that negative contributions to earnings and any compliance violations are taken into account when determining the deferred variable compensation components or when determining the bonus. Provisions totalling €87 million were set aside in the income statement at 31 December 2023 (previous year: €101 million) in connection with bonus commitments. The final amount disbursed may be higher, should the plan conditions be met.

In its function as personally liable partner, HVB had unlimited liability from the participating interest in the partnership Bayerischer BankenFonds GbR, Munich, at the reporting date, as was the case in the previous year.

With a Statement of Responsibility dated 21 December 1993, HVB issued an undertaking to the State of Baden-Wuerttemberg (Ministry of Finance) to assume a liquidity provision obligation in the event of the sale, liquidation or bankruptcy of HVB Projekt GmbH.

52 Statement of Responsibility

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

Financial services institutions
UniCredit Leasing GmbH, Hamburg

To the extent that HVB’s shareholding in the company is reduced in the future, HVB’s commitment arising under the above Statement of Responsibility also declines for those contractual obligations of the company that are established only after HVB’s shareholding decreased. In case HVB is no longer a shareholder of the company listed above, its commitment under the above Statement of Responsibility ends on the date on which its shareholding ceased for those contractual liabilities of the company that are established only after our shareholding was ceased.

HVB no longer provides a Statement of Responsibility for companies for which a Statement of Responsibility was provided in earlier annual reports but which no longer appear in the above list. The liabilities of these companies arising before the reduction or termination of the shareholding are in each case only covered by such Statements of Responsibility that were provided before the reduction or termination of the shareholding.

53 Auditor’s fees

HVB has exercised the option provided by Section 285 No. 17 HGB and refers to the disclosures in the notes to the financial statements regarding the fees paid to the independent auditor made in the section of the consolidated financial statements at 31 December 2023 entitled “Other Information”.

54 Off-balance-sheet transactions

Special purpose entities

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

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

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

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

In some instances, HVB controls a special purpose entity from an economic point of view, which entails full consolidation of the special purpose entity in the consolidated financial statements of HVB Group.

Revocable credit commitments

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

Outsourcing of activities

Like other affiliates, HVB has outsourced IT activities and activities relating to the settlement of transactions to UniCredit S.p.A., Milan. The goal is to exploit synergies and make it possible to provide fast, high-quality IT services and to make settlement services available in line with a standard business and operating model.

Activities in the area of payment transactions, the processing and reporting of securities transactions, valuables transport and handling, card processing, collection services, document management and archiving both in Germany and in the foreign branches were outsourced by HVB to third-party service providers outside the Group. HVB's objective is to achieve a sustainable cost structure and cost optimisation in the operating area.

Other Information (Continued)

55 Regulatory disclosure requirements (Disclosure Report)

HVB has been classified as a large subsidiary of UniCredit S.p.A. within the meaning of Article 13 (1) of the Capital Requirements Regulation (CRR II), making it subject to the scope of the CRR II (Article 13 (1) and Part 8 CRR II) and certain extended regulatory disclosure requirements in accordance with Section 26a KWG (disclosure under Pillar III).

HVB discloses this information on a standalone basis in the form of a separate disclosure report. This report is produced on an annual basis as at 31 December and at each quarter-end during the year and published on www.hvb.de > About us > Investor Relations > Reports. The publication for the reporting date of 31 December is scheduled for shortly after the publication of the Annual Report. The interim reports should be published shortly after the publication of any financial reports or the submission of the regulatory COREP report to the supervisory authorities responsible.

The disclosure of the remuneration policy and practices for those categories of staff whose professional activities have a material impact on the HVB's risk profile (known as "risk takers") required by Article 450 CRR in conjunction with Section 16 (1) of the German Remuneration Regulation for Institutions (Institutsvergütungsverordnung – InstitutsVergV) takes the form of a separate report for HVB. This is drawn up once a year as at 31 December and published in the second quarter of the following year at www.hvb.de > About us > Investor Relations > Corporate Governance, as well as at www.hvb.de > About us > Investor Relations > Reports.

56 Own funds

Pursuant to Article 72 CRR II, for regulatory purposes own funds consists of Tier 1 capital and Tier 2 capital; they amounted to €18,091 million at year-end 2023 (previous year: €17,786 million) based on annual financial statements approved by the Supervisory Board. We have not allocated any unrealised reserves to Tier 2 capital compliant with Section 10 (2b) KWG as applicable until 31 December 2013.

The eligible capital calculated in accordance with Article 4(1) 71b in conjunction with Article 494 CRR II is used among other things for loans to executive board members and for investment limits. It amounted to €18,091 million at year-end 2023 (previous year: €17,786 million). With the amendments to the large exposure rules in CRR II, which came into force at the end of June 2021, Tier 1 capital is to be used for the purpose of determining the reporting thresholds and the upper limits for large exposures. According to the annual financial statements, Tier 1 capital is €16,707 million at the end of 2023.

57 Derivative financial instruments

€ millions	NOMINAL AMOUNT					FAIR VALUE			
	RESIDUAL MATURITY			TOTAL		POSITIVE		NEGATIVE	
	UP TO 1 YEAR	MORE THAN 1 YEAR UP TO 5 YEARS	MORE THAN 5 YEARS	2023	2022	2023	2022	2023	2022
Interest rate derivatives	**2,858,572**	**2,652,693**	**2,301,435**	**7,812,700**	**6,876,067**	**216,122**	**284,184**	**213,470**	**281,753**
OTC products									
Forward rate agreements	1,661,427	286,494	—	1,947,921	1,228,589	1,544	2,602	1,556	2,721
Interest rate swaps	1,055,587	2,196,810	2,180,622	5,433,019	5,276,856	209,504	274,036	207,993	273,966
Interest rate options									
- purchased	20,214	72,162	55,845	148,221	130,980	3,724	4,857	376	198
- written	23,653	75,450	64,622	163,725	145,979	479	249	3,541	4,680
Other interest rate derivatives	15,429	2,906	346	18,681	33,909	871	2,440	4	188
Exchange-traded products									
Interest rate futures	27,318	6,871	—	34,189	50,754	—	—	—	—
Interest rate options	54,944	12,000	—	66,944	9,000	—	—	—	—
Foreign exchange derivatives	**239,315**	**39,451**	**1,095**	**279,861**	**273,516**	**3,306**	**4,440**	**3,077**	**4,410**
OTC products									
Foreign exchange forwards	167,812	33,697	1,053	202,562	212,935	2,450	3,579	2,606	3,800
Foreign exchange options	—	—	—						
- purchased	28,388	2,105	21	30,514	25,177	277	274	171	163
- written	32,440	3,649	21	36,110	29,104	240	264	300	447
Other foreign exchange derivatives	10,658	—	—	10,658	6,275	339	323	—	—
Exchange-traded products									
Foreign exchange futures	17	—	—	17	25	—	—	—	—
Foreign exchange options	—	—	—	—	—	—	—	—	—
Cross-currency swaps	**39,612**	**102,057**	**56,937**	**198,606**	**214,365**	**4,604**	**7,076**	**6,227**	**8,859**
Equity/index derivatives	**95,232**	**55,482**	**6,725**	**157,439**	**212,182**	**6,456**	**8,175**	**5,141**	**6,002**
OTC products									
Equity/index swaps	2,122	9,702	2,219	14,043	27,231	791	2,189	265	359
Equity/index options									
- purchased	2,642	2,871	846	6,359	12,008	236	532	4	110
- written	18,052	7,927	2,322	28,301	55,257	372	358	588	909
Other equity/index derivatives	29,781	828	24	30,633	19,511	2,556	1,946	35	39
Exchange-traded products									
Equity/index futures	14,471	5,067	1,211	20,749	28,700	—	—	—	—
Equity/index options	27,342	28,678	90	56,110	67,399	2,501	3,150	4,249	4,585
Equity swaps	822	409	13	1,244	2,076	—	—	—	—
Credit derivatives	**1,201**	**10,965**	**261**	**12,427**	**53,628**	**185**	**256**	**203**	**564**
Other transactions	**31,344**	**14,228**	**354**	**45,926**	**58,900**	**2,369**	**4,139**	**1,272**	**3,675**
HVB	**3,265,276**	**2,874,876**	**2,366,807**	**8,506,959**	**7,688,658**	**233,042**	**308,270**	**229,390**	**305,263**

Most of the derivatives are held for trading purposes.

The banking book contains derivatives with positive fair values of €0.9 billion (previous year: €1,1 billion) and negative fair values of €0.1 billion (previous year: €0.4 billion).

Other Information (Continued)

58 Employees

AVERAGE NUMER OF PEOPLE EMPLOYED BY US	2023	2022
Staff (excluding trainees)	10,829	11,564
of whom:		
full-time	7,733	8,284
part-time	3,096	3,280
Trainees	196	228

STAFF'S LENGTH OF SERVICE IN %	WOMEN (EXCLUDING TRAINEES)	MEN (EXCLUDING TRAINEES)	2023 TOTAL	2022 TOTAL
25 years or more	39.3	26.6	33.3	32.5
15 to 25 years	28.1	27.0	27.6	26.6
10 to 15 years	8.0	10.5	9.2	10.4
5 to 10 years	7.1	11.0	8.9	9.2
less than 5 years	17.5	24.9	21.0	21.4

59 Remuneration

	SHORT-TERM COMPONENTS		LONG-TERM INCENTIVES				
€ thousands	FIXED SALARY	SHORT-TERM PERFORMANCE RELATED CASH REMUNERATION	LONG-TERM PERFORMANCE RELATED CASH REMUNERATION	SHARE-BASED REMUNERATION (TRANSFERRED SHARES)	POST-EMPLOYMENT BENEFITS	TERMINATION BENEFITS	TOTAL
2023							
Members of the Executive Board[1] of UniCredit Bank GmbH	4,604	635	36	635	2,293	—	8,203
Members of the Supervisory Board of UniCredit Bank GmbH for Supervisory Board activities	845	—	—	—	—	—	845
Members of the Supervisory Board of UniCredit Bank GmbH for activities as employee representatives	508	45	—	—	38	—	591
Former members of the Executive Board[1] of UniCredit Bank GmbH and their surviving dependents	181	320	751	1,692	23,889	992	27,825
2022							
Members of the Management Board of UniCredit Bank AG	4,645	608	236	1,058	1,715	—	8,262
Members of the Supervisory Board of UniCredit Bank AG for Supervisory Board activities	836	—	—	—	—	—	836
Members of the Supervisory Board of UniCredit Bank AG for activities as employee representatives	481	43	—	—	37	—	561
Former members of the Management Board of UniCredit Bank AG and their surviving dependents	235	115	664	2,723	20,227	2,313	26,277

1 Until the registration of the change of legal form (from UniCredit Bank AG to UniCredit Bank GmbH) on 15 December 2023: Members of the Management Board.

It is the task of the Bank's full Supervisory Board to decide on the total remuneration paid to the individual members of the Executive Board and to review the structure of the remuneration systems for the Executive Board. The full Supervisory Board receives assistance in this regard from the Remuneration Control Committee, which submits appropriate proposals to the full Supervisory Board. Appropriateness and sustainability are key criteria for the form and structure of the remuneration paid to the members of the Executive Board. The structure of remuneration is derived from the employment agreements with the members of the Executive Board. It has two components: a fixed salary and a variable element. The variable remuneration is normally granted in deferred tranches over several years in the form of cash and in shares, with disbursement dependent upon defined corporate targets being achieved in the subsequent years.

Pension commitments for seven currently active members of the Executive Board and two members who resigned during the year are shown in the table alongside the direct remuneration. Seven of these took part in the employer-financed, fund-linked pension scheme for executives (known as AgfA) in 2023. The Bank will provide/has provided 35% of the fixed salary contributions. A total of € 2,293 thousand was spent on current and former members of the Executive Board in the reporting period (2022: €1,715 thousand).

Non-monetary compensation and other fringe benefits are granted to members of the Executive Board to the usual extent. The amounts involved are included in the totals for fixed remuneration shown.

Remuneration paid to members of the Executive Board for positions on supervisory boards of any UniCredit group companies is surrendered to HVB.

At 31 December 2023, there were provisions of €48 million (previous year: €44 million) for pensions payable to former members of the Executive Board and retired members of the Executive Board of HVB and their surviving dependants, as calculated in accordance with actuarial principles using the projected unit credit method, taking into account anticipated future rises in pensions.

Share-based payments were granted to the members of the Executive Board under the Group Incentive Scheme in the reporting period as follows:

SHARES GRANTED TO MEMBERS OF THE EXECUTIVE BOARD OF UNICREDIT BANK GMBH	2023	2022
Number of shares granted	49,443	84,133
Fair value on grant date (€)	18,148	9,251

1 Until the registration of the change of legal form (from UniCredit Bank AG to UniCredit Bank GmbH) on 15 December 2023: Members of the Management Board.

60 Loans to Executive Board members

Loans and advances made to, and contingent liabilities and liabilities assumed for, related parties at the reporting date were as follows:

	2023			2022		
€ thousands	LOANS AND ADVANCES	CONTINGENT LIABILITIES[3]	LIABILITIES	LOANS AND ADVANCES	CONTINGENT LIABILITIES[3]	LIABILITIES
Members of the Executive Board[1] and their related parties	1,561	75	3,263	4,713	123	3,144
Members of the Supervisory Board and their related parties	2,934	486	3,091	—	21	669
Members of the Group Executive Committee[2] and their related parties	—	—	21	—	—	125
Companies controlled by the persons listed above	—	—	—	—	—	—

1 Until the registration of the change of legal form (from UniCredit Bank AG to UniCredit Bank GmbH) on 15 December 2023: Members of the Management Board.
2 Without members of the Executive Board and the Supervisory Board of UniCredit Bank GmbH.
3 The irrevocable and revocable loan commitments are shown in the contingent liabilities. The previous year was adjusted accordingly.

Members of the Supervisory Board and Executive Board at HVB and members of the Group Executive Committee of UniCredit S.p.A. and their respective immediate family members are considered related parties.

Mortgage loans with interest rates of between 0.35% and 4.50% were granted to members of the Executive Board and their immediate family members falling due in the period from 2024 to 2049. In addition, there were overdrafts at 14.82%.

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

Other Information (Continued)

61 Members of the Supervisory Board[1]

Andrea Orcel	**Chairman**
Florian Schwarz	**Deputy Chairmen**
Dr Bernd Metzner	
Gianpaolo Alessandro until 31 August 2023	
Dr Michael Diederich since 1 September 2023	**Members**
Sabine Eckhardt	
Dr Claudia Mayfeld	
Fiona Melrose	
Claudia Richter	
Thomas Schöner	
Oliver Skrbot	
Christian Staack	
Gregor Völkl	

1 As at 31 December 2023.

62 Members of the Executive Board[1,2]

Dr Michael Diederich until 28 February 2023	**Spokesman of the Management Board (CEO)** **People & Culture (incl. Labour and Social Affairs pursuant to Section 27 (2) 2 MgVG)**
Marion Höllinger	**Spokeswoman of the Executive Board (CEO)** (since 1 March 2023) **People & Culture (incl. Labour and Social Affairs pursuant to Section 27 (2) 2 MgVG)** **Private Clients Bank** (until 28 February 2023)
Artur Gruca	**Chief Digital & Information Officer (CDOO)**
Dr Jürgen Kullnigg	**Chief Risk Officer (CRO)**
Jan Kupfer	**Head of Corporates Germany, Head of Client Solutions Germany** (ad interim)
Monika Rast since 1 March 2023	**Head of Private Clients Germany**
Christian Reusch until 15 December 2023	**Client Solutions**
Boris Scukanec Hopinski until 30 April 2023	**Operations Germany (COO)**
Ljubisa Tesić	**Chief Financial Officer (CFO)**

1 As at 31 December 2023.
2 Until the change of legal form became effective (15 December 2023) Management Board of UniCredit Bank AG, after the change of legal form became effective Executive Board of UniCredit Bank GmbH.

List of Executives and Outside Directorships

63 Supervisory Board

Name, occupation, place of residence	Positions on other statutory supervisory boards of German companies	Position on comparable boards of German and foreign companies
Andrea Orcel Group Chief Executive Officer und Head of Italy der UniCredit S.p.A., Milan Chairman		EIS Group Inc., San Francisco (USA)
Florian Schwarz Member of UniCredit Bank GmbH, Munich Deputy Chairman		
Dr Bernd Metzner[2] Member of the Management Board (Chief Financial Officer) of Gerresheimer AG, Düsseldorf Deputy Chairman	Gerresheimer Bünde GmbH, Bünde (Deputy Chairman) Gerresheimer Regensburg GmbH, Regensburg (Deputy Chairman) Gerresheimer Tettau GmbH, Tettau (Deputy Chairman)	Gerresheimer Glass Inc., Vineland (USA) Centor US Holding Inc., Perrysburg (USA) Centor Inc., Perrysburg (USA) Centor Pharma Inc., Perrysburg (USA) Corning Pharmaceutical Packaging LLC, New York (USA) Senile Medical AG, Olten (Switzerland)
Gianpaolo Alessandro until 31 August 2023 Group Legal Officer and Secretary of the Board of Directors der UniCredit S.p.A., Milan Deputy Chairman		Compagnia Aerea Italiana S.p.A., Rome MidCo S.p.A., Rome
Dr Michael Diederich since 1 September 2023 Member of the Management Board (Chief Financial Officer) and Deputy Chairman of the Management Board of FC Bayern Munich AG, Riemerling	Ehrmann SE, Oberschönegg (since 1 June 2023)	
Sabine Eckhardt[2] Member of the Supervisory Board and Advisor, Munich	CECONOMY AG, Düsseldorf (1 January 2023 until 31 January 2023 dormant directorship pursuant to Section 105 (2) German Stock Corporation Act[2]) Edel SE & Co. KGaA, Hamburg (since 30 March 2023), Chairwoman (since 31 March 2023)	
Dr Claudia Mayfeld Member of the Management Board of Knorr-Bremse Aktiengesellschaft, Dortmund	Knorr-Bremse Systeme für Schienenfahrzeuge GmbH, Munich Knorr-Bremse Systeme für Nutzfahrzeuge GmbH, Munich	
Fiona Melrose Head of Group Strategy und ESG der UniCredit S.p.A., Milan		
Claudia Richter Employee of UniCredit Bank GmbH, Fürth		
Thomas Schöner Employee of Structured Invest S.A., Saarwellingen		

Name, occupation, place of residence	Positions on other statutory supervisory boards of German companies	Position on comparable boards of German and foreign companies
Oliver Skrbot Employee of UniCredit Bank GmbH, Buttenwiesen		
Christian Staack Employee of UniCredit Bank GmbH, Hamburg		
Gregor Völkl Unit Manager of Vereinte Dienstleistungsgewerkschaft ver.di Unit 1 – Financial Services Munich district, Munich	Generali Deutschland AG, Munich (since 14 February 2023)	

1 As at 31 December 2023.
2 Other directorships (compare Article 435 (2a) CRR):
- Dr Bernd Metzner holds four other directorships within the Gerresheimer Group.
- Ms Eckhardt held a directorship until 31 January 2023.

List of Executives and Outside Directorships (Continued)

64 Executive Board[1,2]

Name	Positions on statutory supervisory boards of other German companies	Positions on comparable boards of other German and foreign companies
Dr Michael Diederich born 1965 until 28 February 2023 Board Spokesman (CEO) People & Culture (incl. Human Capital/Labour & Social Affairs pursuant to Section 27 (2) s. 2 MgVG)	FC Bayern Munich AG, Munich	ESMT European School of Management and Technology GmbH, Berlin (until 28 February 2023)
Marion Höllinger born 1972 Spokeswoman of the Executive Board (CEO)[1] People & Culture (incl. Human Capital/Labour & Social Affairs pursuant to section 27 (2) s. 2 MgVG)	WealthCap Kapitalverwaltungsgesellschaft mbH, Grünwald[3], (Deputy Chairman) (until 30 April 2023)	Wealth Management Capital Holding GmbH, Munich[3], (Deputy Chairman) (until 30 April 2023) ESMT European School of Management and Technology GmbH, Berlin (since 1 March 2023)
Artur Gruca born 1979 Chief Digital & Operating Officer (CDOO)		
Dr Jürgen Kullnigg born 1961 Chief Risk Officer (CRO)	HVB Immobilien AG, Munich[3] (Deputy Chairman since 1 May 2023) WealthCap Kapitalverwaltungsgesellschaft mbH, Grünwald (since 1 May 2023)[3] (Deputy Chairman since 22 June 2023)	Wealth Management Capital Holding GmbH, Munich (since 1 May 2023)[3] (Deputy Chairman since 22 June 2023)
Jan Kupfer born 1964 Head of Corporates Germany, Head of Client Solutions Germany (acting)	Bayerische Börse Aktiengesellschaft, Munich (Deputy Chairman)	
Monika Rast born 1972 since 1 March 2023 Head of Private Clients Germany		UniCredit Bulbank AD, Sofia (Bulgaria)
Christian Reusch born 1973 until 15 December 2023 Client Solutions		
Boris Scukanec Hopinski born 1981 until 30 April 2023 Operations Germany (COO)	HVB Immobilien AG, Munich (Chairman)[3] (until 30 April 2023) WealthCap Kapitalverwaltungsgesellschaft mbH, Grünwald (Chairman)[3] (until 30 April 2023)	Wealth Management Capital Holding GmbH, Munich (Chairman)[3] (until 30 April 2023)
Ljubisa Tesić born 1976 Chief Financial Officer (CFO)		UniCredit Bank Serbia JSC, Belgrade (until 23 April 2023)

1 Until the change of legal form became effective (15 December 2023), Chairman of the Management Board of UniCredit Bank AG; when the change of legal form became effective, Chairman of the Executive Board of UniCredit Bank GmbH.
2 As at 31 December 2023.
3 Group directorship.

65 List of employees and outside directorships

Name	Positions[1] on statutory supervisory boards of other companies
Dr Auerbach, Christoph	HVB Trust Pensionsfonds AG, München, WealthCap Kapitalverwaltungsgesellschaft mbH[2]
Aurich, Peter	CAM AG, Munich
Dr Fischer, Jochen	HVB Trust Pensionsfonds AG, Munich
Glückert, Matthias	OECHSLER AG, Ansbach
Dr Jungemann, Lars	HVB Trust Pensionsfonds AG, Munich
Stipkovic, Sven	WealthCap Kapitalverwaltungsgesellschaft mbH[2]
Weidenhöfer, Peter	WealthCap Kapitalverwaltungsgesellschaft mbH[2]
Woisetschläger, Herbert	WealthCap Kapitalverwaltungsgesellschaft mbH[2]

1 As at 31 December 2023.
2 Group directorship.

List of Holdings

66 List of holdings

Compliant with Section 313 (2) German Commercial Code (Handelsgesetzbuch – HGB) for the consolidated financial statements and Section 285 Number 11, 11a HGB and Section 340a (4) HGB for the annual financial statements of UniCredit Bank GmbH.

		SHARE OF CAPITAL in %				
NAME	REGISTERED OFFICE	TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
1 Controlled companies						
1.1 Controlled by voting rights						
1.1.1 Consolidated subsidiaries						
1.1.1.1 Banks and financial institutions						
UniCredit Leasing Finance GmbH	Hamburg	100.0	100.0	EUR	160,013	[1]
1.1.1.2 Other consolidated subsidiaries						
Argentaurus Immobilien-Vermietungs- und Verwaltungs GmbH [3)]	Munich	100.0	100.0	EUR	793	18,436
BIL Leasing-Fonds Verwaltungs-GmbH	Grünwald	100.0	100.0	EUR	25	5
GEMMA Verwaltungsgesellschaft mbH & Co. Vermietungs KG [3)]	Munich	98.7	98.7	EUR	23,267	982
H.F.S. Immobilienfonds GmbH	Munich	100.0	100.0	EUR	26	[1]
H.F.S. Leasingfonds Deutschland 7 GmbH & Co. KG [3)]	Munich	99.4	99.4	EUR	(7,340)	(52)
H.F.S. Leasingfonds GmbH	Grünwald	100.0	100.0	EUR	275	249
HVB Immobilien AG [3)]	Munich	100.0	-	EUR	86,644	[2.1]
HVB Projekt GmbH [3)]	Munich	100.0	90.0	EUR	76,253	[1]
HVB Tecta GmbH [3)]	Munich	100.0	94.0	EUR	1,751	[1]
HVB Verwa 4 GmbH [3)]	Munich	100.0	-	EUR	10,358	[2.2]
HVB Verwa 4.4 GmbH [3)]	Munich	100.0	100.0	EUR	10,025	[1]
Monnet 8-10 S.à r.l.	Luxembourg	100.0	-	EUR	46,098	17,702
NF Objekt FFM GmbH [3)]	Munich	100.0	100.0	EUR	125	[1]
Omnia Grundstücks-GmbH & Co. Objekt Haidenauplatz KG [3)]	Munich	100.0	94.0	EUR	26	20
Othmarschen Park Hamburg GmbH & Co. Gewerbepark KG [3)]	Munich	100.0	100.0	EUR	(44,083)	-
Rolin Grundstücksplanungs- und -verwaltungs-gesellschaft mbH	Munich	100.0	100.0	EUR	(528)	(88)
Structured Invest Société Anonyme	Luxembourg	100.0	-	EUR	16,069	6,777
T & P Frankfurt Development B.V. [4)]	Amsterdam	100.0	100.0	EUR	(5,865)	(6)
T & P Vastgoed Stuttgart B.V. [4)]	Amsterdam	87.5	87.5	EUR	(15,491)	1
TERRENO Grundstücksverwaltung GmbH & Co. Entwicklungs- und Finanzierungsvermittlungs KG [3)]	Munich	75.0	75.0	EUR	(268,640)	-
UniCredit Beteiligungs GmbH [3)]	Munich	100.0	-	EUR	1,175	[2.3]
UniCredit Capital Markets LLC	New York	100.0	100.0	USD	211,392	21,552
UniCredit Direct Services GmbH [3, 7)]	Munich	100.0	-	EUR	818	[2.4]
UniCredit Leasing GmbH [7)]	Hamburg	100.0	-	EUR	352,027	[2.5]
UniCredit U.S. Finance LLC	Wilmington	100.0	-	USD	116,932	975
Vermietungsgesellschaft mbH & Co. Objekt MOC KG [3)]	Munich	89.3	89.3	EUR	(95,656)	(9,969)
V.M.G. Vermietungsgesellschaft mbH	Munich	100.0	100.0	EUR	1,138	[1]
Wealth Management Capital Holding GmbH	Munich	100.0	-	EUR	20,475	[2.6]
WealthCap Entity Service GmbH	Munich	100.0	100.0	EUR	356	331
WealthCap Equity GmbH	Munich	100.0	100.0	EUR	1,296	796
WealthCap Equity Management GmbH	Munich	100.0	100.0	EUR	159	134
WealthCap Fonds GmbH	Munich	100.0	100.0	EUR	619	(121)

		SHARE OF CAPITAL in %				
NAME	REGISTERED OFFICE	TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/(LOSS) thousands
WealthCap Immobilien 1 GmbH & Co. KG	Munich	100.0	100.0	EUR	2,844	790
WealthCap Immobilien 2 GmbH & Co. KG	Munich	100.0	100.0	EUR	2,139	174
Wealthcap Immobilien 43 Komplementär GmbH	Munich	100.0	100.0	EUR	31	6
Wealthcap Immobilienankauf Komplementär GmbH	Munich	100.0	100.0	EUR	29	4
WealthCap Immobilienfonds Deutschland 36 Komplementär GmbH	Munich	100.0	100.0	EUR	138	112
WealthCap Immobilienfonds Deutschland 38 Komplementär GmbH	Munich	100.0	100.0	EUR	(82)	(107)
WealthCap Initiatoren GmbH	Munich	100.0	100.0	EUR	1,115	766
WealthCap Investment Services GmbH	Munich	100.0	90.0	EUR	4,000	[1]
WealthCap Investments, Inc.	Wilmington	100.0	100.0	USD	1,462	(61)
WealthCap Investorenbetreuung GmbH	Munich	100.0	100.0	EUR	155	[1]
WealthCap Kapitalverwaltungsgesellschaft mbH [7)]	Grünwald	100.0	100.0	EUR	18,262	[1]
WealthCap Leasing GmbH	Grünwald	100.0	100.0	EUR	(382)	18
WealthCap Management Services GmbH	Munich	100.0	100.0	EUR	(5,362)	(1,745)
Wealthcap Objekt Stuttgart III GmbH & Co. KG	Munich	100.0	100.0	EUR	(5,832)	(7,719)
Wealthcap Objekt-Vorrat 35 GmbH & Co. KG	Munich	100.0	100.0	EUR	(25,857)	(25,367)
Wealthcap Objekt-Vorrat 37 GmbH & Co. KG	Munich	100.0	100.0	EUR	(14,611)	(14,540)
WealthCap PEIA Komplementär GmbH	Grünwald	100.0	100.0	EUR	(31)	(80)
WealthCap PEIA Management GmbH	Munich	100.0	94.0	EUR	(618)	(1,872)
WealthCap Real Estate Management GmbH	Munich	100.0	100.0	EUR	60	[1]
WealthCap Vorrats-2 GmbH	Munich	100.0	100.0	EUR	14	<1
Weicker S.à r.l.	Luxembourg	100.0	-	EUR	23,716	4,254
1.1.2 Non-consolidated subsidiaries [5)]						
AGRUND Grundstücks-GmbH	Munich	90.0	90.0			
Altea Verwaltungsgesellschaft mbH & Co. Objekt I KG	Munich	100.0	100.0			
AMMS Komplementär GmbH i.L.	Grünwald	98.8	98.8			
Antus Immobilien- und Projektentwicklungs GmbH	Munich	90.0	90.0	EUR	(12,200)	950
ARRONDA Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(35,826)	950
Atlanterra Immobilienverwaltungs GmbH	Munich	90.0	90.0	EUR	(32,562)	<1
A&T-Projektentwicklungs GmbH & Co. Potsdamer Platz Berlin KG	Munich	100.0	100.0	EUR	(37,252)	<1
Aufbau Dresden GmbH	Munich	100.0	100.0	EUR	(22,994)	<1
Bertram Projekt Unodecima Technikzentrum GmbH & Co. KG	Munich	94.0	94.0			
B.I. International Limited	George Town	100.0	100.0			
BIL Immobilien Fonds GmbH	Munich	100.0	100.0			
BIL Leasing-Fonds GmbH & Co VELUM KG (share of voting rights 66.7%, of which held indirectly 33.3%)	Grünwald	100.0	-			
Blue Capital Metro Amerika Inc.	Wilmington	100.0	100.0			
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Alpha Management KG	Munich	100.0	100.0	EUR	(22,882)	(3)
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Beta Management KG	Munich	100.0	100.0	EUR	(53,483)	(6)
Delpha Immobilien- und Projektentwicklungs GmbH & Co. Großkugel Bauabschnitt Gamma Management KG	Munich	100.0	100.0	EUR	(59,515)	(22)
Food & more GmbH	Munich	100.0	-	EUR	100	[2,7]
Golf- und Country Club Seddiner See Immobilien GmbH	Munich	100.0	100.0	EUR	(15,507)	-
Großkugel Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	(3,354)	[1]
Grundstücksaktiengesellschaft am Potsdamer Platz (Haus Vaterland)	Munich	98.2	98.2	EUR	4,495	[1]

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
H.F.S. Immobilienfonds Deutschland 10 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 11 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 12 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 15 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 16 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 4 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 8 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Deutschland 9 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Immobilienfonds Europa 3 Komplementär GmbH	Munich	100.0	100.0			
H.F.S. Zweitmarktfonds Deutschland 1 Komplementär GmbH	Grünwald	100.0	100.0			
H.F.S. Zweitmarktfonds Deutschland 2 Komplementär GmbH	Grünwald	100.0	100.0			
Hofgarten Real Estate B.V. (share of voting rights 50.5%, of which held indirectly 50.5%)	Amsterdam	47.2	47.2	EUR	(49,338)	(2)
HVB Export Leasing GmbH	Munich	100.0	-			
HVB Hong Kong Limited	Hong Kong	100.0	-	USD	3,135	(20)
HVB London Investments (AVON) Limited	London	100.0	-			
HVB Secur GmbH	Munich	100.0	-	EUR	126	[2,8]
HVBFF Internationale Leasing GmbH	Munich	100.0	100.0			
HVBFF Leasing-Fonds Verwaltungs GmbH	Munich	100.0	100.0			
HVBFF Objekt Beteiligungs GmbH	Munich	100.0	100.0			
Landos Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0			
Life Britannia Management GmbH	Grünwald	100.0	100.0			
Life Management Erste GmbH	Munich	100.0	100.0	EUR	24	[1]
Life Management Zweite GmbH	Grünwald	100.0	100.0	EUR	26	[1]
Life Verwaltungs Erste GmbH	Munich	100.0	100.0			
Life Verwaltungs Zweite GmbH	Grünwald	100.0	100.0			
Motion Picture Production GmbH	Grünwald	51.2	51.2			
Omnia Grundstücks-GmbH	Munich	100.0	100.0	EUR	26	[1]
Omnia Grundstücks-GmbH & Co. Betriebs KG	Munich	100.0	94.0			
Othmarschen Park Hamburg GmbH & Co. Centerpark KG	Munich	100.0	100.0	EUR	(18,942)	-
Othmarschen Park Hamburg Wohn- und Gewerbepark GmbH	Munich	100.0	100.0	EUR	102	[1]
Projekt-GbR Kronstadter Straße München	Munich	75.0	75.0	EUR	(5,691)	(1)
Quinterra Gesellschaft für Immobilienverwaltung mbH	Munich	100.0	100.0	EUR	26	[1]
Redstone Mortgages Limited	London	100.0	-			
Roncasa Immobilien-Verwaltungs GmbH	Munich	100.0	100.0	EUR	(31,420)	950
Simon Verwaltungs-Aktiengesellschaft i.L.	Munich	<100,0	-	EUR	2,906	(15)
Sirius Immobilien- und Projektentwicklungs GmbH	Munich	100.0	100.0	EUR	(143,835)	[1]
Solos Immobilien- und Projektentwicklungs GmbH & Co. Sirius Beteiligungs KG	Munich	100.0	100.0	EUR	(59,906)	-
Spree Galerie Hotelbetriebsgesellschaft mbH	Munich	100.0	100.0	EUR	249	[1]
TERRENO Grundstücksverwaltung GmbH	Munich	75.0	75.0			

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in %		CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
		TOTAL	OF WHICH HELD INDIRECTLY			
TERRENO Grundstücksverwaltung GmbH & Co. Objektgesellschaft Grillparzerstraße KG	Munich	75.0	-	EUR	(3,002)	(3)
Terronda Development B.V.	Amsterdam	100.0	100.0	EUR	(14,933)	3
VCI Volta Center Immobilienverwaltungs GmbH	Munich	100.0	100.0	EUR	(16,347)	950
WealthCap Aircraft 27 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Canadian Management Inc.	Toronto	100.0	100.0			
WealthCap Equity Sekundär GmbH	Munich	100.0	100.0			
Wealthcap Erneuerbare Energien 2 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Europa Erste Immobilien - Objekte Niederlande - Verwaltungs GmbH	Munich	100.0	100.0			
WealthCap Europa Immobilien Fünfte Objekte Österreich Komplementär GmbH	Munich	100.0	100.0			
WealthCap Europa Immobilien Siebte Objekte Österreich Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Fondsportfolio Immobilien International 1 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Fondsportfolio Private Equity 25 GmbH & Co. geschlossene Investment KG	Grünwald	100.0	100.0			
Wealthcap Fondsportfolio Private Equity 26 GmbH & Co. geschlossene Investment KG	Grünwald	100.0	100.0			
WealthCap Immobilien Deutschland 39 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Immobilien Deutschland 47 GmbH & Co. geschlossene Investment KG	Munich	100.0	100.0			
WealthCap Immobilien Nordamerika 16 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Immobilien Nordamerika 17 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Immobilien Services GmbH	Munich	100.0	100.0	EUR	50	[1]
WealthCap Immobilien 40 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Immobilien 41 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Immobilien 42 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Immobilien 44 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Immobilien 46 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Immobilien 47 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Immobilienfonds Deutschland 37 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Los Gatos 121 Albright Way GP, Inc.	Wilmington	100.0	100.0			
WealthCap Management, Inc.	Wilmington	100.0	100.0			
WealthCap Mountain View GP, Inc.	Atlanta	100.0	100.0			
Wealthcap Objekt Dresden Komplementär GmbH	Munich	100.0	100.0			
WealthCap Objekt-Vorrat 13 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Objekt-Vorrat 20 GmbH & Co. KG	Munich	100.0	100.0			
WealthCap Objekt-Vorrat 20 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 25 GmbH & Co. KG	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 25 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 36 GmbH & Co. KG	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 40 GmbH & Co. KG	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 41 GmbH & Co. KG	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 42 GmbH & Co. KG	Munich	100.0	100.0			
Wealthcap Objekt-Vorrat 43 GmbH & Co. KG	Munich	100.0	100.0			
WealthCap Portfolio 3 Komplementär GmbH	Grünwald	100.0	100.0			

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
Wealthcap Portfolio 4 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Portfolio 5 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Portfolio 6 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Private Equity 19 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Private Equity 20 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Private Equity 21 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Private Equity 22 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Private Equity 23 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Private Equity 24 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Private Equity 25 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Private Equity 26 Komplementär GmbH	Grünwald	100.0	100.0			
WealthCap Real Estate GmbH	Munich	100.0	100.0			
WealthCap Real Estate Komplementär GmbH	Munich	100.0	100.0			
WealthCap Real Estate Sekundär GmbH	Munich	100.0	100.0			
WealthCap SachWerte Portfolio 2 Komplementär GmbH	Grünwald	100.0	100.0			
Wealthcap Spezial Büro 6 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Spezial Büro 7 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Spezial Immobilien 9 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap Spezial Portfolio Immobilien 1 Komplementär SARL	Luxembourg-Findel	100.0	100.0			
Wealthcap Spezial Portfolio Private Equity 1 Komplementär SARL	Luxembourg-Findel	100.0	100.0			
Wealthcap Spezial Wohnen 1 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Spezial 3 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Spezial 4 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Spezial 5 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Spezial-AIF 1 Komplementär GmbH	Munich	100.0	100.0			
WealthCap Stiftungstreuhand GmbH	Munich	100.0	100.0			
WealthCap USA Immobilien Verwaltungs GmbH	Munich	100.0	100.0			
WealthCap Zweite Europa Immobilien Verwaltungs GmbH	Munich	100.0	100.0			
WealthCap ZweitmarktWerte Immobilien 4 Komplementär GmbH	Munich	100.0	100.0			
WealthCap ZweitmarktWerte 5 GP S.à r.l.	Senningerberg	100.0	100.0			
WealthCap 39 Komplementär GmbH	Munich	100.0	100.0			
Wealthcap 45 Komplementär GmbH	Munich	100.0	100.0			

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in %	CURRENCY	SUBSCRIBED CAPITAL thousands
1.2. Fully consolidated structured entities with or without shareholding				
Arabella Finance DAC	Dublin	—	EUR	< 1
BARD Engineering GmbH	Emden	—	EUR	100
BARD Holding GmbH	Emden	—	EUR	25
Elektra Purchase No. 28 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 31 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 32 S.A. – Compartment 1	Luxembourg	—	EUR	31
Elektra Purchase No. 33 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 350 DAC	Dublin	—	EUR	< 1

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in %	CURRENCY	SUBSCRIBED CAPITAL thousands
Elektra Purchase No. 36 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 37 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 38 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 43 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 46 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 54 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 56 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 69 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 71 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 74 DAC	Dublin	—	EUR	< 1
Elektra Purchase No. 79 DAC	Dublin	—	EUR	< 1
H.F.S. Leasingfonds GmbH & Co. Deutschland 8 KG, Ebersberg (held indirectly)[6.1]	Ebersberg	0.1	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 9 KG, Ebersberg (held indirectly)[6.2]	Ebersberg	0.1	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 10 KG, Ebersberg (held indirectly)[6.3]	Ebersberg	0.1	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 11 KG, Ebersberg (held indirectly)[6.4]	Ebersberg	0.1	EUR	—
H.F.S. Leasingfonds GmbH & Co. Deutschland 12 KG, Ebersberg (held indirectly)[6.5]	Ebersberg	0.1	EUR	—
Ice Creek Pool No. 1 DAC	Dublin	—	EUR	< 1
Ice Creek Pool No. 3 DAC	Dublin	—	EUR	< 1
Ice Creek Pool No. 5 DAC	Dublin	—	EUR	< 1
PaDel Finance 01 DAC	Dublin	—	EUR	< 1
Rosenkavalier 2008 GmbH	Frankfurt am Main	—	EUR	25
Rosenkavalier 2015 UG	Frankfurt am Main	—	EUR	8
Rosenkavalier 2020 UG	Frankfurt am Main	—	EUR	3
Rosenkavalier 2022 UG	Frankfurt am Main	—	EUR	3
Wealthcap Spezial-AIF-SV Büro 8	Grünwald	—	EUR	—

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/(LOSS) thousands
2 Joint ventures						

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/(LOSS) thousands
3. Associates						
3.1 Associates valued at equity						
Comtrade Group B.V. [4)]	Rotterdam	21.1	-	EUR	134,768	12,011
3.2 Minor associates [5)]						
MOC Verwaltungs GmbH	Munich	23.0	23.0			
MOC Verwaltungs GmbH & Co. Immobilien KG	Munich	23.0	23.0	EUR	724	615

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
4. Further holdings according to Section 271 (1) HGB5						
4.1. Banks and financial institutions						
AKA Ausfuhrkredit-Gesellschaft mbH 7)	Frankfurt am Main	15.4	-	EUR	283,796	10,195
BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin	3.2	-	EUR	13,537	109
BGG Bayerische Garantiegesellschaft mbH für mittelständische Beteiligungen	Munich	10.5	-	EUR	62,542	883
Bürgschaftsbank Brandenburg GmbH	Potsdam	7.8	-	EUR	36,769	2,563
Bürgschaftsbank Hamburg GmbH	Hamburg	10.5	-	EUR	27,424	107
Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin	9.2	-	EUR	17,504	153
Bürgschaftsbank Nordrhein-Westfalen GmbH - Kreditgarantiegemeinschaft -	Düsseldorf	0.6	-	EUR	41,490	1,205
Bürgschaftsbank Rheinland-Pfalz GmbH	Mainz	1.4	-	EUR	17,626	270
Bürgschaftsbank Saarland Gesellschaft mit beschränkter Haftung, Kreditgarantiegemeinschaft für den Handel, Handwerk und Gewerbe	Saarbrücken	1.3	-	EUR	4,672	246
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	8.9	-	EUR	17,216	216
Bürgschaftsbank Sachsen GmbH (share of voting rights 5.4%)	Dresden	4.7	-	EUR	44,936	500
Bürgschaftsbank Schleswig-Holstein GmbH	Kiel	5.4	-	EUR	42,278	189
Bürgschaftsbank Thüringen GmbH	Erfurt	8.7	-	EUR	27,696	172
MCB Bank Limited	Lahore	>0	-	PKR	189,494,650	32,740,935
Niedersächsische Bürgschaftsbank GmbH	Hannover	3.0	-	EUR	35,022	2,328
Saarländische Investitionskreditbank AG	Saarbrücken	3.3	-	EUR	68,493	1,474
4.2. Other companies						
ABE Clearing S.A.S.	Paris	2.1	-	EUR	46,639	3,998
Acton GmbH & Co. Heureka II KG	Munich	8.9	-	EUR	78,719	(7,311)
Amstar Liquidating Trust (share of voting rights 0.0%)	New York	>0	>0			
Babcock & Brown Limited	Sydney	3.2	-			
BayBG Bayerische Beteiligungsgesellschaft mbH 8)	Munich	22.5	-	EUR	264,128	5,263
Bayerischer BankenFonds GbR 8)	Munich	25.6	-			
BIL Leasing-Fonds GmbH & Co. Altstadtsanierung Freiberg KG (share of voting rights 0.3%)	Grünwald	-	-	EUR	1,057	935
Bil Leasing-Fonds GmbH & Co Objekt Verwaltungssitz Bankenverband KG (share of voting rights 0.2%)	Grünwald	-	-			
BioM Aktiengesellschaft Munich Bio Tech Development	Planegg	8.5	-	EUR	2,731	(44)
Blue Capital Equity I GmbH & Co. KG i.L.	Munich	>0	>0			
Blue Capital Equity II GmbH & Co. KG i.L.	Munich	>0	>0	EUR	1,664	13
Blue Capital Equity III GmbH & Co. KG (share of voting rights >0%)	Munich	0.8	0.8	EUR	4,507	(590)
Blue Capital Equity IV GmbH & Co. KG	Munich	>0	>0	EUR	10,567	(923)
Blue Capital Equity IX GmbH & Co. KG (share of voting rights 0,6%)	Munich	0.7	0.7	EUR	3,166	162
Blue Capital Equity V GmbH & Co. KG (share of voting rights >0%)	Munich	0.1	0.1			
Blue Capital Equity VI GmbH & Co. KG	Munich	>0	>0	EUR	11,412	4,144
Blue Capital Equity VII GmbH & Co. KG	Munich	>0	>0	EUR	5,416	1,762
Blue Capital Equity VIII GmbH & Co. KG (share of voting rights >0%)	Munich	0.7	0.7	EUR	7,119	118
Blue Capital Metro Amerika Fund, L.P.	Wilmington	0.1	0.1	USD	93,242	4,177
Blue Capital Metropolitan Amerika GmbH & Co. KG	Munich	0.1	0.1	EUR	51,884	(20,184)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
Carlyle Partners V, L.P. (share of voting rights 0.0%)	Wilmington	>0	>0	EUR	2,615,490	365,328
Carlyle U.S. Equity Opportunity Fund, L.P. (share of voting rights >0%)	Wilmington	0.9	0.9	EUR	845,151	143,045
CLS Group Holdings AG	Lucerne	1.2	-	GBP	328,960	13,432
CME Group Inc.	Wilmington	>0	-	USD	26,878,700	2,691,000
Einkaufsgalerie Roter Turm Beteiligungs GmbH & Co. KG	Munich	>0	>0	EUR	5,720	291
Einkaufsgalerie Roter Turm Chemnitz GmbH & Co. KG	Munich	>0	>0	EUR	47,520	2,629
EURO Kartensysteme GmbH	Frankfurt am Main	6.0	-	EUR	12,641	199
Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG	Grünwald	10.7	10.7	EUR	21,098	(1,290)
H.F.S. Immobilienfonds Bahnhofspassagen Potsdam GmbH & Co. KG	Munich	6.0	6.0	EUR	21,279	2,688
H.F.S. Immobilienfonds "Das Schloss" Berlin-Steglitz GmbH & Co. KG	Munich	6.0	6.0	EUR	132,536	119,759
H.F.S. Immobilienfonds Deutschland 10 GmbH & Co. KG	Munich	1.4	1.4	EUR	88,822	257,288
H.F.S. Immobilienfonds Deutschland 12 GmbH & Co. KG	Munich	3.9	3.9	EUR	80,875	2,776
H.F.S. Immobilienfonds Deutschland 15 GmbH & Co. KG	Munich	0.1	0.1	EUR	14,195	1,648
H.F.S. Immobilienfonds Deutschland 4 GmbH & Co. KG	Munich	0.2	0.2	EUR	(894)	(276)
H.F.S. Zweitmarktfonds Deutschland 1 GmbH & Co. KG	Grünwald	0.1	0.1	EUR	17,440	4,557
H.F.S. Zweitmarktfonds Deutschland 2 GmbH & Co. KG	Grünwald	>0	>0	EUR	79,713	15,143
HVBFF Life Britannia GmbH & Co Erste KG	Grünwald	>0	>0	EUR	1,976	(208)
HVB Trust Pensionsfonds AG [9] (share of voting rights 0.0%)	Munich	100.0	-	EUR	4,063	(247)
IGEPA Gewerbepark GmbH & Co Vermietungs KG	Fürstenfeldbruck	2.0	2.0	EUR	(17,190)	3,094
IPE Tank and Rail Investment 1 S.C.A.	Luxembourg	7.8	-	EUR	1,187	(220)
JBG/BC Investor, L.P.	Chevy Chase	0.5	0.5	EUR	70,944	15,598
Kepler Cheuvreux S.A. [7] (share of voting rights 8.3%)	Paris	10.0	-	EUR	115,383	26,422
Kreditgarantiegemeinschaft der freien Berufe Baden-Württemberg Verwaltungs-GmbH	Stuttgart	1.3	-			
Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH	Stuttgart	2.6	-	EUR	1,300	-
Kreditgarantiegemeinschaft des bayerischen Gartenbaues GmbH	Munich	8.1	-			
Kreditgarantiegemeinschaft des bayerischen Handwerks GmbH	Munich	7.2	-	EUR	4,846	-
Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH	Stuttgart	2.3	-	EUR	1,022	-
Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungsgesellschaft mbH	Stuttgart	2.5	-	EUR	1,001	-
Kreditgarantiegemeinschaft des Hotel- und Gaststättengewerbes in Bayern GmbH	Munich	9.7	-	EUR	4,359	-
Kreditgarantiegemeinschaft für den Handel in Bayern GmbH	Munich	2.2	-	EUR	6,317	-
Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH	Stuttgart	5.1	-	EUR	1,023	-
Life GmbH & Co Erste KG	Munich	>0	>0	EUR	95,594	23,043
Life GmbH & Co. Zweite KG	Grünwald	>0	>0	EUR	53,514	(4,916)
LME Holdings Limited (share of voting rights 0.0%)	London	>0	-	USD	57,742	34,990
Martin Schmälzle Grundstücksgesellschaft Objekt Wolfsburg GmbH & Co. KG	Munich	>0	>0	EUR	15,711	-
MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg GmbH	Stuttgart	5.0	-	EUR	99,598	7,387
MBG Mittelständische Beteiligungsgesellschaft Hamburg mbH	Hamburg	13.6	-	EUR	5,602	306

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
MBG Mittelständische Beteiligungsgesellschaft Rheinland-Pfalz mbH (share of voting rights 11.1%)	Mainz	9.8	-	EUR	17,273	571
MBG Mittelständische Beteiligungsgesellschaft Schleswig-Holstein mbH	Kiel	3.6	-	EUR	49,299	2,205
Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg GmbH	Potsdam	11.6	-	EUR	26,407	1,061
Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern mbH	Schwerin	15.4	-	EUR	19,614	273
Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mbH	Hannover	8.2	-	EUR	16,815	388
Mittelständische Beteiligungsgesellschaft Sachsen-Anhalt mit beschränkter Haftung	Magdeburg	12.7	-	EUR	25,378	704
Mittelständische Beteiligungsgesellschaft Sachsen mbH	Dresden	11.8	-	EUR	49,636	189
Mittelständische Beteiligungsgesellschaft Thüringen mbH	Erfurt	13.4	-	EUR	29,137	529
Motion Picture Production GmbH & Co. Erste KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	8,315	(25)
Mühoga Münchner Hochgaragen Gesellschaft mit beschränkter Haftung [8]	Munich	25.0	-	EUR	6,642	2,378
PICIC Insurance Ltd.	Karachi	>0	-			
ProAreal GmbH i. I.	Wiesbaden	10.0	-	EUR	(98,618)	(16)
REF IV Associates (Caymans) L.P. Acqua CIV S.C.S. (share of voting rights 0.0%)	Luxembourg	38.3	-			
Rocket Internet Capital Partners (Euro) SCS (share of voting rights 0.0%)	Luxembourg	4.4	-	EUR	717,587	(190,907)
Saarländische Kapitalbeteiligungsgesellschaft mit beschränkter Haftung (share of voting rights 8.8%)	Saarbrücken	8.7	-	EUR	7,903	39
Social Venture Fund GmbH & Co. KG (share of voting rights 0.0%)	Munich	9.6	-	EUR	626	(432)
Social Venture Fund II GmbH & Co. KG (share of voting rights 0.0%)	Munich	4.5	-	EUR	9,831	(273)
SwanCap FLP II SCSp [10] (share of voting rights 37,5%)	Senningerberg	-	-	EUR	32	2,899
SwanCap FLP SCS [10] (share of voting rights 37.5%)	Senningerberg	-	-	EUR	(25)	611
SwanCap TB II SCSp [11] (share of voting rights 0.0%)	Senningerberg	>0	-	EUR	416	192
S.W.I.F.T. SC	La Hulpe	0.3	-	EUR	664,092	38,075
True Sale International GmbH	Frankfurt am Main	7.7	-	EUR	4,672	136
VISA Inc. (share of voting rights 0.0%)	Wilmington	>0	-	USD	38,733,000	17,273,000
WealthCap Aircraft 1 GmbH & Co. KG	Munich	>0	>0	EUR	16,729	(5,612)
WealthCap Aircraft 25 GmbH & Co. KG	Grünwald	>0	>0	EUR	5,845	373
WealthCap Aircraft 26 GmbH & Co. KG	Grünwald	>0	>0	EUR	15,371	1,744
Wealthcap Büro Spezial-AIF 6 GmbH & Co. geschlossene Investment KG	Munich	7.0	7.0			
Wealthcap Fondsportfolio Immobilien International 1 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2	EUR	5,588	(1,308)
WealthCap Fondsportfolio Private Equity 21 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	6,174	(3,103)
WealthCap Fondsportfolio Private Equity 22 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	859	(470)
Wealthcap Fondsportfolio Private Equity 23 GmbH & Co. geschlossene Investment KG	Grünwald	0.1	0.1			
Wealthcap Fondsportfolio Private Equity 24 GmbH & Co. geschlossene Investment KG	Grünwald	0.1	0.1			
WealthCap Immobilien Deutschland 38 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	117,848	20,714
WealthCap Immobilien Deutschland 39 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	155,271	21,638

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
WealthCap Immobilien Deutschland 40 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	80,933	7,386
WealthCap Immobilien Deutschland 41 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	40,073	5,752
Wealthcap Immobilien Deutschland 42 GmbH & Co. geschlossene Investment KG	Munich	>0	>0			
Wealthcap Immobilien Deutschland 44 GmbH & Co. geschlossene Investment KG	Munich	>0	>0			
Wealthcap Immobilien Deutschland 45 GmbH & Co. geschlossene Investment KG	Munich	1.6	1.6			
Wealthcap Immobilien Deutschland 46 GmbH & Co. KG	Munich	2.0	2.0	EUR	(146)	(166)
WealthCap Immobilienfonds Deutschland 30 GmbH & Co. KG	Munich	>0	>0	EUR	46,680	4,773
WealthCap Immobilienfonds Deutschland 31 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	36,942	1,785
WealthCap Immobilienfonds Deutschland 32 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	5,119	3,024
WealthCap Immobilienfonds Deutschland 33 GmbH & Co. KG	Munich	>0	>0	EUR	58,597	2,614
WealthCap Immobilienfonds Deutschland 34 GmbH & Co. KG (share of voting rights 0.1%)	Munich	>0	>0	EUR	40,809	2,619
WealthCap Immobilienfonds Deutschland 35 GmbH & Co. KG	Munich	>0	>0	EUR	125,892	5,456
WealthCap Immobilienfonds Deutschland 37 GmbH & Co. KG	Munich	>0	>0	EUR	62,921	2,429
WealthCap Immobilienfonds Donauwörth 1 GmbH & Co. KG	Munich	>0	>0	EUR	18,592	1,636
WealthCap Immobilienfonds Donauwörth 2 GmbH & Co. KG (share of voting rights 0.0%)	Munich	>0	>0	EUR	4,664	591
WealthCap Immobilien Nordamerika 16 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	9,879	(39,214)
WealthCap Immobilien Nordamerika 17 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	49,715	(3,348)
WealthCap Infrastructure Fund I GmbH & Co. KG	Munich	>0	>0	EUR	1,879	(218)
WealthCap Infrastruktur Amerika GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0			
WealthCap Leasing 1 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	30,005	1,641
WealthCap Leasing 2 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	29,298	1,437
WealthCap Leasing 3 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	28,687	1,516
WealthCap Leasing 4 GmbH & Co. KG	Grünwald	5.5	5.5	EUR	27,482	1,312
WealthCap LebensWert 1 GmbH & Co. KG (share of voting rights 0.3%)	Grünwald	>0	>0	EUR	(1,139)	545
WealthCap LebensWert 2. GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	2,871	1,947
WealthCap Life Britannia 2. GmbH & Co KG	Munich	>0	>0	EUR	(68)	4,745
WealthCap Life USA 4. GmbH & Co. KG	Grünwald	>0	>0	EUR	3,955	(12)
WealthCap Los Gatos 121 Albright Way L.P.	Wilmington	>0	>0	USD	61,494	(13,198)
WealthCap Mountain View I L.P. (share of voting rights 0.1%)	Atlanta	-	-	USD	10,003	(41,689)
WealthCap Objekt Berg-am-Laim GmbH & Co. KG	Munich	5.2	5.2	EUR	121,259	6,018
Wealthcap Objekt Berg-am-Laim II GmbH & Co. KG	Munich	10.1	10.1	EUR	84,576	910
Wealthcap Objekt Berlin I GmbH & Co. KG	Munich	10.1	10.1	EUR	40,575	1,254
WealthCap Objekt Berlin II GmbH & Co. KG	Munich	10.1	10.1	EUR	49,467	951
Wealthcap Objekt Berlin III GmbH & Co. KG	Munich	10.1	10.1	EUR	41,382	131
WealthCap Objekt Bogenhausen GmbH & Co. KG	Munich	>0	>0	EUR	132,593	2,566
Wealthcap Objekt Dresden GmbH & Co. KG	Munich	10.1	10.1	EUR	59,320	(1,237)
Wealthcap Objekte Grasbrunn und Ismaning GmbH & Co. KG	Munich	10.1	10.1	EUR	(916)	1,837
WealthCap Objekt Essen GmbH & Co. KG	Munich	5.2	5.2	EUR	26,624	1,548

List of Holdings (Continued)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/ (LOSS) thousands
Wealthcap Objekt Essen II GmbH & Co. KG	Munich	10.1	10.1			
WealthCap Objekte Südwest GmbH & Co. KG	Munich	5.1	5.1	EUR	64,877	2,832
WealthCap Objekt Frankfurt GmbH & Co. KG	Munich	5.2	5.2	EUR	46,984	1,036
Wealthcap Objekt Freiburg GmbH & Co. KG	Munich	10.1	10.1			
Wealthcap Objekt Fürstenfeldbruck GmbH & Co. KG	Munich	10.1	10.1			
WealthCap Objekt Hackerbrücke GmbH & Co. KG	Munich	5.2	5.2	EUR	33,358	1,683
WealthCap Objekt Hamburg GmbH & Co. KG	Munich	10.1	10.1	EUR	21,172	97
WealthCap Objekt Hannover Ia GmbH & Co. KG	Munich	5.2	5.2	EUR	14,880	1,451
WealthCap Objekt Hannover Ib GmbH & Co. KG	Munich	5.2	5.2	EUR	3,663	248
WealthCap Objekt Hannover II GmbH & Co. KG	Munich	5.2	5.2	EUR	17,022	451
WealthCap Objekt Hufelandstraße GmbH & Co. KG	Munich	5.2	5.2	EUR	11,748	582
Wealthcap Objekt Ludwigsburg GmbH & Co. KG	Munich	10.1	10.1			
Wealthcap Objekt Mainz GmbH & Co. KG	Munich	10.1	10.1	EUR	(263)	(272)
Wealthcap Objekt Nürnberg GmbH & Co. KG	Munich	10.1	10.1			
Wealthcap Objekt Ottobrunn GmbH & Co. KG	Munich	10.1	10.1			
WealthCap Objekt Riem GmbH & Co. KG	Munich	5.2	5.2	EUR	30,298	1,519
WealthCap Objekt Riem II GmbH & Co. KG	Munich	5.2	5.2	EUR	41,309	2,304
WealthCap Objekt Schwabing GmbH & Co. KG	Munich	5.2	5.2	EUR	29,251	1,718
WealthCap Objekt Sendling GmbH & Co. KG	Munich	5.2	5.2	EUR	59,044	2,405
WealthCap Objekt Stuttgart Ia GmbH & Co. KG	Munich	>0	>0	EUR	17,466	1,165
WealthCap Objekt Stuttgart Ib GmbH & Co. KG	Munich	>0	>0	EUR	19,733	1,194
WealthCap Objekt Stuttgart II GmbH & Co. KG	Munich	5.2	5.2	EUR	24,939	962
WealthCap Objekt Theresienhöhe GmbH & Co. KG	Munich	5.2	5.2	EUR	64,248	2,714
Wealthcap Objekt Trudering GmbH & Co. KG	Munich	10.2	10.2	EUR	(256)	(192)
Wealthcap Objekt Tübingen GmbH & Co. KG	Munich	0.1	0.1	EUR	14,778	951
WealthCap Photovoltaik 1 GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	28,633	2,984
WealthCap Portfolio 3 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	31,114	7,270
Wealthcap Portfolio 4/5 GmbH & Co. KG	Grünwald	>0	>0	EUR	54,585	(47)
Wealthcap Portfolio 4 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0			
Wealthcap Portfolio 5 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2			
Wealthcap Portfolio 6 GmbH & Co. geschlossene Investment KG	Grünwald	0.2	0.2			
WealthCap Private Equity 10 GmbH & Co. KG	Munich	>0	>0	EUR	4,451	353
WealthCap Private Equity 11 GmbH & Co. KG	Munich	>0	>0	EUR	1,643	325
WealthCap Private Equity 12 GmbH & Co. KG	Grünwald	>0	>0	EUR	56,802	2,854
WealthCap Private Equity 13 GmbH & Co. KG	Grünwald	>0	>0	EUR	45,549	1,785
WealthCap Private Equity 14 GmbH & Co. KG	Grünwald	>0	>0	EUR	26,438	1,198
WealthCap Private Equity 15 GmbH & Co. KG (share of voting rights 0.1%)	Grünwald	>0	>0	EUR	10,844	1,161
WealthCap Private Equity 16 GmbH & Co. KG (share of voting rights 0.3%)	Grünwald	>0	>0	EUR	2,353	273
WealthCap Private Equity 17 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	13,316	795
WealthCap Private Equity 18 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	9,513	580
WealthCap Private Equity 19 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	31,856	(310)

NAME	REGISTERED OFFICE	SHARE OF CAPITAL in % TOTAL	OF WHICH HELD INDIRECTLY	CURRENCY	EQUITY CAPITAL thousands	NET PROFIT/(LOSS) thousands
WealthCap Private Equity 20 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	9,155	(98)
WealthCap SachWerte Portfolio 1 GmbH & Co. KG	Grünwald	>0	>0	EUR	22,001	1,370
WealthCap SachWerte Portfolio 2 GmbH & Co. geschlossene Investment KG	Grünwald	>0	>0	EUR	92,608	3,933
WealthCap Spezial-AIF 1 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	169,805	23,317
WealthCap Spezial-AIF 2 GmbH & Co. geschlossene Investment KG	Munich	5.2	5.2	EUR	79,250	5,739
WealthCap Spezial-AIF 3 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	257,916	29,752
WealthCap Spezial-AIF 4 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	151,895	(76)
WealthCap Spezial-AIF 5 GmbH & Co. geschlossene Investment KG	Munich	10.1	10.1	EUR	165,733	1,382
Wealthcap Spezial-AIF Büro 7 GmbH & Co. geschlossene Investment KG	Munich	>0	>0	EUR	98,573	8,072
Wealthcap Spezial-AIF Immobilien 9 GmbH & Co. geschlossene Investment KG	Munich	0.2	0.2			
Wealthcap Spezial Portfolio Immobilien 1 SCS SICAV-SIF	Luxembourg-Findel	>0	>0	EUR	1,391	(109)
Wealthcap Spezial Portfolio Private Equity 1 SCS SICAV-SIF	Luxembourg-Findel	>0	>0	EUR	4,330	(170)
WealthCap US Life Dritte GmbH & Co. KG (share of voting rights >0%)	Grünwald	0.1	0.1	EUR	2,786	92
Wealthcap Wohnen 1a GmbH & Co. KG	Munich	10.1	10.1	EUR	(405)	(409)
Wealthcap Wohnen 1b GmbH & Co. KG	Munich	10.1	10.1	EUR	25,173	100
Wealthcap Wohnen 1 GmbH & Co. KG	Munich	10.1	10.1	EUR	(906)	(640)
Wealthcap Wohnen Spezial-AIF 1 GmbH & Co. geschlossene Investment KG	Munich	>0	>0			
WealthCap Zweitmarkt 3 BASIS GmbH & Co. KG	Grünwald	>0	>0	EUR	30,813	(130)
WealthCap Zweitmarkt 3 PLUS GmbH & Co. KG	Grünwald	>0	>0	EUR	14,550	5,241
WealthCap ZweitmarktWerte Immobilien 4 GmbH & Co. KG	Munich	>0	>0	EUR	8,458	(39)
Wohnungsbaugesellschaft der Stadt Röthenbach a.d.Pegnitz mit beschränkter Haftung	Röthenbach a.d. Pegnitz	5.2	-	EUR	5,017	309

Exchange rates for 1 euro at the reporting date

Currency code according to the International Organisation for Standardisation (ISO code)

UK	1 EUR =	0.86905	GBP
Pakistan	1 EUR =	307.55736	PKR
USA	1 EUR =	1.105	USD

List of Holdings (Continued)

Notes and comments to the list of holdings

Percentages marked < or > are rounded up or down to one decimal place. Thus <100.0% corresponds, for example, to 99.99% or >0.0%, for example, to 0.01%.

1 Profit and loss transfer to shareholders and partners

2 UniCredit Bank GmbH has concluded profit and loss agreements with the following companies:

	Company	Profit/(loss) transferred € thousands
2.1	HVB Immobilien AG, Munich	33,233
	of which relating to 2022	4,631
2.2	HVB Verwa 4 GmbH, Munich	(29)
2.3	UniCredit Beteiligungs GmbH, Munich	15,643
2.4	UniCredit Direct Services GmbH, Munich	5,755
	of which relating to 2022	175
2.5	UniCredit Leasing GmbH, Hamburg	28,465
	of which relating to 2022	21
2.6	Wealth Management Capital Holding GmbH, Munich	(118,517)
	of which relating to 2022	191
2.7	Food & more GmbH, Munich	(188)
	of which relating to 2022	137
2.8	HVB Secur GmbH, Munich	(7)

3 The exemption under Section 264b HGB or under Section 264 (3) HGB applies to the company.

4 Figures from the 2022 annual accounts are indicated for this consolidated company.

5 Where equity capital and net profit/loss are not stated, the information is omitted due to minor importance compliant with Section 286 (3) 1 No. 1 HGB.

6 Disclosures on structured companies with shareholdings included in the consolidated financial statements

6.1 Equity capital amounts to minus €3,540 thousand and the net profit/loss to minus €116 thousand.

6.2 Equity capital amounts to minus €3,425 thousand and the net profit/loss to minus €121 thousand.

6.3 Equity capital amounts to minus €2,768 thousand and the net profit/loss to minus €91 thousand.

6.4 Equity capital amounts to minus €2,230 thousand and the net profit/loss to minus €79 thousand.

6.5 Equity capital amounts to minus €3,057 thousand and the net profit/loss to minus €100 thousand.

7 Pursuant to Section 340a (4) (2) HGB: holdings in large corporations with a share of voting rights greater than 5 percent.

8 Despite a holding of more than 20%, UniCredit Bank GmbH has no significant influence over the company on account of the ownership structure and the voting patterns to date.

9 The company is held by a trustee on behalf of UniCredit Bank GmbH.

10 UniCredit Bank GmbH holds the position of a limited partner under company law and participates in the profit of the company.

11 UniCredit Bank GmbH holds the position of a limited partner under company law but does not participate in the profit of the company.

67 Cover calculation

The calculation of cover for Mortgage Pfandbriefe and Public Pfandbriefe is as follows:

€ millions	2023	2022
Mortgage Pfandbriefe		
Ordinary cover		
1. Loans and receivables with banks	—	—
Mortgage loans	—	—
2. Loans and receivables with customers	32,582	30,555
Mortgage loans	32,582	30,555
Other cover assets[1]		
1. Other lending to banks	—	—
2. Bonds and other fixed-income securities	763	557
3. Equalisation claims on government authorities	—	—
Subtotal	**33,345**	**31,112**
Total Mortgage Pfandbriefe requiring cover	25,904	25,117
Excess cover	**7,441**	**5,995**
Public Pfandbriefe		
Ordinary cover		
1. Loans and receivables with banks	65	66
Mortgage loans	—	—
Municipal loans	65	66
2. Loans and receivables with customers	6,814	5,741
Mortgage loans	—	—
Municipal loans	6,814	5,741
3. Bonds and other fixed-income securities	363	163
Other cover assets[2]		
Other lending to banks	—	—
Subtotal	**7,242**	**5,970**
Total Public Pfandbriefe requiring cover	4,986	2,894
Excess cover	**2,256**	**3,076**

1 Compliant with Section 19 (1) PfandBG.
2 Compliant with Section 20 (2) PfandBG.

Mortgage Banking (Continued)

68 Pfandbriefe outstanding and cover assets used as cover

The following table shows Pfandbriefe outstanding and cover assets used as cover, broken down by Mortgage Pfandbriefe and Public Pfandbriefe:

	2023			2022		
€ millions	NOMINAL	NET PRESENT VALUE	RISK-ADJUSTED NET PRESENT VALUE	NOMINAL	NET PRESENT VALUE[1]	RISK-ADJUSTED NET PRESENT VALUE
Mortgage Pfandbriefe						
Mortgage Pfandbriefe	25,904	24,512	23,472	25,117	22,489	21,434
of which derivatives	—	—	—	—	—	—
Cover assets[2]	33,345	32,558	30,938	31,112	29,175	27,805
of which derivatives	—	—	—	—	—	—
Excess cover	**7,441**	**8,046**	**7,466**	**5,995**	**6,686**	**6,371**
Statutory excess cover[3]	1,026	490		1,009	450	
Contractual excess cover[4]	—	—		—	—	
Voluntary excess cover[5]	6,415	7,556		4,986	6,236	
Public Pfandbriefe						
Public Pfandbriefe	4,986	5,068	4,871	2,894	2,821	2,736
of which derivatives	—	—	—	—	—	—
Cover assets[6]	7,242	7,524	6,990	5,970	5,842	5,553
of which derivatives	—	—	—	—	—	—
Excess cover	**2,256**	**2,456**	**2,119**	**3,076**	**3,021**	**2,817**
Statutory excess cover	202	101	—	117	56	—
Contractual excess cover	—	—	—	—	—	—
Voluntary excess cover	2,054	2,355	—	2,959	2,965	—

1 Dynamic procedure according to Section 5 (1) no. 2 of the German Pfandbrief Net Present Value Regulation (Pfandbrief-Barwertverordnung – PfandBarwertV).
2 Including further cover assets according to Section 19 (1) of the German Pfandbrief Act (Pfandbriefgesetz –PfandBG) with a nominal amount of €763 million as at 31 December 2023 and €557 million as at 31 December 2022.
3 Statutory excess cover in the amount of the nominal value: sum of the nominal value of statutory overcollateralisation according to Section 4 (2) PfandBG and the nominal value of the net present value of statutory overcollateralisation compliant with Section 4 (1) PfandBG; net present value: net present value of statutory overcollaterisation according to Section 4 (1) PfandBG.
4 Contractual excess cover: contractually agreed excess cover.
5 Voluntary excess cover: residual, depending on the statutory and contractual excess cover; net present value includes the net present value of the nominal value of statutory overcollateralisation according to Section 4 (2) PfandBG.
6 Including no other cover assets according to Section 20 (2) PfandBG as at 31 December 2023 and as at 31 December 2022.

69 Maturity structure of Pfandbriefe outstanding and fixed-interest periods of corresponding cover assets

The following table shows the maturity structure for Pfandbriefe outstanding and fixed-interest periods of cover assets for Mortgage Pfandbriefe and Public Pfandbriefe:

	2023			2022		
€ millions	PFAND-BRIEFE	PFANDBRIEFE MATURITY EXTENSION (12 MONTHS[3])	COVER ASSETS	PFAND-BRIEFE	PFANDBRIEFE MATURITY EXTENSION (12 MONTHS[3])	COVER ASSETS
Mortgage Pfandbriefe[1]	**25,904**	**25,904**	**33,345**	**25,117**	**25,117**	**31,112**
up to 0.5 years	856	—	1,233	143	—	1,315
at least 0.5 years but less than 1 year	1,123	—	1,332	1,299	—	1,141
at least 1 year but less than 1.5 years	624	856	1,591	1,450	143	1,585
at least 1.5 years but less than 2 years	1,693	1,123	1,631	973	1,299	1,044
at least 2 years but less than 3 years	4,566	2,317	3,495	2,181	2,423	2,955
at least 3 years but less than 4 years	3,055	4,566	3,120	3,401	2,181	3,301
at least 4 years but less than 5 years	2,598	3,055	3,182	2,621	3,401	2,831
at least 5 years but less than 10 years	8,203	9,173	9,811	8,877	9,873	9,729
10 years or more	3,186	4,814	7,950	4,172	5,797	7,211
Public Pfandbriefe[2]	**4,986**	**4,986**	**7,242**	**2,894**	**2,894**	**5,970**
up to 0.5 years	92	—	271	96	—	372
at least 0.5 years but less than 1 year	41	—	321	447	—	274
at least 1 year but less than 1.5 years	80	92	414	587	96	301
at least 1.5 years but less than 2 years	1,309	41	359	40	447	339
at least 2 years but less than 3 years	72	1,389	876	138	627	600
at least 3 years but less than 4 years	1,016	72	672	76	138	810
at least 4 years but less than 5 years	528	1,016	501	1,015	76	504
at least 5 years but less than 10 years	1,327	1,853	1,738	151	1,166	1,763
10 years or more	521	523	2,090	344	344	1,007

1 Including other cover assets in accordance with Section 19 (1) PfandBG; broken down by fixed-interest period and residual maturity of Pfandbriefe respectively.
2 Including other cover assets in accordance with Section 20 (2) PfandBG; broken down by fixed-interest period and residual maturity of Pfandbriefe respectively.
3 Effects of a maturity extension on the maturity structure of the Pfandbriefe/extension scenario: 12 months. This is an extremely unlikely scenario, which could only come into effect after the appointment of a trustee.

Mortgage Banking (Continued)

70 Volume of claims used as cover for Pfandbriefe, broken down by size class

The following table shows the volume of claims used as cover for Pfandbriefe:

€ millions	2023	2022
Mortgage cover assets	**32,582**	**30,555**
up to and including €300,000	10,536	10,588
over €300,000 up to and including €1 million	6,230	5,542
over €1 million up to and including €10 million	7,387	6,849
more than €10 million	8,429	7,576
Public Pfandbriefe[1]	**7,242**	**5,970**
up to and including €10 million	989	1,016
over €10 million up to and including €100 million	1,826	1,681
more than €100 million	4,427	3,273

1 Volume of claims used as cover for Public Pfandbriefe according to size class, in each case with respect to a debtor or a guaranteeing entity.

71 Volume of claims used as cover for Mortgage Pfandbriefe by region in which real property collateral is located and type of use

The following table shows the volume of claims used as cover for Mortgage Pfandbriefe by region in which the real property collateral is located and type of use:

	2023		2022	
€ millions	**RESIDENTIAL PROPERTY**	**COMMERCIAL PROPERTY**	**RESIDENTIAL PROPERTY**	**COMMERCIAL PROPERTY**
Germany				
Condominiums	5,231	—	4,994	—
Single-family and two-family houses	9,716	—	9,088	—
Multiple-family houses	7,986	—	7,444	—
Office buildings	—	5,356	—	4,949
Retail buildings	—	2,771	—	2,725
Industrial buildings	—	406	—	328
Other commercially used buildings	—	727	—	703
New buildings under construction, not yet profitable	66	127	64	69
Building land	65	131	64	127
Total	23,064	9,518	21,654	8,901

72 Volume of claims used as cover for Public Pfandbriefe, broken down by type of borrower or guaranteeing body and the state in which they have their head office

The following table shows the volume of claims used as cover for Public Pfandbriefe broken down by type of borrower or guaranteeing body and the state in which they have their head office as well as according to whether or not the guarantee was granted for reasons of promoting exports:

€ millions	2023	2022
Germany		
Central government	713	754
of which owed	—	—
of which guaranteed	713	754
Regional authorities	2,674	1,556
of which owed	2,301	1,272
of which guaranteed	373	284
Local authorities	3,370	3,134
of which owed	3,199	2,931
of which guaranteed	171	203
Other	35	37
of which owed	35	37
of which guaranteed	—	—
Total Germany	**6,792**	**5,481**
of which owed	5,535	4,240
of which guaranteed	1,257	1,241
Guarantees for reasons of promoting exports	658	699
Denmark	**7**	**12**
Central government	7	12
of which owed	—	—
of which guaranteed	7	12
Guarantees for reasons of promoting exports	7	12
France	**242**	**270**
Central government	242	270
of which owed	—	—
of which guaranteed	242	270
Guarantees for reasons of promoting exports	242	270
UK / Northern Ireland	**169**	**172**
Central government	169	172
of which owed	—	—
of which guaranteed	169	172
Guarantees for reasons of promoting exports	169	172
Austria	**20**	**20**
Central government	20	20
of which owed	20	20
of which guaranteed	—	—
Guarantees for reasons of promoting exports	—	—
Switzerland	**12**	**15**
Central government	12	15
of which owed	—	—
of which guaranteed	12	15
Guarantees for reasons of promoting exports	12	15
Total	**7,242**	**5,970**
of which owed	5,555	4,260
of which guaranteed	1,687	1,710
Guarantees for reasons of promoting exports	1,088	1,168

Mortgage Banking (Continued)

73 Other cover assets

The following table shows the breakdown of other cover assets for Mortgage Pfandbriefe and Public Pfandbriefe:

€ millions	2023	2022
Mortgage Pfandbriefe	**763**	**557**
Claims according to Section 19 (1) s. 1 no. 2 a) and b) PfandBG	—	—
Germany	—	—
of which covered bonds according to Article 129 of Regulation (EU) No. 575/2013	—	—
Claims according to Section 19 (1) s. 1 no. 3 a) to c) PfandBG	—	—
Germany	—	—
of which covered bonds according to Article 129 of Regulation (EU) No. 575/2013	—	—
Claims according to Section 19 (1) s. 1 no. 4 PfandBG	763	557
Germany	763	557
Public Pfandbriefe	**—**	**—**
Claims according to Section 20 (2) s. 1 no. 2 PfandBG	—	—
All states	—	—
of which covered bonds according to Article 129 of Regulation (EU) No. 575/2013		
Claims according to Section 20 (2) s. 1 no. 3 a) to c) PfandBG	—	—
All states	—	—
of which covered bonds according to Article 129 of Regulation (EU) No. 575/2013	—	—
Claims according to Section 20 (2) s. 1 no. 4 PfandBG	—	—
All states	—	—

74 Key figures for Pfandbriefe outstanding and cover assets used as cover

The following table shows the breakdown of key figures for Mortgage Pfandbriefe and Public Pfandbriefe outstanding:

		2023	2022
Mortgage Pfandbriefe			
Mortgage Pfandbriefe outstanding	€ millions	25,904	25,117
of which percentage share of fixed-interest Pfandbriefe (Section 28 (1) no. 13 PfandBG)	%	99.3	99.1
Cover assets[1]	€ millions	33,345	31,112
of which total amount of the claims according to Section 12 (1) which exceed the limits laid down in Section 13 (1) s. 2 2nd half sentence (Section 28 (1) s. 1 no. 11 PfandBG)	€ millions	—	—
of which total amount of the assets according to Section 19 (1) which exceed the limits laid down in Section 19 (1) s. 7 (Section 28 (1) s.1 no. 11 PfandBG)	€ millions	—	—
Claims which exceed the limits laid down in Section 19 (1) no. 2 (Section 28 (1) s. 1 no. 12 PfandBG)	€ millions	—	—
Claims which exceed the limits laid down in Section 19 (1) no. 3 (Section 28 (1) s. 1 no. 12 PfandBG)	€ millions	—	—
Claims which exceed the limits laid down in Section 19 (1) no. 4 (Section 28 (1) s.1 no. 12 PfandBG)	€ millions	—	—
of which percentage share of fixed-interest cover assets (Section 28 (1) no. 13 PfandBG)	%	82.7	82.5
Net present value according to Section 6 PfandBarwertV for each foreign currency, in euros (Section 28 (1) no. 14 PfandBG – net total)	€ millions	—	—
Volume-weighted average of the age of loans and receivables (term elapsed since the loan was granted – seasoning) (Section 28 (2) no. 4 PfandBG)	years	6.6	6.8
Average weighted loan-to-value ratio (Section 28 (2) no. 3 PfandBG)	**%**	**43.1**	**42.3**
Key figures on liquidity according to Section 28 (1) s. 1 no. 6 PfandBG			
Largest negative amount within the next 180 days within the meaning of Section 4 (1a) s. 3 PfandBG for Pfandbriefe (liquidity requirement)	€ millions	51.7	131
Day on which the largest negative sum occurs	Day (1-180)	122	25
Total amount of cover assets meeting the requirements of Section 4 (1a) s. 3 PfandBG	€ millions	736	494
Key figures according to Section 28 (1) s.1 no. 15 PfandBG			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) CRR is deemed to have occurred.	%	—	—
Public Pfandbriefe			
Public Pfandbriefe outstanding	€ millions	4,986	2,894
of which percentage share of fixed-income Pfandbriefe (Section 28 (1) no. 13 PfandBG)	%	100.0	99.8
Cover assets[2]	€ millions	7,242	5,970
of which total amount of the claims according to Section 20 (1 and 2) which exceed the limits laid down in Section 20 (3) (Section 28 (1) s.1 no. 11 PfandBG)	€ millions	—	—
Claims which exceed the limits laid down in Section 20 (2) no. 2 (Section 28 (1) s. 1 no. 12 PfandBG)	€ millions	—	—
Claims which exceed the limits laid down in Section 20 (2) no. 3 (Section 28 (1) s. 1 no. 12 PfandBG)	€ millions	—	—
of which share of fixed-interest cover assets (Section 28 (1) no. 13 PfandBG)	%	78.5	73.9
Net present value according to Section 6 PfandBarwertV for each foreign currency in € millions (Section 28 (1) no. 14 PfandBG – net total)	USD	184	190
Key figures on liquidity according to Section 28 (1) s. 1 no. 6 PfandBG			
Largest negative amount within the next 180 days within the meaning of Section 4 (1a) s. 3 PfandBG for Pfandbriefe	€ millions	3	7
Day on which the largest negative sum occurs	Day (1-180)	12	11
Total amount of cover assets meeting the requirements of Section 4 (1a) s. 3 PfandBG (liquidity cover)	€ millions	360	155
Key figures according to Section 28 (1) s. 1 no. 15 PfandBG			
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) CRR is deemed to have occurred	%	—	—

1 Including other cover assets according to Section 19 (1) PfandBG.
2 Including other cover assets according to Section 20 (2) PfandBG.

Mortgage Banking (Continued)

75 Payments in arrears

Total amount of the payments on the claims used as cover for Pfandbriefe that are at least 90 days in arrears as well as the total amount of these payments inasmuch as the amount in arrears is five per cent or more of the individual claim, and their distribution by state:

€ millions	2023	2022
Mortgage Pfandbriefe		
Payments that are at least 90 days in arrears	—	—
Germany	—	—
Total amount of these payments inasmuch as the amount of arrears is 5% or more of the individual claim	1	1
Germany	1	1
Public Pfandbriefe		
Payments that are at least 90 days in arrears	—	—
All states	—	—
Total amount of these payments inasmuch as the amount of arrears is 5% or more of the individual claim	—	—
All states	—	—

76 Foreclosures and sequestrations

The following table shows the breakdown of foreclosures for mortgage cover assets carried out in the reporting year:

		OF WHICH	
	NUMBER OF PROCEEDINGS	COMMERCIAL PROPERTY	RESIDENTIAL PROPERTY
Foreclosures and sequestrations			
a) Pending at 31/12/2023			
Foreclosure proceedings	6	—	6
Sequestration proceedings	—	—	—
Foreclosure and sequestration proceedings	1	1	—
	7	**1**	**6**
Comparative figures from 2022	2	—	—
b) Foreclosures finalised in 2023	**—**	**—**	**—**
Comparative figures from 2022	—	—	—
Properties repossessed			
As in the previous year, the Pfandbrief bank did not have to repossess any properties during the reporting year to prevent losses on mortgage loans.			

77 Interest in arrears

Interest in arrears on mortgage cover assets due between 1 October 2023 and 30 September 2023 breaks down as follows:

€ millions	2023	2022
Interest in arrears	—	—
Commercial property	0	0
Residential property	0	0

The present annual financial statements were prepared on 28 February 2024.

Munich, 28 February 2024

UniCredit Bank GmbH
The Executive Board

Artur Gruca	Marion Höllinger	Dr Jürgen Kullnigg
Jan Kupfer	Monika Rast	Ljubisa Tesić

Responsibility Statement by the Executive Board

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

Munich, 28 February 2024

UniCredit Bank GmbH
The Executive Board

Artur Gruca	Marion Höllinger	Dr. Jürgen Kullnigg
Jan Kupfer	Monika Rast	Ljubisa Tesić

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

Reproduction of the independent auditor's report

Based on the results of our audit, we have issued the following unqualified auditor's report:

Independent Auditor's Report

To UniCredit Bank GmbH (until December 15, 2023: UniCredit Bank AG), Munich

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of UniCredit Bank GmbH (until December 15, 2023: UniCredit Bank AG), Munich, which comprise the balance sheet as of December 31, 2023, and the income statement for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of UniCredit Bank GmbH (until December 15, 2023: UniCredit Bank AG) for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards), which is included in Section "Group's business profile" of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to financial institutions and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, in compliance with German legally required accounting principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of the corporate governance statement referred to above.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Calculation of the general loan loss provision in accordance with IDW RS BFA 7

For the accounting policies applied, please refer to note 6 in the notes to the financial statements.

THE FINANCIAL STATEMENT RISK

In its annual financial statements as of December 31, 2023, UniCredit Bank GmbH recognized loans and advances to banks of EUR 31.3 billion (PY: EUR 49.3 billion), and loans and advances to customers in the amount of EUR 121.3 billion (PY: EUR 127.6 billion). These balances form the basis for recognizing general loan loss provisions in accordance with the IDW Accounting Principle: Risk provisioning for foreseeable, but not yet individually defined counterparty credit risks in the lending business of credit institutions ("general loan loss provisions") (IDW RS BFA 7).

The calculation of loan loss provisions is based on the valuation principles of Section 252 (1) no. 4 in conjunction with Section 340a (1) HGB, although, in accordance with IDW RS BFA 7, the principles of IFRS 9 may be applied for the calculation of loan loss provisioning under German commercial law. The calculation of loss allowances pursuant to IFRS 9 is based on expected credit losses and therefore also includes expectations about the future. In this regard, only allowances for losses for Stage 1 and Stage 2 are considered for general loan loss provisioning pursuant to IDW RS BFA 7.

The loss allowance for Stage 1 corresponds to the expected credit losses from default events in the next twelve months. The loss allowance for Stage 2 relates to financial instruments whose credit risk has risen considerably since initial recognition. The loss allowance for Stage 2 takes into account all expected credit losses from default events for the entire remaining term.

Complex models are necessary to calculate the loss allowance for expected credit losses in Stages 1 and 2.

At the same time, various value determinants, such as the determination of statistical probabilities of default and loss given default, the possible receivable amount on default, the stage transfer criteria that are related to a significant increase in the credit risk of borrowers (significant increase in credit risk, SICR), and the calculation of future cash flows are taken into account. Furthermore, macroeconomic scenarios are incorporated into the calculation.

Further current external information which cannot be reflected by the scenarios is – where necessary – included in the measurement through subsequent post-model adjustments.

There is considerable judgment with regard to the models used to determine the aforementioned parameters, the internal ratings, the criteria for identifying a significant increase in credit risk, the selection of macroeconomic variables as well as the determination of the post-model adjustments.

There is the risk for the financial statements that due to inappropriate use of models or inappropriate parameters, the amount of the allowance for expected credit losses is inaccurately presented in stages 1 and 2.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we used both control-based and substantive audit procedures for our audit opinion.

We tested the design, setup and effectiveness of the relevant controls used to calculate the general loan loss allowance.

Among other controls, our audit included controls regarding:

- Determination of parameter-based loan loss provisioning
- Validation of the models used for this purpose
- Rating determination and approval
- Approval of the concept and the determination of post-model adjustments

With the involvement of our IT experts, we verified the effectiveness of the general IT controls and application controls for the IT systems and individual data processing systems deployed in this regard.

In addition, we conducted the following substantive audit procedures:

- Evaluation of methods for calculating the loan loss provisioning and the accounting policies for loan loss provisioning
- Evaluation of significant model adjustments
- Verification of the Bank's validations for selected significant models and recalculation of validation tests
- Review of the ratings, collateral valuation and assessment of solvency for borrowers selected on the basis of risk as well as assessment of the criteria used to identify a significant increase in credit risk
- Evaluation of the stage methodology and allocation as well as its implementation

- Recalculation of the parameter-based calculation for loan loss provisioning
- Assessment of the appropriateness of the macroeconomic variables, scenarios and their weighting
- Assessment of the assumptions, calculation and implementation of post-model adjustments
- Benchmarking of key elements of the methodology, assumptions and macroeconomic variables with institutions of similar size and complexity

OUR OBSERVATIONS

The models used to calculate the general loan loss allowance for expected credit losses were appropriately applied in accordance with the applicable accounting policies. The parameters underlying the calculation are appropriate.

Measurement of the fair value of financial instruments of the trading portfolio, for which there is no active market

For the accounting policies applied, please refer to note 8 in the notes to the financial statements.

THE FINANCIAL STATEMENT RISK

In the annual financial statements of UniCredit Bank GmbH as of December 31, 2023, held-for-trading instruments under assets of EUR 49.4 billion (PY: EUR 68.7 billion) and held-for-trading instruments under liabilities of EUR 26.8 billion (PY: EUR 47.0 billion) have been recognized. This represents 18.1% (PY: 22.0%) (held-for-trading instruments under assets) and 9.8% (PY: 15.1%) (held-for-trading instruments under liabilities) of the balance sheet total and is in each case a material item on the balance sheet of UniCredit Bank GmbH. These items include a significant portion of securities and derivatives, for which there is no quoted price on an active market and for which observable and/or unobservable market data was used for the valuation method.

The fair values are to be determined based on recognized valuation methods. These valuation methods can be based on complex models and involve assumptions requiring judgment, especially for unobservable parameters.

The risk for the financial statements is that no appropriate valuation methods and no appropriate inputs, especially for unobservable inputs, were used to determine the fair values of these financial instruments.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we used both control-based and substantive audit procedures for our audit opinion.

We tested the design, setup and effectiveness of the relevant controls used to determine the fair value of held-for-trading financial instruments.

Among other controls, our audit included controls regarding:

- Validation or independent verification of observable and unobservable market data/prices
- Validation of the valuation method and models
- Recording of trading transactions and of trade date relevant for the valuation in the IT systems

In addition, we audited the effectiveness of the general IT controls for the IT systems in use.

As of December 31, 2023, we also conducted the following substantive audit procedures for held-for-trading financial instruments selected on the basis of risk, for which there is no active market:

- Post evaluation of fair values using independent valuation methods, parameters and models with the involvement of KPMG's in-house valuation experts
- Inspecting the functional design, documentation and revaluation of valuation adjustments (selected on the basis of risk) for determining fair value
- Assessing the appropriateness of the Bank's own valuation curve used to measure financial liabilities

OUR OBSERVATIONS

The valuation models and valuation parameters used to determine the fair values of held-for-trading financial instruments for which there is no active market are appropriate.

Measurement of land and buildings held as property, plant and equipment

For the accounting policies applied, please refer to note 11 in the notes to the financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2023, UniCredit Bank GmbH recognized in its annual financial statements land and buildings under property, plant and equipment in the amount of EUR 1,543 million (PY: EUR 99 million). The increase results from the subsidiaries merged into UniCredit Bank GmbH in financial year 2023 with retroactive effect from January 1, 2023. The mergers including disclosure of hidden reserves were recognized at fair value.

The measurement at the reporting date for the buildings and land was at cost less accumulated depreciation and impairment in accordance with Section 253 (3) HGB. This states that fixed assets expected to be permanently impaired are to be written down so that they are presented at their lower fair value as of the reporting date.

Identifying and evaluating permanent impairment and associated impairment losses on land and buildings is complex and based on a number of assumptions that require judgment. These especially include future expected market rents, interest rates used for capitalization, property costs and standard land values.

Owing to the downward trend and uncertainties in the property market, there is a risk that the assumptions are not determined appropriately and that impairment losses as of December 31, 2023, are not recognized and recorded in the correct amount.

OUR AUDIT APPROACH

Based on our risk assessment and evaluation of the risks of material misstatement, we used both control-based and substantive audit procedures for our audit opinion. We tested the design, setup and effectiveness of the relevant controls used to determine the fair value.

With the involvement of our IT experts, we verified the effectiveness of the general IT controls and application controls for the IT systems and individual data processing systems deployed in this regard.

Among other controls, our audit included controls regarding:

- Master data recording in lease management

- Review of external valuation reports and validation of the underlying assumptions relevant for valuation
- Checking correctness of the changes in value

In addition, we conducted the following substantive audit procedures in particular:

- Review of the provided external valuation reports and the methods, assumptions and property data included for the valuation for selected land and properties with the deployment of KPMG's own valuation experts. Verification of the assumptions including by comparing the assumptions for measurement and market data. Further, the evaluation of appropriate methods used, in particular by type of property and location.
- Sample-based evaluation of the property data and estimated market rents in the external valuation reports of the remaining population. In addition, other material assumptions were examined taking into account risk and materiality matters.
- Recalculation of the changes in carrying amount by comparing the fair value with the carrying amounts before remeasurement.

OUR OBSERVATIONS

The assumptions applied for impairment losses and the underlying fair value measurement were determined appropriately.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the corporate governance statement pursuant to Section 289f (4) HGB (disclosures on the quota for women on executive boards), which is included in the section entitled "Corporate governance statement pursuant to Section 289f (4) HGB" of the combined management report.

The other information also includes the remaining parts of the annual report. The other information does not include the annual financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to financial institutions, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going-concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "20240228_0557_JA_ESEF 1.zip" (SHA256 hash value: 93070cb81129e9d405e987857b0108e79a6abc945c7fb506211a7b179aec4872) made available and prepared for publication purposes complies in all material respects with the requirements of

Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the combined management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting on March 27, 2023. We were engaged by the Supervisory Board on June 28, 2023. We have been the auditor of UniCredit Bank GmbH (until December 15, 2023: UniCredit Bank AG) without interruption since financial year 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Company or its subsidiaries the following services that are not disclosed in the annual financial statements or in the combined management report: As well as the annual financial statements, we also audited the consolidated financial statements and combined management report of UniCredit Bank GmbH and conducted various statutory and voluntary audits of annual financial statements at subsidiaries. Furthermore, we conducted the audit of the HVB Group's financial information as of December 31, 2023, and the reviews of financial information for the quarters. We were also engaged with the audit according to Section 89 (1) WpHG [Wertpapierhandelsgesetz: German Securities Trading Act] as well as further assurance services, including in relation to the allocation of interim profits and service activities.

Other Matter – Use of the Auditor's Report

Our auditor’s report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Klaus-Ulrich Pfeiffer.

Munich, March 1, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[*signature*] Pfeiffer Wirtschaftsprüfer [German Public Auditor]	[*signature*] Bormann Wirtschaftsprüfer [German Public Auditor]

Contacts
Should you have any questions about the annual report, please contact Media Relations by
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